





Customer is not dependent on us,
We are dependent on him.
He is not an interruption on our work,
He is the purpose of it.
He is not an outsider to our business,
He is a part of it.
We are not doing him a favour
by serving him,
He is doing us a favour by giving us
An opportunity to do so.

Mahatma Gandhi

**THIS
MONTH
4U**

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Date	Payments / Returns
5	State Excise Act Returns in Form RT-1 / RT-2 for July
6	Excise E- Payments for July (w.r.t. products not covered under GST)
7	1. Payment of Salary / Wages If employees <1000 2. TDS Payments for July
10	1. Payment of Salary / Wages If employees > 1000 2. ER-1 / ER-2 Returns for July (w.r.t. products not covered under GST)
11	Monthly GSTR-1 for July 18
15	1. Independence Day 2. PF Payment Cum Return in Form ECR for July 3. Payment of Water Cess in Form-I for July 4. ESIC Payments for July
20	1. GSTR-3B for July, 2018
30	1. Monthly Profession Tax Payment-cum-return in Form IIIB (having payment more than Rs. 50,000/-) for July 2. Annexure-19 under Central Excise - Proof of Exports for June
31	1. SEBI Act-quarterly BSE -Finance Result Submission - April to June 2. Revised ER-1, ER-2 (w.r.t. products not covered under GST)



FROM THE DESK OF THE CHAIRMAN

The Dalai Lama says that Mahatma Gandhi wanted Mohamed Ali Jinnah as the first Prime Minister of undivided India but Pandit Nehru balked at the proposal. This could be true and coming, as it does, from the Dalai Lama it must be. It is not surprising that the Mahatma made this proposal considering the extent to which he was willing to go to keep the nation united. With the benefit of hindsight let me do some idle speculations on what could have happened if Gandhi's wishes had come true. It may be safe to assume that the violent convulsions associated with the Partition could have been avoided if the nation had stayed as one geographical entity. The families at the border areas who migrated on either side would have been spared the emotional trauma and economic distress. The amount of money spent on military post Independence would have found its way to developmental activities. So much for the benefits. How about the flip side? A compromise is after all a compromise and every compromise rests on the shaky foundations of sacrifice and often bitterness. It would be an idle, if interesting, pastime to look at what could be the situation in India both at the West and the Eastern borders of our country a full half century later. It may be logical to assume that the whole of today's Pakistan would have been in turmoil a la Kashmir. As Jinnah passed away within a year of Independence Nehru or someone representing the majority from the Indian National Congress would have taken over the stewardship of the country. Having offered the Muslim League the first shot at power it would have turned out to be a case of moral self-licensing thereafter for the majority community. I had written about the construct of moral self-licensing in one of the earlier editions of Update. Moral Licensing posits that when a favoured group or a majority group does an act of generosity towards an outsider or a minority in this case, it doesn't necessarily signal that more of such generosity would

follow. By showing the first act of generosity the favoured group give themselves a license to go back to their old ways. Even today we see signs of how people act in ethically questionable ways without feeling unethical in any way. One can only imagine where this would have led us to and its consequences.

The more we practice the principles of corporate governance, the more refined we become in the committing of infringements on this front. As the clichéd saying goes more we change, more we remain the same. There is a reason for making this statement here and now. Last month the Cabinet allowed the Life Insurance Corporation to take over control of IDBI Bank. Beneath the veneer of this generous gesture on the part of LIC there lies a serious infraction of governance principles. Granted that the Bank desperately needs recapitalization that is difficult to come by. Given also that the Bank cannot be allowed to sink in public interest. A noble cause cannot be an excuse to take liberties with corporate ethical practices. Core competencies of LIC to run a bank especially from a back seat apart, it is not rocket science to figure out how the money to give a helping hand to this ailing bank is getting raised. LIC has made the policy holders the scape goats. More importantly it is being done without their explicit or implicit consent. How do you justify that? At one level this is exactly the kind of situation that was sought to be addressed by the recently shelved Financial Resolution and Deposit Insurance Bill 2017. How on earth a government of all entities talk with a forked tongue? The Board of Directors of state run organisation may not be that powerful to take on the government of the day. The Boards of the private sector companies have done no better. Take the case of ICICI Bank, for instance. Close on the heels of the Bank's CEO being caught with all her fingers in the cookie jar, here comes the news that the Bank did not disclose the change in the accounting

practice that helped it to understate the non-performing assets for the previous year. We Indians are wired differently with a feudal mindset that overlooks the transgressions of those in power without feeling a sense of guilt when it comes to our masters.

I do not recall in recent times any incident resembling the horrors that came to light in the shelter home in Muzaffarpur in Bihar. This has shaken the collective conscience of the nation like no other. When protectors themselves become perpetrators it is the end of the road even for normal able-bodied citizens. The Supreme Court took suo moto cognizance of what had happened in the Bihar House of Horror and rapped the state government. People are asking how something like this can happen so blatantly in today's India. But there was no one who was held accountable. But now here comes the news that the Minister in charge of social welfare under whose watch the horrors were perpetrated in the shelter home has resigned, albeit reluctantly. That is not news. She did not resign for full two weeks since the news of rapes of inmates came to light. The minister would not have resigned even now, owning constructive responsibility for what happened in the shelter home but for the fact that her husband was seen to be involved with the suspect in this case. What a depraved society we have become.

Sometimes you wonder what kind of a country we are. On the one hand we are the most dangerous country for women as per an international report. On the other hand if you look at a recent survey of democracies across the globe, India has a pride of place for being a fully functioning democratic nation alongside the European countries and the United States. By the way, there are only a handful of them left now as per the survey. With the rise of muscular authoritarian leaders around the world, more and more are becoming totalitarian. Ironically, even this transition is taking place through democratic processes. Take the case of Russia or for that matter Turkey, just to quote two recent instances. Vladimir Putin or Tayyip Erdogan were voted to power in these two countries through democratic elections. Increasingly democratic processes are being used to legitimise the ascension to power by despotic leaders. Yet another dark side of democracy. The world is round. That we all know. The day may not be far when we would all go back to the era of kingdoms, empires and monarchies. India would

be ready and prepared when that happens with our experience of one-family rules and dynastic successions!

There are times when it becomes difficult to take a stand on certain issues even if they are of paramount importance. One such issue came up recently when Jio Institute was recognised as an Institution of Eminence. This announcement would have been dismissed as ludicrous, if it had not been serious. Getting an eminence tag for a university that does not even exist is inconceivable, to say the least. It smacks of cronyism of the first order. Yet Reliance has pulled off the impossible. I am not going down the road to speculate on how it managed to get this prestigious tag with its associated glory. Indians by now have got used to the wonders that money and influence can do in the corporate world and outside. My limited point here is what may look not right may be correct after all. The entire University systems and processes in India are based on validated ground realities, that too multiple times. Hence any tag to a University that is yet to be set up is not correct. But hold on. The education sector in India is in an absolute mess. Our future is in peril. Let us make no mistake about what a resourceful corporate house can do for the education system in India. If you are ready not to be judgmental, you will readily agree that Reliance with its enormous resources will usher in a new era. They have a track record to prove. Wherever the group has entered it has revolutionised that sector - from petroleum to telecom to football. We already have the likes of BITS and Manipal to buttress the point on what the private sector can do. It is certain that Jio would compete with the likes of Harvard or Oxford. Now it is not about the what Jio can do; but about what criteria we adopt to exercise a judgment about Reliance. In a country that is deeply suspicious of corporate practices with absolutely no of trust in the political establishment coupled with our hangover of socialistic past, we need to take a call about our own mindset first. Easier said than done.

If you tell someone that Pakistan has a new Prime Minister the first reaction would be - tell me something new. But something new may be brewing in Pakistani establishment. With a Johnny-come-lately type of politician who made his name as a flamboyant cricketer with little experience in politics and governance, things

are set to change in Pakistan. What direction Imran Khan's government would take is anybody's guess. Let us not judge him based on his cricketing triumphs nor prejudice him for his lack of knowledge of politics. We all know a cricketer can become a politician; but a politician cannot become a cricketer. One impressionistic view that I got when he appeared on TV after the election results was that he is, at one level, all about himself in the Trump-mould that all of us are now familiar with. Every time a new PM has assumed office at Islamabad analysts have always rushed to project a rosy picture of how our relations with our neighbor is going to shape up. Every time in the past they have flattered to deceive. To know more about the man who will rule Pakistan, about whose plans no one knows anything about, watch this space.

Indra Nooyi, the CEO of Pepsi is hanging her boots after a distinguished 12-year stint at the helm. Whatever be the reason for her exit, it is an undeniable fact that she has left a legacy that would make every corporate honcho proud. For us Indians, there is this special connect with her. She being Indian, is only part of that connect. She remained the quintessential Indian woman who brought her personal value systems rooted in tradition to the multinational company that she led. The biggest contribution that she made for

her country of origin is that you could be Oriental in thought but Western in outlook at the same time. For those who are in the race to marry these two paradigms, she will always remain an inspiration.

When the mortal remains of Kalaingar Karunanidhi, the DMK patriarch was buried at the Marina in Chennai it symbolised the passing away of the champion of an idea that has already lost its relevance in Tamil Nadu. When started off, the Dravidian movement had the twin objectives of undoing the Brahmin hegemony that had a stranglehold on the government apparatus in Tamil Nadu and to oppose the domination of the North of India over the South. During the initial years the Party opposed anything North Indian including their language, viz., Hindi. They were all atheists in public and believers in private. The unraveling of their ideologies followed and how. The splinter group the AIADMK came to be led by a Brahmin lady from Karnataka after MGR who hailed from Kerala. That was some change for a chauvinistic Party like the DMK. Towards the end the DMK patriarch himself was seen making his rounds of the temples in Tamil Nadu. Now God will give him the peace mind that he has been seeking during these temple rounds.

Thank you.

Venkat R. Venkitachalam



What's New...!!

GOODS AND SERVICE TAX:

Anti-profiteering. **[Notification 29/2018 Central Tax dt. 06-07-2018]**

CENTRAL TAX:

Notifications:

- FORM GSTR-6 (monthly return of Input Service Distributer) for the months of July, 2017 to August, 2018 has been extended till the 30th day of September, 2018. **[Notification No. 30/2018-Central Tax dt. 30-07-2018]**
- Directorate General of Safeguards has been re-designated as Director General of

Central Tax Rate

- Detailed analysis of Central Tax Rate notifications please refer Article on **"Solutions by GST Council"**

Compensation Cess

- The notification seeks to amend Notification No.1/2017- Compensation Cess (Rate) effectively amending rate of compensation cess on specified products.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
41A	Coal rejects from Coal.	Coal rejects supplied by a coal washery, arising out of coal on which compensation cess has been paid and no input tax credit thereof has not been availed by any person.	27	Rs.400 per tonne	0%	27th July 2018	As ITC of compensation cess was not availed, the cess payable was an additional cost to coal washeries. Now the same has been rectified.
42B	-	Fuel Cell Motor Vehicles	87	Multiple	0%	27th July 2018	To promote environment friendly vehicles, compensation cess on Fuel cell vehicles has been reduced to 0.

[Notification No. 2/2018 -Compensation Cess (Rate) dated 26th July 2018]

Circular

- GST rate applicable on catering services, i.e., supply of food or drink in a mess or canteen in an educational institute and GST rate on supply of food and/or drinks by the Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees, in trains or at platforms (static units) has been incorporated in in Sl. No. 7 (i) of the Notification No. 13/2018-Central Tax(Rate), dated 26.07.2018 amending the Notification No. 11/2017-Central Tax (Rate) dated 28th June 2017, therefore Circular No. 28/02/2018-GST, dated 08.01.2018 as amended vide Corrigendum dated 18.01.2018 and Order No 02/2018-Central

Tax dated 31.03.2018 is withdrawn w.e.f 27.07.2018. **[Circular No. 50/2018 dated 31st July 2018]**

- Services provided by private service providers to State Governments by way of transportation of patients against fee or other consideration would be exempt. **[Circular No. 51/2018 dated 31st July 2018]**

PRESS RELEASE:

- More than Rs.70, 000 crore of refunds of income tax have been issued to the taxpayers as a result of the special drive **[Press Release dated 04/07/2018]**

- Director of a company arrested for evasion of Service Tax **[Press Release dated 11/07/2018]**
- India becomes the Vice Chair of the Asia Pacific Region of World Customs Organisation (WCO) for a period of two years, from July, 2018 to June 2020 **[Press Release dated 15/07/2018]**
- Grievance Redressal Officers have been appointed by both Central and State Governments under the provisions of e-way bill rules for processing the complaints/information uploaded by taxpayers/transporters regarding detention of their vehicle. List of these Grievance Redressal Officers is available at - **[Press release dated 18.07.2018]**
- The Income-tax Department (ITD) has set-up 24 dedicated Benami Prohibition Units (BPU) across India for identifying the Benami Properties and taking effective action. **(Press Release dated 24/07/2018)**

CUSTOMS

Tariff

- The export duty has been reduced on export of Iron Ore by MMTCL Limited (only NMDC origin) to Japan and South Korea under the Long Term Agreement (LTA), from 30% to 10%, upto and inclusive of 31.03.2021. **[Notification No. 51/2018 dated 09.07.2018]**
- Exemption has been provided for various products required for handicraft sector including beads and glass pearls for embroidery and fashion jewellery, beading materials-synthetic / leather / fabric / cotton, chatons / crystals as decorative items etc. **[Notification No. 52/2018 dated 14.07.2018]**
- BCD rates on some textile goods have been amended.

