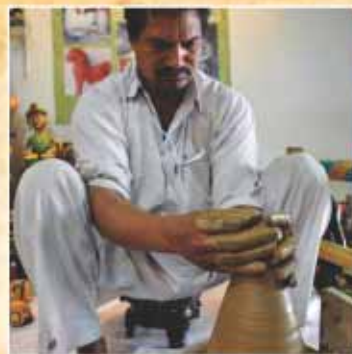
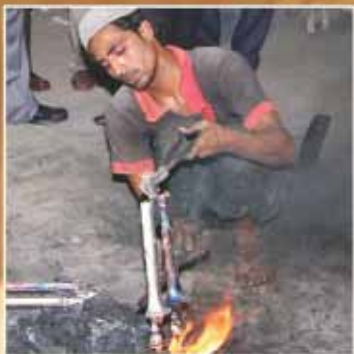


Representation Paper on Impact of **GST Regime** on **Handicraft Sector**



Submitted by:

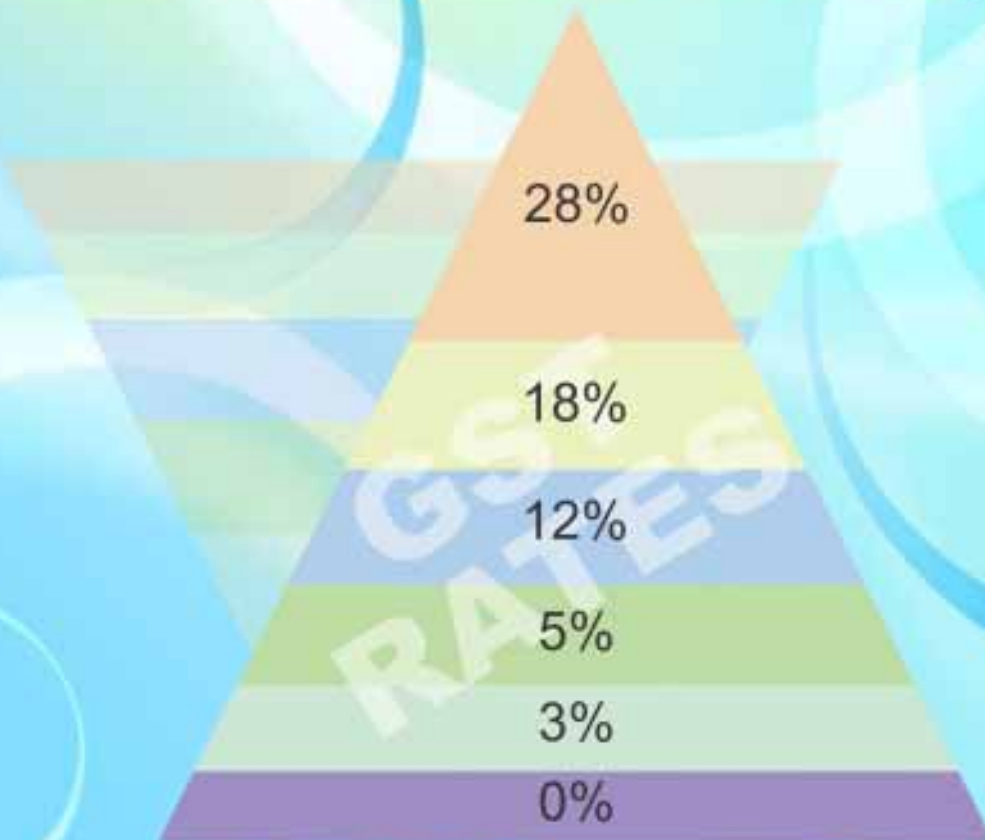


EXPORT PROMOTION COUNCIL
FOR HANDICRAFTS



I'm Impacted

Where do I belong?



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Compiled and Submitted by:

Export Promotion Council for Handicrafts (EPCH)

EPCH House, Pocket 6&7, Sector 'C', LSC, Vasant Kunj, New Delhi-110070

Website: www.epch.in

INTRODUCTION - GOODS & SERVICES TAX (GST)

The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated to be around 25%-30%. Introduction of GST would also make Indian products competitive in the domestic and international markets. Studies show that this would have a boosting impact on economic growth. Last but not the least, this tax, because of its transparent and self-policing character, would be easier to administer.

Goods and Services Tax Council (GSTC):

The GSTC has been notified with effect from 12th September, 2016. GSTC is being assisted by a Secretariat. The GST regime came into force from 1st July 2017. Some of the salient features are as outlined below:

- (i) The threshold exemption limit would be Rs. 20 lakhs. For special category States enumerated in article 279A of the Constitution, threshold exemption limit has been fixed at Rs. 10 lakhs.
- (ii) Composition threshold shall be Rs. 75 lakhs. Composition scheme shall not be available to inter-State suppliers, service providers (except restaurant service) and specified category of manufacturers.
- (iii) Existing tax incentive schemes of Central or State governments may be continued by respective government by way of reimbursement through budgetary route. The schemes, in the present form, would not continue in GST.
- (iv) There would be four tax rates namely 5%, 12%, 18% and 28%. The tax rates for different goods and services have been finalized. Besides, some goods and services would be under the list of exempt items. The exempted services has been finalized which is same as the services exempted under existing service tax law, except services supplied by Goods and Services Tax Network which is the addition to the list of exempted services under service tax. Rate for precious metals is an exception to 'four-tax slab-rule' and the same has been fixed at 3%. A cess over the peak rate of 28% on certain specified luxury and demerit goods, like tobacco and tobacco products, pan masala, aerated waters, motor vehicles, would be imposed for a period of five years to compensate States for any revenue loss on account of implementation of GST. The list of services in case of which reverse charge would be applicable has also been finalized.

- (v) The five laws namely CGST Law, UTGST Law, IGST Law, SGST Law and GST Compensation Law have been recommended.
- (vi) In order to ensure single interface, all administrative control over 90% of taxpayers having turnover below Rs. 1.5 crores would vest with State tax administration and over 10% with the Central tax administration. Further all administrative control over taxpayers having turnover above Rs. 1.5 crore shall be divided equally in the ratio of 50% each for the Central and State tax administration.
- (vii) www.gst.gov.in, managed by GSTN, shall be the Common Goods and Services Tax Electronic Portal.

Salient Features of GST:

The salient features of GST are as under:

- (i) GST would be applicable on "supply" of goods or services as against the present concept of tax on the manufacture of goods or on sale of goods or on provision of services.
- (ii) GST would be based on the principle of destination based consumption taxation as against the present principle of origin-based taxation.
- (iii) It would be a dual GST with the Centre and the States simultaneously levying it on a common base. The GST to be levied by the Centre would be called Central GST (central tax- CGST) and that to be levied by the States [including Union territories with legislature] would be called State GST (state tax- SGST). Union territories without legislature would levy Union territory GST (union territory tax- UTGST).
- (iv) An Integrated GST (integrated tax- IGST) would be levied on inter-State supply (including stock transfers) of goods or services. This would be collected by the Centre so that the credit chain is not disrupted.
- (v) Import of goods would be treated as inter-State supplies and would be subject to IGST in addition to the applicable customs duties.
- (vi) Import of services would be treated as inter-State supplies and would be subject to IGST.
- (vii) CGST, SGST /UTGST & IGST would be levied at rates to be mutually agreed upon by the Centre and the States under the aegis of the GSTC.
- (viii) GST would replace the following taxes currently levied and collected by the Centre:
 - a) Central Excise Duty;
 - b) Duties of Excise (Medicinal and Toilet Preparations);
 - c) Additional Duties of Excise (Goods of Special Importance);
 - d) Additional Duties of Excise (Textiles and Textile Products);
 - e) Additional Duties of Customs (commonly known as CVD);

- f) Special Additional Duty of Customs (SAD);
 - g) Service Tax;
 - h) Cesses and surcharges insofar as they relate to supply of goods or services.
- (ix) State taxes that would be subsumed within the GST are:
- a) State VAT;
 - b) Central Sales Tax;
 - c) Purchase Tax;
 - d) Luxury Tax;
 - e) Entry Tax (All forms);
 - f) Entertainment Tax (except those levied by the local bodies);
 - g) Taxes on advertisements;
 - h) Taxes on lotteries, betting and gambling;
 - i) State cesses and surcharges insofar as they relate to supply of goods or services.
- (x) GST would apply to all goods and services except Alcohol for human consumption.
- (xi) GST on five specified petroleum products (Crude, Petrol, Diesel, ATF & Natural gas) would be applicable from a date to be recommended by the GSTC.
- (xii) Tobacco and tobacco products would be subject to GST. In addition, the Centre would continue to levy Central Excise duty.
- (xiii) A common threshold exemption would apply to both CGST and SGST. Taxpayers with an annual turnover of Rs. 20 lakh (Rs. 10 lakh for special category States (except J&K) as specified in article 279A of the Constitution) would be exempt from GST. A compounding option (i.e. to pay tax at a flat rate without credits) would be available to small taxpayers (including to manufacturers other than specified category of manufacturers and service providers) having an annual turnover of up to Rs. 75 lakh (Rs. 50 lakh for special category States (except J&K and Uttarakhand) enumerated in article 279A of the Constitution). The threshold exemption and compounding scheme would be optional.
- (xiv) The list of exempted goods and services would be kept to a minimum and it would be harmonized for the Centre and the States as well as across States as far as possible.
- (xv) All Exports and supplies to SEZs and SEZ units would be zero-rated.
- (xvi) Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST/UTGST paid on inputs may be used only for paying SGST/UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross utilized, except in

specified circumstances of inter-State supplies for payment of IGST. The credit would be permitted to be utilized in the following manner:

- a) ITC of CGST allowed for payment of CGST & IGST in that order;
 - b) ITC of SGST allowed for payment of SGST & IGST in that order;
 - c) ITC of UTGST allowed for payment of UTGST & IGST in that order;
 - d) ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order. ITC of CGST cannot be used for payment of SGST/UTGST and vice versa.
- (xvii) Accounts would be settled periodically between the Centre and the State to ensure that the credit of SGST used for payment of IGST is transferred by the originating State to the Centre. Similarly the IGST used for payment of SGST would be transferred by Centre to the destination State. Further the SGST portion of IGST collected on B2C supplies would also be transferred by Centre to the destination State. The transfer of funds would be carried out on the basis of information contained in the returns filed by the taxpayers.
- (xviii) Input Tax Credit (ITC) to be broad based by making it available in respect of taxes paid on any supply of goods or services or both used or intended to be used in the course or furtherance of business.
- (xix) Electronic filing of returns by different class of persons at different cut-off dates.
- (xx) Various modes of payment of tax available to the taxpayer including internet banking, debit/ credit card and National Electronic Funds Transfer (NEFT) / Real Time Gross Settlement (RTGS).
- (xxi) Obligation on certain persons including government departments, local authorities and government agencies, who are recipients of supply, to deduct tax at the rate of 1% from the payment made or credited to the supplier where total value of supply, under a contract, exceeds Rupees two lakh and fifty thousand. Provision for TDS has not been notified yet.
- (xxii) Refund of tax to be sought by taxpayer or by any other person who has borne the incidence of tax within two years from the relevant date.
- (xxiii) Obligation on electronic commerce operators to collect 'tax at source', at such rate not exceeding two per cent. (2%) of net value of taxable supplies, out of payments to suppliers supplying goods or services through their portals.
- (xxiv) System of self-assessment of the taxes payable by the registered person.
- (xxv) Audit of registered persons to be conducted in order to verify compliance with the provisions of Act.
- (xxvi) Limitation period for raising demand is three (3) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short-payment or non-payment of tax or erroneous refund and its adjudication in normal cases.

- (xxvii) Limitation period for raising demand is five (5) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short-payment or non-payment of tax or erroneous refund and its adjudication in case of fraud, suppression or willful misstatement.
- (xxviii) Arrears of tax to be recovered using various modes including detaining and sale of goods, movable and immovable property of defaulting taxable person.
- (xxix) Officers would have restrictive powers of inspection, search, seizure and arrest.
- (xxx) Goods and Services Tax Appellate Tribunal would be constituted by the Central Government for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority. States would adopt the provisions relating to Tribunal in respective SGST Act.
- (xxxi) Provision for penalties for contravention of the provision of the proposed legislation has been made.
- (xxxii) Advance Ruling Authority would be constituted by States in order to enable the taxpayer to seek a binding clarity on taxation matters from the department. Centre would adopt such authority under CGST Act.
- (xxxiii) An anti-profiteering clause has been provided in order to ensure that business passes on the benefit of reduced tax incidence on goods or services or both to the consumers.
- (xxxiv) Elaborate transitional provisions have been provided for smooth transition of existing taxpayers to GST regime.

Benefits of GST:

- (A) Make in India:
 - (i) Will help to create a unified common national market for India, giving a boost to Foreign investment and “Make in India” campaign;
 - (ii) Will prevent cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply;
 - (iii) Harmonization of laws, procedures and rates of tax;
 - (iv) It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth;
 - (v) Ultimately it will help in poverty eradication by generating more employment and more financial resources;
 - (vi) More efficient neutralization of taxes especially for exports thereby making our products more competitive in the international market and give boost to Exports;

- (vii) Improve the overall investment climate in the country which will naturally benefit the development in the states;
- (viii) Uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage between neighboring States and that between intra and inter-State sales;
- (ix) Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption, which in turn means more production thereby helping in the growth of the industries. This will create India as a "Manufacturing hub".

Ease of Doing Business:

- (i) Simpler tax regime with fewer exemptions;
- (ii) Reduction in multiplicity of taxes that are at present governing our indirect tax system leading to simplification and uniformity;
- (iii) Reduction in compliance costs - No multiple record keeping for a variety of taxes- so lesser investment of resources and manpower in maintaining records;
- (iv) Simplified and automated procedures for various processes such as registration, returns, refunds, tax payments, etc;
- (v) All interaction to be through the common GSTN portal- so less public interface between the taxpayer and the tax administration;
- (vi) Will improve environment of compliance as all returns to be filed online, input credits to be verified online, encouraging more paper trail of transactions;
- (vii) Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to taxation system;
- (viii) Timelines to be provided for important activities like obtaining registration, refunds, etc;
- (ix) Electronic matching of input tax credits all-across India thus making the process more transparent and accountable.

Source: www.cbec.gov.in

OVERVIEW OF SURVEY FINDINGS

Executive Summary

The Handicrafts Sector's Composition

- Total / High amount of value addition by human effort
- Multiple value chains and distributed manufacturing rather than an organized factory
- Informal sector employment and self -help Group participation in production
- Exemption from VAT / Excise duty and other taxes in the past
- Majorly employer of natives from the grassroot level across the nation

Now with the introduction of GST, the sector is facing disability factors and in order to objectively get an assessment of pain points and affectations, EPCH conducted a survey with the cross section of stakeholders including manufacturing exporters, merchant exporters, buying agents and job workers.

*"Least privileged, why am I being discriminated and burdened?
Is my work less laborious?"*



Major Challenges to the Handicrafts Industry with GST

At an overall level, the introduction of GST is reported to have disrupted the business environment and the handicrafts industry stakeholders are facing multitude of challenges in conducting their routine business operations. Following are the clauses under the new GST regime that have been reported to be presenting major challenges to the industry stakeholders:

1 Challenges to Merchant and Manufacturer Exporters

- a) Requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST
- b) Rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates
- c) Process of payment of GST first and claiming the refund at later stage

- d) Limit of one year for old stock to get ITC
- e) Duty Credit Scrips to be allowed to be utilized only for payment of Basic Customs Duty
- f) Participants participating in fairs in various states requiring to register as a casual taxable person in the state where the exhibition is being held
- g) Freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @ 18%
- h) Making invoice and charging GST on the invoice for sending any free trade samples to overseas customers which is a basic norm of the industry
- i) E-way bill procedure has become complicated
- j) There are challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)

2 Challenges to Buying Agents

- a) Rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates
- b) Lack of clarity relating to taxability under GST on 'Intermediary Service' based on place of supply of services as rendered by buying agents
- c) The process of payment of GST first and claiming the refund at later stage
- d) Making invoice and charging GST on the invoice for sending any free trade samples to overseas customers
- e) E-way bill has become more complicated after the implementation of GST as compared to the pre-GST era.
- f) There are challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers).

3 Challenges to Job Workers

- a) GST rates for textile job worker applicable at 5% compared to 18% in handicraft sector- many job workers handle both kinds of job work
- b) Process of payment of GST first and claiming the refund at later stage

Compilation of Survey Findings

GST	Percent respondents reporting their business being negatively affected by GST			
	Manufacturer Exporter	Merchant Exporter	Buying Agent	Job Worker
Requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST	88%	71%	65%	NA
Rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates	91%	78%	NA	NA
Process of payment of GST first and claiming the refund at later stage	95%	96%	91%	100%
Limit of one year for old stock to get ITC is affecting	81%	77%	NA	NA
Duty Credit Scrips to be allowed to be utilized only for payment of Basic Customs Duty	85%	77%	NA	NA
Participants participating in fairs in various states requiring to register as a casual taxable person in the state where the exhibition is being held	85%	74%	NA	NA
Freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @ 18%	92%	86%	NA	NA
Making invoice and charging GST on the invoice for sending any free trade samples to overseas customers	89%	71%	83%	NA
Exporters to pay tax on reverse charge basis from unregistered job workers associated for job work and seek refund later	96%	NA	NA	NA
GST rates for textiles job worker applicable at 5% compared to 18% in handicraft sector	93%	NA	NA	100%
Lack of clarity relating to taxability under GST on 'Intermediary Service' based on place of supply of services as rendered by buying agents	NA	NA	96%	NA

NA: Not covered with the respondent segment

Business Impact

Stakeholder Holder Segment	Business Impact
Merchant Exporters/ Manufacturer exporters / Buying Agents	Decreased Turnovers, Lower cash inflows, decrease in labour headcount and increase in capital expenditure
Job worker	Decreased volume of work from exporters/ manufacturers, poor cash inflows and higher expenditure towards tax compliance

Recommendations

Our recommendations to the Ministry of Finance for consideration of welfare of stakeholders in the Handicraft Industry are as outlined below:

- A flat rate of 3% GST may be made applicable for HS codes which are being used by handicrafts exporters for their product categories. These items may be value-capped upto Rs. 5000/-.
- The process of payment of GST first and claiming the refund at later stage is reported to result in the blocking of the funds for the small exporters engaged in the sector. In order to ease the working capital situation of exporters, a loan from banks at lowest interest rate may be made available to the handicrafts exporters.
- The limit of one year for old stock to get ITC (input tax credit on material older than 1 year) should be removed for exporters. The stock lying with the exporters for more than one year and where the documents are not available. It is requested the exporter to be allowed to claim the credit equivalent upto 60% if the GST rate of the item is high.
- It is requested that Duty Credit Scrips may be allowed to be utilized for all purposes as at present and also for payment of IGST. Alternatively, the scrips should be allowed to be used for some other statutory payments.
- Participants participating in fairs in various states to be exempted from GST and also exempted from registering as a casual taxable person in the state where the exhibition is being held.
- The services rendered by buying agents to be treated as Export of Services at par with export of goods, as exports of goods is zero rated and commission is received by buying agents is in foreign exchange like exports and should be subject to zero rate GST.
- Free trade sample not to be covered under GST regime as samples are sent for business promotion and most of the cases, payment is not received from the buyer and the sample selected is retained by the buyer and remaining samples are returned.
- The GST rates for Textiles Job work has been reduced to 5%, the job worker engaged in handicrafts sector to be considered for the same tax rate.

