

**EXPORT PROMOTION COUNCIL FOR HANDICRAFTS****"EPCH HOUSE" POCKET 6 & 7, SECTOR - C, L.S.C., VASANT KUNJ, NEW DELHI-110 070**

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July 18, 2017

Shri Arun Jaitley
Hon'ble Union Minister of Finance
Ministry of Finance
North Block,
New Delhi - 110001

Sub :- Condition of eligibility of issuance of LUT-reg

Hon'ble Sir,

This is further to Notification No. 16/2017-Central Tax dated 7th July 2017 regarding submission of LUT in place of BOND, we would like to draw your attention towards the fact that Handicrafts sector is an unorganised cottage sector of the Indian Economy with majority of exporters having export turnover of less than Rs. 10 crores.

As per the above mentioned Notification, one of the conditions for eligibility of LUT is :

"who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year"

The above notification seem to be ambiguous and in contravention with the condition applicable for status holders (para 3.21 to be read with para 3.22 of FTP 2015-20).

Keeping in view the export turnover of Handicraft exporters, the majority of Handicrafts exporters are unable to fulfil the abovementioned conditions. You are requested to kindly consider decreasing the export turnover limit of Rs. 10 crore to Rs.1crore specifically for exporters representing unorganised sectors like Handicrafts.

We understand that the intention of the Department of Revenue is not to exclude a large number of exporters from the unorganized sector hence a suitable amendment to the notification may kindly be issued.

Your kind consideration in the matter would help the Handicraft exporter and facilitate exports of Handicrafts.

Thanks and Regards

Yours faithfully,

(O. P. Prahladka)
Chairman