



वर्ष 48 अंक 12
31 दिसम्बर 2018

मेवाड़ चेम्बर पत्रिका

(मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री का मासिक पत्र)

उदयपुर, चित्तौड़गढ़, डूंगरपुर, बाँसवाड़ा, प्रतापगढ़

राजसमन्द एवं भीलवाड़ा का सम्भागीय चेम्बर

‘नववर्ष की हार्दिक शुभकामनाएँ’

मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री

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एक झलक जिंदल सॉ लि. के विभिन्न सराहनीय कार्यों पर

सामाजिक दायित्व की गतिविधियों का विवरण

जल स्वावलम्बन अभियान मामाशाह के अन्तर्गत जिन्दल सॉ लि. द्वारा मिले 9 कार्य मोट लिये जिनकी लागत 53.00 लाख जिले में अनुकरणीय योगदान

जिंदल सॉ लि. व नगर परिषद भीलवाड़ा के अनुबंध 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 हाइजेनिक तरीके से साफ- सफाई हेतु कम्पनी द्वारा 40 लाख रुपये वार्षिक खर्च किए जा रहे हैं।

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

गांवों में शिक्षा विकास हेतु निर्माण कार्य

सुरास पांसल बसस रुम निर्माण



कोटड़ी स्कूल : किशन रोड एल जल बंदिर



समोड़ी स्कूल : गौपालय



असामाजिक आपदा समाधान में सहयोग



गांवों में पेयजल आपूर्ति



खट में अपवर्तित पुर व सुरास का भेरी बोलोवेल भेय



सुरास स्कूल : किशन रोड



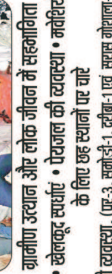
कोटड़ी स्कूल : बसस रुम निर्माण



सुरास कोनवे का निर्माण



ग्रामीण उद्योग और लोक जीवन में सहभागिता



मशीनो के लिए ख अना-अना नाली पर निदल दान को प्राबलन



ग्राम पांसल में विभक्ति गृह का निर्माण



जल संरक्षण की मुहिम :

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 बचावे की दिशा में नई रेशनी लेकर आया है।

जल स्वावलम्बन अभियान में सहयोग के लिए भगवाना सम्मान



कुवाड़ा स्थित एसटीपी (क्षमता 10 एस्पएलकी)



मूक बाधिर विद्यालय को अधिक सहयोग



Jindal Saw Ltd.

Near Tiranga Hills, Village Pur, Tehsil & District: Bhilwara

MEWAR CHAMBER OF COMMERCE & INDUSTRY

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AT THE NATIONAL LEVEL

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

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
- National Coal Consumer Council, Coal India Ltd., Kolkata
- 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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REPRESENTATIONS

MCCI/ /2018-2019/395

Dated: 08.12.2018

Hon'ble Shri Suresh Prabhu
Hon'ble Minister for Commerce & Industry
Government of India
New Delhi

Sub: Development of infrastructure in Bhilwara for further growth of textile industry.

Respected Sir,

We are highly grateful to you for giving time to our senior members for discussion about further growth of textile industry in Bhilwara District, during the CITI Diamond Jubilee function at New Delhi on 27.11.2018. During the discussion you had desired a note about infrastructure requirement for further growth of textile industry in the region. 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.

Bhilwara is the largest textile manufacturing centre in Rajasthan, having presence in spinning, weaving, processing sectors. In spinning sector, there are 18 spinning mills with more than about 10 lacs spindles producing more than 2.5 lacs ton p.a. of all types of yarn-cotton, P/V, P/C, P/VC and other blended yarn.

In weaving sector, there are more 460 weaving units having latest technology shuttle less sulzer & airjet looms. The weaving sector produces about 85 crore meters of fabrics p.a., in varieties of range including cotton fabrics, denim, polyester/viscose, polyester/cotton etc. The weaving sector is highly developed and supplies fabric to readymade garment manufacturers all over India. Even, the big brand name like Raymond, Digjam, Vimal, Gwalior, Arvind etc get their branded fabrics manufactured at Bhilwara.

The processing sector is also highly developed, having 19 process houses with latest World class technology for processing of fabrics as per desired specifications.

Also, the textile sector is largest employment provider in the District. It employs approx. 65000 workers directly and approx. 35000 workers indirectly. The total turnover of textile sector is more than Rs 18000 crore p.a.

Though, Bhilwara is well connected with national highway network and railways but still we lack fast and comfortable transportations required for export market and visit of foreign buyers. We suggest as under :-

- 1 Air connectivity- Bhilwara has an airstrip of about 5000 meters and it can be easily developed into an airport suitable for medium size aircrafts. A daily air service between Bhilwara and Mumbai is the requirement of the present time, so that our foreign buyers can easily reach Bhilwara. On behalf of industry, we assure for minimum 20 passengers for this daily service.
- 2 Railways-Bhilwara has daily trains for Delhi & Mumbai. For Mumbai in Ajmer Bandra Train, second AC & Third AC coaches should be increased. Similarly for Delhi in Chetak Express, one second AC coach and 2 third AC couches should be additionally provided.
- 3 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.
- 4 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 & RIDCO 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, Mewar Chamber took up this issue with the 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.
- 5 Readymade Garment Cluster- Bhilwara is lagging in readymade garment industry. Inspite of local availability of raw material i.e. fabrics and yarn, the readymade garment industry has not developed much here. We have about 10-12 small readymade garment manufacturing units spread over in the District. Due to availability of raw material, labour and conducive industrial environment, Bhilwara offers much opportunity for readymade garment industry.

Hence, 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.

We are sure that your good self will look into our above submission for further growth of textile industry in this region. The entire textile industry will be highly obliged for the same.

We look forward to your kind support and cooperation,

With Best Regards

(CS R K Jain)
Hon'y Secretary General



MCCI/GST/2018-2019/411

Dated 20.12.2018

Hon'ble Shri Arun ji Jaitely
The Minister for Finance,
Government of India,
New Delhi

Sub: To extend the due date of filing of ITC-04

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. On behalf of our all members of Mewar Chamber of Commerce and Industry, we convey **our heartiest gratitude** to the Ministry of Finance for resolving various issues of textile industry such as modification of ITC-04 form, extension of date for filing of ITC-04 form, waiver of requirement for submission of Xerox Copies of invoices while submission of refund claims etc. We convey our heartiest gratitude for such relief to entire industry.

Please refer our previous representation dated 22.09.2018 and 03.10.2018 in which we had requested to extend the date for filing the ITC-04 form. We further submit that the last date for submission of ITC-04 was extended up to 31.12.2018 in revised format vide Notification No. 39/2018 Central Tax dated 04.09.2018. We would like to submit your honour that till date "Revised Format" of ITC-04 is not updated in GSTIN. In view of the above it is requested to please extend the date for filing of ITC-04 for further period of 60 days from the date on which availability of updated form on GSTIN.

We are sure that your good office would consider our humble request sympathetically and would extend suitable relief to the benefit of trade and industry.

