

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**FM: GOVERNMENT EXTENDS DUTY CONCESSIONS ON VARIOUS ITEMS FOR
A PERIOD OF SIX MONTHS BEYOND 30TH JUNE, 2014; NOTIFICATION TO BE
ISSUED TODAY**

New Delhi, June 25, 2014

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In order to provide a fillip to the capital goods and automobile sector, and given its commitment to revive the economic growth, the Government of India has decided today to extend these duty concessions beyond 30th June for a period of six months upto 31st December, 2014. This announcement was made here today by the Union Finance Minister Shri Arun Jaitley while making a Statement before the media. He said that notification to this effect is being issued today.

The Finance Minister Shri Arun Jaitley said that we expect the industry to show positive results in the coming months. The Finance Minister said that we also expect that the benefit of these duty concessions will be passed on to the consumers at large.

In February 2014, the Government had reduced the excuse duty on:

- Small cars, motorcycles, scooters, three wheelers and commercial vehicles from 12% to 8%;
- Mid-segment cars from 24% to 20%;
- Large cars from 27% to 24%; and
- SUVs from 30% to 24%.

This was done in the wake of an unprecedented negative growth in the automobile industry.

Likewise, to stimulate growth in the capital goods and consumer durable sector, excuse duty was reduced from 12% to 10% on all goods falling within Chapters 84 & 85 of the Central Excise Tariff.

However, despite duty cuts, auto-sales have not picked up during March-April, 2014, although some positive signs could be seen from the sales figures of May 2014. Sales of capital goods and consumer goods continue to be sluggish.

In this backdrop, aforesaid announcements were made by the Union Finance Minister Shri Jaitley here today.
