

Caratteristiche salienti di India Budget 2018-19  
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Faits saillants de l'Inde Budget 2018-19

# Highlights of Indian Budget 2018-19

Aspectos destacados de la  
India Presupuesto 2018-19

Höhepunkte Indiens  
Budget 2018-19

ไฮไลท์ของอินเดียนงบประมาณ 2018-19  
印度2018-19年财政预算案的要点

# Key

3 Keywords

General Budget 4-18

19-26 Tax Proposal

Keywords



# General Budget



# Economy – Aiming for higher

India regains tag – one of fastest growing major economies in 2018

Faster progress

Growth stable at 6.5% in 2017-18

Services sector contributed more than half

Service led Growth

Growth in exports of goods and services at 4.5%

Foreign direct investment at US\$ 19.6 billion

Export smooth

GST implementation

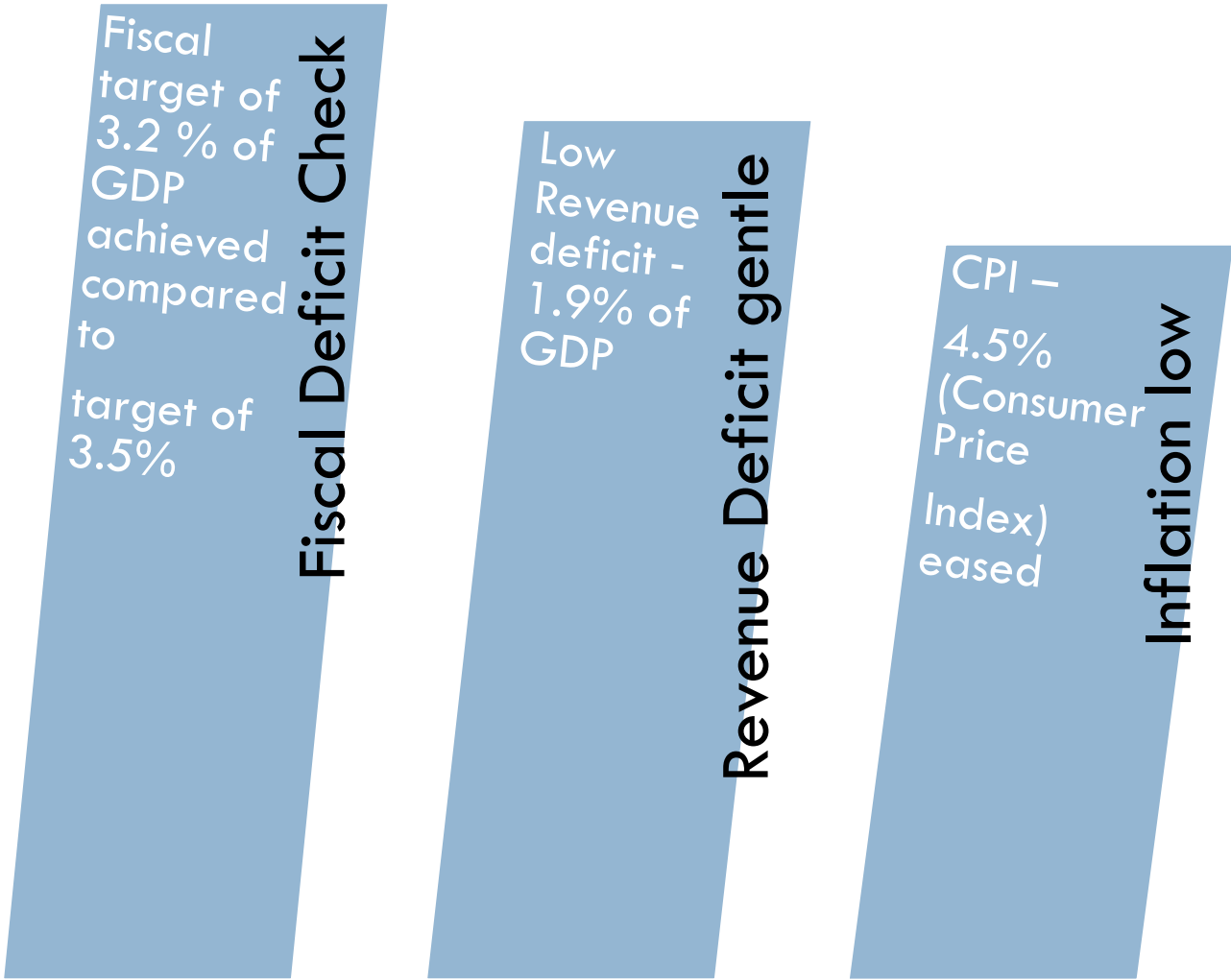
Global green shoots

Relatively stable prices

Macro outlook bright

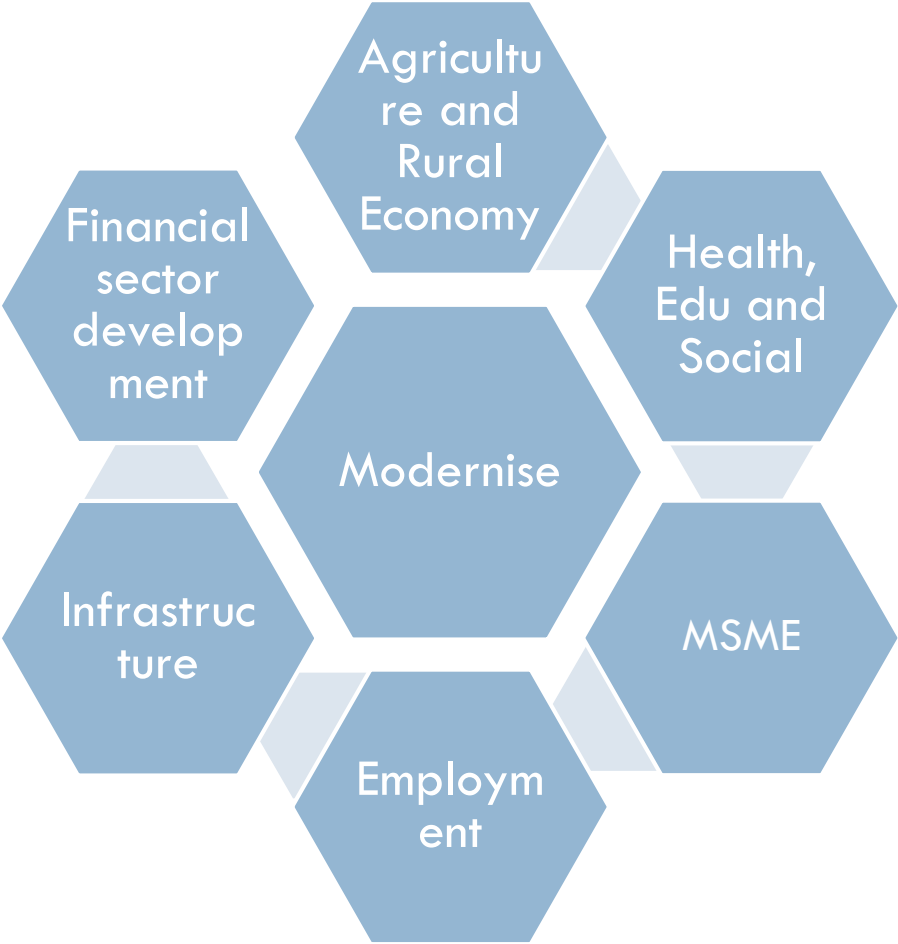


# Fiscal Prudence





# Modernise Buzz





# 2x Farm income - 2022

## Record food production

- 275 million tonne food grain and 300 million tonne fruits and vegetables
- Minimum support price (MSP) = 1.5 x cost (at least one and a half times the cost) in 3 years estimated

## Farm to kitchen table

- Upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs)
- GrAMs, electronically linked to e-NAM, exempted from regulations of APMCs, will provide farmers facility to make direct sale to consumers and bulk purchasers
- Agri-Market Infrastructure Fund - corpus of 2000 crore for GrAMs

## Operation Greens

- Tomato, onion and potato - seasonal and regional production – connecting farmers and consumers
- Promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management

## Mega foods parks

- India's agri-exports potential high as US \$ 100 billion - current exports of US \$ 30 billion.
- Export of agri-commodities be liberalized. State-of-the-art testing facilities in all the forty two Mega Food Parks





