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Tax World reacts to Indirect Tax proposals in Budget 2018

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Expert	Comment
N. Venkataraman (Senior Advocate)	This budget seeks to expand its impetus beyond educational roads and has made inroads in healthcare and social security. It has abolished Education Cess and has introduced a more comprehensive Cess including education, healthcare and social security. Rates of customs duty across goods have increased thus giving impetus to Government's 'Make in India' initiative. The focus of the Government has been to bring GST under the scanner of technology to ensure transparency and accountability. E-way bill coupled with possible dispensation of check post could ensure digitization and capturing road movement and avoid rampant corruption at the check post. The focus on the rural and agricultural stakeholders, if delivered fully, could provide a huge impetus to the whole economy.
Rohan Shah (Advocate)	Corporates with a turnover of over 250cr will see an increase in effective tax outgo as a result of increase of 1% of Cess. The expected buoyancy in taxes, especially GST seem ambitious. If the tax numbers are not delivered through the larger tax footprint, there are fears of a more confrontational and litigious tax collection regime. The expenditures are committed, the resources are in the realm of possibility.
Prashant Deshpande (Deloitte Haskins & Sells LLP)	Rate rationalization and reduction of peak rate of customs duty have been an integral part of economic reforms in this country. It was in the year 2001 that the Hon'ble Finance Minister Shri. Yashwant Sinha made a commitment to bring down the rates progressively in a manner that the peak rate of customs duty for raw materials, intermediates and components are pegged at 10 percent while the rates for final products are kept at 20 percent with some exceptions on account of WTO bindings or higher tariffs for agricultural products. The rates were indeed brought down accordingly and the Hon'ble Finance Minister Shri. P Chidambaram while presenting the Union Budget 2004 acknowledged the intention to align India's tariff structure to those of ASEAN countries. The rate rationalization was not a statement of political agenda but a recognition of the need to bring down the tariff barriers and improve competitiveness. It was a demonstration of inherent strength of the industry which had weathered the removal of quantitative restrictions on imports. The international trade treaty obligations had put most goods including consumer goods on free list with effect from 1.4.2000. Yet it did not deter the Government form progressively reducing the peak rate to 10 percent in 2007. What then is the change that has caused the reversal of the trend and an

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avowed commitment to keep the rates at the ASEAN levels? One could point finger at the moderate success enjoyed by the 'Make in India' theme. But affording protection to consumer goods does not necessarily attract investment for assured success of Make in India story. The possible reason could be the winds of change blowing across the world in the form of protectionist measures, started by no less than the largest free economy.

Successively Governments are falling prey to affording protection to domestic industry by creating tariff barriers. The Globalization is under threat and the reverse trend is here to stay, at least for the time being.

Sachin Menon (KPMG India)	The Union Budget 2018-19 comes in the backdrop of the implementation of the Goods and Services Tax ('GST') in India and the impending elections in 2019. As most GST related amendments are decided by the GST Council in their meetings, the Budget wasn't expected to make significant changes on GST and as expected the indirect tax budget announcements focused on customs duty related amendments. A significant change that would hit importers would be the introduction of the Social Welfare Surcharge at 10% of the aggregate duties of customs. The education cess and secondary and higher education cess (totaling to 3%) on the imports has been withdrawn. This increases the general effective customs duty rate from 30.15% 30.98%, thereby making imports more expensive. Further, to support the domestic manufacturing sector, the customs duty rates on various products have been increased. This includes many products of direct relevant to the common man such as fruit and vegetable juices, perfumes and toiletry preparations, specified automobile parts, footwear, mobile phones, specified furniture and toys. The increase in the duty rate coupled with the introduction of the social welfare surcharge would increase the cost of importing these goods. Overall, as expected there were no significant indirect tax related changes in the budget. However, it would be imperative that the GST Council in the future meetings decide on important GST related aspects such as centralized registration for service entities having India operations, simplification of e-waybills requirements and the return filing and revision of rates and rate slabs. If the GST council takes a call on these issues in their meeting scheduled in the coming days, it is possible that resultant GST law amendments may be introduced as an amendment in next session of the Parliament.
Pratik Jain (PwC)	From an indirect tax standpoint, as expected, focus has been on customs duty. There is a clear policy shift in increasing customs duty to incentivize domestic manufacturing on many items including cell phones, smart watches, perfumes, juices and so on. Message is loud & clear 'manufacture in India if you want to access Indian market'. Also there are some tangible steps proposed to reduce litigation by having pre-consultation before issuance of notice and timelines for the closure of cases. GST law related proposals are expected in second half of the budget session.
	With the introduction of GST, Union Budget Indirect tax proposals had to

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Harishankar Subramaniam (EY)

primarily deal with Customs duty. The custom duty proposals announced clearly underlines the Make in India and localization thrust. A host of goods have seen a significant increase in basic customs duty namely mobile phones, wearables, parts of phones and TVs, auto components etc. amongst the key ones. Having said that, our basic custom duty rates have now been raised to 20 and 15 percent levels the highest in recent years. This duty being a cost will have impact on imports and vis a vis pricing of these imported products.

