

Amendments in Direct Taxes -Budget 2015

The Finance Bill, 2015 proposes to make amendments in direct tax provisions by proposing amendments to the Income-tax Act, 1961, Wealth-tax Act, 1957, Finance Act, 1994 and Finance (No.2) Act, 2004. A gist of the main amendments is given below:-

Direct Taxes

2. Rates of tax

2.1 It is proposed that there will be no change in the rate of personal income-tax and the rate of tax for companies in respect of income earned in the financial year 2015-16, assessable in the assessment year 2016-17.

2.2 It is further proposed to levy a surcharge @12% on individuals, HUFs, AOPs, BOIs, artificial juridical persons, firms, cooperative societies and local authorities having income exceeding ` 1 crore. Surcharge in the case of domestic companies having income exceeding ` 1 crore and upto ` 10 crore is proposed to be levied @ 7% and surcharge @ 12% is proposed to be levied on domestic companies having income exceeding ` 10 crore.

2.3 It is further proposed that in the case of foreign companies the surcharge will continue to be levied @2% if the income exceeds ` 1 crore and is upto ` 10 crore, and @5% if the income exceeds ` 10 crore.

2.4 It is also proposed to levy a surcharge @12% as against current rate of 10% on additional income-tax payable by companies on distribution of dividends and buyback of shares, or by mutual funds and securitisation trusts on distribution of income.

2.5 The education cess on income-tax @ 2% for fulfilment of the commitment of the Government to provide and finance universalised quality based education and 1% of additional surcharge called 'Secondary and Higher Education Cess' on tax and surcharge is proposed to be continued for the financial year 2015-16 for all taxpayers.

3. A. Measures to curb black money

3.1 With a view to curbing the generation of black money in real estate, it is proposed to amend the provisions of section 269SS and 269T of the Income-tax Act so as to prohibit acceptance or re-payment of advance in cash of ` 20,000 or more for any transaction in immovable property. It is also proposed to provide a penalty of an equal amount in case of contravention of such provisions.

3.2 Offence of making false declaration/documents in the transaction of any business relating to Customs (section 132 of the Customs Act) to be predicate offence under PMLA to curb trade based money laundering.

4. B. Job creation through revival of growth and investment and promotion of domestic ‘manufacturing’ and ‘Make in India’.

4.1 Taking into account the representations received from various stakeholders and international developments in this regard, it is proposed to defer applicability of General Anti Avoidance Rule (GAAR) by 2 years. Accordingly, it is proposed to be applicable for income of the financial year 2017-18 (A.Y. 2018-19) and subsequent years. It is also proposed that the investments made upto 31.03.2017 shall not be subjected to GAAR.

4.2 With a view to streamline the taxation regime of Alternative Investment Funds (AIFs), it is proposed to provide pass through status to all the sub-categories of category-I and also to category-II AIFs governed by the regulations of Securities and Exchange Board of India (SEBI).

4.3 With a view to facilitate relocation of fund managers of offshore funds in India, it is proposed to modify the permanent establishment (PE) norms.

4.4 With a view to give effect to the provisions of section 94 of the Andhra Pradesh Reorganisation Act, 2014, it is proposed to provide an additional investment allowance (@15%) and additional depreciation (@15%) to new manufacturing units set-up during the period 01.04.2015 to 31.03.2020 in notified areas of Andhra Pradesh and Telangana.

4.5 In respect of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (INViTs), it is proposed to provide that the sponsor will be given the same treatment on offloading of units at the time of listing as would have been available to him if he had offloaded his shareholding of special purpose vehicle (SPV) at the stage of direct listing. Further, the rental income arising from real estate assets directly held by the REIT is also proposed to be allowed to pass through and to be taxed in the hands of the unit holders of the REIT.

4.6 It is proposed to amend the provisions of section 194LD of the Income-tax Act so as to extend the period of applicability of reduced rate of tax at 5% in respect of income of foreign investors (FIIs and QFIs) from corporate bonds and government securities, from 31.5.2015 to 30.06.2017.

4.7 With a view to obviate the problems faced by small companies and to facilitate the inflow of technology, it is proposed to amend the provisions of section 115A of the Income-tax Act so as to reduce the rate of tax on royalty and fees for technical services from 25% to 10%.

