

## FIRST REACTION

### INDIRECT TAXES

#### **EXCISE**

Excise Duty Peak Rates – Changed to 12.5%.

**Primary & Secondary Education Cess of 2 & 1% exempted on all goods. (w.e.f. 01.03.15)**

Other rates remain as before – 6.0%

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

#### 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.

Cenvat Credit availment period increased from 6 months to 1 year

#### **SERVICE TAX**

Service Tax Rates proposed to be increased to 14.00%. **(w.e.f. date to be notified)**

**Primary & Secondary Education Cess of 2 & 1% abolished (w.e.f. date to be notified)**

Cenvat Credit availment period increased from 6 months to 1 year

#### **CUSTOMS DUTY**

Customs Duty On Paper & Board @ 10% & Nil on Waste Paper as before

Customs duty proposed to be reduced on 22 items comprising of Raw Materials, Intermediary goods & components. S.A.D. exemption on all items.

**Primary & Secondary Education Cess of 2 & 1% exempted, hence no levy on C.V.D. (w.e.f. 01.03.15). However levy of cess will continue on customs on imported goods.**

#### **CST – NO CHANGE**

#### **GST – EXPECTED FROM 01.04.16**

#### **INCOME TAX**

No Change In Individual Tax Rates, Corporate Tax rates proposed to be decreased from 30 to 25% over 4 years. Exemptions & Incentives to be phased out.

Wealth Tax abolished, replaced with 2% surcharge on Income of more than Rs. 1.0 Crores. Wealth details will required to be given in ITR Returns for all tax payers.

Deduction for Health Insurance Medclaim increased to Rs. 25, 000/- for non senior individuals & to Rs. 30, 000/- for senior citizens.

**Note:**

**The First Reaction Is Based On The Speech Of The FM Subject To Changes On Going Through The Notifications!**