

KEY HIGHLIGHTS OF UNION BUDGET 2014



CHOKSHI GROUP (INDIA)
Keeping you ahead



FOREWORD

The maiden budget presented by the new government has shown its ambition to fix India's precarious finances, tame inflation and intends to put the economy at a sustained growth rate of 7-8 per cent in 3-4 years. FM adhered to 4.10% fiscal deficit set by the previous government, admitting that this task would be daunting but decides to accept the target. He mentioned that fiscal prudence needs to be introduced and that we cannot spend beyond our means. For this, tax-GDP ratio needs to be improved.

In a bid to halt a two-year spell of weak growth, the government has announced incremental steps. The budget emphasizes on boosting manufacturing and infrastructure sectors. Allocations have been made for highways, ports, corridors, 100 small cities and warehousing capacity as well as towards start-up companies.

A new measure is the introduction of REITS. It may turn out to be an effective tool for pooling investments and to help boost the stagnant Real estate markets. Raising FDI limit in defence and insurance to 49%, to boost investments and clarity on retrospective tax are good efforts to boost investment. Apart from this, the budget has made an effort to maximize the money in the hands of people.

Overall, this was not a blockbuster budget but Modi-Jaitley's economic liberalism certainly, is in evidence.

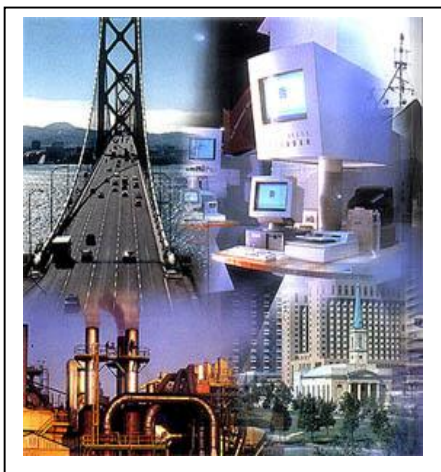
ECONOMIC SURVEY 2013-14: HIGHLIGHTS

DATA CATEGORIES	UNITS	FY 2012-13	FY 2013-14
GDP (factor cost 2004-05 prices) (Thousand Crore)	INR	5,482	5,741
Growth rate	%	4.5	4.7
Index of Industrial Production (growth) (The IIP has been revised since 2005-06 on base (2004-05=100))	%	1.1	-0.1
Average WPI inflation	% change	7.4	6
Inflation (CPI – IW) (average)	% change	10.4	9.7
Export growth (USD)	% change	-1.8	4.1
Import growth (USD)	% change	0.3	-8.3
Current account balance / GDP	%	-4.7	-1.7
Gross fiscal deficit (as % of GDP)	%	4.9	4.5

- ✚ GDP growth seen at 5.4-5.9 pc in 2014/15.
- ✚ Poor monsoon, external factors pose risk to growth.
- ✚ Wholesale inflation expected to moderate by end-2014.
- ✚ Move towards simple tax regime, fewer exemptions, GST rate.
- ✚ RBI intervention in forex market behind accumulation of reserves "generally".
- ✚ Time over-runs in infra project main cause of under achievement in the sector.
- ✚ Industrial growth expected to revive gradually over 2-yr.
- ✚ Improve business environment by shifting important decision making from inspectors to higher officers.
- ✚ Capital controls under FEMA do not support rapidly globalising economy.
- ✚ Allow private companies to mine coal commercially.
- ✚ Improvement in fiscal deficit and CAD to feed higher growth.
- ✚ Despite deceleration, services GDP growth at 6.8 pc was above the 4.7 pc overall GDP in 2013/14.
- ✚ Poverty ratio declined from 37.2 pc in 2004/05 to 21.9 pc in 2011/12.
- ✚ Creating legal & regulatory framework for well-functioning market economy.
- ✚ Foreign exchange reserves up from USD 292 billion at end March 2013 to USD 304.2 billion at end March 2014.
- ✚ State APMC laws hurdle to modernization of good economy; have created cartels of buyers who possess market power.



