



अंक 49 अंक 10
31 अक्टूबर 2019

मेवाड़ चेम्बर पात्रिका

(मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री का मासिक पत्र)

उदयपुर, चित्तौड़गढ़, डूंगरपुर, बाँसवाड़ा, प्रतापगढ़
राजसमन्द एवं भीलवाड़ा का सम्भागीय चेम्बर

मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री

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Chamber President & Secretary General with Hon'ble Industries Minister at Jaipur on 22.10.2019

DIWALI SNEH MILAN 28.10.2019



MEWAR CHAMBER OF COMMERCE & INDUSTRY

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AT THE INTERNATIONAL LEVEL

International Chamber of Commerce, Paris (France)

AT THE NATIONAL LEVEL

Federation of Indian Chamber of Commerce & Industry, (FICCI) New Delhi

Indian Council of Arbitration, New Delhi

Confederation of Indian Industry (CII)

National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi.

Confederation of All India Traders, New Delhi

AT THE STATE LEVEL

Rajasthan Chamber of Commerce & Industry, Jaipur.

The Employers Association of Rajasthan, Jaipur.

Rajasthan Textile Mills Association, Jaipur

REPRESENTATION IN NATIONAL & STATE LEVEL COMMITTEES

- All India Power loom Board, Ministry of Textile, Govt. of India, New Delhi
- State Level Tax Advisory Committee, Govt. of Rajasthan, Jaipur
- State Level Industrial Advisory Committee, Govt. of Rajasthan, Jaipur
- Regional Advisory Committee, Central Excise, Jaipur
- Foreign Trade Advisory Committee, Public Grievance, Customs, Jaipur
- DRUCC/ZRUCC of North Western Railways

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नई उद्योग नीति के लिए राज्य के उद्योग मंत्री के साथ बैठक

22 अक्टूबर 2019 को राज्य सरकार की ओर से माननीय उद्योग मंत्री श्री परसादी लाल जी मीणा की अध्यक्षता में नई उद्योग नीति के संबंध में बैठक आयोजित हुई। मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से अध्यक्ष श्री जे के बागडोदिया, मानद महासचिव श्री आर के जैन ने भाग लिया। बैठक में माननीय उद्योग मंत्री को अपने प्रस्तुतिकरण में श्री आर के जैन ने बताया कि टेक्सटाइल उद्योग के परिपेक्ष में राजस्थान अन्य राज्यों से बहुत पिछड़ा हुआ है। देश में 2100 से अधिक टेक्सटाइल मिले हैं, जिनमें 471 लाख से अधिक स्पिण्डल लगे हुए हैं। राजस्थान में मात्र 40 मिलों में 20 लाख स्पिण्डल हैं, जो कि 5 प्रतिशत से भी कम है। पावरलूम क्षेत्र में 35 लाख से अधिक लूम पूरे देश में लगे हैं, राजस्थान में मात्र 22 हजार लूम हैं। टेक्सटाइल उद्योग प्रमुख रोजगार सृजक होने के नाते महाराष्ट्र, गुजरात, मध्यप्रदेश आदि राज्य अपने-अपने राज्यों में उद्यमियों को आकर्षित करने के लिए भरसक प्रयास करते हुए विशेष टेक्सटाइल नीति बनाई है। हमें भी इन राज्यों के समान टेक्सटाइल उद्योग को विकसित करने के लिए विशेष ध्यान देना होगा। मेवाड चेम्बर की ओर से दिये गये अधिकांश सुझाव नई ड्राफ्ट उद्योग नीति में सम्मिलित किये गये हैं। चेम्बर की ओर से दिये गये प्रस्तुतिकरण इस अंक में प्रकाशित किया जा रहा है।



टफ योजना के तहत यूआईडी नम्बर जारी करने के लिए पुनः आवेदन का समय

मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री के लगातार प्रतिवेदनों पर, टेक्सटाइल मंत्रालय ने टफ योजना के तहत ऐसे मामले जिनमें बैंकों के स्तर पर देरी से यूआईडी नम्बर भी जारी नहीं हो पाये थे, विचार कर ऐसे मामलों में यूआईडी नम्बर जारी करने के आवेदन के लिए 31 अक्टूबर तक का समय देते हुए टेक्सटाइल आयुक्त के ऑनलाइन प्रतिवेदन साइट पर विण्डों खोली है। पूरे देश में 1500 से अधिक एवं भीलवाड़ा में लगभग 25 प्रकरणों में यूआईडी जारी नहीं की गई थी, जिसमें चेम्बर के सतत् प्रयासों से वस्त्र आयुक्त कार्यालय ने 18 अक्टूबर को जारी विज्ञप्ति के अनुसार अब कुल 1182 ऐसे प्रकरणों में यूआईडी के लिए पुनः आवेदन करने की छूट दी है। चेम्बर की ओर से पुनः मंत्रालय एवं वस्त्र आयुक्त कार्यालय से सम्पर्क कर बताया गया कि यूआईडी आवेदन के लिए कुल 12 दिन का समय दिया गया है, जिसमें भी दिवाली त्यौहार की वजह से अवकाश रहने से बहुत कम समय मिल पायेगा। चेम्बर की ओर से यह अवधि 31 दिसम्बर तक बढ़ाने की मांग की गई। **बाद में यह तिथि 10 नवम्बर तक बढ़ाई गई।**

साथ ही चेम्बर ने वस्त्र मंत्री, केन्द्रीय वस्त्र सचिव एवं वस्त्र आयुक्त को एम-टफ, आर-टफ, आरआर-टफ योजना के जॉयइन्ट इंस्पेक्शन से पूर्व संबंधित बैंकों के मार्फत आवश्यक डॉक्यूमेन्ट ऑनलाइन दाखिल करने की अन्तिम तिथि जो कि 31 अक्टूबर तक बढ़ाई गई थी, उसे भी 31 दिसम्बर तक बढ़ाने की मांग की गई। वस्त्र आयुक्त कार्यालय ने 5 सितम्बर को पत्र जारी कर एम-टफ, आर-टफ, आरआर-टफ योजना के तहत अनुदान प्राप्त कर रहे सभी टेक्सटाइल उद्योगों की नये सिरे से जॉयइन्ट इंस्पेक्शन करने एवं इस हेतु आवश्यक प्रपत्र 30 सितम्बर तक दाखिल करने की निर्देश दिये थे। यह तिथि बाद में 31 अक्टूबर तक बढ़ाई गई। वस्त्र आयुक्त की वेबसाइट पर उपलब्ध जानकारी के अनुसार इन श्रेणी में 3898 प्रकरणों में बैंकों की ओर से ऑनलाइन डॉक्यूमेन्ट दाखिल किये जाने हैं। जबकि 22 अक्टूबर तक मात्र 846 प्रकरणों में डॉक्यूमेन्ट दाखिल किये गये **चेम्बर के प्रतिवेदन पर यह तिथि 30 नवम्बर 2019 तक बढ़ाई गई।**



दीपावली स्नेह मिलन

दिनांक 28 अक्टूबर 2019 को मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से दीपावली महापर्व के अवसर पर स्नेह मिलन का आयोजन हुआ। मेवाड चेम्बर के अध्यक्ष श्री जे के बागडोदिया, वरिष्ठ उपाध्यक्ष श्री जी सी जैन, उपाध्यक्ष डॉ आर सी लोढा, मानद महासचिव श्री आर के जैन, संयुक्त सचिव श्री विनोद मानसिंगका, कोषाध्यक्ष श्री के के मोदी ने स्नेह मिलन में जन प्रतिनिधियों, स्वयं सेवी संगठनों के प्रतिनिधियों, शहर के प्रबुद्ध नागरिकों एवं मेवाड चेम्बर के सदस्यों का स्वागत किया एवं दीपावली की शुभकामनाएं दी। स्नेह मिलन में पूर्वाध्यक्ष श्री आर एल नौलखा, श्री एस एन मोदानी, श्री वी के सोडानी, श्री एम डी गगराणी, डॉ पी एम बेसवाल, श्री जे सी लढा, श्री अनिल मानसिंगका, श्री दिनेश नौलखा, पूर्व मानद महासचिव श्री एस पी नाथानी, बैंकर्स क्लब, सीए संगठन, भीलवाड़ा ब्रांच ऑफ आईसीएसआई, टेक्सटाइल ट्रेड फेडरेशन, ऑटोमाइल्स मशीनरी डीलर्स एसोसियेशन, टेक्सटाइल एजेन्ट एसोसियेशन, दी क्लोथ मर्चेन्ट एसोसियेशन आदि के पदाधिकारियों एवं सदस्यों ने भाग लिया।

REPRESENTATION

दिनांक 01.10.2019

माननीय श्री नितिन जी गडकरी

माननीय राष्ट्रीय राजमार्ग मंत्री

भारत सरकार,

नई दिल्ली

विषय : राष्ट्रीय राजमार्ग संख्या 79, किशनगढ से उदयपुर (राजस्थान) का 4 लेन से 6 लेन में परिवर्तन कार्य में विलम्ब एवं शिथिलता।

मान्यवर,

मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री दक्षिण राजस्थान के 7 जिलों का मान्यता प्राप्त 52 वर्ष से सक्रिय संभागीय चेम्बर है, जो कि दक्षिण राजस्थान के सभी टेक्सटाइल उद्योग, सीमेन्ट उद्योग, मार्बल उद्योग एवं अन्य उद्योगों का प्रतिनिधित्व करता है। दक्षिण राजस्थान में हमारे 500 से अधिक वृहत, मध्यम एवं लघु उद्योग श्रेणी के सदस्य हैं, जिनका वार्षिक टर्नओवर 50 हजार करोड से अधिक एवं निर्यात 15000 करोड रुपये से अधिक का है।

राष्ट्रीय राजमार्ग संख्या 79, किशनगढ से उदयपुर एक बहुत महत्वपूर्ण राजमार्ग है, जो कि दिल्ली-जयपुर से किशनगढ-उदयपुर होते हुए अहमदाबाद को जोड़ने के राजमार्गों का एक भाग है। यह राजमार्ग किशनगढ, भीलवाडा, चित्तौडगढ के राजस्थान के बड़े औद्योगिक क्षेत्रों से गुजरता है एवं मार्बल, टेक्सटाइल, सीमेन्ट आदि उद्योगों के लिए "लाइफलाइन" है। वर्तमान में किशनगढ से उदयपुर खण्ड का 4 लेन से 6 लेन में परिवर्तन का कार्य चल रहा है, जिसके लिए हम आपके एवं एनएचएआई के आभारी हैं।

वर्तमान में इस राजमार्ग 79 का 4 लेन से 6 लेन में परिवर्तन का जो कार्य चल रहा है, उसमें किशनगढ से भीलवाडा एवं चित्तौडगढ के मध्य चल रहे कार्य में काफी विलम्ब हो रहा है। पिछले 6 माह से कार्य लगभग बन्द है। इस निर्माण कार्य में नसीराबाद से भीलवाडा के मध्य 15-16 जगह ऑवरब्रीज निर्मित किये जा रहे हैं एवं ट्रेफिक के लिए बाईपास बनाये गये हैं। इन ऑवरब्रीज के निर्माण कार्य के चलते हुए लगभग एक वर्ष से अधिक का समय हो गया है एवं अभी भी सभी कार्य अधूरे पडे हैं। बाईपास भी क्षतिग्रस्त है, जिससे ट्रेफिक निकलने में कई बार लम्बे जाम लग जाते हैं। इससे इस महत्वपूर्ण राजमार्ग पर परिवहन में काफी कठिनाईयां आ रही हैं।

इस मार्ग पर हमारी सैकड़ों सदस्य टेक्सटाइल एवं अन्य औद्योगिक इकाईयां स्थापित हैं। इन इकाईयों में कच्चे माल की आपूर्ति एवं उत्पादित माल के परिवहन में विलम्ब हो रहा है एवं इकाईयों को आर्थिक हानि हो रही है। इसकी साथ ही समीप के क्षेत्रों में रहने वाले सामान्य जन भी इससे काफी परेशान हैं।

अतः श्रीमान से अनुरोध हैं कि राजमार्ग 79 के भीलवाडा से चित्तौडगढ खण्ड पर 6 लेन निर्माण एवं ऑवरब्रीज निर्माण को तीव्र गति से शीघ्रातिशीघ्र पूरा करने के लिए निर्देशित कराने की कृपा करावे। इसके लिए हम सदैव आभारी रहेगे।

सादर।

(आर के जैन)

मानद महासचिव

प्रतिलिपी : माननीय श्री सुभाष जी बहेडिया, माननीय सांसद, भीलवाडा

श्रीमान जिला कलक्टर, भीलवाडा

श्रीमान स्थानीय अधिकारी, एनएचएआई, भीलवाडा

Dated : 03.10.2019

The Managing Director
RIICO Ltd
Udyog Bhawan, Tilak Marg
Jaipur

Sub : Demand of additional amount for the land / plot sold in RIICO Industrial areas.

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the almost entire industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. For last 52 years, it has been functioning as representative body of the industries in the state, leading the cause of the entire industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

RIICO is the designated agency responsible for Industrial development of the state. Apart from others, one of the prime job of RIICO is to identify suitable area, acquire / purchase Land from existing owners, develop for industries and sell to prospective industrialists.

It pays to acquire suitable land and the cost and other expenses are included in the selling price of plots of different RIICO areas. Normal process of selling industrial land is by open & transparent bidding making it amply clear to the bidder about the cost he has to pay for the land.

There have been instances in recent past where RIICO demanded additional amount from owners after years of land being sold / allotted. This is not proper for the agency responsible for industrialisation of the state. The project cost of any project is based on cost of land, building & Machineries. Once the project has been set up and loan availed by the entrepreneurs, it is very difficult to pay additional sum, which will put additional financial burden. This has also led to litigation and in many cases the entrepreneurs are forced to close the units due to additional demand of land cost and interest etc.

It is therefore requested that the once the land cost and selling price is finalized by RIICO and the plots are sold / allotted, there should be no additional demand afterwards for the cost of land by RIICO.

We are sure that you will kindly look into our suggestion and will take necessary action in the matter. We look forward to your kind support and cooperation,

With Best Regards

For Mewar Chamber of Commerce & Industry

(CS R.K.Jain)
Hon'y Secretary General

CC : Hon'ble Shri Subhash Ji Bahedia, MP, Bhilwara
District Collector, Bhilwara

Dated: 21.10.2019

Hon'ble Shri Parsadi Lal ji
Hon'ble Minister for Industries,
Government of Rajasthan
Jaipur

Sub : Suggestions for Proposed New “Rajasthan Industrial Development Policy-2019” of the State

Respected Sir,

We are highly thankful to your honour for inviting Mewar Chamber of Commerce & Industry in the meeting to discuss new Rajasthan industrial Development Policy 2019 of the State. Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

At the start, we wish to give an over view of the textile industry in Rajasthan. Textile Industry is the oldest industry of the Country and of Rajasthan also. Presently, it is the Back Bone of the State's Economy and is also the largest employer in organized and unorganized sector after agriculture. Rajasthan has developed as the major Textile State in the Country. It is the largest producer of polyester / viscose yarn, about 65% of the Country's production of P/V yarn. It has emerged as the largest producer P/V blended suiting in the Country, producing about 72% of total production. In the State, Bhilwara is the largest centre of P/V suiting production in the World, producing about 100 crore meters of such fabrics per annum. Pali, Balotara, Jasol, Jodhpur are the largest center of cotton fabrics dyeing in the Country.

Presently there are 40 large sector textile mills in the State having about 20 lacs spindle installed capacity, producing about 6.00 lacs tones of yarn per annum valued at Rs 12,000 crore. The State has about 25000 power looms out of which about 17000 looms in Bhilwara district are producing P/V and other blended Suitings. The production of blended Suitings is about 100 crore meters valued at Rs 15000 crore per annum. In Rajasthan, Bhilwara and Banswara has emerged as the large centre of Denim production, making Rajasthan as the second largest producer of denim in the Country. In Southern Rajasthan about 30 crore meters of Denim is produced per annum. Rajasthan is far behind in technical textile and readymade garment sectors.

