











BUDGET HIGHLIGHTS 2018

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UNION BUDGET GENERAL HIGHLIGHTS











General Highlights:

-  Treating Bamboo as green gold, same has been removed from definition of trees. Allocated 1290 Cr. to National Bamboo Mission
-  Allocated Rs. 10,000 crore to Fisheries and Animal Husbandry fund sectors.
-  Free LPG and Electricity Connection under Ujjwala & saubhagya scheme to lower and middle class families.
-  Target to allocate investment for Mumbai Rail Network
-  Total amount to be spent on improvement of Rural Livelihood proposed to 14.30 Lakh Cr.
-  National health Protection Programme for 10 Cr Poor Families.
-  Rs. 5.97 Lakh Crore allocated for infrastructure.
-  Women Self Help Groups loans will increase to Rs. 75,000 Cr in 2019 from Rs. 42,500 crore last year.








General Highlights:

-  Ten prominent Sites to be developed as Iconic Tourist Destinations.
-  Crypto currencies are no more legal tender in India. All means to be curb illegitimate transactions funds by Crypto currencies in India.
-  National Insurance, United India Insurance & Oriental Insurance to be merge.
-  Gold monetisation policy to be revamped to make it investment friendly.
-  More Concessions for International Financial Services Centre, to promote trade in Stock Exchanges located in IFSC.
-  100% deduction for Farmer producer companies upto Rs 100 Crore on profit, for 5 years from 2018-19.
-  Fiscal Deficit pegged at 3.5 %, projected at 3.3 % for 2018-19
-  Law to be introduced to fix MPs salary every 5 years.



General Highlights:

-  Allocated Rs. 1.38 Lakh Crore for government health, Educational & social programmes.
-  Withdrawn adjustment against immovable property transaction where Circle Rate value does not exceed 5% of Consideration.
-  Disinvestment crossed target of Rs. 72,500 Crore to reach Rs. 1,00,000 Crore.
-  Target to construct 2 crores toilets in FY 2018-19
-  Decided to setup centre of excellence on robotics, AI, Internet of things etc.



DIRECT TAX



Finance Bill Highlights:

Finance Bill 2018 has been presented by the Hon'ble Finance Minister on 1st February 2018 which has put forward some changes in indirect taxation regime.

Amendments Applicable on the date of enactment of the *Finance Bill, 2018*:

- A. Changes related to Service Tax;
- B. Changes related to Customs affecting IGST;
- C. Change in CGST Act.
- D. Changes in Custom



Service Tax

- Services provided or agreed to be provided by the Naval Group Insurance Fund by way of life insurance to Coast Guard personnel, under Group Insurance Schemes, are proposed to be retrospectively exempted from service tax for the period 10th September 2004 to 30th June 2017 (both days inclusive).
- Refund of any service tax paid can be claimed on filing an application within a period of 6 months from the date of enactment of Finance Bill, 2018.

- Services provided or agreed to be provided by the *Goods and Services Tax Network* to Central Government or State Government or Union Territory administration are proposed to be retrospectively exempted from service tax for period 28th March 2013 to 30th June 2017 (both days inclusive).
- Refund of any service tax paid can be claimed on filing an application within a period of 6 months from the date of enactment of Finance Bill, 2018.



- Consideration paid to the Government in the form of Government's share of profit petroleum in respect of services provided or agreed to be provided by Government by way of grant of license or lease to explore or mine petroleum crude or natural gas or both, is proposed to be exempted retrospectively from service tax for period 1st April 2016 to 30th June 2017 (both days inclusive).
- Refund of any service tax paid can be claimed on filing an application within a period of 6 months from the date of enactment of Finance Bill, 2018.



Changes related to Customs affecting IGST

- Integrated tax leviable under section 3(7) of Customs Tariff Act, 1975 on aircrafts, aircraft engines and other aircraft parts imported under cross-border lease during the period 1st July 2017 to 7th July 2017 subject to such payment on the said supplies has been proposed to be exempted with retrospective effect deeming Notification No. 65/2017-Cus. to be affected therefrom.
- Refund of any integrated tax which has been paid can be claimed on filing an application within a period of 6 months from the date of enactment of Finance Bill, 2018.

Change in CGST Act

- ‘Central Board of Excise and Customs’ to be renamed as ‘Central Board of Indirect Taxes and Customs’ from the date of enactment of Finance Bill 2018.



Changes in Custom

- The Custom Act, 1962 will now apply to any offence or contravention committed outside India by any person unless specified otherwise.
- Definition of “Indian Custom Waters” has been amended to extend its limit to “Exclusive Economic Zone” of India.
- Provisions introduced to provide legal backing for risk based selection of self-assessment through customs automated system.
- Pre-notice consultation to be made with the person chargeable with duty before the issuance of SCN in cases not involving fraud, mis-presentation etc.
- Provision introduced for issuance of supplementary SCN in specified circumstances.
- Adjudication proceedings to be completed within the stipulated time frame except certain exceptions. In case the proceedings not completed within the time frame, it shall be deemed as if no notice is issued.
- The scope of advance ruling has been broadened to include matters beyond determination of duty and requirement of proposed activity has been done away with.



Changes in Custom

- Application for advance ruling is to be made to Custom Authority for Advance Rulings (CAAR) and appeal against the CAAR can be made before authority for advance ruling set under the Income Tax Act.
- Facility of electronic cash ledger has now been introduced in Customs and the payment of duty, interest and penalty can be made through cash ledger.
- Education and Secondary and higher education cess abolished.
- A new levy in form of Social Welfare Surcharge at the standard rate of 10% on aggregate of custom duties (except on IGST and compensation cess) has been introduced effective immediately.
- Increase in BCD for
 - Cellular mobile phones, its specified parts and accessories (including lithium ion battery),
 - Printed Circuit Board Assembly (PCBA) and moulded plastics of charger/adaptor;
 - Reduction in BCD for parts or inputs for manufacture of PCBA or moulded plastics of charger/adaptor;
 - CKD and CBU (except 8703) imports of motor vehicles and specified automobile parts;
 - Preform of silica used in manufacture of telecom grade optical fibres or optical fibre cables.



Changes in Custom

- Nil BCD for solar tempered glass used for manufacture of solar cells/panels/modules;
- Increase in BCD for
 - Goods including edible oils, fruit and vegetable juices, miscellaneous food preparations (2106 90), perfumes and toiletry preparations;
 - LCD/LED/OLED panels and other parts thereof, specified parts for manufacture of such panels, watches and clocks.
- Schedule II to Customs Tariff Act, 1975 amended to provide Nil rate of export duty on all other goods which are not specifically mentioned in schedule.
- Existing Road Cess (levied at INR 6/litre) on Petrol and HSD has been replaced with new Road and Infrastructure Cess (to be levied at INR 8/litre).



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