4.8 With a view to facilitating generation of employment, it is proposed to amend the provisions of section 80JJAA of the Income-tax Act so as to provide that tax benefit under the said section shall be available to a ‘person’ deriving profits from manufacture of goods in a factory and paying wages to new regular workmen. The eligibility threshold of minimum 100 workmen is proposed to be reduced to fifty.

4.9 Additional depreciation @ 20% is allowed on new plant and machinery installed by a manufacturing unit or a unit engaged in generation and distribution of power. However, if the

asset is installed after 30th September of the previous year only 10% of the additional depreciation is allowed. It is proposed to allow the remaining 10% of the additional depreciation in the subsequent previous year.

5. C. Minimum government and maximum governance to improve the ease of doing business

5.1 Section 9 of the Income-tax Act was amended by Finance Act, 2012 to clarify that if an asset, being a share of, or interest, in a company or an entity derives its value, directly or indirectly, substantially from an asset situated in India, the gain arising from transfer of such share or interest shall be taxable in India. After the clarificatory amendment, a large number of representations were received from various quarters seeking clarification on certain terms used in the amended provisions. An Expert Committee was also constituted to look into the concerns. Taking into account the recommendations made by the Expert Committee and the concerns raised by the various stakeholders, it is proposed to amend the provisions of the Income-tax Act so as to provide that:-

- the share or interest shall be deemed to derive its value substantially from the assets located in India, if on the specified date, the value of such assets represents at least fifty per cent of the fair market value of all the assets owned by the company or entity. However, the indirect transfer provisions would not apply if the value of Indian assets does not exceed ` 10 crore. Further, the principle of proportionality will apply to the taxation of gains arising from indirect transfer of Indian assets.
- the Indian entity shall be obligated to furnish information relating to the offshore transactions having the effect of directly or indirectly modifying the ownership structure or control of the Indian company or entity. In case of non-compliance, a penalty is also proposed.
- the indirect transfer provisions shall not apply in a case where the transferor of share or interest in a foreign entity, along with his associated enterprises, neither holds the right of control or management nor holds voting power or share capital or interest exceeding five percent. of the total voting power or total share capital in the foreign company or entity, directly or indirectly, holding the Indian assets.
- the capital gains shall be exempt in respect of transfer of share of a foreign company deriving its value, directly or indirectly, substantially from the shares of an Indian company, under a scheme of amalgamation or demerger.

5.2 It is proposed to amend the provisions of section 92BA of the Income-tax Act so as to increase the threshold limit for applicability of transfer pricing regulations to specified domestic transactions from `5 crore to `20 crore.

5.3 It is proposed to amend the provisions of section 2(15) of the Income-tax Act so as to include 'yoga' as a specific category of activity in the definition of 'charitable purpose' and also to provide relief for activities in the nature of business undertaken by genuine charitable

organizations subject to the condition that aggregate receipts from such activity is less than 20% of the total receipts.

5.4 It is proposed to exempt the income of Core Settlement Guarantee Fund established by Clearing Corporations as per mandate of SEBI.

5.5 It is proposed to amend the provisions of section 255 of the Income-tax Act so as to increase the monetary limit from ` 5 lakh to ` 15 lakh, for a case to be heard by a Single Member Bench of the ITAT.

5.6 It is proposed to amend the provisions of the Income-tax Act so as to provide tax neutrality on transfer of units of a scheme of a Mutual Fund under the process of consolidation of schemes of Mutual Funds as per SEBI Regulations, 1996.

5.7 It is proposed to amend the provisions of the Income-tax Act so as to provide a mechanism to pre-empt the repetitive appeals by the revenue in the same assessee's case on the same question of law year after year.

5.8 It is proposed to empower the Board to prescribe rules for grant of relief in respect of taxes paid in foreign jurisdictions.

5.9 It is proposed to abolish the levy of Wealth-tax with effect from 2016-17 (Assessment Year) for reducing the compliance burden on the tax payers. The revenue loss on account of such abolition is proposed to be compensated by increase in the existing surcharge by 2% in case of domestic companies and all non corporate taxpayers.

5.10 With a view to rationalise the dispute resolution mechanism available to taxpayer in the form of Settlement Commission, it is proposed to provide that while making an application to the Settlement Commission for an assessment year which has been re-opened by the Assessing Officer, the assessee can make an application for other assessment years in which the proceedings could be re-opened provided the return of income for such assessment years has been furnished by the assessee.

