



D N SHARMA & ASSOCIATES

Chartered Accountants

Caratteristiche salienti di India Budget 2017-18

インドの予算2016から17のハイライト

Faits saillants de l'Inde Budget 2017-18

Highlights of Indian Budget 2017-18

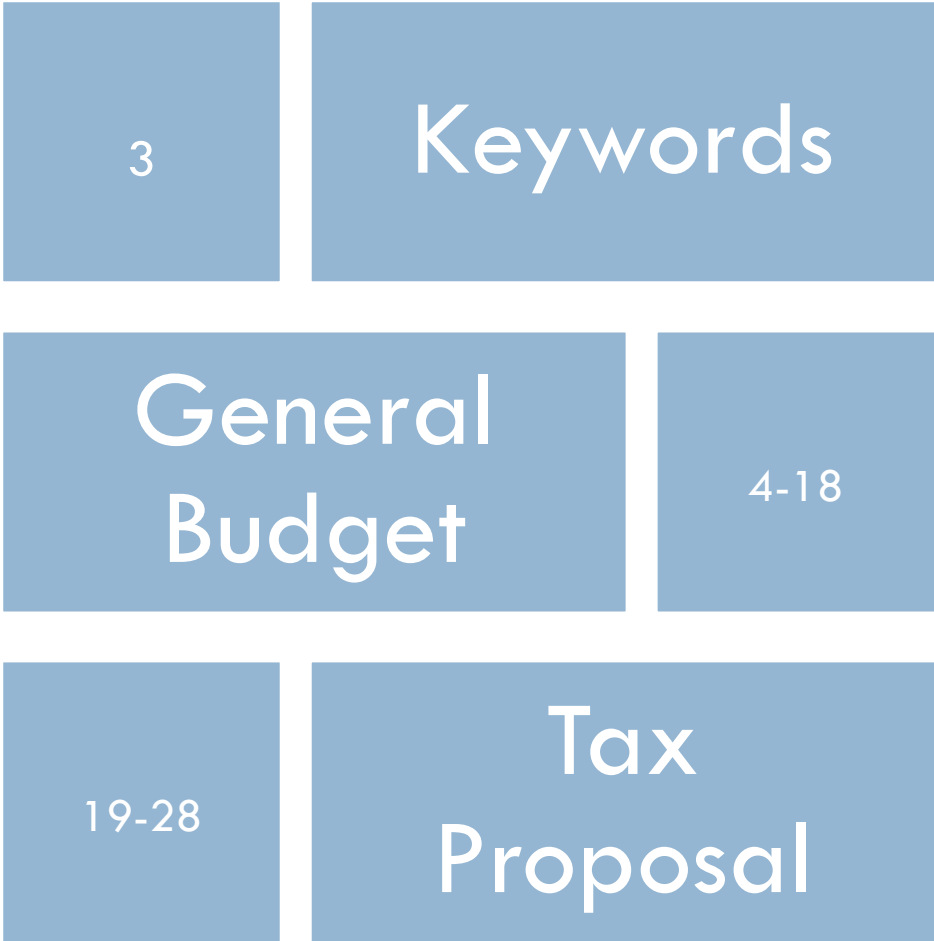
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Höhepunkte Indiens Budget 2017-18

印度2017-18年财政预算案的要点

Aspectos destacados de la India Presupuesto 2017-18

Key





Keywords

Infrastructure Manufacture Railway Deposit Develop Financial Banking Cash transaction Youth Digital