SECTOR HIGHLIGHTS



INFRASTRUCTURE

- ❖ Requirement of the built up area and capital conditions for FDI to be reduced from 50,000 square metres to 20,000 square metres and from USD 10 million to USD 5 million respectively for development of smart cities.
- ❖ A sum of INR 7060 crore is provided in the current fiscal for the project of developing “one hundred Smart Cities”
- ❖ A modified REITS type structure for infrastructure projects as the Infrastructure Investment Trusts (INVITS). Incentives to be provided for REITS.
- ❖ Extended additional tax incentive on home loans shall be provided to encourage people, to own houses.
- ❖ Slum development is to be included in the list of Corporate

Social Responsibility (CSR) activities to encourage the private sector to contribute more.

- ❖ INR 200 crore for power reforms and INR 500 crore for water reforms to make Delhi a Truly World Class City.
- ❖ INR 50 crore provided to solve the long term water supply issues to the capital region. Construction of long pending Renuka Dam to be taken up on priority.
- ❖ INR 150 crore provided to tide over communication related problems of the Island (Andaman and Nicobar).
- ❖ Amritsar-Kolkata Industrial master planning is to be completed expeditiously. Master planning of 3 new smart cities in the Chennai-Bengaluru Industrial Corridor region, viz., Ponneri in Tamil Nadu, Krishnapatnam in Andhra Pradesh and Tumkur in Karnataka is to be completed in FY14-15.
- ❖ Development of industrial corridors with emphasis on Smart Cities linked to transport connectivity to spur growth in manufacturing and urbanization will be accelerated.
- ❖ Sum of INR 500 crore for developing a Textile mega-cluster at Varanasi and six more at Bareilly, Lucknow, Surat, Kutch, Bhagalpur and Mysore.



OIL & GAS

- ❖ Production and exploitation of Coal Bed Methane reserves will be accelerated.
- ❖ Possibility of using modern technology to revive old or closed wells to be explored.
- ❖ Usage of PNG is to be rapidly scaled up in a Mission mode.
- ❖ Proposal to develop pipelines using appropriate PPP models.



BANKING

- ❖ Time bound programme as Financial Inclusion Mission to be launched on 15 August this year with focus on the weaker sections of the society.
- ❖ Banks to be encouraged to extend long term loans to infrastructure sector with flexible structuring.
- ❖ Banks are to be permitted to raise long term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending (PSL).
- ❖ RBI is to create a framework for licensing small banks and other differentiated banks.
- ❖ Differentiated banks serving niche interests, local area banks, payment banks etc. are on templated to meet credit and remittance needs of small businesses, unorganized sector, low income households, farmers and migrant work force.
- ❖ Six new Debt Recovery Tribunals to be set up.
- ❖ For venture capital in the MSME sector, a INR 10,000 crore fund to act as a catalyst to attract private Capital by way of providing equity , quasi equity, soft loans and other risk capital for start-up companies with suitable tax incentives to participating private funds to be established.
- ❖ Requirement to infuse INR 2,40,000 crore as equity by 2018 in our banks to be in line with Basel-III norms.



AGRICULTURE

- ❖ A scheme to provide every farmer a soil health card in a Mission mode will be launched. INR100 crore has been provided for this purpose and additional INR 56 crores to set up 100 Mobile Soil Testing Laboratories across the country.
- ❖ To mitigate the risk of Price volatility in the agriculture produce, a sum of INR 500 crore is provided for establishing a “Price Stabilization Fund”.
- ❖
- ❖ Central Government is to work closely with the State Governments to re-orient their respective APMC Acts.

- ❖ Transformation plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers. Allocation of INR 5,000 crore provided for the Warehouse Infrastructure Fund.
- ❖ To provide institutional finance to landless farmers, it is proposed to provide finance to
- ❖ 5 lakh joint farming groups of “**Bhoomi Heen Kisan**” through NABARD .
- ❖ A target of INR 8 lakh crore has been set for agriculture credit during 2014-15.
- ❖ Corpus of Rural Infrastructure Development Fund (RIDF) raised by an additional INR 5000 crores from the target given in the Interim Budget to INR 25000 crores.
- ❖ “Long Term Rural Credit Fund” to set up for the purpose of providing refinance support to Cooperative Banks and Regional Rural Banks with an initial corpus of INR 5,000 crore.
- ❖ Restructuring FCI, reducing transportation and distribution losses and efficacy of PDS to be taken up on priority.
- ❖ Government when required will undertake open market sales to keep prices under control.
- ❖ Nascent agri-biotech cluster in Mohali to be scaled up. In addition, two new clusters, in Pune and Kolkata to be established.