ITCHS	Description	Existing Rate	New Rate
531010	All Goods	10%	20%
540752	All Goods	25% or Rs 38 per sq meter, whichever is higher";	20% or Rs 38 per sq meter, whichever is higher";
560130, 560311, 560312, 560314, 560392, 560394	All Goods	10%	20%
570190	All goods	10%	20%
570231	All goods	10%	20%
570241	All goods	10%	20%
570500	All goods	10%	20%
570242,570310,570320,570330,570390,570490	All goods	10%	20%
5903	All goods	10%	20%
591000	All goods	10%	20%
6004	All goods	10%	20%
610333, 610342, 610343	All goods	10%	20%
610443	All goods	20% or Rs. 255 per piece, whichever is higher";	20% or Rs. 255 per piece, whichever is higher";
61046200,61046300	All goods	10%	20%
610510	All goods	10% or Rs. 83 per piece, whichever is higher";	20% or Rs. 83 per piece, whichever is higher";

610620	All goods	10% or Rs. 25 per piece, whichever is higher";	20% or Rs. 25 per piece, whichever is higher";
610832	All goods	10%	20%
61091000, 610990, 611011, 61101200, 61101900	All goods	10% or Rs. 275 per piece, whichever is higher";	20% or Rs. 275 per piece, whichever is higher";
611120, 611190	All goods	10%	20%
611430, 611510, 611529, 611599, 611610, 611699, 611780, 611790	All goods	10%	20%
62019200	All goods	10% or Rs. 210 per piece, whichever is higher";	20% or Rs. 210 per piece, whichever is higher";
62031200	All goods	10% or Rs. 720 per piece, whichever is higher";	20% or Rs.720 per piece, whichever is higher";
62033100	All goods	10% or Rs. 815 per piece, whichever is higher";	20% or Rs.815 per piece, whichever is higher";
62033300	All goods	10% or Rs.320 per piece, whichever is higher";	20% or Rs.320 per piece, whichever is higher";
62034200	All goods	10% or Rs.135 per piece, whichever is higher";	20% or Rs.135 per piece, whichever is higher";
62034300	All goods	10% or Rs. 110 per piece, whichever is higher";	20% or Rs.110 per piece, whichever is higher";
620349	All goods	10% or Rs. 110 per piece, whichever is higher";	20% or Rs.110 per piece, whichever is higher";
62043300	All goods	10% or Rs. 500 per piece, whichever is higher";	20% or Rs.500 per piece, whichever is higher";
620442	All goods	10% or Rs. 116 per piece, whichever is higher";	20% or Rs.116 per piece, whichever is higher";

62046200	All goods	10% or Rs.135 per piece, whichever is higher";	20% or Rs.135 per piece, whichever is higher";
62046300	All goods	10%	20%
6205200	All goods	10% or Rs.85 per piece, whichever is higher";	20% or Rs.85 per piece, whichever is higher";
6205300	All goods	10% or Rs.120 per piece, whichever is higher";	20% or Rs.120 per piece, whichever is higher";
620590	All goods	10% or Rs.95 per piece, whichever is higher";	20% or Rs.95 per piece, whichever is higher";
620630	All goods	10% or Rs.95 per piece, whichever is higher";	20% or Rs.95 per piece, whichever is higher";
620640	All goods	10% or Rs.120 per piece, whichever is higher";	20% or Rs.120 per piece, whichever is higher";
621040	All goods	10% or Rs.65 per piece, whichever is higher";	20% or Rs.65 per piece, whichever is higher";
62105000	All goods	10% or Rs.65 per piece, whichever is higher";	20% or Rs.65 per piece, whichever is higher";
620443, 620444	All goods		20% or Rs. 145 per piece, whichever is higher";
620990	All goods		20%
621210, 621290	All goods		20% or Rs. 30 per piece, whichever is higher"
621710	All goods		20%
6310	All goods		20%

[Notification No. 53/2018 dated 16.07.2018]

- Exemption provided on import of used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials falling under chapter 6310 has been removed & these goods to be imported with BCD @ 20%. **[Notification No. 54/2018 dated 20.07.2018]**
- IGST calculated on the assessable value over and above the value (Pool in Price) at which Urea is sold by Department of Fertilizers to Fertilizer Marketing Entities on high sea sale basis has been exempted. **[Notification No. 55/2018 dated 26.07.2018]**

Non-Tariff

- Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement, (formerly known as the Bangkok Agreement) Rules, 2006 **[Notification No. 59 dated 30.06.2018]**
- Amendment in Levy of Fees (Customs Documents) Regulations, 1970: No fees shall be applicable in case of amendment in export manifest relating to shipping bills filed from 1st July 2017 to 30th June 2018 **[Notification No.64/2018 dated 27.07.2018]**
- Sea Cargo Manifest and Transshipment Regulations, 2018 shall come into force on 1st November, 2018 **[Notification No. 65/2018 dated 30.07.2018]**

Safeguard Duty

- Safeguard duty on imports of 'Solar Cells, whether or not assembled in modules or panels' falling under heading 8541 has been imposed for a period of two years. **[Notification No. 01/2018 dated 30.07.2018]**

Anti-Dumping duty

- Anti-dumping duty has been imposed on imports of "High Tenacity Polyester Yarn(HTPY)" from China PR. **[Notification No.35/2018 dated 9.07.2018]**
- Anti-dumping duty has been imposed on the imports of "Grinding Media Balls" (excluding Forged Grinding Media Balls) originating in or exported from China PR and Thailand. **[Notification No.36/2018 dated 13.07.2018]**

Circulars

- Help Desks shall be set up for a period of 2 weeks till 1st August,2018 at the offices of FIEO and AEPC for expeditious resolution of IGST refund related issues. The officers deputed at Help Desks would inform the exporters about the documents required, if any, and guide them to resolve the errors. The exporters can provide details related to any port of export at the Help Desk near their location. **[Circular No. 21/2018 dated 18.07.2018]**
- Facility of rectification of shipping bill in case of IGST refund has been extended for shipping bill filed up to 30.06.2018. In some cases refund claim stuck up where exporter has mentioned PAN in shipping bill (Error: SB003) instead of GSTIN, in such cases undertaking needs to be submitted to the customs officer at the port of export. **[Circular No. 22/2018 dated 18.07.2018]**
- Establishing one to one correlation between the consignment of gold/silver/platinum imported and the export of jewellery is not required. Nominated agencies/exporters importing gold/ silver/ platinum under the scheme for 'Export Against Supply by Nominated Agencies' are required to maintain the accounts of duty free gold and domestically procured duty paid gold. **[Circular No. 23/2018 dated 23.07.2018]**
- From 1st October 2018 onwards RFID sealing is mandatory in case of movement of goods under warehousing bond. **[Circular No. 24/2018 dated 31.07.2018]**

MAHARASHTRA GST

Notification

- No E-way bill is required for movement of goods within the state of Maharashtra having value upto Rs. 1 Lakh. Further no Eway-bill shall be required for transportation of Hank, Yarn, Fabric and Garments. for a distance of upto fifty kilometers within the State of Maharashtra for the purpose of job work. **[Notification No. 14/2018 dated 29.06.2018]**

Circular

- Special campaign is conducted during 6th Aug

2018 till 10th Aug 2018 to resolves issues regarding GST migration pending cases. Such tax taxpayers are required to approach the jurisdictional Central Tax / State Tax nodal officers with required details. **[Trade Circular No. 18/2018 dated 31.07.2018]**

FOREIGN TRADE POLICY

Notification

- Import policy of fresh ginger from Nepal has been amended from restricted to free **[Notification No.16/2015-20 dated 2.07.2018]**
- Restriction on import of Peas classified under exim Code 0713 1000 is extended for further period up to 30th September 2018. **[Notification No. 15/2015-20 dated 2.07.2018]**
- List of SCOMET items specified in Appendix 3 to Schedule-2 of ITC (HS) Classification of Export and Import Items, 2018 has been amended. **[Notification No. 17/2015-2020 dated 3.7.2018]**
- Vishakhapatnam port has been enlisted as specified port for import of new vehicles. **[Notification No. 18/2015-2020 dated 12.7.2018]**
- Import of Oxytocin falling under chapter 2937 & 3004 has been prohibited. **[Notification No. 19/2015-2020 dated 12.7.2018]**
- Import of areca nut over & above CIF Rs. 251/- per KG is free & import of areca nut below CIF Rs.251/- is prohibited **[Notification No. 20/2015-2020 dated 25.07.2018]**
- Import of pepper over & above CIF Rs.500/- per KG is free & import of areca nut below CIF Rs.500/- is prohibited. Further import of pepper under Advance Authorization Scheme, imports by 100% EOU and units in SEZ are free and exempted from MIP conditions. **[Notification No. 21/2015-2020 dated 25.07.2018]**
- Export through courier / post is allowed upto Rs. 5,00,000/- per consignment. Entitlement of MEIS for courier/post has been increased up to Rs. 500000/- per consignment from earlier limit of Rs. 25000/- per consignment. Further MEIS for courier / post export shall be available on exports made from any ports of exports. **[Notification No. 22/2015-2020 dated 26.07.2018]**

- Import of Urea for industrial / non-agricultural / technical grade shall be free with Actual User condition. **[Notification No. 23/2015-2020 dated 25.07.2018]**

Public Notice

- Application for certificate to the effect that No incentive under MEIS has been taken for re-import shipments to be applied in form ANF3E. Format for the same has been specified and format of "No Incentive Certificate under MEIS" in Appendix 3F has been specified. **[Public Notice No. 17/2015-2020 dated 03.07.2018]**
- Export Authorization for categories of 0 and 6 of SCOMET List shall not be allowed. **[Public Notice No. 19/2015-2020 dated 03.07.2018]**
- The scope of authorization for SCOMET items for repeat orders has been widened. The authorization for SCOMET item for repeat orders for export to the same country /entities shall be allowed. **[Public Notice No. 20/2015-2020 dated 12.07.2018]**
- The MEIS benefit for 'Bengal-Gram' under ITC (HS) code 07132020 available upto 20.06.2018 has been extended for exports upto 20.09.2018. **[Public Notice No. 22/2015-2020 dated 13.07.2018]**
- Milk and dairy products have been added in the MEIS Appendix 3B at the rate of 10% for exports made during the period from 13.07.2018 to 12.01.2019. Further MEIS rate has been enhanced upto 5% on export of onion and for oil cake MEIS rate has been enhanced upto 10% for exports made during the period from 13.07.2018 to 12.01.2019. **[Public Notice No. 23/2015-2020 dated 13.07.2018]**
- List of all items mentioned in the Appendix 3A (List of items not allowed for import under Export From India Schemes under Chapter 3) of MEIS has been removed. In short duty credit scrip are allowed to be debited for import of such specified agricultural products etc. **[Public Notice No. 24/2015-2020 dated 26.07.2018]**
- Panipat has been notified as a town of export excellence for carpets, other textile, floor

coverings and bed linen. **[Public Notice No. 25/2015-2020 dated 27.07.2018]**

Policy Circular

- Exporters can submit any copy of shipping bill i.e. exporter copy/EP copy/CHA copy/ Exchange Control Copy along with application for EODC in ANF-4F where exports are made on or after 23.11.2016. **[Policy Circular No. 9 dated 09.07.2018]**
- EODC shall be issued on the basis of following documents/information
 1. Exporters are required to declare the input quantities used in export product in shipping bill.
 2. An accountability statement showing description and quantity of product exported and inputs consumed therein shall be provided.
 3. Further a certificate from Chartered Engineer certifying the actual usage of imported inputs for manufacturing of resultant product needs to be provided. The Chartered Engineer also needs to certify the quantity exported and item wise quantities of inputs consumed.

All these details shall also be required for all pending EODC.