General Budget



Economy Glance

Gliding smooth

- India to be one of the fastest growing major economies in 2017

Growth upbeat

- Growth stable at 7.1% in 2016-17
- Economy has been robust to mild shocks

Forex happy

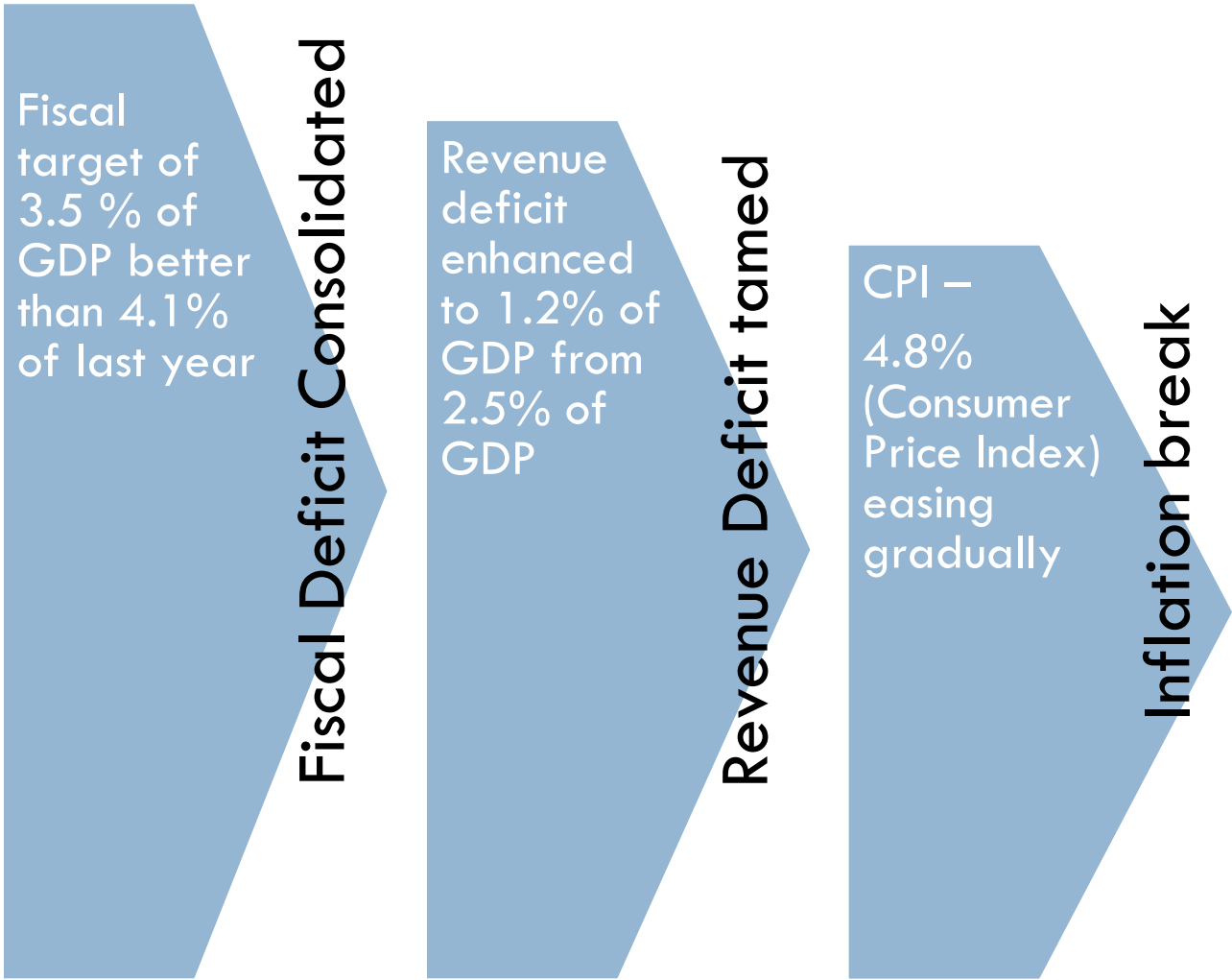
- Foreign exchange reserves reached 361 billion US dollars

Black money

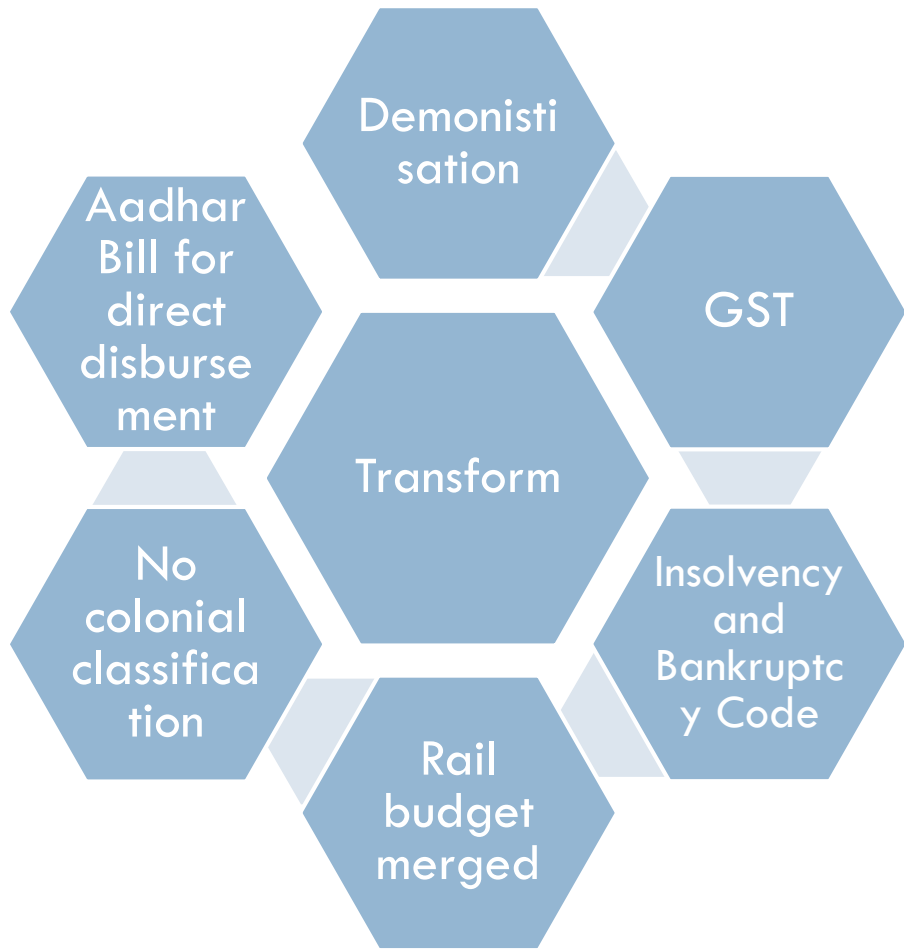
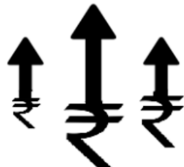
- War against black money launched