We look forward to your kind support and cooperation,

With Best Regards

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

Copy to,

1. Hon'ble Shri A.N. Jha, The Secretary Finance, Government of India, New Delhi. 2. Hon'ble Chief Minister, Government of Rajasthan, Jaipur. 3. The Commissioner, Commercial taxes, Government of Rajasthan, Jaipur. 4. Shri Rahil Gupta, Technical Officer (TRU), Department of Revenue, Ministry of Finance, Government of India, New Delhi. 5. The Chief Commissioner, Central Goods and Service Tax, N.C.R. Building, Statue Circle, C-Scheme, Jaipur-302005. 6. Shri Subhash Baheria, Hon'ble Member of Parliament. 7. Mrs. Minal Bhosale, OSD, Finance (TRC) Government of Rajasthan, Jaipur

Hon'ble Shri Arun ji Jaitely
The Minister for Finance,
Government of India,
New Delhi

Sub : Request to clarify some ambiguity in Notification no. 20/2018-Central Tax (Rate) dated 26.07.2018 and circular no. 56/30/2018-GST dated 24.08.2018.

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.

On behalf of our all members of Mewar Chamber of Commerce and Industry, we convey our heartiest gratitude to your honour for resolving various issues of textile industry . We convey our heartiest gratitude for such relief to entire industry. 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.

The Government has amended the Notification 05/2017 Central Tax (Rate) dated 28.06.2017 vide notification 20/2018-Central Tax (Rate) dated 26.07.2018, and by the supra mentioned notification allowed the textile industry to claim refund of the input tax credit accumulated on account of inverted duty structure. The trade and industry reversed the accumulated ITC in the GST-3B for the month of August, 2018 as required and clarified vide circular no. 56/30/2018-GST dated 24.08.2018.

We have received various complaints from our several textile traders/manufacturing members that while filing the refund claim of inverted duty structure/Export for the month of August, 2018 the system is not granting the refund as the system is calculating the refund on the basis of Net ITC for the month of August, 2018 i.e. the system is automatically taking Net ITC after reversal of accumulated ITC as per above mentioned Notification and circular from the ITC for the month of August, 2018. Due to this technical reason none of the person are unable to claim the refund of IDS and Export for the month of August, 2018.

At the time of filling refund application the maximum net ITC on which refund can be claimed is reduced by the amount of ITC lapsed during the period August,2018. The same is depicted in the below in the screenshot reproduced below:-

excluding:
(i) the value of exempt supplies other than zero-rated supplies; and
(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.

Statement 1A * [Click to fill the details of invoices for inward and outward supplies](#) [Download Offline Utility](#)

Kindly enter values in statement 1 below for the Tax Period for which Refund is being claimed:

Computation of Refund to be claimed (Statement 1)

	Turnover of inverted rated supply of goods and services (1) (₹) *	Tax payable on such inverted rated supply of goods and services (2) (₹) *	Adjusted total turnover (3) (₹) *	Net input tax credit (4) (₹) *	Maximum refund amount to be claimed (5) [(1×4÷3)-2] (₹)
Integrated Tax					
Central Tax	₹5,91,04,650.63	₹22,02,736.57	₹5,91,04,650.63	₹17,07,264.00	0.00
State/UT Tax					
CESS		₹0.00		₹0.00	0.00
Total	0.00	0.00	0.00	1,707,264.00	0.00

Edit the Net ITC to exclude, the ITC availed on input services and the ITC of refund claimed under Rule 89 (4A) and/ or (4B).

Search results - (AjayBhavsar) x Goods & Service Tax (GST) | User x

Goods And Services Tax Network (IN) | https://return.gst.gov.in/returns/auth/gstr3/eligibleITC

4. Eligible ITC Help ?

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	₹0.00			₹0.00
(2) Import of services	₹0.00			₹0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹0.00	₹0.00	₹0.00	₹0.00
(4) Inward supplies from ISD	₹0.00	₹0.00	₹0.00	₹0.00
(5) All other ITC	₹1,34,022.00	₹64,68,638.69	₹64,68,638.69	₹0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of CGST/SGST rules	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹48,95,397.00	₹1,09,58,142.00	₹0.00
(C) Net ITC Available (A) - (B)	₹1,34,022.00	₹15,73,241.69	₹-44,89,503.31	₹0.00
(D) Ineligible ITC				

Top

12:27 PM
20/Dec/2018

As explained above the net ITC for the period August,2018 is actually Rs. 1,30,71,299.38, but when we proceed for filling refund application for the August,2018 it would show the maximum net ITC available as 17,07,263.00. Due to this technical problem, the registered person will not be eligible to file any refund claim as refund calculated is NIL, otherwise the registered person will be eligible to get the refund claim of Rs. 1,08,68,563.00

The ITC which is liable to be lapsed has to be reversed from the ITC accumulated till July,2018 and not from the ITC of the August period, as it has been already categorically provided in the notification 20/2018 ibid, therefore kindly provide with a solution to this issue faced by the industry.

The intention of the Government was to lapse the ITC accumulated and remaining unutilized on the goods sold till July,2018 and that has to be reversed from the ITC accumulated till July,2018 and not from the ITC availed during the period of August,2018. Therefore, suitable clarification is required in this regard.

We are sure that your good office would consider our humble request sympathetically and would extend suitable relief to the benefit of trade and industry.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

Copy to :-

1. Hon'ble Shri A.N. Jha, Secretary Finance, Government of India, New Delhi. 2. Hon'ble Chief Minister, Government of Rajasthan, Jaipur. 3. The Commissioner, Commercial taxes, Government of Rajasthan, Jaipur. 4. Shri Rahil Gupta, Technical Officer (TRU), Department of Revenue, Ministry of Finance, Government of India, New Delhi. 5. The Chief Commissioner, Central Goods and Service Tax, N.C.R. Building, Statue Circle, C-Scheme, Jaipur-302005. 6. Shri Subhash Baheria, Hon'ble Member of Parliament. 7. Mrs. Minal Bhosale, OSD, Finance (TRC) Government of Rajasthan, Jaipur. 8. President, Gujarat Chamber of Commerce. 9. President, Federation of Indian Chamber of Commerce & Industry. 10. President, Confederation of All India Traders, New Delhi

Hon'ble Shri Arunji Jaitely
The Minister for Finance,
Government of India,
New Delhi.

Sub : Payment of IGST under EPCG Scheme under which exemption should be extended up to 31.03.2020.

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.

On behalf of our all members of Mewar Chamber of Commerce and Industry, we convey our heartiest gratitude to your honour for resolving various issues of textile industry. We convey our heartiest gratitude for such relief to entire industry. 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.

In the pre-GST era, import of Capital Goods against EPCG Licence was allowed at zero percentage duty as no Custom Duty, Counter Vailing Duty (CVD) and Special Additional Duty (SAD) was payable. Under GST regime the IGST was made applicable on import of Capital Goods. **We would like to submit your honour that the Government of India has issued the Notification No. 66/2018 Cus-Tariff dt.26.09.2018 and extended the date for exemption from payment of IGST under EPCG Scheme from 30.09.2018 to 31.03.2019.**

Decision regarding Capital Goods should be based on Long Term Policy Framework and such short term relaxation vide notifications make it very difficult for Industries to plan Long Term Projects. Hence, we request that import of Capital Goods of textile Machinery on Zero Duty under EPCG Scheme should be made permanent to promote investment in capital goods or should be atleast extended up to **31.03.2020** and necessary notification should be issued immediately so that power loom weavers can plan for import of capital goods, modern and latest loom etc.