# Farm upgrade

## Green gold

- Removed bamboo grown outside forest areas from the definition of trees
- Re-structured National Bamboo Mission with an outlay of `1 290 crore to promote bamboo sector in a holistic manner

## Solar harvest

- Installing solar water pumps to irrigate
- Encourage State Governments - surplus solar power is purchased by the distribution companies or licencees at reasonably remunerative rates

## Free volt

- Prime Minister Saubhagya Yojana - four crores poor households are being provided with electricity connection free of charge
- Spending `1 6000 crore under this scheme

## House for all

- Prime Minister Awas Yojana - 51 lakhs houses in year 2018-19 in rural and 37 lakh houses in urban
- Dedicated Affordable Housing Fund (AHF) in National Housing Bank, funded from priority sector lending shortfall and fully serviced bonds authorized by the Government of India



# Ayushman (Life) Bharat

## Health and Wellness Centres

- National Health Policy, 2017 - Health and Wellness Centres - foundation of India's health system
- 1.5 lakh centres - bring health care system closer to the homes of people
- Provide comprehensive health care, including for non-communicable diseases and maternal and child health services.
- Provide free essential drugs and diagnostic services

## Health Protection Scheme

- World's largest government funded health care programme
- Cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization

## Medical education and health care

- Setting up 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals
- At least 1 Medical College for every 3 Parliamentary Constituencies and at least 1 Government Medical College in each State of the country

## Universal Life and Medical Insurance

- Life insurance - Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) has benefitted 5.22 crore families - life insurance cover of `2 lakh on payment of a premium of only `330/- per annum
- Medical insurance - Pradhan Mantri Suraksha Bima Yojana, 13 crore 25 lakh persons insured with personal accident cover of `2 lakh on payment of a premium of only `12 per annum



# Wisdom alert

## Training

- District-wise strategy for improving quality of education. Treat education holistically without segmentation from pre-nursery to Class 12
- Integrated B.Ed. programme for teachers. Training of teachers during service is extremely critical. Amended the Right to Education Act to enable more than 13 lakh untrained teachers to get trained

## Technology

- Increase Digital intensity in education and move gradually from “black board” to “digital board”
- Technology - upgrade the skills of teachers through the recently launched digital portal “DIKSHA’

## Institutes

- Institutes of Eminence - specialized Railways University at Vadodara
- Full-fledged Schools of Planning and Architecture (SPA), to be selected on challenge mode
- Additionally, 18 new SPAs would be established in the IITs and NITs as autonomous Schools, also on challenge mode
- Prime Minister’s Research Fellows (PMRF)’ Scheme – Select 1,000 best B.Tech students each year from premier institutions and provide them facilities to do Ph.D in IITs and IISc, with a handsome fellowship

# MSME Engine Force



## MSME cash

- 3794 crore to MSME Sector for giving credit support, capital and interest subsidy and innovations
- Trade Electronic Receivable Discounting System (TReDS) platform and link this with GSTN. Online loan sanctioning facility for MSMEs
- Addressing non-performing assets and stressed accounts of MSMEs
- Enable larger financing of MSMEs and ease cash flow challenges

## Loan Scheme

- MUDRA Yojana launched in April, 2015 - sanction of `4.6 lakh crore in credit from 10.38 crore MUDRA loans. 76% of loan accounts are of women and more than 50% belong to SCs, STs and OBCs. Proposed target of `3 lakh crore for lending under MUDRA for 2018-19
- Non-Bank Finance Companies (NBFCs) stepped up financing of MSMEs after demonetization. Refinancing policy by MUDRA will be reviewed for better refinancing of NBFCs