Detailed Findings

The survey was conducted by EPCH on pan India basis to assess the likely impact of GST regime on their business. Overview of survey is outlined as below:

S.No.	Description	Particulars	
1.	Respondent Segments & Sample Coverage	Manufacturer Exporters (130)	Respondent Segment-wise Findings in tables below
		Merchant Exporters (24)	
		Buying agents (24)	
		Job workers (100)	
2.	Data Collection Tool	Self-administered questionnaire	

1.0 Manufacturer Exporter

The feedback of manufacturer exporters of handicrafts was assessed on following parameters

a) "Whether requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST is affecting your business"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	88%	113
No	12%	16
Grand Total	100%	129

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	51%	56
Medium	42%	46
Low	6%	7
Grand Total	100%	109

- Close to nine-tenth (88%) of the manufacturer exporters reported being affected by requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST.
- The degree of affectation was understood to be high for majority of the respondents.

b) "Whether rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	91%	112
No	9%	11
Grand Total	100%	123

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	76%	85
Medium	21%	24
Low	3%	3
Grand Total	100%	112

- More than nine-tenth (91%) of the manufacturer exporters reported being affected by rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates
- The degree of affectation was understood to be high for majority of the respondents.

c) "Whether process of payment of GST first and claiming the refund at later stage is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	88%	113
No	12%	16
Grand Total	100%	129

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	51%	56
Medium	42%	46
Low	6%	7
Grand Total	100%	109

- Close to nine-tenth (88%) of the manufacturer exporters reported being affected by requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST.
- The degree of affectation was understood to be high for majority of the respondents.

d) "Whether limit of one year for old stock to get ITC is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	81%	97
No	19%	23
Grand Total	100%	120

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	64%	64
Medium	10%	10
Low	26%	26
Grand Total	100%	100

- More than four-fifth (81%) of the manufacturer exporters reported being affected by the limit of one year for old stock to get ITC
- The degree of affectation was understood to be high for close to two-third of the respondents.

e) "Whether duty Credit Scrips to be allowed to be utilized only for payment of Basic Customs Duty is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	85%	97
No	15%	17
Grand Total	100%	114

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	68%	64
Medium	29%	27
Low	3%	3
Grand Total	100%	94

- More than four-fifth (85%) of the manufacturer exporters reported being affected by duty Credit Scrips being allowed to be utilized only for payment of Basic Customs Duty
- The degree of affectation was understood to be high for more than two-third (68%) of the respondents.

f) "Whether the clause of participants participating in fairs in various states requiring to register as a casual taxable person in the state where the exhibition is being held is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	85%	104
No	15%	18
Grand Total	100%	122

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	72%	73
Medium	21%	21
Low	7%	7
Grand Total	100%	101

- More than four-fifth (85%) of the manufacturer exporters reported being affected by the clause of participants participating in fairs in various states requiring to register as a casual taxable person in the state where the exhibition is being held
- The degree of affectation was understood to be high for more than two-third (72%) of the respondents.

g) "Whether the clause of freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @18% is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	92%	114
No	8%	10
Grand Total	100%	124

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	86%	97
Medium	14%	16
Low	0%	0
Grand Total	100%	103

- More than nine-tenth (92%) of the manufacturer exporters reported being affected by the clause of the clause of freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @18%
- The degree of affectation was understood to be high for majority (86%) of the respondents.

h) "Whether making invoice and charging GST on the invoice for sending any free trade samples to overseas customers is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	89%	112
No	11%	14
Grand Total	100%	126

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	83%	89
Medium	14%	15
Low	3%	3
Grand Total	100%	107

- Close to nine-tenth (89%) of the manufacturer exporters reported being affected by the clause of making invoice and charging GST on the invoice for sending any free trade samples to overseas customers
- The degree of affectation was understood to be high for majority (83%) of the respondents.

i) "Whether the clause of exporters to pay tax on reverse charge basis from unregistered job workers associated for job work and seek refund later is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	96%	121
No	4%	5
Grand Total	100%	126

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	84%	98
Medium	15%	18
Low	1%	1
Grand Total	100%	117

- More than nine-tenth (96%) of the manufacturer exporters reported being affected by the clause of exporters to pay tax on reverse charge basis from unregistered job workers associated for job work and seek refund later
- The degree of affectation was understood to be high for majority (84%) of the respondents.

j) "Whether the clause of GST rates for textiles job worker applicable at 5% compared to 18% in handicraft sector is affecting your business?"

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	93%	113
No	7%	8
Grand Total	100%	121

"If yes, what is the degree of affectation"?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
High	90%	100
Medium	1%	1
Low	9%	10
Grand Total	100%	111

- More than nine-tenth (93%) of the manufacturer exporters reported being affected by the clause of GST rates for textiles job worker applicable at 5% compared to 18% in handicraft sector
- The degree of affectation was understood to be high for majority (90%) of the respondents.

k) "How has the current GST regime impacted your business?"

Business Parameter	Percentage of Manufacturer Exporters responding "decrease"	Percentage of Manufacturer Exporters responding "increase"	Grand Total
Export turnover	97%	3%	120
Headcount of in-house labour	80%	20%	113
Capital expenditure (new machinery/tools)	36%	64%	112
Expenditures on business development	30%	70%	120
Cash in-flows	87%	13%	116

Current GST regime is negatively impacting primarily the export turnover, labour headcount and cash inflows.

l) What are your views on the e-way bill procedure after the implementation of GST?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
At same level as during pre-GST era	93%	113
Procedure has become complicated	7%	8
Grand Total	100%	121

- E-way bill procedure has become complicated as reported by more than nine-tenth (91%) of the respondents.

m) Whether you encounter any challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)?

Manufacturer Exporter Response	Percentage of manufacturer exporters	Number of Manufacturer Exporters
Yes	65%	71
No	35%	39
Grand Total	100%	110

Close to two-third (65%) of the respondents reported encountering challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)

2.0 Merchant Exporter

The feedback of merchant exporters of handicrafts was assessed on following parameters

n) **"Whether requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST is affecting your business"?**

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	71%	17
No	29%	7
Grand Total	100%	24

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	75%	12
Medium	25%	4
Low	0%	0
Grand Total	100%	16

- More than two-third (71%) of the merchant exporters reported being affected by requirement of LUT/BOND for registered person who intends to supply of goods or services for export without payment of IGST.
- The degree of affectation is understood to be high for majority of the respondents (75%).

a) **"Whether rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates is affecting your business"?**

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	78%	18
No	22%	5
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	89%	16
Medium	11%	2
Low	0%	0
Grand Total	100%	18

- Close to four-fifth (78%) of the merchant exporters reported being affected by the rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates.
- The degree of affectation is understood to be high for majority of the respondents (89%).

b) "Whether process of payment of GST first and claiming the refund at later stage is affecting your business"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	96%	22
No	4%	1
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	95%	19
Medium	5%	1
Low	0%	0
Grand Total	100%	20

- Nearly all (95%) of the merchant exporters reported being affected by the Process of payment of GST first and claiming the refund at later stage.
- The degree of affectation is understood to be high for majority of the respondents.

c) "Whether limit of one year for old stock to get ITC is affecting your business?"

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	77%	17
No	23%	5
Grand Total	100%	22

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	63%	10
Medium	31%	5
Low	6%	1
Grand Total	100%	16

- More than three-fourth (77%) of the merchant exporters reported being affected by the limit of one year for old stock to get ITC.
- The degree of affectation is understood to be high for majority of the respondents.

d) "Whether duty Credit Scrips to be allowed to be utilized only for payment of Basic Customs Duty is affecting your business?"

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	77%	17
No	23%	5
Grand Total	100%	22

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	65%	11
Medium	29%	5
Low	6%	1
Grand Total	100%	17

- More than three-fourth (77%) of the merchant exporters reported being affected by the Duty Credit Scrips to be allowed to be utilized only for payment of Basic Customs Duty.
- The degree of affectation is understood to be high for majority of the respondents.

- e) **"Whether the clause of participants participating in fairs in various states requiring to register as a casual taxable person in the state where the exhibition is being held is affecting your business?"**

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	74%	17
No	26%	6
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	81%	13
Medium	13%	2
Low	6%	1
Grand Total	100%	16

- Close to three-fourth (74%) of the merchant exporters reported being affected by the participants participating in fairs in various states required to register as a casual taxable person in the state where the exhibition is being held.
- The degree of affectation is understood to be high for majority of the respondents.

- f) **"Whether the clause of freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @18% is affecting your business?"**

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	86%	18
No	14%	3
Grand Total	100%	21

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	67%	12
Medium	22%	4
Low	11%	2
Grand Total	100%	18

- Close to nine-tenth (86%) of the merchant exporters reported being affected by the Freight charges to be paid by exporter if order is taken by exporter on CIF basis and the freight charges are taxable under GST @ 18%.
- The degree of affectation is understood to be high for majority of the respondents.

g) "Whether making invoice and charging GST on the invoice for sending any free trade samples to overseas customers is affecting your business?"

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	71%	17
No	29%	7
Grand Total	100%	24

"If yes, what is the degree of affectation"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
High	82%	14
Medium	12%	2
Low	6%	1
Grand Total	100%	17

- More than two-third (71%) of the merchant exporters reported being affected by the rule that while sending any free trade samples to overseas customers, an invoice must be made and GST must be charged on the invoice.
- The degree of affectation is understood to be high for majority of the respondents.

h) "How has the current GST regime impacted your business"?

Parameter	Percentage of Buying Agents responding "decrease"	Percentage of Buying Agents responding "Increase"	Number of Buying Agents
Sourcing Volume	100%	0%	23
Expenditures on Business Development	17%	83%	23
Cash Inflows	81%	19%	21
Directly Employed Staff	61%	39%	18

Current GST regime is negatively impacting primarily the export turnover, labour headcount and cash inflows.

i) "What are your views on the e-way bill procedure after the implementation of GST"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
At same level, as during pre-GST era	21%	4
Procedure has become complicated	68%	13
Procedure has Simplified	11%	2
Grand Total	100%	19

About two-third (66%) respondents are saying that the procedure has become complicated after implementation of GST.

j) "Whether you encounter any challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)"?

Merchant Exporter Response	Percentage of Merchant exporters	Number of Merchant Exporters
Yes	57%	13
No	43%	10
Grand Total	100%	23

More than half (57%) of the respondents reported encountering challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)

3.0 Buying Agents

The feedback of buying agents of handicrafts was assessed on following parameters

- a) **"Whether Rates announced by GST Council on different items are at 4-digit HS code level leading to ambiguity in classification of certain items w.r.t applicable GST rates is affecting your business"?**

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
Yes	65%	15
No	35%	8
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
High	57%	8
Medium	36%	5
Low	7%	1
Grand Total	100%	14

- Close to two-third (65%) of the buying agents reported being affected by the ambiguity arising from GST rates announced by GST Council on different items at 4-digit HS code level for certain items.
- The degree of affectation is understood to be high for majority of the respondents.

- b) **"Whether lack of clarity relating to taxability under GST on 'Intermediary Service' based on place of supply of services as rendered by buying agents is affecting your business"?**

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
Yes	96%	23
No	4%	1
Grand Total	100%	24

"If yes, what is the degree of affectation"?

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
High	91%	20
Medium	9%	2
Low	0%	0
Grand Total	100%	14

- Nearly all (96%) of the buying agents reported being affected by lack of clarity on taxability under GST on 'Intermediary Service' based on place of supply of services as rendered by them.
- The degree of affectation is understood to be high for majority of the respondents.

c) "Whether the process of payment of GST first and claiming the refund at later stage is affecting your business"?

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
Yes	91%	21
No	9%	2
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
High	68%	13
Medium	32%	6
Low	0%	0
Grand Total	100%	19

- More than nine-tenth (91%) of the buying agents reported being affected by the process of paying GST first and claiming at a later stage.
- The degree of affectation is understood to be high for majority of the respondents

d) "Whether making invoice and charging GST on the invoice for sending any free trade samples to overseas customers is affecting your business?"

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
Yes	83%	19
No	17%	4
Grand Total	100%	23

"If yes, what is the degree of affectation"?

Buying Agent Response	Percentage of Buying Agent	Number of Buying Agent
High	78%	14
Medium	17%	3
Low	6%	1
Grand Total	100%	18

- More than four-fifth (83%) of the buying agents reported being affected by the rule that for sending free trade samples, an invoice must be made and GST must be charged on that invoice.
- The degree of affectation is understood to be high for majority of the respondents

e) How has the current GST regime affected your business on the following parameters?

Parameter	Percentage of Buying Agents responding "decrease"	Percentage of Buying Agents responding "Increase"	Number of Buying Agents
Sourcing Volume	6%	94%	17
Expenditures on Business Development	81%	19%	21
Cash Inflows	10%	90%	20
Directly Employed Staff	41%	59%	17

GST has directly affected the businesses of the buying agents, by significantly decreasing their sourcing volumes, cash inflows and increasing their expenditure on business development. Directly employed staff also reduced considerably.

f) What are your views on the e-way bill procedure after the implementation of GST?

Parameter	Percentage of Buying Agent	Number of Buying Agent
Procedure has simplified	6%	1
Procedure has become complicated	88%	16
At same level, as during pre-GST era	6%	1
Grand Total	100%	18

- Majority of the respondents (88%) feel that the e-way bill has become more complicated after the implementation of GST as compared to the pre-GST era.

g) Whether the buying agents encounter any challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers)?

Parameter	Percentage of Buying Agent	Number of Buying Agent
Yes	81%	17
No	19%	4
Grand Total	100%	21

- Majority of the respondents (81%) are facing challenges while raising invoice for exports (GST invoice) and invoice for overseas buyers (commercial buyers).

4.0 Job Workers

The feedback of Job Workers of handicrafts was assessed on following parameters

a) "Whether GST rates for textile job worker applicable at 5% compared to 18% in handicraft sector is affecting your business"?

Job Worker Response	Percentage of Job Worker	Number of Job Worker
Yes	100%	100
No	0%	0
Grand Total	100%	100

"If yes, what is the degree of affectation"?

Job Worker Response	Percentage of Job Worker	Number of Job Worker
High	69%	69
Medium	29%	29
Low	2%	02
Grand Total	100%	100

- All the Job workers reported that high GST rates (18%) for the handicrafts sector in comparison to 5% for the textile sector is affecting their business.
- The degree of affectation for majority of the respondents is high.

b) "Whether process of payment of GST first and claiming the refund at later stage affecting your business?"

Job Worker Response	Percentage of Job Worker	Number of Job Worker
Yes	100%	100
No	0%	0
Grand Total	100%	100

"If yes, what is the degree of affectation"?

Job Worker Response	Percentage of Job Worker	Number of Job Worker
High	73%	73
Medium	27%	27
Low	0%	00
Grand Total	100%	100

- All the Job workers reported that process of payment of GST first and claiming the refund at a later stage is affecting them.
- The degree of affectation for majority of the respondents is high.

c) "How has the current GST regime impacted your business?"

Parameter	Percentage of Job Workers responding "Increase"	Percentage of Job Workers responding "Decrease"	Number of Job Workers
Volume of job work from manufacturers/ exporters	0%	100%	100
Cash Inflows	0%	100%	100
Expenditure towards tax compliance	100%	0	100

- All the job workers reported that the volume of job work from manufacturers/ exporters has dropped down due to this new GST regime.
- 100% of the respondents feel that due to low volume of work, cash inflows have also decreased.
- Expenditure towards tax compliance has increased.

d) "Whether you face any challenges while supplying goods to different states (interstate supply, since GST registration is mandatory for interstate supply)?"

Job Worker Response	Percentage of Job Worker	Number of Job Worker
Yes	7%	73
No	93%	27
Grand Total	100%	100

- Majority of the respondents (93%) feel that they are facing challenges while supplying goods to different states

EPCH HELPS HANDICRAFT SECTOR GET GST READY

EPCH, in its representation to the concerned Government departments, requested for lowering of GST rates on handicraft items, lowering of GST rates for job work; measures for blocking of working capital utilisation of Duty Credit Scrips; GST exemption on fair participation; GST exemption on buying agency commission paid; and GST exemption on freight charges paid by exporters. The Council had specifically requested for relaxation in provision of stock in hand for handicrafts exporters. The calculation of duty drawback rates under the new GST regime was requested to be simplified.

Considering the far-reaching impact on almost all the aspects of business operations in the country by the implementation of GST, there was high level of anxiety about the new tax regime among manufacturers and exporters in the industry. In order to educate them about the implication of the GST on the handicrafts sector and also how to migrate to the new tax regime, EPCH conducted awareness seminars in several craft hubs and clusters across India.

- EPCH ropes in expert faculty for guidance and the handicraft sector's transition into new regime as GST becomes a reality, posing procedural bottlenecks for handicraft exporters
- Awareness drive with Seminars and Q&A sessions organized across craft hubs & clusters

Key issues with the current GST regime and our suggestions

Goods and Services Tax (GST) is a welcome step and handicrafts sector has begun its transition into the new tax structure. The Council acknowledge the Government's role in facilitating migration of the trade and industry into the GST regime. However, there are certain issues that need to be addressed which are important to facilitate smooth exports from the Country. The issues are detailed as under:

Sl. No.	Issue	Pre GST	Post GST	Suggestions
1.	Reverse Charge/ Job Work	NA	GST Act does not provide any relief to the sector particularly with respect to the provision contained in the Section 9 (4) with regard to the Reverse charge in case of supplies from un-registered persons.	The GST rates for Textiles Job work has been reduced to 5%, the job worker engaged in handicrafts sector represent the unorganised cottage sector and hence a reduction of GST to 0% may be considered for handicraft sector.
2.	Blocking of Working Capital	NA	Most of the exporters of handicrafts work on borrowed capital. The process of payment of GST first and claiming the refund at later stage would result in the blocking of the funds for the small exporters engaged in the sector.	In order to ease the working capital situation of exporters, a loan from banks at lowest interest rate may be made available to the handicrafts exporters.

				Further, the VAT refund of the exporter which is blocked for a very long time may be considered for offsetting the SGST liability of the exporter based on the undertaking provided by him/her.
3.	Exemption of Handicrafts from GST	Handicraft items were exempted from Central Excise under Notification No. 17/2011-CE dated 1/3/2011 and were placed under Schedule-I w.r.t. Value Added Tax (VAT) in various states in the pre GST regime.	<p>The 'Handicrafts' has not been indicated anywhere in the GST Notification pertaining to GST rates, further, the GST rates on handicrafts sector are indicated at the 4 digit HS classification and that too on higher side for handicrafts items.</p> <p>The schedule of rates under GST indicated for various handicrafts items are on the higher sides i.e. at 12%, 18% and 28%. Further, there is ambiguity in classification of certain items w.r.t applicable GST rates.</p> <ol style="list-style-type: none"> In the GST Schedule, under Chapter 7418, Copper Utensils, Table or Kitchen or other household articles fall under the heading 7418 and attract a GST rate of 12%, however, Articles of Brass and of Copper attract a rate of 28% under Chapter 7419, being clubbed with Industrial products. Further, EPNS Ware falls under the heading 74181024 and attracts a GST of 12% whereas similar products described as "Articles of Copper Alloys Electroplated with Nickel- Silver" and a GST Rate of 28% under 74199920. GST rates for products under Chapter 44 S.No.8 HS Code No. 4420 states "Wooden Articles of Furniture not falling in Chapter 94" with applicable GST rate of tax @ 12% only. However, in Chapter 94 for Furniture, it clearly states that the 28% tax slab applies to those items or goods not specified elsewhere whereas "Wooden articles of furniture" is already specified under chapter 44. Furthermore, the Chapter 94 does not specify wooden furniture but only furniture in general kind would refer to items of mass production such as mattress, quilts, plastic furniture etc.," Handcrafted cane furniture (9403) the applicable GST rate is 18%, however currently the product is VAT exempted in 11 states (8 NER states, West Bengal, Kerala and Andaman & Nicobar). Most items in the musical instrument range have been classified under the 28% rate of GST. Chennapatna wooden toys produced by artisans having Geographical Indication (GI) as well has also been taxed with GST rate of 28%. Similarly, Blue Pottery of Jaipur and chikankari 	<p>There is ambiguity in classification of certain items w.r.t applicable GST rates. It is requested that a suitable clarification / amendment may be issued. A flat rate of 3% GST may be made applicable for HS codes which are being used by handicrafts exporters for their product categories. These items may be value-capped upto Rs. 5000/-.</p> <p>Additional list of export sensitive items with GST rate of 18% and 28% has been forwarded to GST Council for consideration (at page 36)</p>

			of Lucknow have GI and are world renowned handicrafts items. Blue Pottery has been placed under 18% taxation rate whereas Chikan and zari embroidered garments have been placed at 12% (products over Rs. 1000/-) and job work for embroidery on garments is at 18%. Also, Sea Shell handicrafts (9601) have also been put under 28% slab.	
4.	Duty Drawback Rate	The All Industry Duty Drawback rates were available to exporters which included refund of custom duty on imported inputs, central excise and service tax.	In the GST regime, the government had allowed the higher drawback for the transition period from July to September, 2017. However, the rates for duty back w.e.f 1st October 2017 have been announced and a lower rate of duty drawback (only refund of customs portion) has been offered.	Due to the challenges faced by the handicrafts exporters in particular the blockage of capital, it is requested that the government may consider higher drawback rates for another three months i.e. till 31st December, 2017 or till the time the things are stabilized and transition is complete.
5.	Stock in hand as on 30th June 2017	NA	A condition - limit of one year for old stock to get ITC (input tax credit on material older than 1 year has been specifically denied)	A limit of one year should be removed for exporters for allowing ITC. On similar lines as mentioned above, the stock lying with the exporters for more than one year and where the documents are not available. It is requested as per Section No. 140(3), the exporter may be allowed to claim the credit equivalent to 40% of GST if the rate of the item is less than 18% and 60% if the GST rate of the item is more than 18%.
6.	Limited utilization of Duty Credit Scrips under GST	Duty Credit Scrips were presently being used towards payments of Custom duty, CVD, SAD etc. and it is a freely transferable in open market	Under the GST regime, Duty Credit Scrips will be allowed to be utilized only for payment of Basic Customs Duty. A 12 % GST is imposed on MEIS scrips (4907). Please note, items mentioned under description for 4907 like Postage or Revenue Stamp or Stamp paper cannot be compared to MEIS scrip.	This limitation may drop the value of Duty Credit Scrips by 40-50%. It is requested that Duty Credit Scrips may be allowed to be utilized for all purposes as at present and also for payment of IGST. Alternatively, the scrips should be allowed to be used for some other statutory payments. MEIS duty credit scrip is not a Bank Note which can be exchanged or used

