

bigger companies. The US has already set the tone for economies across the world to reduce taxes and India may follow suit.

For those who invest in equities, there may be some tweaks in the definition of Long-Term Capital Gains (LTCG) and Short-Term Capital Gains (STCG) tax. As of now, the definition of long term is any investment held for more than one year. There is a possibility that the long term could be termed as any investment held for more than three years and any investment sold before three years to be considered as short term. The STCG tax stands at 15 per cent currently.

Sensex returns over the last five years have been uncertain during the one-month pre-budget and post-budget periods.

Sensex Performance during Budget Period		
Year	Sensex returns One month post-Budget	Sensex returns One Month pre-Budget
2017	5.49%	3.00%
2016	-8.12%	8.25%
2015	-0.67%	-6.48%
2014	-0.83%	0.58%
2013	-6.58%	0.30%

### Conclusion:-

Investors have all the right reasons to remain bullish on the markets when it comes to one of the major economic events of the year 2018. The Budget that will unfold in a couple of weeks from now is all set to be an expansionary one. While the agriculture, banking and infrastructure sectors will remain in the limelight throughout the budget session, investors can expect the budget to boost their sentiments.

While the government will attempt to pacify farmers, small traders and entrepreneurs, investors can expect higher budgetary allocation to the fertiliser sector and announcement of some benefits to the first-time home buyers. Without getting carried away by the Budget hoopla, investors can stick to their high conviction stocks in their core portfolio.



## R.M. Vishakha, MD & CEO, IndiaFirst Life Insurance

**5% tax rates for term life insurance products :** The government demonstrated a hands-on approach to financial inclusion by launching PMJJBY, the GST-exempt insurance scheme. Reinforcing this intent will be lowered GST tax rates on term products, with the life insurance sector and the administration jointly working towards enhanced pan-India penetration.

**Move to centralised tax regime :** The core operations of most insurers happens out of one central hub. A large part of compliance and business challenges can be addressed, if the current requirement of state-wise, decentralised registration could move towards centralisation, akin to the service tax regime.



## Rajesh Bhatia, Global CFO, Uflex

The Government of India has imposed anti-dumping duty on aluminium foil being imported from China—a country that accounts for almost 65-70% of the global aluminium foil production. Uflex has recently operationalised its aseptic liquid packaging manufacturing plant at Sanand, Gujarat, reaffirming its commitment towards the government's 'Make in India' initiative. One of the layers of the aseptic liquid packaging is aluminium foil, which imparts high barrier properties required for protecting the liquid being packed and imports thereof are subjected to the anti-dumping duty.

Ironically as it may sound, similar anti-dumping duty is not being levied on the import of finished aseptic liquid packaging from China, which also has a layer of aluminium foil and is, therefore, dealing a body blow to the manufacturers of aseptic liquid packaging in India, who are subjected to anti-dumping duty when they import aluminium foil from China. Aseptic liquid packaging manufacturers in India are at a clear disadvantage despite huge investments made in the state-of-the-art manufacturing plants. We urge the Government of India for instituting a level playing field by imposing similar anti-dumping duty on the aluminium component of the aseptic liquid packaging being imported from China.



## Anupam Arya, Director Fabriclore

"If we wish to compete with mass-produced synthetics and highlight the varied local produce of different states, naturally produced or obtained yarns need tax relief. Usage of naturally, locally produced dyes, yarns, and processes applied or job work availed towards completing natural fibres or naturally produced fabrics, should be tax exempt to stand a fighting chance against the synthetically produced, cheaper stuff."