We are sure that your good office would consider our humble request sympathetically and would extend suitable relief to the benefit of trade and industry.

We look forward to your kind support and cooperation.

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

1. Hon'ble Shri A.N. Jha, Secretary Finance, Government of India, New Delhi. 2. Hon'ble Chief Minister, Government of Rajasthan, Jaipur. 3. The Commissioner, Commercial taxes, Government of Rajasthan, Jaipur. 4. Shri Rahil Gupta, Technical Officer (TRU), Department of Revenue, Ministry of Finance, Government of India, New Delhi. 5. The Chief Commissioner, Central Goods and Service Tax, N.C.R. Building, Statue Circle, C-Scheme, Jaipur-302005. 6. Shri Subhash Baheria, Hon'ble Member of Parliament. 7. Mrs. Minal Bhosale, OSD, Finance (TRC) Government of Rajasthan, Jaipur. 8. President, Gujarat Chamber of Commerce. 9. President, Federation of Indian Chamber of Commerce & Industry. 10. President, Confederation of All India Traders, New Delhi



Dated 21.12.2018

MCCI/47/2018-2019/414

The Hon'ble Minister of Environment, Forest & CC
Ministry of Environment, Forest & Climate Change
Govt. of India,
Indira Paryavaran Bhawan, Jorbagh Road,
New Delhi-11003

Sub : Supreme court order dated 04/12/2017 on petcock consumption.

Ref :- Notification issued by Ministry of Environment, Forest & Climate Change, new Delhi on 19th Jan,2018 vide G.S.R. 46(E).

Respected Sir,

Mewar Chamber of Commerce & Industry is the Divisional Chamber of South Rajasthan representing cement plants, textile units and more than 450 industrial units of Bhilwara, Chittorgarh, Banswara, Dungarpur, Pratapgarh, Udaipur & Rajasmand.

The Ministry of Environment, Forest & Climate Change, New Delhi had issued notification dated 19th Jan, 2018 vide G.S.R. 46(E), about consumption of the petcock as industrial fuel, by the cement industry in NCR states as fuel.

We wish to submit that the consumption of the petcock as industrial fuel should also be allowed for boilers and captive power plants of the textile industry in NCR states. Kindly refer to our representation no. MCCI/47/2018-2019/001 Dated 03.04.2018 sent to you earlier.

The Indian textile industry is one of the largest in the world with a massive raw material and textiles manufacturing base. Our economy is largely dependent on the textile manufacturing and trade in addition to other major industries. Textile export contributes about 27% of total exports. The textiles and clothing sector contributes about 14% to the industrial production and 4% to the gross domestic product of the country. The textile industry accounts for as large as 21% of the total employment generated in the economy. Though this business plays a vital role in Indian economy and Indian employment, the profit margin of this business is very low as compared with other type of industries. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million.

Steam, Oil and Power plays vital role in textile process and without steam it is not possible to produce fabric. All processing mills operate boilers for supplying steam for processing and for generating power as well as Reheating furnaces for indirect oil heating.

In Steam Boiler and reheating furnaces, Coal/Furnace Oil/Petcoke are used as main fuel. Our state (Rajasthan) does not produce any coal. Since Bihar, Madhya Bharat, etc. are far away from our State, the cost of coal is more than doubled in case of transportation. In present scenario, the available fuel such as Imported Coal, Petcock and Furnace Oil are meeting the above said demands. To stand in the competitive market, everybody tries to operate with low cost fuel on their Boilers and in reheating Furnaces.

Petroleum coke is an opportunity fuel due to its high carbon and energy content. It is an ideal fuel for Fluidized bed combustion technology type Boiler and in Fluidized bed combustion type boilers, it is easy to control the Sox emission on flue gas which is going outside from boiler through chimney.

The Fluidized Bed Combustion technology provides customer-tailored solutions for utility scale and industrial size boilers. Normally maximum Co-generation thermal Power Plants are designed and have installed such type of boilers, which can consume Multi fuel such as Imported Coal, Indian Coal, lignite and Petcock with some blending ratio with each other or 100% of each fuel. With the help of Lime injection system in Fluidized bed combustion boilers, More than 85% of sulphur can be captured from the flue gas which is a proven technology.

Due to the Central government policy, Fuel supply agreement (FSA) is not getting renewed by SECL even though the industries applied for renewal of the same in timely and due to that the Indian coal is not available to us to run the Thermal Power Plant.

Because of poor quality (very low GCV and High ash) of Lignite in Rajasthan state mines, the boiler tubes are getting frequent chocking problem and secondly the availability of the same is also a question mark. Besides there is transportation problem and more air pollution impact.

We are having only one source that is Imported Coal which is from Indonesia. As maximum consumers are using imported coal, the availability of Imported Coal is also a question mark.

Due to uncertainty in the availability of coal linkage and rising prices of imported coal, petcock is used as much as possible in addition to coal. This consumption depends upon its availability for which approval from MOEF & PCB is being sought which is subject to the compliance of the pollution control measures/guidelines. It is clearly instructed to all industry that "Continuous Online SO₂ emission monitoring system to be installed and linked with central Pollution control board and State pollution control Board." The Norms for the flue gas going out from the Boilers and heaters in terms of SO₂ and NO_x also are clearly mentioned on the notification. Those who are already installed and controlling and maintaining the SO₂ and NO_x norms can be allowed to use Petcock. The maximum industries are based in Rajasthan southern side only which is too far from NCR region.

We request you to allow us to consume Petcock as fuel in the Boilers and heaters of textile industry, those who are fulfilling the above conditions. We hope your good self will accede to our request favourably and oblige.

With Best Regards

CS R.K.Jain

Hon'y Secretary General

Copy to: The Chairman, CPCB, New Delhi

Hon'ble Shri Ashok ji Gehlot
Hon'ble Chief Minister
Government of Rajasthan
Jaipur.

Sub: Request for Electricity Duty exemption on Solar Power energy for captive use.

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. For promotion of solar power energy, the Government of Rajasthan has exempted Solar Power energy for captive use from electricity duty vide notification no. F.12(34)FD/Tax/2015-66 dated 15.12.2016. The above referred notification shall remain in force upto 31.03.2018 or till the date State Government amended the same time to time.

Ajmer Vidyut Vitran Nigam Limited, in follow up issued circular no.AVVNL/ACE (H.Q.)/XEN(C-II)/F. 2017-18/D.3801 dated 06.03.2018, exempting electricity duty up to 31.03.2018. As the exemption date has not been extended as yet, the AVVNL has recently issued debit note from April to December to the industrial units having captive solar power plant.

