

FIRST REACTION

INDIRECT TAXES

EXCISE

Excise Duty Peak Rates – 12%

Other rates remain as before – 6%

There is no change in the rate of Primary Education cess & SHE cess which remains @ 2% & 1% respectively.

No changes in tax laws in interim budget

The Excise Duty on all goods falling under Chapter 84 & 85 of the Schedule to the Central Excise Tariff Act is reduced from 12 percent to 10 percent for the period upto 30.06.2014. The rates can be reviewed at the time of regular Budget

No Change In Excise Rates For The Industry – Corrugated Board Boxes, C.Board, Scrap, Paper & Board

To give relief to the Automobile Industry, which is registering un preceded negative growth; the excise duty is reduced for the period up to 30.06.2014 as follows:

Small Cars, Motorcycle, Scooters & Commercial Vehicles - - from 12 % to 8%

SUVs - from 30% to 24%

Large and Mid-segment Cars - from 27/24% to 24/20%

SSI EXEMPTION LIMIT

No Change for the industry.

The SSI Exemption Limit, under Notification No. 8/2003 C.E continues upto clearances of Rs. 1.5 Crores in a financial year; eligibility criterion of preceding year remains at Rs. 4.0 Crores.

Exports By Manufacturing Sector

Manufacturing sector to be the base of India's development: All taxes, Central and State that go into an exported product should be waived or rebated. There should be a minimum tariff protection to incentivize domestic manufacturing

UNION BUDGET (Interim) 2014-15

SERVICE TAX

- Service Tax Rates continues @ 12%
- There is no change in the rate of Primary Education cess & SHE cess which remains @ 2% & 1% respectively.
- Service Tax Abatement on G.T.A. By Road continues above 25%
- Services provided by a goods transport agency continues to be exempted by way of transportation of –
 - *goods where gross amount charged for the transportation of goods on a consignment transported in a single goods carriage does not exceed one thousand five hundred rupees; or*
 - *goods, where gross amount charged for transportation of all such goods for a single consignee in the goods carriage does not exceed rupees seven hundred fifty;”*

No changes in tax laws in interim budget

CUSTOMS DUTY

No Change In Customs Peak Rates, remains at 10%

Customs Duty on import of waste paper continues to be exempted

No changes in tax laws in interim budget

CST – NO CHANGE

INCOME TAX

No Change In Tax Rates

No changes in tax laws in interim budget

Note:

The First Reaction Is Based On The Speech Of The FM Subject To Changes On Going Through The Notifications Which Are Yet To Be Uploaded!