				<p>widely or a cheque which can be deposited in the Bank or a share or stock since MEIS does not have any dividend or a Bond or similar assets title document which one can hold and get interest or benefit.</p> <p>It is entirely a separate document which can be encashed only by Customs Dept. If an exporter pays Customs Duty by cheque or cash then, he need not have to pay GST. Hence, there is no reason why GST should be charged on transfer of MEIS.</p> <p>If GST on cheque or cash payment is nil then, by same logic there should be no GST on MEIS.</p>
7.	GST on fair participation	Applicable service tax & No need for registration-Participation in B2B fairs (no sale only order booking) within India treated similar to the process of movement of goods (No Sale or Purchase).	<p>a. GST applicable on participants in fairs organized in India.</p> <p>b. Participants participating in fairs in various states required to register as a casual taxable person in the state where the exhibition is being held.</p>	Participants participating in fairs in various states to be exempted from GST and also exempted from registering as a casual taxable person in the state where the exhibition is being held.
8.	GST on foreign agency commission earned by Buying Agents	Foreign Agency commission was considered as a taxable service	GST Applicable	The services rendered by buying agents should be treated as Export of Services at par with export of goods, as exports of goods is zero rated and commission is received by buying agents is in foreign exchange like exports and should be subject to zero rate GST.
9.	Freight charges paid by exporter	NA	If the exporter takes an order from an overseas buyer on CIF (Cost, Insurance & Freight) value, he has to pay the cost of insurance and freight has to be paid by the exporter. The freight charges paid by the exporter under GST regime are taxable @18%.	Due to this anomaly in the law, CIF transactions will become costlier compared to FOB exports. This anomaly may kindly be

			Although the same freight if payable by the foreign buyer is not taxable.	looked into and a suitable amendment can be made.
10.	Free trade samples - Post GST	For sending any samples to overseas customers as free trade sample, in the system it got reflected as an outstanding since no payment is going to be received for these free samples.	<p>a. For sending any samples to overseas customers, an invoice has to be made and GST has to be charged on the invoice. Though it is mentioned as free trade sample, in the system it will show as an outstanding and since no payment is going to be received for these free samples, how this outstanding invoice will be adjusted because in the accounts of the Company and in the Export Data Processing and Monitoring System (EDPMS) system if it is not adjusted it may relected as an outstanding at the end of the year and the exporter may be unnecessarily put in the caution list.</p> <p>b. In another case, samples are sent as free trade samples at low value invoice. If the samples get approved, many of the customers agree to pay the full value of the product and they also remit the money through the banking channels. In that case, it becomes sale of samples. Present RBI Circular has to get aligned with this total process otherwise once this money is received, how the exporter will account for it.</p> <p>An invoice has to be made and GST has to be charged on the invoice.</p>	Free trade sample not to be covered under GST regime as samples are sent for business promotion and most of the cases, payment is not received by the buyer and the sample selected is retained by the buyer and remaining samples are returned.
11	Bank guarantee	NA	<p>As per the Circular No. 5/5/2017 dated 11th August, 2017 provides that bank guarantee should normally not exceed 15% of the bond amount. However, the Commissioner may waive off the requirement to furnish bank guarantee taking into account the facts and circumstances of each case. It is expected that this provision would be implemented liberally. Some of the instances of liberal interpretation are as follows:</p> <p>(i) an exporter registered with recognized Export Promotion Council can be allowed to submit bond without bank guarantee on submission of a self-attested copy of the proof of registration with a recognized Export Promotion Council</p>	The Commissioner has the power to waive the bank guarantee in case the exporter is registered with Export Promotion Council and submits a self-attested copy of RCMC. It is suggested that the self-attested copy of RCMC to be considered in lieu of bank guarantee.
12.	GST on Duty Free Import Scheme	One of the provisions available to the handicrafts exporters for the enhancement of the quality is the provision of duty free import of essential	Only Custom duty waived on import of duty free items and IGST paid by the exporters	<p>The payment of IGST on import invite large investment and blockage of funds for minimum five months for each shipment besides additional quantity exporters have to import to meet the MOQs of suppliers, which will be consumed in future orders.</p> <p>It will be a great help to handicraft sector if the IGST is exempted on import of items against</p>

embellishment, trimmings, tools and consumables vide para 1 B.1 (vi) of the Foreign Trade Policy (FTP) and parallel customs notification (No. 50/2017) issued to this effect. These handicraft exporters have an entitlement of Duty Free Import up to 5% of the export turnover of the preceding year is available to the exporters.

Duty Free Import Documents, which are meant for re-export only and will save the small exporters from additional burden of investment.

Proposed List of Handicrafts Items for GST Rate Concession

Sl. No.	ITC HS Code	Description	Existing GST Rate
1	33019031	Attars Of All Kinds In Fixed Oil Base	18
2	42022910	Handbags Of Other Materials Excluding Wicker Work Or Basket Work	18
3	44140000	Wooden Frames For Painting, Photographs, Mirrors Or Similar Objects	28
4	64061010	Embroidered Uppers Of Textile Materials	18
5	65050090	Other Headgear, Hats, Knitted / Crocheted Made Up From Laces Etc W/N Lind/Trmmd	18
6	69149000	Other Ceramc Artcls Excl Of Porcelain / China	28
7	70099200	Othr Glass Mirrors, Framed	28
8	70132800	Glsswr Fr Tbl Ktchn,Tolt,Offc Indor Dcortion (Excl Goods Of Hdg No 7010/7018) - Other	18
9	70134900	Glsswr Fr Tbl Ktchn,Tolt,Offc Indor Dcortion (Excl Goods Of Hdg No 7010/7018)	18
10	70181090	Others -Glss Beads,Imtn Perls,Imtn Prcs Stones/ Semi Prcs Stones & Smlr Glss Smallwares	18
11	70200029	Other Gls Chimeneys	28
12	70200090	Other Articles Of Glass Nes	28
13	74199930	Article Of Brass	28
14	74199940	Copper Worked Articles	28
15	76151030	Other Table And Kitchenware Of Aluminium	28
16	92029000	Other String Musical Instruments	28
17	92060000	Percussion Musical Instruments (E.G. Drums, Xylophones, Cymbols, Castenets, Maracas)	28
18	94033010	Cabinetware	28
19	94033090	Others -Wooden Frntr Of A Knd Used In Offices	28
20	94035010	Bed Stead	28
21	94035090	Other Wooden Furniture Used In Bedroom	28
22	94036000	Other Wooden Furniture With Or Without Embellishments Of Other Material	28
23	94038900	Other - Furniture Of Other Materials, Including Cane, Osier, Bamboo Pr Similar Materials	18
24	94049099	Handmade Pouffes/Articles Of Bedding, Cushions Etc	28
25	95051000	Articles Of Christmas	28
26	96020010	Worked Vegetable Carving Material & Articles Thereof	28
27	96020090	Other Worked Vegitable Or Material Carving Material And Articles Of These Materials Moulded Or Carved	28
28	96140000	Smoking Pipes And Cigar Or Cigarette Holder And Parts Thereof.	28

EPCH's efforts in taking up issues of the Sector with the Handicrafts Sectoral Group of GST Council

17th June 2017; EPCH Delegation calls on Mr. Pradeep Goel, Commissioner, CBEC - the Nodal Officer of Handicrafts Sectoral Group on GST, presents handicraft sector's side at the first meeting of the Sectoral Group

The GST Council has set up 18 sectoral groups for various sectors of the economy in order to ensure smooth rollout of GST. Mr. Pradeep Goel, Commissioner, CBEC is the co-conveyor of the Handicrafts Sectoral Group. The first meeting of this Sectoral Group was held at New Delhi on 17th June, 2017. Senior officers of the Ministry of Finance also attended the meeting and the handicrafts sector was represented by Mr. O P Prahladkha, Chairman, PCH and Mr. Rakesh Kumar, Executive Director, EPCH. Further, industry associations like The Handicrafts Exporter's Association, Delhi; Jodhpur Handicrafts Exporters Federation; Handicrafts Exporters Association, Agra; Buying Agents Association, Delhi; and some prominent exporters also attended the meeting.

Mr. Rakesh Kumar made a presentation with an overview of the handicrafts sector including exports, export markets, craft clusters, various handicraft segments and the manufacturing processes. All issues pertaining to the handicrafts sector were taken up.



The EPCH delegation on seen greeting Mr. Pradeep Goel, Commissioner, CBEC and presenting the handicraft industry's concerns as well as representation in connection to GST

EPCH delegation meets Union Minister for Textiles, Smt. Smriti Zubin Irani, update her on GST related issues of Handicrafts Sector

Hon'ble Union Minister for Textiles, Smt. Smriti Zubin Irani being greeted by Mr. O P Prahladka, Chairman, EPCH and Executive Director, EPCH, Mr. Rakesh Kumar.



Council's representation on GST reaches out to concerned Govt. departments in Rajasthan

The EPCH delegation with Mr. O P Prahladka, Chairman, EPCH; Mr. Lekhraj Maheshwari, Member, COA, EPCH; Executive Director, EPCH, Mr. Rakesh Kumar; and industry representatives from Jaipur, Jodhpur, Barmer, Bikaner met Mr. Rajpal Singh Shekhawat, Minister of Industries, Govt. Enterprise, Government of Rajasthan on 22nd June, 2017. They briefed him about issues that the handicrafts sector may face in the GST regime and suggested possible solutions for the same. The delegation also met Mr. Tanmay Kumar, Principal Secretary to Chief Minister of Rajasthan to discuss GST related issues with him.



Chairman EPCH met Mr. Hasmukh Adhia, Revenue Secretary and discussed issues related to GST

On 21st September, 2017, Chairman EPCH, Mr. O P Prahladka met Revenue Secretary, Mr. Hasmukh Adhia who headed the Committee set up by the GST Council to look into the issues pertaining to exports sector. Commerce Secretary, Ms. Rita Teatota; Mr. Alok Chaturvedi, DGFT alongwith Commissioners of Commercial Taxes from Gujarat, Maharashtra, Karnataka, Uttar Pradesh and West Bengal were also present in the meeting.



Chairman EPCH raised various issues affecting handicrafts sector and are required to be taken to facilitate smooth transition of Handicrafts Sector in the GST regime. Chairman requested for GST rate concessions on various handicrafts items, reduction of GST rates on job work, measures for blockage of working capital funds, issue pertaining to stock in hand, utilization of duty credit scrips, GST on fair participation, GST on foreign agency commission and freight charges paid by exporters, etc.

Seminars conducted across Craft Hubs and Clusters by EPCH in preparedness towards the GST Regime

23th May 2017; Jaipur

This was conducted with expert faculty and Chartered Accountant, Mr. Yash Dhaddha. Mr. Lekhraj Maheshwari, Member, COA, EPCH, moderated the session that included 20 participants and 4 artisans. The expert faculty explained about GST and its various attributes in detail. The participants posed several queries and Mr. Dhaddha responded with simplified explanations on all aspects of the GST.



23th May 2017; Chennai

This was well attended with 50 participants including 39 artisans. Expert faculty, Mr. R Kiran Gaikwad made a detailed presentation on GST, considering the importance of structural shift in Tax Policy to GST model, highlighting the advantages like, elimination of various taxes, as all taxes would be brought into one tax net. He explained about the GST policy, features and tax rate slabs. Participants raised many questions and got explanations from the faculty. Mr. N Ramamurthy from the O/o DC (H) spoke about the various schemes and benefits available through his office, for the artisan community. He also informed the participants about online registration of handicraft products in the "India Handmade Bazar Portal". EPCH member exporters present on the occasion like, Mr. K L Ramesh, Regional Convenor-South, EPCH; and Mr. P Subramanian, former COA Member, EPCH, shared their journey



Present on the occasion were, Mr. K LRamesh, Regional Convenor-South, EPCH; Mr. P Subramanian, former COA Member, EPCH; Mr. N Ramamurthy, Asst. Director, O/o DC (Handicrafts), Chennai; and Expert faculty on GST, Mr. R Kiran Gaikwad

and experience in the handicrafts industry, emphasizing on the requisites of a successful exports business. They also informed the participants of the Council's multifarious activities.

24th May 2017; Saharanpur

Held at the Common Facility Centre, Saharanpur, UP, this was well attended by many member exporters including Mr. Sheikh Faizan Ahmed; Mr. M S Zama and Mr. Irfan Ahmed. Expert faculty, Mr. R K Gupta, CA, made a detailed presentation on GST and answered participants' queries.



24th May 2017; New Delhi

EPCH organized an exclusive seminar cum discussion on GST, for Buying Houses/Agents on 24th May 2017 at EPCH House, New Delhi. Comprehensive discussions on issues related to GST were carried out during the session. Mr. Rakesh Kumar, Executive Director, EPCH welcomed the representatives from buying agents firms and buying houses. The expert on GST here was Mr. Ravi Bhatia, Chartered Accountant who also answered queries raised by the attendees.

This was conducted for buying houses and buying agents with Chartered Accountant, Mr. Ravi Bhatia as the GST expert



25th May 2017; Moradabad

The expert faculty at this session Mr. Anant Bhatia, CA from M/s. Bhatia & Bhatia Chartered Accountants, informed the participants about the procedure and documentation for GST and addressed various queries. Present on the occasion were COA Members, EPCH and leading exporters from the region, Mr. Abdul Azim, Mr. Neeraj Khanna and Mr. Naved Ur Rehman.



27th May 2017; New Delhi

This was held at Rajiv Gandhi Handicrafts Bhawan, New Delhi and was well attended by several member exporters from NCR.



The queries were well represented and answered with the session concluding with interactions with the expert faculty. Present on the occasion were, Mr. RK Passi, Member COA, EPCH; Mr. Rakesh Kumar, Executive Director, EPCH; Mr. CR Rai, President HEA; and CA Ravi Bhatia from Bhatia& Bhatia Chartered Accountants.

27th May 2017; Kolkata

Mr. OP Prahladka, the then Vice-Chairman, EPCH and Convenor- Eastern Region, EPCH, initiated the seminar and enlightened the members on the efforts EPCH is making towards preparedness for GST era. Expert faculty here were, Mr. Pramod Dayal Rungta and Mr. Jayesh Gupta, Chartered Accountants from JPNR Corporate Consultants Pvt. Ltd. Their detailed power point presentation highlighted the various provisions of GST. The speakers also explained about the importance of GST for business and industrial growth. The question-answer session at the end of seminar further helped the attendees to raise doubts and get explanations & clarifications.



29th May 2017; Bangalore

This was well attended with 167 participants including 8 artisans. Expert faculty, Mr. M V Sridhar, who is also a winner of the Presidential award in recognition of his exemplary performance in the field of audit and training, spoke about the overall GST policy and its features. Present on the occasion were, Mr. MV Sridhar, expert faculty from M/s. KGS Cestax Consultants, Bangalore; Mr.MN Yajnanarayana, General Secretary, Laghu Udyog Bharathi-Karnataka; and Mr. KS Sharma, President, Laghu Udyog Bharathi-Karnataka.



30th May 2017; Jodhpur

46 member exporters from Jodhpur region attended this seminar to understand the anticipated changes with the GST regime and the needed preparedness for the same.



31st May 2017; Agra

Held at Hotel Samovar, Agra, this was well attended. Present on the occasion were Dr. S K Tyagi from Handicrafts Exporters Association (Agra); and Mr.AK Gupta besides expert faculty, Mr.Ravi Bhatiya and Mr.Vonesh Tyagi. A detailed presentation was made on GST and participants' queries were answered.



Seminars conducted across Craft Hubs and Clusters in India by EPCH after GST comes into effect

Since GST became applicable, several shipments of exporters were held up for want of various clarifications from the Department of Central Board of Excise and Customs, primarily on the issue of payment of GST while exporting. The intention of the Government has been very much clear from the beginning that exports shall be zero rated tax-wise as taxes cannot be exported.

9th July 2017; Open House in New Delhi

In view of the anxiety and queries amongst the exporters, EPCH organised an urgent Open House Meeting with senior officials of the Central Board of Excise and Customs.

Mr.Pradeep Goel, Commissioner, Central Board of Excise & Custom (CBEC) & Head of Handicrafts sectoral group chaired the Open House. Present on the occasion to answer exporters' queries were, Mr. Sunil K Sinha, Commissioner Customs, IGI Airport; Mr. Sanjiv Srivastava, Commissioner, Customs, Tuglakabad; Mr.H K Sharma, Additional Commissioner, Customs, Dadri; Smt.Babni Lal, Economic Advisor, Ministry of Textiles, Govt.of India; Dr. Ajay Sahai, Director General & CEO, FIEO; and Mr. R K Gupta,Chartered



Accountant, Bhatia & Bhatia. Chairman EPCH, Mr. O P Prahladka; Executive Director, EPCH, Mr. Rakesh Kumar and members of the Council's committee of administration were also present.

About 300 exporters participated to bring forth major issues pertaining to shipment on payment of GST. The Department of Central Board of Excise and Customs had informed the exporters about the notification/ circular issued on 7th July, 2017 providing relief to exporters to export their goods on submission of 'letter of undertaking' instead of issuing bond and depositing integrated goods and service tax. The exporters were of the view that this notification was not providing full relief to them due to certification required from the GST department. The issues of the participants regarding registration, refund of tax, etc. were answered by Commissioner, Customs and other authorities present at the Open House.

On behalf of the handicrafts sector, Mr. O P Prahladka, Chairman, EPCH, expressed serious concerns on the issue of relief on job work, carrying of samples for exhibitions/offices of buying agents, sending samples for display purposes and also free trade samples of no commercial value to the buyers. He expressed that the issue of job work is getting aggravated as most exporters are located at metropolitan cities while artisans and crafts persons are spread in craft clusters in remote parts of the country. Though these crafts persons are exempted having sale below Rs. 20 lakhs, most of the supplies being inter-state, attract GST and hence require registration process. The exporters gathered at the Open House were of a collective view that this would ultimately affect the very growth & well-being of the handicrafts sector. As the drawback issue has not been fully resolved in the new mechanism, most merchant exporters apprehend that there is compulsion of shipping their goods on lower drawback basis. This is an ultimate loss to the exporters. Similarly the GST rates for MEIS scrip have neither been declared nor HSN codes been finalised for the same. The premium of such scrips have already fallen in the market which is a clear loss to exporters. Handicrafts items had been exempted from excise and also there was VAT exemption in many states in the country. However, in the GST regime the GST rates of 12, 18 and 28% have been made applicable on handicraft items. Handicrafts exporters feel that a flat rate of 5% GST may be made applicable on handicrafts items with value cap of Rs. 5,000. EPCH also brought out a comprehensive FAQs on GST and a discussion was also held on the same during Open House.

17th July 2017; Interactive Session in Jaipur

An interactive session was organised at Jaipur on 17th July 2017. About 125 member exporters attended and addressed their GST related issues to Mr. Subhash Chand Aggarwal, Commissioner (Customs); Mrs. Ruchita Viz, Additional Commissioner,





CGST; Mr. Mahesh Kumar, Joint Commissioner, CGST; Mr. Virender Singh, Joint Director General Foreign Trade; Mr. Dinesh Chandra Rakhecha, Dy. Commissioner, RGST; and CA Yasha Dhaddha. Initiated by Mr. R K Verma, Director, EPCH, this saw the presence of eminent EPCH member exporters from Jaipur like, Mrs. Leela Bordia, Mr. Satish Katta, and COA members like Mr. Lekhraj Maheshwari and Mr. Dileep Baid.

Mr. Subhash Chandra Agarwal, Commissioner, Customs, said that his Department has pursued the interests of the exporters to ensure that environment post GST is not difficult and that the efforts of the Customs department have resulted in positive outcomes. Mr. Virendra Singh, Jt. DGFT, opined, utilisation of Duty Credit Scrips under the MEIS and SEIS Schemes will be suitably aligned with changes in the indirect taxes under the GST Regime and the validity period of the Duty Credit Scrips has been changed from 18 months to 24 months to enhance their utility and attractiveness in the GST regime. Value limit on the Free of Cost (FoC) exports for export promotion for Status Holders has been enhanced and the threshold for reaching Two Star Export House has been reduced to USD 20 Million, thereby incentivising exporters. He also informed that DGFT has signed an MOU with the Goods and Services Network (GSTN) for sharing foreign exchange realisation and Import Export code data. This will strengthen processing of export transactions of taxpayers under GST, increase transparency and reduce human interface.

Mrs. Ruchita Viz, Additional Commissioner, made a comprehensive presentation on Exports and Imports under the new GST regime and highlighted amendments and consequent changes in procedures for exporters, EOU's, SEZ's, Job works, Deemed Exports, etc. Members' queries were resolved by the concerned authorities.

28th July 2017; Meeting at EPCH House, New Delhi with Mr. Pradeep Goel, Commissioner, CBEC & Handicrafts Sectoral Head for GST



Mr. Pradeep Goel, Commissioner, CBEC & Handicrafts Sectoral Head for GST, visited EPCH House and discussed issues pertaining to the handicrafts sector. Based on the discussion a fresh representation was prepared and submitted to the GST Council. Present on the occasion were member exporters, representation from the Buying Agents Association of India and Mr. Rakesh Kumar, Executive Director, EPCH

29th July 2017; Awareness Seminar at New Delhi on "Export Documentation - Post GST Scenario"

This was well attended with 130 member exporters and chaired by Mr. Ravi K Passi, COA Member, EPCH. Prof. Ram Singh from Indian Institute of Foreign Trade (IIFT) conducted the session and explained in detail about export documentation in the GST regime. He also answered the queries participants raised in course of the session.



5th August 2017; Interactive Seminar at India Expo Centre, Greater Noida

A seminar on GST was organised at India Expo Centre on 5th August 2017 with Hon'ble Union Minister of State for Finance & Corporate Affairs, Mr. Arjun Ram Meghwal as the Chief Guest. This saw the presence of Mr. Nitish Srivastava, Additional Commissioner, Customs; Mr. O P Prahladka, Chairman, EPCH; Mr. Rakesh Kumar, Executive Director, EPCH; and Mr. Manoj Goyal, Chartered Accountant. While welcoming GST-a positive taxation reform which aims to integrate the state economies and boost overall growth thereby facilitating a move towards One Nation One Tax, Mr. O P Prahladka, Chairman, EPCH, apprised the Hon'ble Minister on procedural bottlenecks such as blocking of working capital of small exporters, payment of GST for job work, stock in hand, utilisation of duty credit scrips, GST on fair participation both in India and abroad, GST on foreign agency commission, treatment of free trade sample and most importantly "Handicrafts" not being reflected anywhere in the GST schedule. Further, the issue of GST on handicraft items at higher rates i.e. 12, 18 and 28% was also raised.