Potentials for Development of Textile Industry in Rajasthan

The Rajasthan Investment Promotion Scheme 2010 framed under the able leadership of Hon'ble Chief Minister Shri Ashok Gehlot proved to be a milestone for the development of industries in Rajasthan. The RIP 2010 was later amended as RIP 2014.

The spinning sector has a great potential to add about 10 lacs more spindles in next 5-6 years, provided proper policy support is given by the State Government, as under ATUFS of the Government of India no support is available for this sector. In weaving sector, particularly in production of Denim fabrics, we have a potential to grow to the size of 50 crore meters of fabrics production per annum. Bhilwara itself can easily double the production to 40 crore meters level from present 20 crore with proper policy support.

Policy Support Required for Further Development of Industries in Rajasthan

A. Textile Sector :

Earlier, the Government of India was providing 5.00% interest TUF subsidy on modernization or installation of shuttle less looms and in spinning, processing sectors. The TUFs amended from time to time and presently it is operative as ATUFS up to 31.03.2022. The ATUFS is not providing any support to spinning sector, while in Rajasthan, the spinning sector is at a very low level if compared on all India basis. Out of about 5 crore spindles capacity of the Country, the State has only about 20 lacs spindles i.e. only 4% and this sector also need proper support from the State Government for further development. Similarly, out of about 20 lacs Powerloom in the Country, we have only about 25000 power looms working in the State. Without the support of Government, No industry can be established in the state. Our adjoining state like, M.P. Gujarat, Maharashtra prepared the industrial/textile policy and which is more attractive and beneficial. Hence, we request your honour to prepare a separate policy for textile sector to attract more investment in the state to generate more employment.

Enterprises making a minimum investment of twenty five lakh rupees in new industry or expansion in the textile sector shall be granted the following benefits :-

i.	5% interest subsidy;
ii.	Additional 1% interest subsidy for enterprises making investment more than Rs.10 crore;
iii.	Additional 2% interest subsidy for enterprises making investment more than Rs.20 crore;
iv.	7% interest subsidy for Technical Textile Sector, Denim & Garment Sector.
v.	70% 90% Capital Subsidy on zero liquid discharge based effluent treatment plant on Investment of Plant and Machinery, subject to a maximum of Rs. 5.00 crore;
vi.	50% reimbursement of GST on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State.
vii.	Grant to develop basic Infrastructure on private / undeveloped land, subject to maximum of Rs. 2.00 Crore
viii.	Capital investment subsidy from 10 to 40% on gross investment subject to maximum Rs 150 crore, apart from interest subsidy.
ix.	To provide Land on Nominal Value or on Reasonable Value nearby State Highways/National Highways
x.	To Provide Minimum Rs. 5000/- to Rs. 13000/- Employment subsidy for seven years for New Employment in present industries including expansion and New Industries
xi.	To provide subsidy on Electricity Tariff of Rs. 3.00 Per Unit for all industries including existing and New Industries.
xii.	Exemption from Stamp Duty, Electricity Duty, Conversion Charges and other benefits as available in present scheme
xiii.	20% additional benefits to units doing substantial exports i.e. more than 25% of their production.
xiv.	50% additional benefits to units providing large employments.

Note: *Previously the benefits under the textile package were linked with the TUFSS subsidy sanctioned by the Ministry of Textile. Now as the ATUFSS is almost non-operative, the state benefits should be sanctioned de-linked with TUFSS and should be sanctioned at State / District Level itself.*

Support for establishing Textile Park

The Ministry of Textile has launched scheme for Textile Park which now operative up to 31.03.2020. Rajasthan has been sanctioned only four Textile Park out of which only two are operative. The State Government should develop a separate policy for Textile Park at State's level operative for next five periods. The Government should promote textile parks also with minimum 20 units.

- The textile park should be provided financial assistance @ 25% of capital expenditure for establishing common facilities, common infrastructure and additional infrastructure (except land cost), maximum up to Rs 25 crore.
- The developer of park will be eligible for reimbursement of 100% of stamp duty paid on purchase of land required for the new park.
- The individual enterprise which is set up in the Park will also be eligible for reimbursement of 100% stamp duty paid on the first purchase of plot / shed in the Textile Park.
- The Park should be provided financial assistance @ 25% of the cost of Hostel/ Dormitory Housing within the Park for a minimum of 100 workers.

Benefits under RIP after transfer of Term Loan Account

We wish to submit you that in case of textile industry under ATUFSS-**Transferring the ATUFSS loan from one lending agency to another lending agency:**

The outstanding principal amount of the loan account under this scheme from one lending agency can be transferred to another lending agency only once subject to the condition that portfolio (i.e., balance principal amount) remains unchanged.

Accordingly some of our member transferred their Term Loan account from One Lending Agency to another Lending Agency on the same terms and conditions, repayment period and installments. The unpaid part of the Loan was shifted from one Lending Agency to another Lending Agency. But they have been denied the benefit of RIP interest subsidy for the remaining period. It is submitted that while the Term Loan have been transferred -from one lending Agency to another lending Agency on the same terms and conditions, repayment period and installments, the benefit of interest subsidy for the remaining entitle period under RIPS-2014 should be continued to such units.

B. Other Manufacturing Industries and Service Sector

Enterprises making a minimum investment of One Crore rupees in any Manufacturing/Service Sector either in expansion or new unit shall be granted the following benefits:-

i.	5% interest subsidy;
i.	5% interest subsidy;
ii.	Additional 1% interest subsidy for enterprises making investment more than Rs.10 crore;
iii.	Additional 2% interest subsidy for enterprises making investment more than Rs.20 crore;
iv.	50% reimbursement of GST on any input/input services purchased from Rajasthan and used in manufacturing/services of goods/services within the State or out of state.
v.	Grant to develop basic Infrastructure on private / undeveloped land, subject to maximum of Rs. 2.00 Crore
vi.	Capital investment subsidy from 10 to 40% on gross investment subject to maximum Rs 150 crore.
vii.	To provide Land on Nominal Value or on Reasonable Value nearby State Highways/National Highways
viii.	To Provide Minimum Rs. 5000/- to Rs. 13000/- Employment subsidy for seven years for New Employment in present industries including expansion and New Industries
ix.	To provide subsidy on Electricity Tariff of Rs. 3.00 Per Unit for all industries including existing and New Industries.
x.	Exemption from Stamp Duty, Electricity Duty, Conversion Charges and other benefits as available in present scheme
xi.	20% additional benefits to units doing substantial exports i.e. more than 25% of their production.
xii.	50% additional benefits to units providing large employments.

Other Benefits may be provided in proposed New Policy

A. Freight Subsidy

The exports of manufacturing/service sector have slowed down by 30-35 % during current period. Our Industries are far away from the Sea-Ports and we have to pay extra freight of Rs 5- 6 per kg for export shipments, as compared to units in Gujarat & Maharashtra. We suggest that freight subsidy of Rs 2/- to 3/- per kg to be provided to all exporters.

B. To grant subsidy/Rebate in Electricity Tariff

We would like to submit your honour that, Textile Industry is the highest **employment providing industry** after the agriculture sector in India. As you are aware that whole of the textile industry and other industry are facing very critical situation due to recession. Electricity is the major component of cost and it contributes around 40% amongst conversion cost component. Gujarat, M.P. Maharashtra are our neighbouring states and are also our competitor in respect of textile and other commodities. In these states cost of electricity is around Rs. 4.00 to 5.00 Per Unit , whereas in our state present tariff is Rs. 7.30 Per Unit and **proposed tariff rate for HT-Specified Industries is 6.00 Per Unit**, which is still very high. In such a situation, either our industry will be closed down or will be shifted from Rajasthan to Gujarat or other nearby states due to huge difference in electricity cost.

Sir, Electricity Rate in **Rajasthan is highest form other states**. Gujarat is our neighbouring state and cost of electricity is around Rs. 4.00 Per Unit to Rs. 4.30 Per Unit for industries and electricity rate for industries in MP and Maharashtra is around Rs. 5.00 Per Unit. AVVNL Proposed the same rate as existing Rs. 7.30 Per Unit in Rajasthan (Except HT—6 Category Industries), whereas in various states electricity rate is much cheaper then Rajasthan. In such a situation, either our industry will be close down or will be shifted from Rajasthan to Gujarat and other states due to huge difference in electricity cost. Due to this reason, no new industries and major expansion are coming up, since last some years and now, the existing industries will be forced to closed down their units and/or shift their industries in nearby states like Gujarat, Maharashtra, M.P. As already informed your honour that due to increase in cost of production, our majority of units are facing a survival problem and many of industries are closed down. We are facing tough competition, on one side from our adjoining states which are providing much better or lesser electricity rate from Rajasthan and on the another side from **International Market** such as China, Bangladesh, Vietnam, Malaysia etc as their product is much cheaper from our product.

As power tariff in Rajasthan is the highest in the country and in this competitive era, the State Government should pay attention on this critical issue and should consider subsidy/rebate of atleast 3.00/- Per Unit for industries.

C. **Freight Corridor-Mumbai Delhi Freight Corridor** passes through Rajasthan and the nearest station on this freight corridor for Bhilwara is Kishangarh at about 130 kms distance. We suggest that Bhilwara should be connected to Kishangarh by a separate freight corridor line for faster movement of export goods and inward movement of imported goods.

- D. Freight Terminal** at Bhilwara-For movement of export containers Freight Terminal at Bhilwara was suggested. For this purpose the senior railway authorities, including the General Manager, NWR and General Managers of CONCOR visited Bhilwara during 2014-15 and CONCOR had given its consent to develop Freight Terminal at Bhilwara. For this purpose, 1.5 km x 150 mtrs land is required near railway track in the district, anywhere. Though, we took up this issue with the previous State Government very vigorously for required land allotment but in vain. We request your honour to take up imitative in this important matter for faster movement of export goods.
- E. Readymade Garment Cluster-** Bhilwara is lagging in readymade garment industry. In spite of local availability of raw material i.e. fabrics and yarn, the readymade garment industry has not developed much here. Due to availability of raw material, labour and conducive industrial environment, Bhilwara offers much opportunity for readymade garment industry. We request that the Government should take interest and necessary steps to establish and develop Ready Made Garment Cluster at Bhilwara. As the readymade industry is labour intensive, if such a cluster is developed at Bhilwara it will provide employment to thousands of people and especially to women.
- F.** Development of Ceramic Cluster as declared by the Previous Government. We would like to submit that all minerals are available in Rajasthan and our minerals are going adjoining states for further processing. Previously, a cluster was declared for ceramic zone, but till there is no development.
- G.** To Reserve the Land Bank nearby National High Ways and State High Ways for Industrial Purpose may be allotted to industries on very Nominal Value or Reasonable Price. Further, Conversion of Land in Industrial used may be exempted from all stamp duty and conversion charges and it must be converted automatically within 30 days time from the date of submission of application.
- H.** To exempt any NOC/Permission for establishment of industry or grant the permission through automatic route.
- I.** Other issues of Electricity Matter
- i. To withdraw the levy of Additional Surcharge imposed on open access consumers of state**
 Additional Surcharge of Rs 0.80 per unit imposed vide order dated 24th Aug 2016 passed by Rajasthan Electricity Regulatory Commission (RERC) on power consumed through interstate open access. This new levy has been made applicable w.e.f. 1st May 2016.
 Additional Surcharge has been levied to compensate the State Discoms for stranding of power generation capacity contracted by them under long term Power Purchase Agreement (PPA) because of procurement of power by their consumers from sources other than local Discom under open access arrangement. Whereas this has been applied for all kind of transaction even on day ahead transactions. Due to this levy the industries are not in a position to purchase the electricity from Open Access and due to this reason our industries are not in a position to compete with our adjoining states and cost of electricity is much higher in comparison to other states. **Hence it is requested to please abolish/remove the provision of additional surcharge.**
 - ii. To withdraw the Levy of Cross Subsidy surcharge**
 The burden of other consumers such as BPL, agriculture and small domestic consumers should not be transferred to industries. It must be borne by the State Government. The cross subsidy should not be increased as proposed by AVVNL in their Tariff Petition. It is requested not to increase the cross subsidy rather the existing cross subsidy should be withdrawn to make our industries compatible with other states and in international market.
 - iii. To withdraw the Levy of Fuel Surcharges**
 Fuel Surcharges should not be recovered from industries/customer. It is very difficult to recover the extra cost of fuel charges from the customers. The fuel surcharge is decided or calculated after completion of the quarter and recovered form customers after expiry of that respective quarter. Goods are sold on the basis of present cost and fuel surcharges is not known at the time of selling the goods, as the price is on the basis of existing cost. Hence, recovery of Fuel Sur- Charges from industries is not proper and justified. It is requested to please withdraw completely the charging the fuel surcharge form industries.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

CS R K Jain
 Hon'y Secretary General

Dated: 21.10.2019

Smt. Nirmala Sitharaman

Hon'ble Union Minister of Finance & Corporate Affairs

Government of India

North Block,

New Delhi – 110001

Re : Simplified form of GST Annual Return and GST-Audit

Hon'ble Madam,

The Mewar Chamber of Commerce & Industry (MCCI) is the Divisional Chamber of Southern Rajasthan representing the almost entire industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the entire industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

Please refer press release of 37th GST Council held at Gao on 20th September, 2019, in which your honour assured to issue simplified form of GST Annual Return and GST Audit. Please note that extended last date for filing the GST Annual Return and GST-Audit is 30.11.2019 and till date no any simplified form for GST Annual Return and GST-Audit is issued. We would be highly thankful if you could release the simplified form of GST Annual Return and GST-Audit at the earliest possible.

We shall be highly obliged for your kind favourable action in the matter.

With Regards

(R.K.Jain)

Hon'y Secretary General



Dated: 21.10.2019

Hon'ble Shri Piyush Goyal

Hon'ble Minister for Commerce & Industry

Ministry of Commerce & Industry

Government of India

New Delhi.

Sub : **Blocking of MEIS applications system at DGFT website for Export items on which additional benefits allowed vide Public Notice No. 44/2015-2020 dtd. 05.12.2017**

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the almost entire industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the entire industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

The MEIS benefits rates were increased on certain items vide Public Notice No. 44 /2015-2020 dtd. 05.12.2017. The DGFT at its website blocked the filing of MEIS application with LEO date 01.08.2019 and the system now allows all the applications except the Export items on which enhanced MEIS was allowed vide captioned Public Notice. On enquiry it was informed to us this is because the Government has not decided whether to continue the enhanced MEIS after 01.08.2019 or not. We have received various representations from our exporter that they are not in a position to realize their original Export Benefits under MEIS Scheme and due to which their working capital is stuck as they are already facing liquidity crunch **due to slow down of economic activities**. In case it is taking time to decide about the enhanced MEIS rates they should at least be allowed MEIS at its original rates and balance may be allowed after Government's decision. Exporters are already facing tough competition and therefore the Government should allow enhanced rates of MEIS benefits. Moreover, they have to consider the MEIS benefits in their realization and therefore they are under dilemma whether to consider original or enhanced value of MEIS benefits.

In view of the above, we hereby request your good self to kindly allow the MEIS benefits at enhanced rates and in case it is taking time, kindly allow it at original rates and additional rate benefits may be allowed through supplementary licence. We hope you will very kindly look into our submissions and will take necessary steps to overcome the issue. We shall be highly obliged for your kind support.

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

Dated : 21.10.2019

Smt. Nirmala Sitharaman
Hon'ble Minister for Finance,
Government of India,
New Delhi

Sub – Problems faced in filling refund claim for deemed export.

Respected Ma'am

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the textile industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

On behalf of our all members of Mewar Chamber of Commerce and Industry, we convey our heartiest gratitude to your honour for re-solving various issues of industry relating to GST. We also appreciate the quick response of the Government of India, GST Council and your honour towards understanding and solving the various problems of Trade, Commerce and Industry.

Section 147 of the CGST Act provides that the Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India. In exercise of the powers conferred by Section 147 the Govt. issued **notification 48/2017 – Central Tax dated 18th October 2017** notifying the following supplies as deemed exports:

- 1 Supply of goods by a registered person against Advance Authorisation.
- 2 Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation.
- 3 Supply of goods by a registered person to Export Oriented Unit.
- 4 Supply of gold by a bank or Public Sector Undertaking specified in the notification No. 50/2017-Customs, dated the 30th June, 2017 (as amended) against Advance Authorisation.

