

KEY HIGHLIGHTS POINTS OF BUDGET 2018



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The Hon'ble Finance Minister has announced the Union Budget 2018 on 1st February 2018. There are various Key points related to Budget 2018.

- Fiscal deficit is 3.5% of GDP in F.Y. 2017-18. Projecting fiscal deficit to be 3.3% of GDP.
- No tax rate change proposed in the budget ,
- 100% tax deduction is allowed to Co-operative societies.
- Corporate tax of 25% extended to companies with turnover upto Rs. 250 Cr in F.Y 2016-17.
- Exemption in income for Senior Citizen of Rs. 10,000/- by the way of interest on deposit with an Banking companies, Co-operative societies and Post offices u/s 80TTB (Insertion of new section).
- Senior Citizen gets Rs. 50,000 per annum exemption for medical insurance u/s 80D.
- Standard Deduction of Rs 40,000 for salaried employees. However benefit of transport allowance of Rs 19,200 and Medical Reimbursement of Rs 15,000 under Section 17(2) are being withdrawn. Thus net benefit to salaries class only Rs 5,800.
- Long term capital gain exceeding Rs. 1lakh will be taxed at 10% without indexation.

- Short term capital gain remain same at 15%
- Education and health Cess increased to 4% from 3%.
- Government makes PAN mandatory for any entity entering into a financial transaction of Rs. 2.5 lakhs or more.
- Custom duty on certain products such as Mobile phones 15% to 20% and television to 15% has been increased.
- Social welfare surcharge of 10% on imported goods.
- Customs duty on crude edible vegetable oils like groundnut oil, safflower seed oil hiked from 12.5% to 30%; on refined edible vegetable oil from 20% to 35%.
- Customs duty on imitation jewellery hiked from 15% to 20%; doubled on all watches to 20%.
- 100% tax deduction for the first five years to companies registered as farmer producer with a turnover of Rs. 100 crore and above.
- Penalty for non filing financial return as required under section 285BA being increased to Rs. 500 per day.
- Deemed dividend to be taxed in the hands of the company itself as Dividend Distribution of tax @ 30%.

Hope the information will assist you in your Professional endeavors. In case of any query/information, kindly free to write back to us.

Thanks and Regards

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