The basic customs duty increase in auto components will have some reaction specially where there are imported components.

Sujit Ghosh (Advaita Legal)

The governance objective of 'Ease of doing business' being supplemented with the objective of 'Ease of Living', as mentioned in the Budget speech, is a laudable move – it was heartening to note the announcement on the flagship health insurance scheme intended to cover 10 crore families along with other announcements on affordable housing, sanitation etc.

For the agricultural sector too, the Budget speech was a bearer of good news –with rise in Minimum Support Price for farmers, the announcements on agricultural infrastructure fund, National Bamboo Mission etc.

As was expected, significant announcements were made in the infrastructure space including announcements about new airports, Bharat mala project, Smart cities etc.

In another important declaration, the Budget speech reiterated the Government's stance against cryptocurrency – however, the Budget speech also indicated Government's openness to embrace new technologies like Block chain for governance.

The Budget speech mentioned the deficits caused due to lower GST collection and deferment of spectrum auctions – however, higher direct tax collection seemed to have made up for some of that shortfall.

Lower corporate income tax rate for the MSME sector as announced in the Budget Speech should boost the economy as well as employment generation – something like this was expected after the recent tax reform in USA. However, to balance out the foregoing benefits, Long Term Capital Gains Tax has been introduced on specified stock market transactions; also Cesses and surcharges for healthcare and other social welfare schemes were announced.

On the indirect tax side, as expected, the announcements were mostly limited to the Customs duty side – in a departure from the trend of several preceding years, customs duty has been hiked for several products/parts or accessories in order to boost domestic industry or 'Make in India'. The tenability of such tariff hikes would need to be evaluated against the touchstone of India's WTO commitments. The trade facilitation measures under Customs laws announced in the Budget speech (viz., pre-notice consultation, definitive

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timelines and deemed closure on expiry of timelines) are pursuant to India's category A commitments under the WTO's Trade Facilitation Agreement and were in the expected lines.

Overall, the Budget seems to aim at 'pleasing all', without losing sight of the fiscal deficit targets. As always, the fine-print of the Finance Bill and notifications thereunder would merit further examination for a more comprehensive assessment.

Amit Kumar Sarkar (BDO India LLP)	This being the last full budget of the current government which has initiated few key fiscal laws changes in the last three years, the announcement through the Union budget 2018 has largely been in the expected lines. The thrust of the Union Budget has been on welfare schemes for farmers and rural economy, implementation of security and health care programmes, accelerate investment in education and creation of job, increased allocation for infrastructure, etc. Finance Ministers announcement to restrict the fiscal deficit target of 3.5% (in 2017-18) and 3.3% (in 2018-19) is a step in the right direction. Despite reduction in indirect tax collection consequent to introduction of GST effective 1st July 2017, increase in the direct tax kitty partly due to demonetization, coupled with additional revenue from strategic dis-investments and increase in non-tax revenue in the early part of the fiscal due to lower international crude prices, helped Govt. shore-up the revenue shortfall. Increase in number of registrants and tax filing under Direct and Indirect tax, promises upward trend in tax revenue. Reduction in income tax rate for corporate taxpayer with turnover up to Rs.250 Crores in fiscal 2017-18, re-introduction of the standard deduction for salaried assesses and concessions to senior citizens are welcome steps. Tax on Long-term capital gain expected to be a dampener for the surging stock markets. The announcement of health insurance for 10 Crores families is path-breaking, considering the sheer size and coverage. This takes India firmly to the next generation of social security as the country moves aggressively towards a progressive developing economy. Thrust is also given to the Medium, Small and Micro Enterprises (MSMEs) by giving them credit support, capital and interest subsidy and innovation support. Speculation around the legality on the crypto-currencies has been set to rest by the Finance Minister who clearly stated that it would not be a legal tender and the government would evaluate the options to eliminate its use in financing illegitimate activities or as part of the payment System. Government is proactively considering the promotion of 'Fifth Generation' (5G) technologies and block-chain technology for ushering into a digital economy. The Finance Minister, being the pre-election budget, had to go through a difficult task of maintaining the fiscal prudence, but still give a popular budget. As expected, the focus of the budget was the poor, farmer and the MSME sector. When it comes to tax proposals, it is a mixed bag of proposals wherein on one hand, benefits have been provided to the salaried people, senior citizens and MSME Sectors, whereas on the other hand, capital gains tax has

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been proposed on the long-term capital gains in case of listed securities.

