

Budget Highlights 2017-18

- This year budget agenda is to **Transforms, Energies and Clean India i.e tech India.**
- Govt took two tectonic policy initiatives - passage of GST Bill and demonetization which will have a positive impact in the year 2017-18.
- Key Thrust Sectors:
 - Farmers
 - Rural Development
 - Employment & Youth
 - Social Security for Underprivileged
 - Infrastructure Development
 - Financial Sector Strengthening
 - Digital Economy
 - Public Service Delivery & Participative Governance
 - Fiscal Management
 - Tax Reforms

Digital India

- 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
- Aadhar-based Payment System to help people not having debit/credit cards
- Allocation of Rs 10,000 crore for **Bharat Net project** for providing high-speed broadband in FY18
- Under the BharatNet Project, OFC has been laid in 1,55,000 kms.
- By the end of 2017-18, high speed broadband connectivity on optical fibre will be available in more than 1,50,000 gram panchayats, with wifi hot spots and access to digital services at low tariffs.
- A DigiGaon initiative will be launched to provide tele-medicine, education and skills through digital technology
- Rural and Semi-Urban Areas to get more funds for creating digital economy

Cashless Economy

- Aadhar-based Payment System to help people not having debit/credit cards
- Rural and Semi-Urban Areas to get more funds for creating digital economy
- Banks to introduce additional 10 lakh PoS by March 2017
- 20 Lakhs Aadhar based swipe machine by 2020.

Skill India

- SANKALP Programme for Skill Development with allocation of Rs. 4000 Crore
- Propose to leverage ICT with the launch of "Swayam" platform which has 350 free courses
- Innovation fund for secondary education to be set up
- PM Kaushal Kendra's will be extended to 600 districts; 100 international skill centers to be opened to help people get jobs abroad

Manufacturing & Tax reform

- India has become the sixth largest manufacturing country in the world -- up from ninth previously
- MSIPS for encouraging IT manufacturing and EDF – allocations of Rs. 745 Crore

Ease of Doing Business and Good Governance

- Over 90 per cent of FDI proposals are now processed through automatic route
- E-Filing and online FDI Processing to ease investments
- FIPB has been abolished to encourage foreign investments
- Propose to reduce corporate tax for cos with annual turnover Rs 50 crore to 25%
- CBEC will continue to strive to implement GST
- No change in excise and service tax rates due to upcoming GST

Electronics Sector:

Reverse Osmosis (RO)

- Basic Customs duty on Reverse Osmosis (RO) membrane element for household type filters falling under tariff item 8421 99 00 is being increased from 7.5% to 10%. Clause 109 (a) of Finance Bill, 2017 refers.

CNC Systems

- Concessional Basic Customs duty of 2.5% is being extended to Ball Screws [8483 40 00], Linear Motion Guides [8466 93 90] and CNC Systems [8537 10 00] for use in the manufacture of all types of CNC machine tools falling under headings 8456 to 8463, subject to actual user condition.

Populated PCBs of mobile phones

- Populated PCBs of mobile phones are being excluded from the purview of Nil SAD under S. No. 1 of Notification No. 21/2012-Customs [which exempts SAD on items, which are exempt from BCD and CVD]. S. No. 1 of Notification No. 21/2012-Customs dated 17th March, 2012 as amended vide Notification No.4/2017- Customs, dated 2nd February, 2017 refers. Simultaneously, 2% concessional SAD is being prescribed on populated PCBs for use in manufacture of mobile phones, subject to actual user condition. The concessional SAD will be valid till 30th June, 2017. Notification No. 21/2012-Customs dated 17th March, 2012 as amended vide Notification No.4/2017-Customs, dated 2nd February, 2017, [new S. No. 85B] refers.

Micro ATMs, fingerprint reader / scanner, and Iris Scanner

- Basic Custom Duty (BCD), CVD (by way of excise duty exemption) and consequently SAD are being exempted on Micro ATMs as per standards version 1.5.1, fingerprint reader / scanner, and Iris Scanner. Further, BCD, CVD (by way of excise duty exemption) and consequently SAD are also being exempted on parts and components for manufacture of these devices, subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide Notification No.6/2017-Customs, dated 2nd February, 2017, [new S. No. 408A] refers.

Miniaturised POS card reader for mPOS

- Basic Custom Duty (BCD), CVD (by way of excise duty exemption) and consequently SAD are being exempted on miniaturised POS card reader for mPOS (other than Mobile phone or Tablet Computer). Further BCD, CVD (by way of excise duty exemption) and consequently SAD are also being exempted on parts and components for manufacture of miniaturised POS card reader for mPOS [other than Mobile phone or Tablet Computer], subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide Notification No.6/2017- Customs, dated 2nd February, 2017, new S. No. 408A refers.

LED lights or fixtures including LED Lamps

- 5% concessional basic custom duty (BCD) is being prescribed on all parts for use in the manufacture of LED lights or fixtures including LED Lamps, subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide Notification No.6/2017- Customs, dated 2nd February, 2017, [new S. No. 410 A] refers.
- 5% concessional BCD is also being prescribed on imports of inputs for use in the manufacture of LED (Light Emitting Diode) driver or MCPCB (Metal Core Printed Circuit).
- Board) for LED lights and fixtures or LED Lamps, subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide Notification No.6/2017- Customs, dated 2nd February, 2017, [new S. No. 410 B] refers.

Solar Cells

- Basic Customs Duty (BCD) is being reduced from 10%/7.5% to 5% on all items of machinery, including, instruments, apparatus and appliances, transmission equipment and auxiliary equipment (including those required for testing and quality control) and components, required for initial setting up of fuel cell based system for generation of power or for demonstration purposes subject to certain conditions. Notification No.5/2017 -Customs dated 2nd February, 2017 refers.
- BCD has been reduced to Nil on Solar tempered glass for the use in the manufacture of solar cells/panels/modules. CVD on the parts of Solar tempered glass has been reduced to 6% from previous 12.5%.