

Maximum city gets minimum fund support

MONEY MATTERS Among the biggest allocations are Rs90 crore for Metro-3 and Rs40 crore for an elevated road linking Bhiwandi-Kalyan-Shilphata

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MUMBAI: Last month, when Union finance minister Arun Jaitley's budget speech did not mention Mumbai, many quarters in the state government were unhappy. On Friday, it was their turn to do an encore on Mumbai.

The state government's budget, presented by finance minister Sudhir Mungantiwar, mentioned Mumbai, but stopped at that. The mentions were few, allocations token and amounts meagre.

For a city which has long served as the economic powerhouse of the state and is currently in need of an urgent revival, the state budget lays out little in terms of money or vision. The biggest allocation it dishes out is Rs90 crore, directed towards the Metro 3 project, a long ongoing project in the news for the possible environmental dangers associated with it.

The budget announced an allocation of Rs40 crore for an elevated road linking Bhiwandi-Kalyan-Shilphata. This, again, is not a new project, but one which the Mumbai Metropolitan Region Development Authority (MMRDA) has started working on for some time now.

The other small measure it announced was the revamp of Sassoon Dock, critical for its role in the trade of sea food in the city. This, too, is insignificant, considering the Centre had already announced a plan for it in 2014.

While the budget doesn't have any Mumbai-specific outlays, there are a few moves, which will benefit a clutch of cities, including Mumbai. For instance, the state's decision to start a new scheme for an all-women's bus service in several major cities will lead to a similar bus service in the city. Similarly, the city will gain from the state's allocation of Rs350 crore for closed circuit television (CCTV) cameras in different cities.

While Mumbai hasn't gotten much from the budget, it seems the city, too, has disappointed the state. A closer look at the state's account books reveals how the housing and the urban development department had to drastically cut down their revenue expectations.

This was because two key sources - the premium for additional floor space index (FSI) in slum rehabilitation schemes and general redevelopment schemes saw a massive dip, owing to the slump in the real estate market. Between the two, the state's revenue saw a dip of more than Rs5,000 crore, possibly upsetting many of the state's plans.

"The complete absence of Mumbai in the budget is very disappointing. There should have been a focus on tourism and infrastructure development. In fact, the state could have been innovative and brought projects which could have not just helped people but also brought in more revenue to the coffers," said city Congress MLA Amin Patel.

This budget aims at providing effective solutions to the financial problems and challenges of the state. The drought situation has led to various challenges for the agriculture sector. There is an allocation of Rs25,000 crore in the budget, which can be used to implement many schemes that will strengthen the sector.

DEVENDRA FADNAVIS, CM

WHAT WILL COST MORE?

The state government has proposed an increase in VAT (Schedule C) by 0.5%. This means, you will have to pay slightly more on a lot of goods, including tea

Tax on fuel, soft drinks, liquor and jewellery to stay

There will be no change in prices of petrol, diesel, Indian-made foreign liquor, cigarettes, cold drinks, gold, diamonds, its jewellery and imitation, as the state government did not change VAT on them.

In October last year, it had increased VAT on these items to make up for the cost incurred on crop compensation and crop insurance

VAT on petrol and diesel in the city is 26% and 24%

respectively, with a surcharge of Rs2 a litre.

The VAT on liquor, cigarettes and aerated soft drinks was hiked by 5%, while it was 1.2% for gold, diamonds and jewellery

Tea: The government has increase VAT on tea by 0.5%. Earlier, it was 5%

Coconut Oil: VAT on coconut oil in packaging up-to

500 ml has increased from 5% to 12.5%

Towels: The government has imposed 5.5% VAT on terrycloth towels used in hotels. Earlier, there was no VAT on these towels. However, there will be no tax on the towels used in households

The government has imposed 5% tax on sweet

corn, sewing machines and parts

Bikes: The government has put personal two-wheelers and three-wheeler vehicles in various slabs according to their engine capacity. The tax will be 8% for upto 99cc, 9% for 100-200 cc, 10% for 300 cc and above. The current tax is uniform 7%.

Stationery items used by students: VAT on stationery items such as pencil box, all types of gums, glues and sticks, stapler pin, tape dispenser, dusters and files has dipped from 12.5% to 5.5%

Used vehicles: VAT on purchase of used (confiscated) vehicles from banks has been reduced from 12.5% to 5.5%. The concess-

ion will available on vehicles on which sales tax or entry tax was paid earlier

LED tubes: The government has decreased the VAT on LED tubes from 12.5% to 5.5%

Currents and raisins: Exemption on currents and raisins will continue till March 31, 2017

WHAT WILL COST LESS?

OTHER ITEMS

a. VAT on Barbed wire, wire mesh, chain link has come down from 12.5% to 5.5%

b. VAT on pyrolysis oil has been reduced from 12.5% to 5.5%

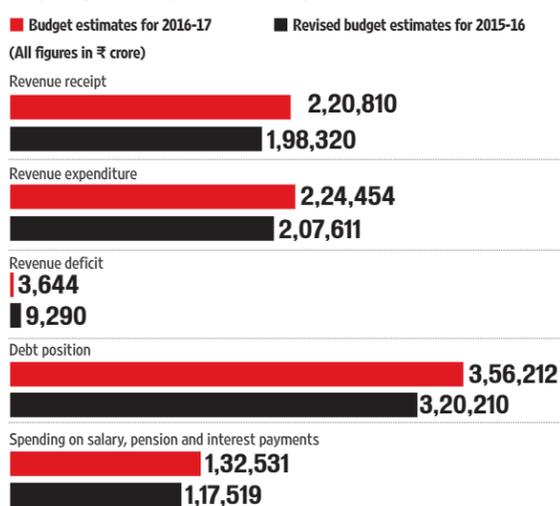
LIST OF ITEMS EXEMPTED FROM VAT

Essential commodities The government continued exemption on essential

commodities like flour, turmeric, chillies, Papad, fenugreek, wet dates, Solapuri chadar (bed sheet) till March 2017.