The Capital gain tax is proposed without removing the levy of Securities Transaction Tax (STT). In fact, one of the conditions to avail the benefit of lower rate of tax at 10% is that the STT has been paid at the time of purchase and sale of securities. Effectively, the investor will have to bear the burden of tax which comes to be significantly higher than 10%.

The benefits have been provided to the salaried people by providing the standard deduction whereas the overall tax structure has not been changed. The benefit to the extent of Rs.40,000/- would effectively mean, the additional disposable income anywhere between Rs.5,000/- to Rs.12,000/-, which would definitely benefit the people with consequential benefit to the economy by way of a higher spending potential.

Rohit Jain (ELP)

Another important amendment proposed in the tax proposal is reducing the Corporate Income tax rate to 25% for the companies having turnover of less than Rs.250 cores. As set the target for four years back, it would have been most welcome that the overall Corporate Tax Rate would have been brought down to 25% instead of restricting to mid-sized corporates.

Another significant change is increase in the Basic customs duty from 10% to 15-20%. The pick rate of Customs duty has been constant for many years at 10% and no change has been made earlier. In this budget, the increase in the rate of duty is for various products such as cosmetics, footwear, electronics etc. will have significant increase in the cost of the imported products which are not currently manufactured in India. This would give a boost to the Make in India Initiative.

In a nutshell, in my view, the Finance Minister has got a fine balance between the popular budget with fiscal consolidation. Overall, I believe that we got a good budget, more so for the reason that no proposal is being made to gain certain political advantage at the cost of the growth of the economy.

Amitabh Khemka (Sthir Advisors LLP)

From indirect tax perspective, the Union Budget 2018 has estimated an overall indirect tax revenue growth of 19%. The gap between the direct tax to GDP and indirect tax to GDP percentages is forecasted to come closer. The revenue from GST is budgeted for next year at Rs. 7,43,900 crores against the revenue of current year of Rs. 4,44,631 crores which a steep hike.

Significant changes have been made in the Customs law, including (i) scope of the law, (ii) definition of assessment & Indian customs waters, (iii) exemption for inward / outward processing, (iv) advance ruling, (v) audits, (vi) reciprocal arrangements for exchange of information facilitating trade, (vii) payment of duty through electronic cash ledger and (vii) modes of service of notices. The change in respect of pre-notice consultation and definite time frame for adjudication is a welcome change. The amendment in the 'power to prohibit importation' is likely to see change by the time the Bill is enacted as the customs laws tries to override the regulatory requirements specified in any other law, with respect to import of goods or clearances thereof; as the

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LLP)	intent per the Notes to Clauses appears to be different then what is stated in the provisions in law. The levy of 'social welfare surcharge' immediately on imported goods at 10 per cent would be increase the effective rate of customs duty. The reduced rate of 3 per cent in this regards to petrol, diesel, silver and gold is a relief in respect of these goods only. The changes in basic excise duty, abolition of road cess, introduction of road and infrastructure cess, abolition of education cess and secondary & higher education and levy of reduced rate of 'social welfare surcharge' on petrol and diesel - would require immediate changes for the impacted companies. Effectively, though there is no change in the total duty but there would be a cost of implementing the changes.
Aparna Nandakumar (Sr. Standing Counsel)	Having gone through the Budget, what hit me first as a significant change is the enlargement of scope of applicability of the Customs Act with regard to offences and contravention of the provisions committed outside India. Until now, the scope extended to whole of India so the virtual geographical extension will have a far reaching impact. Similarly, the simple definition of "assessment" has been elaborated now. Thus, by elaboration, not much is left to the imagination. The reduction of period for completion of Advance Ruling proceedings from six months to three months is a welcome one and will reduce pendency and pave way for clarity. The amendment to the term "applicant" for Advance Ruling to mean a person holding a valid IEC Code, has not only broadened the scope of the term but also ensures authenticity and transparency. The appellate remedy as against AAR introduced vide Budget 2018 is like the one provided under the GST enactments. This seems to be a move towards bridging of GST and Customs in few areas such as this and payment requirement through Electronic Cash Ledger. Similar is the amendment of Section 3 of Customs Tariff Act which provides for valuation of warehoused goods which are sold to any person before clearance for home consumption or export for calculating IGST and Compensation Cess. It is overall a gripping Budget as far as Customs Act changes are concerned, although there do not seem to be significant changes in direct taxes and GST.
Akella Prakasa	The expectations were belied. The budget has some populist measures but delivered poorly on tax front. Trade represented not to have surcharge / cess and instead was ready for increase in the basic tax rate itself. Also, the Government has brought in new nomenclature by introducing two new levies – Social Welfare Surcharge and Road and Infrastructure Cess leading to complexity in the computations and increased number notifications. This is not in the spirit of ease of doing business. The increase in the customs rate