Mr. Arjun Ram Meghwal said, the govt. has initiated various steps to enhance the tax net and give impetus to the economy through demonetisation, digitisation and introduction of GST. He acknowledged the fact that there are certain 'teething troubles' with the GST and assured that with the passage of time the bottlenecks will be removed and GST will be a 'game changer' for the Indian economy. Mr. Manoj Goyal, Chartered Accountant, made a detailed presentation and alongwith Mr. Nitish Srivastava, Additional Commissioner, Customs, answered the queries raised by exporters. While speaking on the occasion, Mr. Rakesh Kumar, Executive Director, EPCH, requested the Hon'ble Minister for his urgent intervention on the issues raised during the seminar, bringing to the notice of the Minister that facilitation/procedural delays were hampering smooth flow of exports.

18th August 2017; Interactive Seminar at New Delhi

Buying Agents Association (BAA) and Export Promotion Council for Handicrafts (EPCH) organised an interactive seminar on GST and CITES, on 18th August 2017 at New Delhi. This saw an attendance of 90 people from the buying agents' fraternity.

The objective of the seminar was to address the impact of GST on buying agents and to update the participants on CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora). Ms. Christine Rai, Gen. Secretary, BAA and CEO, Indian Inc., initiated the program and Mr. Rakesh Kumar, Executive Director, EPCH, welcomed the participants.

Mr. OP Prahladka, Chairman, EPCH, in his address, acknowledged the contribution



of buying agents in shaping up the industry. He explained how working on capacity building, FDI, cluster development, increasing exposure of NER products, product development, technology, skill development and exploring new markets, would pave way for a promising future for the entire handicrafts exports industry.

Speaking on the impact of GST, Chartered Accountant, Mr. Manoj Kumar Goyal explained, "GST applies to buying agents as they fall under the "Intermediary" category of the GST act. In the GST regime, there are 36 different Jurisdictions through which Tax Admin will take place. Those working out of more than one State will have to get themselves registered multiple times. GST is to be borne by buying agents as the location/place of supply is India. "Mr. Goyal advised a 'way forward' would be to "redefine" what a buying agent is and their services. Here, BAA can play a major role in getting together all buying agents from other export promotion councils towards a collective endeavour.

Applicable GST Rates on Handicraft HS Codes

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1	33019031	ATTARS OF ALL KINDS IN FIXED OIL BASE	3301	ESNL OLS (CNCRTS/ABSLTS);RSNDS,EXTR TD OLOGN,CNCNTRTS IN FATS ETC;TRPNC BY- PRDCTAQU DSILTS/SLTN	18
2	33074100	AGARBATTI" & OTHR ODORIFEROUS PRPNS WHICHOPERATE BY BURNING	33074100	AGARBATTI & OTHR ODORIFEROUS PRPNS WHICHOPERATE BY BURNING	5
3	33074900	OTHER ODORIFEROUS PRPNS USD FOR DEODORIZING ROOM (EXCL AGARBATTI)	3307	SHAVING/PRE AND AFTER SHAVE PRPNS BATH PRPN DEPILATRS AND OTHR PERFMRY COSMTC/TOILT PRPNPRPN NES;PRPD ROOM DEODORISERS W/N P	28
4	34060010	CANDLES	3406	CANDLES, TAPERS AND THE LIKE	12
5	39231020	WATCHBOX JEWELLERY BOX AND SIMILAR CONTAINER OF PLASTICS	3923	ARTCLS FOR THE CNVYNCE/PCKNG OF GOODS STOPRS LIDS CAPS AND OTHR CLSRS OF PLSTCS	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
6	42022910	HANDBAGS OF OTHER MATERIALS EXCLUDING WICKER WORK OR BASKET WORK	42022910	HANDBAGS OF OTHER MATERIALS EXCLUDING WICKER WORK OR BASKET WORK	18
7	42023110	JEWELLERY BOX - SURFACE OF LEATHER	4202	TRUNKS, SUIT-CASES, VANITY- CASES, EXECUTIVE-CASES, BRIEF-CASES, SCHOOL SATCHELS, SPECTACLE CASES, BINOCULAR	18
8	42023910	JEWELLERY BOX - OTHER SURFACE OF LEATHER	4202	TRUNKS, SUIT-CASES, VANITY- CASES, EXECUTIVE-CASES, BRIEF-CASES, SCHOOL SATCHELS, SPECTACLE CASES, BINOCULAR	18
9	44140000	WOODEN FRAMES FOR PAINTING, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS	4414	WOODEN FRAMES FOR PAINTINGS, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS	28
10	44190010	TABLEWARE	4419	TABLEWARE AND KITCHENWARE, OF WOOD	12
11	44190020	KITCHENWARE OF WOOD	4419	TABLEWARE AND KITCHENWARE, OF WOOD	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
12	44201000	STATUETTES & OTHER ORNAMENTS OF WOOD	4420	MARQUITY AND INLAID WOOD;CASKETS/CASES FOR JWELRY/CTLRV AND SMLR ARTCLS STATUETS AND OTHR ORNAMTS OF WOOD NT FALLNG IN CH	12
13	44209010	WOOD MARQUETRY & INLAID WOOD	4420	MARQUITY AND INLAID WOOD;CASKETS/CASES FOR JWELRY/CTLRV AND SMLR ARTCLS STATUETS AND OTHR ORNAMTS OF WOOD NT FALLNG IN CH	12
14	44209090	OTHERS-WO MARQUETRY & INLAID WOOD; CASKETS & CASES FOR CULTRY & OTHR SIMILAR ARTICLES OF WOOD; STATUETTES AND OTHER ORNAMENTS, OF WOOD; WOODEN ARTICLES OF FURNITURE NOT FALLING IN CHAPTER 94	4420	MARQUITY AND INLAID WOOD;CASKETS/CASES FOR JWELRY/CTLRV AND SMLR ARTCLS STATUETS AND OTHR ORNAMTS OF WOOD NT FALLNG IN CH	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
15	44219060	PARTS OF DOMESTIC DECORATIVE ARTICLES USED AS TABLEWARE & KITCHENWARE	4421	Other articles of wood;	12
16	46012900	COIR MATS & MATTING BOUND IN PARALLEL STAND	4601	PLNTS AND SMLR PRDCTS OF PLATNG MATRLS PLATSAND SMLR PRDCTS PLACD SIDE BY SIDE AND BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS	5
17	46019900	PLNTS & SMLR PRDCTS OF PLATNG MATRLS PLATS& SMLR PRDCTS PLACD SIDE BY SIDE & BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS ETC)	4601	PLNTS AND SMLR PRDCTS OF PLATNG MATRLS PLATSAND SMLR PRDCTS PLACD SIDE BY SIDE AND BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS	5
18	46021100	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF BAMBOO.	4602	BASKET/WICKER WORK AND OTHR ARTICLS MADE TO SHAPE FROM PLAITNG MATERLS OR FROM GOODS OF HDNG 4601 ARTCLS OF LOOFAH	5

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
19	46021200	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF RATTAN.	4602	BASKET/WICKER WORK AND OTHER ARTICLES MADE TO SHAPE FROM PLAITING MATERIALS OR FROM GOODS OF HDNG 4601 ARTCLS OF LOOFAH	5
20	46021911	PALM LEAF BASKET ETC.	4602	BASKET/WICKER WORK AND OTHER ARTICLES MADE TO SHAPE FROM PLAITING MATERIALS OR FROM GOODS OF HDNG 4601 ARTCLS OF LOOFAH	5
21	46021919	PALM LEAF ITEMS OTHER THEN BASKETS	4602	BASKET/WICKER WORK AND OTHER ARTICLES MADE TO SHAPE FROM PLAITING MATERIALS OR FROM GOODS OF HDNG 4601 ARTCLS OF LOOFAH	5
22	46021990	OTHERS - BASKETWORK, WICKERWORK AND OTHER ARTICLES, MADE DIRECTLY TO SHAPE FROM PLAITING MATERIALS OR MADE UP FROM GOODS OF HEADING 4601; ARTICLES OF LOOFAH.	4602	BASKET/WICKER WORK AND OTHER ARTICLES MADE TO SHAPE FROM PLAITING MATERIALS OR FROM GOODS OF HDNG 4601 ARTCLS OF LOOFAH	5
23	48021010	HAND MADE PAPER	4802	UNCOTD PAPER AND PAPERBOARD FOR WRITING, PRINTING OR GRAPHIC PURPOSES, PUNCH CARD STOCK AND PUNCH TYPE PAPER OF HDNG 4801/4803 ; HAND-MADE PAPER AND P	12
24	48021020	HAND MADE PAPERBOARD	4802	UNCOTD PAPER AND PAPERBOARD FOR WRITING, PRINTING OR GRAPHIC PURPOSES, PUNCH CARD STOCK AND PUNCH TYPE PAPER OF HDNG 4801/4803 ; HAND-MADE PAPER AND P	12
25	48237030	ARTICLES MADE OF PAPER MACHE OTHER THAN ARTWARE.	4823	PAPER MACHE ARTICLES	5
26	48239018	PRODUCT CONSISTING OF SHEETS OF PAPER/BOARD, IMPREGNATED, COATED OR COVERED WITH PLASTICS	4823	PAPER MACHE ARTICLES	5
Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %

27	56050020	IMITATION ZARI THREAD	5605	MTLSD YRN,W/N GMPD BEING TXTL YRN/STRP/ THELIKE OF HD 5404/5405 COMBND WTH METL IN THE FORM OF THRED,STRP/PWDR/COVRD	12
28	56050090	OTHERS	5606	MTLSD YRN,W/N GMPD BEING TXTL YRN/STRP/ THELIKE OF HD 5404/5405 COMBND WTH METL IN THE FORM OF THRED,STRP/PWDR/COVRD	12
29	58041090	TULLS AND OTHR NET FBRCS OF OTHR TXTL MATRLS	5804	TULLES AND OTHR NET FBRCS EXCL WOVN KNITD OR CROCHTD FBRCS LACE IN THE PC IN STRPS/ IN MOTFS EXCL FBRCS OF HEDG NO.6002	12
30	58043000	HAND MADE LACE	5804	TULLES AND OTHR NET FBRCS EXCL WOVN KNITD OR CROCHTD FBRCS LACE IN THE PC IN STRPS/ IN MOTFS EXCL FBRCS OF HEDG NO.6002	12
31	58050010	HAND WOOVEN TAPESTRIS HAND MADE OR NEDDLE WORKED BY HAND, OF COTTON - EMBRODIERY	5805	HND-WVN TAPESTRIS OF THE TYPE GOBELINS, FLNDRS ETC AND NEEDLE- WRKD TAPESTRIS (E.G. PETIT POINT CROSS STITCH),W/N MADE U	12
32	58081090	BRAIDS, IN PCS OTHER THAN OF COTTON	5808	BRAIDS IN THE PIECE; ORNAMENTAL TRIMMINGS IN THE PIECE, WITHOUT EMBROIDERY, OTHER THAN KNITTED OR CROCHETED; TASSELS,	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
33	58090010	ZARI BORDERS	5809	WVN FBRCS OF MTL THRD AND MTLSD YARN OF HDG 5605 OF A KND USED IN APPAREL AS FRNSHNG FBRCS/FOR SMLR PURPOSES N.E.S./INCLU	12
34	58090090	OTHERS	5809	WVN FBRCS OF MTL THRD AND MTLSD YARN OF HDG 5605 OF A KND USED IN APPAREL AS FRNSHNG FBRCS/FOR SMLR PURPOSES N.E.S./INCLU	12
35	58101000	EMBORIDERY IN THE PIECE, IN STRIPS OR IN MOTIFS - EMBRODIERY WITHOUT VISIBLE GROUND	5810	EMBRDRY IN THE PIECE,IN STRIPS/IN MOTIFS	12
36	58109210	EMBROIDERY BADGES, MOTIFS AND THE LIKE	5810	EMBRDRY IN THE PIECE,IN STRIPS/IN MOTIFS	12
37	58110010	KANTHA - EMBROIDERY	5811	QUILTED TEXTILE PRODUCTS IN THE PIECE, COMPOSED OF ONE OR MORE LAYERS OF TEXTILE MATERIALS ASSEMBLED WITH PADDING BY	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
38	58110020	QUILT WADDING - EMBROIDERY	5811	QUILTED TEXTILE PRODUCTS IN THE PIECE, COMPOSED OF ONE OR MORE LAYERS OF TEXTILE MATERIALS ASSEMBLED WITH PADDING BY	12
39	61043100 *	ENSEMBLES OF WOOL OR FINE ANIMAL HAIR - CROCHETED	6104	WOMENS OR GIRL SUITS, ENSEMBLES, JACKETS, BLAZERS, DRESSES, SKIRTS, DIVIDED SKIRTS, TROUSERS, BIB AND BRACE OVE	5% (All goods of sale value not exceeding Rs. 1000 per piece AND 12% (All goods of sale value exceeding Rs. 1000 per piece))
40	61171020 *	SHAWLS OF WOOL	6117	OTHER MADE UP CLOTHING ACCESSORIES, KNITTED OR CROCHETED; KNITTED OR CROCHETED PARTS OF GARMENTS OR OF CLOTHING AC	5% (All goods of sale value not exceeding Rs. 1000 per piece AND 12% (All goods of sale value exceeding Rs. 1000 per piece))
41	63041100	BEDSPREADS, KNITTED OR CROCHETED	6304	OTHER FURNISHING ARTICLES, EXCLUDING THOSE OF HEADING 9404	
42	63049190	OTHER - FURNISHING ARTICLES, KNITTED/CROCHETED	6304	OTHER FURNISHING ARTICLES, EXCLUDING THOSE OF HEADING 9404	
43	63079011	DRESS MATERIAL HANDPRINTED OF COTTON	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	12% (All goods of sale value exceeding Rs. 1000 Per piece)

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
44	63079012	DRESS MATERIAL HANDPRINTED OF SILK	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	
45	63079013	DRESS MATERIAL HANDPRINTED OF MAN MADE FIBER	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	
46	63079019	DRESS MATERIAL HANDPRINTED OTHERS	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	
47	63079020	MADE UP ARTCLS OF COTTON	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	
48	63079090	DRESS MATERIAL HANDPRINTED OTHERS	6307	OTHER MADE UP ARTICLES, INCLUDING DRESS PATTERNS	
49	64032040	KOLAPURI CHAPPALS AND SIMILAR FOOTWEAR	6403	FTWEAR WITH OUTR SOLES OF RUBR,PLSTCS, LTHR/CMPSTN LTHR AND UPPRS OF LTHR	18
50	64061010	EMBROIDERED UPPERS OF TEXTILE MATERIALS	6406	PRTS OF FTWEAR RMVBL IN SOLES,HEEL CUSHNS AND SMLR ARTCLS;GAITRS LEGGINGS AND SMLR ARTICLES, AND PRTS THEREOF	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
51	65040000	HATS & OTHR HEADGEAR PLTD/MADE BY ASSMBLNGSTRIPS OF ANY MATRLS W/N LIND/TRMMD	6504	HATS AND OTHER HEADGEAR, PLAIED OR MADE BY ASSEMBLING STRIPS OF ANY MATERIAL, WHETHER ORNOT LINED OR TRIMMED	18
52	65050090	OTHER HEADGEAR, HATS, KNITTED / CROCHETED MADE UP FROM LACES ETC W/N LIND/TRMMD	6505	HATS AND OTHER HEADGEAR, KNITTED OR CROCHETED, OR MADE UP FROM LACE, FELT OR OTHER TEXTILE FABRIC, IN THE PIECE	18
53	66020000	WALKING STICKS, SEAT STICKS, WHIPS, RIDING CROPS, AND THE LIKE	6602	WALKING-STICKS, SEAT- STICKS, WHIPS, RIDING CROPS AND THE LIKE	12
54	67010010	FEATHERS DUSTERS	6701	SKNS AND OTHR PRTS OF BRDS WTH THEIR FEATHRSOR DOWN FEATHRS AND PRTS THROF DOWNSAND ARTCLS(EXCL GOODS OF 0505 AND WRKD QULLS)	12
55	67029090	ARTIFICIAL FLOWERS ETC OF OTHER MATERIALS	6702	ARTFCL FLOWRS FOLIGE AND FRUIT AND PRTS THREOFARTCLS MADE OF ARTFCL FLOWRS FOLIGE/FRUIT	28

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
56	68022120	WORKED MONUMENTS	6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc; other ornamental goods essentially of stone	12
57	68159990	OTHERS-OTHER ARTCLS OF STONES/OTHR MINRLS	6815	STONE INLAY WORK	12
58	69111011	TABLEWARE OF BONE CHINA AND SHOPT PORCELAIN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12
59	69111019	TABLEWARE OF OTHER THAN BONE CHINA & SFTPRCLN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12
60	69111021	KITCHENWARE OF BON CHINA & SFT PRCLN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
61	69111029	KITCHENWARE OF OTHER THAN BON CHINA & SFT PRCLN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12
62	69119010	TOILET ARTICLES OF PRCLN CHINA	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12
63	69119020	OTHERS -WATER FILTERS OF A CAPACITY NOT EXCEEDING 40 LTRS. OF PORCELAIN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12
64	69119090	OTHER OF OTHER HSEHLD & TOLT ARTCLS OF PRCLN	6911	TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
65	69120010	CERAMIC TABLEWARE (E.G. OF IMITATION PORCELAIN/OR SEMI-PORCELAIN)	6912	CERMC TABLEWARE KITCHENWARE OTHR HOUSEHOLDARTCLSETCOTHR THAN OF PORCELAIN OR CHINA	12
66	69120020	CEREMIC KITCHENWARE	6912	CERMC TABLEWARE KITCHENWARE OTHR HOUSEHOLDARTCLSETCOTHR THAN OF PORCELAIN OR CHINA	12
67	69120030	TOILET ARTICLES OTHER THAN PORCELAIN /CHINA	6912	CERMC TABLEWARE KITCHENWARE OTHR HOUSEHOLDARTCLSETCOTHR THAN OF PORCELAIN OR CHINA	12
68	69120040	CLAY ARTICLS AS TABLEWARE, KITCHENWARE ETC	69120040	CLAY ARTICLS AS TABLEWARE, KITCHENWARE ETC	NIL
69	69120090	OTHERS	6912	CERMC TABLEWARE KITCHENWARE OTHR HOUSEHOLDARTCLSETCOTHR THAN OF PORCELAIN OR CHINA	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
70	69131000	STATUETTES ETC OF PORCELAIN/CHINA	6913	STATUETTES AND OTHER ORNAMENTAL CERAMIC ARTICLES	12
71	69139000	OTHER STATUETTE ETC (EXCL OF PORCLAIN /CHINA	6913	STATUETTES AND OTHER ORNAMENTAL CERAMIC ARTICLES	12
72	69141000	OTHER CERMC ARTCLS OF PORCELAIN / CHINA	6914	OTHER CERAMIC ARTICLES	28
73	69149000	OTHER CERMC ARTCLS EXCL OF PORCELAIN / CHINA	6914	OTHER CERAMIC ARTICLES	28
74	70099200	OTHR GLASS MIRRORS, FRAMED	7009	GLSS MIRROR SW/N FRMD INCL REAR VIEW MIRRORS	28
75	70132800	OTHER	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18
76	70133300	OF LEAD CRYSTAL; OTHER DRINKING GLASSES, OTHER THAN OF GLASS CERAMICS	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
77	70133700	OTHERS	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18
78	70134100	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18
79	70134900	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18
80	70139100	OF LEAD CRYSTAL: OTHER GLASSWARE	7013	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
81	70181010	BANGLES	7018	Glass bangles (except those made from precious metals)	NIL
82	70181020	BEADS	7018	GLS BEADS	5
83	70181090	OTHERS -GLSS BEADS,IMTN PERLS,IMTN PRCS STONES/ SEMI PRCS STONES & SMLR GLSS SMALLWARES	7018	Imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass, other than imitaion jewelery; glass microspheres not exceeding 1 mm in diameter	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
84	70189010	GLASS STATUE OF OTHER ARTICLE OF HDG 7018	7018	Imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass, other than imitation jewellery; glass microspheres not exceeding 1 mm in diameter	18
85	70200011	GLOBES FOR LAMPS & LANTERNS	7020	Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns	12
86	70200029	OTHER GLS CHIMENEYS	7020	OTHER ARTICLES OF GLASS [other than Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns]	28
87	70200090	OTHERARTICLES OF GLASS NES	7020	OTHER ARTICLES OF GLASS [other than Globes for lamps and lanterns, Founts for kerosene wick lamps, Glass chimneys for lamps and lanterns]	28
88	71131110	SILVER FILLIGREE WORK	7113	ARTCLS OF JEWELLERY AND PRTS THEREOF; OF PRCS MTL/OF MTL CLD WTH PRECIOUS METAL	3
89	71171100	CUFFLINGS AND STUDS	7117	IMITATION JEWELLERY	3
90	71171910	BANGLES	7117	IMITATION JEWELLERY	3
91	71171920	GERMAN SILVER JEWELLERY	7117	IMITATION JEWELLERY	3
92	71171990	OTHERS - IMMITATION JEWELLERY CATEGORY	7117	IMITATION JEWELLERY	3

