

# FEDERATION OF CORRUGATED BOX MFRS. OF INDIA

President : T.M. RAGHAVAN (Bengaluru)  
Vice President I : RAJENDRA BHATI (Noida)  
Vice President II : ANKKIT AGARWAL (Hyderabad)  
Hon. Secretary : BHARAT PAREKH (Mumbai)  
Hon. Treasurer : MAYANK MEHTA (Pune)  
Ex. Officio : DHARMENDRA PANDYA (Ahmedabad)



**Regd. Office:**

138, Mittal Estate No.3, M. Vasanji Road,  
Andheri (East), Mumbai – 400 059. India.  
Phone : +91-86554 85791  
E-mail : fcbmofindia@gmail.com  
Website : fcbm.org

**FCBM/059/2024-25**

**20<sup>th</sup> Sept 2025**

**TO THE MEMBERS, F.C.B.M.**

**GST 2.0 IMPACT ON OUR INDUSTRY**

**Rates of Finished Goods & Primary Raw Material – WE.F. 22.09.25**

(GST CGST Rates Notification No. 9/2025 CT (Rate) dated 17.09.25)

<b>Schedule I - 5%</b>		
<b>S.No.</b>	<b>HSN</b>	<b>Description</b>
<b>317</b>	<b>4707</b>	<b>Recovered waste or scrap of paper or paperboard</b>
	4707 90 00	Recovered waste or scrap of paper or paperboard - other including unsorted waste & scrap
		<b>Cartons, Boxes &amp; Cases of:</b>
<b>322</b>	<b>4819 10</b>	<b>(a) Corrugated paper or paper boards; or</b>
	4819 10 10	Corrugated Paper or Paper Board Boxes
	4819 10 90	Others
	<b>4819 20</b>	<b>(b) Non-corrugated paper or paper board</b>
	4819 20 10	Non Corrugated Paper or Paper Board Boxes
<b>Schedule II- 18%</b>		
<b>175</b>	<b>4808</b>	<b>Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 4803</b>
	4808 10 00	Corrugated Paper & Paper Board
<b>185</b>	<b>4819</b>	<b>4819 (except 4819 10, 4819 20) All Goods (other than Cartons, boxes and cases of, –</b>
		<b>(a) corrugated paper or paper board; or (b) non-corrugated paper or paper board</b>
	4819 50	Other Packing Containers, including record sleeves:
	4819 50 10	Made of Corrugated Paperboard
	4819 50 90	Others
<b>Schedule II- Kraft Paper &amp; Board 18%</b>		
<b>169</b>	<b>4804</b>	<b>Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 4802 or 4803 170.</b>

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<b>170</b>	4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter
<b>177</b>	4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets of any size

## GST Rates On Input Services – WE.F. 22.09.25

SAC 9965 - GTA RCM continues @ 5%  
SAC 9988 - Job Work Increased from 12 to 18%  
SAC 9988 - Job Work on Printing reduced from 12 to 5%  
SAC 9972 - Rent RCM continues @ 18%  
SAC 9985 – Contract Labour continues @18%

## Inverted Duty Structure

Our major finished goods; Corrugated Paper Board Boxes will now attract 5% GST, while our primary raw material, Kraft Paper & Board will be taxed at 18%. This has placed us under an inverted duty structure. This gap of 13% will lead to accumulated ITC which will have to be claimed as refund. Refund of ITC will be allowed only on Input Goods; ITC on Input Services & Capital goods, cannot be claimed as refund. Further, Net ITC accumulated till 21.09.25, after offsetting output tax liability for Sep 25' will not be refundable.

The implications are as follows:

- Increase in interest cost for additional working capital for about 3 months.
- Cost of compliances & “other expenses” for refund applications & follow up
- GST Paid on Forward Charges & R.C.M. on services like Contract Labour, Security, Boiler, AMC Contracts, Rent, GTA Freight, Legal Expenses, Statutory License Renewal Fees, Repairs, Job work, etc. will become a cost. The GST rates are 18% for most items, except 5% on GTA.
- Investments in goods capitalized will become dearer by 18%

***The substantial cost burden created by the IDS will bleed the industry unless it is passed on to the buyer, the impact on costs will vary from a member unit to another, depending on their turnover; Input services availed or not availed & investments in capital goods. Hence, it is advisable to study the cost impact by extrapolating data from books of***

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**accounts. Thereafter, we need to factor the incremental cost percentage impact in discussion with our customer, on a priority basis.**

## REFUNDS

Section 54(1) states that any person claiming refund, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed. Refunds on input goods can be claimed monthly or quarterly as per the filing pattern opted for the regular returns. Claim can be made after filing GSTR 1 & 3B of the relevant period as applicable. **As per new amended rules (w.e.f. 01.10.25), 90% provisional refund will be granted within 7 days, subject to automated risk assessment checks of the filer, time limit for final disbursement is 60 days.**

**Maximum eligible refund as per Formula:** Refund needs to be computed as per the formula prescribed in Rule 89(5). Taxpayer would be eligible for refund only to the extent of maximum amount of refund by applying the formula.

Such maximum amount of refund would be restricted to **minimum of the following** three figures:

- Refund calculated using the formula prescribed
- Balance in Electronic Credit ledger at the end of tax period for which the refund claim is being filed after the return for the said period has been filed.
- Balance in Electronic Credit ledger at the time of filing of refund application.

## Maximum Refund Amount (Formulae) =

$$\left\{ \frac{\text{Turnover of inverted rated supply of goods and services} \times \text{Net ITC}}{\text{Adjusted Total Turnover}} \right. \\ \left. (-) \right. \\ \left. \left\{ \text{tax payable on such inverted rated supply of goods and services} \times \left( \frac{\text{Net ITC}}{\text{ITC available on inputs and input services}} \right) \right\} \right\}$$

**Adjusted Total turnover** means the turnover in a state or a union territory, as defined under sub-section (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies and the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, if any, during the relevant period.

Turnover in a state or a union territory, as defined under sub-section (112) of section “Turnover in State” or “Turnover in Union Territory” means the aggregate value of:

- All taxable supplies (excluding the value of inward RCM supplies)
- Exempt supplies made within a state or union territory by a taxable person

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- Exports of goods or services or both
- Inter-state supplies of goods or services or both made from the state or union territory

However, it excludes central tax, state tax, union territory tax, integrated tax and cess.

**Tax payable on such inverted rated supply of goods** is the tax amount payable on such inverted rated supply of goods under the same head i.e. IGST, CGST, SGST.

**Net input tax credit** shall mean input tax credit availed on inputs during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both.

Regards,

**ALOK KUMAR GUPTA**

**CHAIRMAN: Taxation & Legal Matters Committee FCBM**

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