

EICMA Bulletin – Union Budget 2008

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EXCISE

- Cenvat Duty On C.B. Boxes & Fittings Reduced from 16% to 14% w.e.f. 01.03.2008
- Cenvat Duty On Waste Paper Reduced from 16% to 14% w.e.f. 01.03.2008
- Cenvat Duty On Corrugated Board Reduced from 12% to 8% w.e.f. 01.03.2008
- Cenvat Duty on Kraft Paper Mills using more than 75% of unconventional raw materials reduced from @ 8% to Nil upto clearance 3500 M.T. in a financial year w.e.f. 01.03.2008
- Cenvat Duty on Kraft paper mills using more than 75% of unconventional raw materials reduced from 12% to 8% after clearance of 3500 M.T. in a financial year w.e.f. 01.03.2008
- Cenvat Duty reduced from 12% to 8% on paper and paper board with effect from 01/03/2008
- Primary education cess of 2% & Higher & Secondary Education Cess of 1% continues to be applicable.

SERVICE TAX

- Service Tax Exemption limit increased from Rs. 8.0 to Rs. 10.0 lakhs w.e.f. 01.04.2008
- Service Tax registration limit raised from Rs. 7.0 to Rs. 9.0 lakhs w.e.f. 01.04.2008
- Exemption of Service Tax is being provided to the extent of 75% of the gross amount charged as freight for services provided by a goods transport agency in relation to transport of goods by road in a goods carriage, unconditionally. Therefore, service tax is payable on 25% of freight as before, but without following any conditions.
- The rate for payment of service tax for works contract under the optional scheme increased from 2% to 4% of the total value of contract.

CUSTOMS DUTY

- Customs Duty remain 10% as before
- Customs Duty on Project Imports reduced to 5% from 7.5%

For Eastern India Corrugated Box Manufacturers' Association

**R.G. Agarwala
Chairman, Excise & Taxation**