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
93	71179010	JEWELLERY STUDDED WITH IMITATION PERALS OR IMITATION OR SYN. STONES	7117	IMITATION JEWELLERY	3
94	71179090	OTHERS - IMMITATION JEWELLERY FOR PERSONAL ADORNMENT	7117	IMITATION JEWELLERY	3
95	73239200	OTHER HOUSEHOLD ARTICLES OF CAST IRON ENAMELLED	7323	TABLE KITCHN OR OTHR DOMESTIC ARTCLS AND ITSPARTS OF IRN/STL;IRN OR STL WOOL; SCOURERS OR POLISHNG PADS,GLOVS AND LI	12
96	73239420	UTENSILS	7323	TABLE KITCHN OR OTHR DOMESTIC ARTCLS AND ITSPARTS OF IRN/STL;IRN OR STL WOOL; SCOURERS OR POLISHNG PADS,GLOVS AND LI	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
97	73239490	OTHER HOUSEHOLD ARTICLES OF IRON N.E.S. (OTHER THAN CAST IRON)OR STEEL,ENAMELLED	7323	TABLE KITCHN OR OTHR DOMESTIC ARTCLS AND IISPARTS OF IRN/STL;IRN OR STL WOOL; SCOURERS OR POLISHNG PADS,GLOVS AND LI	12
98	74181021	UTENSILS OF BRASS	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12
99	74181022	COPPER UTENSILS	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
100	74181023	UTENSILS OF OTHER COPPER ALLOYS	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12
101	74181024	EPNS WARES	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12
102	74181031	Of EPNS; TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
103	74181039	OTHER TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES	7418	TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING P	12
104	74199920	UTENSILS ARTICLES OF COPPER ALLOYS ELECTROPLATED WITH NICKLE SILVER	7419	OTHER ARTICLES OF COPPER	28
105	74199930	ARTICLE OF BRASS	7419	OTHER ARTICLES OF COPPER	28
106	74199940	COPPER WORKED ARTICLES	7419	OTHER ARTICLES OF COPPER	28
107	76151030	OTHER TABLE AND KITCHENWARE OF ALUMINIUM	7615	TABL,KTCHN/OTHR HOUSLD ARTCLS AND PRTS OF ALMNM,POT SCOURS AND SCOURNG/POLSHNG PADS GLOVS AND TH LIKE,SNTRY WRE AND PRTS OF	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
108	76151090	OTHER HOUSEHOLD ARTICLES & PARTS THERE OF	7615	TABL,KTCHN/OTHR HOUSLD ARTCLS AND PRTS OF ALMNM,POT SCOURS AND SCOURNG/POLSHNG PADS GLOVS AND TH LIKE,SNTRY WRE AND PRTS OF	12
109	83061000	BELLS GONGS AND THE LIKE	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal	12
110	83062190	OTHER ORNMNT PLTED WITH PRCS METAL	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 1 1	83062910	OTHR STATUETTES(EXCLUDING WORKS OF ART)	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal	12
1 1 2	83062990	OTHERS - OTHER STATUETTES AND ORNAMENTS	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal	12
1 1 3	83063000	PHOTOGRPH,PICTURE/S M LR FRAMES,MIRORS	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal	12
1 1 4	83089020	IMITATION ZARI SPANGLES	8308	CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE- CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND U	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
115	83089031	FOR GARMENTS, MADEUPSM KNITWARE, PLASTIC AND LEATHER GOODS - BUCKLES	8308	CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE- CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND U	18
116	83089039	OTHER BEADS AND SPANGLES OFBASE METAL	8308	CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE- CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND U	18
117	92029000	OTHER STRING MUSICAL INSTRUMENTS	9202	OTHER STRING MUSICAL INSTRUMENTS (FOR EXAMPLE, GUITARS, VIOLINS, HARPS)	28
118	92059010	FLUTES	9205	OTHER WIND MUSICAL INSTRUMENTS (FOR EXAMPLE, CLARINETS, TRUMPETS, BAGPIPES)	28
119	92059090	OTHERS WIND MUSICAL INSTRUMENTS	9205	OTHER WIND MUSICAL INSTRUMENTS (FOR EXAMPLE, CLARINETS, TRUMPETS, BAGPIPES)	28

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 2 0	92060000	PERCUSSION MUSICAL INSTRUMENTS (E.G. DRUMS, XYLOPHONES, CYMBOLS, CASTENETS, MARACAS)	9206	PERCUSSION MUSICAL INSTRUMENTS (FOR EXAMPLE, DRUMS, XYLOPHONES, CYMBOLS, CASTANETS, MARACAS)	28
1 2 1	94033010	CABINETWARE	9403	OTHER FURNITURE AND PARTS THEREOF	28
1 2 2	94033090	OTHERS - WOODEN FRNTR OF A KND USED IN OFFICES	9403	OTHER FURNITURE AND PARTS THEREOF	28
1 2 3	94035010	BED STEAD	9403	OTHER FURNITURE AND PARTS THEREOF	28
1 2 4	94035090	OTHER WOODEN FURNITURE USED IN BEDROOM	9403	OTHER FURNITURE AND PARTS THEREOF	28
1 2 5	94036000	OTHER WOODEN FURNITURE WITH OR WITHOUT EMBELLISHMENTS OF OTHER MATERIAL	9403	OTHER FURNITURE AND PARTS THEREOF	28
1 2 6	94038100	FURNITURE OF RATTAN/BAMBOO	9403	FURNITURE OF BAMBOO	18
1 2 7	94038900	OTHER - FURNITURE OF OTHER MATERIALS, INCLUDING CANE, OSIER, BAMBOO PR SIMILAR MATERIALS	9403	OTHER FURNITURE AND PARTS THEREOF	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 2 8	94039000	PARTS OF FURNITURES OF HEADING 9403	9403	OTHER FURNITURE AND PARTS THEREOF	18
1 2 9	94049099	HANDMADE POUFFES/ARTICLES OF BEDDING, CUSHIONS ETC	9404	MATTRESS SUPPORTS; ARTICLES OF BEDDING AND SIMILAR FURNISHING (FOR EXAMPLE, MATTRESSES, QUILTS, EIDERDOWNS, CUSH	28
1 3 0	94051010	HANGNG LMPS COMPLETE FITNGS	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	12
1 3 1	94051020	WALL LAMPS	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 3 2	94053000	LGHTNG SETS OF A KIND USD FR CHRISTMS TREE	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	12
1 3 3	94055010	HURRICANE LANTERNS	9405	Hurricane lanterns, Kerosene lamp / pressure lantern, petromax, glass chimney, and parts thereof	12
1 3 4	95030010	DOLLS OF WOOD	9503	OTHR TOYS;RD CD-SIZE("SCALE")MODLS AND SMLR RECRETNL MODLS,WRKNG/NT;PUZLS OF ALL K	12
1 3 5	95030090	OTHER	9503	OTHR TOYS;RD CD-SIZE("SCALE")MODLS AND SMLR RECRETNL MODLS,WRKNG/NT;PUZLS OF ALL K	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 3 6	95051000	ARTICLES OF CHRISTMAS	9505	FESTIVE, CARNIVAL OR OTHER ENTERTAINMENT ARTICLES, INCLUDING CONJURING TRICKS AND NOVELTY JOKES	28
1 3 7	95059010	OTHER MAGICAL EQUIPMENTS	9505	FESTIVE, CARNIVAL OR OTHER ENTERTAINMENT ARTICLES, INCLUDING CONJURING TRICKS AND NOVELTY JOKES	28
1 3 8	96011000	WORKED IVORY AND ARTICLES OF IVORY	9601	WRKD IVORY,BONE,TORTOISE-SHELL,HORN,ANTLRSCORL,MT HR OF PEARL AND OTHR ANML CRVNG MTRL AND ARTICLS OF THESE MATRLS(INCLD BY M	12
1 3 9	96019010	WRKD TORTOISE-SHELL AND ARTCLS THEREOF	9601	WRKD IVORY,BONE,TORTOISE-SHELL,HORN,ANTLRSCORL,MT HR OF PEARL AND OTHR ANML CRVNG MTRL AND ARTICLS OF THESE MATRLS(INCLD BY M	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
140	96019020	WRKD MOTHR OF PEARL & ARTCLS THEROF	9601	WRKD IVORY,BONE,TORTOISE-SHELL,HORN,ANLRSORL,MT HR OF PEARL AND OTHR ANML CRVNG MTRL AND ARTICLES OF THESE MATRLS(INCLD BY M	12
141	96019030	WRKD BONE(EXCL WHALE BONE)& ARTCLS THROF	9601	WRKD IVORY,BONE,TORTOISE-SHELL,HORN,ANLRSORL,MT HR OF PEARL AND OTHR ANML CRVNG MTRL AND ARTICLES OF THESE MATRLS(INCLD BY M	12
142	96019040	WRKD HRN,CORL ETC ANML CRVNG MTRL & ARTCLS	9601	WORKED CORAL, OTHER THAN ARTICLES OF CORAL	5

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 4 3	96019090	OTHR UNDER HDNG 9601	9601	WRKD IVORY,BONE,TORTOISE-SHELL,HORN,ANTLRSCORL,MT HR OF PEARL AND OTHR ANML CRVNG MTRL AND ARTCLS OF THESE MATRLS(INCLD BY M	12
1 4 4	96020010	WORKED VEGETABLE CARVING MATERIAL & ARTICLES THEREOF	9602	WRKD VGTBL/MNRL CRVNG MTRL AND ARTCLS OF THESE MTRLS;CRVD ARTCLS OF WAX,OF STEARN, OF NTRL GUMSETC;N.E.S;WRKD UNHRDND G	28
1 4 5	96020020	MOULD/CRVD ARTCLS OF WAX,STEARN,NTRL GUMS AND RESINS AND OTHR MOULD/CRVD ARTCLS	9602	WRKD VGTBL/MNRL CRVNG MTRL AND ARTCLS OF THESE MTRLS;CRVD ARTCLS OF WAX,OF STEARN, OF NTRL GUMSETC;N.E.S;WRKD UNHRDND G	28

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 4 6	96020040	OTHR ARTCLS OF UNHRDND GELATIN	9602	WRKD VGTBL/MNRL CRVNG MTRL AND ARTCLS OF THESE MTRLS;CRVD ARTCLS OF WAX,OF STEARN, OF NTRL GUMSETC;N.E.S;WRKD UNHRDND G	28
1 4 7	96020090	OTHER WORKED VEGETABLE OR MATERIAL CARVING MATERIAL AND ARTICLES OF THESE MATERIALS MOULDED OR CARVED	9602	WRKD VGTBL/MNRL CRVNG MTRL AND ARTCLS OF THESE MTRLS;CRVD ARTCLS OF WAX,OF STEARN, OF NTRL GUMSETC;N.E.S;WRKD UNHRDND G	28
1 4 8	96031000	BROOMS & BRUSHES,CONSTNG OF TWIGS/OTHR VGTBL MTRLS BOUND TOGTHR,WTH/WTH T HNDLS	9603	BROOMSTICKS, BRUSHES (INCLUDING BRUSHES CONSTITUTING PARTS OF MACHINES, APPLIANCES OR VEHICLES), HAND-OPERATED MECHANI	NIL
1 4 9	96062200	BUTTONS OF BASE METAL NOT COVERED WITH TEXTILE MATERIAL	9606	Buttons, of plastics not covered with the textile material, of base metals, buttons of coconut shell, button blanks	18

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
150	96089910	PEN HOLDERS PENCIL HOLDERS AND SIMILAR HOLDERS	9608	BALL POINT PENS; FELTTIPPED AND OTHER POROUS-TIPPED PENS AND MARKERS; FOUNTAIN PENS; STYLOGRAPH PENS AND OTHER PENS	12
151	96140000	SMOKING PIPES AND CIGAR OR CIGARETTE HOLDER AND PARTS THEREOF.	9614	SMOKNG PIPES(INCL PIPE BOWLS)AND CIGAR/ CIGARETTE HLDRS,AND PRTS THEREOF	28
152	97011010	MADHUBANI PAINTINGS(ON TXTLS)	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12
153	97011020	KALAMKARI PAINTINGS(ON TXTLS)	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 5 4	97011030	RAJASTHANI PAINTINGS(ON TEXTILES)	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12
1 5 5	97011090	OTHERS- PAINTINGS,DRAWINGS & PASTELS	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12
1 5 6	97019091	DOMESTIC ARTICLES OF WOOD HAND DECORATED	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 5 7	97019092	RESTAURANT DECORATION OF PLASTICS	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12
1 5 8	97019099	OTHER HAND DECORATED MANUFACTURED ARTICLES	9701	HND PANTNGS DRWNGS AND PASTELS,EXCL DRWNGS OF HDG 4906 AND EXCL HNDPRNTD/HND DCRTD ARTCLS;COLLAGES AND SMLR DECORATIVE PL	12
1 5 9	97030010	ORIGINAL SCULPTURE & STATUARY IN METAL	9703	ORIGNL SCLPTRS AND STATUARY,IN ANY MATRL	12
1 6 0	97030020	ORIGNL SCLPTRS & STATUARY IN STONE	9703	ORIGNL SCLPTRS AND STATUARY,IN ANY MATRL	12
1 6 1	97030090	ORIGNL SCLPTRS & STATUARY IN OTHR MATRLS	9703	ORIGNL SCLPTRS AND STATUARY,IN ANY MATRL	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 6 2	97040010	USED POSTAL STAMP	9704	POSTAGE OR REVENUE STAMPS, STAMP-POST MARKS, FIRST-DAY COVERS, POSTAL STATIONERY (STAMPED PAPER), AND THE LIKE, USED	5
1 6 3	97040020	USED OR UNUSED FIRST- DAY COVERS FOR PHILAT	9704	Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper), and the like, used or unused, other than those of heading 4907	5
1 6 4	97040090	OTHR UNDER SUB- HEADING 970400	9704	POSTAGE OR REVENUE STAMPS, STAMP-POST MARKS, FIRST-DAY COVERS, POSTAL STATIONERY (STAMPED PAPER), AND THE LIKE, USED	12

Sl. No	HS CODE (8 digit)	DESCRIPTION	HS CODE (4 digit)	DESCRIPTION	GST RATE %
1 6 5	97050010	STUFFED ANIMALS & BIRDS (TAXIDERM)	9705	COLECTNS AND COLLECTRS PIECS OF ZOOLOGICL BOTANICL,MINERALOGICL,AN ATOMICL,HISTORICL ARCHAEOLOGICL,ETHNOGRAP HC/NUMSMATC I	12
1 6 6	97050090	OTHERS-COLECTNS & COLLECTRS PIECS OF ZOOLOGICL BOTANICL,MINERALOGIC L, ANATOMICL,HISTORIC L ARCHAEOLOGICL,ETHNO G RAPHIC/NUMSMATC INTERST	9705	COLECTNS AND COLLECTRS PIECS OF ZOOLOGICL BOTANICL,MINERALOGICL,AN ATOMICL,HISTORICL ARCHAEOLOGICL,ETHNOGRAP HC/NUMSMATC I	12
1 6 7	97060000	ANTIQUES OF AN AGE EXCDNG ONE HUNDRED YRS	9706	ANTIQUES OF AN AGE EXCEEDING ONE HUNDRED YEARS	12

IMPORTANT CIRCULARS

REGARDING GST

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India, Ministry of Finance
Department of Revenue, Central Board of Excise and Customs

Notification No. 8/2017 – Integrated Tax

New Delhi, the 14th September, 2017

G.S.R.(E).—In exercise of the powers conferred by section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the “said Act”), the Central Government, on the recommendations of the Council, hereby specifies the persons making inter-State taxable supplies of handicraft goods as the category of persons exempted from obtaining registration under the aforesaid Act.

Provided that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of twenty lakh rupees in a financial year:

Provided further that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ten lakh rupees in case of Special Category States, other than the State of Jammu and Kashmir.

2. The persons making inter-State taxable supplies mentioned in the preceding paragraph shall be required to obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.

Explanation - For the purposes of this notification, the expression “handicraft goods” means the products mentioned in column (2) of the Table below and the Harmonized System of Nomenclature (HSN) code mentioned in the corresponding entry in column (3) of the said Table, when made by the craftsmen predominantly by hand even though some machinery may also be used in the process:-

Table

Sl No.	Products	HSN Code
(1)	(2)	(3)
1.	Leather articles (including bags, purses, saddlery, harness, garments)	4201, 4202, 4203
2.	Carved wood products (including boxes, inlay work, cases, casks)	4415, 4416
3.	Carved wood products (including table and kitchenware)	4419
4.	Carved wood products	4420
5.	Wood turning and lacquer ware	4421
6.	Bamboo products [decorative and utility items]	46
7.	Grass, leaf and reed and fibre products, mats, pouches, wallets	4601, 4602
8.	Paper mache articles	4823
9.	Textile (handloom products)	including 50, 58, 62, 63

10.	Textiles hand printing	50, 52, 54
11.	Zari thread	5605
12.	Carpet, rugs and durries	57
13.	Textiles hand embroidery	58
14.	Theatre costumes	61, 62, 63
15.	Coir products (including mats, mattresses)	5705, 9404
16.	Leather footwear	6403, 6405
17.	Carved stone products (including statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	6802
18.	Stones inlay work	68
19.	Pottery and clay products, including terracotta	6901, 6909, 6911, 6912, 6913, 6914
20.	Metal table and kitchen ware (copper, brass ware)	7418
21.	Metal statues, images/statues vases, urns and crosses of the type used for decoration of metals of chapters 73 and 74	8306
22.	Metal bidriware	8306
23.	Musical instruments	92
24.	Horn and bone products	96
25.	Conch shell crafts	96
26.	Bamboo furniture, cane/Rattan furniture	
27.	Dolls and toys	9503
28.	Folk paintings, madhubani, patchitra, Rajasthani miniature	97

[F. No. 349/58/2017-GST(Pt.)]

(Dr.Sreeparvathy.S.L.)
Under Secretary to the Government of India

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

1. The GST Council has recommended changes in the GST rates on the following goods:

S. No.	HSN	Description	Present GST Rate	Recommended GST rate
1.	0802	Walnuts, whether or not shelled	12%	5%
2.	0813	Tamarind dried	12%	5%
3.	2106	Roasted Gram	12%	5%
4.	2106	Custard powder	28%	18%
5.	2106	Batters, including idli / dosa batter	18%	12%
6.	2304, 2305, 2306	Oil cakes	Nil for cattle feed 5% for other uses	5% [irrespective of end use]
7.	2306	Cotton seed oil cake	Nil for cattle feed 5% for other uses	Nil [irrespective of end use]
8.	3307 41 00	Dhoop batti, dhoop, sambhrani and other similar items	12%	5%
9.	3926	Medical grade sterile disposable gloves of plastics	28%	18%
10.	3926	Plastic raincoats	28%	18%
11.	4016	Rubber bands	28%	12%
12.	4016	Rice rubber rolls for paddy de-husking machine	28%	18%
13.	4907	Duty Credit Scrips	12%	5%
14.	50 to 55	Khadi fabric, sold through Khadi and Village Industries Commission's outlets	5%	Nil
15.	5801	Corduroy fabrics	12%	5% [with no refund of ITC]
16.	5808	Saree fall	12%	5%
17.	6501	Textile caps	18%	12%
18.	6912	Idols made of clay	28%	Nil
19.	44, 68, 83	Idols of wood, stone [including marble] and metals [other than those made of precious metals]	28%	12%
20.	7102	Rough industrial diamonds including unsorted rough diamonds	3%	0.25%

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

S. No.	HSN	Description	Present GST Rate	Recommended GST rate
21.	8424	Nozzles for drip irrigation equipment or sprinklers [mechanical appliances (whether or not hand operated) for projecting, dispersing or spraying liquids or powders]	18%	12%
22.	8445	Charkha for hand spinning of yarns, including amber charkha	Nil / 18%	Nil
23.	8528	Computer monitors upto 20" Note: Computer monitors upto 17" are already at 18%.	28%	18%
24.	9404	Cotton quilts	18%	5% on cotton quilts not exceeding Rs.1000 per piece, 12% on cotton quilts exceeding Rs.1000 per piece
25.	9601	Worked corals, other than articles of coral	28%	5%
26.	9603	Brooms and brushes, consisting of twigs or other vegetable materials, bound together, with or without handles. Note: Phool bahari jhadoo is already at Nil GST.	5%	Nil
27.	9613	Kitchen gas lighters	28%	18%
28.	Any Chapter	Rosaries and prayer beads	18%	5%
29.	Any Chapter	Hawan samagri	Applicable rate	5%
30.	4419	Table and Kitchenware etc. of wood	18%	12%
31.	4601, 4602	Grass, leaf and reed and fibre products, including mats, pouches, wallets	12%	5%
32.	4823	Paper Mache articles	18%	5%
33.	68	Stone inlay work	28%	12%
34.	6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc; other ornamental goods essentially of stone.	28%	12%

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

S. No.	HSN	Description	Present GST Rate	Recommended GST rate
35.	6909	Pots, jars and similar articles of a kind used for the conveyance and packing of goods of ceramic.	28%	12%
36.	6911	Tableware, kitchenware, other household articles and toilet articles of porcelain or china [including small accessories bathroom or sanitary fittings such as soap dishes, sponge baskets, toothbrush holders, towel hooks and toilet paper holders]	18%	12%
37.	6912	Tableware, kitchenware, other household articles and toilet articles other than of porcelain or china [including small accessories bathroom or sanitary fittings such as soap dishes, sponge baskets, toothbrush holders, towel hooks and toilet paper holders].	28%	12%
38.	6913	Statues and other ornamental articles.	28%	12%
39.	8306	All goods, including bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal,	18%	12%
40.	9601	Worked ivory, bone, tortoise shell, horn, antlers, mother of pearl, and other animal carving material and articles of these materials (including articles obtained by moulding)]; articles of coral	28%	12%

2. The issue of avoidance of 5% GST on pulses, cereals and flours, put up in unit container and bearing a registered brand name, was also discussed by the GST Council. After detailed deliberations, the Council recommended that the following amendments may be made to the existing Notifications, so as to provide that:

- 1) A brand registered as on 15.05.2017 shall be deemed to be a registered brand for the purposes of levy of 5% GST, irrespective of whether or not such brand is subsequently deregistered.
- 2) A brand registered as on 15.05.2017 under the Copyright Act, 1957 shall also be treated as a registered brand for the purposes of levy of 5% GST.
- 3) A brand registered as on 15.05.2017 under any law for the time being in force in any other country shall also be deemed to be a registered brand for the purposes of levy of 5% GST.