## Fintech help

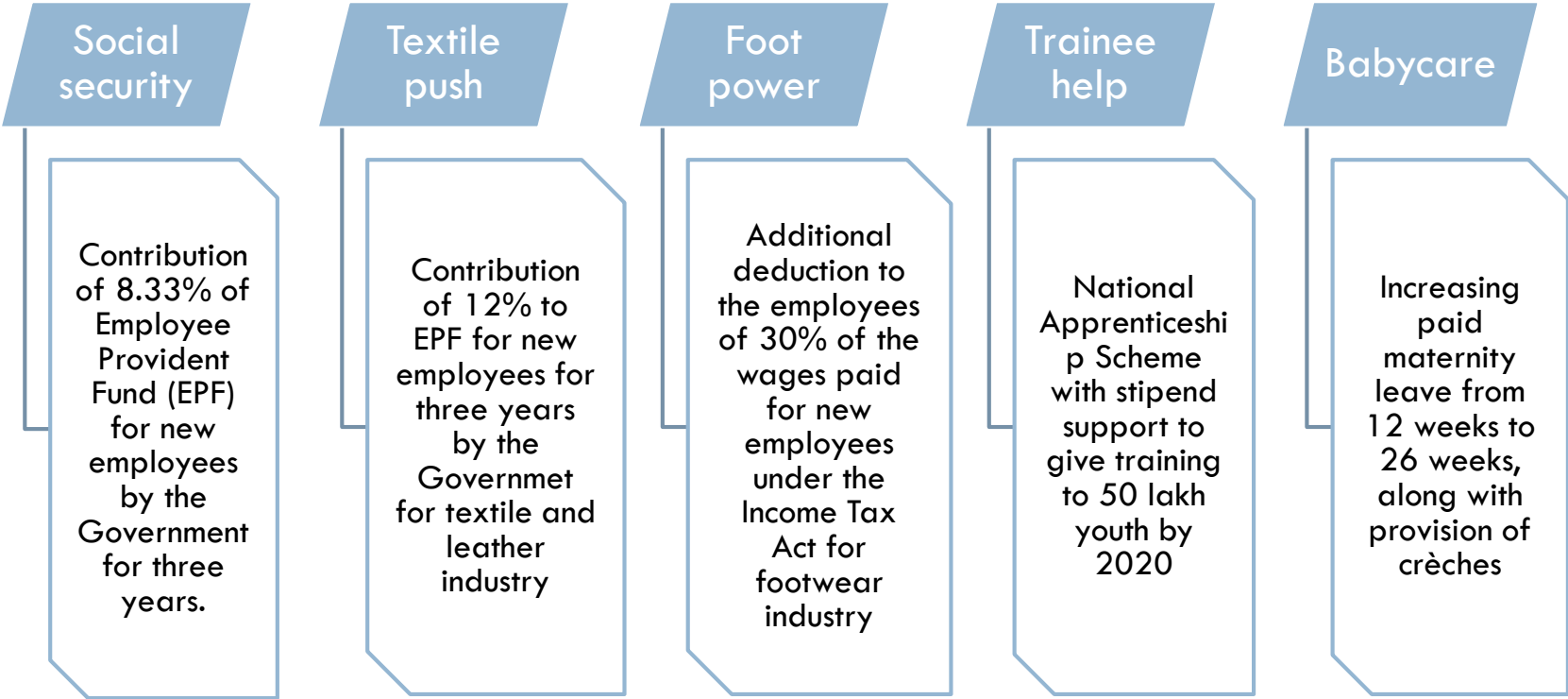
- Fintech in financing space will help growth of MSMEs.
- Ministry of Finance is examining the policy and institutional development measures needed for creating right environment for Fintech companies to grow in India

## Angel funding

- Venture Capital Funds and the angel investors need an innovative and special developmental and regulatory regime for their growth
- “Start-Up India” program, building very robust alternative investment regime in the country and rolling out a taxation regime designed for VCFs and angel investors



# Employment Hike



# Smart Infra



## Linked infra

- All-time high allocation to rail and road sectors
- Key linkages like coal for power, power for railways and railway rakes for coal
- Online monitoring system of PRAGATI, projects worth 9.46 lakh crore facilitated and fast tracked

## Defence infrastructure

- Connectivity infrastructure in border areas
- Rohtang tunnel has been completed to provide all weather connectivity to the Ladakh region
- Contract for construction of Zozila Pass tunnel of more than 14 kilometer is progressing well
- Proposal to take up construction of tunnel under Sela Pass

## Smart Cities

- Smart Cities Mission - state-of-the-art amenities for 99 Cities selected - outlay of `2.04 lakh crore
- Smart Command and Control Centre, Smart Roads, Solar Rooftops, Intelligent Transport Systems
- Projects worth `2350 crore have been completed and works of `20.852 crore are under progress