6. D. Improving the quality of life and public health through Swachh Bharat Initiatives

6.1 It is proposed to provide that the donations (other than the CSR contributions made in accordance with section 135 of the Companies Act, 2013) made to Swachh Bharat Kosh (by both resident and non-resident) and Clean Ganga Fund (by resident) shall be eligible for 100% deduction under section 80G of the Income-tax Act.

7. E. Benefits to middle class taxpayers

With a view to encourage savings and to promote health care among individual taxpayers, a number of measures are proposed to be taken by way of incentives under the Income-tax Act. The same are enumerated below:-

7.1 It is proposed to provide that investment in Sukanya Samriddhi Scheme will be eligible for deduction u/s 80C and any payment from the scheme shall not be liable to tax.

7.2 It is proposed to increase the limit of deduction u/s 80D of the Income-tax Act from ` 15,000 to ` 25,000 on health insurance premium (in case of senior citizen from ` 20,000 to ` 30,000). It is also proposed to allow deduction of expenditure of similar amount in case of a very senior citizen not eligible to take health insurance.

7.3 It is proposed to increase the limit of deduction in case of very senior citizens u/s 80DDB of the Income-tax Act on expenditure on account of specified diseases from ` 60,000 to ` 80,000.

7.4 It is proposed to increase the limit of deduction u/s 80DD of the Income-tax Act in respect of maintenance, including medical treatment of a dependant who is a person with disability, from ` 50,000 to ` 75,000. It is also proposed to increase the limit of deduction from ` 1 lakh to ` 1.25 lakh in case of severe disability.

7.5 It is proposed to increase the limit of deduction u/s 80U of the Income-tax Act in case of a person with disability, from ` 50,000 to ` 75,000. It is also proposed to increase the limit of deduction from ` 1 lakh to ` 1.25 lakh in case of severe disability.

7.6 It is proposed to increase the limit of deduction u/s 80CCC of the Income-tax Act on account of contribution to a pension fund of LIC or IRDA approved insurer from ` 1 lakh to ` 1.5 lakh.

7.7 It is proposed to increase the limit of deduction u/s 80CCD of the Income-tax Act on account of contribution by the employee to National Pension Scheme (NPS) from ` 1 lakh to ` 1.50 lakh. It is also proposed to provide a deduction of upto ` 50,000 over and above the limit of ` 1.50 lakh in respect of contributions made to NPS.

7.8 It is proposed to amend the provisions of section 197A of the Income-tax Act so as to provide the facility of filing self-declaration of non-deduction of tax by the recipients of taxable maturity proceeds of life insurance policy.

7.9 Under the existing provisions of the Income-tax Act, an individual buying an immovable property from a resident is required to deduct tax but is not required to obtain TAN for depositing the tax so deducted. With a view to extend the same facility to an individual or HUF purchasing an immovable property from a non-resident, it is proposed to relax the requirement of obtaining TAN by the individual or HUF who is required to deduct tax on acquisition of immovable property from a non-resident.

7.10 It is proposed to provide that donation made to National Fund for Control of Drug Abuse (NFCDA) shall be eligible for 100% deduction under section 80G of the Income-tax Act.

7.11 Details of tax deductions referred to in para 99.

· Deduction u/s 80C	Rs.1,50,000
· Deduction u/s 80CCD	Rs. 50,000
· Deduction on account of interest on house property loan (Self occupied property)	Rs.2,00,000
· Deduction u/s 80D on health insurance premium	Rs.25,000
· Exemption of transport allowance	Rs.19,200
Total	Rs.4,44,200

8. F. Stand alone proposals to maximise benefits to the economy

8.1 It is proposed to provide for chargeability of interest paid by a permanent establishment (PE) or a branch of foreign bank to its Head Office (HO) and other overseas branches under the source rule of taxation and for treating the PE or branch as a taxable entity for computation of income and for purpose of levy of TDS.

8.2 With a view to providing a uniform method of computation of period of stay in Indian for the purposes of determination of 'resident' status in the case of a India seafarer, whether working on a Indian-ship or foreign-ship, it is proposed to provide an enabling power to CBDT to prescribe the same in the rules.

8.3 In search cases, it is proposed to allow seized cash to be adjusted towards the assessee's tax liability under his settlement application.

8.4 With a view to ensuring proper deduction of tax on payments made to non-residents, it is proposed to amend the provisions of section 195 of the Income-tax Act so as to provide for enabling power to the CBDT for capturing information about prescribed foreign remittances which are claimed to be not chargeable to tax.