[Policy Circular No. 10/2018-19 dated 13.07.2018]

- Deemed export benefits for supplies to the projects funded by organizations such as Japan International Co-operational Agency (JICA) etc has been granted for supplies made upto 31.3.2015. Supplies to the projects funded by JICA were eligible for ab-initio exemption from payment of terminal excise duty under para 8.3 (c) of FTP, 2009-14, however exemption for supplies made JICA projects were not covered under relevant excise notifications. Such project was covered under ICB hence the applications for refund of TED in such cases were not considered by RA's. Therefore refund of Terminal Excise duty has been granted in respect of supplies made to projects funded by JICA etc. up to 31.3.2015 **[Policy Circular No. 11/2015-2020 dated 23.07.2018]**

Trade Notice

- E-com module for applying for SEIS based on ANF3B shall be activated from 01.09.2018 **[Trade Notice No. 22/2018 dated 30.07.2018]**
- Export Authorizations for SCOMET items would be issued by SCOMET Cell, DGFT (Hqrs). **[Trade Notice No. 20/2018 dated 06.07.2018]**

INCOME TAX

- Sec 115JH of Income Tax Act, 1961 has been amended for the provisions relating to computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax in respect of foreign company resident in India. **[Notification No. 29/2018 dated 22nd June 2018]**
- The Central Government has amended Double Taxation Avoidance Agreement (DTAA) and Prevention of fiscal evasion with respect to taxes on Income with THE GOVERNMENT OF THE REPUBLIC OF ARMENIA to replace the Article 26 for exchange of information among the two countries. **[Notification No. 30/2018 dated 5th July 2018]**
- The Central Board of Direct Taxes has amended the Income Tax Rules, 1962 with respect to rule 44E. **[Notification No. 31/2018 dated 13th July 2018]**
- The Central Government by the notification has notified that any interest income arising from
 - (a) In the case of India, the Export Import Bank of India and Life Insurance Corporation of India; and
 - (b) In the case of Qatar, the Qatar Investment Authority and Qatar Holding LLC.has been granted the tax exemption under said Article 11(3)(ii) from the date of reaching the mutual agreement between Government of the state of Qatar and Government of the Republic of India. **[Notification No. 32/2018 dated 17th July 2018]**
- The Central Board of Direct Taxes has amended

the Income Tax Rules, 1962 thereby adding the details as furnished in Goods and Service Tax is to be disclosed in Tax Audit Report conducted u/s 44AB of Income Tax Act, 1961. **[Notification No. 33/2018 dated 17th July 2018]**

COMPANY LAW

Notifications

- Amendments to Companies (Acceptance of Deposits) Rules, 2014 as under :

- Now a certificate of the statutory auditor of the company shall be attached in Form DPT-1 (form for Circular / Circular in the form of advertisement Inviting Deposits), stating that the company has not committed any default in the repayment of deposits or in the payment of interest on such deposits accepted either before or after the commencement of the Act and in case a company had committed a default in the repayment of deposits accepted either before or after the commencement of the Act or in the payment of interest on such deposits, a certificate of the statutory auditor of the company shall be attached in Form DPT-1, stating that the company had made good the default and a period of five years has lapsed since the date of making good the default as the case may be.
- Also the rule 5 for Manner and extent of deposit insurance is deleted.
- Proviso to Rule 13 stating for amount remaining deposited shall not at any time fall below 15% of the amount of deposits maturing until the end of the current financial year and next financial year is now replaced with 12% as under:

"Provided that the amount remaining deposited shall not at any time fall below twenty per cent. of the amount of deposits maturing during the financial year.";

[Notification No. G. S. R. 612(E) dated 5th July, 2018]

- Amendments in Companies (Authorized to Register) Rules, 2014 amended as under:

- Following terms defined:

"(h) "society" means a society registered under the Societies Registration Act, 1860 (21 of 1860) and includes a society registered under or deemed to be registered under any other law for the time being in force;

(i) "trust" means an irrevocable public charitable or religious trust registered under any law for the time being in force and represented by its trustees, in whom the trust property is vested, as members;

(j) "Registrar of Firms" means the Registrar appointed under section 57 of the Indian Partnership Act, 1932 (9 of 1932);

(k) "Registrar of Trusts" includes a Charity Commissioner, an Inspector-General of Registration or such other authority having the duty of registering trusts in a State."

- For registration of companies under Section 366 i.e. under provision of Chapter II of the Act relating to incorporation of company and matters incidental thereto now it is required that there shall be two or more members for the purposes of registration of a company under this sub-rule.

Provided further that a company with less than seven members shall register as a private company.

Earlier minimum seven or more members were required now only two or more members can register the company under section 366.

- Also prescribed the rules for the registration procedure with substitution of Form URC-1.

[Notification No. G. S. R. 613(E) dated 5th July, 2018]

- Now the time period for filing of Form CHG-4 for submission of Intimation of Satisfaction of Charge to ROC is increased to 300 days from 30 days from the date of payment / satisfaction of charge in full. Relevant rule is as under:

"8. "(1) A company or charge holder shall within a period of three hundred days from the date of the payment or satisfaction in full of any charge registered under Chapter VI, give intimation of the

same to the Registrar in Form No. CHG-4 along with the fee."

[Notification No. G. S. R. 614(E) dated 5th July, 2018]

- As per provisions of Rule 12A of Companies (Appointment & Qualification of Directors) Rule, 2014 now every individual who has been allotted DIN (Director Identification Number) needs to update KYC with central government vide filing of e-form DIR-3-KYCon or before 31st Aug 2018, otherwise the allotted DIN (Director Identification Number) will be de-activated immediately by central government.

The de-activated DIN, due to non-filing of KYC form before 31st Aug 2018, will be activated only after filing of KYC form with Fees of Rs.5,000/-.

[Notification No. G. S. R. 615(E) dated 5th July, 2018]

- FEES FOR FILING e- Form DIR-3 KYC under rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014.

i) Fee payable till the 30th April of every financial year in respect of e-form DIR-3 KYC as at the 31st March of immediate previous year.	NIL
ii) Fee payable (in delayed case).	Rs.5,000

For the current financial (2018-2019), no fee shall be chargeable till the 31st August, 2018 and fee of Rs.5,000 shall be payable on or after the 1st September, 2018"

[Notification No. G. S. R. 616(E) dated 5th July, 2018]

- Amendments in Companies Incorporation Rules as under:
 - Explanation w.r.t. Resident in India is modified as **"a person who has stayed in India for a period of not less than one hundred and eighty two days during the immediately preceding financial year."**
In earlier explanation **there was working as calendar year in place of financial year.**
Also explanation II added as ' for this rule, while counting the number of days of stay of a director in India for the FY 2018-19, any period of stay between 01.01.2018 till the date of this notification shall also be counted.

- While incorporation of company as per Rule 15 it is required to file an affidavit by each subscriber to the MOA and First Directors in Form INC-09. Now it is only the declaration instead of Affidavit.
The wordings "Affidavit" replaced simply with "Declaration"

[Notification No. G. S. R. (E) dated 27th July, 2018]

- Now Board's Report needs to disclose following additional information w.e.f. 31st July 2018:
 - (ix) a disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section(1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained,
 - (x) a statement that the company has complied with the provisions relating to Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013)
 - The disclosures as per provisions of Rule 8 including above are not applicable to OPC (One Person Company) and Small Company.
 - New Rule 8A inserted stating provisions for the matters to be included in Board's Report for OPC and Small Company as under:
 - (1) The Board's Report of OPC and Small Company shall be prepared based on the stand alone financial statement of the company, which shall be in abridged form and contain following:
 - a) The web address, if any, where annual return referred to in sub-section 3 of section 92 has been placed
 - b) Number of meetings of the Board,
 - c) Directors Responsibility Statement as referred to in sub-section (5) of section 134
 - d) Details in respect of frauds reported by the Auditors under section as of section 143 other than those which are reportable to the Central Government,
 - e) Explanations or comments by the Board

on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report,

- f) The state of the company's affairs,
 - g) The financial summary or highlights,
 - h) The material changes in the nature of business and its effect on the financial position of the company,
 - i) The details of directors who were appointed or have resigned during the year
 - j) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's future operations
- (2) The report of the board shall contain the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2.

[Notification No. G. S. R. (E) dated 31st July, 2018

Circulars

- No new circulars

Orders

- The Government constitutes a Committee to review the offences under the Companies Act, 2013 with Chairperson as Secretary, MCA. [MCA Order F. No.2/1/2018-CL.V dated 13th July 2018]

INSOLVENCY & BANKRUPTCY CODE

Notifications

- No new Notifications

Circulars

- Empanelment of Insolvency Professional Entities: An Insolvency Professional Entity (IPE) is recognized in accordance with regulation 12 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, only if "its sole objective is to provide support services to the insolvency professionals, who are its partners or directors, as the case may be". Thus, an IPE cannot provide any service to any person. It can provide only support services to

the insolvency professionals who are its partners or directors. Thus, the role of IPE is clearly specified.

Section 206 of the Insolvency and Bankruptcy Code, 2016 (Code) prohibits a person from rendering services as insolvency professional (IP) unless he is: (a) enrolled as a member of an Insolvency Professional Agency (IPA), and (b) registered with the Insolvency and Bankruptcy Board of India (IBBI). Thus, no person other than a person registered as an IP with the IBBI can render services as an IP. An IPE is neither enrolled as a member of an IPA nor registered as an IP with the IBBI. It cannot act as IP under the Code.

It has been observed that a few market participants are seeking empanelment of IPEs and a few IPEs are seeking empanelment with market participants. Given the role of an IPE, the IPEs are directed to refrain from seeking empanelment with or joining any panel of any market participant. **[Circular No. IBBI/IPE/014/2018 dated 6th July 2018]**

- Appointment of Authorised Representative for Classes of Creditors under section 21 (6A) (b) of the Insolvency and Bankruptcy Code, 2016 : It is clarified that wherever the approval of resolution plan under regulation 39 (3) of the Regulations is at least 15 days away, the resolution professional shall expeditiously obtain, by electronic means, the choice of the insolvency professional from creditors in a class to act as the authorized representative of the class and proceed further in the manner as specified in regulation 16A of the Regulations. **[Circular No. IBBI/CIRP/015/2018 dated 13th July 2018]**

Regulations

- No New Regulations

FEMA /RBI

Notifications

- No New Notifications

Circulars

- No New Circulars

**CBEC Notified Exchange Rate for Conversion of Foreign Currency w. e. f,
3rd August 2018 [Notification No. 67/2018-Customs [N.T]
Dated 2nd August 2018]**

SCHEDULE - I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	51.95	49.65
2.	Bahrain Dinar	186.95	175.00
3.	Canadian Dollar	53.65	51.75
4.	Chinese Yuan	10.20	9.85
5.	Danish Kroner	10.90	10.50
6.	EURO	81.20	78.20
7.	Hong Kong Dollar	8.90	8.55
8.	Kuwait Dinar	233.60	218.60
9.	New Zealand Dollar	47.60	45.45
10.	Norwegian Kroner	8.50	8.20
11.	Pound Sterling	91.20	88.00
12.	Qatari Riyal	19.35	18.30
13.	Saudi Arabian Riyal	18.85	17.65
14.	Singapore Dollar	51.00	49.20
15.	South African Rand	5.35	5.00
16.	Swedish Kroner	7.90	7.60
17.	Swiss Franc	70.30	67.55
18.	UAE Dirham	19.25	18.05
19.	US Dollar	69.25	67.55

SCHEDULE-II

S.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1	Japanese Yen	62.45	60.10
2	Kenya Shilling	64.90	60.65



Solutions by GST Council on the difficulties faced by Trade & Industries

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28th GST Council Meeting was held on 21st July 2018 under the chairmanship of Hon. Finance Minister Shri Piyush Goyal and following major decisions were taken:

1. It would be noted that multiple reliefs from GST taxation have been provided to following categories of services -
 - (i) Agriculture, farming and food processing industry,
 - (ii) Education, training and skill development,
 - (iii) Pension, social security and old age support.
2. Hotel industry has been given major relief by providing that the rate of tax on accommodation service shall be based on transaction value instead of declared tariff.
3. Services provided in sectors like banking, IT have been provided relief by exempting services supplied by an establishment of a person in India to any establishment of that person outside India [related party].
4. As a green initiative, GST on supply of e-books has been reduced from 18 to 5%.
5. The major recommendations w.r.t. change in Law are as detailed below:
 - Upper limit of turnover for opting for composition scheme to be raised from Rs. 1 crore to Rs. 1.5 crore. Present limit of turnover can now be raised on the recommendations of the Council.
 - Composition dealers to be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakhs, whichever is higher.
 - Levy of GST on reverse charge mechanism on receipt of supplies from unregistered suppliers, to be applicable to only specified goods in case of certain notified classes of registered persons, on the recommendations of the GST Council.
 - The threshold exemption limit for registration in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand to be increased to Rs. 20 Lakhs from Rs. 10 Lakhs.
- Taxpayers may opt for multiple registrations within a State/Union territory in respect of multiple places of business located within the same State/Union territory.
- Mandatory registration is required for only those e-commerce operators who are required to collect tax at source.
- Registration to remain temporarily suspended while cancellation of registration is under process, so that the taxpayer is relieved of continued compliance under the law.
- The following transactions to be treated as no supply (no tax payable) under Schedule III:
 - a. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India;
 - b. Supply of warehoused goods to any person before clearance for home consumption; and
 - c. Supply of goods in case of high sea sales.
- Scope of input tax credit is being widened, and it would now be made available in respect of the following:
 - a. Most of the activities or transactions specified in Schedule III;
 - b. Motor vehicles for transportation of persons having seating capacity of more than thirteen (including driver), vessels and aircraft;
 - c. Motor vehicles for transportation of money for or by a banking company or financial institution;
 - d. Services of general insurance, repair and maintenance in respect of motor vehicles, vessels and aircraft on which credit is available; and
 - e. Goods or services which are obligatory for an employer to provide to its employees, under any law for the time being in force.
- In case the recipient fails to pay the due amount to the supplier within 180 days from the date of issue of invoice, the input tax credit availed by the recipient will be reversed, but liability to pay interest is being done away with.