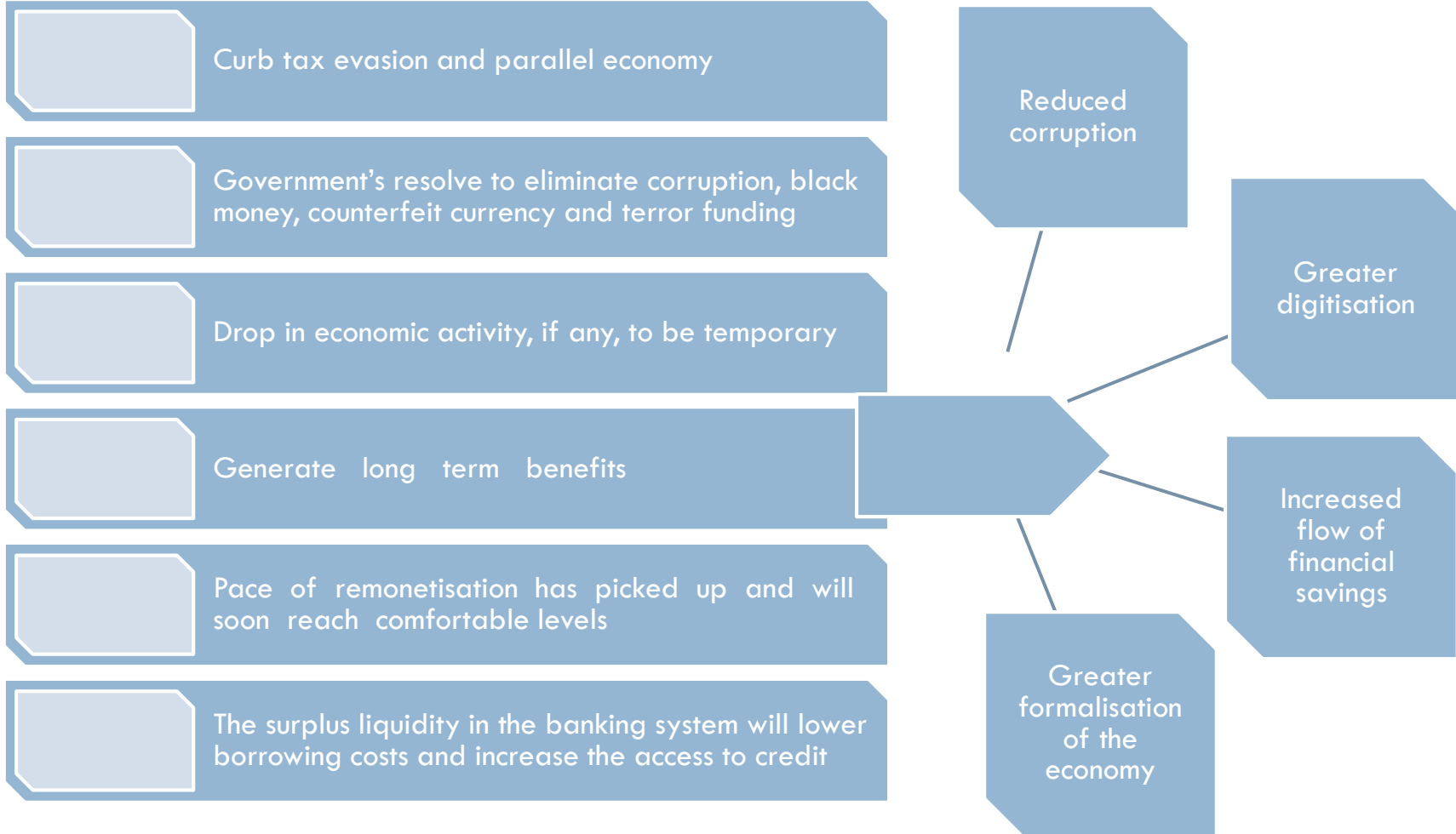
Efficient fiscal



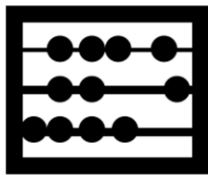
Transformer encore



Demonitisation Jolt



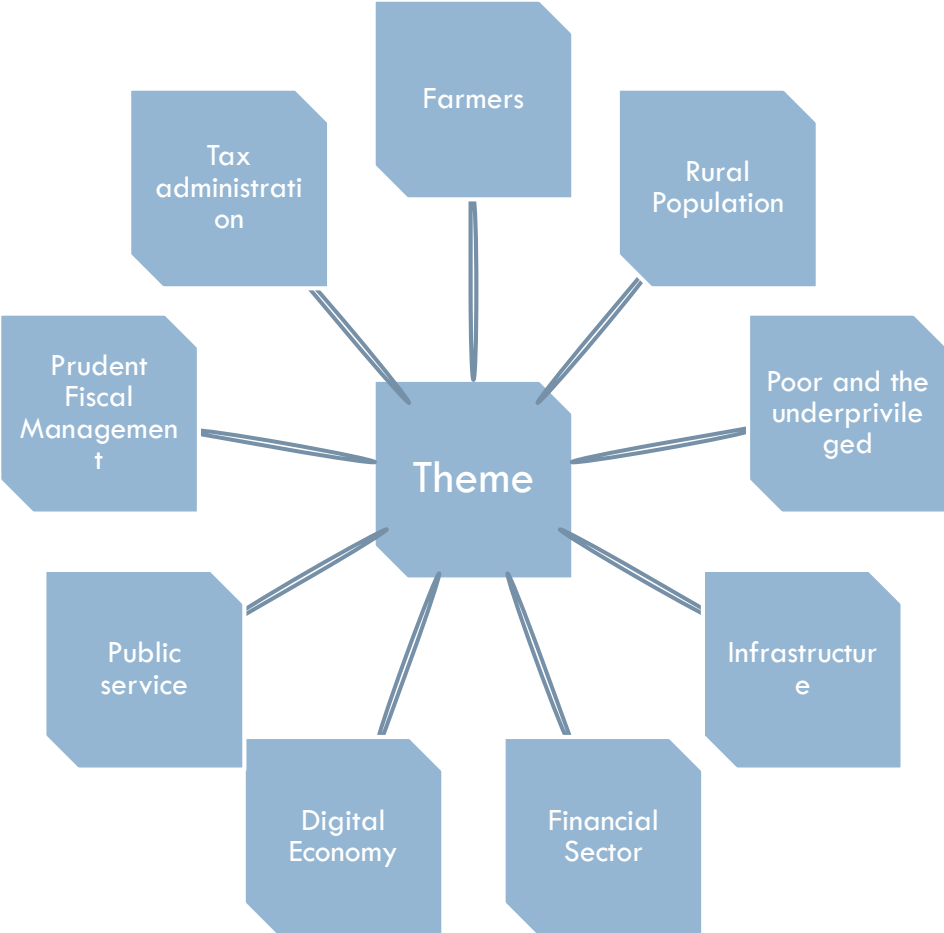
Transform, Energise & Clean India



Transform the quality of governance and quality of life of our people

Energise various sections of society, especially the youth and the vulnerable, and enable them to unleash their true potential

Clean the country from the evils of corruption, black money and non-transparent political funding



Farm income = 2x in 5 years



Creditable countryside

- Agricultural credit Target in 2017-18 >> 10 lakh crores
- 60 days' interest waiver announced on 31 Dec 2016
- NABARD computerisation and integration of all 63,000 functional Primary Agriculture Credit Societies

Insurance

- Coverage under Fasal Bima Yojana scheme increased from 30% of cropped area in 2016-17 to 40% in 2017-18 and 50% in 2018-19 with budget provision of 9000 crore

Per drop more crop

- Long Term Irrigation Fund already set up in NABARD to be augmented by 100%, take total corpus of Fund to 40,000 crores
- Dedicated Micro Irrigation Fund in NABARD to achieve 'per drop more crop' with an initial corpus of 5,000 crores
- Mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100% coverage of all 648 KVKs in the country for soil sample testing

E Farm

- National Agricultural Market (e-NAM) to be expanded from 250 markets to 585 APMCs
- Assistance up to 75 lakhs will be provided to every e-NAM

Farmland Pride



Countryside Capital

- 3 lakh crores spent in rural areas every year, for rural poor from Central Budget, State Budgets, Bank linkage for self-help groups
- One crore households out of poverty and 50,000 Gram Panchayats poverty free by 2019

Rural Employment

- Against target of 5 lakh farm ponds under MGNREGA, 10 lakh farm ponds would be completed by March 2017. During 2017-18, another 5 lakh farm ponds will be taken up
- Women participation in MGNREGA has increased to 55% from less than 48%
- MGNREGA allocation to be the highest ever at 48,000 crores in 2017-18

