

Post- budget announcements 2003-04

2.27 In January, 2004, the Government had announced a number of measures to boost the economy. These measures included proposals for setting up of a Agricultural Infrastructure and Credit Fund, a separate fund for the small and medium industry and a fund for infrastructure and manufacturing sector, allowing Food Corporation of India to borrow from the market, a new scheme for rural housing called 'Atal Grameen Griha Yojana', liberalisation of external commercial borrowings, easing of loans for students and proposal for the introduction of *Dada-Dadi* bonds.

2.28 In continuation of the on-going rationalisation of customs duties, the Government had announced a number of changes in these duties. Major announcements in respect of customs duties included reduction of peak duty rate from 25 per cent to 20 per cent on non-agricultural goods, abolition of special additional duty of customs (SAD) and reduction of duty on project imports and power transmission and distribution projects. A number of duty concessions were also announced in sectors

such as information technology, health, civil aviation and water supply. Announcements in respect of trade facilitation included round the clock electronic filing of customs documents and self assessment based customs clearance. There was considerable liberalisation of baggage rules. Changes announced in excise duties included reduction of duties on computers from 16 per cent to 8 per cent, and on aviation turbine fuel from 16 per cent to 8 per cent, abolition of inland air travel tax and foreign travel tax and permission to remove semi-finished and finished goods for further processing without payment of excise duty. Changes announced in respect of service tax included extension of electronic filing of service tax returns to all taxable services, facility of single return for those providing more than one service and simple procedure for grant of registration.

2.29 The changes announced in direct taxes relate to simplification of procedures. These are doing away with the requirement of filing returns by employees having a salary income up to Rs,1,50,000, exempting pensioners from the one-by six scheme and one time approval of infrastructure projects for tax exemption.