- Registered persons may issue consolidated credit/debit notes in respect of multiple invoices issued in a Financial Year.
- Amount of pre-deposit payable for filing of appeal before the Appellate Authority and the Appellate Tribunal to be capped at Rs. 25 Crores and Rs. 50 Crores, respectively.
- Commissioner to be empowered to extend the time limit for return of inputs and capital sent on job work, upto a period of one year and two years, respectively.
- Supply of services to qualify as exports, even if payment is received in Indian Rupees, where permitted by the RBI.
- Place of supply in case of job work of any treatment or process done on goods temporarily imported into India and then exported without putting them to any other use in India, to be outside India.
- Recovery can be made from distinct persons, even if present in different State/Union territories.
- The order of cross-utilisation of input tax credit is being rationalised.
- 6. It has also been decided to waive the late fee payable for delayed filing of return in such cases. Such taxpayers are required to first file the returns on payment of late fees, and the waiver will be effected by way of reversal of the amount paid as late fees in the cash ledger under the tax head.
- 7. GST Rates have been rationalized and majority items having the GST rate @28% has been brought down to 18%.

Changes in the law will take place to CGST Amendment Bill & IGST Amendment Bill in the parliament and SGST Bill in the respective state assembly.

Decision taken in the GST Council Meeting has been already implemented suitable notification will be issued. Summary of the same is given below :

• **Amendment to Notification 11/2017 Central Tax Rate**

Sr.No.of Notfn	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
7(i)	Supply of Food and beverage services provided by a restaurant, eating joint including mess, canteen	Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent. Explanation.- "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any	(i) Supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent. Explanation 1.- This item includes such supply at a canteen, mess, cafeteria or dining space of an institution such as a school, college, hospital, industrial unit, office, by such institution or by any other person based on a contractual arrangement with such institution for such supply, provided that	5%	5%	27th July 2018	Specific clarification has been given that supply at canteen, mess, cafeteria, or dining space of school, college, hospital, industrial unit, office by such institution or any contractor engaged by the institution shall attract GST @ 5%. Further it is clarified that supply of foods or any drink for any specific occasion/ event shall apply GST @ 18% . In other words, the person who is providing ready to eat food and serving at the place of canteen, will be considered as outdoor caterer and will attract 18% GST rate.

Sr.No.of Notfn 11/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
		other amenities, but without excluding any discount offered on the published charges for such unit.	such supply is not event based or occasional. Explanation 2. This item excludes the supplies covered under item 7(v). Explanation 3. "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.				Specific clarification has been given that supply at canteen, mess, cafeteria, or dining space of school, college, hospital, industrial unit, office by such institution or any contractor engaged by the institution shall attract GST @ 5%. Further it is clarified that supply of foods or any drink for any specific occasion/ event shall apply GST @ 18% . In other words, the person who is providing ready to eat food and serving at the place of canteen, will be considered as outdoor caterer and will attract 18% GST rate.
7(ia)	Supply of Food and beverage services provided by the Indian Railways	–	Supply, of goods, being food or any other article for human consumption or any drink, by the Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees, whether in trains or at platforms.	5%	5%	27th July 2018	New provision. Supply of food and any drink by Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees shall apply GST @ 5% This is welcome provision to negate the decision of Advance Ruling Authority, Delhi.
7(v)	Supply of Food and beverage at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions	Supply, by way of or as part of any service or in any other manner whatsoever in outdoor catering wherein goods, being food or any other article for human consumption or any drink (whether or not alcoholic liquor for human consumption), as a part of such outdoor catering and such supply or service is for cash, deferred payment or other valuable consideration.	Supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature.	18%	18%	27th July 2018	The provision has been made more specific. Supply of Food and beverage at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions shall attract GST @ 18%
7(ii), (vi), (viii)	–	Explanation- "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	the words "declared tariff" wherever they occur, the words "value of supply" shall be substituted	–	–	27th July 2018	Now, Rate of tax shall be charged by the hotel industry based on actual transaction value rather than declared tariff rate. It means, for determination of rate below Rs. 7500/- or above Rs. 7500/- will be based on the transaction value appearing on the tax invoice.

Sr.No.of Notfn 11/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
9(vi)	Multimodal transportation of goods.	Goods transport services other than (i), (ii), (iii), (iv) and (v) above	Multimodal transportation of goods. Explanation.- (a) "multimodal transportation" means carriage of goods, by at least two different modes of transport from the place of acceptance of goods to the place of delivery of goods by a multimodal transporter; (b) "mode of transport" means carriage of goods by road, air, rail, inland waterways or sea; (c) "multimodal transporter" means a person who, -(A) enters into a contract under which he undertakes to perform multimodal transportation against freight; and (B) acts as principal, and not as an agent either of the consignor, or consignee or of the carrier participating in the multimodal transportation and who assumes responsibility for the performance of the said contract.	18%	12%	27th July 2018	GST @ 12% shall be applicable for transport of goods by transporter through more than 2 modes of transport. Welcome move by the government to avoid litigation especially to consider composite supply or mixed supply for determination of rate prior to this amendment.
22	Supply consisting only of e-book.	Telecommunications, broadcasting and information supply services.	Supply consisting only of e-book. Explanation - For the purposes of this notification, "ebooks" means an electronic version of a printed book (falling under tariff item 4901 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)) supplied online which can be read on a computer or a hand held device.	18%	5%	27th July 2018	New provision has inserted. Rate of tax has been reduced for supply of "e-books" means an electronic version of a printed book from 18% to 5% [Notification 13/2018 Central Tax Rate dated 26/07/2018] and [Notification 14/2018 Integrated Tax Rate dated 26/07/2018]

[Notification 13/2018 Central Tax Rate dated 26/07/2018] and [Notification 14/2018 Integrated Tax Rate dated 26/07/2018]

• Amendment to Notification 12/2017 Central Tax Rate

Sr.No.of Notfn 12/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
4	Services provided by Government or Governmental authority	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243W of the Constitution	Services by governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243W of the Constitution	Nil	Nil	27th July 2018	No exemption shall be available for services provided by Central Government, State Government, Union territory, local authority w.r.t. function entrusted to a municipality under article 243 W of the Constitution such as preparation of plans for economic development and social justice etc.

Sr.No.of Notfn 12/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
5	Services provided by Government or Governmental authority	Services by a Central Government, State Government, Union territory, local authority or Governmental Authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the constitution	Services by Governmental Authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the constitution	Nil	Nil	27th July 2018	No exemption shall be available for services provided by Central Government, State Government, Union territory, local authority w.r.t. function entrusted to a Panchayat under article 243 G of the Constitution preparation of plans for economic development and social justice etc.
9D (New Entry)	Old age homes run by Government/ an entity registered under section 12AA of the income tax act	–	Services by an old age home run by Central Government, State Government or by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) to its residents (aged 60 years or more) against consideration upto Rs. 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance	18%	Nil	27th July 2018	Exemption has been provided for Old age homes run by Government charitable trust w.e.f. 27/07/2018.
10A (New entry)	Works con-tract Services supplied by electricity distribution utilities to farmer or agriculturalist for agricultural use	–	Services supplied by electricity distribution utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer or agriculturalist for agricultural use.	18%	Nil	27th July 2018	Construction, erection, commissioning or installation of electricity distribution network upto the tube well of the farmer for agricultural use
14	Services provided by hotel etc.	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent.	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having value of supply of a unit of accommodation below one thousand rupees per day or equivalent.	Nil	Nil	27th July 2018	The rate of tax in respect lodging/boarding at a hotel, inn, guest house, club or campsite shall be decided on the basis of value of service instead of declared tariff.
19A	Transportation of goods by an aircraft	Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India. Nothing contained in this serial numbers shall apply after the 30th day of September, 2018	Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India. Nothing contained in this serial numbers shall apply after the 30th day of September, 2019	Nil	Nil	27th July 2018	Exemption w.r.t. transportation of goods by an aircraft in case of export of goods has been extended up to 30th September 2019.

Sr.No.of Notfn 12/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
19B	Transportation of goods by a vessel	Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India. Nothing contained in this serial numbers shall apply after the 30th day of September, 2018	Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India. Nothing contained in this serial numbers shall apply after the 30th day of September, 2019	Nil	Nil	27th July 2018	Exemption w.r.t. transportation of goods by vessel in case of export of goods has been extended up to 30th September 2019.
24A	Warehousing of minor forest produce	–	Services by way of warehousing of minor forest produce.	18%	Nil	27th July 2018	No GST shall be applicable on warehousing of bamboo, tendu leaves, canes, tusser, honey etc.
31A (New Entry)	Services by Coal Mines Provident Fund Organization	–	Services by Coal Mines Provident Fund Organization to persons governed by the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948)	18%	Nil	27th July 2018	No GST shall be applicable on administrative fees paid in case of Coal Mines Provident Fund Organization
31B (New Entry)	Services by National Pension System (NPS) Trust	–	Services by National Pension System (NPS) Trust to its members against consideration in the form of administrative fee	18%	Nil	27th July 2018	No GST shall be applicable on administrative fees paid in case of National Pension System (NPS)
34A (New Entry)	Services of guaranteeing the loans taken by Governments or PSUs	–	Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings(PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the financial institutions.	18%	Nil	27th July 2018	No GST shall be applicable on charges paid for guaranteeing the loans where Central Government, State Government, Union territory etc. has provided guarantee on the loans taken by undertakings or PSUs
36A	Services by way of reinsurance of the insurance schemes	Services by way of reinsurance of the insurance schemes specified in serial number 35 or 36	Services by way of reinsurance of the insurance schemes specified in serial number 35 or 36 or 40	Nil	Nil	27th July 2018	Reinsurance availed by the Central Government, State Government, Union territory shall be exempt from GST
47A (New Entry)	Services by FSSAI to Food Business Operators	–	Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (FSSAI) to Food Business Operators.	18%	Nil	27th July 2018	Services provided by FSSAI w.r.t. licensing, registration and analysis or testing of food samples has been exempted.
55A (New Entry)	Services for artificial insemination of livestock	–	Services by way of artificial insemination of livestock (other than horses).	18%	Nil	27th July 2018	Exemption has been provided for artificial insemination of livestock (other than horses)
65B (New Entry)	Services supplied by a State	–	Services supplied by a State Government to Excess Royalty Collection Contractor (ERCC) by	18%	Nil	27th July 2018	Services of assigning the right to collect royalty on the mineral dispatched by the

Sr.No.of Notfn 12/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
			<p>way of assigning the right to collect royalty on behalf of the State Government on the mineral dispatched by the mining lease holders.</p> <p>Explanation- "mining lease holder" means a person who has been granted mining lease, quarry lease or license or other mineral concession under the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the rules made thereunder, or the rules made by a State Government under subsection (1) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957. Provided that at the end of the contract period, ERCC shall submit an account to the State Government and certify that the amount of goods and services tax deposited by mining lease holders on royalty is more than the goods and services tax exempted on the service provided by State Government to the ERCC of assignment of right to collect royalty and where such amount of goods and services tax paid by mining lease holders is less than the amount of goods and services tax exempted, the exemption shall be restricted to such amount as is equal to the amount of goods and services tax paid by the mining lease holders and the ERCC shall pay the difference between goods and services tax exempted on the service provided by State Government to the ERCC of assignment of right to collect royalty and goods and services tax paid by the mining lease holders on royalty"</p>				<p>mining lease holders on behalf of State Government to Excess Royalty Collection Contractor (ERCC) has been exempted.</p>
77A (New Entry)	Services provided by an unincorporated body or a non-profit	—	Services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in,- (i) activities relating to the welfare of industrial or agricultural labour or farmers; or	18%	Nil	27th July 2018	Services provided by an unincorporated body or a non-profit entity to its members has been exempted.

Sr.No.of Notfn 12/2017	Particulars	Existing Provision	New Provision	Existing Rate	New Rate	Effective Date	Comment
	entity to its members	–	(ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against consideration in the form of membership fee upto an amount of one thousand rupees (Rs 1000/-) per member per year.				
Explanation	–	–	(iv) For removal of doubts, it is clarified that the Central and State Educational Boards shall be treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students.	-	-	27th July 2018	New explanation has been added.