EDUCATION

- ❖ 5 IIMs to be set up in the States of Himachal Pradesh, Punjab, Bihar, Odisha and Rajasthan and 5 IITs in the state of Jammu, Chhattisgarh, Goa, Andhra Pradesh and Kerala.
- ❖ Simplification of norms to facilitate education loans for higher studies.



SOCIAL

- ❖ Allocation for National Housing Bank increased to INR 8000 crore to support Rural housing.
- ❖ A sum of INR 4000 crores for NHB from the priority sector lending shortfall with a view to increase the flow of cheaper credit for affordable housing to the urban poor/EWS/LIG segment is provided
- ❖ An amount of INR 50,548 crore is proposed under the SC Plan and INR 32,387 crore under TSP. Varishtha Pension Bima Yojana (VPBY) to be revived for a limited period from 15 August, 2014 to 14 August, 2015 for the benefit of citizens aged 60 years and above.

- ❖ Government to print currency notes with Braille like signs for visibly challenged persons.
- ❖ Free Drug Service and Free Diagnosis Service to achieve “ Health For All”
- ❖ Government would strive to provide toilets and drinking water in all the girls school in first phase. An amount of INR 28635 crore is being funded for Sarv Shiksha Abhiyan(SSA) and INR 4966 crore for Rashtriya madhyamic Shiksha Abhiyan (RMSA).
- ❖ INR 100 crore provided for Detailed Project Reports for linking of rivers.
- ❖ INR 2037 crores provided for Integrated Ganga Conservation Mission.
- ❖ INR 188 crore to Puducherry for meeting commitments for Disaster preparedness.
- ❖ INR 500 crore provided to support displaced Kashmiri migrants for rebuilding their lives.



MINING

- ❖ Changes, if necessary, in the MMDR Act, 1957 is to be introduced to encourage investment in mining sector and promote sustainable mining practices.



FINANCE

- ❖ Ongoing process of consultations with all the stakeholders on the enactment of the Indian Financial Code and reports of the Financial Sector Legislative Reforms Commission (FSLRC) to be completed.
 - ❖ Government in close consultation with the RBI to put in place a modern monetary policy framework.
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- ❖ Introduction of uniform KYC norms and inter-usability of the KYC records across the entire financial sector.
 - ❖ Introduce one single operating demat account
 - ❖ Uniform tax treatment for pension fund and mutual fund linked retirement plan



INFORMATION & BROADCASTING

- ❖ INR 100 crore allocated for 600 new and existing Community Radio Stations.
- ❖ Film & Television Institute, Pune and Satyajit Ray Film & Television Institute, Kolkata are proposed to be accorded status of Institutes of national importance and a “National Centre for Excellence in Animation, Gaming and Special Effects to be set up.
- ❖ INR 100 crore is provided for Kisan TV, to disseminate real time information to the farmers on issues such as new farming techniques, water conservation, organic farming etc.
- ❖ Present corpus of Pooled Municipal Debt Obligation Facility is to be enlarged to INR 50,000 crore from INR 5000 crore.



CULTURE & TOURISM

- ❖ Facility of Electronic Travel Authorization (e-Visa) to be introduced in phased manner at nine airports in India
- ❖ Countries to which the Electronic Travel authorisation facility would be extended would be identified in a phased manner.
- ❖ INR 500 crore provided for developing 5 tourist circuits around specific themes.
- ❖ INR 200 crore provided for National Heritage City Development and Augmentation Yojana(HRIDAY).



TRANSPORT

- ❖ INR 1000 crore provided for development of rail connectivity in the North Eastern Region.
- ❖ INR 11,635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for phase I.
- ❖ Project on Ganges called “ Jal Marg Vikas’ to be developed between Allahabad and Haldia.
- ❖ Scheme for development of new airports in Tier I and Tier II Cities to be launched.
- ❖ An investment of an amount of INR 37,880 crores in NHAI and State Roads is proposed which includes INR 3000 crores for the North East.
- ❖ Work on select expressways in parallel to the development of the Industrial Corridors will be initiated.



