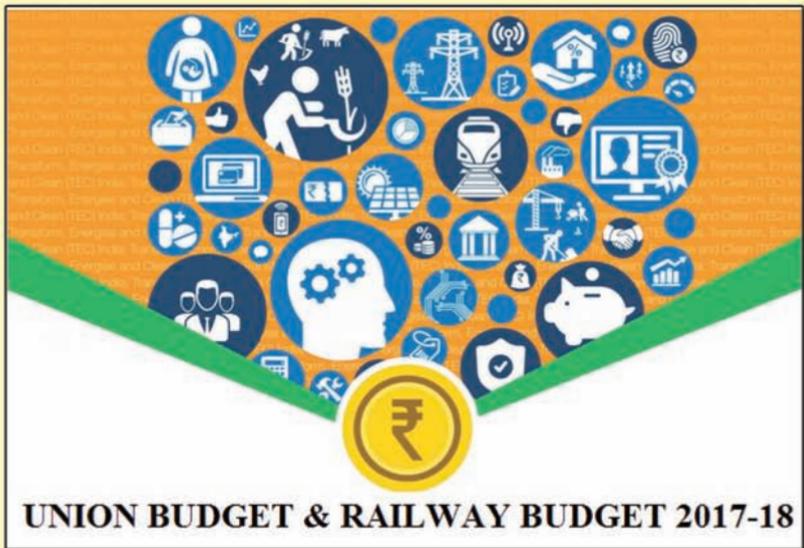


STUDENTS' ECONOMIC FORUM

A monthly publication from South Indian Bank

*To kindle interest in economic affairs...
To empower the student community...*

 www.southindianbank.com
Student's corner
 ho2099@sib.co.in



March 2017

Theme 304

**UNION BUDGET & RAILWAY BUDGET
2017-18**

Discover the hidden potential of your property.



SIB PRESENTS

Loan Against Property [LAP]

A hassle-free overdraft facility to meet your personal and business needs

*Conditions Apply



Experience Next Generation Banking

The South Indian Bank Ltd., Regd. Office, SIB House, P.B. No. 28, Thrissur, Kerala, PIN-680 001, Ph: 0487 2420020 Fax: 0487 2426187, Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017

<http://www.facebook.com/thesouthindianbank> |   

South Indian Bank is a member of BCSBI and is committed to treat customers in a fair, transparent and non-discriminatory manner.

Theme No: 304: Union Budget & Railway Budget 2017 -18

A well informed customer will make the policy makers as well as organizations which produce goods and services more responsive to the customer needs. This will also result in healthy competition among organizations and improve the quality of goods and services produced.

The “SIB Students’ Economic forum” is designed to kindle interest in the minds of younger generation. We highlight one theme in every monthly meeting of the “Forum”. This month, we will discuss “Union Budget & Railway Budget 2017-18”.

The Union Budget 2017-18 has been presented at a time when the world economy faces considerable uncertainty, in the aftermath of major economic and political developments during the last one year. Nevertheless, the International Monetary Fund (IMF) estimates that world GDP will grow by 3.1% in 2016 and 3.4% in 2017. The advanced economies are expected to increase their growth from 1.6% to 1.9% and the emerging economies from 4.1% to 4.5%. Growth in a number of emerging economies is expected to recover in 2017, after relatively poor performance in 2016.

However there are three major challenges for emerging economies:

First, the current monetary policy stance of the US Federal Reserve, to increase the policy rates more than once in 2017, may lead to lower capital inflows and higher outflows from the emerging economies. Second, the uncertainty around commodity prices, especially that of crude oil, has implications for the fiscal situation of emerging economies. Third, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressures for protectionism are building up.

1. What are the major reforms in the Budget 2017-18?

Three major reforms in Budget 2017-18 are:

- i. The presentation of the Budget has been advanced to February 1 to enable the parliament to avoid a vote on account and pass a single appropriation Bill for 2017-18, before the close of the current financial year. This would enable the ministries and departments to operationalise all schemes and projects, including the new schemes, right from the commencement of the next financial year.
- ii. The merger of the Railways Budget with the General budget would facilitate multimodal transport planning between railways, highways and inland waterways.
- iii. Plan and non-plan classification of expenditure is abolished. This would facilitate optimal allocation of resources.

2. What are the themes behind the Budget 2017-18?

The agenda of the budget is TEC i.e., Transform, Energise and Clean India. The budget proposal is

based on ten distinct themes, they are:

- i. Farmers – Double the income of farmers in 5 years.
- ii. Rural Population – Providing employment and basic infrastructure.
- iii. Youth – Energising them through education, skills and jobs
- iv. Poor and the underprivileged – Strengthening the systems of social security, health care and affordable housing.
- v. Infrastructure – For efficiency, productivity and quality of life.
- vi. Financial Sector – Growth and stability through stronger institutions
- vii. Digital economy – For speed, accountability and transparency.
- viii. Public service – Effective governance and efficient service delivery through people’s participation.
- ix. Prudent fiscal management – To ensure optimal deployment of resources and preserve fiscal stability.
- x. Tax administration – Honouring the honest.