Further the third Proviso to Rule 89(1) of Central Goods and Service Tax Rules provides that in respect of supplies regarded as deemed exports, the application for may be filed by, –

- (a) the recipient of **deemed export** supplies; or
- (b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund.

Thus, the claim of refund by the recipient of the capital goods under EPCG on payment of IGST has to be filled online.

But in the CGST Amendment Act, 2018, a new section 49 A was introduced which provides that while filling the GST return of the particular period first the balance in the IGST ledger has to be utilized for payment of tax. Further, in terms with Circular No. 59/33/2018-GST Dated the 4TH September, 2018, the refund claim under Rule 89(4) or rule 89(5) of the Central Goods and Services Tax, Rules, 2017 also the refund claim first has to be claimed from IGST balance and then from the balance in the other heads. **The relevant part of the said circular is reproduced below:-**

“System validations in calculating refund amount 3.1.

Currently, in case of refund of unutilized input tax credit (ITC for short), the common portal calculates the refundable amount as the least of the following amounts:

- a) The maximum refund amount as per the formula in rule 89(4) or rule 89(5) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”) [formula is applied on the consolidated amount of ITC, i.e. Central tax + State tax/Union Territory tax + Integrated tax + Cess(whenever applicable)];*
- b) The balance in the electronic credit ledger of the claimant at the end of the tax period for which the refund claim is being filed after the return for the said period has been filed; and*
- c) The balance in the electronic credit ledger of the claimant at the time of filing the refund application.*

3.2. After calculating the least of the three amounts, as detailed above, the equivalent amount is to be debited from the electronic credit ledger of the claimant in the following order:

- a) Integrated tax, to the extent of balance available;*
- b) Central tax and State tax/Union Territory tax, equally to the extent of balance available and in the event of a*

shortfall in the balance available in a particular electronic credit ledger (say, Central tax), the differential amount is to be debited from the other electronic credit ledger (i.e., State tax/Union Territory tax, in this case).”

Further, the refund of the capital goods received under EPCG on payment of IGST, has to be claimed vide filling a refund application online. But as the portal restrict from claiming the refund claim from the balance in electronic credit ledger of the head other than IGST and as the balance of IGST is already utilized while filling the return of the period. **Thus, this is creating a huge hardship to the recipient of deemed export in claiming the genuine eligible refund on the capital goods received under EPCG as deemed export on payment of IGST.**

We hope you will very kindly look into our submissions and will take necessary steps to overcome the issue. We shall be highly obliged for your kind support.

With Best Regards,

(CS R.K.Jain)

Hon'y Secretary General



Dated: 23.10.2019

The Textile Commissioner of India
Office of the Textile Commissioner
Government of India
Mumbai

Sub : For condoning delay in filing JIT request under ATUFS in iTUFS

Ref : Public Notice No. F. No. 12(10)/IMSC/ATUFS/2019/TUFS Cell/443 Date: 18/10/2019

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the almost entire industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. For last 52 years, it has been functioning as representative body of the industries in the state, leading the cause of the entire industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

As submitted earlier, large number of cases were pending for submission of UID application and JIT request. Your good office placed the issue in 3'd meeting of the Inter Ministerial Steering Committee (IMSC) held on 27.02.2019. It was informed to us that the IMSC decided to condone the delay in genuine cases, for which we are highly thankful to you.

Additionally, the IMSC decided that reasons for delay in submission of JIT request beyond two years from term loan sanction should be ascertained before considering the case for condensation. For soliciting the aforesaid information, submission of JIT request on iTUFS portal has been enabled for 1,182 time barred units till 31.10.2019 midnight. The option to submit JIT request to the Regional Office will remain disabled till the time IMSC condones the same.

We wish to submit that your above referred public notice was issued on 18.10.2019 and the time has been given only up to 31.10.2019, which is too short. Presently, all Banks are busy with festival season and there are many holidays up to 30.10.2019 and the units and their banks shall not be able submit the required documents in all 1182 cases.

Hence, we request your good office to kindly extend the date of submission of UID & JIT request up to 31st December 2019.

We are sure that your goodself will be kindly enough to accept our above request and will extend the last date up to 31st December 2019. We shall be highly obliged for the same.

With Best Regard,

For Mewar Chamber of Commerce & Industry

(CS R.K.Jain)

Hon'y Secretary General

Dated: 23.10.2019
The Textile Commissioner of India
Office of the Textile Commissioner
Government of India
Mumbai

Sub : Request for Extension of last date up to 31st December 2019 for uploading the documents under MTUFS, RTUFS, RRTUFS

Ref : Public Notice No. F. No. 12(10)/IMSC/A-TUFS/2019/TUFS/ Date: 30/09/2019

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the almost entire industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. For last 52 years, it has been functioning as representative body of the industries in the state, leading the cause of the entire industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

Vide your Your DO No. 12(10)/IMSC/ATUFS/2019/TUFS/28-64 Dated 05.09.2019 and copy forwarded to us by the R.O. Noida, it was desired that the concerned textile units previously covered under MTUFS, RTUFS, RRTUFS should ensure that their Bank should upload the six documents specified in the protocol vide O.M.No. 16015/01/2019-TUFS dated 14.06.2019, complete in all respect by 30th Sept 2019 till 6.00 PM.

Vide our letter dated 30.09.2019, we had requested to extend the last date for uploading the documents up to 31.12.2019. You had very kindly extended the date up to 30.10.2019 vide above referred public notice. In this connection, we have to submit that under these schemes there are 3498 cases, where accunts for which online subsidy claims lodged by Bank and out of the above, banks have uploaded the documents only 846 cases and out of the 846 cases only 15 cases are are found fit for JIT.

The summarised position available at your website as on 22.10.2019 is as under;-

Status on Progress of physical inspection of accounts under previous version of TUFS (MTUFS, RTUFS and RRTUFS) as on 22nd October 2019						
Sr.	Particulars	MTUFS List - I	MTUFS List- II	RTUFS	RRTUFS	Total
1.	Accounts for which online subsidy claims lodged by bank	870	2178	536	2092	3498
2.	Accounts for which documents uploaded by banks for conduct of JIT	61	83	130	572	846
3.	Accounts found fit for JIT	61	83	130	572	846

In this connection, we submit that :

Presently, all Banks are busy with festival season and there are many holidays up to 30.10.2019, hence, we request your good office to kindly extend the date of submission of documents up to 31st December 2019.

We also request you to please issue necessary direction to Bank to comply and upload the documents on priory basis. Further, awareness programme about JIT under MTUFS, RTUFS, RRTUFS may be kindly arranged through R.O. of Textile Commissioner, so that both concerned parties and Banks can be fully aware about the JIT.

We are sure that your goodself will be kindly enough to accept our above request and will extend the last date up to 31st December 2019. We shall be highly obliged for the same.

With Best Regard,

For Mewar Chamber of Commerce & Industry

(CS R.K.Jain)
Hon'y Secretary General

Hon'ble Shri Narendra ji Modi
Hon'ble Prime Minister of India
PMO Office,
New Delhi

Sub : Regional Comprehensive Economic Partnership (RCEP)-Textile industry in Rajasthan will be adversely affected.

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matter and other operational activities.

We also take this opportunity to voice our apprehensions about Regional Comprehensive Economic Partnership (RCEP) being proposed between India & 15 other Asian Countries including China, Bangladesh, Vietnam, Indonesia, Japan, South Korea etc. This will lead to duty free or low duty imports of textiles, garments, steel, Dairy products, Automobiles etc.

The RCEP proposes that 92% of India's goods would be tariff-free over the next 15 years. Most countries wanted India to slash existing tariffs on up to 90% of all goods.

While being a part of such a treaty, as this may certainly be of strategic importance, there have been concerns that with most custom tariffs being reduced or removed, India's industries will suffer and will specifically see an influx of cheaper goods from China. Looking to India's huge trade deficit with China at present this will totally imbalance the trade with China. In the absence of tariffs, the market could be flooded with Chinese goods.

Indian manufacturers are losing the competitive as to cheaper imports from China, Bangladesh etc even at the present duty structure. Chinese imports are hurting local textile industry and there are fears that RCEP will further worsen the situation.

In textile sector, the man-made fibre textile industry which is prominent in Rajasthan is already suffering from cheaper polyester fabrics import from China, Bangladesh & Vietnam; cheaper viscose yarn from Indonesia, Vietnam etc. On one hand we, the textile industry is requesting government to put / enhance Anti Dumping Duty on such products while on the other hand the proposed RCEP will reduce the present duties by 90%. Against such cheaper imports the industry will be totally ruined as labour is cheaper in Bangladesh, Vietnam & China. This will also lead to huge unemployment, as the textile industry is the largest job creating sector in India after agriculture.

We wish to submit that RCEP will affect textile industry in India, adversely and will lead :

1. To closure of textile industry in India.
2. Which will lead to huge unemployment.
3. Will cause heavy losses to Government towards revenue.
4. And will ultimately affect the Indian Economy adversely as NPA will increase.

Sir, a report by NITI Aayog showed that India imports more than it exports to countries with whom it has free-trade agreements, and exporters don't use regional trade agreements. The note also showed that after the ASEAN-China Free Trade Agreement was enacted in 2010, goods trade of the countries — Indonesia, Malaysia, Thailand, Vietnam, Philippines and Singapore — with China went from a surplus of \$53 bn to a deficit of \$54 bn in 2016.

“Given India's inability to negotiate a good services deal in the past, RCEP negotiations especially with China need a second thought. Indian industry will have more to lose than gain if it agrees to a liberal tariff elimination schedule specially w.r.t China,” the report said.

Hence, we request your good self to reconsider about signing of proposed RCEP, and to withdraw from the proposed treaty.

We are sure that your good office would consider our humble request sympathetically and will do the needful in the matter.

We look forward to your kind support and cooperation,

With Best Regards

CS R K Jain
Hon'y Secretary General

BEFORE THE HON'BLE RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

Filing No. Case No.

IN THE MATTER OF :

Petitions for Approval of Aggregate Revenue Requirement and Tariff Petition for the Financial Year 2019-20, filed by **Ajmer Vidyut Vitran Nigam Limited, Ajmer.**

AND,

IN THE MATTER OF

Mewar Chamber of Commerce and Industry
Mewar Chamber Bhawan,
Nagori Garden,
Bhilwara,-311001
Rajasthan

Respondent

Hon'ble Chairman & Members,

Mewar Chamber of Commerce & Industry is the **Divisional Chamber** of Southern Rajasthan representing the entire major industrial units of Bhilwara, Chittorgarh, Pratapgarh, Dungarpur, Banswara, Rajasmand & Udaipur. It has been functioning as representative body of the industries in the state, leading the cause of the trade, commerce and industry and making constructive suggestions to the Central and State Government and other agencies in regards to formation of industrial Policy, Taxation Matters and other operational activities.

This is in reference to an advertisement published in various News Paper on 02.09.2019 regarding filing of Petition by three Discoms of Rajasthan i.e. JVVNL, AVVNL and JdVVNL with **Rajasthan Electricity Regulatory Commission (RERC)** for approval of Aggregate Revenue Requirement and Tariff for the FY 2019 – 20 and invited comments / suggestions on the same.

Our Comments / suggestions are as under :-

1.Proposal for special rate of electricity for specified textile and other industry under category HT-6(Power Intensive Industries)

(a) Proposed Electricity Rate of Rs. 6.00 Per Unit to HT-6 Category Unit (Power Intensive Industries) is very high and it should be Rs. 5.00 Per Unit

We would like to submit your honour that, Textile Industry is the **highest employment providing industry** after the agriculture sector in India. As you are aware that whole of the textile industry and other industry are facing very critical situation due to recession. Electricity is the major component of cost and it contributes around 40% amongst conversion cost component. Gujarat is our neighbouring state and is also our competitor in respect of textile and other commodities. In Gujarat, cost of electricity is around Rs. 4.00 Per Unit to Rs. 4.30 Per Unit, whereas in our state proposed tariff rate is 6.00 Per Unit, which is still very high. In such a situation, either our industry will be closed down or will be shifted from Rajasthan to Gujarat and other nearby states due to huge difference in electricity cost.

Due to this reason, no new industries and major expansion are coming up, since last some years and now, the existing industries will be forced to closed down their units and/or shift their industries in nearby states like Gujarat. As already informed your honour that due to increase in cost of production our majority of units are facing a survival problem and many of industries are closed down. We are facing tough competition, on one side from our adjoining states which are providing much better or lesser electricity rate from Rajasthan and on the another side from **International Market** such as China, Bangladesh, Vietnam, Malaysia etc as their product is much cheaper from our product.

Proposal to provide electricity to HT-6 category of industry (**Power Intensive Industries**) at the rate of Rs. 6.00 Per Unit **will not serve the purpose of industry** and with this small reduction in electricity rate, our industry will not be able to compete with neighbouring states. We strongly suggest and request your goodself that Rs 5.00- per unit **be fixed instead of proposed rate of Rs. 6.00 Per Unit for HT-6 category of industry (Power Intensive Industries) irrespective of their power consumption.** This will support the entire power intensive industries of Rajasthan to survive and grow up so that new industries and expansion can come up.

(b) Benefit of existing available incentives should be continued in HT-6 Category Units/Industries

It is mentioned in Proposed Tariff, that already available incentives/rebate will not be available to **Power Intensive Industries** (HT-6 Category). We request you that already available incentives/rebate should not be withdrawn from

power intensive industries, otherwise our industries will not be able to compete with neighbouring states. To promote the industry it is necessary to continue the rebate and incentives already available in various schemes otherwise our industries will be closed down and may shift their establishment from Rajasthan to neighbouring states specially Gujarat and Maharashtra. As Gujarat is providing electricity at the rate from Rs. 4.00 Per Unit to Rs. 4.30 Per Unit and our industry will not be able to complete them. Hence it is requested to please not to withdraw existing incentives or rebates already available to HT-6 category industries.

(C) **To Provide the benefit of proposed Revised Rate of HT-6 category of industry (*Power Intensive Industries*) to entire textile Industry irrespective of their Power Load**

Sir, Proposal of AVVNL to provide the benefit of Special Rate of Electricity to HT-6 category of industry (***Power Intensive Industries***) **will be available** only to those **power intensive industries**, having the load **more than 125 KVA is not acceptable**. The Government of India and State Government is promoting to MSME Sector but due to this anomaly our majority MSME industries will be in trouble and such industries will have no option except to close down their activities, as their cost of electricity will be much higher in comparison to large industries using load more than 125 KVA and falling under the category of HT-6 industries i.e. ***Power Intensive Industries***. In Textile Sector more than 60% industrial units are working under MSME sector and due to this anomaly, industries having capacity (power Load) below 125 KVA, will not be eligible to take the benefit of HT-6 category as their power load is below 125 KVA. The MSME industries established under HT-6 category and having power capacity below 125 KVA, will suffer a heavy loss due to this discrimination. For this reason, entire MSME units will be unviable.

It is requested to please remove the condition of capacity of power load and give the due benefit to entire industries falling under the category HT-6, irrespective of their load capacity. This will support the Textile Industry and other eligible industries of Rajasthan, the largest employment provider, to survive and grow more.

2. **Huge increase in Fixed Charges is not acceptable and it should be withdrawn completely**

As entire industry is in recession and facing for survival and at this junction any increase in any fixed charges will lead to closure of the industry. AVVNL has proposed to increase fixed charges to Rs. 350/-Per KVA Per Month for HT-6 category of industries and Rs. 270/- for other Industries from the existing Rs. 185/- Per KVA, Per Month. Sir, we are unable to understand, on one hand AVVNL has proposed a specific concessional rate for HT-6 category of Industries and on the other hand AVVNL has proposed to increase the fixed charges from Rs. 185/- to Rs.350/- Per KVA per Month to these specific industries. It should be kept 185/- Per KVA Per Month only **for all industries**. You have also proposed Rs. 270/- Per KVA for other Industries and this amount should be kept Rs. 185/- Per KVA as per existing.

