



Eastern India Corrugated Box Manufacturers' Association
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Issued by: Mr. Bharath Kedia, President, EICMA
“Union Budget Leaves The Corrugated Box Industry High & Dry”

The association in its pre budget memorandum submitted to the Government had requested for reduction of Customs Import Duty on its primary raw material Kraft Paper to Nil which remains unchanged at 10%. The industry is not able to provide world class packaging to the exporters for packing their products inspite of having the technology due to cost prohibitive imports of quality paper.

The exemption from service tax @ on Goods Transport Agency by Road since 2005 remains at Rs. 750/- freight on individual consignments transported & Rs. 1,500/- freight charged on total consignments transported in a goods carriage. Since 2005 due to rise in diesel prices, motor parts, tyres & increase in man power costs there has been a hike of 70% in freight costs whereas the exemption limit has been unchanged therefore defeating the very purpose of the exemption limit.

SSI Exemption Limit on Excise continues to be upto a turnover of 150 Lakhs for several years now, during which the cost of raw materials have gone up by 60%, which in effect leads to curtailment of 40% production to remain within the Exemption limit. Most of the Corrugated Box user industries packing **essential commodities** i.e. Food Processing, Fruits & Vegetables, Edible Oils, Flour, Tea, Biscuits, Dairy products, Defence, Horticulture etc. are outside the ambit of Excise Duty & are dependent on Exempted Units Excise as the duty component adds to the cost of their goods.

Hence, the lack of relief will lead to an overall increase in the price of essential goods adding to the **inflationary pressure** in the Economy as Carton boxes are a common denominator used for packing various products relating to our day to day needs. Corrugated packaging being eco-friendly, recyclable and the only material to replace wood needed more rational treatment from the Hon'ble Finance Minister.

We urge the Hon'ble Finance Minister to evaluate the subject in a micro perspective and announce necessary amendments to reduce the Customs duty to Nil; increase SSI Exemption Limit of Excise & Service Tax on Transport & provide the much needed relief to the industry on a micro level & to the economy in a macro level.

About EICMA

EICMA is an industrial organization set up in 1972, representing the interest of Corrugated Box Manufacturers in West Bengal, Bihar, Orissa, Jharkhand, Assam, Sikkim, & other North Eastern States. EICMA is also affiliated with Bharat Chamber of Commerce. The organisation has own R&D Centre in Kolkata. EICMA is a member of Federation of Corrugated Box Manufacturers (FCBM) of India at Mumbai, which comprises of 12 such regional associations from different states.