



Highlights of Union Budget: 2018-19
-Automotive Specific-

Automotive Specific- Indirect Tax:

- Basic Custom Duty on select items such as engine & transmission parts, brakes and parts thereof, suspension and parts thereof, gear boxes and parts thereof, road wheels, airbags etc. have been enhanced from 7.5/10% to 15%. Increase in BCD will create investments and employment in domestic industry.
 - Duty Increase on following tariff lines: 8407, 8408, 8409, 8483 10 91, 8483 10 92, 8511, 8708 and 8714 10 (*Refer Memorandum for detailed list*)
- CKD imports of motor vehicles, motor cars, motor cycles – 10% to 15%
 - Duty Increase on following tariff lines: 8702, 8703, 8404 and 8711
- Basic custom duty on commercial vehicles including buses and trucks (tariff heading 8702 and 8704) increased from 10% to 15%
- BCD on Lithium-ion batteries (Tariff heading 8507 60 00) enhanced from 10% to 20%
- Basic custom duty on capital goods such as Ball screws, linear motion guides, CNC systems for manufacture of all types of CNC machine tools falling under headings 8456 to 8463 declined from 7.5% to 2.5%
- Duty on bus and truck radial tyres (Tariff heading 40112010) increased from 10% to 15%

Automotive Specific- Direct Tax:

- Reduction in corporate tax to 25% for SMEs with turnover of up to Rs. 250 crore
- Rationalization of 30% additional deduction for wages paid to new employees hired under Section 80 JJAA:
 - Now deduction will cover new employees who satisfy the minimum employment period criteria not in the first year but in the subsequent year
- No change in personal income tax slabs
- Education cess of 3% will be replaced with Health and Education Cess of 4%

Others announcements :

- Rs 3,794 crore allocated for credit support, capital, interest subsidy, innovations
- Ease in financing of MSMEs' capital requirement, including working capital
- Contribution of 8.33% of Employee Provident Fund (EPF) for new employees by the Government for three year
- Government will contribute 12% of the wages of the new employees in the EPF for all the sectors for next three years. Also, the facility of fixed term employment will be extended to all sectors.
- National Apprenticeship Scheme with stipend support and sharing of the cost of basic training by the Government to give training to 50 lakh youth by 2020
- Railway capex for 2018-19 set at ₹1.48 lakh crore.
- Government will setup Centres of excellence to promote digital India program which includes research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, etc

Thank You

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