To increase the Fixed Charges at this junction is not justified and it is requested to please withdrawn the entire proposal to increase the fixed charges.

3. **TOD Benefit**

To give the benefit of reduction of electricity rate for “OFF PEAK HOURS” from proposed 10% to 25%.

You have proposed only 10% rebate in tariff charges in “OFF PEAK HOURS” (00HRS TO 06HRS). We appreciate the proposal of AVVNL but the benefit given in proposed tariff is not enough and **it should be at least 25%**. Rajasthan State is selling their surplus power during **OFF PEAK HOURS** at the rate **Rs. 2.00 to 3.00** Per Unit to other states and this benefit should be given to industries of the state. Further, **OFF PEAK HOURS** should be revised in place of **00 HRS- 06 HRS to 22.00 HRS-06 HRS**. (i.e. 10.00 Pm to 6.00 AM).

You have also proposed levy 10% extra charges **for PEAK HOURS**. Due to this extra charges on **PEAK Hours**, rebate/ benefit given by AVVNL will be nullified. It is requested to please withdraw the provision of charging extra on **PEAK HRS**.

4. **Tariff Rate to be reduced for all Industries from existing Rs. 7.30 to Rs. 5.00 Per Unit.**

We would like to submit your honour that, Electricity Rate in Rajasthan is highest form other states. Gujarat is our neighbouring state and cost of electricity is around Rs. 4.00 Per Unit to Rs. 4.30 Per Unit for large industries. AVVNL Proposed the same rate as existing Rs. 7.30 Per Unit in Rajasthan (Except HT—6 Category Industries), whereas in various states electricity rate is much cheaper then Rajasthan. In such a situation, either our industry will be close down or will be shifted from Rajasthan to Gujarat and other states due to huge difference in electricity cost. We strongly suggest and request your goodself that electricity tariff should be fixed Rs. 5.00 Per Unit instead of proposed Rs. 7.30 Per Unit. This will support the entire industries to survive and grow more.

Rajasthan State is already power surplus state and surplus power is being sold around at around Rs. 2.00 to 3.00 Per Unit by Discoms. In view of this, instead of selling surplus power at a loss of Rs.1 to 2/- per unit Discoms be directed to

provide an appropriate rebate/incentive (Rs. 2.00 to R.3.00 Per Unit) in tariff to entire trade and industry who are paying Rs.7.30/- per unit besides the fixed charges

5. **To withdraw the levy of Additional Surcharge imposed on open access consumers of state**

Additional Surcharge of Rs 0.80 per unit imposed vide order dated 24th Aug 2016 passed by Rajasthan Electricity Regulatory Commission (RERC) on power consumed through interstate open access. This new levy has been made applicable w.e.f. 1st May 2016.

Additional Surcharge has been levied to compensate the State Discoms for stranding of power generation capacity contracted by them under long term Power Purchase Agreement (PPA) because of procurement of power by their consumers from sources other than local Discom under open access arrangement. Whereas this has been applied for all kind of transaction even on day ahead transactions. Due to this levy the industries are not in a position to purchase the electricity from Open Access and due to this reason our industries are not in a position to compete with our adjoining states and cost of electricity is much higher in comparison to other states. **Hence it is requested to please abolish/remove the provision of additional surcharge.**

6. **To withdraw the Levy of Cross Subsidy surcharge**

The burden of other consumers such as BPL, agriculture and small domestic consumers should not be transferred to industries. It must be borne by the State Government. The cross subsidy should not be increased as proposed by AVVNL in their Tariff Petition. It is requested not to increase the cross subsidy rather the existing cross subsidy should be withdrawn to make our industries compatible with other states and in international market.

7. **To withdraw the Levy of Fuel Surcharges**

Fuel Surcharges should not be recovered from industries/customer. It is very difficult to recover the extra cost of fuel charges from the customers. The fuel surcharge is decided or calculated after completion of the quarter and recovered from customers after expiry of that respective quarter. Goods are sold on the basis of present cost and fuel surcharges is not known at the time of selling the goods, as the price is on the basis of existing cost. Hence, recovery of Fuel Surcharges from industries is not proper and justified. It is requested to please withdraw completely the charging the fuel surcharge from industries.

8. **Not to increase any tariff for Domestic and Non-domestic Customers**

In neighbouring states, rate of electricity is much cheaper in comparison to Rajasthan. AVVNL is already charging higher Tariff Rate of Electricity in case of Domestic and Non-Domestic Supplies. Hence, the proposal to increase the rate of electricity on domestic and non-domestic will lead to evasion and malpractices. Hence it is requested not to increase any rate in this category and the existing slab tariff should be continued.

9. **Base Year 2017-18**

We agree the proposal of base Year (2017-18) for calculation of consumption as proposed by AVVNL for providing rebate in incremental consumption.

You are hereby requested to kindly go through our proposal/suggestion and provide details to us so that we can provide our detailed comments to your honour during Personal hearing.

We also request your honour to please give us an opportunity of Personal hearing. We also request for an early hearing of the petition.

We look forward to your kind support and cooperation,

With Best Regards

For Mewar Chamber of Commerce & Industry

(CS R.K.Jain)

Hon'y Secretary General

OFFICE OF THE TEXTILE COMMISSIONER
NISHTHA BHAVAN, 48, NEW MARINE LINES,
MUMBAI - 400 020
FAX: 022-2200 4693: Website - www.txcindia.gov.in

Date: 24/10/2019

F. No. 12(10)/IMSC/A-TUFS/2019/TUFS cell/

CIRCULAR

Sub.: Extension of timeline for submission of JIT request beyond 2 years for 1848 units-reg

In pursuance of the decision taken in the 2nd meeting of IMSC, 1393 cases pending for UID generation under RR-TUF'S were allowed to opt for A-TUFS subject to the claims fulfilling all eligibility conditions as stipulated in the scheme. Additionally, IMSC in its 3rd meeting condoned delay in submission of UID application for 455 cases where lending agencies had failed to comply with the timeline.

Though these units were allowed to submit UID application beyond six months from the date of sanction of term loan, relaxation for submission of JIT request beyond two years was not extended at that time due to which these units could not file claims under A-TUFS.

The matter of relaxing the timeline for these 1,848 units (List enclosed) was placed before Inter-Ministerial Steering Committee in its meeting held on 24.10.2019. The Committee has decided to extend one time opportunity to these units to submit their JIT request in iTUFS Software latest by 10.11.2019(5.00 pm).

All the units are hereby informed to submit their JIT request by 10.11.2019(5.00 pm) through iTUFS Software failing which their UID shall be cancelled and no further request in this regard shall be entertained.

(Usha Pralhad Pol)
Deputy Director General



OFFICE OF THE TEXTILE COMMISSIONER
NISHTHA BHAVAN, 48, NEW MARINE LINES,
MUMBAI - 400 020
FAX: 022-2200 4693: Website - www.txcindia.gov.in

Date: 31/10/2019

F. No. 12(10)/IMSC/A-TUFS/2019/TUFS/

PUBLIC NOTICE

Sub. : Extension of time for lodge of subsidy claims and upload of documents in iTUFS for cases under MTUFS, RTUFS and RRTUFS - reg

This office vide DO of even number dated 0510912019 had informed CMDs of designated Nodal. Agencies and Nodal Banks under TUFS the timeline for upload of prescribed six documents in i-TUFS portal by 30th. September, 2019. The time was further extended vide Public Notice dated 30/09/2019 to 31st October, 2019.

2. Now, Banks/Lending Agencies and industry associations have requested for extension of timeline further due to shortage of manpower and induct of new staff that are not acquainted with TUFS work. The competent authority has, therefore, decided to extend the date for lodge of subsidy claims and upload of the six prescribed documents in i-TUFS portal in respect of cases under previous versions of TUFS viz MTUFS, RTUFS and RRTUFS by 30th November, 2019.

3. All the concerned are requested to strictly adhere to the deadline.

4. NO FURTHER EXTENSION MAY BE REQUESTED AND MAY NOT BE GIVEN.

(Usha Pralhad Pol)
Deputy Director General

Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs
Notification No. 44/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R...(E).- In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act) read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the said rules), the Commissioner, on the recommendations of the Council, hereby specifies that the return in **FORM GSTR-3B** of the said rules for each of the months from October, 2019 to March, 2020 shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month.

2. **Payment of taxes for discharge of tax liability as per FORM GSTR-3B.** – Every registered person furnishing the return in **FORM GSTR-3B** of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)

Under Secretary to the Government of India



Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs
Notification No. 45/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R (E).— In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies the registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year, as the class of registered persons who shall follow the special procedure as mentioned below for furnishing the details of outward supply of goods or services or both.

2. The said registered persons shall furnish the details of outward supply of goods or services or both in **FORM GSTR-1** under the Central Goods and Services Tax Rules, 2017, effected during the quarter as specified in column (2) of the Table below till the time period as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

Sr.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
(1)	(2)	(3)
1	October, 2019 to December, 2019	31st January, 2020
2	January, 2020 to March, 2020	30th April, 2020

3. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 of the said Act, for the months of October, 2019 to March, 2020 shall be subsequently notified in the Official Gazette.

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)

Under Secretary to the Government of India

Government of India
Ministry of Finance (Department of Revenue)
Central Board of Indirect Taxes and Customs
Notification No. 46/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R (E). - In exercise of the powers conferred by the second proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details of outward supplies in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from October, 2019 to March, 2020 till the eleventh day of the month succeeding such month.

2. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 of the said Act, for the months of October, 2019 to March, 2020 shall be subsequently notified in the Official Gazette.

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)

Under Secretary to the Government of India



Government of India
Ministry of Finance (Department of Revenue)
Central Board of Indirect Taxes and Customs
Notification No. 48/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R. (E).- In exercise of the powers conferred by section 128 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 41/2019-Central Tax, dated the 31st August, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 618(E), dated the 31st August, 2019, namely : In the said notification, in the opening paragraph –

- (a) in clause (ii), for the figures, letters and word “20th September”, the figures, letters and word “11th October” shall be inserted;
- (b) after the clause (iv), the following clauses shall be inserted, namely: –
- “(v) the registered persons whose principal place of business is in the State of Jammu and Kashmir, having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, who have furnished, electronically through the common portal, details of outward supplies in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017 (hereafter referred to as the said rules), for the month of August, 2019, on or before the 11th October, 2019, for failure to furnish the said **FORM GSTR-1** by the due date;
- (vi) the registered persons whose principal place of business is in the State of Jammu and Kashmir, required to deduct tax at source under the provisions of section 51 of the said Act, who have furnished electronically through the common portal, return in **FORM GSTR-7** of the said rules under sub-section (3) of section 39 of the said Act read with rule 66 of the said rules, for the month of July, 2019, on or before the 10th October, 2019, for failure to furnish the said **FORM GSTR-7** by the due date;
- (vii) the registered persons whose principal place of business is in the State of Jammu and Kashmir, required to deduct tax at source under the provisions of section 51 of the said Act, who have furnished electronically through the common portal, return in **FORM GSTR-7** of the said rules under sub-section (3) of section 39 of the said Act read with rule 66 of the said rules, for the month of August, 2019, on or before the 10th October, 2019, for failure to furnish the said **FORM GSTR-7** by the due date;
- (viii) the registered persons whose principal place of business is in the State of Jammu and Kashmir, who have furnished, electronically through the common portal, return in **FORM GSTR-3B** of the said rules, for the month of July, 2019, on or before the 20th October, 2019, for failure to furnish the said **FORM GSTR-3B** by the due date;
- (ix) the registered persons whose principal place of business is in the State of Jammu and Kashmir, who have furnished, electronically through the common portal, return in **FORM GSTR-3B** of the said rules, for the month of August, 2019, on or before the 20th October, 2019, for failure to furnish the said **FORM GSTR-3B** by the due date.”

(Ruchi Bisht)

Under Secretary to the Government of India

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
Notification No. 47/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R. (E).— In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies those registered persons whose aggregate turnover in a financial year does not exceed two crore rupees and who have not furnished the annual return under sub-section (1) of section 44 of the said Act read with sub-rule (1) of rule 80 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules) before the due date, as the class of registered persons who shall, in respect of financial years 2017-18 and 2018-19, follow the special procedure such that the said persons shall have the option to furnish the annual return under sub-section (1) of section 44 of the said Act read with sub-rule (1) of rule 80 of the said rules:

Provided that the said return shall be deemed to be furnished on the due date if it has not been furnished before the due date

[F. No. 20/06/07/2019-GST]
(Ruchi Bisht)

Under Secretary to the Government of India



Government of India
Ministry of Finance (Department of Revenue)
Central Board of Indirect Taxes and Customs
Notification No. 49/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R.....(E). - In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Sixth Amendment) Rules, 2019.
(2) Save as otherwise provided in these rules, they shall come into force on the date of their publication in the Official Gazette.
2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 21A,-
 - (a) in sub-rule (3), the following explanation shall be inserted, namely:-

“**Explanation.**-For the purposes of this sub-rule, the expression “shall not make any taxable supply” shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.”;
 - (b) after sub-rule (4), the following sub-rule shall be inserted, namely:-

“(5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.”.
3. In the said rules, in rule 36, after sub-rule (3), the following sub-rule shall be inserted, namely:-

“(4) Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 per cent. of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.”.

4. In the said rules, in rule 61, -
 - (a) for sub-rule (5), the following sub-rule shall be substituted, with effect from the 1st July, 2017 namely:-

“(5) Where the time limit for furnishing of details in **FORM GSTR-1** under section 37 or in **FORM GSTR-2** under section 38 has been extended, the return specified in sub-section (1) of section 39 shall, in such manner and subject to such conditions as the Commissioner may, by notification, specify, be furnished in **FORM GSTR-3B** electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that where a return in **FORM GSTR-3B** is required to be furnished by a person referred to in sub-rule (1) then such person shall not be required to furnish the return in **FORM GSTR-3**.”;
 - (b) sub-rule (6) shall be omitted with effect from the 1st July, 2017.
5. In the said rules, in rule 83A, in sub-rule (6), for clause (i), the following clause shall be substituted, namely:-

“(i) Every person referred to in clause (b) of sub-rule (1) of rule 83 and who is enrolled as a goods and services tax practitioner under sub-rule (2) of the said rule is required to pass the examination within the period as specified in the second proviso of sub-rule (3) of the said rule.”.
6. In the said rules, in rule 91, -
 - (a) in sub-rule (3), with effect from the 24th September, 2019, after the words “application for refund”, the words “on the basis of a consolidated payment advice:” shall be inserted;
 - (b) after the sub-rule (3), with effect from the 24th September, 2019, the following sub-rule shall be inserted, namely:-

“(4) The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (3).”.
7. In the said rules, in rule 97, -
 - (a) after sub-rule (7), with effect from the 1st July, 2017, the following sub-rule shall be inserted, namely,-

“(7A) The Committee shall make available to the Board 50 per cent. of the amount credited to the Fund each year, for publicity or consumer awareness on Goods and Services Tax, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than twenty-five crore rupees per annum.”;
 - (b) in sub-rule (8), with effect from the 1st July, 2017, clause (e) shall be omitted.
8. In the said rules, in rule 117, -
 - (a) in sub-rule (1A) for the figures, letters and word “31st March, 2019”, the figures, letters and word “31st December, 2019” shall be substituted.
 - (b) in sub-rule (4), in clause (b), in sub-clause (iii), in the proviso for the figures, letters and word “30th April, 2019”, the figures, letters and word “31st January, 2020”, shall be substituted.
9. In the said rules, in rule 142, -
 - (a) after sub-rule (1) the following sub-rule shall be inserted, namely:-

“(1A) The proper officer shall, before service of notice to the person chargeable with tax, interest and penalty, under sub-section (1) of Section 73 or sub-section (1) of Section 74, as the case may be, shall communicate the details of any tax, interest and penalty as ascertained by the said officer, in **Part A** of **FORM GST DRC-01A**.”;
 - (b) in sub-rule (2), after the words “in accordance with the provisions of the Act”, the words, figures and brackets “, whether on his own ascertainment or, as communicated by the proper officer under sub-rule (1A),” shall be inserted;
 - (c) after sub-rule (2) the following sub-rule shall be inserted, namely:-

“(2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in **Part B** of **FORM GST DRC-01A**.”.
10. In the said rules, after **FORM GST DRC-01**, the following form shall be inserted, namely :

"FORM GST DRC-01A
Intimation of tax ascertained as being payable under section 73(5)/74(5)
[See Rule 142 (1A)] Part A

No. : Date :

Case ID No.

