### Budget Snapshot: Key Numbers

**Figures in ₹ crore**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Receipts</td>
<td>13,74,203</td>
<td>15,15,771</td>
<td>15,05,428</td>
<td>17,25,738</td>
</tr>
<tr>
<td>Capital Receipts*</td>
<td>6,00,991</td>
<td>6,30,964</td>
<td>7,12,322</td>
<td>7,16,475</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>19,75,194</td>
<td>21,46,735</td>
<td>22,17,750</td>
<td>24,42,213</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>19,75,194</td>
<td>21,46,735</td>
<td>22,17,750</td>
<td>24,42,213</td>
</tr>
<tr>
<td>Revenue Deficit</td>
<td>3,16,381</td>
<td>3,21,163</td>
<td>4,38,877</td>
<td>4,16,034</td>
</tr>
<tr>
<td>Effective Revenue Deficit</td>
<td>1,50,648</td>
<td>1,25,813</td>
<td>2,49,632</td>
<td>2,20,689</td>
</tr>
<tr>
<td>Fiscal Deficit</td>
<td>5,35,618</td>
<td>5,46,531</td>
<td>5,94,849</td>
<td>6,24,276</td>
</tr>
<tr>
<td>Primary Deficit</td>
<td>54,904</td>
<td>23,453</td>
<td>64,006</td>
<td>48,481</td>
</tr>
</tbody>
</table>

*Excluding receipts under Market Stabilisation Scheme

---

### Deficit Trends

**Percentage of GDP**

- Fiscal Deficit: 6.0, 5.2, 4.8, 5.8, 4.9, 4.4, 4.1, 3.9, 3.5, 3.2, 3.3
- Revenue Deficit: 3.2, 3.6, 3.1, 2.9, 2.5, 2.1, 1.9, 1.7, 1.5, 1.2
- Effective Revenue Deficit: 2.6, 3.2, 2.7, 2.5, 2.0, 1.9, 1.5, 1.0, 0.7, 0.4, 0.3
- Primary Deficit: 2.6, 3.2, 2.7, 2.5, 2.0, 1.9, 1.7, 1.5, 1.2, 1.0, 0.7, 0.4, 0.3
• Nominal GDP growth rate of 11.5% has been assumed for 2018-19.
• Fiscal deficit is targeted at 3.3% of GDP (compared to 3.5% in 2017-18).
• Revenue deficit is targeted at 2.2% of GDP (compared to 2.6% in 2017-18)
MSP for all unannounced kharif crops will be one and half times of their production cost like majority of rabi crops: Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15.

22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers.

“Operation Greens” launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers

Two New Funds of Rs10,000 crore announced for Fisheries and Animal Husbandary sectors; Re-structured National Bamboo Mission gets Rs.1290 crore.
Loans to Women Self Help Groups will increase to Rs.75,000 crore in 2019 from 42,500 crore last year.

Higher targets for Ujjwala, Saubhagya and Swachh Mission to cater to lower and middle class in providing free LPG connections, electricity and toilets.

Outlay on health, education and social protection will be 1.38 lakh crore. Tribal students to get Ekalavya Residential School in each tribal block by 2022. Welfare fund for SCs gets a boost.

World’s largest Health Protection Scheme covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
Rs. 5.97 lakh crore allocation for infrastructure

Ten prominent sites to be developed as Iconic tourist destinations

NITI Aayog to initiate a national programme on Artificial Intelligence (AI)

Disinvestment crossed target of Rs 72,500 crore to reach Rs 1,00,000 crore
100 percent deduction proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore on profit derived from such activities, for five years from 2018-19.

Deduction of 30 percent on emoluments paid to new employees Under Section 80-JJAA to be relaxed to 150 days for footwear and leather industry, to create more employment.

No adjustment in respect of transactions in immovable property where Circle Rate value does not exceed 5 percent of consideration.

Proposal to extend reduced rate of 25 percent currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17, to benefit micro, small and medium enterprises.
Standard Deduction of Rs. 40,000 in place of present exemption for transport allowance and reimbursement of miscellaneous medical expenses. 2.5 crore salaried employees and pensioners to benefit.

To control cash economy, payments exceeding Rs. 10,000 in cash made by trusts and institutions to be disallowed and would be subject to tax.

Tax on Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 percent, without allowing any indexation benefit. However, all gains up to 31st January, 2018 will be grandfathered.

Proposal to introduce tax on distributed income by equity oriented mutual funds at the rate of 10 percent.
Proposal to increase cess on personal income tax and corporation tax to 4 percent from present 3 percent.

FRBM Act: is being amended based on the recommendations of the Fiscal Reform and Budget Management Committee (Chair: Mr. N. K. Singh). The amendments include bringing down the central government's debt to GDP ratio to 40% (by 2025) and setting an operational target for fiscal deficit at 3% of GDP (from 2018 to 2021).

Road and Infrastructure Cess: The existing Road Cess has been renamed to Road and Infrastructure Cess. This cess on petrol and diesel has been increased by Rs 2/litre, while the excise and customs duty have been cut by the same amount. As the cess is not part of the pool of funds shared with states, this move implies that the devolution of taxes to states will be reduced by Rs 11,865 crore.
Relief to Senior Citizens proposed:

- Exemption of interest income on deposits with banks and post offices to be increased from Rs. 10,000 to Rs. 50,000.

- TDS not required to be deducted under section 194A. Benefit also available for interest from all fixed deposit schemes and recurring deposit schemes.