[Notification No. 14/2018 Center Tax Rate dated 26/7/2018] and [Notification No. 15/2018 Integrated Tax Rate dated 26/7/2018]

• **Amendment to Notification 13/2017 Central Tax Rate**

Sr. No. of Notfn. 13/2017	Category of Supply of Services	Supplier of service	Recipient of Service	Comment
11 (New Entry)	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs)	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm	A banking company or a non-banking financial company, located in the taxable territory	Addition new type of service under specified category of RCM

[Notification No. 15/2018 Central Tax Rate dated 26/07/2018] & [Notification No. 16/2018 Central Tax Rate dated 26/07/2018]

• **[Notification Amendment to Notification No.14/2017-Central Tax (Rate) dated 28th June 2017**

Sr.No.	Particulars	Existing Provision	New Provision	Comment
Opening Para	Services by Government Authority	Activities or transactions undertaken by the Central Government or State Government or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:- "Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution."	Activities or transactions undertaken by the Central Government or State Government OR UNION TERRITORY or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:- "Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution OR A MUNICIPALITY UNDER ARTICLE 243W of the Constitution"	Now the services by way of any activity in relation to function entrusted to a Panchayat or a Municipality by Union Territory will also not be treated neither as a supply of goods nor a supply of service. Now the wordings Union Territory and Municipality is newly added w.e.f. 27th July 2018

[Notification No.16/2018-Central Tax (Rate) dated 26th July 2018]

• **Amendment to Notification No.11/2017-Central Tax (Rate) dated 28th June 2017**

Sr.No.	Particulars	Existing Provision	New Provision	Comment
3 (vi) (a)	Composite supply of works contract to the Central Government, State Government or Union Territory or Local Authority	(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided to the Central Government, State Government, Union Territory, [a local authority, a Governmental Authority or a Government Entity] by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of - (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;	(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided to the Central Government, State Government, Union Territory, [a local authority, a Governmental Authority or a Government Entity] by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of - (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession; "Explanation. - For the purposes of this item, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities."	It means rate of 12% for this serial number will be available for a civil structure or any other original works for the use by the Central Government, a State Government or any local authority in which they are engaged as public authorities. This rate of tax for uses other than mentioned above will not be available. i. e. for non-public use.

[Notification No.17/2018-Central Tax (Rate) dated 26th July 2018]

• **Amendment to Notification No.5/2017-Central Tax (Rate) dated 28th June 2017**

Sr.No.	Particulars	Existing Provision	New Provision	Comment																						
Opening Para	W.r.t. Inverted Duty Structure refund	No refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods (other than nil rated or fully exempt supplies) for Sr. No.1 to 15.	No refund of unutilised input tax credit shall be allowed, where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supplies of such goods (other than nil rated or fully exempt supplies) for Sr. No. 1 to 15. "Provided that,- (i) nothing contained in this notification shall apply to the input tax credit accumulated on supplies received on or after the 1st day of August, 2018, in respect of goods mentioned at serial numbers 1, 2, 3, 4, 5, 6, 6A, 6B, 6C and 7 of the Table below; and (ii) In respect of said goods, the accumulated input tax credit lying unutilised in balance, after payment of tax for and up to the month of July, 2018, on the inward supplies received up to the 31st day of July 2018, shall lapse."	Now the Inverted Duty Structure refund of unutilized ITC on supplies received after 1st Aug 2018 in respect of following goods will be available. <table border="0"> <tr> <td>HSN</td> <td>Description of Goods</td> </tr> <tr> <td>5007</td> <td>Woven fabrics of silk or of silk waste</td> </tr> <tr> <td>5111 to 5113</td> <td>Woven fabrics of wool or of animal hair</td> </tr> <tr> <td>5208 to 5212</td> <td>Woven fabrics of cotton</td> </tr> <tr> <td>5309 to 5311</td> <td>Woven fabrics of other vegetable textile fibres, paper yarn</td> </tr> <tr> <td>5407, 5408</td> <td>Woven fabrics of manmade textile materials</td> </tr> <tr> <td>5512 to 5516</td> <td>Woven fabrics of manmade staple fibres</td> </tr> <tr> <td>5608</td> <td>Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.</td> </tr> <tr> <td>5801</td> <td>Corduroy fabrics.</td> </tr> <tr> <td>5806</td> <td>Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)</td> </tr> <tr> <td>60</td> <td>Knitted or crocheted fabrics [All goods]</td> </tr> </table> <p>This will be a great relief for textile industry and they will be entitled for applying the refund for accumulated credit on account of inverted duty structure.</p>	HSN	Description of Goods	5007	Woven fabrics of silk or of silk waste	5111 to 5113	Woven fabrics of wool or of animal hair	5208 to 5212	Woven fabrics of cotton	5309 to 5311	Woven fabrics of other vegetable textile fibres, paper yarn	5407, 5408	Woven fabrics of manmade textile materials	5512 to 5516	Woven fabrics of manmade staple fibres	5608	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.	5801	Corduroy fabrics.	5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)	60	Knitted or crocheted fabrics [All goods]
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60	Knitted or crocheted fabrics [All goods]																									

[Notification No.20/2018-Central Tax (Rate) dated 26th July 2018]

- **Exemption on supplies of handicraft goods as is in excess of the rate specified in following table w.e.f. 27th July 2018:**

Sr. No.	Chapter, Heading, Sub-heading or Tariff item	New Description of Goods	Existing Rate	New Rate	Comment
1	W.3406	Handcrafted candles	12%	12%	No change
2	4202 22, 4202 29, 4202 31 10, 4202 3190, 4202 32, 4202 39	Handbags including pouches and purses, jewellery box	18%	12 %	Decrease in GST rate by 6%
3	4416, 4421 99 90	Carved wood products, art ware/decorative articles of wood (including inlay work, casks, barrel, vats)	12 %	12 %	No change
4	4414 00 00	Wooden frames for painting, photographs, mirrors etc.	18%	12 %	Decrease in GST rate by 6%
5	4420	Statuettes & other ornaments of wood, wood marquetry & inlaid, jewellery box, wood lathe and lacquer work [including lathe and lacquer work, ambadi sisal craft]	12 %	12 %	No change
6	4503 90 90 4504 90	Art ware of cork [including articles of sholapith]	18%	12 %	Decrease in GST rate by 6%
7	4601 and 4602	Mats, matting and screens of vegetable material, basketwork, wickerwork and other articles of vegetable materials or other plaiting material, articles of loofah (including of bamboo, rattan, canes and other natural fibres, dry flowers (naturally dried), articles thereof, ringal, raambaan article, shola items, Kouna/chumthang (water reeds) crafts, articles of Water hyacinth, korai mat]	12 %	5 %	Decrease in GST rate by 7%
8	4823	Articles made of paper mache	5 %	5 %	No change
9	5607, 5609	Coir articles	5 %	5 %	No change
10	5609 00 20, 5609 00 90	Toran, Doorway Decoration made from cotton yarn or woollen yarn and aabhala (mirror) with or without hanging flaps	12%	5 %	Decrease in GST rate by 7%
11	57	Handmade carpets and other handmade textile floor coverings (including namda/gabba)	12%	5%	Decrease in GST rate by 7%
12	5804 30 00	Handmade lace	12%	5 %	Decrease in GST rate by 7%
13	5805	Hand-woven tapestries	12%	5 %	Decrease in GST rate by 7%
14	5808 10	Hand-made braids and ornamental trimming in the piece	12%	5 %	Decrease in GST rate by 7%
15	5810	Hand embroidered articles	5 %	5 %	No change
16	6117, 6214	Handmade/hand embroidered shawls of sale value not exceeding Rs. 1000 per piece	5 %	5 %	No change
17	6117, 6214	Handmade/hand embroidered shawls of sale value exceeding Rs. 1000 per piece	5 %	12 %	Increase in rate by 7%
18	6802	Carved stone products (e.g., statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	12%	12%	No change
19	6815 99 90	Stone art ware, stone inlay work	18%	12%	Decrease in GST rate by 6%
20	6912 00 10 6912 00 20	Tableware and kitchenware of clay and terracotta, other clay articles	12%	12%	No change
21	6913 90 00	Statuettes & other ornamental ceramic articles (incl blue potteries)	12%	12%	No change

Sr. No.	Chapter, Heading, Sub-heading or Tariff item	New Description of Goods	Existing Rate	New Rate	Comment
22	7009 92 00	Ornamental framed mirrors	18%	12%	Decrease in GST rate by 6%
23	7018 10	Bangles, beads and small ware	5%	5%	No change
24	7018 90 10	Glass statues [other than those of crystal]	18%	12%	Decrease in GST rate by 6%
25	7020 00 90	Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase]	18%	12%	Decrease in GST rate by 6%
26	7113 11 10	Silver filigree work	3%	3%	No change
27	7117	Handmade imitation jewellery (including natural seeds, beads jewelry, cardamom garland)	3%	3%	No change
28	7326 90 99	Art ware of iron	18%	12%	Decrease in GST rate by 6%
29	7419 99	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver	18%	12%	Decrease in GST rate by 6%
30	7616 99 90	Aluminium art ware	18%	12%	Decrease in GST rate by 6%
31	8306	Bells, gongs and like, non-electric, of base metal; statuettes, and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal; (including Bidriware, Panchloga artware, idol, Swamimalai bronze icons, dhokrajali)	12%	12%	No change
32	9405 10	Handcrafted lamps (including panchloga lamp)	18%	12%	Decrease in GST rate by 6%
33	9401 50, 9403 80	Furniture of bamboo, rattan and cane	18%	12%	Decrease in GST rate by 6%
34	9503	Dolls or other toys made of wood or metal or textile material [incl wooden toys of sawantwadi, Channapatna toys, Thanjavur doll)	12%	12%	No change
35	9504	Ganjifa card	12%	12%	No change
36	9601	Worked articles of ivory, bone, tortoise shell, horn, antlers, coral, mother of pearl, seashell other animal carving material	12%	12%	No change
37	9602	Worked vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes etc, (including articles of lac, shellac)	12%	12%	No change
38	9701	Hand paintings drawings and pastels (incl Mysore painting, Rajasthan painting, Tanjore painting, Palm leaf painting, basolietc)	12%	12%	No change
39	9703	Original sculptures and statuary, in metal, stone or any other material	12%	12%	No change

[Notification No. 21/2018 -Central Tax (Rate) dated 26th July 2018 & Notification No.22/2018-Integrated Tax (Rate) dated 26th July 2018]

Notification No.18/2018-Central Tax (Rate):

The notification seeks to amend Notification No.1/2017-CGST Rate effectively changing GST rates on certain goods

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	HSN	Existing Rate	New Rate	Effective Date	Comments
102A-Schedule 1	Ethyl alcohol supplied to Oil Marketing Companies for blending with motor spirit (petrol)	Ethyl alcohol supplied to Oil Marketing Companies for blending with motor spirit (petrol).	2207	18%	5%	27th July 2018	In order to promote blending of ethyl alcohol with petrol, GST rate on same has been reduces.
123-Schedule 1	Ecaussine and other calcareous monumental or building stone alabaster [other than marble and travertine]	Ecaussine and other calcareous monumental or building stone alabaster [other than marble and travertine], other than mirror polished stone which is ready to use	2515 Except 2515 1210, 2515 1220, 2515 1230) or 6802	5%	5%	27th July 2018	Mirror polished stones are removed from GST rate of 5%. Now it will attract 18%.
170A-Schedule 1	Fertilizer grade phosphoric acid	Fertilizer grade phosphoric acid.	2809	12%	5%	27th July 2018	In order to reduce the overall cost of fertilizers, GST rate on phosphoric acid has been reduced to 5%
215-Schedule 1	All goods [other than coconut coir fibre] including yarn of flax, jute, other textile bastfibres, other vegetable textile fibres; paper yarn.	All goods [other than coconut coir fibre] including yarn of flax, jute, other textile bastfibres, other vegetable textile fibres; paper yarn including coir pith compost put up in unit container and bearing a brand name.	5305 to 5308	-	5%	27th July 2018	The underlined words have been added. Coir pith compost other than those put up in unit container and bearing a brand name are exempt.
219-Schedule 1	Coir mats, matting, floor covering	Coir mats, matting, floor covering and handloom durries	5705	5%	5%	27th July 2018	In order to promote Handloom durries, the GST on same is reduced to 5%.
219A-Schedule 1	Corduroy Fabrics, velvet fabrics	Corduroy Fabrics, velvet fabrics [All goods]	5801	5%	5%	27th July 2018	-
222-Schedule 1	Article of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs 1000 per piece.	Article of apparel and clothing accessories or cap/topi, knitted or crocheted, of sale value not exceeding Rs 1000 per piece	61	5%	5%	27th July 2018	Caps and topi of sale value upto Rs. 1000/- are to be charged at GST rate of 5%.
225-Schedule 1	Footwear having a retail sale price not exceeding Rs.500 per pair, provided that such retail sale price is indelibly marked or embossed on the footwear itself.	Footwear having a retail sale price not exceeding Rs.1000 per pair, provided that such retail sale price is indelibly marked or embossed on the footwear itself	64	5%	5%	27th July 2018	For sale price upto Rs. 1000/- total GST rate applicable will be 5%.
264-Schedule 1	Biomass briquettes	Biomass briquettes or solid bio fuel pellets	Any Chapter	5%	5%	27th July 2018	Solid bio fuel pellets being a densified biomass has been added to list of goods taxable at 5%.
96A - Schedule 2	-	Bamboo flooring	4409	18%	12%	27th July 2018	In order to promote bamboo, its flooring is taxable at total GST of 12%
146	Other carpets and other textile floor coverings, whether or not made up; such as Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom	Other carpets and other textile floor coverings, whether or not made up; such as Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom except the items covered in 219 in Schedule I.	5705	12%	12%	27th July 2018	In order to promote Handloom durries, the GST on same is reduced to 5% and has been added as exception to this entry.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
147	Woven pile fabrics and chenille fabrics, other than fabrics of heading 5802 or 5806	Entry omitted	5801	12%	NA	27th July 2018	–
185A	NA	Brass Kerosene Pressure Stove	7419 99 30	18%	12%	27th July 2018	–
195A	NA	Hand operated rubber roller	8420	–	12%	27th July 2018	–
206A	NA	Fuel Cell Motor Vehicles	87	–	12%	27th July 2018	To reduction air pollution from motor vehicles and to promote environment friendly vehicles, GST rate on Fuel Cell Motor Vehicles is kept at 12%.
231B	NA	Slide fastener	9607	–	12%	27th July 2018	–
235	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material under HSN 9619	All goods	96190030, 96190040, or 96190090	12%	12%	27th July 2018	All goods under HSN 96190030, 96190040, or 96190090 are made taxable @ 12%
25-Schedule III	Ethyl alcohol and other spirits, denatured, of any strength	Ethyl alcohol and other spirits, denatured, of any strength [other than ethyl alcohol supplied to Oil Marketing Companies for blending with motor spirit (petrol)]	2207	18%	18%	27th July 2018	Ethyl Alcohol supplied to Oil Marketing Companies for blending with motor spirit (petrol) has been removed from 18% slab and the same will be taxable @ 5%. This is done to promote OMC to increase procurement of ethyl alcohol.
52A	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter	3208	28%	18%	27th July 2018	Rate on paints and varnishes has been reduced to 18%.
52B	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium	3209	28%	18%	27th July 2018	Rate on paints and varnishes has been reduced to 18%.
52C	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather"	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather"	3210	28%	18%	27th July 2018	Rate on other paints and varnishes has been reduced to 18%.
54B	Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics;	Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics;	3214	28%	18%	27th July 2018	Rates have been reduces to 18%