To
 GSTIN

Name

Address

Sub. : Case Proceeding Reference No. Intimation of liability under section 73(5)/section 74(5)-reg.

Please refer to the above proceedings. In this regard, the amount of tax/interest/penalty payable by you under section 73(5) / 74(5) with reference to the said case as ascertained by the undersigned in terms of the available information, as is given below:

Act	Period	Tax			
CGST Act	Period	Tax			
SGST / UTGST Act	Period	Tax			
IGST Act	Period	Tax			
Cess	Period	Tax			
Total	Period	Tax			

The grounds and quantification are attached / given below:

You are hereby advised to pay the amount of tax as ascertained above alongwith the amount of applicable interest in full by, failing which Show Cause Notice will be issued under section 73(1).

You are hereby advised to pay the amount of tax as ascertained above alongwith the amount of applicable interest and penalty under section 74(5) by, failing which Show Cause Notice will be issued under section 74(1). In case you wish to file any submissions against the above ascertainment, the same may be furnished by in Part B of this Form

Proper Officer Signature

Name

Designation

Upload Attachment

Part B

Reply to the communication for payment before issue of Show Cause Notice [See Rule 142 (2A)]

No.: Date :

To
 Proper Officer, Wing / Jurisdiction.

Sub. : Case Proceeding Reference No. Payment/Submissions in
response to liability intimated under Section 73(5)/74(5) - reg.

Please refer to Intimation ID..... in respect of Case ID...vide which the liability of tax payable as ascertained under section 73(5) / 74(5) was intimated. In this regard, A. this is to inform that the said liability is discharged partially to the extent of Rs. throughand the submissions regarding remaining liability are attached / given below:

OR

B. the said liability is not acceptable and the submissions in this regard are attached / given below:

Authorised Signatory Name

GSTIN

Address

Upload Attachment".

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)

Under Secretary to the Government of India

F.No. CBEC – 20/06/03/2019 – GST
 Government of India Ministry of Finance Department of Revenue
 Central Board of Indirect Taxes and Customs
 GST Policy Wing

New Delhi, the 3rd October, 2019

To
 The Pr. Chief Commissioners / Chief Commissioners / Principal Commissioners / Commissioners of Central Tax (All)
 The Principal Director Generals / Director Generals (All) Madam / Sir,

Subject : Procedure to claim refund in FORM GST RFD-01 subsequent to favourable order in a ppeal or any other forum – regarding

1. Doubts have been raised on the procedure to be followed by a registered person to claim refund subsequent to a favourable order in appeal or any other forum against rejection of a refund claim in **FORM GST RFD-06**. The matter has been examined and in order to clarify this issue and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues raised as below:
2. Appeals against rejection of refund claims are being disposed offline as the electronic module for the same is yet to be made operational. As per rule 93 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”), where an appeal is filed against the rejection of a refund claim, re-crediting of the amount debited from the electronic credit ledger, if any, is not done till the appeal is finally rejected. Therefore, such rejected amount remains debited in respect of the particular refund claim filed in **FORM GST RFD-01**.
3. In case a favourable order is received by a registered person in appeal or in any other forum in respect of a refund claim rejected through issuance of an order in **FORM GST RFD-06**, the registered person would file a fresh refund application under the category “Refund on account of assessment/provisional assessment/appeal/any other order” claiming refund of the amount allowed in appeal or any other forum. Since the amount debited, if any, at the time of filing of the refund application was not re-credited, the registered person shall not be required to debit the said amount again from his electronic credit ledger at the time of filing of the fresh refund application under the category “Refund on account of assessment/provisional assessment/appeal/any other order”. The registered person shall be required to give details of the type of the Order (appeal/any other order), Order No., Order date and the Order Issuing Authority. The registered person would also be required to upload a copy of the order of the Appellate or other authority, copy of the refund rejection order in **FORM GST RFD 06** issued by the proper officer or such other order against which appeal has been preferred and other related documents.
4. Upon receipt of the application for refund under the category “Refund on account of assessment/provisional assessment/appeal/any other order” the proper officer would sanction the amount of refund as allowed in appeal or in subsequent forum which was originally rejected and shall make an order in **FORM GST RFD 06** and issue payment order in **FORM GST RFD 05** accordingly. The proper officer disposing the application for refund under the category “Refund on account of assessment/provisional assessment/appeal/any other order” shall also ensure re-credit of any amount which remains rejected in the order of the appellate (or any other authority). However, such re-credit shall be made following the guideline as laid down in para 4.2 of Circular no. 59/33/2018 – GST dated 04/09/2018.
5. The above clarifications can be illustrated with the help of an example. Consider a registered person who makes an application for refund of unutilized ITC on account of export to the extent of Rs.100/- and debits the said amount from his electronic credit ledger. The proper officer disposes the application by allowing refund of Rs.70/- and rejecting the refund of Rs. 30/-. However, he does not re-credit Rs.30/- since appeal is preferred by the claimant and accordingly **FORM GST RFD 01B** is not uploaded. Assume that the appellate authority allows refund of only Rs.10/- out of the Rs. 30/- for which the registered person went in appeal. This Rs.10/- shall be claimed afresh under the category “Refund on account of assessment/provisional assessment/appeal/any other order” and processed accordingly. However, subsequent to processing of this claim of Rs.10/- the proper officer shall re-credit Rs.20/- to the electronic credit ledger of the claimant, provided that the registered person is not challenging the order in a higher forum. For this purpose, **FORM GST RFD 01B** under the original ARN which has so far not been uploaded will be uploaded with refund sanctioned amount as Rs.80/- and the amount to be re-credited as Rs. 20/-. In case, the proper officer who rejected the refund claim is not the one who is disposing the application under the category “Refund on account of assessment/provisional assessment/appeal/any other order”, the latter shall communicate to the proper officer who rejected the refund claim to close the ARN as above only after obtaining the undertaking as referred in para 4.2 of Circular no. 59/33/2018 – GST dated 04/09/2018.
6. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
7. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Yogendra Garg)
 Principal Commissioner (GST)

F. No. 354/136/2019-TRU
Government of India
Ministry of Finance
Department of Revenue (Tax research Unit)

The Principal Chief Commissioners / Chief Commissioners /
Principal Commissioners / Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject : Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts from individual donors– Reg.

1. Representations have been received seeking clarification whether GST is applicable on donations or gifts received from individual donors by charitable organisations involved in advancement of religion, spirituality or yoga which is acknowledged by them by placing name plates in the name of the individual donor.
2. The issue has been examined. Individual donors provide financial help or any other support in the form of donation or gift to institutions such as religious institutions, charitable organisations, schools, hospitals, orphanages, old age homes etc. The recipient institutions place a name plate or similar such acknowledgement in their premises to express the gratitude. When the name of the donor is displayed in recipient institution premises, in such a manner, which can be said to be an expression of gratitude and public recognition of donor's act of philanthropy and is not aimed at giving publicity to the donor in such manner that it would be an advertising or promotion of his business, then it can be said that there is no supply of service for a consideration (in the form of donation). There is no obligation (quid pro quo) on part of recipient of the donation or gift to do anything (supply a service). Therefore, there is no GST liability on such consideration.
 - 2.1 Some examples of cases where there would be no taxable supply are as follows:-
 - (a) “Good wishes from Mr. Rajesh” printed underneath a digital blackboard donated by Mr. Rajesh to a charitable Yoga institution.
 - (b) “Donated by Smt. Malati Devi in the memory of her father” written on the door or floor of a room or any part of a temple complex which was constructed from such donation.
 - 2.2. In each of these examples, it may be noticed that there is no reference or mention of any business activity of the donor which otherwise would have got advertised. Thus where all the three conditions are satisfied namely the gift or donation is made to a charitable organization, the payment has the character of gift or donation and the purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement, GST is not leviable.
3. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours Faithfully,
Susanta Mishra
Technical Officer (TRU)


Securities and Exchange Board of India
CIRCULAR

CIR/CFD/CMD1/114/2019

October 18, 2019

All Listed Entities / Material Subsidiaries
All the Recognized Stock Exchanges

Madam / Sir,

Sub: Resignation of statutory auditors from listed entities and their material subsidiaries

1. Listed companies are required to make timely disclosures to investors in the securities market for enabling them to take informed investment decisions.
2. Under Sub-clause (2) of Clause A in Part C of Schedule II under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), the Audit Committee of a listed entity, *inter alia*, has to make recommendations for the appointment, remuneration and terms of appointment of auditors of a listed entity. Under Sub-clause (7), the Audit Committee is also responsible for reviewing and monitoring the independence and

- performance of auditors and the effectiveness of the audit process.
3. Further, Sub-clause (7A) inserted under Clause A in Part A of Schedule III under Regulation 30(2) of SEBI LODR Regulations requires detailed reasons to be disclosed by the listed entities to the stock exchanges in case of resignation of the auditor of a listed entity as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
 4. Regulation 36(5) of the SEBI LODR Regulations lays down certain disclosures to be made part of the notice to the shareholders for an AGM, where the statutory auditors are proposed to be appointed/re-appointed, including their terms of appointment.
 5. Resignation of an auditor of a listed entity / its material subsidiary before completion of the audit of the financial results for the year due to reasons such as pre-occupation may seriously hamper investor confidence and deny them access to reliable information for taking timely investment decisions.
 6. In light of the above, the conditions to be complied with upon resignation of the statutory auditor of a listed entity/material subsidiary w.r.t. limited review / audit report as per SEBI LODR Regulations, are as under:
 - A. All listed entities/material subsidiaries shall ensure compliance with the following conditions while appointing/re-appointing an auditor:**
 - (i) If the auditor resigns within 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter.
 - (ii) If the auditor resigns after 45 days from the end of a quarter of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for such quarter as well as the next quarter.
 - (iii) Notwithstanding the above, if the auditor has signed the limited review/ audit report for the first three quarters of a financial year, then the auditor shall, before such resignation, issue the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.
 - B. Other conditions relating to resignation shall include:**
 - (i) **Reporting of concerns with respect to the listed entity/its material subsidiary to the Audit Committee:**
 - a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which may hamper the audit process, the auditor shall approach the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.
 - b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents shall be brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor shall inform the Audit Committee of the details of information / explanation sought and not provided by the management, as applicable.
 - c. On receipt of such information from the auditor relating to the proposal to resign as mentioned above, the Audit Committee / board of directors, as the case may be, shall deliberate on the matter and communicate its views to the management and the auditor.
 - (ii) **Disclaimer in case of non-receipt of information:**

In case the listed entity/ its material subsidiary does not provide information required by the auditor, to that extent, the auditor shall provide an appropriate disclaimer in the audit report, which may be in accordance with the Standards of Auditing as specified by ICAI/NFRA.

The listed entity/ material subsidiary shall ensure that the conditions as mentioned in 6(A) and 6(B) above are included in the terms of appointment of the statutory auditor at the time of appointing/re- appointing the auditor. In case the auditor has already been appointed, the terms of appointment shall be suitably modified to give effect to 6(A) and 6(B) above.

The practicing company secretary shall certify compliance by a listed entity with 6(A) and 6(B) above in the annual secretarial compliance report issued in terms of SEBI Circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019.
 - C. Obligations of the listed entity and its material subsidiary:**
 - (i) **Format of information to be obtained from the statutory auditor upon resignation:**

Upon resignation, the listed entity / its material subsidiary shall obtain information from the Auditor in the format as specified in **Annexure A** to this Circular. The listed entity shall ensure disclosure of the same under Sub-clause (7A) of Clause A in Part A of Schedule III under Regulation 30(2) of SEBI LODR Regulations.
 - (ii) **Co-operation by listed entity and its material subsidiary:**

During the period from when the auditor proposes to resign till the auditor submits the report for such quarter / financial year as specified above, the listed entity and its material subsidiaries shall continue to provide all such documents/ information as may be necessary for the audit / limited review.

Disclosure of Audit Committee's views to the Stock Exchanges:

Upon resignation of the auditor, the Audit Committee shall deliberate upon all the concerns raised by the auditor with respect to its resignation as soon as possible, but not later than the date of the next Audit Committee meeting and communicate its views to the management. The listed entity shall ensure the disclosure of the Audit Committee's views to the stock exchanges as soon as possible but not later than twenty-four hours after the date of such Audit Committee meeting.

7. In case an entity is not mandated to have an Audit Committee, then the board of directors of the entity shall ensure compliance of this circular.
8. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed entities and their material subsidiaries and also disseminate it on their websites.
9. This Circular shall come into force with immediate effect.
10. In case the auditor is rendered disqualified due to operation of any condition mentioned in Section 141 of the Companies Act, 2013, then the provisions of this Circular shall not apply.
11. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with regulations 18(3), 30(2) and 36(5) of the SEBI LODR Regulations and shall be in addition to the provisions of Companies Act, 2013.
12. The circular is available on SEBI website at www.sebi.gov.in under the category - 'Legal-Circulars'.

Pradeep Ramakrishnan
General Manager
Compliance and Monitoring Division-I
Corporation Finance Department



Annexure A

Format of information to be obtained from the statutory auditor upon resignation

1. Name of the listed entity/ material subsidiary:
2. Details of the statutory auditor:
 - a. Name:
 - b. Address:
 - c. Phone number:
 - d. Email:
3. Details of association with the listed entity/ material subsidiary:
 - a. Date on which the statutory auditor was appointed:
 - b. Date on which the term of the statutory auditor was scheduled to expire:
 - c. Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission.
4. Detailed reasons for resignation:
5. In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/ Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)
6. In case the information requested by the auditor was not provided, then following shall be disclosed:
 - a. *Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.*
 - b. *Whether the lack of information would have significant impact on the financial statements/results.*
 - c. *Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)*
 - d. *Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued.*
7. Any other facts relevant to the resignation:

Declaration

1. *I/ We hereby confirm that the information given in this letter and its attachments is correct and complete.*
2. *I/ We hereby confirm that there is no other material reason other than those provided above for my resignation/ resignation of my firm.*

Signature of the authorized signatory

Date:

Place : Encl :

F. NO. 16/01/2018-IEPFA (Vol. II)
Investor Education and Protection Fund Authority
Ministry of Corporate Affairs
Government of India

Dated : 25.10.2019

All Stakeholders, Nodal Officers [IEPF] of Companies
All Regional Directors and Registrar of Companies,

Sub : Relaxation of additional fees **and extension** of last date of filing of form IEPFA-1A and form IEPF-2 reg.

Sir,

Keeping in view the requests received from various stakeholders seeking extension of time on account of various factors for filing form IEPF-1A and form IEPF-2, it has been decided to relax the additional fee payable by companies on filing form IEPF-1A upto 31.12.2019 and form IEPF-2(for the purpose of filing Statement of unclaimed and unpaid amounts) upto 30.11.2019. After expiry of due date, the additional fee shall be payable.

2. This issues with the approval of the competent authority.

Navneet Chouhan
General Manager

Copy forwarded for information and necessary action to:

1. E-Gov Cell, MCA HQ
2. IEPF Section, MCA HQ



F.No. 01/34/2013 CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A'Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi-1
Dated: 29.10.2019

All Regional Directors,
All Registrar of Companies,
All Stakeholders.

Subject : Relaxation of additional fees and extension of last date in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act,2013- reg.

Sir,

Keeping in view the requests received from various stakeholders seeking extension of time for filing of financial statements for the financial year ended 31.03'2019 on . account of various factors , it has been decided to extend the due date for filing of e-forms AOC-4, AOC (CFS) AOC-4 XBRL upto 30.11.2019 and e-form MGT-7 upto 31.12.2019, by companies without levy of additional fee.

