

# Indirect taxes

July 16, 2019

**Source:** *Press Information Bureau (Budget 2019)*

Following are the areas under which changes related indirect taxes mentioned in the budget;

## **Make In India**

- Basic Customs Duty increased on cashew kernels, PVC, tiles, auto parts, marble slabs, optical fibre cable, CCTV camera, etc.
- Exemptions from Custom Duty on certain electronic items now manufactured in India withdrawn.
- End-use based exemptions on palm stearin, fatty oils withdrawn.
- Exemptions to various kinds of papers withdrawn.
- 5% Basic Custom Duty imposed on imported books.
- Customs duty reduced on certain raw materials such as:
  - Inputs for artificial kidney and disposable sterilized dialyzer and fuels for nuclear power plants etc.
  - Capital goods required for the manufacture of specified electronic goods.

## **Defence**

- Defence equipment not manufactured in India exempted from basic customs duty

## **Other Indirect Tax provisions**

- Export duty rationalized on raw and semi-finished leather
- Increase in Special Additional Excise Duty and Road and Infrastructure Cess each by Rs. 1 per litre on petrol and diesel
- Customs duty on gold and other precious metals increased

- Legacy Dispute Resolution Scheme for quick closure of pending litigations in Central Excise and Service tax from the pre-GST regime