MICRO SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR

- ❖ Skill India is to be launched to skill the youth with an emphasis on employability and entrepreneur skills.
- ❖ Fund of Funds with a corpus of INR 10,000 crore for providing equity through venture capital funds, quasi equity, soft loans and other risk capital is to be set up.
- ❖ Definition of MSME is to be reviewed to provide for a higher capital ceiling.
- ❖ Entrepreneur friendly legal bankruptcy framework will be developed for SMEs to enable easy exit.



DEFENCE

- ❖ Capital outlay for Defence increased by INR 5000 crore including a sum of INR 1000 crore
- ❖ for accelerating the development of the Railway system in the border areas.
- ❖ INR 100 crore is provided to set up a Technology Development Fund for Defence.
- ❖ Finance Minister Arun Jaitley announced an increase in the permitted level of foreign direct investment in the defence sector to 49 percent from 26 percent



INSURANCE

- ❖ The pending insurance laws (amendment) Bill to be immediately brought for consideration
- ❖ of the Parliament.
- ❖ The regulatory gap under the Prize Chits and Money Circulation Scheme (Banking) Act, 1978 will be bridged.
- ❖ The composite cap in the insurance sector is to be increased up to 49 per cent from 26 per cent with full Indian management and control.

DIRECT TAX

INCOME TAX:

❖ TAX RATES:

Individuals:	Particulars	Rates
Male / Female < 60 years	Income < Rs. 2,50,000/-	NIL
	Rs.2,50,000 – Rs. 5,00,000/-	10%
	Rs.5,00,000 – Rs. 10,00,000/-	20%
	Income > Rs.10,00,000	30%
Individuals : Male / Female 60 years > 80 years	Income < Rs. 3,00,000/-	NIL
	Rs.3,00,000 – Rs. 5,00,000/-	10%
	Rs.5,00,000 – Rs. 10,00,000/-	20%
Surcharge	No Change	
Education Cess	No Change	

❖ DEDUTIONS/EXEMPTIONS:

- ✓ 80C Limit increased from INR 1 lakh to INR 1.5 lakhs
- ✓ Investment in PPF increased from INR 1 lakh to INR 1.5 lakhs
- ✓ Deduction for Interest on Borrowed Funds in case of Self Occupied Property increased from INR 1.5 lakhs to INR 2 lakhs.
- ✓ Dividend Distribution Tax u/s 115-O and Tax on Income Distributed u/s 115R to be on grossed up basis.
- ✓ Investment Allowance @ 15% for manufacturing Industry where investment in plant and Machinery purchased after 01/04/2014 > INR25 cr. Those covered by the existing condition for investment > INR 100 crore upto 31/03/2015 would continue for the said deduction.
- ✓ Extension of Sunset date for Power Sector u/s 80IA to 31st March 2017.



- ✓ Following two specified business included for deduction u/s 35AD
 - Laying and operating a slurry pipeline for transportation of iron ore.
 - Setting up and operating a semiconductor wafer fabrication manufacturing unit.
- ✓ Capital Asset for which deduction u/s 35AD is claimed has to be used for the specified business for a period of eight years beginning from the previous year in which the asset is acquired.
- ✓ Deduction u/s 35AD cannot be claimed if deduction u/s 10AA is claimed and vice versa.
- ✓ Lower withholding tax rate @ 5% u/s 194LC for long term borrowings by Indian Companies extended to long term bonds and not limited to long term infrastructure bond. This benefit is extended for borrowings made before 1st July 2017. Higher withholding tax rate u/s 206AA for non-furnishing of PAN not applicable for withholding tax u/s 194LC. These amendments are applicable from 1st October, 2014.
- ✓ Alternate Minimum Tax to exclude deduction u/s 35AD as reduced by the Depreciation u/s 32.
- ✓ Disallowance u/s 40(a)(ia), for non-deduction of tax or after deduction of tax where the tax is not deposited, would be 30% of the expenditure incurred.
- ✓ Exemption u/s 54 & 54F in respect of residential property purchased or constructed is restricted to one property only i.e. exemption can be claimed only for 1 residential house.
- ✓ Section 54EC clarifies that investment in specified bonds within a period of six month is eligible for deduction only to the extent of INR 50 lakhs.
- ✓ Credit for AMT paid in the earlier years is eligible even if the conditions specified in Section 115JEE are not fulfilled.