## Road is money

- Complete National Highways exceeding 9000 kilometers length
- Ambitious Bharatmala Pariyojana approved for providing seamless connectivity of interior and backward areas and borders of the country to develop about 35000 kms in Phase-I at an estimated cost of `5,35,000 crore
- Raise equity from the market for its mature road assets, NHAI organizing its road assets into Special Purpose Vehicles and use innovative monetizing structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs)

# Rail momentum



## Capacity creation

- 18,000 kilometers of doubling, third and fourth line works and 5000 kilometers of gauge conversion - eliminate capacity constraints and transform entire network into Broad Gauge
- Railways' Capex for the year 2018-19 has been pegged at `1,48,528 crore
- Mumbai-Ahmedabad bullet train project, India's first high speed rail project - Institute is coming up at Vadodara to train manpower required for high speed rail projects

## Dedicated Freight Corridors

- Work on Eastern and Western dedicated Freight Corridors is in full swing
- Adequate number of rolling stock – 12000 wagons, 5160 coaches and 700 locomotives are being procured during 2018-19
- Strengthen infrastructure at the Goods sheds and fast track commissioning of private sidings

## Rail Shield

- A 'Safety First' policy, under Rashtriya Rail Sanraksha Kosh cornerstone of Railways' focus on safety
- Maintenance of track infrastructure is being given special attention - Over 3600 kms of track renewal
- Use of Technology like "Fog Safe" and "Train Protection and Warning System"
- Eliminate 4267 unmanned level crossings in the broad gauge network

## Redevelop

- Redevelopment of 600 major railway, Escalators, WiFi, CCTV, modern train sets
- Mumbai – Add 90 km track, 150 km additional suburban track; Bangalore – 160 km suburban



# Financial Lift

## REIT Reality

Development of monetizing vehicles like Infrastructure Investment Trust (InvIT) and Real Investment Trust (REITs) in India

- Government to initiate monetizing select CPSE assets using InvITs

## Stamp duty

Reform - stamp duty regime on financial securities - amend Indian Stamp Act

## DigiEconomy

Cutting edge technologies in digital space – machine learning, artificial intelligence, internet of things, 3D printing supported

- Initiatives such as Digital India, Start Up India, Make in India help India establish itself as a knowledge and digital society
- NITI Aayog will initiate a efforts in the area of artificial intelligence, including research and development of its applications

## Crypto Rub

Distributed ledger system or the block chain technology allows organization of any chain of records or transactions without the need of intermediaries

- Government does not consider crypto-currencies legal tender or coin and will take all measures to eliminate use of these crypto-assets in financing illegitimate activities or as part of the payment system
- Government will explore use of block chain technology proactively for ushering in digital economy

## Seamless Tolls

Toll payments physically by cash at road toll plazas fast replaced with Fastags and other electronic payment systems to make road travel seamless

- Number of Fastags has gone up from about 60,000 in December, 2016 to more than 10 lakh now. From December, 2017
- The Government will come out with a policy to introduce toll system on “pay as you use” basis

## Hybrid

Hybrid instruments - attracting foreign investments niche areas, especially for the startups and venture capital firms. Separate policy for the hybrid instruments



