



NATIONAL FEDERATION OF COOPERATIVE SUGAR FACTORIES LTD.

राष्ट्रीय सहकारी शक्कर कारखाना संघ लिमिटेड

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PRESS NOTE ON GST

New Delhi, June 9 :

Suggesting to get ready for the GST regime and prepare for a transition road map, the President of National Federation of Cooperative Sugar Factories, Mr. Dilip Walse Patil, said the cooperative sugar factories across India will have to understand the GST policy, its implementation and preparation for a transition road map.

The National Federation of Cooperative Sugar Factories (NFCSF) is an apex body representing 262 cooperative sugar mills and nine state cooperative sugar federation.

“The government of India has enacted for GST Bills on April 12, 2017. Tax payers needs to be GST complaint to be able to test system changes in time, depending on operating geographies, size and sector. The changes would be substantial and may require planning with time bound action plan. In order to prepare for implementation of the GST, cooperative sugar factories across India need to understand the GST policy development, its implementation scenario and transition road map preparation,” Mr. Walse Patil said.

The sugar factories will have to understand the impact of GST Bills on its business, prepare different scenario for design and application of the GST, identify area of adverse impact and prepare contingency measures and identify issues and concern that require representation to authorities for effective implementation, he explained while suggesting them to track continuously of policy development with regard to the GST.

The GST will impact on Sugar (excise duty, sugar cess, octroi, VAT\sales tax), Molasses (excise duty at Rs 750 per tonne, administrative charges, VAT, sales tax, octroi), Bagasse (excise duty, if any, VAT, sales tax, octroi), Press Mud (excise duty, if any, VAT, sales tax, octroi), Sugarcane (purchase tax, entry tax, service tax on cane transportation and any other tax), Packing material, chemicals, repair maintenance and purchase of capital items (excise duty, VAT, sales tax, octroi and other state taxes), Contract jobs for repairs and maintenance, civil and others (service tax, works contract tax, other taxes levied by state government), Mr. Walse Patil further pointed out.

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But the GST will be charged on sugar in place of excise duty, sugar cess, octroi etc and on Molasses, Bagasse in place of existing taxes. The GST paid on all services will be available for credit (partial or present) but it will not be charged on imports of raw and white sugar and others. In fact these are the major salient points of GST scenario in India's sugar sector, he said.

Sugar factories are expected to attain some saving on cane cost besides increased credit available on inputs and services such as GST on transportation, subscription, financial services, hotels and restaurant services.

On April 12, 2017, the union government has enacted four GST Bills that include Central GST, Integrated GST, Union Territory GST and Bill to Compensate States. While most of the states have passed the State GST law in their respective states assemblies, the others are expected to do it by the end of June 2017. The GST Council meeting on June 11, will take up pending matters including certain representations received on the current schedule of rates and finalisation of pending GST Rules.

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