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
	painters' fillings; non-refractory surfacing reparations for facades, indoor walls, floors, ceilings or the like.	painters' fillings; non-refractory surfacing reparations for facades, indoor walls, floors, ceilings or the like.					
137	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, v-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or end-Jointed	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, v-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or end-Jointed other than bamboo flooring]"	4409	18%	18%	27th July 2018	Bamboo flooring has been taxable at 12%.
177E	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and power, of natural stone (including slate) [other than statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc.; other ornamental goods essentially of stone]	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and power, of natural stone (including slate) [other than statues, statuettes, pedestals; high or low reliefs, crosses, figures of animals, bowls, vases, cups, cachou boxes, writing sets, ashtrays, paper weights, artificial fruit and foliage, etc.; other ornamental goods essentially of stone] except the items covered in Sl. No. 123 in Schedule I.	6802	18%	18%	27th July 2018	Rate on mirror polish stones has been kept at 18%.
253	Other articles of copper	Other articles of copper [other than Brass Kerosene Pressure Stove]	7419	18%	18%	27th July 2018	GST rate on Brass Kerosene stove has been reduced to 12%
319A	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 8415	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 8415	8418	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
321	Calendering or other rolling machines, other than for metals or glass, and cylinders therefore	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor [other than Hand operated rubber roller]	8420	18%	18%	27th July 2018	Rate reduction from 28% to 18%.
341A	Household or laundry-type washing machines, including machines which both wash and dry	Household or laundry-type washing machines, including machines which both wash and dry	8450	28%	18%	27th July 2018	Rate reduction from 28% to 18%.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
376AA	-	Lithium-ion Batteries	8507 60 00	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
376AB	Vacuum cleaners	Vacuum cleaners	8508	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
376AC	Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 8508	Electro-mechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners of heading 8508 [other than wet grinder consisting of stone as a grinder]	8509	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
376AD	Shavers, hair clippers and hair-removing appliances, with self-contained electric motor	Shavers, hair clippers and hair-removing appliances, with self-contained electric motor.	8510	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
378A	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 8545	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; telectric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 8545	8516	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
383C	-	Television set (including LCD or LED television) of screen size not exceeding 68 cm.	8528	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
401A	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological unit	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological unit	8705	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
402A	Works trucks, self - propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicle.	Works trucks, self - propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicle.	8709	28%	18%	27th July 2018	Rate reduction from 28% to 18%.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
403A	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof [other than Self-loading or self-unloading trailers for agricultural purposes, and Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles]"	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof [other than Self-loading or self-unloading trailers for agricultural purposes, and Hand propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles]"	8716	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
446	Slide fasteners and parts thereof	Parts of slide fasteners	9607 20 00	18%	18%	27th July 2018	Rate reduction from 28% to 18%.
449AA	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder -puffs and pads for the application of cosmetics or toilet preparation.	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetics or toilet preparation.	9616	28%	18%	27th July 2018	Rate reduction from 28% to 18%.
139-Schedule IV	Electric accumulators, including separators therefor, whether or not rectangular (including square)	Electric accumulators, including separators therefor, whether or not rectangular (including square) other than Lithium- ion battery	8507	28%	18%	27th July 2018	GST rate on Lithium-ion batteries has been reduces to 18%.
154-Schedule IV	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receiver or sound or video recording or reproducing apparatus [other than computer monitors not exceeding 20 inches]	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receiver or sound or video recording or reproducing apparatus [other than computer monitors not exceeding 20 inches, set top box for television and Television set(including LCD and LED television)of screen size not exceeding 68 cm].	8528	28%	28%	27th July 2018	TV below 68cm and monitors below 20 inches are made taxable at 18%.

Notification No.19/2018-Central Tax (Rate)

The notification seeks to amend Notification No.2/2017-CGST (Rate) effectively amending the list of goods which are exempt under GST.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
92A	NA	Sal leaves, sial leaves, sisal leaves, sabai grass.	1401	-	0%	27th July 2018	-
93B	NA	Vegetable materials, for manufacture of jhadoo or broomsticks.	1404 90 90	-	0%	27th July 2018	-
102A	De-oiled rice bran under HSN 2302	De-oiled rice bran. Explanation: The exemption applies to de-oiled rice bran falling under heading 2306 with effect from 25th January, 2018.	2306	-	0%	27th July 2018	The HSN has been rectified from 2302 to 2306.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
114A	NA	Deities made of stone, marble or wood.	44 or 68	Multiple	0%	27th July 2018	GST on deities has been reduced to 0%
114B	NA	Khali Dona; Goods made of sal leaves, siali leaves, sisal leaves, sabai grass, including sabai grass rope.	46	-	0%	27th July 2018	Rate reduced to 0%
117	Rupee notes when sold to Reserve Bank of India.	Rupee notes or coins when sold to Reserve Bank of India or the Government of India.	48 or 4907 Or 71	-	0%	27th July 2018	Notes and coins sold to RBI or Government of India are made exempt.
132A	-	Coir pith compost other than those put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily, subject to the conditions as in the ANNEXURE I]	53	-	0%	27th July 2018	
146A	-	Sanitary towels (pads) or sanitary napkins; tampons.	96190010 or 96190020	12%	0%	27th July 2018	-
152	-	Rakhi (other than those made of goods falling under Chapter 71)	Any chapter except 71	Multiple	0%	27th July 2018	Rakhi other than those made of precious metals is made exempt.

02/2018-Compensation Cess (Rate)

The notification seeks to amend Notification No.1/2017- Compensation Cess (Rate) effectively amending rate of compensation cess on specified products.

Sr.No.in Notification	Description of Goods (Before Notification)	Description of Goods (After Notification)	Effective Date	Existing Rate	New Rate	Effective Date	Comments
41A	Coal rejects from Coal.	Coal rejects supplied by a coal washery, arising out of coal on which compensation cess has been paid and no input tax credit thereof has not been availed by any person.	27	Rs.400 per tonne	0%	27th July 2018	As ITC of compensation cess was not availed, the cess payable was an additional cost to coal washeries. Now the same has been rectified.
42B	-	Fuel Cell Motor Vehicles	87	Multiple	0%	27th July 2018	To promote environment friendly vehicles, compensation cess on Fuel cell vehicles has been reduced to 0.

Now, only 35 items remains in the highest tax slab. Rate of other 193 items have been reduced.

Schedule IV - 14%

Sr. No.	Chapter, Heading, Subheading or Tariff item	Description of Goods	CGST Rate
1.	1703	Molasses	14%
10.	2106 90 20	Pan masala	14%
12.	2202 10	All goods [including aerated waters], containing added sugar or other sweetening matter or flavoured	14%
13.	2401	Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]	14%
14.	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	14%
15.	2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences [including biris]	14%
18.	2523	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	14%
46.	4011	New pneumatic tyres, of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three wheeled powered cycle rickshaws; and Rear Tractor tyres; and of a kind used on aircraft]	14%
47.	4012	Retreaded or used tyres and flaps	14%
114.	8407	Spark-ignition reciprocating or rotary internal combustion piston engine [other than aircraft engines]	14%
115.	8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	14%
116.	8409	Parts suitable for use solely or principally with the engines of heading 8407 or 8408	14%
117.	8413	Pumps for dispensing fuel or lubricants of the type used in filling stations or garages [8413 11], Fuel, lubricating or cooling medium pumps for internal combustion piston engines [8413 30]	14%
119.	8415	Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	14%
122.	8422	Dish washing machines, household [8422 11 00] and other [8422 19 00]	14%
135.	8483	Transmission shafts (including cam shafts and crank shafts) and cranks (excluding crankshaft for sewing machine); gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universaljoints)	14%
139.	8507	Electric accumulators, including separators therefor, whether or not rectangular (including square) other than Lithiumion batter	14%
143.	8511	Electrical ignition or starting equipment of a kind used for spark-ignition or compression - ignition internal combustion engines(for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, cut-outs of a kind used in conjunction with such engines	14%
151.	8525	Digital Cameras and video camera recorders [other than CCTV]	14%
154.	8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radiobroadcast receiver or sound or video recording or reproducing apparatus [other than computer monitors not exceeding 20 inches, set top box for television and Television set(including LCD and LED television) of screen size not exceeding 68 cm]	14%
163A.	8701	Road tractors for semi-trailers of engine capacity more than 1800 cc	14%
164.	8702	Motor vehicles for the transport of ten or more persons, including the driver	14%
165.	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars [other than Cars for physically handicapped persons]	14%
166.	8704	Motor vehicles for the transport of goods [other than Refrigerated motor vehicles]	14%
168.	8706	Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705	14%

Sr. No.	Chapter, Heading, Subheading or Tariff item	Description of Goods	CGST Rate
169.	8707	Bodies (including cabs), for the motor vehicles of headings 8701 to 8705	14%
170.	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705 [other than specified parts of tractors]	14%
173.	8711	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	14%
174.	8714	Parts and accessories of vehicles of headings 8711 and 8713	14%
176.	8802	Aircrafts for personal use	14%
177.	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	14%
210.	9302	Revolvers and pistols, other than those of heading 9303 or 9304	14%
215.	9504	Video games consoles and Machines, article and accessories for billiards [9504 20 00], other games operated by coins, banknotes, i.e., casino games [9504 20 00] and others [other than board games of 9504 90 90]	14%
223.	9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof	14%
227.	9804	All dutiable articles intended for personal use	14%
228.	Any chapter	<p>Lottery authorized by State Governments Explanation 1.- For the purposes of this entry, value of supply of lottery under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 shall be deemed to be 100/128 of the face value of ticket or of the price as notified in the Official Gazette by the organising State, whichever is higher.</p> <p>Explanation 2.- (1) "Lottery authorized by State Governments" means a lottery which is authorized to be sold in State(s) other than the organising state also.</p> <p>(2) Organising state has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010</p>	14%





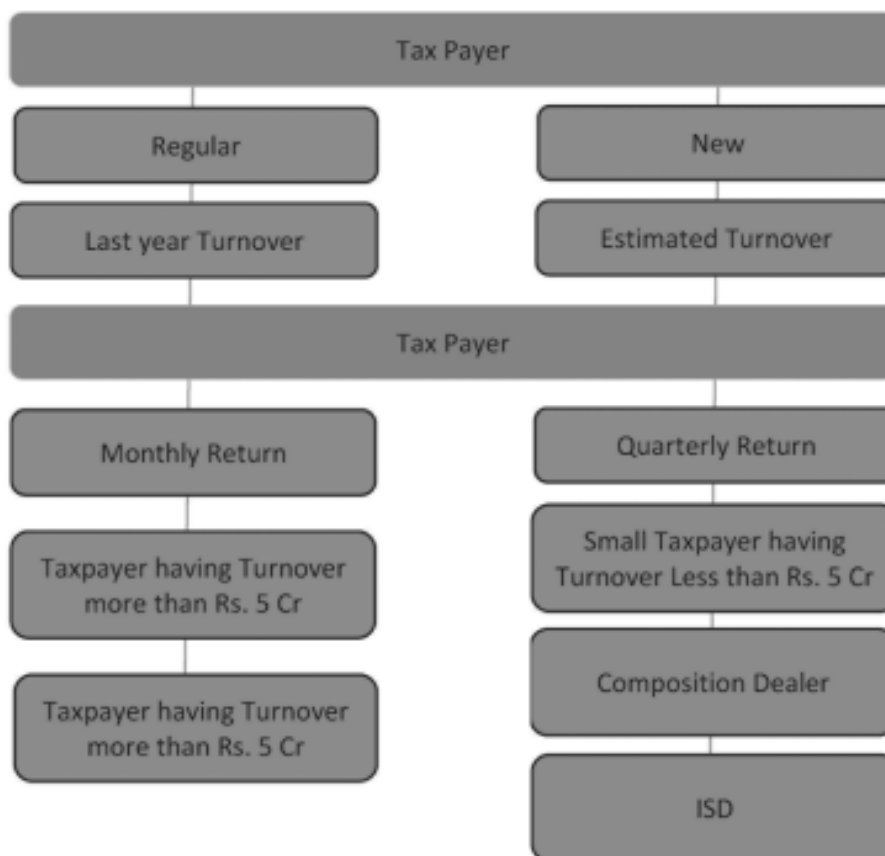
GST Returns

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Draft of simplified GST returns has been put on public domain on 30th July 2018 and comments are invited from all the stake holders by 31st August 2018. Attempt has been made by us to analyze the proposed format so as to understand the problems and challenges which any stakeholder will face so that suggestion can be made to GST council so that difficulties will be addressed and real simple return will replace existing return system.