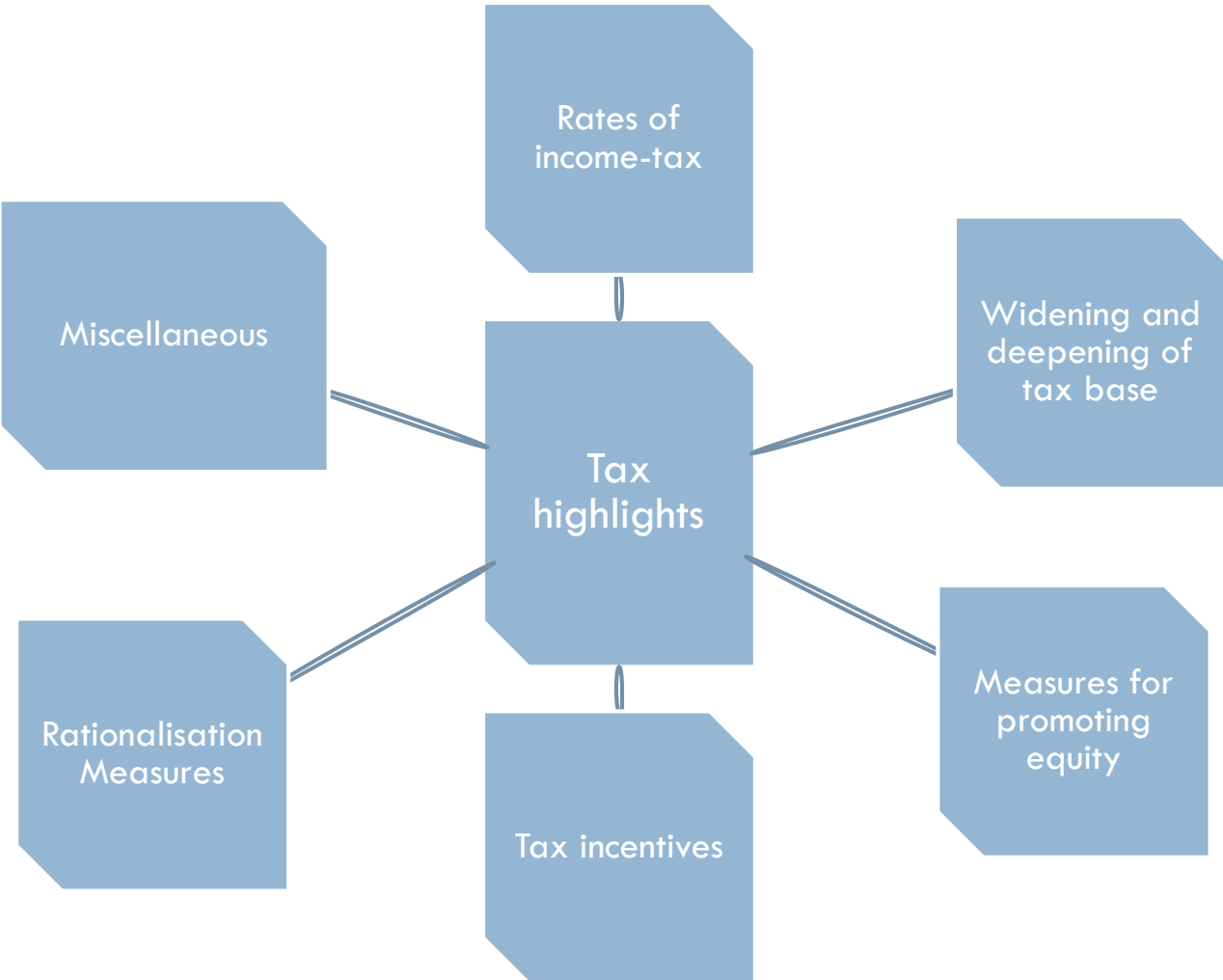


# Improving Public Service Delivery

Defence Private	Private investment in defence production including liberalizing foreign direct investment
<ul style="list-style-type: none"><li>• Measures to develop two defence industrial production corridors in the country</li><li>• Government will also bring out an industry friendly Defence Production Policy 2018 to promote domestic production by public sector, private sector and MSMEs</li></ul>	
Nation Identified	Aadhar has provided an identity to every Indian and eased delivery of many public services
<ul style="list-style-type: none"><li>• Every enterprise, major or small, also needs a unique ID</li><li>• The Government will evolve a Scheme to assign every individual enterprise in India a unique ID</li></ul>	
Ease of Doing Business	Identified 372 specific business reform actions
<ul style="list-style-type: none"><li>• All States taken up reforms and simplifications in a mission mode constructively competing with each other</li><li>• Evaluation of performance under this Programme will now be based on user feedback</li></ul>	
Metro Lined	Government of India's contribution in equity and debt of the metro ventures floated by the State Governments will be streamlined
Public Sector Streamlined	Listing of 14 CPSEs, including two insurance companies, on the stock exchanges, divestment of Air India and other 24 CPSE
<ul style="list-style-type: none"><li>• National Insurance Company Ltd + United India Assurance Company Limited + Oriental India Insurance Company Limited = Single insurance entity</li><li>• Bank recapitalization program launched with bonds of `80,000 crore. Aim is Enhanced Access and Service Excellence (EASE) programme. Pave the way for lending additional credit of `5 lakh crore</li><li>• Allow strong Regional Rural Banks to raise market capital - enable increase their credit to rural economy</li></ul>	

