

FEDERATION OF CORRUGATED BOX MFRS. OF INDIA

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FCBM PRESIDENT'S MESSAGE.

Dear Friends,

I am thankful to Taxation Committee, Chairman and his team to give me a chance to meet you through this medium.

It is my Pleasure to present to you the key features of Union Budget for 2015-16 – ON LINE - as compiled by our highly learned and competent team of Taxation Committee. I congratulate Mr. Manohar Shetty, Chairman Taxation Committee and Vice Chairman Mr. Bharat Kedia for prompt and immediate reaction of Union Budget – Concerning our Industry - is presented ON LINE for the benefit of our members.

Indian economy is about to take off on fast growth trajectory. The proposal of budget aims at making India fastest growing large economy in the world with real GDP growth expected to be 7.4% in the coming year. Monetary policy framework agreement with R B I have kept the inflation in downward control. Maintaining the fiscal discipline it will be possible to achieve fiscal deficit of 3% of GDP in the years to come. Realistic figures have shown by Hon'ble Finance Minister while presenting the budget without showing any exaggerated revenue projections.

Number of Academic Institutions will be opened up throughout the nation to educate the youth which is 54% below the age of 25 years to encourage skilled community and also to encourage skilled entrepreneurs government has come out with lucrative and encouraging proposals. Even MAKE IN INDIA policies are being carefully pursued to achieve greater self-sufficiency in the area of defence equipment. The tax proposal concerning our members and our Industry has been dealt with elaborately by the taxation Committee and hence am not touching that issue. MAKE IN INDIA – agenda for all around development providing job creation, pushing hard growth and investment will automatically benefit our Industry too. Government aims at simplifying the tax procedures. Wealth tax abolished. Service tax increased. No change in IT Slabs.

Once again I appreciate the work done by taxation committee and hope it will benefit the members to great deal and will find it handy tool to deal with in case of need.

Regards and Good Wishes,

P.S. Shah
President FCBM

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UNION BUDGET 2015-16

FIRST REACTION

INDIRECT TAXES

EXCISE

Excise Duty Peak Rates – Changed to 12.5%.

Primary & Secondary Education Cess of 2 & 1% exempted on all goods. (w.e.f. 01.03.15)

Other rates remain as before – 6.0%

No Change In Excise Rates For The Industry – Corrugated Board Boxes, C.Board, Scrap, Paper & Board

SSI EXEMPTION LIMIT

No Change for the industry.

The SSI Exemption Limit, under Notification No. 8/2003 C.E continues upto clearances of Rs. 1.5 Crores in a financial year; eligibility criterion of preceding year remains at Rs. 4.0 Crores.

Cenvat Credit availment period increased from 6 months to 1 year

SERVICE TAX

Service Tax Rates proposed to be increased to 14.00%. **(w.e.f. date to be notified)**

Primary & Secondary Education Cess of 2 & 1% abolished (w.e.f. date to be notified)

Cenvat Credit availment period increased from 6 months to 1 year

CUSTOMS DUTY

Customs Duty On Paper & Board @ 10% & Nil on Waste Paper as before

Customs duty proposed to be reduced on 22 items comprising of Raw Materials, Intermediary goods & components. S.A.D. exemption on all items.

Primary & Secondary Education Cess of 2 & 1% exempted, hence no levy on C.V.D. (w.e.f. 01.03.15). However levy of cess will continue on customs on imported goods.

CST – NO CHANGE

GST – EXPECTED FROM 01.04.16

INCOME TAX

No Change In Individual Tax Rates, Corporate Tax rates proposed to be decreased from 30 to 25% over 4 years. Exemptions & Incentives to be phased out.

Wealth Tax abolished, replaced with 2% surcharge on Income of more than Rs. 1.0 Crores. Wealth details will be required to be given in ITR Returns for all tax payers.

UNION BUDGET 2015-16

Deduction for Health Insurance Mediclaim increased to Rs. 25, 000/- for non senior individuals & to Rs. 30, 000/- for senior citizens.

Note:

The First Reaction Is Based On The Speech Of The FM Subject To Changes On Going Through The Notifications!

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CENTRAL EXCISE TARIFF

4819 10 - Cartons, boxes and cases, of corrugated paper or paperboard:

4819 10 10 --- Boxes – 6 %

4819 10 90 --- Other – 6%

(Notification No.12/2012 CE.- 17.03.12 – S.No. 171, Condition no. 13)

(Fittments sold & billed as a set with C.B. Boxes will attract 6% Duty, otherwise 12.5%)

4819 20 - Folding cartons, boxes and cases, of non corrugated paper and paperboard:

4819 20 20 --- Boxes – 12.5%

4819 20 90 --- Other – 12.5%

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

4819 50 - Other packing containers, including record sleeves:

4819 50 10 --- Made of corrugated paper or paperboard – 12.5%

4819 50 90 --- Other 12.5 %

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

4707 RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD

4707 90 00 - Other, including unsorted waste and scrap - 6 %

(Notification No. 12/2012 CE. - 17.03.12 – S.No. 160) (No Change)

4808 PAPER AND PAPERBOARD, CORRUGATED (WITH OR WITHOUT GLUED FLAT SURFACE SHEETS), CREPED, CRINKLED, EMBOSSED OR PERFORATED, IN ROLLS OR SHEETS, OTHER THAN PAPER OF THE KIND DESCRIBED IN HEADING 4803

4808 10 00 - Corrugated paper and paperboard, whether or not perforated - 6%

(Size Should be greater than 36x15 cms.)

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

Primary Education Cess – 2%, Secondary & Higher Secondary Education Cess – 1% EXEMPTED on Excise Duty w.e.f. 01.03.15

Notes:

- 1) Please mention relevant Notification No. In Invoices & Returns etc. where concessional rate of duty is being charged.**

SERVICE TAX

Service Tax Rates of duty increased from **12% to 14%**, Primary Education Cess – 2%, Secondary & Higher Secondary Education Cess – 1% **exempted**. (W.E.F. date to be notified on enactment of Finance Bill)

At present, service tax is payable on 25% of the value of transport for goods transport by road by a goods transport agency. Service Tax shall be **now payable on 30%** of the value of such service subject to a condition of non-availment of Cenvat Credit on inputs, capital goods and input services. (w.e.f. 01.04.15)

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Manpower supply and security services when provided by an individual, HUF, or partnership firm to a body corporate are being brought to **full reverse charge**. Presently, these are taxed under partial reverse charge mechanism. (w.e.f. 01.04.15)

CUSTOMS

There is no change in peak rate for non-agricultural products. It continues to remain at 10%. Import Duty on paper & board continues to be @ 10%, import duty on waste is Nil as before.

Primary Education Cess – 2%, Secondary & Higher Secondary Education Cess – 1% not payable on CVD.

SWACHH BHARAT CESS

An enabling provision is being made to empower the Central Government to impose a Swachh Bharat Cess on all or certain taxable services at a rate of 2% on the value of such taxable services. The proceeds from this Cess would be utilized for Swachh Bharat initiatives. This Cess will be effective only from a date to be notified.