We wish to add that in all states in the Country, solar energy is exempted from electricity duty for captive use. We therefore request you to kindly issue necessary notification for exemption of electricity duty for captive use w.e.f. 1st April 2018 for further three years period.

We look forward to your kind support and cooperation,

With Best Regards

(CS R K Jain)
Hon'y Secretary General

CC: The Secretary Finance (Revenue), Govt of Rajasthan, Jaipur



Hon'ble Shri Arun ji Jaitely
Hon'ble Minister for Finance,
Government of India,
New Delhi

Sub: Request to reduce GST Rate on Man Made fibre Yarn from 12% to 5%

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.

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 textile 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.

Presently, the GST Rate on Synthetic Man Made Yarn is 12.00% under chapter heading No 5402 to 5406, 5509, 5510, 5511 etc. and GST Rate on **all types of Fabric**, it is 5.00%. The Government of India vide Notification 20/2018-Central Tax (Rate) dated 26.07.2018 amended the Notification No. 05/2017 Central Tax (Rate) dated 28.06.2017 and thereby allowed refund of Input Tax Credit due to Inverted Duty Rate Structure to **textile fabrics**. On the request of representation of entire textile industry, GST Council and the Government of India allowed the refund on account of inverted duty rate structure to **textile fabrics w.e.f 01.08.2018**. We convey our heartiest gratitude for allowing the refund to textile fabrics on account of Inverted Duty Rate Structure.

We would like to further inform your good self that the majority of Weaving Mills are under SME sector and generating large number of employment. The small and medium weaving units are not having expertise to understand the nitty-gritty for claiming the refund of Inputs due to inverted Duty Rate Structure and therefore they are depending on professional services which add to their time and cost. Moreover, working capital is also blocked due to delay in granting refunds. Normally, it takes at least 3 to 5 months from the date of filing of refund till granting of refund.

Reduction of Rate of GST from 12 to 5%

We would like to inform you that at present rate of GST on Synthetic Man Made Yarn is 12.00% and on Cotton Yarn is 5.00% and Rate of GST on all type of Fabrics is 5.00%. The Government is also allowing the refund on account of inverted duty rate structure to textile fabric w.e.f 01.08.2018. ***We request you to reduce the rate of GST of Man Made Yarn from existing 12.00% to 5.00%. There will be no loss of revenue to the Government as refund on account inverted duty structure is available on textile fabric.***

The trade and industry will also be benefited on account of following:-

1. Revenue neutrality

At present rate of GST on Synthetic Man Made Yarn is 12.00% and on Cotton Yarn is 5.00% and Rate of GST on all type of Fabrics is 5.00% and the Government is allowing the refund on account of inverted duty rate structure on textile Fabrics. There will be no negative impact on revenue of Government due to reduction of GST rate on Textile yarn. Hence, it will be better to reduce the rate of GST on textile yarn from 12 to 5%

2. Lesser blockage of Working Capital:-

Due to reduction of GST rate on Man Made Yarn, the person dealing in textile will have to pay lesser tax at yarn stage and no need to file refund claim with the Department, hence there will be lesser blockage of fund to the extent of refund amount.

3. Reduction of work load on trade & department both

Presently, all the person dealing in textile fabrics required to file monthly refund on account of inverted duty rate structure by online mode and also require lots of statement, papers and documents etc by offline mode also. It leads to unnecessary work load and requires professional services adding to their cost. On reduction of GST rate, there will be no need to file any refund claim with the Department and it will reduce work load both on trade and the department. It will also reduce the harassment and corruption.

4. Widen of Tax Net

In such process, every person dealing in textile fabrics will be in tax net of GST

In view of the above, we request to please reduce the rate of GST on all types of Synthetic Man Made Yarn from 12% to 5%. There will be no impact on revenue due to this as Government is already allowing refund due to inverted duty rate structure rather it will increase the compliance by the registered persons engaged in textile fabrics.

We are sure that your good office would consider our humble request sympathetically and would extend suitable relief to the benefit of trade and industry.

We look forward to your kind support and cooperation,

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

Copy to, 1. Hon'ble Shri A.N. Jha, The Secretary Finance, Government of India, New Delhi. 2. Hon'ble Chief Minister, Government of Rajasthan, Jaipur, Rajasthan 3. The Commissioner, Commercial taxes, Government of Rajasthan, Jaipur. 4. Shri Rahil Gupta, Technical Officer (TRU), Department of Revenue, Ministry of Finance, Government of India, New Delhi. 5. The Chief Commissioner, Central Goods and Service Tax, N.C.R. Building, Statue Circle, C-Scheme, Jaipur-302005. 6. Shri Subhash Baheria, Hon'ble Member of Parliament. 7. Mrs. Minal Bhosale, OSD, Finance (TRC) Government of Rajasthan, Jaipur 8. President, Gujarat Chamber of Commerce 9. President, Federation of Indian Chamber of Commerce & Industry 10. President, Confederation of All India Traders, New Delhi

BUYER-SELLER MEET at Coimbatore

The Powerloom and Export Promotion Council(PDEXCIL),Mumbai is going to organize three days Reverse Buyer Seller Meet along with "IND-TEXPO Coimbatore 2019" at Codissia Trade Fair Complex, Coimbatore, G.V.Fair Grounds, Avinashi Road, Coimbatore-641014 from 27th January,2019 to 29th January,2019.

The stalls for the Powerloom entrepreneurs will be available on the subsidized rates.

The Interest parties may directly contract to Ms. Lavany Saxena, Assistant Director Mobile No. 9892886912 PDEXCIL, Mumbai.



BUYER-SELLER MEET at Varanasi

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

PHD Chamber in association with Regional Textile Commissioner, Noida, Ministry of Textiles, Government of India is organizing the 2nd Edition of the 'Textile Exhibition cum Buyer-Seller Meet (B2B)' from 18th-20th January, 2019 at Hotel The Clarks, Varanasi.

PROGRAMME WITH DICCI

Mewar Chamber of Commerce & Industry in association with Dalit Indian Chamber of Commerce and Industry(DICCI) organized a programme on 21st December 2018 at Mewar Chamber Bhawan for campaign to empower new entrepreneurs in Petroleum Sector. DICCI in association with Dept of Industries (GoR) and Ministry of Petroleum & Natural Gas (GOI), is organizing a campaign in 17 districts of Rajasthan for Awareness of Bulk LPG Tanker Truck Business and Petrol Pump Dealership for SC/ST Entrepreneurs. Dr. Satya Prakash Verma-President DICCI Rajasthan Chapter, Mr. Ashish Gora- VP DICCI Rajasthan Chapter and Mr. Chetan Verma-Coordinator Kota Division DICCI gave presentations in the seminar.



