

FIRST REACTION

INDIRECT TAXES

EXCISE

No Change In Excise Rates For The Industry – Corrugated Board Boxes, C.Board, Scrap, Paper & Board for 6% Tariff Items. Other products which were earlier chargeable @ 12.5%, continues @ 12.5%

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.

The Central Excise Rules, 2002 are being amended so as to reduce the number of returns to be filed by a central excise assessee above a certain threshold from 27 to 13, that is, **one annual** and 12 monthly returns. Monthly returns are already being e-filed. CBEC will provide for e-filing of annual return also.

SERVICE TAX

Service Tax Rates continue at 14%.

Swachh Bharath Cess @ .5% on taxable amount continues as before

Krishi Kalyan Cess is proposed to be levied with effect from 1st June, 2016 (after enactment of the Finance Bill) on any or all the taxable services at the rate of 0.5% on the value of such taxable services. Credit of Krishi Kalyan Cess paid on input services shall be allowed to be used for payment of the proposed Cess on the service provided by a service provider.

Service tax assessees above a certain threshold will also be required to file an annual return by the 30th. Day of November of succeeding year. This change shall come into effect from 1st April, 2016.

Note:

The First Reaction Is Based On The Speech Of The FM Subject & Cursory Reading of The Notifications May Be Subject To Change!