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

- 4) A mark or name in respect of which actionable claim is available shall be deemed to be a registered brand name for the purposes of levy of 5% GST.
3. Indigenous handmade musical instruments attract Nil GST. The Council recommended a list of such handmade instruments [eligible for Nil GST rate], which is attached as **Annexure**.

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

Annexure

List of indigenous handmade musical instruments

1. Bulbul Tarang
2. Dotar, Dotora, or Dotara
3. Ektara
4. Getchu Vadyam or Jhallari
5. Gopichand or Gopiyatra or Khamak
6. Gottuvadhyam or Chitravina
7. Katho
8. Sarod
9. Sitar
10. Surbahar
11. Surshringar
12. Swarabat
13. Swarmandal
14. Tambura
15. Tumbi
16. Tuntuna
17. Magadi Veena
18. Hansaveena
19. Mohan Veena
20. Nakula Veena
21. Nanduni
22. Rudra Veena
23. Saraswati Veena
24. Vichitra Veena
25. Yazh
26. Ranjan Veena
27. Triveni Veena
28. Chikara
29. Dilruba
30. Ektara violin
31. Esraj
32. Kamaicha
33. Mayuri Vina or Taus
34. Onavillu
35. Behala(violin type)
36. Pena or Bana
37. Pulluvan veena - one stringed violin
38. Ravanahatha
39. Folk sarangi
40. Classical sarangi
41. Sarinda
42. Tar shehnai
43. Gethu or Jhallari
44. Gubguba or Jamuku - Percussion string instrument
45. Pulluvan kutam

LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017

46. Santoor - Hammered chord box
47. Pepa
48. Pungi or Been
49. Indian Harmonium: Double reed
50. Kuzhal
51. Nadaswaram
52. Shehnai
53. Sundari
54. Tangmuri
55. Alghoza - double flute
56. Bansuri
57. Venu (Carnatic flute) Pullanguzhal
58. Mashak
59. Titti
60. Sruti upanga
61. Gogona
62. Morsing
63. Shruti box
64. Harmonium (hand-pumped)
65. Ekkalam
66. Karnal
67. Ramsinga
68. Kahal
69. Nagphani
70. Turi
71. Dhad
72. Damru
73. Dimadi
74. Dhol
75. Dholak
76. Dholki
77. Duggi
78. Ghat singhari or gada singari
79. Ghumot
80. Gummeta
81. Kanjira
82. Khol
83. Kinpar and Dhopar (tribal drums)
84. Maddale
85. Maram
86. Mizhavu
87. Mridangam
88. Pakhavaj
89. Pakhavaj jori - Sikh instrument similar to tabla
90. Panchamukha vadyam
91. Pung
92. Shuddha madalam or Maddalam
93. Tabala / tabl / chameli - goblet drum
94. Tabla
95. Tabla tarang - set of tablas

**LIST OF GOODS FOR CHANGE IN GST RATE RECOMMENDED
BY GST COUNCIL IN ITS 21ST MEETING HELD ON 9TH SEPTEMBER, 2017**

96. Tamte
97. Thanthi Panai
98. Thimila
99. Tumbak, tumbaknari, tumbaknaer
100. Daff, duff, daf or duf Dimdi or dimri - small frame drum without jingles
101. Kanjira - small frame drum with one jingle
102. Kansi - small without jingles
103. Patayani thappu - medium frame drum played with hands
104. Chenda
105. Dollu
106. Dhak
107. Dhol
108. Dholi
109. Idakka
110. Thavil
111. Udukai
112. Chande
113. Nagara - pair of kettledrums
114. Pambai - unit of two cylindrical drums
115. Parai thappu, halgi - frame drum played with two sticks
116. Sambal
117. Stick daff or stick duff - daff in a stand played with sticks
118. Tamak'
119. Tasha - type of kettledrum
120. Urumee
121. JaltarangChimpta - fire tong with brass jingles
122. Chengila - metal disc
123. Elathalam
124. Geger - brass vessel
125. Ghatam and Matkam (Earthenware pot drum)
126. Ghungroo
127. Khartal or Chiplya
128. Manjeera or jhanj or taal
129. Nut - clay pot
130. Sankarjang - lithophone
131. Thali - metal plate
132. Thattukazhi mannai
133. Kanch tarang, a type of glass harp
134. Kashtha tarang, a type of xylophone

The 21st meeting of GST Council was held on 9th September, 2017 at Hyderabad and the GST Council has taken cognizance of EPCH representation and has recommended a decrease in GST rates on the following handicraft Items:

HSN	Description	Present GST Rate	Recommended GST rate
6912	Idols made of clay	28%	NIL
44, 68, 83	Idols of wood, stone [including marble] and metals [other than those made of precious metals]	28%	12%
4419	Table and kitchenware etc. of wood	18%	12%
9404	Cotton quilts	18%	5% on cotton quilts not exceeding Rs.1000 per piece, 12% on cotton quilts exceeding 1000 per piece
9601	Worked corals, other than articles of coral	28%	5%
9603	Brooms and brushes, consisting of twigs or other vegetable materials, bound together, with or without handles.	5%	NIL
4601, 4602	Grass, leaf and reed and fibre products, including mats, pouches, wallets	12%	5%
4823	Paper Mache articles	18%	5%
68	Stone inlay work	28%	12%
6802	Statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc; other ornamental goods essentially of stone.	28%	12%
6911	Tableware, kitchenware, other household articles and toilet articles of porcelain or china [including small accessories bathroom or sanitary fittings such as soap dishes, sponge baskets, toothbrush holders, towel hooks and toilet paper holders]	18%	12%
6912	Tableware, kitchenware, other household articles and toilet articles other than of porcelain or china [including small accessories bathroom or sanitary fittings such as soap dishes, sponge baskets, toothbrush holders, towel hooks and toilet paper holders].	28%	12%
6913	Statues and other ornamental articles	28%	12%
8306	All goods, including bells, gongs and the like, non-electric, of base metal;	18%	12%

	statuettes and other ornaments of base metal including metal bidriware; photograph, picture or similar frames, of base metal; mirrors of base metal,		
9601	Worked ivory, bone, tortoise shell, horn, antlers, mother of pearl, and other animal carving material and articles of these materials (including articles obtained by moulding)); articles of coral	28%	12%

The Indigenous handmade musical instruments attract Nil GST.

F. No. 349/82/2017
GST Government of India Ministry of Finance Department of Revenue
Central Board of Excise and Customs GST Policy Wing
New Delhi, Dated the 11th August, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax
(All) The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on issues related to furnishing of Bond/Letter of Undertaking for Exports-Reg.

Please refer to Notification No. 16/2017 - GST dated 7th July, 2017 and Circular No. 2/2/2017 - GST dated 5th July, 2017 and Circular No. 4/4/2017 - GST dated 7th July, 2017. A large number of communications have been received from the field formations and exporters citing variation in the interpretation of above referred notification and circulars.

2. Therefore, in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, following issues are being clarified hereunder: a. Eligibility to export under LUT: Notification No. 16/2017 - Central Tax dated 7th July, 2017 specifies conditions to be fulfilled for export under Letter of Undertaking (LUT) in place of bond. In the extant Central Excise provisions, LUTs were limited to manufacturer exporters only. The intent of the said notification is to liberalize the facility of LUT and extend it to all kind of suppliers. It is hereby clarified that any registered person who has received a minimum foreign inward remittance of 10% of export turnover in the preceding financial year is eligible for availing the facility of LUT provided that the amount received as foreign inward remittance is not less than Rs. one crore. This means that only such exporters are eligible to LUT facilities who have received a remittance of Rs. one crore or 10% of export turnover, whichever is a higher amount, in the previous financial year. A few illustrations are as follows:

- i. An exporter had a turnover of Rs. 15 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.5 crore or more (10% of export turnover is more than Rs. 1 crore)
- ii. An exporter had a turnover of Rs. 5 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.0 crore or more (10% of export turnover is less than Rs. 1 crore)
- iii. An exporter has an export turnover of Rs. 2 crore. He has received Rs. 80 lacs as foreign inward remittances in FY 2016-17 which is 40% of the export turnover. He will not be eligible for LUT facility as remittance received is less than Rs. 1 crore.
- iv. An exporter has export turnover of Rs. 40 crore. He has received Rs. 2 Crores as foreign inward remittances in FY 2016-17 which is 5% of the export turnover. He will not be eligible for LUT facility as remittance received is less than 10% of export turnover, even though it is in excess of Rs. 1 crore.
- v. An exporter has received Rs. 1 Crore 10 lacs as foreign inward remittances in FY 2016-17 which is 20% of the export turnover. In this scenario, he will be eligible for LUT facility.

It may however be noted that a status holder as specified in paragraphs 3.20 and 3.21 of the Foreign Trade Policy 2015-2020 is eligible for LUT facility regardless of whether he satisfies the above conditions.

b. Form for LUT: Bonds are furnished on non-judicial stamp paper, while LUTs are generally submitted on the letterhead containing signature and seal of the person or the person authorized in this behalf as provided in said Notification.

c. Time for acceptance of LUT/Bond: As LUT/bond is a priori requirement for export, including supplies to a SEZ developer or a SEZ unit, the LUT/bond should be processed on top most priority and should be accepted within a period of three working days from the date of submission of LUT/bond along with complete documents by the exporter.

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d. Purchases from manufacturer and form CT-1: It is learnt that there is lack of clarity about treatment of CT-1 form which was earlier used for purchase of goods by a merchant exporter from a manufacturer without payment of central excise duty. The scheme holds no relevance under GST since transaction between a manufacturer and a merchant

exporter is in the nature of supply and the same has not been exempted under GST even on submission of LUT/bond. Therefore, such supplies would be subject to GST. The zero rating of exports, including supplies to SEZ, is allowed only with respect to supply by the actual exporter under LUT/bond or payment of IGST.

e. Transactions with EOUs: Zero rating is not applicable to supplies to EOUs and there is no special dispensation for them. Therefore, supplies to EOUs are taxable under GST just like any other taxable supplies. The EOUs, to the extent of exports, are eligible for zero rating like any other exporter.

f. Forward inward remittance in Indian Rupee: Various representations have been received with respect to receipts of proceeds of supplies in Indian Rupee especially with respect to exports to Nepal, Bhutan and SEZ developer/SEZ unit. Attention is invited to Para A (v) Part-I of RBI Master Circular no. 14/2015-16 dated July 1, 2015 (updated as on November 5, 2015), which states "there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan".

Accordingly, it is clarified that acceptance of LUT instead of a bond for supplies of goods to Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with applicable RBI guidelines. It may also be noted that supply of services to SEZ developer or SEZ unit will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.

g. Bank guarantee: Circular No. 4/4/2017 dated 7th July, 2017 provides that bank guarantee should normally not exceed 15% of the bond amount. However, the Commissioner may waive off the requirement to furnish bank guarantee taking into account the facts and circumstances of each case. It is expected that this provision would be implemented liberally. Some of the instances of liberal interpretation are as follows:

i. an exporter registered with recognized Export Promotion Council can be allowed to submit bond without bank guarantee on submission of a self-attested copy of the proof of registration with a recognized Export Promotion Council.

ii. In the GST regime, registration is State-wise which means that the expression 'registered person' used in the said notification may mean different registered persons (distinct persons in terms of sub-section

(1) of section 25 of the Act) if a person having one Permanent Account Number is registered in more than one State. It may so happen that a registered person may not satisfy the condition regarding foreign inward remittances in respect of one particular registration, because of splitting and accountal of receipts and turnover across different registered person with the same PAN. But the total amount of inward foreign remittances received by all the registered persons, having one Permanent Account Number, maybe Rs. 1 crore or more and it also maybe 10% or more of total export turnover. In such cases, the registered person can be allowed to submit bond without bank guarantee.

h. Jurisdictional officer: It has been clarified in Circular Nos. 2/2/2017 - GST dated 4th July, 2017 and 4/4/2017 - GST dated 7th July, 2017 that Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. It is reiterated that the Central Tax officers shall facilitate all exporters whether or not the exporter was registered with the Central Government in the earlier regime.

i. Documents for LUT: Documents submitted as proof of fulfilling the conditions of LUT shall be accepted unless there is any evidence to the contrary. Self-declaration shall be accepted unless there is specific information otherwise. For example, a self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of notification No.16/2017 - Central tax dated 7th July, 2017. Verification, if any, may be done on post facto basis. Similarly, Status holder exporters have been given the facility of LUT under the said notification and a self-attested copy of the proof of Status should be sufficient.

j. Applicability of circulars on Bond/LUTs: It is learnt that some field officers have inferred that the instructions given by the said circulars are effective in respect of exports made only from the date of its issue despite the fact that it has been categorically clarified specifically in the said circular (dated 7th July, 2017) that the instructions shall be applicable for exports on or after 1st July, 2017. It is reiterated that the instructions issued vide said circular and this circular are applicable to any export made on or after the 1st July 2017.

3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

4. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUBSECTION (i)]

**Government of India Ministry of Finance Department of Revenue
Central Board of Excise and Customs**

Notification No. 16/2017 - Central Tax

New Delhi, the 7th July, 2017

G.S.R. ... ()E.- In exercise of the powers conferred by sub-rule (5) of rule 96A of the Central Goods and Services Tax Rules, 2017, the Central Board of Excise and Customs hereby specifies the conditions and safeguards for the registered person who intends to supply goods or services for export without payment of integrated tax, for furnishing a Letter of Undertaking in place of a Bond.

- i. The following registered person shall be eligible for submission of Letter of Undertaking in place of a bond:-
 - (a) a status holder as specified in paragraph 5 of the Foreign Trade Policy 2015-2020; or
 - (b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year, and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.
- ii. The Letter of Undertaking shall be furnished in duplicate for a financial year in the annexure to FORM GST RFD - 11 referred to in sub-rule (1) of rule 96A of the Central Goods and Services Tax Rules, 2017 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor on the letter head of the registered person.

[F. No. 349/74/2017 - GST]

(Dr. Sreeparvathy S. L.)
Under Secretary to the Government of India

F. No. 349/82/2017-GST
Government of India Ministry of Finance Department of Revenue
Central Board of Excise and Customs (GST Policy Wing)

New Delhi, the 7th July, 2017

To,

The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners/ Commissioners of Central Tax (All)

Madam/Sir,

Subject: Issues related to Bond/Letter of Undertaking for exports without payment of integrated tax - Reg.

Various communications have been received from the field formations and exporters that difficulties are being faced in complying with the procedure prescribed for making exports of goods and services without payment of integrated tax with respect to furnishing of bonds/Letter of Undertaking. Therefore, in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, these issues are being clarified hereunder.

2. As per rule 96A of the Central Goods and Services Tax Rules, 2017 (The CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.

3. Attention is invited to notification No. 16/2017-Central Tax dated 01-07-2017 vide which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification, would submit bond. The procedure for submission and acceptance of bond has already been prescribed vide circular No. 2/2/2017-GST dated 4th July, 2017. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

4. A clarification has been sought as to whether bond to be furnished for exports is a running bond (with debit / credit facility) or a one-time bond (separate bond for each consignment / export). It is observed consignment wise bond would be a significant compliance burden on the exporters. It is directed that the exporters shall furnish a running bond, in case he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

5. FORM RFD -11 under rule 96A of the CGST Rules requires furnishing a bank guarantee with bond. Field formations have requested for clarity on the amount of bank guarantee as a security for the bond. In this regard it is directed that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15% of the bond amount.

6. As regards LUT, it is clarified that it shall be valid for twelve months. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. Exports may be allowed under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

7. It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/

LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayer to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central tax officer till such time the said administrative mechanism is implemented. Central Tax officers are directed to take every step to facilitate the exporters.

8. Attention is further invited to circular No. 26/2017 - Customs dated 1st July 2017, vide which it has been clarified that the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue till 01st September, 2017. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant Commissioner having jurisdiction over the principal place of business.

9. These instructions shall apply to exports on or after 1st July, 2017. It is requested that suitable trade notices may be issued to publicize the contents of this circular. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

-sd-
(Upendar Gupta)
Commissioner (GST)

F. No. 609/54/2017-DBK
Government of India
Ministry of Finance, Department of Revenue Central Board of Excise & Customs

New Delhi, dated 30th June, 2017

To,

Principal Chief Commissioners / Principal Directors General, Chief Commissioners / Directors General,
Principal Commissioners / Commissioners, all under CBEC

Madam/Sir,

Subject: Drawback of Integrated Tax and Compensation Cess paid on imported goods upon re-export under Section 74 of the Customs Act, 1962

As you are aware, Section 74 of the Customs Act, 1962 provides for drawback of duties paid at time of importation when the imported goods are re-exported. Hitherto this drawback inter alia comprised refund of basic customs duty and additional duties under Section 3 of the Customs Tariff Act (CTA), 1975. In this regard, Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995 refer.

2. Under the GST regime, goods upon import shall be subject to integrated tax and compensation cess in terms of Sections 3(7) and 3(9) respectively of the CTA, 1975. Further, in terms of Section 3(12) of the CTA, 1975, the provisions of the Customs Act, 1962 and rules and regulations made thereunder relating inter alia to drawback shall apply to integrated tax and compensation cess also. Accordingly, drawback under Section 74 would include refund of integrated tax and compensation cess along with basic customs duty, etc.

3. In this regard, the definition of "drawback" under Rule 2 (a) of the Re-export Rules, 1995 has been suitably amended to include refund of duty or tax or cess as referred in the CTA, 1975. Notification No. 57/2017-Customs (N.T.) dated 29.6.2017 may be referred in this regard.

4. In order to prevent dual benefit while sanctioning drawback under Section 74 of the Customs Act, 1962, it may be ensured that a certificate duly signed by the Central/State/UT GST officer, having jurisdiction over the exporter is obtained, that no credit of integrated tax /compensation cess paid on imported goods has been availed or no refund of such credit or integrated tax paid on re-exported goods has been claimed. All other extant instructions in respect of drawback claims under Section 74 remain unchanged.

5. Suitable Public Notice for information of the trade and Standing Order for guidance of the staff may kindly be issued. Difficulties faced, if any, in implementation of this Circular may be brought to the notice of the Board.

Yours faithfully,

(Nitish K. Sinha)
Joint Secretary to the Government of India

F. No. 609/46/2017-DBK

Government of India

Ministry of Finance, Department of Revenue Central Board of Excise & Customs

New Delhi, dated 30th June, 2017

To

Principal Chief Commissioners/Principal Directors General, Chief Commissioners/Directors General,
Principal Commissioners/Commissioners, all under CBEC

Subject: Amendments effective from 1.7.2017 to the All Industry Rates of Duty Drawback and other Drawback related changes.

Madam/Sir,

Your attention is invited to Notification numbers 58/2017-Cus (N.T.) & 59/2017-Cus (N.T.), both dated 29.6.2017, which are effective from 1.7.2017. These notifications relate to changes in the provisions of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 and All Industry Rates (AIR) of drawback stipulated earlier vide Notification no. 131/2016-Cus (N.T.) dated 31.10.2016 (as amended) respectively.

2. The salient features of changes introduced vide Notification no. 59/2017 dated 29.06.2017 are briefly given as follows:

(a) Transition period:

In order to ensure smooth transition to the GST regime, Government has allowed the extant Duty Drawback scheme to continue for a period of three months i.e. from 1.7.2017 to 30.9.2017. The exporter may, for exports made during this period, continue to claim the composite rates i.e. rates and caps given under columns (4) and (5) respectively of the Schedule of AIRs of duty drawback, subject to certain additional conditions. During the transition period, exporters can also claim Brand rate of duty/tax incidence as they have been doing earlier. The conditions imposed for claiming these composite rates aim to ensure that the exporters do not claim composite AIRs of duty drawback and simultaneously avail input tax credit of Central Goods and Services Tax (CGST) or Integrated Goods and Services Tax (IGST) on the export goods or on inputs and input services used in manufacture of export goods or claim refund of IGST paid on export goods. Further, an exporter claiming composite rate shall also be barred to carry forward Cenvat credit on the export goods or on inputs or input services used in manufacture of export goods in terms of the CGST Act, 2017. The exporters have to give a declaration and certificates as prescribed in this Notification at the time of export. Similar checks shall apply while determining the Brand rate of drawback. While a transition period of three months has been allowed, the exporters shall have an option to claim only Customs portion of AIRs of duty drawback i.e. rates and caps given under column (6) and (7) respectively of the Schedule of AIRs of duty drawback and avail input tax credit of CGST or IGST or refund of IGST paid on exports.

