

# INDIAN HOME & PERSONAL CARE INDUSTRY ASSOCIATION



CIN : U91100MH2011NPL217250  
(Registration u/s 25(l) (a) & (b) of Indian Companies Act, 1956)



12<sup>th</sup> June, 2017

Shri Arun Jaitley,  
Hon'ble Minister of Finance & Corporate Affairs,  
Government of India,  
North Block,  
New Delhi-110001

**Request for increasing Refund of CGST Component from 60% to 100% on Closing Stock on 30.06.2017 (GST Transition date) in case of Packaged Products of FMCG Industry governed by printed MRP under Legal Metrology Regulations.**

**Closing Stocks Subjected to Unintended Double Taxation.**

**No Revenue Loss to the Government.**

Respected Sir,

1. **Packaged products** of FMCG Industry, **governed by Legal Metrology Laws, have to print MRP** (Maximum Retail Price) on each pack. Therefore, such packaged FMCG products **can not be sold for a price higher than MRP** printed on the pack.
2. Such packaged products of FMCG shall be cleared in Pre GST period upto 30.06.2017 from the factories after payment of Central Excise duty. However due to logistics compulsions, these products are not necessarily sold from a factory directly to the customer and have to be routed through multiple depots/ C & F agents etc. Due to this reason, the Central Excise Duty paid Document/Invoice may not be available with distributors / Trade.

**However, Central Government has already collected the due Central Excise Duty on these products cleared in the Pre GST period upto 30.06.2017.**

3. Such trade, if given a refund of only 60% can neither afford to suffer this loss of 40% on the Sale of products **nor is it in a position to charge this 40% additional CGST burden to its customers as the products are having a fixed end price by virtue of the MRP printed on the pack.**

Therefore, **such closing stock on 30.06.2017 of packaged FMCG products bearing fixed MRP deserves at least 100% credit of the CGST component deposited by them on sale post GST implementation.**

4. **There is no revenue loss to the Government as Government has already collected Central Excise Duty prior to 30.06.2017** which is now called in different term i.e. CGST.

**If only 60% refund is given on such Closing Stock, the Government will end up collecting Double Tax on the same Stock i.e. once as Central Excise in the Pre GST period and 2<sup>nd</sup> 40% non refunded CGST in the Post GST period.**

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We humbly request you to consider our merit based request and confirm refund of 100% CGST paid on closing stock as on 30.06.2017 at the earliest.

Thanking you,

Yours Faithfully,,

**For Indian Home & Personal Care Industry Association**

**Prasad Neginhal**  
**Convenor of Policy & Planning**

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