

March 8, 2021

Dear Customer

We sincerely thank you for giving us the opportunity of being your vendor.

We would like to inform you that the **Corrugated Box Manufacturers in Eastern India are constrained to go for voluntary shutdown of their units from 11th March 2021 to 13th March 2021 to highlight the spiraling paper prices & draw the attention of the Government & Paper mills to ensure price stability.**

We have been serving you to the best of our abilities, giving you boxes to meet your requirements at the best possible rates, at bare minimum profit levels. It is our endeavor to do so continuously. We are sure you will be appreciating this effort.

We have been controlling cost of production in all areas, and managed to supply boxes at almost constant prices over the years. During the years prices of other commodities have skyrocketed & it is the case with Corrugated Box industry's inputs too.

However now due to spiraling of costs on all inputs we are constrained, that we have to seek your support to survive in business. To illustrate briefly the following is the impact of costs on our industry.

Paper & Board

The paper and board mills have increased the price of paper by 60 to 65% since November 2020 due to an enormous increase in cost of imported waste paper, coupled with an increase in their energy cost and inwards & outwards freight cost. Even at the current prices; most paper mills have stopped order bookings, going forward orders will be accepted by the mills at revised higher rates on almost daily basis, subject to the obtainability of waste paper. **The supply of Paper & Board are expected to be erratic & prices volatile till waste paper crisis is mitigated.**

Delivery

Due to the frequent increase in the price of diesel our transporters have increased freight cost payable by us on all dispatches by 40%.

Stitching Wire

The prices of steel have been very volatile in recent times, which have affected the costing of our stitching wire manufacturers. Therefore they have increased the price of stitching wire by about 20%

Labour & Staff Cost

We have had to increase the rates paid to our Labour, Staff & Security personnel by about 30%.

Adhesive

The cost of starch & has gone up by almost 40%.

Working Capital Cost

With an increase in costs highlighted above as well as change in policy of paper trade by reducing the credit lines; working capital requirements have doubled, increasing the financial cost by almost 100%.

The total impact of the increase of our input cost comes to about 45 to 50% on our selling prices at present. You will appreciate that such additional cost burden cannot be absorbed by us considering the competitive rates at which we are supplying boxes. Hence we are compelled to request you, much against our wishes, to consider an increase in the prices of boxes being supplied to you. We shall have to re-visit you if future orders are executed with further paper price increase. We also earnestly urge you for early payment remittances to enable us to serve you better.

We assure you of our best cooperation at all times and look forward to your assistance in the crucial juncture of our business.

Yours truly,