CIRCULAR

SEBI/HO/CFD/CMD1/CIR/P/2018/0000000149

December 7, 2018

All Listed entities

All the Recognised stock exchanges All the Depositories

Sub : Disclosure of significant beneficial ownership in the shareholding pattern

Dear Sir/Madam,

1. Vide SEBI Circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015, a format has been prescribed for disclosure of holding of specified securities and shareholding pattern under Annexure-I to the circular.
2. Vide notification dated June 14, 2018, Ministry of Corporate Affairs has notified the Companies (Significant Beneficial Owners) Rules, 2018 under which various requirements pertaining to disclosures regarding Significant Beneficial Owners have been specified.
3. In the interest of transparency to the investors in the securities market, the following is specified:
 - 3.1 All listed entities shall disclose details pertaining to significant beneficial owners in the format prescribed at Annexure to this circular.
 - 3.2 The format specified in the Annexure to this circular shall be Table V under clause 5 of the format of holding of specified securities specified in the aforesaid circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015. The circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015 shall stand modified to that extent.

- 3.3 All the terms specified in this circular shall have the same meaning as specified in Companies (Significant Beneficial Owners) Rules, 2018.
4. The Stock Exchanges are advised to bring the provisions of this Circular to the notice of listed entities and also to disseminate the same on its website.
5. This Circular shall come into force with effect from the quarter ended March 31, 2019.
6. This Circular is issued in exercise of the powers conferred under Section 11 and Section 11A of the Securities and Exchange Board of India Act, 1992 read with Regulation 31 and Regulation 101(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Listing Regulations" and "Legal".

Yours faithfully,

Pradeep Ramakrishnan
Deputy General Manager
Compliance and Monitoring Division-1
Corporation Finance Department
Tel No: 022 2644 9246



Decisions taken by the GST Council in the 31st meeting held on 22nd December 2018 regarding GST rate on services

GST Council in the 31st meeting held on 22nd December, 2018 at New Delhi took following decisions relating to changes in GST rates, ITC eligibility criteria, exemptions and clarifications on connected issues. The decisions of the GST Council have been presented in this note in simple language for easy understanding. The same would be given effect to through Gazette notifications/ circulars which shall have force of law.

Reduction in GST rates/exemptions on services:

1. GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets upto Rs. 100 from 18% to 12%.
2. GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%
3. Services supplied by banks to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted.
4. Services supplied by rehabilitation professionals recognised under Rehabilitation Council of India Act, 1992 at medical establishments, educational institutions, rehabilitation centers established by Central Government / State Government or Union Territories or entity registered under section 12AA of the Income-tax Act shall be exempted.
5. Services provided by GTA to Government departments/local authorities which have taken registration only for the purpose of deducting tax under Section 51 shall be excluded from payment of tax under RCM and the same shall be exempted.
6. Exemption on services provided by Central or State Government or Union Territory Government to their undertakings or PSUs by way of guaranteeing loans taken by them from financial institutions is being extended to guaranteeing of such loans taken from banks.
7. Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in Economy class (i.e. 5% with ITC of input services).

Rationalization

8. Parliament and State legislatures shall be extended the same tax treatment with regard to payment of tax under RCM (reverse charge mechanism) as available to Central and State Governments.
9. Security services (supply of security personnel) provided to a registered person, except Government Departments which have taken registration for TDS and entities registered under composition scheme, shall be put under RCM.
10. Services provided by unregistered Business Facilitator (BF) to a bank and agent of Business correspondent (BC) to a BC shall be put under RCM.

Clarifications

11. To clarify that with effect from 31st January, 2018 degrees/ diploma awarded by IIMs under IIM Act, 2017 will be exempt from GST.
12. To clarify that the services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act, 1958 and ADB Act, 1966.
13. To clarify to West Bengal that services provided by Council/ Board of Primary/ Secondary/ Higher Secondary Education for conduct of examination to its students are exempt.
14. To clarify that “printing of pictures” falls under service code “998386: *Photographic and video graphic processing services*” of the scheme of classification of services and attract GST @18% and not under “998912: *Printing and reproduction services of recorded media, on a fee or contract basis*” which attracts GST @12%.
15. To clarify that leasing of pumps and reservoirs by the OMCs to petrol pump dealers is a mixed supply and the Licence Fee Recovery (LFR) charged for the same shall be leviable to GST @ 28%, the rate applicable to pumps. Leasing of land and buildings along with equipment shall fall under heading 9972 (real estate services) and attract GST rate of 18%.
16. To clarify that the incentives paid by RBI to Banks under “Currency Distribution and Exchange Scheme” (CDES) are taxable.
17. To clarify under section 11(3) of the CGST Act, 2017 that scope of entry for multi-modal transport with GST rate of 12% inserted w.e.f. date 26.07.2018, covers only transport of goods from a place in India to another place in India, that is, only domestic multi-modal transport.
18. To clarify that the nature of business establishment making supply of food, drinks and other articles for human consumption will not determine whether the supply by such establishments is a supply of goods or services. It will rather depend on the constituents of each individual supply and whether same satisfies the conditions / ingredients of a 'composite supply' or 'mixed supply'.
19. To clarify that GST is exempt on supply of food and drinks by an educational institution when provided by the institution itself to its students, faculty and staff and is leviable to GST of 5% when provided by any other person based on a contractual arrangement with such institutions.
20. To clarify that the banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.
21. To issue a clarification to Food Corporation of India (FCI) that the service provided by godown owner in case of lease with services, where the godown owner, besides leasing the warehouse, undertakes to carry out activities of storage and preservation of stored food grains, is the service of storage and warehousing of agricultural produce and the same is exempt.



Press Release

RECOMMENDATIONS MADE DURING 31ST MEETING OF THE GST COUNCIL

December 22, 2018

The GST Council in its 31st meeting held today at New Delhi made the following policy recommendations:

1. There would be a single cash ledger for each tax head. The modalities for implementation would be finalized in consultation with GSTN and the Accounting authorities.
2. A scheme of single authority for disbursement of the refund amount sanctioned by either the Centre or the State tax authorities would be implemented on pilot basis. The modalities for the same shall be finalized shortly.
3. The new return filing system shall be introduced on a trial basis from 01.04.2019 and on mandatory basis from 01.07.2019.
4. The due date for furnishing the annual returns in **FORM GSTR-9, FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C** for the Financial Year 2017 – 2018 shall be further extended till 30.06.2019.
5. The following clarificatory changes, *inter-alia*, shall be carried out in the formats/instructions according to which the annual return / reconciliation statement is to be submitted by the taxpayers:
 - i) Amendment of headings in the forms to specify that the return in **FORM GSTR-9&FORM GSTR-9A** would be in respect of supplies etc. 'made during the year' and not 'as declared in returns filed during the year';
 - ii) All returns in **FORM GSTR-1&FORM GSTR-3B** have to be filed before filing of **FORM GSTR-9&FORM GSTR-9C**;

