



## **Eastern India Corrugated Box Manufacturers' Association**

*(Affiliated to: Bharat Chamber of Commerce, Kolkata)*

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**Issued by: Mr. Hemant Saraogi, President, EICMA**

### **Union Budget puts the Corrugated Box industry in deep waters**

The Corrugated Box industry still attracts the highest rate of Excise Duty of 14%, though the Excise Duty on the basic Raw Material – Kraft Paper has been reduced to 8% from 12%. Not only this, the paper mills were earlier clearing first 3,500 m/t 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 and defying the Cenvat chain.

Moreover, most of the Corrugated Box user industry i.e. Tea, Biscuits, Edible Oil, Liquor, Cigarettes, Defence, Dairy Products, Agriculture Produce, etc. are outside the ambit of Excise Duty.

With introduction of Corrugated Box packaging in the Horticultural and Retail segment, apart from the conventional user, will also be adversely affected.

Corrugated packaging being eco-friendly, recyclable and the only material to replace wood needed more rational treatment from the Hon'ble Finance Minister.

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 goods to the end-users thereby adding to the inflation basket. We strongly suggest that the Excise Duty on Corrugated Box should not exceed the Excise Duty that on the Kraft Paper which is 8% as per the current Budget proposal.

We urge the Hon'ble Finance Minister to evaluate the subject in a micro perspective and announce necessary amendment.