(b) Changes in AIRs:

Based on prevailing prices of inputs and export goods, budgetary changes, representations received and keeping in mind need for removing anomalies, certain changes have been made in AIRs. These interalia include -

i. Para (17) of Notes and Conditions of Notification no. 131/2016-Cus (N.T.) dated 31.10.2016 has been amended to include the word "melange" so that melange textile materials covered in chapters 54 and 55 are treated as dyed;

ii. Customs rates and caps have been increased for certain marine products covered under chapters 3, 15, 16 and 23;

- iii. For better product differentiation, two new tariff lines have been introduced. These relate to leather under chapter 41 and pillows/cushions/quilts/pouffles filled with poly-fil under chapter 94;
 - iv. Caps have been enhanced for several textile items covered under chapters 52, 54, 55 and 56;
 - v. Rates and caps have been enhanced for made up fishing and sports nets of other man- made textile materials covered under chapters 56 and 95 respectively;
 - vi. "Leggings" have been classified under tariff item 611 501 instead of 610304 and 610404; and
 - vii. Customs rates have been reduced for nickel and articles thereof covered under chapter 75.
3. Further, vide Notification no. 58/2017-Cus dated 29.6.2017, the work related to:
- (a) fixation of Brand rate of drawback has been transferred from Central Excise formations to Customs formations having jurisdiction over place of export. A separate circular is being issued to explain various related provisions, procedures, etc.

(b) supplementary claims of drawback are now to be dealt only by Customs formations. For this purpose, references to Central Excise formations wherever appearing have been omitted from the said Drawback Rules, 1995.

3.1 Some of the Customs formations are at present working under the jurisdiction of Commissioners of Central Excise. It may be noted that Central Excise officers have been designated as officers of Customs under the Customs Act, 1962. Accordingly, till the time jurisdictional Commissionerates of Customs, which will replace Central Excise Commissionerates hitherto performing Customs functions are notified and become functional, the jurisdictional Central Excise Commissionerates shall continue to discharge Customs functions as required under the Drawback Rules 1995.

4. It is requested that the changes effected vide aforesaid notifications be gone through carefully. Suitable public notice and standing order should be issued for guidance of the trade and officers.

5. Any inconsistency, error or difficulty faced should be intimated to the Board.

Yours faithfully,
(Nitish K. Sinha)
Joint Secretary to Government of India

**F. No. 609/46/2017-DBK
Government of India**

Ministry of Finance, Department of Revenue Central Board of Excise & Customs

New Delhi, dated 30th June, 2017

To,

Principal Chief Commissioners / Principal Directors General, Chief Commissioners / Directors General,
Principal Commissioners / Commissioners, all under CBEC

Madam/Sir,

Subject: Fixation of Brand Rate of drawback under Rule 6 and Rule 7 of the Customs, Central Excise Duties & Service Tax Drawback Rules, 1995 in the GST scenario

As you are aware, in terms of Rule 6 and Rule 7 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, the work pertaining to fixation of Brand rate of Drawback is undertaken by the Central Excise Commissionerate having jurisdiction over the factory where export goods are manufactured. In this context, Board's Circular No. 14/2003-Cus dated 6.3.2003, DO letter No. 609/110/2005-DBK dated 26.8.2005, Instruction No. 603/01/2011-DBK dated 11.10.2013, Circular No. 29/2015-Cus dated 16.11.2015 and Circular No. 54/2016-Cus dated 22.11.2016 governing the procedure for handling of Brand rate work may be referred. Once the Brand rate letter (provisional or final) is issued by such Commissionerate, the respective ports of export are required to calculate and disburse the drawback amount to the exporter. This Circular explains the changes being brought about in Brand rate mechanism in the context of introduction of Goods and Services Tax (GST) w.e.f. 1.7.2017.

2. The input tax incidence of taxes covered in GST regime are to be neutralized through the refund mechanism provided through the GST laws. At the same time, a transition period of three months from date of introduction of GST has been provided i.e. from 1.7.2017 to 30.9.2017 by continuing the extant Duty Drawback scheme and amending the Drawback Rules, 1995 vide Notification No. 58/2017-Cus (N.T.) dated 29.6.2017. For exports made during this transition period, the exporter can claim All Industry Rate (AIR) or Brand rate of drawback for Customs, Central Excise Duties and Service Tax subject to certain additional conditions. These conditions aim to ensure that the exporter simultaneously does not avail input tax credit of Central Goods and Services Tax (CGST) or Integrated Goods and Services Tax (IGST) on the export goods or on inputs and input services used in manufacture of export goods or claim refund of IGST paid on export goods. Further, an exporter claiming drawback during transition period as per extant duty drawback provisions shall also be barred to carry forward Cenvat credit in terms of the CGST Act, 2017 on the export goods or on inputs or input services used in manufacture of export goods. The exporter also has to give the prescribed declaration and certificates (similar to declaration and certificate prescribed in Notification No. 59/2017-Cus (N.T.) dated 29.6.2017 for claiming composite AIR during transition time) at the time of application for fixation of Brand rate of drawback. At the same time, the exporter has the option of claiming the Brand rate of Customs duties and remnant Central Excise duties (in respect of goods given in Fourth Schedule to Central Excise Act, 1944) and avail input tax credit of CGST or IGST or refund of IGST paid on exports.

Further, in view of implementation of GST, Board has decided to re-organise the Customs functions hitherto handled by Central Excise formations. In this context, it has been decided that w.e.f. 1.7.2017, the work pertaining to fixation of Brand rate will be dealt by the Customs Commissionerate having jurisdiction over the place of export from where the export of goods has taken place. In case the exports have taken place from more than one place, exporter shall file Brand rate application with the Principal Commissioner/ Commissioner of Customs having jurisdiction over any one of the places of export. Accordingly, Rule 6 and Rule 7 ibid have been suitably amended vide Notification No. 58/2017-Cus (N.T.) dated 29.6.2017.

3. All Circulars/instructions issued till date w.r.t. fixation of Brand rate shall mutatis mutandis apply for work of fixation of Brand rate to be done by Customs formations in the GST scenario. However, verification of data given in the application if so required shall be got done through the Customs formation having jurisdiction over the factory where the export goods have been manufactured.

4. From 1.7.2017, all fresh applications for Brand rate of drawback irrespective of date of export will be dealt as per these guidelines. The applications already filed with existing Central Excise formations prior to 1.7.2017 and pending shall be transferred along with all relevant documents to the Principal Commissioner/ Commissioner of Customs having jurisdiction over the place of export. In case an already filed application relates to exports from multiple places, the application should be transferred to the Principal Commissioner/ Commissioner of Customs having jurisdiction over any one of the places of export as per choice of the exporter. The exporter concerned may be requested to indicate his choice in this regard before the transfer of his application. For smooth transition of Brand rate related work to Customs formations, it is essential that transfer of documents is undertaken carefully and in close coordination with concerned Customs authorities without disruption, delay etc.

5.1 Some of the Customs formations are at present working under the jurisdiction of Commissioners of Central Excise. It may be noted that Central Excise officers have been designated as officers of Customs under the Customs Act, 1962. Accordingly, till the time jurisdictional Commissionerates of Customs, which will replace Central Excise Commissionerates hitherto performing Customs functions, are notified and become functional, the jurisdictional Central Excise Commissionerates shall continue to discharge Customs functions as required under the Drawback Rules 1995.

5. Suitable Public Notices for information of the Trade and Standing Orders for guidance of the staff may be issued.

6. Problems or difficulty which may be encountered in implementing the Brand Rate fixation work may please be brought to the notice of Board.

Yours faithfully,
(Nitish K. Sinha)
Joint Secretary to the Government of India

NOTIFICATION NO.58/2017-CUSTOMS (N.T.)

Dated 29th June, 2017

In exercise of the powers conferred by section 75 of the Customs Act, 1962 (52 of 1962), section 37 of the Central Excise Act, 1944 (1 of 1944) and section 93A read with section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules to further amend the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, namely:-

1. (1) These rules may be called the Customs, Central Excise Duties and Service Tax Drawback (Amendment) Rules, 2017. (2) They shall come into force on the 1st day of July, 2017.

2. In the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995,-

(i) in rule 2, after clause (e), the following clause shall be inserted, namely:-

"(f) "tax invoice" means the tax invoice referred to in section 31 of the Central Goods and Services Tax Act, 2017 (12 of 2017).?;

(ii) in rule 3, in sub-rule (1), after the clause (bb), the following clauses shall be inserted, namely:-

"(bc) the Central Goods and Services Tax Act, 2017 (12 of 2017) and the rules made thereunder,

(bd) the Integrated Goods and Services Tax Act, 2017 (13 of 2017) and the rules made thereunder; and";

(iii) for rule 6, the following rule shall be substituted, namely:-

"6. Cases where amount or rate of drawback has not been determined.-

(1) (a) Where no amount or rate of drawback has been determined in respect of any goods, any exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties paid on such materials or components or the tax paid on input services:

Provided that-

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) (ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months; the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(b) On receipt of an application under clause (a), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.

(2) (a) Where an exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause

(b) of that sub-rule.

(b) The Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the exporter in respect of such export:

Provided that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such exporter as drawback in respect of a particular consignment and binding himself,-

(i) to refund the amount so allowed provisionally, if for any reason, it is found that the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such exporter shall be adjusted against the drawback finally payable and if the amount so adjusted is in excess or falls short of the drawback finally payable, such exporter shall repay to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, the excess or be entitled to the deficiency, as the case may be.

(d) The bond referred to in clause (b) may be with such surety or security as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may direct.

(3) Where the Central Government considers it necessary so to do, it may,-

(a) revoke the rate of drawback or amount of drawback, determined under clause

(b) of sub-rule (1) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, "place of export" means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.";

(iv) for rule 7, the following rule shall be substituted, namely:-

"7. Cases where amount or rate of drawback determined is low.- (1) Where, in respect of any goods, the exporter finds that the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, for the class of goods is less than eighty per cent. of the duties or taxes paid on the materials or components or input services used in the production or manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, make an application to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties or taxes paid on such materials or components or input services:

Provided that -

- (i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;
- (ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;
- (iii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than eighty per cent. of such amount or rate determined under this sub-rule.

(3) Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the application made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4 by the Central Government and the provisional drawback authorised by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under this rule.

(4) Where the Central Government considers it necessary so to do, it may,-

(a) revoke the rate of drawback or amount of drawback determined under sub-rule

(2) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, "place of export" means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought. ";

(iv) in rule 9, in clause (d),-

(A) for the words "Principal Commissioner of Central Excise or Commissioner of Central Excise, as the case may be or the Principal Commissioner or Commissioner of Customs and Central Excise", the words "Principal Commissioner of Customs or Commissioner of Customs", shall be substituted;

(B) the words "or of Central Excise" shall be omitted;

(v) in rule 10, the words "or of Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise" shall be omitted;

(vi) in rule 13, in sub-rule (2),-

(A) in clause (iii), for the letters and figure "ARE-1", the words "tax invoice" shall be substituted;

(B) for clause (v), the following clause shall be substituted, namely:-

"(v) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under rule 6 or rule 7 of these rules.";

(vii) in rule 15, for sub-rule (1), the following sub-rule shall be substituted, namely:-

"(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure III:

Provided that the exporter shall prefer such supplementary claim within a period of three months,-

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, as the case may be, from the date of publication of such rate in the Official Gazette;

(ii) where the rate of drawback is determined or revised upward under rule 6 or rule

7, as the case may be, from the date of communicating the said rate to the person concerned;

(iii) in all other cases, from the date of payment or settlement of the original drawback claim by the proper officer:

Provided further that-

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.";

(ix) in rule 16A, in the proviso to sub-rule (4),-

(A) in clause (i), the words "or Principal Commissioner or Commissioner of Customs and Central Excise, as the case may be" shall be omitted;

(B) in clause (ii), the words "or Principal Commissioner or Commissioner of Customs and Central Excise, as the case may be" shall be omitted;

Sd/-

(Anand Kumar Jha)

Under Secretary to the Government of India

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
Notification No. 59/2017-CUSTOMS (N.T.)

New Delhi, the 29th June, 2017

G.S.R. (E). - In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944) and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, the Central Government hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 131/2016 - Customs (N.T.), dated the 31st October, 2016, published vide number G.S.R. 1018 (E), dated the 31st October, 2016, namely:-

In the said notification,-

(a) in the Notes and conditions,-

(i) for paragraph (6), the following paragraph shall be substituted, namely:-

"(6) An export product accompanied with tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in columns (5) and (7) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed amount calculated by applying ad-valorem rate of drawback shown in column (4) or column (6) to one and half times the tax invoice value.";

(ii) in paragraph (11), after clause (b), the following clauses shall be inserted, namely:-

"(c) exported availing input tax credit of the central goods and services tax or of the integrated goods and services tax on the export product or on the inputs or input services used in the manufacture of the export product;

(d) exported claiming refund of the integrated goods and services tax paid on such exports;

(e) exported by an exporter who has carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).";

(iii) after paragraph (12), the following paragraph shall be inserted, namely:-

"(12A) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall be applicable to export of a commodity or product if the exporter satisfies the following conditions, namely:-

(a) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been availed on the export product or on any of the inputs or input services used in the manufacture of the export product;

(b) if the goods are exported under bond or letter of undertaking or on payment of integrated goods and services tax, a certificate from the officer of goods and services tax having jurisdiction over the exporter, to the effect that no input tax credit of the central goods and services tax or input tax credit of the integrated goods and services tax has been availed on the export product or on any inputs or input services used in the manufacture of the export product or no refund of integrated goods and services tax paid on export product shall be claimed, is produced;

(c) a certificate from the officer of goods and services tax having jurisdiction over the exporter, to the effect that exporter has not carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017), is produced.";

(iv) in paragraph (17), after the word "bleached", the words "or melange" shall be inserted;

(b) in paragraph 4, the following proviso shall be inserted, namely:-

"Provided that nothing contained in this notification shall have effect after the 30th day of September, 2017." (c) in the Schedule,-

(i) in Chapter - 3, against tariff item 030402,-

(A) for the entry in column (6), the entry "3.4%" shall be substituted;

(B) for the entry in column (7), the entry "10.5" shall be substituted;

(ii) in Chapter - 3, against tariff item 030601,-

(A) for the entry in column (6), the entry "2.7%" shall be substituted;

(B) for the entry in column (7), the entry "21.6" shall be substituted;

(iii) in Chapter - 3, against tariff item 030602,-

(A) for the entry in column (6), the entry "2.1%" shall be substituted;

(B) for the entry in column (7), the entry "57.2" shall be substituted;

(iv) in Chapter - 3, against tariff item 030603,-

(A) for the entry in column (6), the entry "2.4%" shall be substituted;

(B) for the entry in column (7), the entry "24" shall be substituted;

(v) in Chapter - 3, against tariff item 030604,-

(A) for the entry in column (6), the entry "2.7%" shall be substituted;

(B) for the entry in column (7), the entry "46.6" shall be substituted;

(vi) in Chapter - 3, against tariff item 030605,-

(A) for the entry in column (6), the entry "2.1%" shall be substituted;

(B) for the entry in column (7), the entry "10.9" shall be substituted;

(vii) in Chapter - 15, against tariff item 150401,-

(A) for the entry in column (6), the entry "2.1%" shall be substituted;

(B) for the entry in column (7), the entry "2.1" shall be substituted;

(viii) in Chapter - 16, against tariff item 160401,-

(A) for the entry in column (6), the entry "3.4%" shall be substituted;

(B) for the entry in column (7), the entry "10.5" shall be substituted;

(ix) in Chapter - 23, against tariff item 230101,-

(A) for the entry in column (6), the entry "2.1%" shall be substituted;

(B) for the entry in column (7), the entry "2.1" shall be substituted;

x) in Chapter - 41, after tariff item 411202 and the entries relating thereto, the following tariff item and entries shall be inserted, namely:-

("411299	Others	1.2%	1.2%";
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(xi) in Chapter - 52, against tariff item 520901, for the entry in column (7), the entry "7" shall be substituted;

(xii) in Chapter - 54, against tariff item 540701,-

(A) for the entry in column (5), the entry "66" shall be substituted;

(B) for the entry in column (7), the entry "13.2" shall be substituted;

(xiii) in Chapter - 54, against tariff item 540702,-

(A) for the entry in column (5), the entry "72" shall be substituted;

(B) for the entry in column (7), the entry "15.8" shall be substituted;

(xiv) in Chapter - 54, against tariff item 540703,-

(A) for the entry in column (5), the entry "57" shall be substituted;

(B) for the entry in column (7), the entry "11.1" shall be substituted;

(xv) in Chapter - 54, against tariff item 540704,-

(A) for the entry in column (5), the entry "60" shall be substituted;

(B) for the entry in column (7), the entry "12.9" shall be substituted;

(xvi) in Chapter - 55, against tariff item 550905,-

(A) for the entry in column (5), the entry "72" shall be substituted;

(B) for the entry in column (7), the entry "12.9" shall be substituted;

(xvii) in Chapter - 55, against tariff item 550906,-

(A) for the entry in column (5), the entry "79" shall be substituted;

(B) for the entry in column (7), the entry "17" shall be substituted;

(xviii) in Chapter - 56, against tariff item 560802,-

(A) for the entry in column (4), the entry "11%" shall be substituted;

(B) for the entry in column (5), the entry "64" shall be substituted;

(C) for the entry in column (6), the entry "2.8%" shall be substituted;

(D) for the entry in column (7), the entry "16" shall be substituted;

(xix) in Chapter - 61,-

(A) against tariff item 610304, in column (2), the word "leggings" shall be omitted;

(B) against tariff item 610404, in column (2), the word "leggings" shall be omitted;

(C) for tariff items 611501, 611502, 611503, 611504, 611505, 611506, 611507 and 611599 and the entries relating thereto, the following tariff items and entries shall be substituted, namely:-

"611501		Leggings				
61150101	Of Cotton	Piece	7.7%	47	2%	12.2
61150102	Of Blend containing Cotton and Man Made Fibre	Piece	9.5%	55	2.5%	14.5
61150103	Of Man Made Fibres	Piece	9.9%	57	2.5%	14.4
61150104	Of Silk (other than containing Noil silk)	Piece	7.6%	80	4.8%	50.5

(xx) in Chapter - 75, against tariff items 7501, 7502, 7504, 7505, 7506, 7507 and 7508, for the entries in column (6), the entry "0.15%" shall respectively be substituted;

(xxi) in Chapter - 94, after tariff item 940402 and the entries relating thereto, the following tariff item and entries shall be inserted, namely:-

"940403	Other Pillow/ Cushions/ Quilts/ Pouffles filled with poly-fil	Kg	8.6%	100	2.2%	25";
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(xxii) in Chapter - 95, against tariff item 950611,-

- (A) for the entry in column (4), the entry "11%" shall be substituted;
 (B) for the entry in column (5), the entry "64" shall be substituted;
 (C) for the entry in column (6), the entry "2.8%" shall be substituted;
 (D) for the entry in column (7), the entry "16" shall be substituted;

(d) in the Table, in Chapter - 61, -

(A) against tariff item 610304, in column (2), the word "leggings" shall be omitted;

(B) against tariff item 610404, in column (2), the word "leggings" shall be omitted;

(C) for tariff items 611501, 611502, 611503, 611504, 611505, 611506, 611507 and 611599 and the entries relating thereto, the following tariff items and entries shall be substituted, namely:-

"611501		Leggings				
61150101	Of Cotton	Piece	3.3%	28.2	0.9%	7.7
61150102	Of Blend containing Cotton and Man Made Fibre	Piece	4.2%	34.0	1.2%	9.7
61150103	Of Man Made Fibres	Piece	4.3%	34.7	1.2%	9.7
61150104	Of Silk (other than containing Noil silk)	Piece	1.3%	19.2	0.4%	5.9
61150105	Of Wool	Piece	3.9%	50.2	1.1%	14.2
61150106	Of Blend containing Wool and Man Made Fibre	Piece	3.9%	50.2	1.1%	14.2
61150107	Of Cotton containing 1% or more by weight of spandex/lycra/elastane	Piece	3.3%	28.9	0.9%	7.9
61150199	Of Others	Piece	3.3%	26.7	0.9%	7.3
611502	Others					
61150201	Of Cotton	Kg	3.5%	90.3	0.9%	23.2
61150202	Of Blend containing Cotton and Man Made Fibre	Kg	4.2%	99.0	1.2%	28.3
61150203	Of Man Made Fibres	Kg	4.2%	108.0	1.2%	30.9
61150204	Of Silk (other than containing Noil silk)	Kg	1.3%	122.1	0.4%	37.6
61150205	Of Wool	Kg	3.5%	101.4	0.9%	26.1
61150206	Of Blend containing Wool and Man Made Fibre	Kg	3.6%	104.3	1.0%	29.0
61150207	Of Cotton containing 1% or more by weight of spandex/lycra/ elastane	Kg	3.5%	98.0	0.9%	25.2
61150299	Of Others	Kg	3.5%	83.8	0.9%	21.6".

This notification shall come into force on the 1st day of July, 2017.