- iii) All returns in **FORM GSTR-4** have to be filed before filing of **FORM GSTR-9A**;
 - iv) HSN code may be declared only for those inward supplies whose value independently accounts for 10% or more of the total value of inward supplies;
 - v) Additional payments, if any, required to be paid can be done through **FORM GST DRC-03** only in cash;
 - vi) ITC cannot be availed through **FORM GSTR-9 & FORM GSTR-9C**;
 - vii) All invoices pertaining to previous FY (irrespective of month in which such invoice is reported in **FORM GSTR-1**) would be auto-populated in Table 8A of **FORM GSTR-9**;
 - viii) Value of “non-GST supply” shall also include the value of “no supply” and may be reported in Table 5D, 5E and 5F of **FORM GSTR-9**;
 - ix) Verification by taxpayer who is uploading reconciliation statement would be included in **FORM GSTR-9C**.
6. The due date for furnishing **FORM GSTR-8** by e-commerce operators for the months of October, November and December, 2018 shall be extended till 31.01.2019.
 7. The due date for submitting **FORM GST ITC-04** for the period July 2017 to December 2018 shall be extended till 31.03.2019.
 8. ITC in relation to invoices issued by the supplier during FY 2017-18 may be availed by the recipient till the due date for furnishing of **FORM GSTR-3B** for the month of March, 2019, subject to specified conditions.
 9. All the supporting documents/invoices in relation to a claim for refund in **FORM GSTRFD-01A** shall be uploaded electronically on the common portal at the time of filing of the refund application itself, thereby obviating the need for a taxpayer to physically visit a tax office for submission of a refund application. GSTN will enable this functionality on the common portal shortly.
 10. The following types of refunds shall also be made available through **FORM GST RFD-01A**:
 - i) Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
 - ii) Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice-versa;
 - iii) Excess payment of Tax; and
 - iv) Any other refund.
 11. In case of applications for refund in **FORM GST RFD-01A** (except those relating to refund of excess balance in the cash ledger) which are generated on the common portal before the roll out of the functionality described in point (10) above, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants shall be sent communications on their registered email ids containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the said refund applications shall be summarily rejected, and the debited amount, if any, shall be re-credited to the electronic credit ledger of the claimant.
 12. One more window for completion of migration process is being allowed. The due date for the taxpayers who did not file the complete **FORM GST REG-26** but received only a Provisional ID (PID) till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer shall be extended till 31.01.2019. Also, the due date for furnishing **FORM GSTR-3B** and **FORM GSTR-1** for the period July, 2017 to February, 2019/quarters July, 2017 to December, 2018 by such taxpayers shall be extended till 31.03.2019.
 13. Late fee shall be completely waived for all taxpayers in case **FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4** for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019.
 14. Taxpayers who have not filed the returns for two consecutive tax periods shall be restricted from generating e-way bills. This provision shall be made effective once GSTN/NIC make available the required functionality.
 15. Clarifications shall be issued on certain refund related matters like refund of ITC accumulated on account of inverted duty structure, disbursement of refunds within the stipulated time, time allowed for availment of ITC on invoices, refund of accumulated ITC of compensation cess etc.
 16. Changes made by CGST (Amendment) Act, 2018, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018 and the corresponding changes in SGST Acts would be notified w.e.f. 01.02.2019.

Press Release

CERTAIN IMPORTANT ISSUES REFERRED BY GST COUNCIL TO VARIOUS COMMITTEES / GOM

December 22, 2018

The GST Council in its 31st meeting held today at New Delhi decided to refer the following issues to Committees / GoM indicated against them:

- i) Extending the Composition scheme to small service providers. The rate of tax and threshold limit to be proposed - Law Committee and Fitment Committee.

- ii) Tax rate on lotteries – Committee of States.
 - iii) Taxation of residential property in real estate sector – Law Committee and Fitment Committee.
 - iv) Threshold limit of exemption under GST regime – GoM on MSMEs.
2. GST council in its next meeting would take a view on the above issues in its next meeting.

Press Release

RECOMMENDATIONS MADE DURING 31ST MEETING OF THE GST COUNCIL HELD ON 22ND DECEMBER, 2018 (NEW DELHI)-RATE CHANGES AND CLARIFICATION IN GOODS

22nd December 2018

GST Council in the 31st meeting held on 22nd December, 2018 at New Delhi took following decisions relating to changes in GST rates, and clarification (on Goods). The decisions of the GST Council have been presented in this note for easy understanding. The same would be given effect to through Gazette notifications/ circulars which shall have force of law.

I. GST rate reduction on goods which were attracting GST rate of 28% :

A. 28% to 18%

- ☐ Pulleys, transmission shafts and cranks, gear boxes etc., falling under HS Code 8483
- ☐ Monitors and TVs of upto screen size of 32 inches
- ☐ Re-treaded or used pneumatic tyres of rubber;
- ☐ Power banks of lithium ion batteries. Lithium ion batteries are already at 18%. This will bring parity in GST rate of power bank and lithium ion battery.
- ☐ Digital cameras and video camera recorders
- ☐ Video game consoles and other games and sports requisites falling under HS code 9504.

B. 28% to 5%

- ☐ Parts and accessories for the carriages for disabled persons

II. GST rate reduction on other goods,-

A. 18% to 12%

- ☐ Cork roughly squared or debagged
- ☐ Articles of natural cork
- ☐ Agglomerated cork

B. 18% to 5%

- ☐ Marble rubble

C. 12% to 5%

- ☐ Natural cork
- ☐ Walking Stick
- ☐ Fly ash Blocks

D. 12% to Nil:

- ☐ Music Books

E. 5% to Nil

- ☐ Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container
- ☐ Vegetable provisionally preserved (for example by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.

F. Miscellaneous

- ☐ Exemption from GST on supply of gold by Nominated Agencies to exporters of article of gold Jewellery.
- ☐ Exemption from GST on proceeds received by Government from auction of gifts received by President, Prime Minister, Governor or Chief Minister of a State and public servants, the proceeds of which is used for public or charitable cause.
- ☐ Exemption from IGST/Compensation cess on vehicles imported for temporary purposes under the Customs Convention on the Temporary importation of Private Road Vehicles (carnet de passages-en-douane).
- ☐ Rate of 5%/18% to be applied based on transaction value of footwear
- ☐ Uniform GST rate of 12% on Flexible Intermediate Bulk Container (FIBC) from existing 5%/12% (depending on the value)

III. GST on solar power generating plant and other renewable energy plants

- ☐ GST rate of 5% rate has been prescribed on renewable energy devices & parts for their manufacture (bio gas plant/solar

power based devices, solar power generating system (SGPS) etc) [falling under chapter 84, 85 or 94 of the Tariff]. Other goods or services used in these plants attract applicable GST.

- ❑ Certain disputes have arisen regarding GST rates where specified goods attracting 5% GST are supplied along with services of construction etc and other goods for solar power plant.
- ❑ To resolve the dispute the Council has recommended that in all such cases, the 70% of the gross value shall be deemed as the value of supply of said goods attracting 5% rate and the remaining portion (30%) of the aggregate value of such EPC contract shall be deemed as the value of supply of taxable service attracting standard GST rate.