Battery-operated and hybrid buses: The govt removed 5% tax on battery-operated buses and hybrid buses to be used for public transport by public undertakings to promote public transport service

BUDGET ESTIMATES



ANNOUNCEMENTS

State finance minister Sudhir Mungantiwar presented the state budget for 2016-17 on Friday. Highlights of the budget

STANDING UP FOR THE FARMER

The Year of the Farmer: The state has announced this year will be celebrated as the 'Shetkari Swabhiman Varsh'

Festival: The state has announced that 'agricultural festivals' will be organized in each district of the State. Expenditure: ₹6.80 cr

Launch of the Krushi Gurukul Yojana, where one farmer will mentor and train other farmers

BOOST FOR INFRASTRUCTURE



IRRIGATION FACILITIES



BUILDING RURAL INFRASTRUCTURE



KEEPING THE ALLY HAPPY



GOING GREEN



EYE ON TOURISM



WOMEN-FRIENDLY MEASURES



HOMES FOR ALL



METROS FOR ALL



SOCIAL SECTOR SPENDING



MORE MEMORIALS



Finance minister Sudhir Mungantiwar (right) with minister of state Deepak Kesarkar outside Vidhan Bhavan. KUNAL PATIL/HT

OTHER DECISIONS

E-COMMERCE PORTAL TAXATION IN THE OFFING?

Mungantiwar said the government had not taken any decision on taxation on e-commerce companies. He said his department will take a decision on it after studying the matter and holding discussions with the various government departments

PROFESSION TAX

To encourage un-enrolled persons from applying for enrollment under Profession Tax Act, the government proposed a scheme that exempts people applying for enrollment between April 2016 to September 2016 from paying profession tax and corresponding penalty

The state government has exempted Central Reserve Police Force (CRPF) and Border Security Force (BSF) from paying profession tax

The government has proposed exemption from late fee for institutes that delay filing e-returns

Sugarcane purchase tax: The government has proposed exemption from tax for sugar factories for the year 2015-16 that meet the export obligations as per the government policy.

OTHER HIGHLIGHTS

17.20 CR
To be spent on digitisation of all public libraries in the state

405 CR
For minority communities across the state

320 CR
To build homes for cops in the state

350 CRORE:
To give a boost to the ongoing programme to cover all major cities with a CCTV network

220 CR
To construct government hostels for OBC students
All 4 state agricultural universities to enter into organic farming research and establish training centers

3,473 CR
For the Mahatma Gandhi Rural Employment Mission and the State Employment Guarantee Scheme

34 CR
For the Govardhan Govansh Raksha Kendra, a scheme to establish 34 centres, one in each district to take care of non-lactating and unproductive cattle breed

15 CR
For the revamp of Sassoon Dock and modernisation

Sales tax relief for industries, but doesn't make doing biz easy, say owners

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MUMBAI: The state government that is making all the efforts to encourage industries and bring maximum investment in Maharashtra, in the state budget has decided to restart its special amnesty scheme that provides exit option to the closed and un-revivable units. It has also given major relief to the traders who have not paid sales tax between 2005 and 2012.

State finance minister Sudhir Mungantiwar, while presenting the state budget for 2016-17, said the scheme aims to allow closed and un-revivable units to

use its immovable assets such as land.

Under the scheme, the government will waive off the entire interest and penalty, if the principal due amount is paid by the industrial unit at one go.

The scheme was part of the Maharashtra Industrial Policy 2013 and was operational between May 2, 2013, and March 31, 2014; and August 14, 2014 to March 31, 2015.

Mungantiwar announced the amnesty scheme will now come into force from April 1, 2016 to March 31, 2017.

He also announced an amnesty scheme for dues pending

MUNGANTIWAR HAS ALSO INCREASED THE LIMIT FOR TURNOVER OF RETAILERS FROM Rs50L TO Rs1 CR FOR GETTING BENEFITS OF COMPOSITION SCHEME

under sales tax.

Taking a cue from states like Bihar, Himachal Pradesh and Gujarat, the state government has decided to waive off the entire penalty and 75% of the interest amount on the sales tax dues.

The waiver will be made

available only if the dealer withdraws his appeal from the appellate authority. The objective is to unlock the revenue in appeals pending before the courts.

Also, the allocation for industries department has been reduced by Rs550 crore in the state budget. The finance minister has allocated spending of Rs2,686 crore for 2016-17, compared to Rs3,236 crore allocated last year.

The finance minister has also increased the limit for annual turnover of retailers from Rs50 lakh to Rs1 crore for getting benefits of composition scheme.

Chandrakant Salunke, founder and president, Maharashtra Industrial and Economic Development Association, said the budget is not compatible to the industries in relation to the Make in Maharashtra event in particular.

"The state government will get an investment of Rs8 lakh crore through the MoUs signed during the Make in India event, but I am not confident the government will achieve its target, as it has not announced any unique and attractive policy to attract investors for the implementation of the same," Salunke told HT.

WHAT THE SCHEME MEANS

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