2. This issues with the approval of the competent authority.

Yours faithfully,

(KMS Narayanan)
Assistant Director (policy)

Copy forwarded for information to :

1. E-Governance section.

F. No. 01/40/2013-CL-V (Pt.I)
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,
Dr. R.P. Road, New Delhi - 110001
Dated:- 24th October, 2019

All Regional Directors, All Registrar of Companies, All stakeholders

Sub : Relaxation of additional fees and extension of last date of filing of CRA-4 (cost audit report) for FY 2018-19 under the Companies Act, 2013 - reg.

With reference to subject cited above, an advisory was hosted on the website of the Ministry that:

1. *"Costing Taxonomy 2019 to cater to the annual filing of CRA-4 (cost audit report) for FY 2018-19 is under development. The companies which are required to file CRA-4 (cost audit report) for FY 2018-19 are required to use Costing Taxonomy 2019 only. Those who have already filed CRA-4 (cost audit report) using the existing Costing Taxonomy 2015 for FY 2018-19 are NOT required to file afresh. However, those companies which are yet to file their Cost Audit Reports are requested to await deployment of Costing Taxonomy 2019 on MCA21 portal. Once the Costing Taxonomy 2019 is deployed, sufficient time would be given for filing CRA-4 without levying additional fee. Stakeholders may kindly take note and plan accordingly."*
2. In this regard, it is hereby informed that the Companies (cost records and audit) Amendment Rules, 2019 and Companies (Filing of Documents and Forms in Extensible Business Reporting Language), Amendment Rules, 2019 have been notified on 15.10.2019 and simultaneously the work of deployment of costing taxonomy 2019 is under process.
3. In view of above and the difficulties expressed by various stakeholders for extending the last date of filing of CRA-4 (cost audit report), it has been decided to extend the last date for filing of CRA-4 (cost audit report) for all eligible companies for the FY 2018-19, without payment of additional fee till 31st December, 2019.
4. It may be noted that the said extension is being given for the entire process starting from 'preparation of Annexures to the Cost Audit Report to 'submission of Cost Audit Report by the Cost Auditor to the Company' and finally 'filing of Cost Audit Report by the Company with the Central Government'.
5. This issues with the approval of competent authority.

Yours faithfully,

(Atma Sah)
Deputy Director

Copy to : 1. E-Governance Cell, MCA (HQ).....with a request to upload the same on MCA21 portal.
2. Guard File.



[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Corporate Affairs
Notification

New Delhi, dated the 22 October, 2019

G.S.R------(E). - In exercise of the powers conferred by section 149 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Appointment and Qualification of Directors) Rules, 2014, namely:

1. (1) These rules may be called the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.
(2) They shall come into force with effect from the 1st day of December, 2019.
2. In the Companies (Appointment and Qualification of Directors) Rules, 2014 (hereinafter referred to as the principal rules), for rule 6, the following rule shall be substituted, namely: -
"6. Compliances required by a person eligible and willing to be appointed as an independent director. (1) Every individual –
(a) who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of three months from such commencement; or (b) who intends to get appointed as an independent director in a company after such

commencement, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps as specified in sub-rule (2), till he continues to hold the office of an independent director in any company: Provided that any individual, including an individual not having DIN, may voluntarily apply to the institute for inclusion of his name in the data bank.

- (2) Every individual whose name has been so included in the data bank shall file an application for renewal for a further period of one year or five years or for his life-time, within a period of thirty days from the date of expiry of the period upto which the name of the individual was applied for inclusion in the data bank, failing which, the name of such individual shall stand removed from the data bank of the institute:

Provided that no application for renewal shall be filed by an individual who has paid life-time fees for inclusion of his name in the data bank.

- (3) Every independent director shall submit a declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, each time he submits the declaration required under sub-section (7) of section 149 of the Act.
- (4) Every individual whose name is so included in the data bank under sub-rule (1) shall pass an online proficiency self-assessment test conducted by the institute within a period of one year from the date of inclusion of his name in the data bank, failing which, his name shall stand removed from the databank of the institute:

Provided that the individual who has served for a period of not less than ten years as on the date of inclusion of his name in the data bank as director or key managerial personnel in a listed public company or in an unlisted public company having a paid-up share capital of rupees ten crore or more shall not be required to pass the online proficiency self-assessment test:

Provided further that for the purpose of calculation of the period of ten years referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies at the same time shall be counted only once.

Explanation : For the purposes of this rule,

- (a) the expression “institute” means the 'Indian Institute of Corporate Affairs at Manesar' notified under sub-section (1) of section 150 of the Companies Act, 2013 as the institute for the creation and maintenance of data bank of Independent Directors;
- (b) an individual who has obtained a score of not less than sixty percent. in aggregate in the online proficiency self-assessment test shall be deemed to have passed such test;
- (c) there shall be no limit on the number of attempts an individual may take for passing the online proficiency self-assessment test.”

(K.V.R. MURTY)

Joint Secretary to the Government of India



Circular No. 114/33/2019-GST

F. No. 354/136/2019-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

The Principal Chief Commissioners/ Chief Commissioners (All)/
Principal Commissioners/ Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject : Clarification on scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both – reg.

Representations have been received from trade seeking clarification on the scope of the entry “*services of exploration, mining or drilling of petroleum crude or natural gas or both*” at Sr. No. 24 (ii) of heading 9986 in Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017.

2. The matter has been examined. Most of the activities associated with exploration, mining or drilling of petroleum crude or natural gas fall under heading 9986. A few services particularly technical and consulting services relating to exploration also fall under heading 9983. Therefore, following entry has been inserted under heading 9983 with effect from 1st October 2019 vide Notification No. 20/2019- Central Tax(Rate) dated 30.09.2019; -

“(ia) Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both”

- 3 Explanatory Notes to the Scheme of Classification of Services adopted for the purposes of GST, which is based on the United Nations Central Product Classification describe succinctly the activities associated with exploration, mining or drilling of petroleum crude or natural gas under heading 9983 and 9986.

3.1 The relevant Explanatory Notes for Heading 9983 are as follows:

998341 Geological and geophysical consulting services

This service code includes provision of advice, guidance and operational assistance concerning the location of mineral deposits, oil and gas fields and groundwater by studying the properties of the earth and rock formations and structures; provision of advice with regard to exploration and development of mineral, oil and natural gas properties, including pre-feasibility and feasibility studies; project evaluation services; evaluation of geological, geophysical and geochemical anomalies; surface geological mapping or surveying; providing information on subsurface earth formations by different methods such as seismographic, gravimetric, magnetometric methods & other subsurface surveying methods

This service code does not include

- test drilling and boring work, cf. 995432

998343 Mineral exploration and evaluation

This service code includes mineral exploration and evaluation information, obtained on own account basis

Note: This intellectual property product may be produced with the intent to sell or license the information to others.

3.2 The relevant Explanatory Notes for Heading 9986 are as follows:

998621 Support services to oil and gas extraction

This service code includes derrick erection, repair and dismantling services; well casing, cementing, pumping, plugging and abandoning of wells; test drilling and exploration services in connection with petroleum and gas extraction; specialized fire extinguishing services; operation of oil or gas extraction unit on a fee or contract basis

This service code does not include :

- geological, geophysical and related prospecting and consulting services, cf. 998341

998622 Support services to other mining n.e.c.

This service code includes draining and pumping of mines; overburden removal and other development and preparation services of mineral properties and sites, including tunneling, except for oil and gas extraction; test drilling services in connection with mining operations, except for oil and gas extraction; operation of other mining units on a fee or contract basis

This service code does not include:

- mineral exploration and evaluation services, cf. 998343

- geophysical services, cf. 998341

4. It is hereby clarified that the scope of the entry at Sr. 24 (ii) under heading 9986 of Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017 shall be governed by the explanatory notes to service codes 998621 and 998622 of the Scheme of Classification of Services.

- 4.1 It is further clarified that the scope of the entry at Sr. No. 21 (ia) under heading 9983 of Notification No. 11/2017- Central Tax (Rate) dated 28.06.2017 inserted with effect from 1st October 2019 vide Notification No. 20/2019- CT(R) dated 30.09.2019 shall be governed by the explanatory notes to service codes 998341 and 998343 of the Scheme of Classification of Services.

- 4.2 The services which do not fall under the said entries under heading 9983 and 9986 of the said notification shall be classified in their respective headings and taxed accordingly.

5. Difficulty, if any, in implementation of this circular may be brought to the notice of the Board.

Yours Faithfully,
Shashikant Mehta
OSD (TRU)

F.No.354/131/2019-TRU
 Government of India Ministry of Finance Department of Revenue
 Central Board of Indirect Taxes and Customs
 Tax Research Unit

North Block, New Delhi
 Dated, 11th October, 2019

Principal Chief Commissioners/ Principal Directors General, Chief Commissioners/ Directors General
 Principal Commissioners/ Commissioners of Central Tax and Customs
 Madam/ Sir,

Subject : Clarification regarding GST rates & classification (goods)–reg.

Representations have been received seeking clarification in respect of applicable GST rates on the following items :

- (i) Classification of leguminous vegetables such as grams when subjected to mild heat treatment
- (ii) Almond Milk
- (iii) Applicable GST rate on Mechanical Sprayer
- (iv) Taxability of imported stores by the Indian Navy
- (v) Taxability of goods imported under lease.
- (vi) Applicable GST rate on parts for the manufacture solar water heater and system
- (vii) Applicable GST on parts and accessories suitable for use solely or principally with a medical device

2. The issue wise clarifications are discussed below:

3. Classification of leguminous vegetables when subject to mild heat treatment (parching):

- 3.1. Doubts have been raised whether mild heat treatment of leguminous vegetables (such as gram) would lead to change in classification.
- 3.2. Dried leguminous vegetables are classified under HS code 0713. As per the explanatory memorandum to the HS 2017, the heading 0713 covers leguminous vegetables of heading 0708 which have been dried, and shelled, of a kind used for human or animal consumption (e.g., peas, chickpeas etc.). They may have undergone moderate heat treatment designed mainly to ensure better preservation by inactivating the enzymes (the peroxidases in particular) and eliminating part of the moisture.
- 3.3. Thus, it is clarified that such leguminous vegetables which are subjected to mere heat treatment for removing moisture, or for softening and puffing or removing the skin, and not subjecting to any other processing or addition of any other ingredients such as salt and oil, would be classified under HS code 0713. Such goods if branded and packed in a unit container would attract GST at the rate of 5% [S. No. 25 of notification No. 1/2017- Central Tax (Rate) dated 28.06.2017]. In all other cases such goods would be exempted from GST [S. No. 45 of notification No. 2/2017- Central Tax (Rate) dated 28.06.2017].
- 3.4. However, if the above dried leguminous vegetable is mixed with other ingredients (such as oil, salt etc) or sold as namkeens then the same would be classified under Sub heading 2106 90 as namkeens, bhujia, chabena and similar edible preparations and attract applicable GST rate.

4. Classification and applicable GST rate on Almond Milk:

- 4.1. References have been received as to whether “almond milk” would be classified as “Fruit Pulp or fruit juice-based drinks” and attract 12% GST under tariff item 2202 99 20.
- 4.2. Almond Milk is made by pulverizing almonds in a blender with water and is then strained. As such almond milk neither constitutes any fruit pulp or fruit juice. Therefore, it is not classifiable under tariff item 2202 99 20.
- 4.3. Almond milk is classified under the residual entry in the tariff item 2202 99 90 and attract GST rate of 18%.

5. Applicable GST rate on Mechanical Sprayer:

- 5.1 Representations have been received seeking clarification on the scope and applicable GST rate on “mechanical sprayers” of entry No. 195B of the Schedule II to notification No. 1/2017- Central Tax (Rate), dated 28.06.2017. The entry No. 195B was inserted *vide* notification No. 6/2018- Central Tax (Rate), dated 25th January, 2018.

5.2 All goods of heading 8424 i.e. [Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines (other than fire extinguishers, whether or not charged)] attracted GST @18% [S.No.325 of Schedule III] till 25th January, 2018. Subsequently, keeping in view various requests/ representations, the GST Council in its 25th meeting recommended 12% GST on mechanical sprayers. Accordingly, *vide* amending notification No. 6/2018- Central Tax (Rate), dated 25th January, 2018, GST at the rate of 12% was prescribed (entry No. 195B I Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017) Simultaneously, mechanical sprayers were excluded from the ambit of the said S. No. 325 of Schedule III.

5.3 Accordingly, it is clarified that the S. No. 195B of the Schedule II to notification No. 1/2017- Central Tax (Rate), dated 28.06.2017 covers “mechanical sprayers” of all types whether or not hand operated (like hand operated sprayer, power operated sprayers, battery operated sprayers, foot sprayer, rocker etc.).

6. Clarification regarding taxability of imported stores by the Indian Navy:

6.1 Representation has been received from the Indian Navy seeking clarification on the taxability of imported stores for use of a ship of Indian Navy.

6.2 Briefly stated, in accordance with letter No. 21/31/63-Cus-IV dated 17 Aug 1966 of the then Department of Revenue and Insurance, the Indian Naval ships were treated as “foreign going vessels” for the purposes of Customs Act, 1962, and the naval personnel serving on board these naval ships were entitled to duty-free supplies of imported stores even when the ships were in Indian harbour. However, in the GST era, no such circular has been issued regarding exemption from IGST on purchase of imported stores by Indian Naval ships. The doubt has arisen as there is a no specific exemption, while there is a specific exemption for the Coast Guard (*vide* S. No. 4 of notification No. 37/2017-Customs dated 30.6.2017). Similar exemption has not been specifically provided for Navy.

6.3 Indian Naval ship stores are exempted from import duty in terms of section 90(1) of the Customs Act, 1962. Further, as per section 90(2), goods “taken on board a ship of the Indian Navy” shall be construed as exported to any place outside India. Also, section 90(1) and 90(3) of the Customs Act, 1962 provides that imported stores for the use of a ship of the Indian Navy and stores supplied free by the Government for the use of the crew of a ship of the Indian Navy in accordance with their conditions of service will be exempted from duty.

6.4 Accordingly, it is clarified that imported stores for use in navy ships are entitled to exemption from GST.

7. Clarification regarding taxability of goods imported under lease:

7.1 Representations have been received seeking clarification on the taxability of goods imported under lease.

7.2 In respect of goods imported on temporary basis, aircrafts, aircraft engines and other aircraft parts imported into India under a transaction covered by item 1(b) or 5(f) of Schedule II of the Central Goods and Service Tax Act, 2017 are exempted from IGST *vide* S. No. 547A of notification No. 50/2017-Customs dated 30.06.2017, subject to condition No. 102, which reads as under :-

The importer, by the execution of bond, in such form and for such sum as may be specified by the Commissioner of Customs, binds himself, -

(i) *to pay integrated tax leviable under section 5(1) of the IGST Act, 2017 on supply of service covered by item 1(b) or 5 (f) of Schedule II of the Central Goods and Services Act, 2017;*

(ii) *not to sell or part with the goods, without the prior permission of the Commissioner of Customs of the port of importation;*

(iii) *to re-export the goods within three months of the expiry of the period for which they were supplied under a transaction covered by item 1(b) or 5 (f) of Schedule II of the Central Goods and Services Act, 2017;*

(iv) *to pay on demand an amount equal to the integrated tax payable on the said goods but for the exemption under this notification in the event of violation of any of the above conditions.*

7.3 Similarly, rigs and ancillary items imported for oil or gas exploration and production taken on lease by the importer for use after import have also been exempted from IGST *vide*

S. No. 557A of the said notification. Subsequently, all goods, vessels, ships (other than motor vehicles) imported under lease, by the importer for use after import, were also exempted from IGST *vide* S. No. 557B of the said notification. Both these entries are subject to the same condition No. 102 of the said notification.

- 7.4 The intention of S. No. 557 A and 557 B is to exempt from IGST the imports of goods under an arrangement of supply of service covered by item 1(b) or 5(f) of Schedule II of the CGST Act, 2017 so as to avoid double taxation.
- 7.5 Accordingly, it is hereby clarified that the expression “taken on lease/imported under lease” (in S. No. 557A and 557B respectively of notification No. 50/2017-Customs dated 30.06.2017) covers imports under an arrangement so as to supply services covered by item 1(b) or 5(f) of Schedule II of the CGST Act, 2017 to avoid double taxation. The above clarification holds for such transactions in the past.
- 7.6 Further, wordings of S. No. 557A and 557B of notification No. 50/2017-Customs dated 30.6.2017, have been aligned with Condition No. 102 of the said notification [vide notification No. 34/2019-Customs dated 30.09.2019 w.e. f 01.10.2019] to address the concerns raised.