3. How the farmers income will be doubled in 5 years.

- i. A sum of ₹ 10 crore is allocated as credit to farmers, with 60 days interest waiver.
- ii. Sowing farmers should feel secure against natural calamities through Fasal Bima Yojana. The coverage of Fasal Bima Yojana scheme will be increased from 30% of cropped area in 2016-17 to 40% in 2017-18 and 50% in 2018-19.
- iii. Issuance of soil health cards has gathered momentum. Government will set up new mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100% coverage of all 648 KVKs in the country.
- iv. Dairy is an important source of additional income for farmers. A dairy processing and infrastructure development fund would be set up in NABARD with a corpus of ₹ 8,000 crores over 3 years.

4. Briefly describe about the allocation made in the Budget for the rural development?

- i. A sum of ₹ 19,000 crore allocated for Pradhan Mantri Gram Sadak Yojana in 2017-18.
- ii. 100% rural electrification to be achieved by May 2018.
- iii. The total allocation for the rural, agriculture and allied sector in 2017-18 is ₹ 1,87,223 crore.
- iv. The allocation under MGNREGA is increased to ₹ 48,000 crore in 2017-18.
- v. The government proposes to complete 1 crore houses for those without homes.

5. What are the schemes proposed in the Budget for Youths?

- i. Launch of SWAYAM platform with 350 online courses would enable students to virtually attend the courses taught by the best faculty.
- ii. Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP) is launched at a cost of ₹ 4,000 crores to train 3.5 crore youth.
- iii. Introducing a system of measuring annual learning outcomes and come out with an innovation fund for secondary education.

6. Point out the schemes announced in the Budget for the poor and underprivileged.

- i. ₹ 500 crore allocated for Mahila Shakthi Kendras.
- ii. Affordable housing will be given infrastructure status.
- iii. Health sub centres, numbering 1.5 lac, will be transformed into health wellness centres.

- iv. Aadhaar – based smartcards will be issued to senior citizens to monitor health.
- v. Two AIIMS will be set up in Jharkhand and Gujarat.
- vi. Will undertake structural transformation of the regulatory framework for medical education.
- vii. A sum of ₹ 1,84,632 crore allocated for women and children.

7. Describe the developments proposed in budget for Infrastructure and Railways.

The total allocation for infrastructure development in 2017-18 stands at ₹ 3,96,135 crore. For transportation sector as a whole, including rail, roads, shipping the budget allocation is ₹ 2,41,387 crore in 2017-18.

- i. ₹ 64,000 crore allocated for highways.
- ii. High speed Internet to be allocated to 1,50,000 gram panchayats.

Railway Budget 2017-18

The Railways will focus on four major areas - Passenger safety, Capital and development works, Cleanliness, Finance and accounting.

- i. For 2017-18, the total capital and development expenditure of Railways is ₹ 1,31,000 crore.
- ii. Rashtriya Rail Sanraksha Kosh will be created with a corpus of ₹ 1 lakh crore over a period of 5 years for passenger safety.
- iii. 3,500 km of railway lines to be commissioned this year up from 2,800 km last year.
- iv. SMS-based “clean my coach service” is put in place.
- v. ‘Coach Mitra’ facility will be introduced to register all coach related complaints.
- vi. Five-hundred stations will be made differently-abled friendly.
- vii. Unmanned level crossings will be eliminated by 2020.
- viii. Railways to partner with logistics players for front-end and back-end solutions for select commodities.

8. What are the reforms brought in the financial sector in the budget 2017-18?

- i. FDI policy reforms - more than 90% of FDI inflows are now automated. The Foreign Investment Promotion Board (FIPB) has successfully implemented e-filing and online processing of FDI applications. Therefore abolishment of FIPB is decided in 2017-18.
- ii. Commodities market reform - e-NAM would be an integral part of integrating spot market and derivatives market for commodities trading.
- iii. To protect the poor and gullible investors from the dubious scheme operated by unscrupulous entities who exploit the regulatory gaps in the Multi State Cooperative Societies Act, 2002 to be amended.
- iv. A Computer Emergency Response Team will be formed for safeguarding the integrity and stability of the financial sector.
- v. Shares of Railway PSEs like IRCTC, IRFC and IRCON will be listed in stock exchanges.
- vi. Pradhan Mantri Mudra Yojana lending target fixed at Rs 2.44 lakh crore for 2017-18.
- vii. Listing and trading of security receipts issued by a securitization company or a reconstruction company will enhance capital flows into the securitization industry.