Amendments in Service Tax -Budget 2015

Improving the quality of life and public health through Swachh Bharat Initiatives.

- 1) An enabling provision is being made to empower the Central Government to impose a Swachh Bharat Cess on all or certain taxable services at a rate of 2% on the value of such taxable services. The proceeds from this Cess would be utilized for Swachh Bharat initiatives. This Cess will be effective from a date to be notified.
- 2) Service provided by a Common Effluent Treatment Plant operator for treatment of effluent is being exempted.

Change in Service Tax rates:

- 1) The **service tax rate** is being increased from 12% plus Education Cesses to 14%. The 'Education Cess' and 'Secondary and Higher Education Cess' shall be subsumed in the new service tax rate. The revised rate shall come into effect from a date to be notified.

Review of the Negative List

- 1) Service tax to be levied on the service provided by way of access to amusement facility such as rides, bowling alleys, amusement arcades, water parks, theme parks, etc.
- 2) Service tax to be levied on service by way of admission to entertainment event of concerts, non-recognized sporting events, pageants, music concerts and award functions, if the amount charged for admission is more than Rs 500. Service by way of admission to exhibition of the cinematographic film, circus, dance, or theatrical performances including drama, ballets or recognized sporting events shall continue to be exempt.
- 3) Service tax to be levied on service by way of carrying out any processes as job work for production or manufacture of alcoholic liquor for human consumption.
- 4) An enabling provision is being made to exclude all services provided by the Government or local authority to a business entity from the Negative List. Once this amendment is given effect to, all service provided by the Government to business entities, unless specifically exempt, shall become taxable.

Review of General Exemptions

- 1) Exemption presently available on specified services of construction, repair of civil structures, etc. when provided to Government shall be restricted only to,-

- a) a historical monument, archaeological site
 - b) canal, dam or other irrigation work;
 - c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.
- 2) Exemption to construction, erection, commissioning or installation of original works pertaining to an airport or port is being withdrawn.
- 3) Exemption to services provided by a performing artist in folk or classical art form of (i) music, or (ii) dance, or (iii) theater, will be limited only to such cases where amount charged is upto Rs 1,00,000 per performance (except brand ambassador).
- 4) Exemption to transportation of ‘food stuff’ by rail, or vessels or road will be limited to transportation of food grains including rice and pulses, flours, milk and salt only. Transportation of agricultural produce is separately exempt which would continue.
- 5) Exemptions are being withdrawn on the following services:
- (a) services provided by a mutual fund agent to a mutual fund or assets management company;
 - (b) distributor to a mutual fund or AMC; and
 - (c) selling or marketing agent of lottery ticket to a distributor of lottery.
- 6) Exemption is being withdrawn on the following services,-
- (a) Departmentally run public telephone
 - (b) Guaranteed public telephone operating only local calls
 - (c) Service by way of making telephone calls from free telephone at airport and hospital where no bill is issued
- 7) Existing exemption notification for service provided by a commission agent located outside India to an exporter located in India is being rescinded, as this notification has become redundant in view of the amendments made in law in the previous budget, whereby services provided by such agents have been excluded from the tax net.

Relief Measures:

- 1) Services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables are being exempted.

- 2) Life insurance service provided by way of Varishtha Pension Bima Yojna is being exempted.
- 3) Service provided by way of exhibition of movie by the exhibitor/theatre owner to the distributor or association of persons consisting of exhibitor as one of its member is being exempted.
- 4) All ambulance services provided to patients are being exempted.
- 5) Service provided by way of admission to a museum, zoo, national park, wild life sanctuary and a tiger reserve is being exempted.
- 6) Transport of goods for export by road from the factory to a land customs station (LCS) is being exempted.

Changes in the Finance Act, 1994

1. A definition of the term “government” is being incorporated in the Act to resolve interpretational issues as regards the scope of this term in the context of the Negative List and service tax exemptions.
2. To amend the definition of term “service” to specifically state the intention of legislature to levy service tax on:
 - i. chit fund foremen by way of conducting a chit; and
 - ii. distributor or selling agent of lottery, as appointed or authorized by the organizing state for promoting, marketing, distributing, selling, or assisting the state in any other way for organizing and conducting a lottery.
3. It is being specifically prescribed in the Act that value of a taxable service shall include any reimbursable cost or expenditure incurred and charged by the service provider to make legal position clear and avoid disputes.
4. Section 66F of the Act prescribes that unless otherwise specified, reference to a service shall not include reference to any input service used for providing such service. An illustration is being incorporated in this section to exemplify the scope of this provision.