8. Applicability of GST rate on parts for the manufacture solar water heater and system:

- 8.1 Representations have been received seeking clarification on applicable GST rate on Solar Evacuated Tubes used in manufacture of solar water heater. While 5% GST rate applies to parts used in manufacture of Solar Power based devices (S.No. 234 of Notification No. 1/2017 -Central tax (Rate) dated 28.06.2017), doubtshave been raised in respect of parts of Solar water heaters on the ground that Solar Based Devices are being considered only as devices which run on Solar Electricity.
- 8.2 As per entry No 232, solar water heater and system attracts 5% GST. Further, as per S. No. 234 of the notification No. 1/2017-Central Tax (Rate) dated 28.6.2017, solar power-based devices and parts for their manufacture falling under chapter 84, 85 and 94 attract 5% concessional GST. Solar Power based devices function on the energy derived from Sun (in form of electricity or heat). Thus, solar water heater and system would also be covered under S. No 234 as solar power device. Thus, Solar Evacuated Tubes which falls under Chapter 84 and other parts falling under chapter 84, 85 and 94, used in manufacture of solar water heater and system would be eligible for 5% GST under S. No. 234.
- 8.3 Accordingly, it is clarified that parts including Solar Evacuated Tube falling under chapter 84, 85 and 94 for the manufacture of solar water heater and system will attract 5% GST.

9. Applicability of GST on the parts and accessories suitable for use solely or principally with a medical device:

- 9.1 Representations have been received seeking clarification on applicability of GST on the parts of ophthalmic equipment suitable for use solely or principally with an ophthalmic equipment.
- 9.2 Briefly stated, medical equipment falling under HS 9018, 9019, 9021 and 9022 attract 12% GST. The imports of parts of ophthalmic equipment suitable for use solely or principally with an ophthalmic equipment, were being assessed at 12% GST by classifying it under heading 9018. However, objection has been raised by Comptroller and Auditor General of India (CAG) on the said practice, suggesting that since such goods were not specifically mentioned in the GST rate notification, they fall under tariff item 9033 00 00 [residual entry] and should be assessed at 18% IGST. In this background, representations have been received from trade and industry, seeking clarification in this matter
- 9.3 The matter has been examined. As per chapter note 2(b) of the Chapter 90, parts and accessories of the instruments used mainly and principally for the medical instrument of chapter 90 shall be classified with the machine only. Chapter note 2(b) (of Chapter 90) reads as below: -
- “2 (b): other parts and accessories, if suitable for use solely or principally with a particular kind of machine, instruments or apparatus, or with a number of machines, instruments or apparatus of the same heading (including a machine, instrument or apparatus of heading 9010, 9013 or 9031) are to be classified with the machines, instruments or apparatus of that kind;”*
- 9.4 Thus, as per chapter note 2(b), parts of ophthalmic equipment suitable for use solely or principally with an ophthalmic equipment should be classified with the ophthalmic equipment only and shall attract 12%.
- 9.5 In view of the above, it is clarified that 12% IGST would be applicable on the parts and accessories suitable for use solely or principally with a medical device falling under heading 9018, 9019, 9021 or 9022 in terms of chapter note 2 (b).
10. Difficulty, if any, may be brought to the notice of the Board immediately. Hindi version shall follow.

Yours faithfully

(Gunjan Kumar Verma)
Under Secretary to the Government of India

ARTICLES

Article No. 1
Compiled by CS Priyanka Vyas

Impact Analysis of Reduction in Corporate Tax Rates

The Hon'ble Finance Minister announced substantial reduction in the tax rates applicable to Domestic Companies. Post announcement by the Finance Minister, the Taxation Laws (Amendment) Ordinance, 2019 has been promulgated by the President proposing various amendments in the Income-tax Act, 1961 as well as the Finance (No.2) Act, 2019. These reduction in tax rates will go a long way in attracting various multinational companies to shift manufacturing base in India. India will now be able to take advantage of the global trade issues and promote itself as manufacturing capital of the World. The effective tax rate of 17.16% for manufacturing companies is quite competitive or even better than the other competing economies of the South East Asia such as China, Thailand, Indonesia, Vietnam, Singapore, Hong Kong etc. The growth in economy and the job creation due to this will be far more beneficial as compared to any Revenue which is being forgone by this reduction in the tax rate. The amendments made by this Ordinance are analysed below. All the amendments (except the amendment in section 115QA) are to be effective from assessment year 2020-21 i.e., relating to income earned in financial year 2019-20.

A. New Corporate Tax Rates vis-à-vis Existing Rates

1. Concessional Tax Rate of 22% to apply to Domestic Companies.

The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115BAA in the Income-tax Act, to provide an option to all domestic companies to pay tax at concessional rate of 22% with fixed surcharge of 10% and health and education cess of 4%. Thus, the effective tax rate for domestic companies will be 25.17%.

There is no condition/limitation on account of turnover, whether such company is engaged in manufacturing or not, the type of business or activity of the company or the date when the company was incorporated. Thus, all existing as of tax. Further, it is to be noted that this provision is applicable to domestic companies. Tax rates in respect of other entities such as partnership firm, LLP, Individuals, HUF, etc. shall continue to be as notified in the Finance (No. 2) Act, 2019.

2. Comparison with Rates in Force prior to the Ordinance

Prior to insertion of above section 115BAA, there were existing broadly two tax brackets that were applicable in respect a domestic company i.e. 25% and 30%. Companies whose turnover in previous year 2017-18 did not exceed ` 400 crores were liable to pay tax at 25% plus surcharge and health and education cess as applicable. Domestic companies whose turnover exceeded ` 400 crores in previous year 2017-18 all new domestic companies are eligible to avail this concessional rate were liable to pay tax at 30% plus surcharge and health and education cess as applicable.

Further, there is another section 115BA that provide an option to pay tax at concessional rate of 25% to domestic companies set up and registered on or after 31st March 2016 that are engaged solely in the business of manufacturing or production of any article or thing and research in relation to, or distribution of such article or thing manufactured or produced by it. Under this provision, option to pay concessional rate of tax of 25 percent is available irrespective of the turnover of the company but with the condition that such company will not claim any exemption/incentive. While such option was available to the above said manufacturing companies irrespective of their turnover, such option was not available to such companies if these were incorporated prior to 31st March 2016.

Now, after the introduction of section 115BAA in the Act by this Ordinance, all domestic companies have been given an option to pay tax at concessional rate of 22% (effective tax rate of 25.168%) without benefit of any exemption/incentive. Thus, the benefit to the companies whose turnover does not exceed ` 400 crores in previous year 2017-18 will only be of 0.832% in case where income of such company does not exceed ` 1 crores. In the case of such companies where income exceeds ` 1 crore but does not exceed ` 10 crore, the benefit will be 2.65%. In the case of companies whose turnover exceeds ` 10 crores, the benefit will be of 3.952% as is evident from the below table and that too after sacrificing benefit of various exemption/ incentive as stated herein below, if any available to such companies:

Category of taxpayers	Domestic Companies whose turnover in Previous Year 17-18 does not exceed ` 400 crores		
	Tax liability under normal provisions	Tax liability under section 115BAA	Net saving in taxes (in %)
Income Upto 1 crore	26.00%	25.17%	0.83%
Income more than 1 crore but upto 10 crores	27.82%	25.17%	2.65%
Income more than 10 crores	29.12%	25.17%	3.95%

These companies constitute 99.3% of the total companies. The real gainers of new provision introduced by this Ordinance will be the companies whose turnover exceeded ` 400 crores in previous year 2017-18 i.e. the remaining 0.7% companies as can be seen from the following table:

Category of taxpayers	Domestic Companies whose turnover in Previous Year 17-18 does not exceed ` 400 crores		
	Tax liability under normal provisions	Tax liability under section 115BAA	Net saving in taxes (in %)
Income Upto 1 crore	26.00%	25.17%	0.83%
Income more than 1 crore but upto 10 crores	27.82%	25.17%	2.65%
Income more than 10 crores	29.12%	25.17%	3.95%

Thus, the biggest gainer with this amendment will be companies having turnover of more than ` 400 crores and income above ` 10 crores. Such companies will save 9.77% which means saving of about 28% ($9.77/34.94 \times 100$) of present tax liability.

B. Concessional Rate of Tax for New Companies engaged in Manufacturing and Production

1. Tax Rate of 15% (Effective Tax Rate of 17.16%)

The Taxation Laws (Amendment) Ordinance, 2019 has inserted another section 115BAB, to boost manufacturing in India, providing an option of concessional rate of tax of 15% to new domestic companies set up and registered on or after 1st October, 2019 and engaged solely in the business of manufacturing or production of any article or thing and research in relation to, or distribution of such article or thing manufactured or produced by it. This benefit will be available to all such domestic companies which commence manufacturing on or before 31st day of March, 2023. Thus, the concessional rate is not for short term but applicable for all such companies which are set up and registered and commence manufacturing during the period spread over from 1st October 2019 to 31st March 2023 i.e. three and a half years. The surcharge applicable on such tax shall be 10 percent irrespective of the income of the company with health and education cess at the rate of 4%. Thus, the effective tax rate will be 17.16%.

2. Eligibility Criteria to opt for Concessional Rate of Tax Under Section 115BAB

It is to be noted that this provision is applicable to domestic companies. It is to be noted that this benefit is available only to such companies which have been set up and registered on or after 1st October, 2019 and accordingly the existing companies cannot be used for setting up a new business. A new company needs to be incorporated so that its date of registration is also on or after 1st October, 2019 and such company needs to commence manufacturing on or before 31st March, 2023. Further, such company cannot be formed by splitting up or reconstruction of a business already in existence. Also, such companies cannot use any machinery or plant previously used for any purpose. However, a company may use previously used plant and machinery as long as its value does not exceed 20% of the total value of the plant and machinery of the company.

3. Concessional Rate under New Section 115BAB is Assessee based not Manufacturing Unit based

This new section 115BAB provides for concessional rate of 15% on total income of a domestic company set up and registered on or after 1st October 2019. Hence, this deduction will not be available to an existing company even if it sets up a new unit of manufacturing or production. Thus, the existing company in case it intends to avail benefit of this concessional rate, need to set up a separate company may be a subsidiary company. It would have been ideal if this benefit would have been extended in respect of income derived from a new industrial undertaking /unit set up on or after 1st October 2019 from the business of manufacturing or production of any article or thing.

4. Challenges in opting Concessional Rate of 15% Under Section 115BAB

There is no condition/limitation on account of turnover under section 115BAB but the company should not be engaged in any business other than business of manufacturing or production of any article or thing and research in relation to, or distribution of such article or thing manufactured or produced by it. This clause apparently is very restrictive. There may be a question raised in case such company does some trading of the items it is engaged in manufacturing or production to meet the business requirement or provide some services. There may be a question raised that the company has failed to meet the condition prescribed which is worded negatively i.e. 'not engaged in any business other than the business of manufacturing or production'. Further, there may also a question raised as to whether a company that is engaged in the

business of generation of power can be said to be eligible to opt for the concessional rate of 17.16% under section 115BAB as there have been disputes in the past on the issue as to whether the generation of power means production of an article or thing.

Further, there may be a question on the income such companies may have from interest in respect of surplus money or accumulated profits. It may have some rental income in respect of assets owned by it or capital gain arising from the sale of assets or investments held by it. There is no clarity whether in such case company will lose benefit of concessional rate of 15% or only such income which is not from the business of manufacturing or production will be taxed at a rate other than the 15%. As noted earlier, sub-section (1) of this section 115BAB states that '*Notwithstanding anything contained in this Act but subject to provisions of this chapter..... income tax payable in respect of the total income of a person shall at the option of such person be computed at the rate of 15%*'. Meaning of this will be that the total income of such company will be taxed at the rate of 15%. The total income of such company obviously will include income by way of interest, rent, etc. if any. Apparently, earning such income by way of interest or rent etc. do not violate the above condition since earning interest income and rental income does not mean carrying on or engagement in any other business. Income from interest/dividend from investments is normally chargeable as income from other sources and income from rent in respect of land and building is normally chargeable as income from house property. Thus, earning such income is not likely to be seen as a violation of such condition.

5. Consequences of Indulging in any other Business other than Manufacturing or Production

As pointed out earlier, this benefit of concessional tax is available only to such companies which are not engaged in any business other than the business of manufacturing or production. Thus, such companies need to ensure that it does not carry on any other business even trading or providing services for all times to come. In case such company inadvertently in some subsequent year does some activity or carry on business which is beyond the business permissible, then it may not be eligible to claim the concessional rate of tax of 15%. At the same time, this may give an option to the company to exit this provision by committing default which exit as explained above is otherwise prohibited.

In case a company engages in any business other than the business of manufacturing or production in any subsequent year, then it may opt to pay tax for such year at the concessional rate of tax of 22% (effective tax rate of 25.16%) under section 115BAA. Such option will have to be exercised on or before the due date of furnishing of return of income under section 139(1) of such year. It is relevant to point out that there is no condition prescribed under section 115BAA that the option to pay tax is to be exercised in the first year itself. Thus, such option may be exercised in the subsequent years as well. However, once this option has been exercised for any year, it cannot be subsequently withdrawn for the same or any other assessment year.

It is relevant to point out that in case a company pays tax at the concessional rate of 17.16% under section 115BAB for any year and subsequently, during the assessment proceedings, it is disputed by the Assessing Officer that the company is engaged in any business other than the business of manufacturing or production, then such company will not have the option to pay tax at the concessional rate of 25.16% under section 115BAA. This is because the option to pay tax at concessional rate under section 115BAA is to be exercised on or before the due date of furnishing the return of income under section 139(1) of the Act which will obviously not be the case. Such company will accordingly be required to pay tax at the rates specified in the First Schedule to the Finance (No. 2) Act, 2019 i.e. 25% (plus surcharge and cess as applicable) in case the turnover does not exceeds Rs. 400 crores in previous year 2017-18 or 30% in case the turnover exceeds ` 400 crores (plus surcharge and cess as applicable).

6 Applicability of Transfer Pricing Provisions

It is to be noted that provision of section 92BA are being amended so as to apply transfer pricing provision on the business of new companies covered under section 115BAB. In this regard, a new clause (va) has been inserted in section 92BA to apply specified domestic transfer pricing provision in respect of any business transacted between such company and any other person with which the company has close connection.

C. Option to Pay Tax at Concessional Rates Under Section 115BAA and 115BAB Need to be Exercised before Furnishing Returns of Income and cannot be Subsequently Withdrawn

For claiming concessional rate of 22% under section 115BAA, company shall be required to exercise the option before the due date of furnishing the return under section 139(1) of the Act. However, there is no restriction that such option is to be exercised in the current year itself. Such option can be exercised in the subsequent years as well. As against this, under section 115BAB, the option to pay tax at concessional rate of 15% is to be exercised before filing the first return of income under section 139(1). In case such company does not exercise its option in the very first year, it will lose the benefit of

exercising such option for all times. Thus, a company has to make a choice in the very first year.

However, under both the sections 115BAA and 115BAB, it has been provided once this

option has been exercised for any year it cannot be subsequently withdrawn for the same or any other assessment year.

Thus, option once exercised under this section will be applicable in perpetuity in all subsequent assessment years.