❖ OTHERS:

- ✓ Unlisted securities or units of a mutual fund (other than equity oriented fund) shall be a Short Term Capital asset if the period of holding is less than 36 months.
- ✓ Units of a mutual Fund not entitled to the benefit of 10% tax u/s 112.



- ✓ Taxation of Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (INVIT). The Income investment model of such REIT and INVIT (referred to as “business trust”) has following distinctive elements:

- a) The trust would raise capital by way of units (to be listed on the recognized stock exchange) and can raise debts from both resident and non-resident investors.
- b) The income bearing assets would be held by the trust by acquiring controlling or other Specific interest in an Indian Company (SPV) from the sponsor.

Specific tax regime will have the following key features and will be applicable from 1st October 2014.

- Listed units of a business trust when traded on a recognized stock exchange would be liable to STT. Hence Long Term Capital Gains there from is Exempt and Short Term Taxed @ 15%.
- In case of capital gains arising to sponsor on exchange of shares of the SPV with the units of the business trust shall be chargeable to capital gains at the time of disposal of the units. Preferential tax regime due to STT will not be applicable to the sponsor. For computing capital gains, cost of the units would be the cost of the shares to the sponsor. Holding period of shares shall be included in computing the holding period of these units.
- For Interest received by the business trust from SPV, no tax in the hands of the trust and no withholding tax. However withholding tax by the trust as under:
 - 5% on Interest component of income distributed to a Non-Resident.
 - 10% on Interest component of income distributed to a Resident.
- On ECBs by the business trust, tax would be 5% on interest payment to a Non-Resident for similar conditions and period as specified in Section 194LC.
- Dividend received by the trust is exempt in the hands of the trust. Dividend component of the income distributed to the unit holders will also be exempt. SPV is subjected to DDT.
- Income by way of capital gains on disposal of assets by the trust shall be taxable in the hands of the trust. Distribution of capital gains is exempt in the hands of the unit holders.
- Any other income of the trust is chargeable at maximum marginal rate.
- Business Trust is required to furnish the return of Income.



- ✓ Roll back mechanism for Advance Pricing Agreement Scheme applicable from 1st October 2014.
- ✓ Income earned through Foreign Portfolio Investors would be considered as Capital gains.
- ✓ Advance received for any capital asset in the course of negotiation for transfer of a capital asset which is subsequently forfeited will be chargeable to tax u/s 56(2)(ix).
- ✓ TDS @2% on amount paid in excess of INR 1 lakh towards an insurance policy which is not eligible for deduction u/s 10(10D). This provision is applicable from 1st October, 2014.
- ✓ Presumptive taxation u/s 44AE in the business of Plying, Hiring or Leasing of Goods Carriages standardized at INR7500/- per month for all types of goods carriage.
- ✓ Transfer of a capital asset being a Government Security carrying a periodic payment of interest outside India by a non-resident to another non-resident through an intermediary dealing in settlement of securities will not be considered as transfer for the purpose of capital gains.
- ✓ Eligible transactions in respect of trading in commodity derivatives carried out through a recognized stock exchange and subjected to Commodities Transaction Tax will not be considered as Speculative transaction.
- ✓ Capital Gain arising from transfer of an asset by way of compulsory acquisition shall be chargeable to tax in the year in which the final order of the court, tribunal or other authority is received.
- ✓ Speculation loss cannot be offset by a Company whose principle business is trading in shares & securities.
- ✓ Mutual Funds, Securitization Trusts and Venture Capital Companies or Venture Capital Funds are now required to file income tax returns if the total income, without giving effect to the provisions of section 10, exceeds the maximum amount chargeable to tax.
- ✓ All retro tax cases to be scrutinized by High Level Commission.
- ✓ No change in rules for Retrospective Taxation.