Road and Home

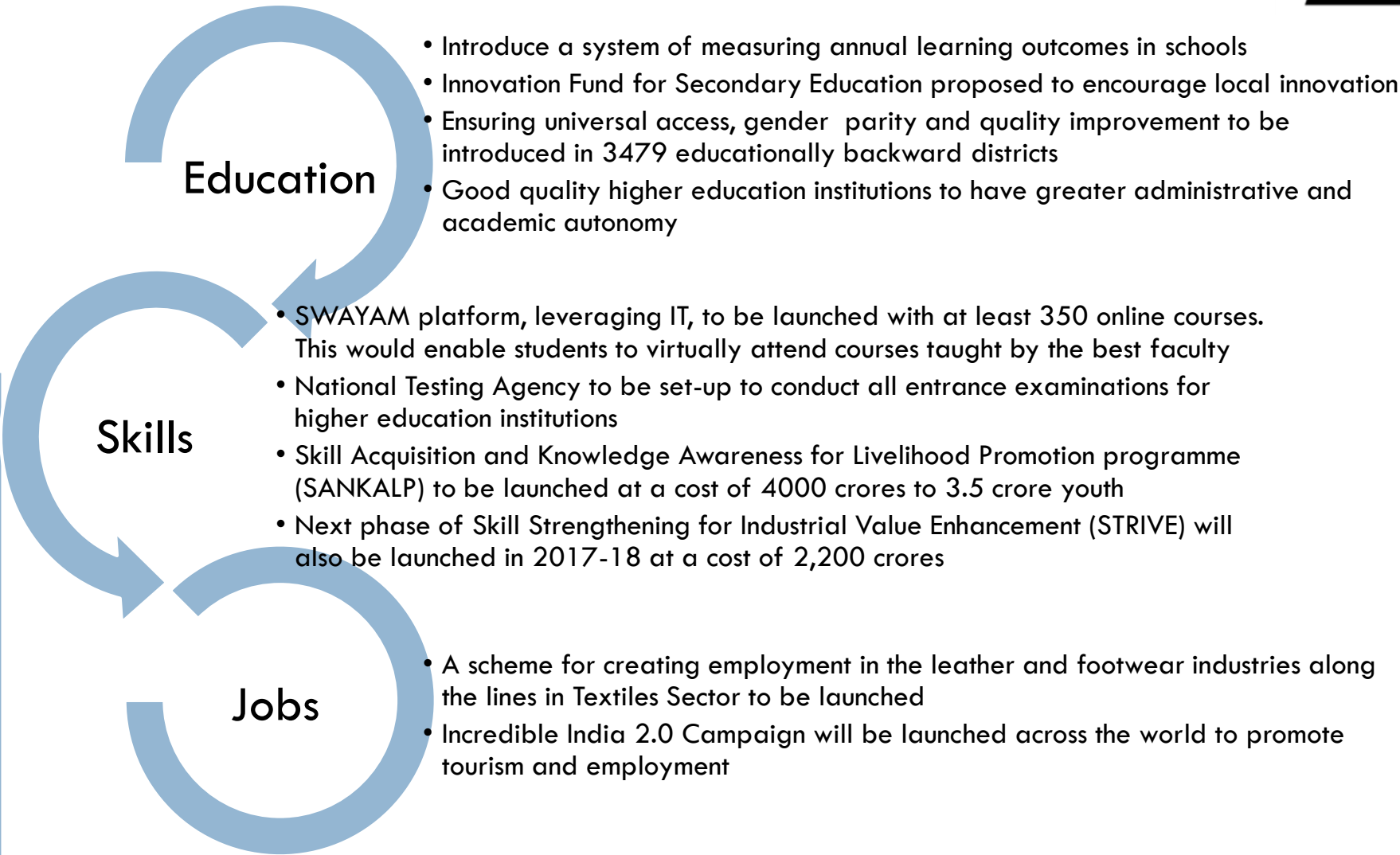
- Pace of construction of PMGSY roads accelerated to 133 km roads per day in 2016-17, against an avg. of 73 km during 2011-2014
- Target to complete 1 crore houses by 2019 for the houseless and those living in kutcha houses
- 100% village electrification by 1st May 2018

Sanitation and water

- Sanitation coverage in rural India has gone up from 42% in Oct 2014 to about 60%. Open Defecation Free villages are now being given priority for piped water supply
- Provide safe drinking water to over 28,000 arsenic and fluoride affected habitations in the next four years



Youth Motivated



Railroad Ahead



Rail consumer centre

- Railway lines of 3,500 kms will be commissioned in 2017-18. During 2017-18, at least 25 stations are expected to be awarded for station redevelopment
- In the next 3 years, the throughput is proposed to be enhanced by 10%. This will be done through modernisation and upgradation of identified corridors
- 500 stations will be made differently abled friendly by providing lifts and escalators
- It is proposed to feed about 7,000 stations with solar power in the medium term
- Coach Mitra', a single window interface, to register all coach related complaints and requirements to be launched
- SMS based Clean My Coach Service has been started
- By 2019, all coaches of Indian Railways will be fitted with bio toilets
- Tariffs of Railways would be fixed, taking into consideration costs, quality of service and competition from other forms of transport

Metro tune up

- A new Metro Rail Policy will be announced with focus on innovative models of implementation and financing, as well as standardisation and indigenisation of hardware and software
- A new Metro Rail Act will be enacted by rationalising the existing laws. This will facilitate greater private participation and investment in construction and operation