D. Evaluation of Tax Liability under Existing Rates and Newly Inserted Section 115BAA

The option to pay tax at concessional rate of 22% under section 115BAA will ideally suit by and large all companies particularly those providing services, engaged in trading except a few companies which are eligible to claim deduction under section 10AA in respect of special economic zone, or which are eligible to claim deduction under section 80IA, 80IB etc. or companies which have acquired or installed new plant and machinery and accordingly the claim of initial depreciation of 20% in respect of such new plant & machinery acquired is substantial. However, as pointed out earlier, even such companies who are claiming the said deductions and exemptions have the option to pay tax under this newly inserted section 115BAA from subsequent year when it has exhausted the benefit of deduction/incentive under above provisions. Accordingly, it will be advisable to work out the tax liability under the existing provision i.e. at the rate of 25% in case turnover during financial year does not exceed ` 400 crores and 30% in case where turnover exceeds ` 400 crores (plus surcharge and health and education cess as applicable) and after claiming various deductions/incentives and the option given under this newly inserted section 115BAA i.e. at the rate of 22 percent (plus surcharge and health and education cess as applicable). In case it is found that the tax liability under this new provision consequent to denial of various deductions/ exemptions is more than the tax liability under the normal provision, then the company may not opt for this reduced rate and may opt for this new provision in subsequent year when tax liability under this new provision is less than the normal provision. However, it should be noted that once an option is exercised under this new provision it will be applicable for subsequent years as well. Thus, this exercise need to be carried out keeping in mind the future deduction/incentive, if any, to which such company may be eligible to claim.

E. Deductions/Incentives to be forgone in Case Company opts to Pay Tax at Concessional Rate Under Section 115BAA or Under Section 115BAB

Companies, who opt to pay tax at concessional rates under section 115BAA or 115BAB, while computing the total income have to forego deduction on account of SEZ under section 10AA, additional initial depreciation allowable at the rate of 20% under section 32(1)(iia), investment allowance in respect of new plant and machinery under 32AD, Tea Development Benefit under section 33AB, Site Restoration benefit under section 33ABA, Scientific Research benefit under section 35, accelerated capital deduction for specified business under section 35AD, agricultural extension project benefit under section 35CCC, skill development project under section 35CCD and the benefit available under provisions of Chapter VI-A under the heading "C-Deductions in respect of certain incomes" i.e. 80IA, 80IB, 80IC, etc.. However, deduction under section 80JJAA in respect of employment of new employees will be available to such companies.

Further, such companies shall not be eligible to set off any loss carried forward from any earlier assessment year if such loss is attributable to any of the above deductions/incentives. Accordingly, if there is any carried forward loss, the same has to be adjusted by ignoring the deduction/incentives, if any, claimed under any of the above clauses. It may be noted that though section 115BAB also provides for restricting carried forward loss without deduction and incentive, however, considering the fact that such companies are new and are required to exercise the option under this section in the very first year of the return of income, practically there will be no such carried forward loss which will be attributable to any of the restricted deduction/incentive.

F. No Liability to Pay Minimum Alternate Tax (MAT) If Company opts to Pay Tax at Above Concessional Rate Under Section 115BAA or Under Section 115BAB

The companies having opted for concessional rate of 22% under newly inserted section 115BAA or 15% under newly inserted section 115BAB will have an additional benefit as there will be no liability to pay minimum alternate tax (MAT) under section 115JB. The Ordinance has amended section 115JB by inserting a new sub clause (ii) in sub section (5A) to provide that section 115JB shall not be applicable to a company which has exercised the option to be taxed at concessional rate under this new section 115BAA or 115BAB.

The above benefit of exemption from paying MAT in substance may not be much beneficial as with the prohibition of exemption/deductions in respect of income of SEZ allowable under section 10AA, Chapter-VIA heading C and other incentives, the difference in the book profit and the income computed under normal provision may not be much. The difference now in such cases will be mainly in the method/rate of depreciation charged under the Companies Act and the rate prescribed under the Income Tax Rules, disallowances or deductions under section 43B, 40(a)(i), 40(a)(ia), etc. Thus,

such companies will not normally otherwise be liable for MAT.

However, non-applicability of MAT will certainly have some other benefits as discussed hereunder:

a. No liability under MAT if there is no capital gain after indexation

Presently, a company is required to pay MAT on the amount received by it in respect of sale of capital asset if such amount is more than the cost of acquisition despite the fact that there is no capital gain after taking into account indexed cost of acquisition. With the abolition of MAT in respect of those companies which have opted for this new provision, there will be no liability to pay MAT in respect of such difference. Further, long term capital gains are chargeable to tax at 20% with the benefit of indexation available in respect of cost of acquisition and cost of improvement. Such tax amount, if computed as a percentage of the gain amount without applying indexation, it may fetch a number below 15%. In such cases as well, the companies will benefit from non-applicability of MAT.

b. No liability under MAT in respect of income chargeable to tax at rate lower than rate of MAT

A company which is liable to pay tax in respect of any income which is chargeable to tax at special rates under Chapter XII, which are less than the rate of MAT, then such companies will benefit from such amendment. For instance, long term capital gain on sale of equity shares, unit of an equity oriented fund and unit of a business trust are liable to tax at the rate of 10% under section 112A. Such gains are otherwise chargeable under MAT at 18.5% (15% now). In such cases, the companies will benefit from non-applicability of MAT.

c. Credit of brought forward MAT credit

Another issue in respect of existing domestic companies who now opt to pay tax at concessional rate of 22% under section 115BAA will be of carried forward MAT credit. As per the existing provision of section 115JAA, credit is allowed of tax paid under MAT i.e. section 115JB of the difference between the tax payable by the assessee on his total income in the subsequent year and the MAT liability of that subsequent year. With the non-applicability of MAT provision, there will be no MAT liability in subsequent year and hence such company who opt for this new provision shall be in a position to claim credit of brought forward MAT against its entire current tax liability. Thus, it can be a big bonanza of zero tax for such companies which are having substantial amount of brought forward MAT credit. It is to be noted that amendment has been made only in section 115JB to provide that this section will not be applicable and there is no amendment in section 115JAA under which credit of brought forward MAT is allowed against regular tax liability.

d. Aggregate of brought forward loss and unabsorbed depreciation will be available for deduction against income computed under the normal provisions

Another benefit with the non-applicability of MAT will be on account of brought forward loss. Under MAT provisions, lower of unabsorbed depreciation or business loss is allowed to be set off while computing book profit liable for MAT whereas in the normal computation, aggregate of brought forward loss and unabsorbed depreciation is allowed to be set off.

e. Principal and/or interest waiver to Non-performing assets (NPAs) will not attract MAT

In case of NPAs, if a debt restructuring measure is implemented, the outcome of compromise or such measure is likely to result in a situation where substantial part of debt owed by the borrower company may be waived by the lenders. The borrowing companies may consequently write back such liabilities in their books by credit to Profit & Loss statement as required by applicable Accounting Principles. Once such liabilities are written back in the books of account by credit to the profit and loss account, the same becomes part of the book profit and hence attracts MAT despite having huge carried forward unabsorbed depreciation and business losses which are allowed to be adjusted under MAT only to the extent of lower of the two and that too as per the books of accounts. This has been causing great hardship to such companies as such companies were required to pay MAT despite being in heavy losses in the year of settlement with the bank/financial institution on the amount waived. Consequent to the abolition of MAT in respect of companies who opt to pay tax under this newly inserted section 115BAA, MAT provisions will not be applicable and consequently, the income will be computed under normal provisions where full benefit of aggregate of brought forward unabsorbed depreciation and business losses computed as per income tax provisions will be eligible for set off against the income computed under the normal provisions.

G. Capital Gain Taxable under Section 111A, 112 and 112A to Continue to be Taxed at Rates Prescribed under Such Sections

It is relevant to point out that sub-section (1) of this section 115BAA states that *'Notwithstanding anything contained in this Act but subject to provisions of this chapter.....income tax payable in respect of the total income of a person..... shall at the option of such person be computed at the rate of 22%'*. Similarly, sub-section (1) of this section 115BAB states

that 'Notwithstanding anything contained in this Act but subject to provisions of this chapter.....income tax payable in respect of the total income of a person..... shall at the option of such person be computed at the rate of 15%'. It is to be noted that the total income of the company is taxable at 22% under section 115BAA and 15% under section 115BAB. However, it is to be noted here that tax rate of 22% under section 115BAA and the tax rate of 15% under section 115BAB are subject to the provisions of this chapter i.e. Chapter XII. Concessional rate on Capital gain in respect of STT paid short term capital gain is prescribed at the rate of 15% under section 111A, long term capital gain tax rate of 20% after benefit of indexation prescribed under section 112 and tax on STT paid long term capital gain in respect of sale of equity/ units of mutual funds post 1st April 2018 chargeable at the rate of 10% without indexation under section 112A fall under this chapter. Thus, income by way of such capital gain will be chargeable at the above appropriate rate prescribed under these sections and not at the rate of 22% under section 115BAA or 15% under section 115BAB, as the case may be. However, tax on other short term capital gain which is chargeable under the normal provisions does not fall under this chapter and the strict interpretation of total income will mean that such short term capital gain will also be chargeable at the concessional rate of 22% or 15% under section 115BAA or 115BAB, as the case may be.

H. Minimum Alternate Tax (MAT) Rate Reduced from 18.5% To 15%

Taxation Laws (Amendment) Ordinance, 2019 has reduced the MAT rate from 18.5% to 15%. The net savings in taxes that arises to different category of domestic companies, based on the amount of book profit, which do not opt for concessional rate of tax under section 115BAA or 115BAB in view of the exemption/ incentives available to such companies and hence, continue to pay taxes as per the First Schedule to the Finance (No. 2) Act, 2019 will be 3.64% in case its book profits does not exceed ` 1 crores, 3.89% in case its book profit exceeds ` 1 crores but does not exceed ` 10 crores and 4.08% in case its book profit exceeds ` 10 crores.



Article No. 2

Effect of Notification 49/2019–CT i.e. restriction on availment of ITC

Compiled by CS Chitra Naraniwal

Effect of Notification 49/2019–Central Tax dated 9 October 2019 i.e. restriction on availment of input tax credit

(ITC) Central Board of Indirect taxes and Customs restricts availment of input tax credit to recipient if details not furnished by supplier in Form GSTR-1

CBIC has issued Notification No. 49/2019–Central Tax dated 9 October 2019 amending the Central Goods and Services Tax (CGST) Rules, 2017.

Insertion to rule 36 of CGST Rules

“Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 percent of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.”

Implication of amendment made vide Notification No. 49/2019–Central Tax

- ❑ Amendment limits a company to avail 20% of eligible credit with respect to invoices appearing in purchase register of company which are not uploaded by supplier i.e. addition in purchase register, over and above the input tax credit reconciled with GSTR-2A.
- ❑ In case value of addition in purchase register is greater than 20% of the reconciled eligible credit, the company shall be required to defer the credit. Such deferment of credit shall have an impact on working capital requirement.
- ❑ As a result of the amendment, the company would be required to initiate follow up and communication on timely basis with the defaulting suppliers, in order to ensure their correct and timely uploading in GSTR-1.

Q&A:

Queries	Answers
1. When will such amendment would be effective ?	The amendment may be effective from 1st October 2019. Thus, effect of same has to be considered, while preparing GSTR-3B of October 2019. However, clarification on applicability of said notification is still awaited from CBIC.
2. Restriction of 20% credit shall be viewed at individual tax basis or total(IGST+CGST+STST) basis?	20% credit restriction shall be worked upon individual taxes rather than on collective basis.

Queries	Answers
3. Is there any change in the eligibility of credit and time limit of availing credit of invoices/debit notes?	There shall be no change on eligibility of credit vide this amendment. Further, restriction of claiming credit till 30th September of upcoming year shall continue as earlier.
4. What shall be considered as eligible credit?	This is purely basis on interpretation at discretion of the company. However, in order to avoid any litigation, eligible credit should be considered for cases matching in toto i.e. invoices in purchase register vis-à-vis GSTR-2A.
5. Whether matching is to be done basis 2A and PR of YTD or of the tax period month involved?	<input type="checkbox"/> PR shall be considered for the tax period month. <input type="checkbox"/> Since there is time lag due to processing of invoices vis-à-vis appearing in GSTR-2A, matching shall be done with YTD GSTR-2A (April 2019 till date)
6. Whether input under RCM will form part of PR for calculating eligible credit?	No

Challenges/Action Steps / Readiness

Keeping track of deferred credit:

- Additional credit not appearing in GSTR-2A is restrictive to 20% of reconciled eligible credit.
- There may be instances wherein the companies would be required to defer the credit. In such a scenario, we shall be required to keep a track of such deferred credit in future.
- Deferred credit will also include the mismatched credit not reconciled in 2A PR matching of previous month.

Continuous updation of 2A:

- GSTR-2A gets updated as and when vendors file their returns.
- The company must decide a cut-off date to work-on the 2A PR matching. Late filing of GSTR-1 by the vendors post such cut-off date, shall impact our working of 20% additional credit over and above reconciled credit.

Credit of invoices in hand:

- There might be cases where the company is in possession of an invoice not been recorded in the PR and the same is appearing in GSTR-2A.
- There is an ambiguity that such credit is to be considered as part of reconciled eligible credit while calculating 20% or not.

Vendor filling quarterly returns:

- There might be cases where vendor is filling GSTR-1 on quarterly basis.
- In such cases, the company will not be able to claim the input credit though company has made the payment to the vendor (if this exceeds the cap of 20%) as the same will be reflected in GSTR-2A after vendor files his return. The company has to keep track on these vendors as well.

Summary

A registered person cannot claim input tax credit, in respect of invoices for which the details have not been uploaded by the supplier in Form GSTR-1, in excess of 20% of the eligible credit available on invoices for which the details have been uploaded.

Restricting the input tax credit in the hands of recipient, due to non-compliant suppliers may have a significant impact on the working capital. Consequently, the regular matching of ITC with GSTR-2A and follow-up with such suppliers could become inevitable.

Since the Notification became effective from 9 October 2019, it may apply to **input tax credit** availment in the return to be filed by 10 November. However, clarity in this regard will help the taxpayer.



एक झलक जिंदल सॉ लि. के विभिन्न सहायनीय कार्यों पर



सामाजिक दायित्व की गतिविधियों का विवरण

जल स्वावलम्बन अभियान मामाशाह के अन्तर्गत जिंदल सॉ लि. द्वारा जिले में 9 कार्यगोट स्थित जिनकी लागत 53.00 लाख जिले में अलुकरणीय योगदान

जिंदल सॉ लि. व नगर परिषद भीलवाड़ा के अलुबंध के अनुसार शहर के पार्को, नालियों एवं नालों के रखरखाव हेतु जिंदल सॉ लि. द्वारा 565 लाख रुपये सालाना दिए जा रहे हैं।

स्वच्छ भारत अभियान के तहत महात्मा गांधी अस्पताल में आन्तरिक परिसर व 110 शौचालयों में हाइजिनिक तरीके से साफ-सफाई हेतु कम्पनी द्वारा 40 लाख रुपये वार्षिक खर्च किए जा रहे हैं।

पुर, सुरास, पांसल, सनोडी व कोटड़ी के गावों में सामाजिक सरोकार के तहत विकास कार्यों हेतु 175 लाख की धन राशि व्यय की जा रही है

गावों में शिक्षा विकास हेतु निर्माण कार्य



सुरास पांच बक्सास रूम निर्माण



कोटड़ी स्कूल : किशन शेठ एवं जल बाँधर



समोड़ी स्कूल : शौचालय



सुरास स्कूल : किशन शेठ



कोटड़ी स्कूल : बक्सास रूम निर्माण



सुरास कोबले का निर्माण

प्राकृतिक आपदा में जिंदल सॉ लिमिटेड का सहयोग



असामाजिक आपदा समाधान में सहयोग



गावों में पेयजल आपूर्ति



ब्लाट में अव्यक्तित पुर व सुरास का नैत्री बोलोबल भव



सफ़ीला के लिए एक अना-अना नाली पर शिद्व बना का प्रभाव



आय पासल में विभक्ति गूड का निर्माण

जल संरक्षण की मुह्मि :

भीलवाड़ा शहर के सीवरेज का दूषित पानी जिंदल सॉ द्वारा लगाये गये सीवरेज वाटर ट्रीटमेंट प्लांट (STP) के माध्यम से ट्रीट कर 23 कि.मी. पाइप लाईन द्वारा प्लांट में प्रयोग किया जा रहा है। जिसकी लागत 35 करोड़ व क्षमता 10 MLD है। जिंदल का यह प्रयास पानी बचाने की दिशा में नई रोशनी लेकर आया है।

जल स्वावलम्बन अभियान में सहयोग के लिए भगवाशाह सम्मान



कुवाड़ा स्थित एसटीपी (क्षमता 10 एस्एलकी)



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