SERVICE TAX

- ✓ Service provided by radio- taxis brought under Service Tax.
- ✓ Sales of space or time for advertisements in broadcast media, extended to cover such sales on other segments like online and mobile advertising. Sale of space for advertisements in print media however would remain excluded from service tax.
- ✓ New Exemptions (w.e.f 11/07/14):
 - Life Micro – insurance schemes for the poor, approved by IRDA where sum assured does not exceed Rupees Fifty thousand.
 - Transport of organic manure by vessel, rail or road (by GTA) .
 - Loading, unloading, packing, storage or warehousing, transport by vessel , rail or road (GTA) , of cotton , ginned or baled.
 - Services provided by Common bio-medical waste treatment facility operators to clinical establishments.
 - Specialized financial services received by RBI from global financial institutions in the course of management of foreign exchange reserves.
 - Services provided by Indian tour operators to foreign tourists in relation to a tour wholly conducted outside India.
- ✓ Retrospective Exemptions:
 - Services provided by Employee's State Insurance Corporation (ESIC) during the period prior to 01/07/2012 to be exempted.
- ✓ Service Tax on service portion in Work Contract (w.e.f 01/10/2014)

In Rule 2A of Service Tax Valuation Rules, category B (in case of Work contract entered into for maintenance or repair or reconditioning or restoration or serving of any goods) and category C (In case of other work contracts, not covered under sub clause (A) and (B) , including maintenance , repair ,completion and finishing services such as glazing, plastering , floor and wall tiling, installation of electrical fitting of an immovable property) of Work Contracts proposed to be merged into one single category, with service portion as 70%.
- ✓ Service Tax on taxable portion in respect of transportation services by vessels to be reduced from 50% to 40% w.e.f 01/10/2014.



- ✓ Interest rate per annum payable u/s. 75 (wef 01/10/2014):

Extend of delay	Simple interest rate
Upto 6 months	18% p.a.
From 6 months and upto 1 year	24% p.a.
More than 1 year	30% p.a.

- ✓ Service Tax Rules :

- Services provided by a Director to a body corporate to be brought under the reverse charge mechanism.
 - Services provided by Recovery Agents to Banks, Financial Institutions and NBFC to be brought under the reverse charges mechanism.
- ✓ In case of the reverse charge services, Point of Taxation will be the payment date or first day after three months from the date of invoice, whichever is earlier. The amended point of taxation will apply to invoices issued after 01/10/2014.
- ✓ Determination of rate of exchange, rules to be prescribed u/s 67A.
- ✓ Partial Reverse Charge mechanism :
- In renting of motor vehicle , portion of service tax payable by service provider and service receiver will be 50% each wef 01/10/2014.



CUSTOMS

- ✓ Exempted from basic custom duty:
- Specified inputs for use in the manufacture of EVA sheets and back sheets and flat copper wire for then manufacture of PV ribbons.
 - Pre forms of precious and semi precious stones.
 - Colour picture tubes duty to make cathode ray TVs cheaper.
 - LCD and LED TC panels of below 19 inches
- ✓ Concessional basic custom duty of 5% extended to machinery and equipment required for setting up of a project for solar energy production.



- ✓ Concessional basic custom duty of 5% on machinery and equipment required for setting up of compressed biogas plants (Bio-CNG).
- ✓ Duty free entitlement for import of trimmings, embellishments and other specified items increased from 3% to 5% of the value of their export, for readymade garments.
- ✓ Export duty on bauxite increased from 10% to 20%.
- ✓ Increase in basic custom duty :
 - on imported flat-rolled products of stainless steel increased from 5% to 7.5%.
 - on metallurgical coke increased from Nil to 2.5%.
- ✓ Reduction in basic custom duty from 10% to 5% on forged steel rings used in manufacture of bearing of wind operated electricity generators. Exemption from SAD of 4 percent on parts and raw materials required for the manufacture of wind operated generators.
- ✓ Duty on ship breaking scrap and melting scrap of iron or steel rationalized by reducing basic custom duty on ship imported from 5% to 2.5% .
- ✓ Anthracite coal, bituminous coal, coking coal, steam coal and other coal to attract 2.5% basic custom duty and 2% CVD to eliminate all assessments disputes and transactions costs associated with testing of various parameters of coal.
- ✓ To encourage new investment and capacity addition in the chemicals and petrochemicals sector, basic custom duty reduced on certain items.
- ✓ Basic custom duty on semi processed, half cut or broken diamonds, cut and polished diamonds and coloured gemstones rationalized at 2.5%.