Road wide

- 2,000 kms of coastal connectivity roads have been identified for construction and development
- Total length of roads, including those under PMGSY, built from 2014-15 till the current year is about 1,40,000 kms which is significantly higher than previous three years

Infrastructure Spruced Up



Airport

- Select airports in Tier 2 cities will be taken up for operation and maintenance in the PPP mode

Rural Broadband

- High speed broadband connectivity on optical fibre will be available in more than 1,50,000 gram panchayats, under BharatNet
- A DigiGaon initiative will be launched to provide tele-medicine, education and skills through digital technology

Sunny Energy

- Second phase of Solar Park development to be taken up for additional 20,000 MW capacity

Electronic manufacturing

- creating an eco-system to make India a global hub for electronics manufacturing a provision of 745 crores in 2017-18 in incentive schemes like M-SIPS and EDF

Exports

- New and restructured Central scheme with a focus on export infrastructure, namely, Trade Infrastructure for Export Scheme (TIES) will be launched in 2017-18

Financial Lift



FDI easy

Foreign Investment Promotion Board to be abolished in 2017-18

- Further liberalisation of FDI policy is under consideration

Market for Agri

Study and promote creation framework to integrate spot market and derivatives market in the agricultural sector, for commodities trading

- e- NAM to be an integral part of the framework

Illicit deposit

Bill relating to curtail the menace of illicit deposit schemes will be introduced

- A bill relating to resolution of financial firms will be introduced in the current Budget Session of Parliament.
- This will contribute to stability and resilience of our financial system

Infra resolution

Institutional arrangements for resolution of disputes in infrastructure

- Construction contracts, PPP and public utility contracts will covered as an amendment to the Arbitration and Conciliation Act 1996

System emergency

Computer Emergency Response Team for our Financial Sector (CERT-Fin) will be established

Public sector Assist



Listing

Revised mechanism and procedure to ensure time bound listing of identified Central Public Sector Enterprise (CPSEs) on stock exchanges

- The shares of Railway PSEs like IRCTC, IRFC and IRCON will be listed in stock exchanges

Oil Major

Create an integrated public sector ‘oil major’

- Match the performance of international and domestic private sector oil and gas companies

ETF

A new ETF with diversified CPSE stocks and other Government holdings will be launched in 2017-18

- A bill relating to resolution of financial firms will be introduced in the current Budget Session of Parliament.
- This will contribute to stability and resilience of our financial system

Capital Banking

In line with the ‘Indradhanush’ roadmap, 10,000 crores for recapitalisation of Banks provided in 2017-18

Priority Lending

Lending target under *Pradhan Mantri Mudra Yojana* to be set at 2.44 lakh crores. Priority will be given to Dalits, Tribals, Backward Classes and Women



Digital Nation

BHIM App

- 125 lakh people have adopted the BHIM app so far. The Government will launch two new schemes to promote the usage of BHIM; these are, Referral Bonus Scheme for individuals and a Cashback Scheme for merchants

Aadhar Pay

- Aadhar Pay, a merchant version of Aadhar Enabled Payment System, will be launched shortly
- A Mission will be set up with a target of 2,500 crore digital transactions for 2017-18 through UPI, USSD, Aadhar Pay, IMPS and debit cards