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Rao (Tax Professional)

may not really help in Make in India, unless the infrastructure support is extended by the Government in such areas. Certain measures like MSP for agriculture produce, National Health Protection Scheme, Ayushman Bharat, introduction of standard deduction for salaried class, increased tax exemption limits in case of Senior Citizens, increased access to LPG are welcome. Overall, it was felt that the budget will be delivered keeping in mind that, it is going to be the full budget before the general elections, but it proved to be otherwise.

This is the last full budget presented by the government before the next general elections. But the budget keeps in with the trend to incentivize ease-of-doing-business and digital economy, while also giving special stress on agriculture, education, health, social security, job creation, infrastructure and MSMEs. This is also the first budget presented after implementation of the Goods and Services Tax (GST) with effect from July 1, 2017. Since the policy decisions on levy and collection of GST are implemented broadly on the basis of recommendations of the GST Council, there are no changes in the budget in respect of GST. Below I am deep-diving into some of the announcements in the Budget:

1. As regards expenditure trends, while there will be an increase in overall expenditure by 13.8% on a BE to BE basis in 2018-19 over 2017-18, public finance pundits may have concerns about the quality of expenditure as the capital expenditure will actually go down by about 3.0% and it is the revenue expenditure which will be up by 16.6%. We may note that the grants-in-aid for creation of capital assets remains practically constant on a BE to BE basis. However, if we compare RE to BE the growth is 10.1%, 9,9% and 10.2% respectively for overall, capital and revenue expenditure.

Sivasubramanian V (Lakshmikumaran & Sridharan Attorneys)

2. As regards tax revenues, the increase in GST receipts is being estimated at 67% in BE 2018-19 over RE 2017-18. However, we note that GST was implemented only with effect from July 1,2017 and hence there will be three extra months of GST receipt in 2018-2019 over the current year. But even after adjusting for the three extra months (April-June) on a pro-rata basis, the growth estimates are about 25% which may arise only if there is either tightening of the tax administration or increase in rates.

3. The Central Road Fund is being replaced by the Central Road and Infrastructure Fund which will now be used (besides development and maintenance of national highways, and improvement of safety at railway crossings) also for other railway projects, State and rural roads and other infrastructure. The definition of 'infrastructure' is being aligned with the Harmonized Master List of Infrastructure Sub-sectors as notified by the Department of Economic Affairs.

4. The Road Cess (of Rs. 6 per litre on petrol and diesel) will now be replaced by a Road and Infrastructure Cess (of Rs. 8 per litre of petrol and diesel with a Rs. 2 per litre increase being compensated by reduction in the basic excise duty leviable on the said products). The Road and Infrastructure

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Cess on petrol and diesel manufactured in and cleared from 4 specified refineries located in the North-East has been fixed at Rs. 4 per litre. While the overall amount of levy will continue to remain the same, the devolvement to the States may undergo a change in view of the part change (to the extent of Rs. 2 per litre or 25%) in the nature of levy from being an excise duty to that of a cess.

The Union Budget 2018 was intriguing in many ways. Political analysts were predicting a populist budget to boost the ruling party's profile, particularly in the hinterland. This prediction seems to have been fulfilled with the Finance Minister speaking about the agriculture sector alone for around 40 minutes! As some wit commented on a social networking site on the populist nature of the Union Budget, the Government is back to the basics providing sops on roti, kapda and makaan.

