

July 1, 2017

RE: GST implemented in India 2017

Dear Customer,

Government of India has implemented Goods and Service Tax (GST) in India effective from 01/07/2017 (Today).

All indirect taxes (Service tax, Customs duty, Excise duty, VAT, entry tax, all types of Cess etc.) has been merged and made it as one tax (GST) for entire India.

The implications of GST as follows.

1. Export ocean freight when it is prepaid in India is subject to service tax @ 5 %.
2. Import ocean freight when it is collect in India is subject to service tax @ 5 %.
3. Empty repo if any from India, freight charges subject to 5.00 % tax rate and other charges subject to 18.00 % tax rate.
4. GST on other import and export local charges will be subject to @ 18 % tax rate. The earlier tax rate was 15.00 % service tax now changed as 18.00 %.
5. GST on all depot handling charges will be subject to 18 % tax.
6. Repair charges – Current billing is (Material + Labour charges + VAT on material) x 15 % service tax. It will be changed as (Material + Labour charges) x 18 %. VAT (Value added tax) on material no more applicable.
7. Subject to Rupee Depreciation Surcharge (RDS) of 26% on Post Landing Charges

Please be guided accordingly. We will keep you updated on the changes if any.