IV. Clarifications:

- ❑ Sprinkler system consisting of nozzles, lateral and other components would attract 12% GST rate under S.No. 195B of notification No. 1/2017-Central Tax (Rate) dated 28.6.2018
- ❑ Movement of Rigs, Tools & Spares and all goods on wheels on own account where such movement is not intended for further supply of such goods but for the provision of service does not involve a supply (e.g., movement of testing equipment etc.) and is not be liable to GST.
- ❑ The goods with description Bagasse Board [whether plain or laminated] falling under Chapter 44 attract GST at the rate of 12%.
- ❑ Concessional GST rate of 5% applies to the LPG supplied in bulk to an OMC by refiners/fractioners for bottling for further supply to household domestic consumers.
- ❑ While animal/cattle/aquatic/poultry feed are exempt vide S. No. 102 of notification No. 2/2017-Central Tax (Rate), this exemption would not apply to their inputs such as fish meal, meat bone meal, bran, sharps, oil cakes of various oil seeds etc.
- ❑ Manure of determination of classification of vitamins, pro-vitamins etc. as animal feed supplements
- ❑ Sattu or Chattua falling under HS code 1106 and attracts the applicable GST rate.
- ❑ Polypropylene Woven and Non-Woven Bags and PP Woven and Non-Woven Bags laminated with BOPP falls under HS code 3923 and attract 18% GST rate.
- ❑ 18% GST is applicable on wood logs including the wood in rough/log used for pulping.
- ❑ Turbo charger is classified under heading 8414 and attracts 18% GST and not 5% GST.
- ❑ Fabric even if embroidered or has stitching of lace and tikki etc., and even if sold in three piece fabric as ladies suit set, will be classifiable as fabric and would attract 5% GST.
- ❑ Scope of concessional rate of 5% GST rate for specified equipment for waste to energy plant.

Press Release

IN-PRINCIPLE APPROVAL GIVEN FOR LAW AMENDMENTS DURING 31ST MEETING OF THE GST COUNCIL

December 22, 2018

The GST Council in its 31st meeting held today at New Delhi gave in principle approval to the following amendments in the GST Acts:

1. Creation of a Centralised Appellate Authority for Advance Ruling (AAAR) to deal with cases of conflicting decisions by two or more State Appellate Advance Ruling Authorities on the same issue.
2. Amendment of section 50 of the CGST Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit, i.e. interest would be leviable only on the amount payable through the electronic cash ledger.

The above recommendations of the Council will be made effective only after the necessary amendments in the GST Acts are carried out.

Press Release

FORMATION OF GoM AS RECOMMENDED BY THE GST COUNCIL IN ITS 31st MEETING HELD ON 22.12.2018

The GST Council in its 31st meeting held today at New Delhi has approved the proposal to form a 7 Member Group of Ministers to study the revenue trend, including analysing the reasons for structural patterns affecting the revenue collection in some of the States. The study would include the underlying reasons for deviation from the revenue collection targets *vis a vis* original assumptions discussed during the design of GST system, its implementation and related structural issues.

The Group of Ministers will be assisted by the committee of experts from Central Government, State Governments and the NIPFP (National Institute of Public Finance and Planning), who would study and share the findings with GoM. The GoM in turn would give its recommendation to the GST Council.

The members of the GoM and the Committee of experts would be announced in due course of time.

हिन्दुस्तान जिंक की रामपुरा आगुचा खदान देश में प्रथम पुरस्कार से सम्मानित

हिंदुस्तान जिंक की दरीबा खान में खान सुरक्षा महानिदेशालय के तत्वावधान में प्रथम अखिल भारतीय खान सुरक्षा, स्वच्छता तथा सिलिकोसिस जागरूकता सप्ताह में रामपुरा आगुचा खान को सम्पूर्ण वर्ग में प्रथम पुरस्कार से सम्मानित किया गया। मुख्य अतिथि श्री पी के सरकार खान सुरक्षा महानिदेशालय ने रामपुरा आगुचा माइंस को पुरस्कार प्रदान किया। कार्यक्रम में देश की 42 भूमिगत धात्विक खानों ने हिस्सा लिया। इस सप्ताह के तहत निर्धारित मापदंडों के आधार पर भूमिगत खदानों की सुरक्षा, स्वच्छता तथा सिलिकोसिस की रोकथाम के लिए क्षेत्र में किये जाने वाले कार्यों की कुल 8 दलों के सदस्यों ने गहराई से मूल्यांकन किया जिसमें रामपुरा आगुचा खान को सम्पूर्ण वर्ग में प्रथम पुरस्कार से सम्मानित किया गया। पुरस्कार वितरण समारोह खान सुरक्षा महानिदेशालय के महानिदेशक श्री पी के सरकार, हिंदुस्तान जिंक के मुख्य प्रचालन अधिकारी श्री लक्ष्मण सिंह शेखावत तथा हिंदुस्तान जिंक वर्कर्स फेडरेशन के जनरल सेक्रेटरी श्री कल्याण सिंह शक्तावत के द्वारा किया गया।

NOW ROC OR REGIONAL DIRECTOR IS EMPOWERED TO IMPOSE PENALTY UNDER COMPANIES ACT 2013 FOR NON-COMPLIANCES OF THE FOLLOWING PROVISIONS UNDER THE COMPANIES (AMENDMENT) ORDINANCE, 2018. The Companies (Amendment) Ordinance, 2018 which has been signed by President of India on 2nd November 2018 has reclassified certain offense from Fine to Penalty under Companies Act 2013. Thus, Registrar of Companies (ROC) and Regional Director (RD) can now levy penalties directly after issuing Show Cause Notice (SCN) , instead of going to judiciary for imposing fines or for following procedure for composition of offenses. Even though, President has given his approval for the above ordinance , it is yet to be notified.

Description	Section	PENALTY
Prohibition of Issue of shares at a discount	53(3)	Company and any officer in default being liable to a penalty
Notice to be given to Registrar for alteration of share capital	64(2)	The company and any officer in default being liable to a penalty, instead of being punishable with fine
Annual Return	92(5)	1. The company being liable to a penalty, instead of being punishable with fine; 2. Every officer in default being liable to a penalty.
Statement to be annexed to Notice	102(5)	Every promoter, director, manager or other key managerial personnel who is in default being liable to a penalty.
Proxies	105	Every officer in default being liable to a penalty.
Resolutions & Agreements to be filed	117(2)	The company and every officer in default including liquidator of a company, if any, being liable to a penalty.
Report on annual general meeting	121(3)	The company and every officer in default being liable to a penalty.
Copy of financial statement to be filed with Registrar	137(3)	(i) The company being liable to a penalty, instead of being punishable with fine; and (ii) The managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the board of directors with the responsibility of complying with the provisions of Section 137, and, in the absence of any such director, all the directors of the company, being liable to a penalty.
Removal, resignation of auditor & giving of special notice	140(3)	The auditor being liable to a penalty.
Company to inform Director Identification Number to Registrar	157(2)	The company and every officer in default being liable to a penalty.
Punishment for Contravention- in respect of DIN	159	Non-compliance with Section 152 (Appointment of directors), Section 155 (Prohibition to obtain more than one Director Identification Number) and Section 156 (Director to intimate Director Identification Number) shall result in any individual or director of a company in default being liable to a penalty.
Number of Directorships	165(6)	If a person accepts appointment as a director in contravention of sub-section (1) of Section 165 such person shall be liable to a penalty.
Payment to Director for Loss of Office	191(5)	Director of the company being liable to a penalty.
Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits	197(15)	Any person in default being liable to a penalty.
Appointment of Key Managerial Personnel	203(5)	The company, every director and key managerial personnel of the company who is in default being liable to a penalty,
Registration of the offer of scheme involving transfer of shares	238(3)	The director being liable to a penalty, in

FAQ ON JOB WORK

Q1. What is job work?