# Tax proposals

# Tax Highlights





# Rates of income-tax

## Surcharge on income-tax

Individual or HUF or AOP or BOI Surcharge 10% if income 50 lakh to 1Cr, above 1cr 15%

- Cooperative societies 12% if income 1Cr exceeds 1Cr 15%
- Domestic company 7% if income 1Cr to 10Cr, exceeds 10Cr 12%
- Foreign company 2% if income 1Cr to 10Cr, exceeds 10Cr 5%

## Rate Of Income Tax

Individual or HUF or AOP or BOI no change

- Cooperative societies no change
- Firms no change
- Local authorities no Change
- Companies total turnover or gross receipt upto 250Cr 25% / others 30%

## Additional surcharge called the "Health and Education Cess

Shall be levied at the rate of 4% on the amount of tax computed, inclusive of surcharge

# Widening and deepening of tax base



Entities  
apply -  
Permanent  
Account  
Number

In order to use PAN for non-individual entities, if financial transaction of an Rs 2.5 lakh or more in FY, required to apply to the Assessing Officer for allotment of PAN

Long-term  
capital gains  
on sale of  
equity shares  
taxed

Tax on long term capital gain on sale of equity shares 10% if gain more than 1 Lakh

# Measures for promoting equity



Senior citizens  
medical health  
insurance

Deduction on medical health insurance increased from Rs 30,000/- to Rs 50,000

Senior citizens  
specified disease  
treatment

Specified disease treatment deduction of Rs 1,00,000/- for both senior citizens and very senior citizens

Deduction of interest  
income - Senior  
citizen

Deduction of interest income - Senior citizen increased from 10000 to 50000

Standard deduction  
on salary income

Income under head it is proposed to allow a standard deduction upto Rs 40,000 in place of medical and travel allowance. Net benefit Rs 5400



# Tax Incentive

## Deduction - Income of Farm Producer Companies

100 % deduction respect of profit of cooperative society which provide assistance to its members engaged in primary agricultural activities

## Measures to promote start- ups

Deduction for start-up for three consecutive assessment years out of seven years at the option of the assessee

- If incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 2019
- Total turnover of business does not exceed 25 Cr Rs in any of the previous years from 1st day of April, 2016 and ending on the 31st day of March, 2021

## Incentive for employment generation

Footwear and leather industry deduction of 30% is allowed in addition to normal deduction of 100% in respect of employee cost



# Rationalisation Measures

## Non filing Punishable

Person failing to file in due time - punishable with imprisonment and fine

## Non-employee NPS Withdrawal

Non employee allowed to withdraw from NPS upto 40% an exemption in respect of total amount payable on closure of his account or on his opting out

## Penalty for failure to furnish statement

If a person required to furnish the statement of financial transaction fails to furnish such statement within the prescribed time, he shall be liable to pay penalty of 100 Rs for every day

## GOI Bonds, 2018

Government has now decided to replace the existing 8% Savings (Taxable) Bonds, 2003 with a new 7.75% GOI Savings (Taxable) Bonds, 2018





# Consumer Goods Pinching

Food Processing

- Fruit juices and vegetable juices including cranberry juice custom duty increased from 30% to 50%

Perfumes and toiletry preparations

- Perfumes and toilet waters
- Beauty or make-up
- Oral or dental hygiene
- Pre-shave, shaving or after-shave
- Deodorants , bath custom duty increased form 10% to 20%

Automobile parts

- Truck and Bus radial tyres custom duty increased form 10% to 15%
- Specified parts/acces series of motor vehicles, motor cars, motor cycles custom duty increased form 7.5 % to 10%

