



## **FIRST REACTION**

### **INDIRECT TAX**

Excise Duty – Corrugated Boxes Increased To – 5%

Excise Duty – Corrugated Board Increased To – 5%

(Clarification: Corrugated Boxes With Duplex – 5%)

The benefit of concessional excise duty of 5% is being extended to such cartons, boxes and cases of corrugated paper or corrugated board made out from the stage of kraft paper etc. Whether or not pasted with duplex sheets on the outer surface. [S.No. 96E of Notification No.4/2006-CE dated the 1<sup>st</sup>. March 2006 as amended by Notification No. 4 /2011-CE dated the 1<sup>st</sup>.March 2011 refers]

Excise Duty on Paper & Board – Increased From - 0- 5%

Excise Duty on Paper & Board – Increased From - 4- 5%

Excise Duty on Waste & Scrap – Increased From – 4 to 5%

The central excise duty exemption available to clearances of paper manufactured from non-conventional material upto 3500 MT is being withdrawn. [S.No. 90 of Notification No.4/2006-CE dated the 1<sup>st</sup>.March 2006 is being omitted by Notification No. 4/2011-CE dated the 1<sup>st</sup>.March 2011 refers]

Service Tax – No Change – 10%

Optional levy on branded garments or made up proposed to be converted into a mandatory levy at unified rate of 10 per cent.

### **CUSTOMS DUTY**

Basic customs duty on waste paper is being reduced from 5% to 2.5%

Basic customs duty on Rayon grade wood pulp is being reduced from 5% to 2.5%

Peak rate of Custom Duty held at its current level

## **DIRECT TAX**

Personal Income Tax exemption limit hiked from Rs 1, 60,000 to Rs 180,000.

For senior citizens, tax exemption limit increased to Rs 2, 50,000.

For senior citizens above 80, the tax exemption limit has been raised to Rs 500,000.

Eligibility age for senior citizens is now 60 years against 65 years earlier

Exemption limit for women remains the same at Rs 2, 40,000.

Current surcharge of 7.5 per cent on domestic companies proposed to be reduced to 5 per cent.

Rate of Minimum Alternative Tax proposed to be increased from 18 per cent to 18.5 per cent of book profits.

Additional deduction of ` 20,000 for investment in long-term infrastructure bonds proposed to be extended for one more year.