EXCISE DUTY

- ✓ On specified food processing and packaging machinery from 10% to 6%.
- ✓ On Footwear of retail price exceeding INR 500/- per pair but not exceeding INR 1000/- per paid from 12% to 6%.
- ✓ On RO membrane element used in household type filters is being reduced from 12%/10% to 6%.
- ✓ On Metal Core PCB and LED driver for use in the manufacture of LED lights and fixtures and LED lamps, being reduced from 12%/10% to 6%.
- ✓ On forged steel rings used in the manufacture of bearings of wind operated electricity generators from 12% to NIL.



- ✓ On branded petrol is being reduced from INR 7.5 per liter to INR 2.35 per liter.
- ✓ On Machinery for the preparation of meat, poultry , fruits , nuts or vegetables and on presses , crushers and similar machinery used in the manufacture of wine, cider , fruit juices or similar beverages and on packaging machinery reduced from 10% to 6%.
- ✓ On recorded smart cards increase from 2% without CENVAT and 6% with CENVAT.
- ✓ Levy of an additional duty of excise at 5 percent on aerated waters containing added sugar.
- ✓ On cigarettes is being increased by 72% for cigarettes of length not exceeding 65 mm and by 11% to 21% for cigarettes of other lengths. Similar increases are proposed on cigars, cheroots and cigarillos.
- ✓ On winding wires of copper is being increased from 10% to 12%.
- ✓ Increased from 12 percent to 16 percent on pan masala, from 50 percent to 55 percent on unmanufactured tobacco and from 60 percent to 70 percent on gutkha and chewing tobacco.
- ✓ Solar tempered glass used in the manufacture of solar photovoltaic cells/modules solar power generating equipment/system and flat plate solar collectors.
- ✓ In respect of machinery, equipments etc required for setting up of solar energy productions projects.
- ✓ Back sheet and EVA sheet used in the manufacture of photovoltaic cells/ modules and specified raw material used in their manufacture.
- ✓ Parts consumed within the factory of production for the manufacture of non conventional energy devices.
- ✓ On flat copper wire used in the manufacture of PV ribbons (tinned copper interconnect) for use in the manufacture of solar cells/modules.
- ✓ On machinery, equipments, etc. required for setting up of compressed biogas plant (Bio-CNG).
- ✓ Un-branded articles of precious metals are being exempted from excise duty for the period 01.03.2011 to 16.03.2012.
- ✓ To DDT manufactured by Hindustan Insecticides Limited for supply to the National Vector Borne Diseases Control Programme (NVBDCP) of the Ministry of Health & Family welfare.
- ✓ To goods supplied to National Technical Research Organization (NTRO).



- ✓ To liquefied propane and Butan mixture, Liquefied Propane, Liquid Butane and Liquefied Petroleum Gases (LPG) for supply to Non-Domestic exempted category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited retrospectively from 08/02/2013 so as to treat NDEC customers.
- ✓ Concessional excise duty of 2 % without Cenvat benefit and 6 % with Cenvat benefit on sports gloves.
- ✓ Option excise duty of 2 % without Cenvat and 6% with Cenvat on writing and printing paper for printing of educational textbooks is being withdrawn and Excise duty of 6% with Cenvat is being levied.
- ✓ Excise duty at the rate of 2% without Cenvat or 6 % with Cenvat is being imposed on Polyester Staple Fiber and Polyester Filament Yarn manufactured from Plastic waste or Scrap or plastic waste including waste polyethylene terephthalate (PET) bottles wef 11/07/2014.
- ✓ The rate of Clean Energy Cess levied on coal, lignite and peat is being increased from INR 50/- per tone to INR 100/- per tonne.
- ✓ Full exemption from Excise duty is being provided on plastic materials reprocessed out of the scrap or waste and cleared into the DTA by an EOU.
- ✓ Education cess and Secondary & higher education cess (customs components) is being exempted on goods cleared by an EOU into the DTA.



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