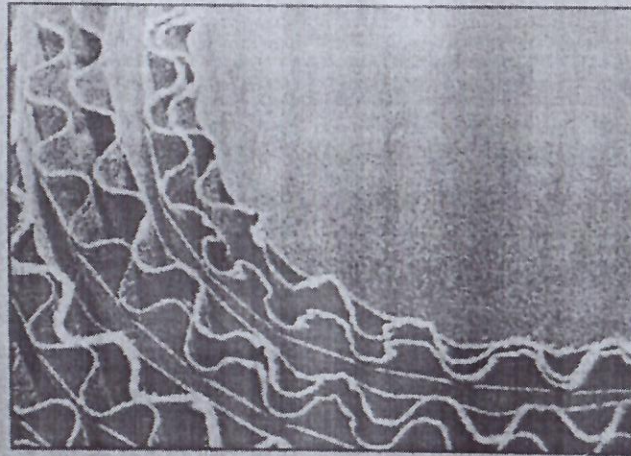


Corrugated box makers flag disparity in GST cut

Calcutta: Corrugated box manufacturers have raised an alarm over a sharp inverted duty structure created after the rationalisation of GST rates, and claimed that more than 20,000 MSMEs in this packaging segment are at risk of closure.

While GST on corrugated paperboard boxes has been reduced from 12 per cent to 5 per cent, the rate on its primary raw materials, kraft paper and board, has been raised from 12 per cent to 18 per cent, they said. Eastern India Corrugated



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Box Manufacturers said the recent GST revisions have created a severe imbalance. "This disparity leaves a 13 per cent burden on the industry and is

far from supporting MSMEs. It threatens their viability," the association said in a statement.

The industry employs over one million people.

The association highlighted that the change will "lead to working capital blockage due to accumulation of input tax credit, higher interest and compliance costs, and increased service costs as input credit on labour, job work, rent, repairs, and freight is not refundable".

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