

Guide to Indirect Tax

Sr. No.	Proposal	Impact
1	Excise duty has been increased from 8.24% to 10.3%, rolling back the fiscal stimulus duty concessions.	Most of the articles purchased for daily use are likely to be dearer by 2.5% to 3%.
2	Construction of new building, intended for sale by builder, during or after construction, to prospective buyer (except where no money is received from prospective buyer before grant of completion certificate) will be deemed to be a taxable service.	Buying a new 2 BHK costing Rs 2.5 crores in Bandra may possibly cost Rs 2.59 crores.
3	Basic customs duty on gold bars bearing serial numbers (other than tola bars) and gold coins has been increased by Rs 100 per 10 grams.	Imported gold bars and coins of 10 grams could be costlier by Rs 110 to Rs 120 per 10 grams.
4	Imported mobile phones will be exempted from levy of Special CVD (of 4%).	Cost of an iPhone imported directly reduced by around 4-5%.
5	Basic customs duty on other forms of gold has been increased by Rs 250 per 10 grams.	Imported gold ornaments of 10 grams could be costlier by Rs 40 at Rs 320.
6	Imported wristwatches will be exempted from levy of Special CVD (of 4%).	Import of a Casio wrist watch procured from Amazon.com at 15,000 may be cheaper by Rs 600.
7	Readymade garments imported will be exempted from levy of Special CVD (of 4%).	A direct import of Nautica shirt into India costing Rs 4,000 may be cheaper by Rs 150.
8	An excise duty at 4% is being imposed on specified IT products like microprocessor (other than motherboards), floppy disc drives, CD-Rom drive, hard disk drive.	An imported Transcend 250 GB hard disk costing Rs 3,000 will cost more by Rs 150-Rs 170.
9	Basic customs duty on silver has been increased by Rs 500 per kg and platinum is being increased by Rs 100 per 10 gram.	Imported silver bars, coins and jewellery could be costlier by Rs 575 to Rs 625 per kg whereas platinum jewellery is likely to be dearer by Rs 110 to Rs 120 per 10 grams.

10	Excise duty on medicinal and toilet preparations covered under M & TP (Excise Duties) Act, 1955, is being reduced from 16% to 10% ad valorem.	Products such as Benadryl costing Rs 57 (for 150 ml) could cost lesser by Rs 2 approximately. Also, a gift of Davidoff cool water for women costing Rs 1,700 (for 100ml) will be more affordable by Rs 60.
11	Excise duty rates on petrol and diesel has been increased by Re 1 per litre	Petrol costing Rs 49 per litre and diesel costing Rs 37 per litre is likely to be dearer by Rs 1.60 to Rs 1.80 per litre.
12	Excise duty rate on cigarettes having length less than 60 mm have been decreased while cigarettes having lengths more than 60 mm have been increased.	A pack of Red and White cigarettes (10 pieces — length less than 60 mm) may cost lower at Rs 2.30 instead of Rs 2.50. Whereas a pack of Classic Mild (20 pieces — length more than 60 mm) may be dearer at Rs 5, as against Rs 4.50.
13	The taxable service is being amended to extend this levy to cover all domestic and international air passengers embarking in India.	A Kingfisher flight from Mumbai to Delhi costing Rs 6,000 may be dearer by Rs 300.
14	Excise duty of 10% has been imposed on baby and clinical diapers and sanitary napkins.	A Huggies children's diapers costing Rs 55 (4 pieces) may be costlier by Rs 7 as also a Whisper Ultra sanitary napkin packet costing Rs 75 (8 pieces) may cost an additional Rs 9.5.
15	Excise duty on replaceable kits of all domestic water filters except those operating on reverse osmosis technology is being reduced from 8% to 4%.	Pureit water purifier replaceable kit costing Rs 2,000 (for 18 litres) is likely to be cheaper by Rs 90 to Rs 100.
16	Excise duty of 10% is being imposed on goggles other than those used for correcting vision.	A FastTrack sunglass having MRP of Rs 1,495 would be costlier by Rs 100 to 110.
17	Basic customs duty on magnetrons of up to 1000KW used for manufacture of domestic microwave ovens is being reduced from 10% to 5%.	An LG MH6389 Microwave oven may cost less by Rs 150 to Rs 200.
18	Excise duty on Open Top Sanitary (OTS) Cans is being increased from 4% to 10%.	A Hindware Sanitary Can costing Rs 4,500 may now cost Rs 4,900.
19	Excise duty on large cars, multi-utility vehicles and sports utility vehicles will be increased from 20% to 22%.	A Mercedes Benz C Class may hit your pocket further by approximately Rs 50,000.

Methodology : We have taken the MRP of popular brands across each item in this table, factored in a tentative distributor's margin and then computed the indicative impact of budget announcements