Rationalization of abatement

1. A uniform abatement is being prescribed for transport by rail, road and vessel to bring parity in these sectors. Service Tax shall be payable on 30% of the value of such service subject to a uniform condition of non-availment of Cenvat Credit on inputs, capital goods and input services. Presently, tax is payable on 30% of the value in case of rail transport, 25% in case of road transport and 40% in case of transport by vessels.

2. The abatement for executive (business/first class) air travel, wherein the service element is higher, is being reduced from 60% to 40%. Consequently, service tax would be payable on 60% of the value of fare for business class.
3. Abatement is being withdrawn on chit fund service.

Service Tax Rules

1. In respect of any service provided under aggregator model, the aggregator is being made liable to pay service tax if the service is provided using the brand name of aggregator in any manner.
2. Consequent to the upward revision in Service Tax rate, the composition rate on specified services, namely, life insurance service, services of air travel agent, money changing service provided by banks or authorized dealers, and service provided by lottery distributor and selling agent, is proposed to be revised proportionately.

Reverse charge mechanism

1. Manpower supply and security services when provided by individual, HUF, partnership firm to a body corporate are being brought to full reverse charge as a simplification measure. Presently, these are taxed under partial reverse charge mechanism.
2. Services provided by mutual fund agents, mutual fund distributors and lottery agents are being brought to under reverse charge consequent to withdrawal of exemption on such services.

The Cenvat Credit Rules, 2004

Cenvat Credit Rules are being amended to allow credit of service tax paid under partial reverse charge by the service receiver without linking it to the payments of value of service to service provider as a trade facilitation measure.

Amendments in Excise Duty -Budget 2015

Excise duty structure on certain goods is being restructured as follows:

- 1) Wafers for use in the manufacture of integrated circuit (IC) modules for smart cards from 12% to 6%.
- 2) Inputs for use in the manufacture of LED drivers and MCPCB for LED lights, fixtures and LED lamps from 12% to 6%.
- 3) Mobiles handsets, including cellular phones from 1% without CENVAT credit or 6% with CENVAT credit to 1% without CENVAT credit or 12.5% with CENVAT credit. NCCD of 1% on mobile handsets including cellular phones remains unchanged.
- 4) Tablet computers from 12% to 2% without CENVAT credit or 12.5% with CENVAT credit.
- 5) Specified raw materials [battery, titanium, palladium wire, eutectic wire, silicone resins and rubbers, solder paste, reed switch, diodes, transistors, capacitors, controllers, coils (steel), tubing (silicone)] for use in the manufacture of pacemakers to Nil.
- 6) Pig iron SG grade and Ferro-silicon-magnesium for use in the manufacture of cast components of wind operated electricity generators to Nil, subject to certification by MNRE.
- 7) Solar water heater and system from 12% to Nil without CENVAT credit or 12.5% with CENVAT credit.
- 8) Round copper wire and tin alloys for use in the manufacture of Solar PV ribbon for manufacture of solar PV cells to Nil subject to certification by Department of Electronics and Information Technology (DeitY).

Reduction in number of levies:

- 1) Education Cess and Secondary & Higher Education Cess leviable on excisable goods are being subsumed in Basic Excise duty. Consequently, Education Cess and Secondary & Higher Education Cess leviable on excisable goods are being fully exempted. The standard ad valorem rate of Basic Excise Duty is being increased from 12% to 12.5% and specific rates of Basic Excise Duty on petrol, diesel, cement, cigarettes & other tobacco products (other than biris) are being suitably changed. However, the total incidence of various duties of excise on petrol and diesel remains unchanged. Other Basic Excise Duty rates (ad valorem as well as specific) with a few exceptions are not being changed. Customs Education Cesses will continue to be levied on imported goods.

Ensure certainty and uniformity in valuation of the goods for the purposes of levy of excise duty:

- 1) All goods falling under Chapter sub-heading 2101 20, including iced tea, are being notified under section 4A of the Central Excise Act for the purpose of assessment of Central Excise duty with reference to the Retail Sale Price with an abatement of 30%. Such goods are also being included in the Third Schedule to the Central Excise Act, 1944.
- 2) Goods, such as lemonade and other beverages, are being notified under section 4A of the Central Excise Act for the purpose of assessment of Central Excise duty with reference to the Retail Sale Price with an abatement of 35%. Such goods are also being included in the Third Schedule to the Central Excise Act, 1944.