Tax professionals, in particular, were curious to see how the GST regime would be dealt with in the Budget. As expected, apart from renaming the CBEC to Central Board of Indirect Taxes and Customs, there were absolutely no changes with respect to GST at all. This seems to emphasize the importance of the GST Council in formulating policy and procedures as far as the GST law is concerned. The Finance Minister also seemed to acknowledge this fact in the budget speech when he mentioned that with the advent of GST, changes with respect to indirect taxes were restricted to customs duty only.

Abhishek A. Rastogi (Khaitan & Co.)

With respect to customs duty, there are a plethora of changes in this budget. Bucking the trend set in recent years, customs duty on several products (mainly electronics and luxury items such as mobile phones, televisions, toys and watches) is hiked. Explaining the rationale behind this increase, the Finance Minister commented that the move is aimed at boosting the Prime Minister's vision of 'Make in India'. It is hoped that making imports dearer will boost the indigenous industry providing employment opportunities at a time when elections are just around the corner. Having said that, it must be kept in mind that other countries may view this as a protectionist move and take retaliatory measures hurting Indian exports. However, this move is not contrary to WTO norms and one must keep in mind that the domestic industry has the capacity to manufacture such products. Accordingly, on the whole this move seems to be in the right direction. One may even argue that basic customs duty on few other products could have also been hiked!

One is reminded of the saying that there are no free lunches as one examines the levy of Social Welfare Surcharge and Road and Infrastructure Cess. In order to fund the welfare measures announced, the Government has introduced a Social Welfare Surcharge @ 10% on the aggregate of duties levied on imports (basic customs duty + IGST). The education and secondary and higher education Cess (which were merely 2% and 1% respectively) are withdrawn with the imposition of this 10% surcharge. The Road and Infrastructure Cess is imposed @ INR 8/-per litre on import of petrol and diesel to fund infrastructure projects.

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Apart from the rate aspect, other changes in the customs law seem to focus on easing the procedures. The most welcome change would be with respect to time-bound adjudication proceedings. A definite time-limit has been introduced on passing of the final order in case of adjudication. Further, a process of pre-notice consultation is being introduced wherein the assessee would have the opportunity to present his case even before a notice is issued. It is hoped that this measure will help in reducing the stress of long-pending tax litigation in the judicial system as highlighted by the Economic Survey. A system of electronic cash ledger similar to the one under the GSTN system is being introduced under customs.

To summarize, the Union Budget 2018 has not delivered relief in terms of clarifications or simplification under the GST law. It seems assessees will have to pin their hopes on the GST Council meetings, rather than the Budget for GST-related amendments. Other announcements and amendments point towards various welfare schemes being introduced for the poorer sections of the economy with elections around the corner.

Puneet Bansal & Poonam Harjani (Nitya Tax Associates)

The Union Budget 2018, as anticipated, brings in not many significant changes on the indirect tax front, owing to the implementation of Goods and Services Tax regime last year.

The limited set of changes relevant to speak of relate to the customs laws. One of the significant proposals include introduction of Social Welfare Surcharge' to be levied as customs duty on import of goods. The Surcharge replaces the Education Cess and Secondary and Higher Education Cess with effect from February 2, 2018. As per the statutory provisions, Surcharge is applicable at the rate of 10 percent to be computed on aggregate customs duties (barring few duties like antidumping and safeguard duties). Thus, in principle, integrated tax on imported goods needs to be included in computing Surcharge. An exemption from such inclusion has, however, separately been notified meaning thereby that effectively as of now the Surcharge is applicable only on basic customs duty. This manner of excluding integrated tax for computing Surcharge, leaves possibility of the relief being withdrawn on integrated tax at a later stage, in which eventuality the quantum of incremental cost on account of levy of Surcharge will increase manifold. Also, while the levy is aimed to finance Government's noble commitments towards education, health and social security, it defies the principles of fiscal prudence by unduly burdening the import-intensive industries.

On the other hand, there are several proposals thatwillsignificantlycontributeinreducinglitigationandfast-tracking resolution of disputes. Some important changes introduced in the customs laws to this effect include:

• Making consultation prior to the issuance of show cause notice in cases not involving willful duty evasion, a statutory requirement;

• Providing a clear timeline for adjudication of show cause notices. The

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adjudication proceedings will be deemed to have been concluded in case of proper officer's failure to pass the adjudication order within the specified time-period; and

• Making the advance ruling process more efficacious by allowing advance rulings on matters beyond mere determination of duty; broad basing the categories of persons eligible for filing advance rulings and making advance ruling orders appealable.

