

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.3539

TO BE ANSWERED ON MONDAY THE 15th JULY, 2019
ASHADHA 24, 1941 (SAKA)

GST ON PERFUMES

3539. SHRI SUBRAT PATHAK:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to reduce the hiked Goods and Services Tax(GST) rates on perfume industry established as cottage industry in the Kannauj district of Uttar Pradesh;

(b) if so, the details thereof;

(c) whether the Government proposes to provide any incentives to the businessmen engaged in scent industry of Kannauj on its import-export;

(d) if so, the details thereof; and

(e) if not, the time by which such incentives are likely to be provided?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) & (b): Cottage industries are entitled to threshold bound exemption if their turnover is less than Rs. 40 lakhs in a financial year. Further, units having turnover up to 1.5crore are entitled to composition scheme wherein tax is prescribed at the rate of 1% of the turnover. Further, the GST rate on perfume has been reduced on the recommendation of the GST Council from 28% to 18% with effect from 14.11.2017.

(c), (d) and (e): To provide level playing field to the domestic industry, Basic customs duty on perfumes was increased from 10% to 20% in the budget 2018-19. Exports are zero rated and accordingly, tax suffered on inputs are rebated to the exporter. Further, drawback is also provided in lieu of import duty on inputs. Besides exports incentive is also allowed under Merchandise Exports from India Scheme (MEIS) on export of scent.