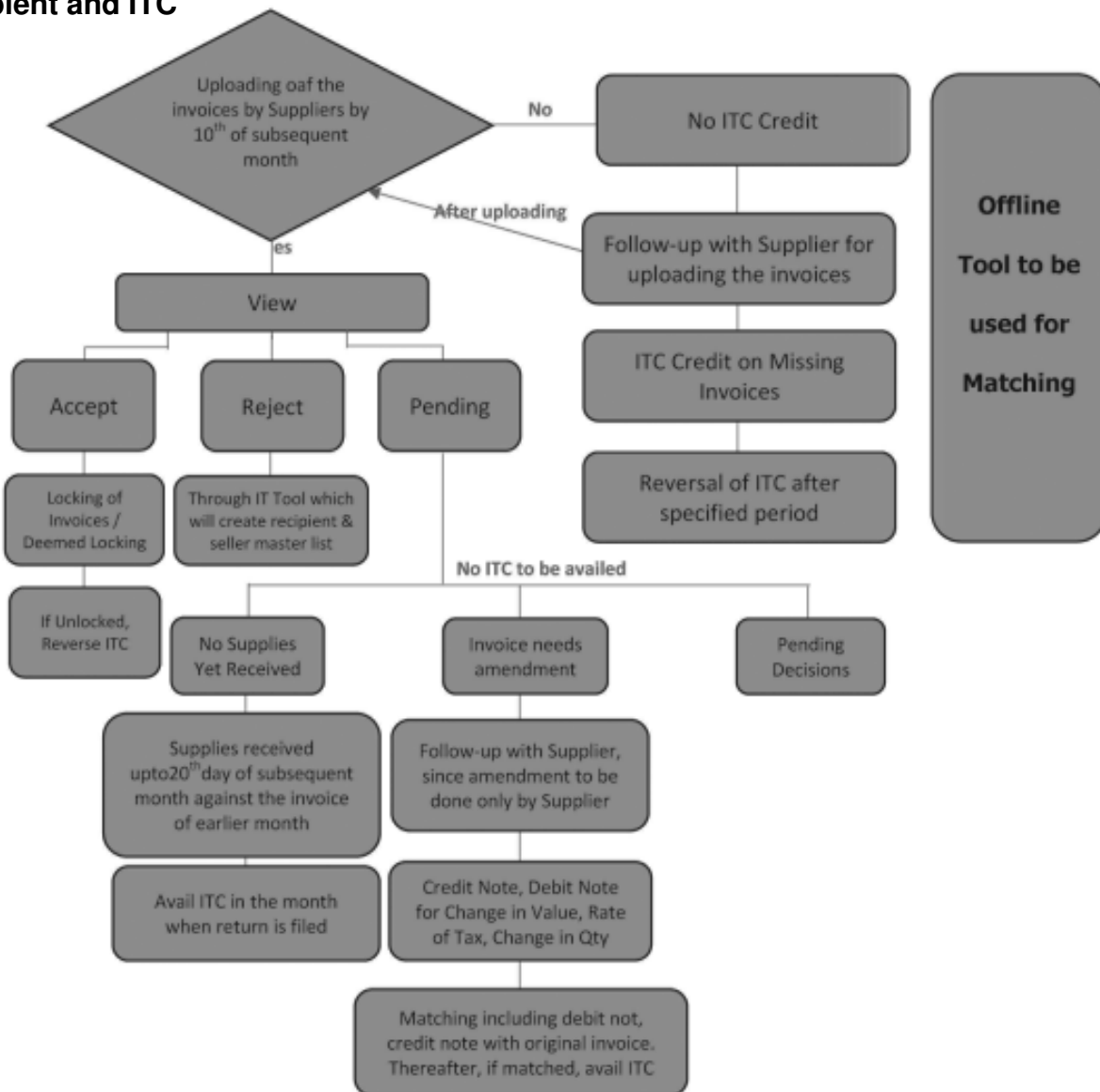
GST RETURNS:



Continuous Uploading and Viewing:

- Supplier will continuously upload the invoices during the month and recipient will continuously view the same
- Invoices uploaded for the last month to be uploaded by supplier by 10th of subsequent month, which will be auto-populated and create the liability of GST.
- Such supplies, so uploaded only can be viewed by recipient and ITC will be allowed against only such invoices subject to not appearing under the negative list in the terms of Section 17 of CGST Act 2017

Recipient and ITC



Return & Amendment in Return:

- Return will have two main tables:
 - Supplies on which liability arises
 - Supplies for availing ITC
- Annexure of invoice will auto-populate & output liability table will also auto populate
- Monthwise liability will be calculated even though invoices are uploaded subsequently and accordingly interest amount will be calculated and to be paid
- Amendment return can be filed within the prescribed time maximum upto two times
- Amendment of missing invoices can be carried by the supplier only through amendment return
- Payment due to amendment liability will be allowed through amendment return to utilize ITC and save the interest and even negative liability arising from the amendment return shall be carried forward as negative liability in the regular return of the next tax period. If increase in the liability is more than 10% through amendment return, higher late fee will be charged
- Even after filing the amendment return, the liability to pay the tax and ITC will be reflected in monthly in respective month's liability of which invoice pertains. This will help taxpayer for monthly proper accounting.

- Details of shipping bill number will be uploaded at a later stage. It will not be through amendment return and the data will be transmitted to ICE gate System. Any amendment required to be done for shipping bill, will have to be through common portal and special facilities will be provided and such amendment data will be transmitted through ICE gate and SEZ online portal. If tax payment is not being made beyond period of time then invoices will not be allowed to be uploaded and more input tax credit can be availed by the recipient.
- Tax payer will get necessary windows which will be displayed based on the questionnaire, which is to be filed every month as a part of return.
- Where recipient will not take the ITC, the invoice wise details will be reported separately in the annual return.
- Reverse Charge Supplies will be reported only by recipient and not by the supplier and such supplies will be reported GSTN wise, net of debit note and credit note.
- HSN code shall be reported by all tax payer at least for 4 digit level.
- Exporter, importer, supplies which are considered as deemed exports and supplier which are SEZ will report HSN Code at least 4 digit level irrespective of turnover limit.
- HSN code for services shall be reported at six digits level or more irrespective of the turnover.
- When debit note & credit note w.r.t. change in rate, value will be shown as zero and only tax amount will be reflected.
- Once taxable value is reflected in the return, tax rate will appear in the return automatically, which will not be editable, except in the case of debit note and credit note.
- Supplier can report excess tax collected from the recipient in the main return under the other liabilities of the adjustment
- Supplies specified in schedule III to Section 7 of CGST Act will be treated as no supply and will be reported separately and the same will not be considered for the purpose of reversal of credit under Rule 42 & 43 of CGST Rules.
- Even if invoice value is Nil but tax is paid, taxable value will be reflected in the return.
- Place of supply shall be reported mandatorily for all the supply.
- GSTN of self may be reported, if supplies under reverse charge are received from un-registered person.
- Instructions w.r.t. specific table are given below:

Sr.No.	Table No.	Instructions
1	2	3
1.	3A	All supplies made to consumers and unregistered persons shall be made in this table. Supplies shall be reported tax rate wise and net of credit and debit notes. Place of supply (POS) shall be mandatory for reporting inter-State supplies.
2.	3B	All supplies (other than those attracting reverse charge) made to registered persons (GSTIN/UIN holders) shall be reported in this table. Supply of services made by SEZ units to persons located in domestic tariff area (DTA) shall also be reported by SEZ unit in this table. Tax liability will have to be paid by SEZ unit in such cases. Suppliers making supplies covered under notification No. 37/2017-Central Tax (Rate) dated 13.10.2017 shall select the appropriate box for the same to make such supplies taxable @ 65% of the applicable rate, till the period specified in the said notification.
3.	3C & 3D	Export with payment of tax shall be reported in table 3A while those without payment of tax shall be reported in table 3D.
4.	3E & 3F	Supplies made to SEZ units and SEZ developers shall be reported in table 3E and 3F depending upon whether the supplies are made with payment or without payment of tax respectively.

5.	3G	Supplies treated as deemed exports shall be reported in this table.
6.	3H	All supplies attracting reverse charge shall be reported by recipient GSTIN wise only (if applicable). Invoice wise details are not required in this table. The value of supplies shall be net of credit and debit notes.
7.	3I	Import of services shall be reported in this table. The value of supplies shall be net of credit and debit notes.
8.	3J	Goods imported will be reported in this table. These goods have already suffered IGST at the time of import.
9.	3K	Supplies received from SEZ units on Bill of Entry shall be reported in this table.
10.	3L	The recipient shall provide invoice wise details of the supplies for which credit has been claimed in earlier tax periods but the supplies are yet to be uploaded by the supplier(s) concerned. Such supplies may be reported by the recipient if the suppliers fail to report supplies after a lapse of two tax periods. For example - The recipient has claimed tax credit by reporting in main return as supplies not uploaded by supplier in April tax period. The supplier concerned has not uploaded the invoices corresponding to such credit while filing his (supplier) April tax period or May tax period return. The recipient has to provide details of all such supplies while filing return for the June tax period.
11.	All tables (3 series)	Credit and debit notes issued by the supplier with respect to supplies other than reverse charge supplies, shall be reported in the respective tables. If credit or debit note is issued for difference in tax rate only, then taxable value may be reported as 'Zero'. Tax amount will have to be entered in such cases.
12.	4	Supplies made through e-commerce portal maintained by other operators shall be reported at consolidated level.
13.	5	HSN code wise details may be provided for supplies effected during the tax period separately for outward and inward supplies. The values should be net of debit and credit notes.

- Information furnished in annexure of supplies will be auto-populated and will not be editable except for debit note and credit note.
- All supplies having no liability like Exempt / Nil rated supplies, Non-GST supplies, no supplies and outward supplies attracting reverse charge should be reported in table 3 by the taxpayer. For example Non-GST supplies includes liquor and petroleum products till the same are brought under GST. Only applicable fields may be filled up
- While filing for the first time, credit on the supplies not claimed in FORM GSTR-3B due to non-receipt of such supplies shall be reported in table 4.
- Interest and late fee to the extent of late filing of return, making late payment, uploading preceding tax periods' invoices shall be computed by system. Other interest due to reversals etc. shall be entered by taxpayer on self-assessment basis.
- Payment of tax on account of reverse charge liability shall be made in cash only.
- Adjustment of negative liability of previous tax period shall be allowed to be adjusted with the current tax period's liability.
- Facility of challan creation for making payment will be made available if the balance in the electronic cash ledger is insufficient to discharge the liabilities.

Quarterly Return

- Taxpayer having the turnover less than 5 crore can opt for filing of quarterly return. However such

person has option to file the monthly return also.

- The option once selected will not be changed for the financial year.
- Taxpayer opting to file the quarterly return can choose to file any of the return i.e. "Sugam Report" or "Sahaj Report" or "Quarterly".
- Such taxpayer will have to pay monthly tax liability based on their own assessment for first two month of the quarter and liability will be settled for the quarter based on the return after adjusting Input Tax Credit.
- Reporting of HSN will be in 4 digit level.
- Taxpayer making only B to C supplies will file "Sahaj Return" and tax payer having B to B and B to C supplies will file "Sugam Return".
- Normal annexure for uploading supplies will be used only for reporting B to B transaction including debit note / credit notes.
- Information relating to such supplies which does

not create GST liability is not required to be filed.

- The taxpayer opting for quarterly return will follow the instruction as given for the monthly return.

Suspension of Registration

- Concept of suspension of registration would be introduced when application for cancellation of registration is made or conditions in law for cancellation are satisfied, no return will be required to be filed during the period of suspension till cancellation.

While there will be some relief for small taxpayers, all other tax payers will have to undergo change in accounting system as well as in IT system to cope up with simplified returns. Comments on the simplified return is invited from all the stakeholders upto 30th August 2018. However these comments are not updated due to site issues. Therefore, it seems that draft simplified return will replace the existing returns.