- Hike in deduction limit for health insurance premium and/or medical expenditure from Rs. 30,000 to Rs. 50,000 under section 80D.

- Increase in deduction limit for medical expenditure for certain critical illness from Rs. 60,000 (in case of senior citizens) and from Rs. 80,000 (in case of very senior citizens) to Rs. 1 lakh for all senior citizens, under section 80DDB

- Proposed to extend Pradhan Mantri Vaya Vandana Yojana up to March, 2020. Current investment limit proposed to be increased to Rs. 15 lakh from the existing limit of Rs. 7.5 lakh per senior citizen.
Q.1) What amendments are being made to FRBM Act, 2003 on recommendations of FRBM committee chaired by N.K. Singh?

[a] Bring down Central Government’s debt to GDP ratio to 40% by 2025.
[b] Setting operational target of fiscal deficit of 3% of GDP by 2025.
[c] Bring down Central Government’s debt to GDP ratio to 40% by 2025.
[d] Setting operational target of fiscal deficit of 3% of GDP by 2018.

ANSWER - a
Q.2) Which of the following is an implication of increase in cess on diesel and petrol?

[a] increase in devolution of taxes to states

[b] decrease in devolution of taxes to states

[c] decrease in prices of diesel and petrol

[d] None of the above

Answer - b
NABARD 2018:

Q) Loans to Women Self Help Groups will increase to Rs._____ crore in 2019 from 42,500 crore last year?

a. 70000 crore  
b. 75000 crore  
c. 100000 crore  
d. 50000 crore

Answer - b
CRASH COURSE - 6TH BI MONTHLY POLICY - Important For RBI GRADE B

BY- ANUJ JINDAL
Policy repo rate kept unchanged at 6%

The MPC released the sixth Bi-Monthly Monetary Policy Statement of 2017-18.
- The policy repo rate (at which RBI lends money to banks) was kept unchanged at 6%.
- The reverse repo rate was kept unchanged at 5.75%.
- The marginal standing facility rate and bank rate was also kept unchanged at 6.25%.
NABARD 2018:

Q) The policy rate in 6th Bi-Monthly Policy of RBI has been kept at?

a. 5.5%
b. 6%
c. 6.5%
d. 6.25%
e. 5.75%

Answer - b
CRASH COURSE-
UNREGULATED DEPOSIT SCHEME BILL-
RBI GRADE B

BY- ANUJ JINDAL
Cabinet approves the introduction of the Unregulated Deposit Schemes Bill, 2018

- The Bill bans deposit takers from promoting, operating, issuing advertisements, or accepting deposits in any unregulated deposit scheme.
- The Bill creates different offences for: (i) running an unregulated scheme, (ii) fraudulent default in regulated schemes, and (iii) wrongful inducement in relation to an unregulated scheme.
- The Bill contains provisions to repay depositors in cases where deposits have been taken illegally. It also provides for the attachment of properties to repay depositors.
Q. Which of the following provisions are not a part of Unregulated Deposit Scheme Bill 2018?

a. Bans deposit takers from promoting any unregulated deposit scheme
b. Running an unregulated deposit scheme is now to be considered an offence
c. The Bill contains provisions to repay depositors in cases where deposits have been taken illegally
d. The Bill provides for attachment of properties to repay depositors
e. The Bill declares chit funds and nidhis as illegal schemes

Answer - e
CRASH COURSE-
CHIT FUNDS
AMENDMENT
ACT-
RBI GRADE B

BY- ANUJ JINDAL
Cabinet approves the introduction of the Chit Funds (Amendment) Bill, 2018

The Bill seeks to amend the Chit Funds Act, 1982.7 The 1982 Act regulates chit funds, and prohibits a fund from being created without the prior sanction of the state government. Key features:

- The Bill seeks to use the words ‘Fraternity Fund’ under the 1982 Act for a chit business. This seeks to distinguish it from ‘prize chits’, which are banned under a separate law.
- The Act specifies that a chit will be drawn in the presence of at least two subscribers. The Bill seeks to allow these subscribers to join via video-conferencing.
- Under the Act, the ‘foreman’ is responsible for conducting the chit. He is entitled to a maximum commission of 5% of the chit amount. The Bill seeks to increase the commission to 7%.
Q. According to Chit fund amendment bill 2018, which of the following is the commission to be paid to an organizer of

a. Bans deposit takers from promoting any unregulated deposit scheme
b. Running an unregulated deposit scheme is now to be considered an offence
c. The Bill contains provisions to repay depositors in cases where deposits have been taken illegally
d. The Bill provides for attachment of properties to repay depositors
e. The Bill declares chit funds and nidhis as illegal schemes

Answer - e
NORTHEAST VENTURE FUND

Northeast Venture Fund

- In a bid to make Northeast a favourite destination for young Startups, the government has invited young start-ups to avail the benefits of Northeast Venture Fund.
- The Ministry of DoNER had rolled out “Venture Fund” for anybody who wishes to Startup in the Northeast region, which would provide a huge financial relief particularly to young entrepreneurs. Northeast Venture Fund is the first dedicated venture capital fund for North-Eastern region and the initiative to set it up began in April this year.
- It has been set up by North Eastern Development Finance Corporation Ltd (NEDFi), which already has the mandate to encourage entrepreneurship in the region, primarily by offering support to the first-generation entrepreneurs. In addition, the NEDFi also performs the role of hand-holding and capacity building.
- Corpus of North Eastern Development Finance Corporation Ltd (NEDFi) - 100 crore
- Launched in 2017 but corpus decided NOW