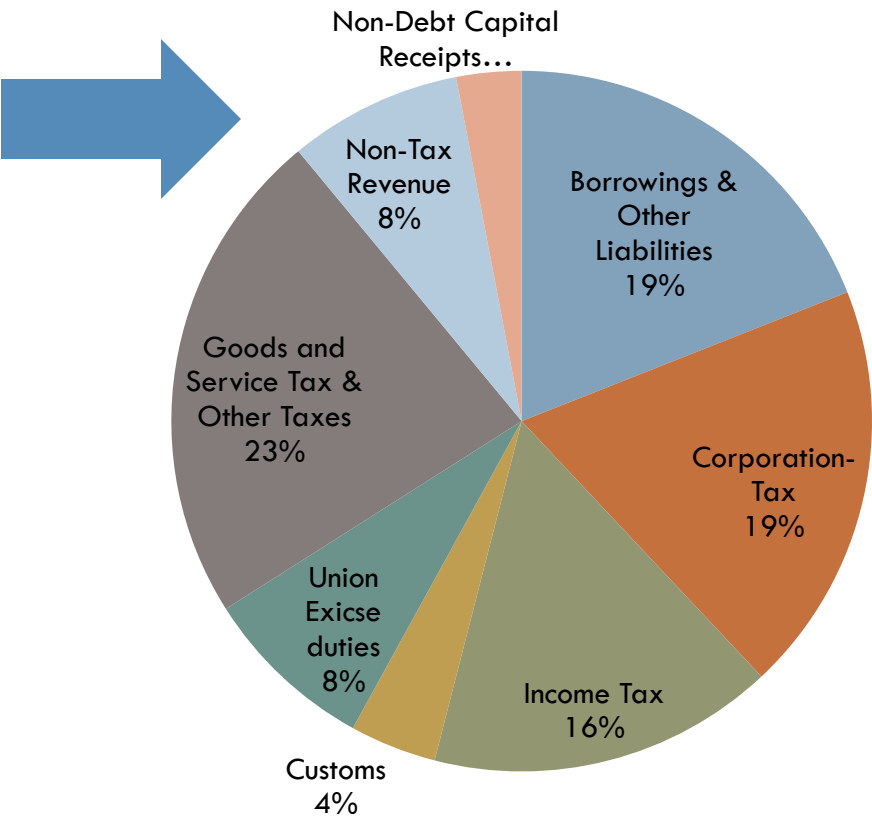
Electronics / Hardware

- Cellular mobile phones custom duty increased from 15% to 20%
- Smart watches / wearable custom duty increased form 10% to 20%
- Furniture custom duty increased from 10% to 20%

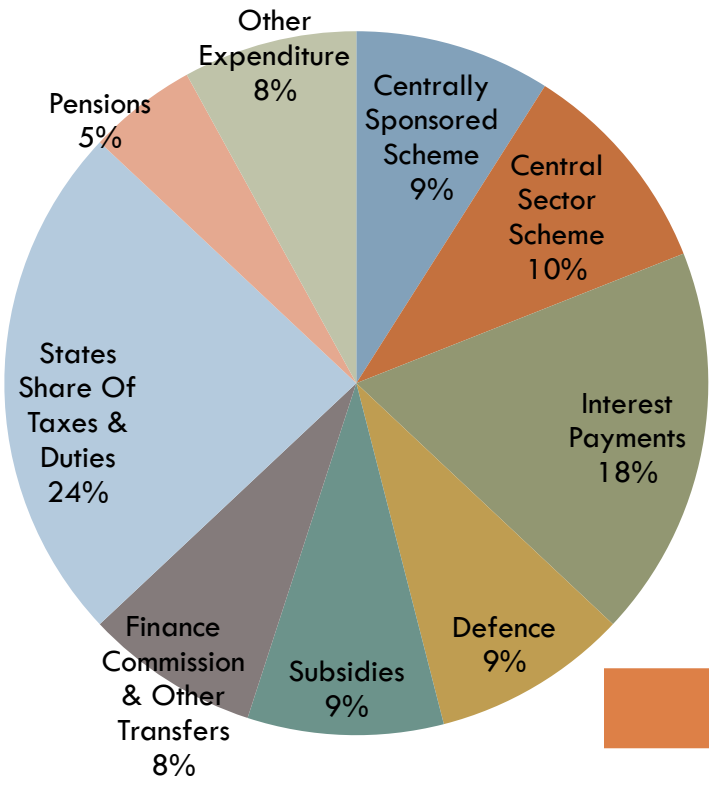


# Overall Budget

**Rupee Comes From**



**Rupee Goes To**



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Merci Takk  
Köszönjük Terima kasih  
Grazie Dziękujemy Dèkojame  
Ďakujeme Vielen Dank Paldies  
Kiitos Täname teid 谢谢  
**Thank You** Tak  
感謝您 Obrigado Teşekkür Ederiz  
Σας ευχαριστούμε 감사합니다  
Bedankt ඔබට  
Děkuje vám  
ありがとうございます  
Tack



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