

# **GST HEADLINES**

## **January 25, 2017**

### **Biscuit-Makers Demand Exemption FROM GST**

*[Source: Business Line]*

### **KDK Softwares Launches Helpline to Resolve GST-Related Queries**

*[Source: The Economic Times]*

# Biscuit-Makers Demand Exemption from GST



The ₹36,000-crore Indian biscuit industry, on Tuesday, demanded complete waiver of Good and Services Tax (GST) on Low Price-High Nutrition (LPHN) biscuits priced under a maximum retail price of ₹100 a kg.

“LPHN biscuits are the only hygienically produced and affordable snack sold in small packs retailing at ₹2-5. Consumed mainly by the low-income group, any increase in price of LPHN biscuits causes a direct reduction in demand,” said Mayank Shah, Vice-President and spokesperson of the Biscuit Manufacturers’ Welfare Association.

He said while there is a 62 per cent weighted average hike in input costs (maida, sugar and vegetable oil) over the last decade, the biscuit manufacturers have been unable to increase their realisation pro-rata.

Glucose biscuits offer consumers 72 kilo calories/ per rupee (Kcal/re) compared to 55 by bread, 18 by potato chips and 29 by *namkeens*.

All three enjoy concessional rate of taxes. A 70 gram pack of glucose biscuits which retails at ₹5 offers 315 Kcal, which is about 16 per cent of the daily dietary recommendation of the government.

Last year, the biscuit industry procured agriculture produce of over ₹13,300 crore. Sugar prices have more than doubled in the last decade and the current wheat flour and vegetable oil prices make net margins on LPHN biscuits reduced to just 3 per cent.

Fear of the advent of negative margins phase forces manufacturers to curtail production leaving demand unsatiated. Glucose biscuits retailing at ₹70 a kg today attract net taxes of ₹7.21 which is higher than the value addition earned by the industry (₹7.01).

### **Premium category**

“The government may tax premium biscuits as they deem fit. We are a highly compliant industry with last annual contribution to the exchequer at ₹3,075 crore. However, on behalf of over 600 manufacturers of LPHN biscuits retailed at up to MRP of ₹100 a kg, I urge the GST Council to completely exempt the LPHN biscuits,” Shah added.

(Available at: <http://www.thehindubusinessline.com/economy/gst-biscuit-makers/article9500131.ece>)

# KDK Softwares launches helpline to resolve GST-related queries

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*The company said it has received over 10,000 calls with most of the callers inquiring about the new tax regime whether it will be beneficial for small businesses.*

JAIPUR: Ahead of the Union [Budget](#), city-based tax solutions provider [KDK Softwares](#) has launched a toll-free number to resolve GST-related queries.

The company, which launched its 'GST Helpline' service recently, said it has received over 10,000 calls with most of the callers inquiring about the new tax regime whether it will be beneficial for small businesses.

"Over 70 per cent calls received by the helpline had a single concern on GST rates and whether this will be a beneficial tax structure to small businesses," KDK Softwares CEO Mohit Bhambhani said here.

Queries of over ten thousands callers were studied, he said.

"About 80 per cent calls received were from the organisation having a business turnover below Rs 1 crore. Most of them were worried on the GST rates and how it will be levied on supply in case a company is supplying products directly to the end customers," he added.

With the recent demonetisation and upcoming GST regime, SMEs and startups are facing very challenging economic environment in addition to their experience of several highs and lows during the past five years, the CEO said.

But at the same time, understanding the importance of the SME sector, the central government has re-implemented Public Procurement Policy and also launched [Make in India](#), Startup India and Skill India campaigns to promote the sector, he noted.

The company said its national toll-free helpline number 1800 103 9271 is available in 6 languages - English, Hindi, Gujarati, Marathi, Kannada and Malayalam.

(Available at: <http://economictimes.indiatimes.com/wealth/personal-finance-news/kdk-softwares-launches-helpline-to-resolve-gst-related-queries/articleshow/56753010.cms>)

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