Happy days for Taxpayers & Professionals !!





Beyond the Obvious

GOODS AND SERVICE TAX

- ❖ GST - the petitioner is a registered contractor with the Railways - He sought that directions be issued to the relevant railway authorities to implement certain instructions issued by the Railway Board, in respect of works contract services provided on work orders entered into prior to introduction of GST and works completed after implementation of GST. Petitioner cannot jump such process and directly approach the writ court. Also the issue pointed out is a larger issue and which is not pertaining to a single contractor. Also, the Pr. Commr. of GST & Central Excise claimed to not be a proper or necessary party in the present case. However, such claim is untenable as the Railway administration may need to consult the Commissioner. Hence petitioner is directed to approach the relevant railway authority & file representation within two weeks. Such authority is also directed to dispose of the representation on merits within two weeks. **[V Ramakrishna VsUoi (2018-TIOL-69-HC-MAD-GST)]**
- ❖ The company is engaged in multi model transportation of shipments. Its vehicle was checked u/s 68 of MP GST Act, which provides for inspection of goods in movement. On enquiry, the vehicle driver produced the bill & challan, but regarding e-way bill it was found that part-B of e-way bill was not updated. Hence Department alleged contravention of Rule 138 & Section 68. Proceedings u/s 129 were initiated, leading to penalty being imposed u/s 122 for transporting taxable goods without cover of documents. In defence, the petitioner claimed that it was unable to update part B of the e-way bill due to technical errors. Held - the distance between source & destination was more than 1200-1300 kilometres. It was mandatory for the petitioner to file Part B of e-way bill, specifying all details such as vehicle number before the goods are loaded in the vehicle. Hence the petitioner admittedly violated provisions and Rules of the MP GST Act. Hence the penalty is correctly imposed. **[GatiKintetsu Express Pvt Ltd Vs CCT (2018-TIOL-68-HC-MP-GST)]**
- ❖ GST - the petitioner is a dealer & attempted to upload Form GST TRAN-1 within stipulated time frame. However, the petitioner failed to do so on account of a system error. Consequently, the petitioner is unable to avail input tax credit. The Govt issued Circular No.39/13/2018-GST, dated April 03, 2018 appointing Nodal officers to redress IT-related grievances. Hence the petitioner is directed to approach the Nodal officer concerned & file representation in this regard - The Nodal officer is directed to take appropriate steps in this regard. Also should the petitioner be found unable to upload the Form GST TRAN - 1 for no fault of its own, then the petitioner be enabled to avail input tax credit. **[Shinrai Automobiles Pvt Ltd Vs GST Council (2018-TIOL-66-HC-KERALA-GST)]**
- ❖ GST - the petitioner claims that pursuant to introduction of GST, the State Government of Madhya Pradesh issued a Notification dated June 24, 2017 under which all notifications regarding setting up & erection of checkpoints were rescinded. The Central government also stated that 22 states had abolished check posts & one such state was MP - Hence in light of such Notification the petitioner claimed that all check posts were to be removed & that no vehicle could be restricted or obstructed seeking payment of tax - Hence the present writ. Held - Notice issued to respondents - Four weeks' time granted to file replies - In the interim period, appropriate directions be issued to remove check posts which should have been abolished under the Notification dated June 24, 2017 - Compliance with the same be reported within two weeks. **[Vijay Kumar NagpalVsUoi (2018-TIOL-65-HC-MP-GST)]**

NATIONAL ANTI-PROFITEERING AUTHORITY

- ❖ GST - Section 171 of the CGST Act, 2017 -M/s Flipkart informed that there were 7254 cases in which the rate of GST at the time of booking of the orders on their platform was higher than the rate of GST prevalent at the time of delivery and they had initiated the process of refund of the differential amount -allegation of profiteering made by the Applicant against the Respondent as well as the Supplier is not established- application not maintainable and hence dismissed. **[Rishi Gupta Vs Flipkart Internet Pvt Ltd (2018-TIOL-04-NAPA-GST)]**

SERVICE TAX

- ❖ Commercial Training or Coaching Service - Despite the inclusion of 'commercial' in the description of the taxable service, the absence of a profit motive, does not, of itself, alter the tax liability - It suffices that earnings are received for an activity to be commercial. **[National Insurance Academy Vs CST (2018-TIOL-2026-CESTAT-MUM)]**
- ❖ ST - The assessee is engaged in providing commercial or industrial construction service - It constructed a building for another entity and entered into an MOU for construction of Product Die & Mould Center Cum Training & Education Center building - The original authority observed that building constructed was not used for commercial purposes and the construction services rendered by assessee did not fall under the definition of Commercial or Industrial Construction Service. Duty liability was raised, the Commr. (A) confirmed demand along with interest & penalty.

Held: On considering the MoU, it is seen that the building has been constructed for Government purpose - The plan approved shows that building constructed is for training centre - Further, the work order shows that space has to be earmarked for training centre & infrastructure - Therefore, the building is not a commercial building - Moreover, it has been clarified by Board circular that the information as to purpose for which the building

is used has to be gathered from the plan approved by the concerned authorities - Hence, the order challenged is set aside. **[Viswanathan Constructions Pvt Ltd Vs CCE (2018-TIOL-2020-CESTAT-MAD)]**

- ❖ ST - The assessee developed a multi-storied and multi-tenanted commercial space which was rented out to various companies engaged in services of IT - However, it did not discharge service tax on maintenance charged - Duty demand was raised for the period in dispute. In assessee own case the Tribunal sent the matter back to the original authority for re-calculation of net tax liability after giving the benefit of Cenvat credit to the assessee. In addition, the assessee-company is a State Government Corporation which is why the intention to evade payment cannot be established therefore, the penalty is deleted - Hence, the order challenged is modified and demand is upheld. Further, the Adjudicating Authority is directed to recalculate the demand giving the benefit of Cenvat credit.

It is well settled that when an effective alternative remedy is available under the relevant

Statute, filing of writ petition cannot be entertained, more particularly, in fiscal matters - Writ Appeal filed by Revenue is allowed and the interim order of stay granted by the writ Court was set aside.

[Joint Commissioner of GST & Central Excise Vs Cheran Cements Ltd (2018-TIOL-1251-HC-MAD-ST)]

CUSTOMS

- ❖ CUS - The assessee was providing services of custom house agent - On investigation, the Revenue observed that there was evasion of customs duty on goods imported by various importers - SCN was issued for demand of custom duties along with penalties and goods were confiscated.

Held: It is clear that the assessee is not a importer & is only a CHA - The function of the CHA as an Agent and his responsibility is to a limited purpose of arranging release of the goods & once the goods are cleared he has no further function - The answer to whether or not the duty liability can

be fastened on the CHA is in the negative - Following the decision of Devanshi Bhanji Khona, the demand and confiscation is set aside - Hence, the appeal is allowed. **[H H Hingorani Vs CC (2018-TIOL-2016-CESTAT-AHM)]**

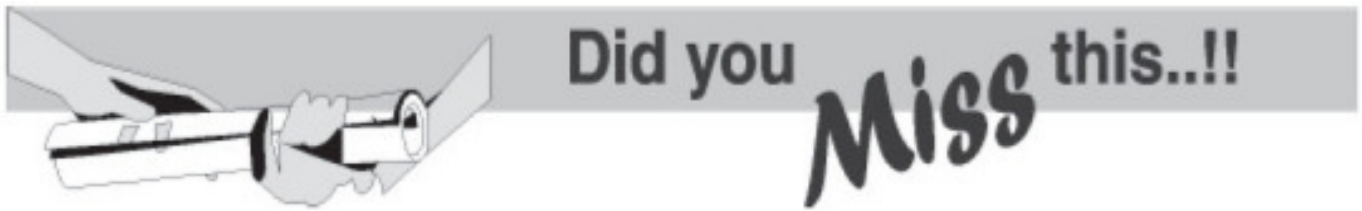
- ❖ ST - The assessee is a BPO providing business support service to various International clients. On audit, it was found that service tax on import of services was not deposited. The Commr. (A) deleted demand on certain services but confirmed the demand for some. In addition, the assessee did not pay service tax voluntarily which is why penalty was imposed u/s 77 & 78 i.e. failure to pay service tax for reasons of fraud & others. Hence, the present appeal. Held - While it is true that service tax was paid after enquiry by the Revenue, the nature of services and non-payment of service tax was not suppressed by the assessee - The details were appearing in book of accounts. Therefore, following the decision of Tribunal in Mahindra Water Utilities, Adecco Flexione Worforce Solutions Ltd, Independent New Services P. Ltd & Sunita Tools Pvt. Ltd., the penalties imposed on the assessee are deleted: **[Sitel India Ltd Vs CCE (2018-TIOL-2032-CESTAT-MUM)]**

CENTRAL EXCISE

- ❖ Defective/damaged moulds are sent to job worker u/r 4(5)(a) of CCR, 2003 for reconditioning and remaking of the same - after return, same are used for manufacture of final product - case of department is that the said defective/damaged moulds ought to have been removed on payment of duty as they are waste/- scrap - appeal to CESTAT.

Held: On the moulds purchased, the appellant had availed CENVAT credit and after use, when the moulds are cleared, though defective/damaged, it is in the form of input only, particularly for the reason that though defective/damaged, after reprocessing/remaking the same is further used in the manufacture of final product - removal of defective/damaged moulds is nothing but a removal of input for further processing by job worker and is correctly covered u/r 4(5)(a) of CCR, 2004. Issue is no longer res integra in view of Larger Bench decision in Wyeth Laboratories Ltd. impugned order set aside and appeals allowed. **[New Steel Trading Pvt Ltd Vs CGST (2018-TIOL-2049-CESTAT-MUM)]**





- ❖ Ease of Doing Business - DIPP Ranking - Gujarat stands 5th & Haryana 3rd
- ❖ Shares of consumer discretionary companies rallied on Monday after the government's decision to slash Goods and Services Tax (GST) rates on a wide range of items cheered investors.
- ❖ The Gujarat government today submitted a memorandum to the 15th Finance Commission asking for compensation for the revenue loss of over Rs. 9,000 crore annually due to prohibition in the state
- ❖ The gross non-performing assets (NPA) ratio for PSBs stood at 14.6 per cent in 2017-18
- ❖ As on June 30, 2018, provisional attachments have been made in more than 1,600 benami transactions involving benami properties valued at over Rs 4,300 crore
- ❖ Half-a-dozen states - Puducherry, Himachal, Uttarakhand, Punjab, Jammu & Kashmir and Bihar have a shortfall of up to 43% of average monthly revenue due to GST
- ❖ With the government slashing GST rates on select white goods by 10 percent, consumer durable makers say they will pass on the benefit to consumers and cut prices of commonly used items by 7-8 percent.
- ❖ The drafts of new forms for filing GST return will be put in public domain by early next week for stakeholder consultation
- ❖ The Centre may come out with amendments to Special Economic Zones (SEZ) Rules 2006 to synchronise it with Goods and Services Tax (GST) laws by the end of this month
- ❖ Madhya Pradesh High Court has upheld the Rs 1.32 - crore penalty slapped on a transporter that failed to provide details of vehicle carrying goods in the e-way bill generated by it. The penalty amount is higher than the value of goods at Rs 1.12 crore
- ❖ The Reserve Bank of India will soon launch lavender-coloured new Rs 100 notes, which will join the list of new designs of Rs 200, Rs 500, Rs 10 issued in last couple of years.
- ❖ The government has doubled import duty on over 50 textile products - like jackets, suits and carpets - to 20 per cent, a move that is aimed at promoting domestic manufacturing.
- ❖ Second time in two months, RBI increases interest rate, cautions on fiscal front.
- ❖ June WPI inflation rises to four-year high of 5.77 per cent.
- ❖ IMF downgrades growth rate for India in 2018 and 2019.
- ❖ Care Ratings upgrades YES Bank ratings
- ❖ Petroleum products to be brought under GST in stages, says finance secretary
- ❖ 2A vs 3B - Scrutiny notices from State GST Authorities - need for restraint





- ❖ EU slaps USD 5 billion anti-trust penalty on Google
- ❖ CBI arrests former officials of Bank of India in Rs. 2,654 - crore loan case
- ❖ CBDT issues AGT order of 226 JCITs + mandatory transfer of 5 officers
- ❖ The Serious Fraud Investigation Office (SFIO) has received complaints against private sector lender ICICI Bank and engineering firm Larsen and Toubro
- ❖ Appointment of Arun Kumar, IRS (C & CE: 2010) as Deputy Commissioner (Customs) at Kandla SEZ
- ❖ Assigning charge of the post of Pr. ADG, DGARM, Delhi temporarily to Sandeep Kumar, IRS
- ❖ CBDT gives Ms Neena Kumar Addl Charge of DGHRD



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CMA Ashok Nawal, Founder of Bizsol India Services Pvt. Ltd, in the seminar on “GST & Companies (Amendment) Act, 2017” arranged by Hyderabad Chapter of ICAI held on 11th July, 2018



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