Institutional Support

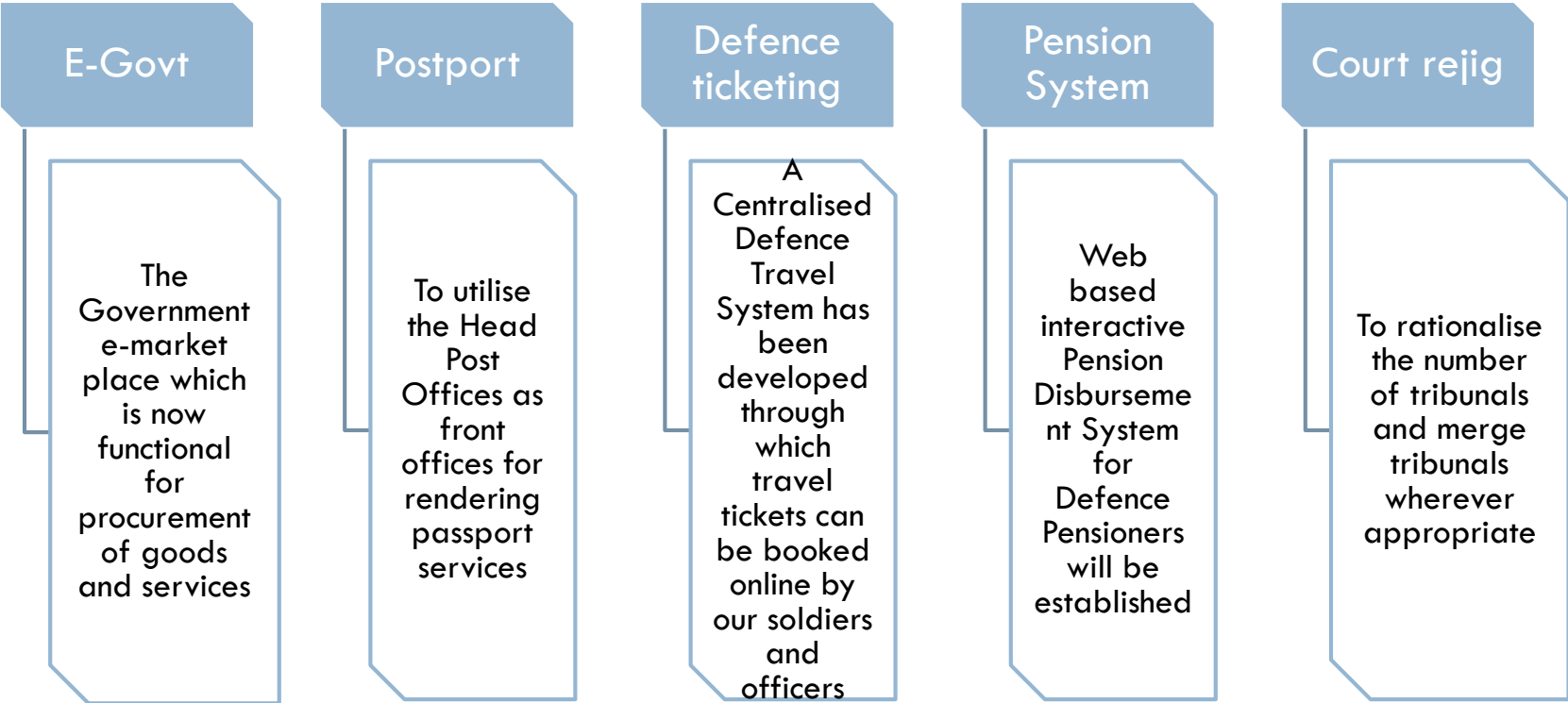
- All Government receipts through digital means, beyond a prescribed limit
- Banks to introduce additional 10 lakh new POS terminals by March 2017
- To introduce 20 lakh Aadhar based POS by Sep 2017

Digital Regulatory

- Proposed to create a Payments Regulatory Board in the Reserve Bank of India by replacing the existing Board for Regulation and Supervision of Payment and Settlement Systems