The above amendments not only mark an unprecedented shift in Government's policy towards tax litigation, but also provide a statutory mandate to certain processes which were hitherto only directory in nature.

Further, certain changes have been proposed in the customs rates to foster 'Make in India' campaign of the Central Government. The Indian electronics industry, especially manufacturers of mobile phones, form a major beneficiary of these changes. Notably, the Government has after a long time taken an aggressive stand of making a substantial increase in basic customs duty rates to incentivize domestic manufacturing. In general, median rates of excise duty and customs duty have been kept intact.

Overall it is a populist budget indicating Government's proclivity towards augmenting rural sector by aiding agricultural activities.

Jigar Doshi (Sudit K Parekh & Co.)

With Excise and Service tax legislation being subsumed under GST and amendments on GST being decided by GST Council, the Indirect tax related proposals under the Union Budget 2018 were limited only towards the Customs law.

The fiscal deficit on account of benefits passed under Direct tax proposals was partly covered by increasing Duties of customs on import of various goods and introducing Social Welfare Cess and Road and Infrastructure Cess on specified goods.

Specified products such as imitation jewellery, mobile phones, LCD/ LED television panels, CKD imports of motor vehicles saw 1.5 times increase in duties of customs, sectors such as Footwear, Perfumes and toiletry preparations, Furniture, Watches and Diamonds are faced with 2 times increase in Basic Customs duty rate.

The FM (in an event for CBEC officers on 27 January 2018) had stated that two major challenges before the Customs Administration today are trade facilitation and enforcement to avoid tax evasion. With that backdrop, legislative proposals under Customs that widened the eligibility criteria to apply for Advance Ruling, introduction of provisions for pre-notice consultation with the person chargeable and corresponding provisions under law to support a technological driven customs clearance aimed at trade facilitation or as stated was in line with the objective of "ease of doing business" in India. On the other hand provisions such as expansion of scope of verification / re-assessments, Customs audit, provisions to engage in

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reciprocal agreements with other countries for exchange of information were introduced to tackle the tax evasion challenges faced by Customs department today.

While GST related proposals in budget stayed absent, mention of GSTN helping to capture the MSME database was placed very clearly. Also services provided by GSTN to the government were made exempted from service tax.

To conclude, the Union Budget 2018 not only stayed in line with majority of industry anticipations on tax rate changes but also extended a large support to the focused initiatives of 'E-governance', Make in India', and 'Ease of Doing Business in India'.

Bimal Jain (A2Z TaxCorp LLP)

Mr. Arun Jaitley today presented the final full budget of Modi government before the country goes to polls next year, amid subdued economic growth and challenging fiscal situation. Given that rural India constitutes two-thirds of the country's population, the agricultural sector is generously rewarded in this Budget along with education, healthcare and other populist policies being the focus areas. During the Budget 2018 speech, Mr. Jaitley said that common man will continue to be getting utmost importance from Modi government. Even Prime Minister Narendra Modi hailed the Budget, 2018 as "farmer friendly, common citizen friendly, business environment-friendly and development friendly". Opposed to the expectations of aam aadmi, this Budget chose to keep income tax slabs unchanged for salaried class. It also clarified that Cryptocurrencies shall not be deemed as legal tender.

Lauding the efforts of GST and demonetization, Mr. Jaitley said that GST had ensured tax simplicity while demonetization had paved the way for a digital economy. With GST being a new taxation system subsuming Service Tax and Excise, this Budget did not see much change in Indirect Taxes except changes in Customs Act and Tariff. Mobile phones and import of mobile phone parts are likely to be cost more with the Union Budget 2018 increasing Customs duty to 20% (from 15% existing) and 15% respectively. It was stated that Customs duty hike is primarily done to boost jobs in various sectors in India and support Make in India. Certain amendments have been made in Customs Act to further improve ease of doing business in cross-border trade, and to align certain provisions with the commitments under the Trade Facilitation Agreement along with smoothing dispute resolution process. With the rollout of GST, name of CBEC is proposed to be changed to Central Board of Indirect Taxes and Customs (CBIC).

In Nutshell, Union Budget, 2018, brought number of sops for MSME sector and kept its focus on infrastructure creation, higher farmers' income and economic reforms.

Though certain announcements could have been made as regards future roadmap of GST to address various concerns of trade for ease of business for GSTN Network, GST return filing, refund to exporters, Tran 1 deadline, Open issues in transitional credits and smooth introduction of e-waybill from today

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provided e way bill site works smoothly and other GST law related issues still left unanswered.