

**First Reaction**  
**Union Budget 2009-10 – 6<sup>th</sup>. July 2009**

- Fringe Benefit Tax Abolished
- Income Tax Exemption Limit Increased as follows:

Individuals	–	Rs. 1, 50, 000 to Rs. 1, 60, 000
Women	-	Rs. 1, 80, 000 to Rs. 1, 90,000
Senior Citizen	-	Rs. 2, 25,000 to Rs. 2, 40, 000
- Surcharge On Various Taxes To be Phased Out Starting With Removal Of 10% Surcharge On Personal Income Tax
- Scope of provisions relating to weighted deduction of 150% on expenditure incurred on in-house R&D to all manufacturing businesses being extended except for a small negative list.
- Scope of presumptive taxation to be extended to all small businesses with a turnover upto Rs. 40 lakhs. All such taxpayers to have option to declare their income from business at the rate of 8 percent of their turnover and simultaneously enjoy exemption from the compliance burden of maintaining books of accounts. As a procedural simplification, they are also to be exempted from advance tax and allowed to pay their entire tax liability from business at the time of filing their return. This new scheme to come into effect from the financial year 2010-11.
- Excise duty rate on items currently attracting 4% to be raised to 8% with following major exceptions:
  - Certain varieties of paper, paperboard and articles thereof
- GST model will have a Central GST & State GST proposed to be introduced on 01.04.2010
- No Change in Corporate Tax, Minimum Alternate Tax increased from 10 to 15%

For Eastern India Corrugated Box Manufacturers' Association

R.G. Agarwala  
Chairman, Excise & Taxation Committee