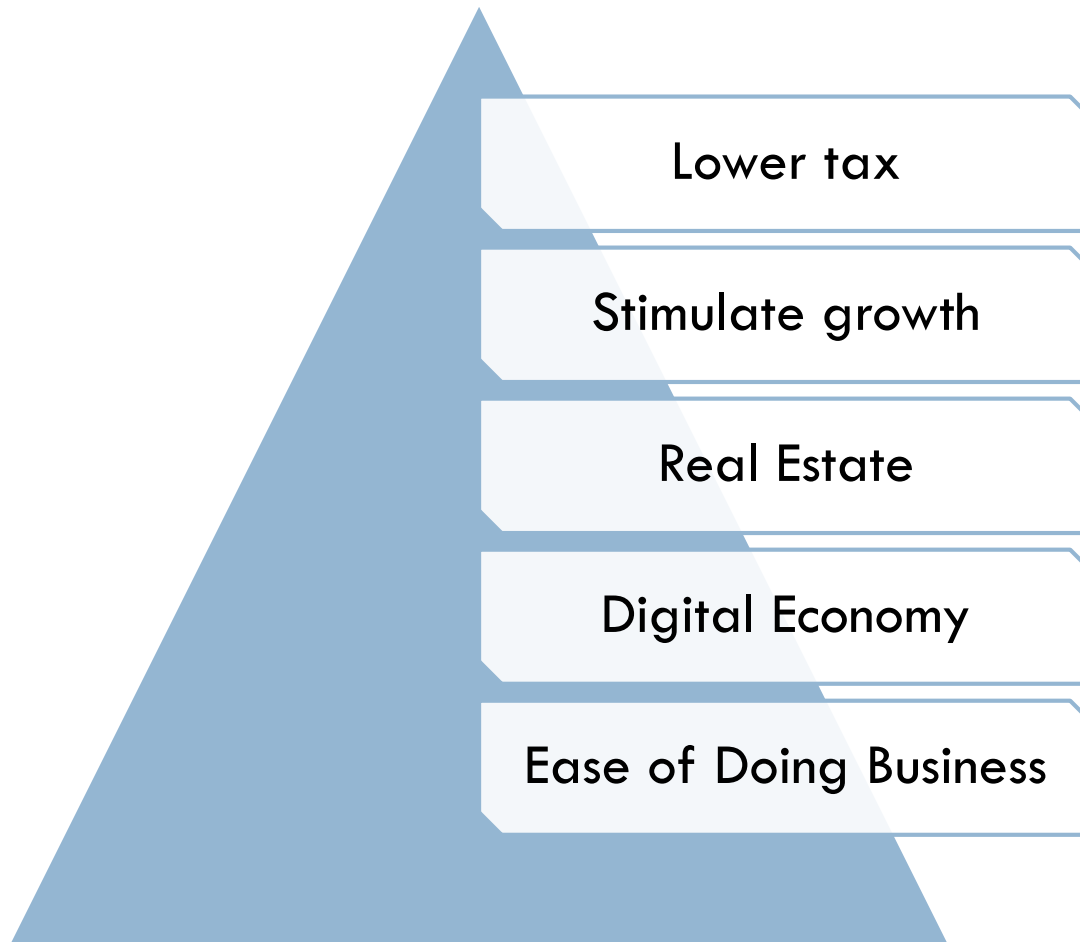


Public Service

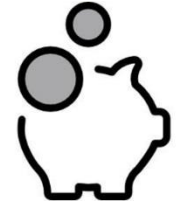


Tax proposals

Tax Highlights



Personal taxes



Tax-lesser

- Existing rate of taxation for individual assesses between income of 2.5 lakhs to 5 lakhs reduced to 5% from the present rate of 10%

Surcharged

- Surcharge of 10% of tax payable on categories of individuals whose annual taxable income is between 50 lakhs and 1 crore

Simplify

- Simple one-page form to be filed as Income Tax Return for the category of individuals having taxable income upto 5 lakhs other than business income



Stimulating Growth

Corp tax reduced

- In order to make MSME companies more viable, income tax for companies with annual turnover upto 50 crore is reduced to 25%

Start-uped

- Carry forward of losses in respect of start-ups, condition continuous holding of 51% of voting relaxed
- Also profit exemption available for 3 out of 5 years is changed to 3 out of 7 years

MAT easy

- MAT credit is allowed to be carried forward up to a period of 15 years instead of 10 years at present

Simplify

- Allowable provision for Non-Performing Asset of Banks increased from 7.5% to 8.5%
- Interest taxable on actual receipt instead of accrual basis in respect of NPA



Real Estate Discount

Profit-Linked deduction

- Under the scheme for profit-linked income tax deduction for promotion of affordable housing, carpet area instead of built up area of 30 and 60 Sq.mtr. will be counted

Non Metro benefit

- The 30 Sq.mtr. limit apply only in case of municipal limits of 4 metropolitan cities
- For rest including in the peripheral areas of metros, limit of 60 Sq.mtr. will apply

Hoarding tax

- Builders for whom constructed buildings are stock-in-trade, tax on notional rental income will only apply after one year of the end of the year in which completion certificate is received

Sell Faster

- Holding period for computing long term capital gains from transfer of immovable property from 3 years to 2 years



Digital economy less tax

Cashless benefit

- Presumptive income for small tax payers with turnover upto 2 crores, present, 8% of their turnover counted as income is reduced to 6% in respect of turnover which is by non-cash means

Less cash promoted

- No transaction above 3 lakh would be permitted in cash subject to certain exceptions

Digital components tax easy

- Miniaturised POS card reader for m-POS, micro ATM standards, Finger Print Readers, Scanners and Iris Scanners exempt from Basic Customs, Excise/CV duty and SAD



Ease of doing business

Audit easy

- Threshold for audit of business entities for presumptive income increased from 1 crore to 2 crores
- Threshold for maintenance of books increased from turnover of 10 lakhs to 25 lakhs

One Advance tax

- Under scheme for presumptive taxation for professionals with receipt upto 50 lakhs p.a. advance tax can be paid in one instalment instead of four

Digital components tax easy

- Time period for revising a tax return is being reduced to 12 months from completion of financial year, at par with the time period for filing of return.

Faster Scrutiny

- The time for completion of scrutiny assessments compressed further from 21 months to 18 months for Assessment Year 2018-19 and further to 12 months for Assessment Year 2019-20

Ease of doing business



Transfer Pricing Easy

- Scope of domestic transfer pricing restricted to only if one of the entities involved in related party transaction enjoys specified profit-linked deduction

Indirect transfer tax simplified

- Foreign Portfolio Investor (FPI) exempted from indirect transfer provision
- Indirect transfer provision not to apply in case of redemption of shares outside India as a result of redemption or sale of investment in India which is chargeable to tax in India

Insurance agents aided

- Commission payable to individual insurance agents exempt from the requirement of TDS subject to their filing a self-declaration that their income is below taxable limit

Goods and Service Tax on time



GST Roadmap

- The GST Council has finalised its recommendations on almost all the issues based on consensus on the basis of 9 meetings held

GST Network

- Preparation of IT system for GST is also on schedule

GST awareness

- The extensive reach-out efforts to trade and industry for GST will start from 1st April, 2017 to make them aware of the new taxation system

Overall Budget



- Revenue Expenditure has been estimated at Rs11.44 lakh crore
- Capital Expenditure has been estimated at Rs1.42 lakh crore
- Total expenditure estimates for the Financial Year are estimated at 12.86 lakh crore
- Allocations have given special emphasis to sectors like agriculture, irrigation, social sector including health, women, infrastructure and digital economy
- Revenue receipts are estimated to be Rs7.96 lakh crore
- Capital receipts are estimated to be Rs4.90 lakh crore

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