9. What are the initiatives mentioned in budget for digital economy and better public service.

Digital Economy

- i. Digital India - BHIM app will unleash mobile phone revolution. The government will introduce

- two schemes to promote BHIM App - referral bonus for the users and cash back for the traders.
- ii. A merchant version of Aadhaar enabled payment system will be beneficial for those who do not have debit cards, mobile wallets and mobile phones. 20 lakh Aadhaar – based PoS to be introduced by September 2017.
 - iii. Negotiable Instruments Act to be amended. As we move faster on the path of digital transactions and cheque payments to protect the interest of the payees of dishonoured cheque.

Public Service

- i. Head post offices to act as front offices for rendering passport services.
- ii. For big-time offences - including economic offenders fleeing India, the government will introduce legislative change or introduce law to confiscate the assets of these people within the country.

10. Briefly point out the fiscal management of the country.

- i. Total expenditure is ₹ 21,47,000 crore.
- ii. Plan, non-plan expenditure to be abolished, focus will be on capital expenditure, which will be 25.4 % over the previous year.
- iii. ₹ 3,000 crore under the Department of Economic Affairs for implementing the Budget announcements.
- iv. Expenditure for science and technology is increased to ₹ 37,435 crore.
- v. Total resources transferred to States and Union Territories is ₹ 4.11 lakh crore.
- vi. Revenue deficit stands reduced to 2.1% in the Revised Estimates.
- vii. Fiscal deficit of 2017-18 pegged at 3.2% of the GDP.

11. What are the various incentives government has provided through Tax in Budget 2017-18?

- i. Holding period for long term capital gain lowered to two years.
- ii. To make MSME companies more viable, tax rate for small companies with a turnover of up to ₹ 50 crore is reduced to 25%.
- iii. The Income Tax Act to be amended to ensure that no transaction above ₹ 3.00 lac is permitted in cash.
- iv. For small & medium tax payers whose turnover is upto ₹ 2 crore, the presumptive income tax rate is made to 6% for turnover which is received by non cash means.
- v. MAT (Minimum Alternate Tax) is allowed to carry forward upto 15 years.
- vi. The allowable provision for Non-Performing Asset is increase to 8.5%, which will reduce the tax liability of banks.
- vii. For Individual assesses between income of ₹ 2.5 lakh to ₹ 5 lakh, tax rate is reduced to 5% from 10%.





ONE APP. MANY USES.

SIB M-Pay now
doubles up as a UPI app.

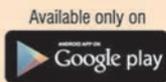
SIB M-Pay UPI App

Send money from your mobile phone instantly,
securely and without entering the account number!

- Send or receive payments with a virtual ID (eg. xyz@sib)
- Safe & secure thanks to two-factor authentication
- Available 24x7, even on bank holidays
- No need to know 16 digit account number and 11 digit IFSC code of the recipient
- Interoperable between banks
- Can transfer upto Rs. 1 lac
- Absolutely FREE
- Non-customers of SIB can also use it

Now make bill payments, counter payments, barcode based payments,
online shopping payments, school fee and much more using SIB M-Pay UPI App!

Download SIB M-Pay UPI App from Google Play Store.



Experience Next Generation Banking

The South Indian Bank Ltd., Regd. Office, SIB House, PB. No. 28, Thrissur, Kerala, PIN-680 001, Ph: 0487 2420020, Fax: 0487 2426187,
Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017

[f](http://www.facebook.com/southindianbank) <http://www.facebook.com/southindianbank> | [s](#) [t](#) [v](#)

South Indian Bank is a member of BCSBI and is committed to treating customers in a fair, transparent and non-discriminatory manner.
Do not share your internet banking details, such as, user ID / password or your credit/debit card number /CVV/OTP with anyone – either over phone or through email.



Experience Next Generation Banking

www.southindianbank.com

f /thesouthindianbank



Now secure all your digital transactions with a single tap on SIB Mirror.

Presenting India's first comprehensive digital lock facility
E-LOCK ON SIB MIRROR



SIB MIRROR
REFLECTION OF
SOUTH INDIAN BANK

Discover the most innovative facility for securing your account from all types of Online/ATM frauds. Now you can disable/enable your account for all digital transactions (ATM/POS/Internet Banking/Mobile Banking) with a single tap ON/OFF button. Courtesy Digital E-lock on SIB Mirror, peace of mind is just a step away.

Also, you can block and unblock transactions by sending an SMS with the block code LOCK<->A/c No. to 9840777222 and UNLOCK<->A/c No. to 9840777222.

Digital E-lock on SIB Mirror. New age fraudsters' worst dreams have come true.

Switch to the world of Digital Banking with SIB Mirror.

Available on: Google Play | App Store | Windows Store

The South Indian Bank Ltd., Regd. Office, SIB House, P.B. No. 28, Thrissur, Kerala, PIN-680 001, Ph: 0487 2420020, Fax: 0487 2426187, Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017

South Indian Bank is a member of BCSBI and is committed to treating customers in a fair, transparent and non-discriminatory manner. Do not share your internet banking details, such as, user ID / password or your credit/debit card number /CVV/OTP with anyone – either over phone or through email.