Compliance Facilitation:

- 1) Online Central Excise/Service Tax Registration within two working days.
- 2) Time limit for taking CENVAT Credit on inputs and input services is being increased from six months to one year.
- 3) Facility of direct dispatch of goods by registered, dealer from seller to customer's premises is being provided. Similar facility is also being allowed in respect of job-workers. Registered importer can also send goods directly to customer from the port of importation.
- 4) Penalty provisions in Customs, Central Excise & Service Tax are being rationalized to encourage compliance and early dispute resolution.
- 5) Central Excise/Service Tax assesseees are being allowed to issue digitally signed invoices and maintain other records electronically.

Improving the quality of life and public health through Swachh Bharat Initiatives.

- 1) The Scheduled rate of Clean Energy Cess levied on coal, lignite and peat is being increased from `100 per tonne to `300 per tonne. The effective rate of Clean Energy Cess is being increased from `100 per tonne to `200 per tonne.
- 2) Concessional customs and excise duty rates on specified parts of Electrically Operated Vehicles and Hybrid Vehicles, presently available upto 31.03.2015, is being extended upto 31.03.2016.
- 3) Excise duty on sacks and bags of polymers of ethylene other than for industrial use is being increased from 12% to 15%.

Broadening the Tax Base:

- 1) Excise duty of 2% without CENVAT credit or 6% with CENVAT credit is being levied on condensed milk put up in unit containers. It is also being notified under section 4A of the Central Excise Act for the purpose of valuation with reference to the Retail Sale Price with an abatement of 30%.
- 2) Excise duty of 2% without CENVAT credit or 6% with CENVAT credit is being levied on peanut butter.

Relief Measures:

- 1) Full exemption from excise duty is being extended to captively consumed intermediate compound coming into existence during the manufacture of Agarbattis. Agarbattis attract Nil excise duty.

Allocation of additional resources for infrastructure:

- 1) The Scheduled rates of Additional Duty of Customs / Excise levied on Petrol and High Speed Diesel Oil [commonly known as Road Cess] are being increased from `2 per litre to `8 per litre. The effective rates of Additional Duty of Customs / Excise levied on Petrol and High Speed Diesel Oil [commonly known as Road Cess] are being increased from `2 per litre to `6 per litre. Simultaneously, Basic Excise Duty Rates on Petrol and High Speed Diesel Oil (both branded and unbranded) are being reduced by `4 per litre. Basic Excise duty rates on petrol and diesel are also being increased suitably so as to subsume Education Cess and Secondary and Higher Education Cess presently levied on them. Thus, the net decrease in Basic Excise Duty on branded petrol is `3.46 per litre, on unbranded petrol is `3.49 per litre, on branded diesel is `3.63 per litre and on unbranded diesel is `3.70 per litre. **However, total incidence of excise duties on petrol and diesel remains unchanged.**

Promote public health:

- 1) Excise duty on cigarettes is being increased by 25% for cigarettes of length not exceeding 65 mm and by 15% for cigarettes of other lengths. Similar increases are proposed on cigars, cheroots and cigarillos.
- 2) Maximum speed of packing machine is being specified as a factor relevant to production for determining excise duty payable under the Compounded Levy Scheme presently applicable to pan masala, gutkha and chewing tobacco. Accordingly, deemed production and duty payable per machine per month are being notified with reference to the speed range in which the maximum speed of a packing machine falls.

Miscellaneous:

- 1) Excise duty on leather footwear (footwear with uppers made of leather of heading 4107 or 4112 to 4114) of Retail Sale Price of more than ` 1000 per pair from 12% to 6%.

- 2) Excise duty levied on the value of duty paid on rails for manufacture of railway or tramway track construction material is being exempted retrospectively for the period from 17.03.2012 to 02.02.2014, if no CENVAT credit of duty paid on such rails is availed.
- 3) The entry “waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured” in the Seventh Schedule to the Finance Act, 2005 related to levy of additional duty of excise @ 5% is being omitted. Till the enactment of the Finance Bill, 2015, the said additional duty of excise of 5% leviable on such goods is being exempted. Simultaneously, the Basic Excise Duty on these goods is being increased from 12% to 18%.
- 4) Excise duty on chassis for ambulances is being reduced from 24% to 12.5%
-