

6<sup>th</sup>. March 2008

**To All members of the association**

**Dear Fellow member,**

As you are aware as per the recently concluded Budget 2009, Corrugated Box industry still attracts the highest rate of Excise Duty @ 14%, though the Excise Duty on its' basic Raw Material – Kraft Paper has been reduced to 8% from 12%. Not only this, the paper mills which were earlier clearing first 3,500 MT at 8% Excise Duty will now be clearing the material at nil rate. Thus Corrugated Box, being an intermediate product for the end-user industry is becoming more expensive.

It is evident from the above facts that cost of corrugated box is set to increase substantially which will only lead to overall increase in the final delivery of the end-product to the consumers .We strongly suggest that the Excise Duty on Corrugated Box should not exceed the Excise Duty on the Kraft Paper which is revised to 8% as per the current Budget proposal.

I am aware that the members not under excise duty ambit may feel that due to reduction in Raw material duty structure, paper will be cheaper, but fact remains that most Paper mills are taking advantage of the situation & increasing their prices of paper without passing on the duty advantage proposed in the budget.

Not only this, I fear that modernization, developments will come to stand still & perhaps corrugators might have to operate in multiple units which are going to invite unhealthy competitions among ourselves.

After lot of debate & discussion in Post budget managing committee meeting, members felt that aggressive awareness campaign is required to put our point before the concerned authorities. We might have to involve media, press, active lobbying with MPs, consult experts and do representation at all levels.

You are aware that our association being a small organization, fund constraint is there. I appeal to every member to contribute Rs.5000/- (Five thousand only) to meet part of the above stated expenses. You are requested to send the same by cheque (favoring “**Eastern India Corrugated Box Manufacturers' Association**”) at the earliest.

In case you are wondering, the above actions are in the interest of larger units - before you come to any conclusion please answer yourself –

Do you want to remain small and for how long ?

Don't you want to become larger ?

Should all larger units shut down ?

Please evaluate, judge and decide. Your association not only wants your financial support but your active involvement also.

Yours truly,

For Eastern India Corrugated Box Manufacturers' Association,

**Hemant Saraogi.**  
**President**