(Anand Kumar Jha)

[E. No. 609/43/2017-DBK]

Under Secretary to the Government of India

Note: The principal notification No. 131/2016-Customs (N.T.), dated the 31st October, 2016 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 31st October, 2016 vide number G.S.R. 1018 (E), dated the 31st October, 2016 and was last amended vide notification No. 41/2017-Customs (N.T.), dated the 26th April, 2017 vide number G.S.R. 408(E), dated the 26th April, 2017.

F. No. 609/64/2017-DBK Government of India Ministry of Finance, Department of Revenue
Central Board of Excise & Customs

New Delhi, dated 27th July, 2017

To,

Principal Chief Commissioners / Principal Directors General,
Chief Commissioners / Directors General,
Principal Commissioners / Commissioners,
all under CBEC

Madam/Sir,

Sub: Clarification regarding exports under claim for drawback in the GST scenario.

As you are aware, the higher All Industry Rates (AIRs) under Duty Drawback scheme viz. rates and caps available under columns (4) and (5) of the Schedule of All Industry Rates of Duty Drawback have been continued for a transition period of three months i.e. 1.7.2017 to 30.9.2017 (Circular No. 22/2017-Customs dated 30.6.2017).

2. Various issues have been highlighted by field formations and exporters regarding the requirement of a certificate to be obtained from the jurisdictional GST officer prescribed vide Note and Condition 12A of Notification 131/2016-Cus (N.T.) dated 31.10.2016 as amended by Notification 59/2017-Cus (N.T.) dated 29.6.2017. The certificate aimed to ensure that there was no double neutralisation of taxes by way of credit/refund and drawback. However, in view of factors such as absence of clarity about jurisdictional GST officer, time lag between exports and the requisite returns to be filed under GST laws, etc., the said certificate from GST officer may not be available immediately at the time of export.

3. Keeping in mind the above difficulties, the Government has amended Note and Condition 12A of Notification 131/2016-Cus (N.T.) dated 31.10.2016 by Notification 73/2017-Cus (N.T.) dated 26.7.2017 and dispensed with the requirement of the certificate from GST officer to claim higher rate of drawback. To facilitate exports, the higher rate of drawback can be claimed on the basis of self-declaration to be provided by exporter in terms of revised Note and Condition 12A of aforesaid Notification.

4. Since Notes and Conditions of Notification No. 131/2016-Cus (NT) dated 31.10.2016 (as amended) are integral part of the rates of drawback given under the Schedule to said Notification, accordingly in terms of the Section 75(3) of the Customs Act, 1962 and Rule 5(2) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, it may be noted that the changes made in Note and Condition 12A shall be applicable w.e.f. 1.7.2017 itself. Thus, exports which have been made from 1.7.2017 onwards shall be governed by the revised Note and Condition 12A. For all exports made w.e.f 1.7.2017 for which higher rate of drawback is claimed, exporter has to submit the self-declaration in the format attached. This format is also being suitably included in the EDI shipping bill. In respect of exports that have already been made, exporters may submit a single declaration regarding the export products covered in past shipping bills for which let export order has been given from 1.7.2017 onwards. This shall be irrespective of any certificate or declaration, if any, given earlier.

5. Another aspect that may be noted is that there could be cases where export goods had been cleared from factory, warehouse, etc. prior to 1.7.2017 but let export order has not been issued before 1.7.2017. Such goods are not supplies under GST and accordingly, said Note and Condition 12A is not applicable. For such goods, the declaration from exporter or certificate from the then Central Excise officer as applicable in terms of Note and Condition 12 of said Notification No. 131/2016-Customs (NT) shall continue.

6. As part of audit checks, the need for regular sample checking of the veracity of declarations accepted for disbursing AIR drawback claims has been highlighted in Board's instruction F. No. 603/01/2011-DBK dated 11.10.2013. The said instruction is reiterated for the purpose of audit checks for above cited self-declarations. Directorate General of Audit (Central Taxes) is also being asked to have the declarations given by exporters about non-availment of ITC/refund etc. in respect of exports under drawback verified at the time of audit of these units/exporters. These checks will thus ensure that there is no double neutralisation of taxes by simultaneous availment of credit/refund and drawback.

7. In order to further facilitate exporters, it may be ensured that all pending drawback claims are disposed of on priority and zero pendency be maintained. Supplementary claims whenever filed should also be processed on priority.

8. Wide publicity on these aspects may be given by way of issuance of trade notice and field officers also should be sensitised.

Encl. as above.

Yours faithfully,
(Dipin Singla) OSD (Drawback)
Tel: 23341480

Self-declaration for claiming higher rate of AIR of duty drawback under column (4) and (5) of the AIR Schedule under Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended)

I/We, M/s., IEC No. and address hereby declare that in respect of export products covered under Shipping Bill Nos. dated on which higher rate of drawback under column (4) and (5) of the Schedule of All Industry Rates of duty drawback of Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended) is claimed-

a) (i) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on the export product,

OR

(ii) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on any of the inputs or input services used in the manufacture of the export product,

OR

(iii) no refund of Integrated Goods and Services Tax paid on export product shall be claimed;

[Please strike out (i), (ii) or (iii), whichever is not applicable.]

b) CENVAT credit on the export product or on inputs or input services used in the manufacture of the export product has not been carried forward and shall not carry forward in terms of the Central Goods and Services Tax Act, 2017.

Signature, date and seal of exporter

DISCLAIMER:

The contents of this FAQ's are solely for informational purpose. It does not constitute professional advice or a formal recommendation. While due care has been taken in preparing this FAQ's, the existence of mistakes and omissions herein is not ruled out. If any error / omission has found please inform to Export Promotion Council for Handicrafts (EPCH) to make it more useful to the users. The EPCH does not accept any liabilities for any loss or damage of any kind arising out of any inaccurate or incomplete information in this document nor for any actions taken in reliance thereon.

F. No. 349/82/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing

New Delhi, Dated the 11th August, 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All)

The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on issues related to furnishing of Bond/Letter of Undertaking for Exports-Reg.

Please refer to Notification No. 16/2017 - GST dated 7th July, 2017 and Circular No. 2/2/2017 - GST dated 5th July, 2017 and Circular No. 4/4/2017 - GST dated 7th July, 2017. A large number of communications have been received from the field formations and exporters citing variation in the interpretation of above referred notification and circulars.

2. Therefore, in exercise of powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, following issues are being clarified hereunder:

a. Eligibility to export under LUT: Notification No. 16/2017 - Central Tax dated 7th July, 2017 specifies conditions to be fulfilled for export under Letter of Undertaking (LUT) in place of bond. In the extant Central Excise provisions, LUTs were limited to manufacturer exporters only. The intent of the said notification is to liberalize the facility of LUT and extend it to all kind of suppliers. It is hereby clarified that any registered person who has received a minimum foreign inward remittance of 10% of export turnover in the preceding financial year is eligible for availing the facility of LUT provided that the amount received as foreign inward remittance is not less than Rs. one crore. This means that only such exporters are eligible to LUT facilities who have received a remittance of Rs. one crore or 10% of export turnover, whichever is a higher amount, in the previous financial year. A few illustrations are as follows:

i. An exporter had a turnover of Rs. 15 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.5 crore or more (10% of export turnover is more than Rs. 1 crore)

ii. An exporter had a turnover of Rs. 5 crore in the previous financial year. He would be eligible for LUT facility if remittance received against this export is Rs. 1.0 crore or more (10% of export turnover is less than Rs. 1 crore)

iii. An exporter has an export turnover of Rs. 2 crore. He has received Rs. 80 lacs as foreign inward remittances in FY 2016-17 which is 40% of the export turnover. He will not be eligible for LUT facility as remittance received is less than Rs. 1 crore.

iv. An exporter has export turnover of Rs. 40crore. He has received Rs. 2 Crores as foreign inward remittances in FY 2016-17 which is 5% of the export turnover. He will not be eligible for LUT facility as remittance received is less than 10% of export turnover, even though it is in excess of Rs. 1 crore.

v. An exporter has received Rs. 1 Crore 10 lacs as foreign inward remittances in FY 2016-17 which is 20% of the export turnover. In this scenario, he will be eligible for LUT facility.

It may however be noted that a status holder as specified in paragraphs 3.20 and 3.21 of the Foreign Trade Policy 2015-2020 is eligible for LUT facility regardless of whether he satisfies the above conditions.

b. Form for LUT: Bonds are furnished on non-judicial stamp paper, while LUTs are generally submitted on the letterhead containing signature and seal of the person or the person authorized in this behalf as provided in said Notification.

c. Time for acceptance of LUT/Bond: As LUT/bond is a priori requirement for export, including supplies to a SEZ developer or a SEZ unit, the LUT/bond should be processed on top most priority and should be accepted within a period of three working days from the date of submission of LUT/bond along with complete documents by the exporter.

d. Purchases from manufacturer and form CT-1: It is learnt that there is lack of clarity about treatment of CT-1 form which was earlier used for purchase of goods by a merchant exporter from a manufacturer without payment of central excise duty. The scheme holds no relevance under GST since transaction between a manufacturer and a merchant exporter is in the nature of supply and the same has not been exempted under GST even on submission of LUT/bond. Therefore, such supplies would be subject to GST. The zero rating of exports, including supplies to SEZ, is allowed only with respect to supply by the actual exporter under LUT/bond or payment of IGST.

e. Transactions with EOUs: Zero rating is not applicable to supplies to EOUs and there is no special dispensation for them. Therefore, supplies to EOUs are taxable under GST just like any other taxable supplies. The EOUs, to the extent of exports, are eligible for zero rating like any other exporter.

f. Forward inward remittance in Indian Rupee: Various representations have been received with respect to receipts of proceeds of supplies in Indian Rupee especially with respect to exports to Nepal, Bhutan and SEZ developer/SEZ unit. Attention is invited to Para A (v) Part-I of RBI Master Circular no. 14/2015-16 dated July 1, 2015 (updated as on November 5, 2015), which states "there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan".

Accordingly, it is clarified that acceptance of LUT instead of a bond for supplies of goods to Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with applicable RBI guidelines. It may also be noted that supply of services to SEZ developer or SEZ unit will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.

g. Bank guarantee: Circular No. 4/4/2017 dated 7th July, 2017 provides that bank guarantee should normally not exceed 15% of the bond amount. However, the Commissioner may waive off the requirement to furnish bank guarantee taking into account the facts and circumstances of each case. It is expected that this provision would be implemented liberally. Some of the instances of liberal interpretation are as follows:

i. an exporter registered with recognized Export Promotion Council can be allowed to submit bond without bank guarantee on submission of a self-attested copy of the proof of registration with a recognized Export Promotion Council

ii. In the GST regime, registration is State-wise which means that the expression 'registered person' used in the said notification may mean different registered persons (distinct persons in terms of sub-section (1) of section 25 of the Act) if a person having one Permanent Account Number is registered in more than one State. It may so happen that a registered person may not satisfy the condition regarding foreign inward remittances in respect of one particular registration, because of splitting and accountal of receipts and turnover across different registered person with the same PAN. But the total amount of inward foreign remittances received by all the registered persons, having one

Permanent Account Number, maybe Rs. 1 crore or more and it also maybe 10% or more of total export turnover. In such cases, the registered person can be allowed to submit bond without bank guarantee.

h. Jurisdictional officer: It has been clarified in Circular Nos. 2/2/2017 - GST dated 4th July, 2017 and 4/4/2017 - GST dated 7th July, 2017 that Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. It is reiterated that the Central Tax officers shall facilitate all exporters whether or not the exporter was registered with the Central Government in the earlier regime.

i. Documents for LUT: Documents submitted as proof of fulfilling the conditions of LUT shall be accepted unless there is any evidence to the contrary. Self-declaration shall be accepted unless there is specific information otherwise. For example, a self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of notification No. 16/2017 - Central tax dated 7th July, 2017. Verification, if any, may be done on post facto basis. Similarly, Status holder exporters have been given the facility of LUT under the said notification and a self-attested copy of the proof of Status should be sufficient.

j. Applicability of circulars on Bond/LUTs: It is learnt that some field officers have inferred that the instructions given by the said circulars are effective in respect of exports made only from the date of its issue despite the fact that it has been categorically clarified specifically in the said circular (dated 7th July, 2017) that the instructions shall be applicable for exports on or after 1st July, 2017. It is reiterated that the instructions issued vide said circular and this circular are applicable to any export made on or after the 1st July 2017.

3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

4. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)

'टेक्सटाइल्स इंडस्ट्री की तरह हमें मिले छूट'

अमर उजाला व्यूरो
मुद्राबाजार

मुद्राबाजार के निर्यातकों ने सरकार के सामने उठाई मांग

मुद्राबाजार हैड्रीक्राफ्ट एक्सपोर्टर्स एसोसिएशन ने सरकार के सामने मांग रखी है कि उन्हें भी जॉब वर्क से टेक्सटाइल्स की तरह जीएसटी में छूट दी जाए। टेक्सटाइल्स इंडस्ट्री में जॉब वर्क पर पांच प्रतिशत जीएसटी है जबकि हैड्रीक्राफ्ट इंडस्ट्री में जॉब वर्क पर जीएसटी इन्हें 18 फीसदी है। मुद्राबाजार हैड्रीक्राफ्ट एक्सपोर्टर्स एसोसिएशन के अध्यक्ष अमपाल गुप्ता का कहना है कि जब टेक्सटाइल्स इंडस्ट्री को जॉब वर्क पर पांच प्रतिशत का जीएसटी देना है तो फिर हैड्रीक्राफ्ट पर एक्सपोर्टर्स से 18 फीसदी क्यों। उन्होंने कहा कि जॉब वर्क पर 18 प्रतिशत जीएसटी देना ठीक है कि जब टेक्सटाइल्स इंडस्ट्री को 5 फीसदी देना है तो हैड्रीक्राफ्ट इंडस्ट्री को 18 फीसदी देना ठीक नहीं है।

मुद्राबाजार हैड्रीक्राफ्ट एक्सपोर्टर्स एसोसिएशन के अध्यक्ष अमपाल गुप्ता का कहना है कि जब टेक्सटाइल्स इंडस्ट्री को जॉब वर्क पर पांच प्रतिशत का जीएसटी देना है तो फिर हैड्रीक्राफ्ट पर एक्सपोर्टर्स से 18 फीसदी क्यों। उन्होंने कहा कि जॉब वर्क पर 18 प्रतिशत जीएसटी देना ठीक है कि जब टेक्सटाइल्स इंडस्ट्री को 5 फीसदी देना है तो हैड्रीक्राफ्ट इंडस्ट्री को 18 फीसदी देना ठीक नहीं है।

केंद्रीय उत्पाद और सीमा शुल्क बोर्ड द्वारा निर्यातकों को आईजीएसटी के भुगतान पर राहत

केंद्रीय उत्पाद और सीमा शुल्क बोर्ड (सीएचएचएच) ने निर्यातकों को आईजीएसटी के भुगतान पर राहत दी है। यह राहत निर्यातकों को आईजीएसटी के भुगतान पर राहत देगी।



केंद्रीय उत्पाद और सीमा शुल्क बोर्ड (सीएचएचएच) के कार्यालय में एक अधिकारी का दफ्तर।

निर्यातकों को आईजीएसटी के भुगतान पर राहत देना है। यह राहत निर्यातकों को आईजीएसटी के भुगतान पर राहत देगी।

मुद्राबाजार, 16 जून 2017 दैनिक जागरण

जीएसटी से जुड़ी हैड्रीक्राफ्ट इंडस्ट्री की समस्याएं उठाई
मुद्राबाजार - जीएसटी के प्रति किसी अलग राय आउट के लिए निर्यातकों परिषद ने अध्यक्षता के विभिन्न क्षेत्रों का प्रतिनिधित्व करने वाली 18 क्षेत्रीय समूहों का गठन किया है। (सीआईटी) के अध्यक्ष प्रदीप बोरसहानी अध्यक्ष समूह के सह-संयोजक बनाए गए हैं। इसी तरह ही अन्य क्षेत्रों को भी प्रतिनिधित्व के लिए समूहों का गठन किया जा रहा है।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

ईपीसीएच ने राजस्व सचिव के सामने रखा इंडस्ट्री का दर्द

ईपीसीएच ने राजस्व सचिव के सामने रखा इंडस्ट्री का दर्द। इंडस्ट्री के प्रतिनिधियों ने राजस्व सचिव के सामने इंडस्ट्री का दर्द रखा।



ईपीसीएच के प्रतिनिधियों ने राजस्व सचिव के सामने इंडस्ट्री का दर्द रखा।

सैंपल देख घंटा-घंटी का फर्क समझेंगे वाणिज्य सचिव

सैंपल देख घंटा-घंटी का फर्क समझेंगे वाणिज्य सचिव। वाणिज्य सचिव ने सैंपल देख घंटा-घंटी का फर्क समझेंगे।



वाणिज्य सचिव ने सैंपल देख घंटा-घंटी का फर्क समझेंगे।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

ईपीसीएच ने हस्तशिल्प क्षेत्र में जीएसटी का मुद्दा उठाया

ईपीसीएच ने हस्तशिल्प क्षेत्र में जीएसटी का मुद्दा उठाया। इंडस्ट्री के प्रतिनिधियों ने हस्तशिल्प क्षेत्र में जीएसटी का मुद्दा उठाया।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

हैंड्रीक्राफ्ट जॉब वर्क पर जीएसटी पांच फीसदी करने की कवायद

हैंड्रीक्राफ्ट जॉब वर्क पर जीएसटी पांच फीसदी करने की कवायद। इंडस्ट्री के प्रतिनिधियों ने हैंड्रीक्राफ्ट जॉब वर्क पर जीएसटी पांच फीसदी करने की कवायद।



इंडस्ट्री के प्रतिनिधियों ने हैंड्रीक्राफ्ट जॉब वर्क पर जीएसटी पांच फीसदी करने की कवायद।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

रिफंड के लिए 'प्रभु' का दरवाजा खटखटाएंगे निर्यातक

रिफंड के लिए 'प्रभु' का दरवाजा खटखटाएंगे निर्यातक। निर्यातकों ने रिफंड के लिए 'प्रभु' का दरवाजा खटखटाएंगे।



निर्यातकों ने रिफंड के लिए 'प्रभु' का दरवाजा खटखटाएंगे।



इंडस्ट्री के प्रतिनिधियों ने हैंड्रीक्राफ्ट जॉब वर्क पर जीएसटी पांच फीसदी करने की कवायद।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

एसईजेड से निर्यात में आई जीएसटी की बाधा

एसईजेड से निर्यात में आई जीएसटी की बाधा। इंडस्ट्री के प्रतिनिधियों ने एसईजेड से निर्यात में आई जीएसटी की बाधा।



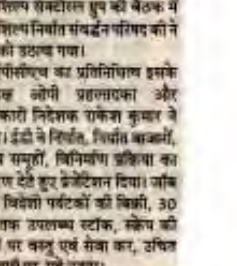
इंडस्ट्री के प्रतिनिधियों ने एसईजेड से निर्यात में आई जीएसटी की बाधा।

अमर उजाला

मुद्राबाजार
बुधवार, 26 फ़रवरी 2017

जीएसटी परिषद में ईपीसीएच ने उठाए मुद्दे

जीएसटी परिषद में ईपीसीएच ने उठाए मुद्दे। जीएसटी परिषद में ईपीसीएच ने उठाए मुद्दे।

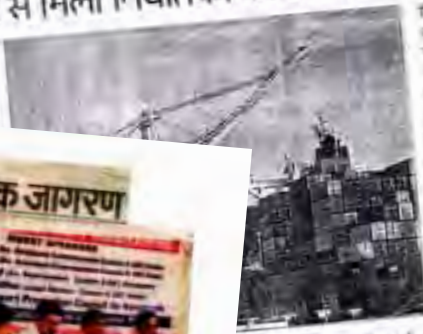


जीएसटी परिषद में ईपीसीएच ने उठाए मुद्दे।

अब निर्यात के लिए नहीं भरना होगा आईजीएसटी

सीबीईसी से मिली निर्यातकों को राहत, लेटर ऑफ अंडरटेकिंग दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

आगरा उजाला धारा
नई दिल्ली



निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

ओपन हाउस आयोजित

ओपन हाउस आयोजित

किताब महत्वपूर्ण है हस्तशिल्प निर्यात

किताब महत्वपूर्ण है हस्तशिल्प निर्यात



निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को बताए जीएसटी के फायदे

निर्यातकों को बताए जीएसटी के फायदे

बढ़ते कच्चे तेल की वृद्धि से निर्यात

बढ़ते कच्चे तेल की वृद्धि से निर्यात

विकास एजेंडा को आगे बढ़ाने के लिए सत्रों के मुख्य सचिवों के साथ मोदी की बैठक

विकास एजेंडा को आगे बढ़ाने के लिए सत्रों के मुख्य सचिवों के साथ मोदी की बैठक

जीएसटी में निर्यातकों की समस्याओं के समाधान के लिए खुला दरबार आयोजित

जीएसटी में निर्यातकों की समस्याओं के समाधान के लिए खुला दरबार आयोजित



निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यात जीरो टैक्स पर रहेगा

निर्यात जीरो टैक्स पर रहेगा



श्री करुणाम अधिकारी काता विमान लम्बर कर रहे काम

श्री करुणाम अधिकारी काता विमान लम्बर कर रहे काम

पेज-1 का अंश

पेज-1 का अंश



निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

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निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड

निर्यातकों को राहत दे कर कर सकेंगे निर्यात छोटे निर्यातकों को देना होगा बांड



**I am My Craft
My Work is My Identity**

**I Preserve and Portray
My Culture & Heritage**

Unburden Me