Ans. Job work means undertaking any treatment or process by a person on goods belonging to another registered taxable person. The person who is treating or processing the goods belonging to other person is called 'job worker' and the person to whom the goods belongs is called 'principal'.

This definition is much wider than the one given in Notification No. 214/86 – CE dated 23rd March, 1986. In the said notification, job work has been defined in such a manner so as to ensure that the activity of job work must amount to manufacture. Thus the definition of job work itself reflects the change in basic scheme of taxation relating to job work in the proposed GST regime.

Q2. Whether goods sent by a taxable person to a job worker will be treated as supply and liable to GST? Why?

Ans. It will be treated as a supply as supply includes all forms of supply such as sale, transfer, etc. However, the registered taxable person (the principal), under intimation and subject to such conditions as may be prescribed send any inputs and/or capital goods, without payment of tax, to a job worker for job work and from there subsequently to another job worker(s) and shall either bring back such inputs/capital goods after completion of job work or otherwise within 1 year/3years of their being sent out or supply such inputs/capital goods after completion of job work or otherwise within 1 year / 3 years of their being sent out, from the place of business of a job worker on payment of tax within India or with or without payment of tax for export.

Q3. Is a job worker required to take registration?

Ans. Yes, as job work is a service, the job worker would be required to obtain registration if his aggregate turnover exceeds the prescribed threshold.

Q4. Whether the goods of principal directly supplied from the job worker's premises will be included in the aggregate turnover of the job worker?

Ans. No. It will be included in the aggregate turnover of the principal. However, the value of goods or services used by the job worker for carrying out the job work will be included in the value of services supplied by the job worker.

Q5. Can a principal send inputs and capital goods directly to the premises of job worker without bringing it to his premises?

Ans. Yes, the principal is allowed to do so. The input tax credit of tax paid on inputs or capital goods can also be availed by the principal in such a scenario. The inputs or capital goods must be received back within one year or three years respectively failing which the original transaction would be treated as supply and the principal would be liable to pay tax accordingly.

Q6. Can the principal supply the goods directly from the premises of the job worker without bringing it back to his own premises?

Ans. Yes. But the principal should have declared the premises of an unregistered job worker as his additional place of business. If the job worker is a registered person then goods can be supplied directly from the premises of the job worker. The Commissioner may also notify goods in which case goods sent for job work can be directly supplied from the premises of the job worker.

Q7. Under what circumstances can the principal directly supply goods from the premises of job worker without declaring the premises of job worker as his additional place of business?

Ans. The goods can be supplied directly from the place of business of job worker without declaring it as additional place of business in two circumstances namely where the job worker is a registered taxable person or where the principal is engaged in supply of such goods as may be notified by the Commissioner.

Q8. What are the provisions concerning taking of ITC in respect of inputs/capital goods sent to a job worker?

Ans. Principal shall be entitled to take credit of taxes paid on inputs or capital goods sent to a job worker whether sent after receiving them at his place of business or even when such the inputs or capital goods are directly sent to a job worker without their being first brought to his place of business. However, the inputs or capital goods, after completion of job work, are required to be received back or supplied from job worker's premises, as the case may be, within a period of one year or three years of their being sent out.

Q9. What happens when the inputs or capital goods are not received back or supplied from the place of business of job worker within prescribed time period?

Ans. If the inputs or capital goods are not received back by the principal or are not supplied from the place of business of job worker within the prescribed time limit, it would be deemed that such inputs or capital goods had been supplied by the principal to the job worker on the day when the said inputs or capital goods were sent out by the principal (or on the date of receipt by the job worker where the inputs or capital goods were sent directly to the place of business of job worker). Thus the principal would be liable to pay tax accordingly.

Q10. Some capital goods like jigs and fixtures are non-usable after their use and normally sold as scrap. What is the treatment of such items in job work provisions?

Ans. The condition of bringing back capital goods within three years is not applicable to moulds, dies, jigs and fixtures or tools.

Q11. What would be treatment of the waste and scrap generated during the job work?

Ans. The waste and scrap generated during the job work can be supplied by the job worker directly from his place of business, on payment of tax, if he is registered. If he is not registered, the same would be supplied by the principal on payment of tax.

Q12. Whether intermediate goods can also be sent for job work?

Ans. Yes. The term inputs, for the purpose of job work, includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or job worker.

Q13. Who is responsible for the maintenance of proper accounts related to job work?

Ans. It is completely the responsibility of the principal to maintain proper accounts of job work related inputs and capital goods.

Q14. Are the provisions of job work applicable to all categories of goods?

Ans. No. The provisions relating to job work are applicable only when registered taxable person intends to send taxable goods. In other words, these provisions are not applicable to exempted or non-taxable goods or when the sender is a person other than registered taxable person.

Q 5. Is it compulsory that job work provisions should be followed by the principal?

Ans. No. The principal can send the inputs or capital goods after payment of GST without following the special procedure. In such a case, the job-worker would take the input tax credit and supply back the processed goods (after completion of job-work) on payment of GST.

Q16. Should job worker and principal be located in same State or Union territory?

Ans. No this is not necessary as provisions relating to job work have been adopted in the IGST Act as well as in UTGST Act and therefore job-worker and principal can be located either in same State or in same Union Territory or in different States or Union Territories.

Q17. What is the scope of job work. Whether any inputs, other than goods provided by the principal can be used by the job worker for providing job work services?

Ans. The definition of job work, as contained in section 2(68) of the CGST Act, entails that the job work is a treatment or process undertaken by a person on goods belonging to another registered person. Thus, the job worker is expected to work on the goods sent by the principal and whether the activity is covered within the scope of job work or not would have to be determined on the basis of facts and circumstances of each case. Further, it is clarified that the job worker, in addition to the goods received from the principal, can use his own goods for providing the services of job work.

Q18. Can a person other than registered person follow the job work procedure under the Act?

Ans. No. It is important to note that the provisions of section 143 of the CGST Act are applicable to a registered person. Thus, it is only a registered person who can send the goods for job work under the said provisions

Q19. In case the principal and job worker are located in different states, is it necessary for the job worker to obtain compulsory registration?

Ans. No. Where the principal and the job worker are located in different States, the requirement for registration flows from section 24(i) of the CGST Act which provides for compulsory registration of suppliers making any inter-State supply of services. However, exemption from registration has been granted in case the aggregate turnover of the inter-state supply of taxable services does not exceed Rs 20 lakhs or Rs. 10 lakhs in case of special category States except Jammu & Kashmir in a financial year vide notification No. 10/2017 – Integrated Tax dated 13.10.2017. Therefore, a job worker is required to obtain registration only in cases where his aggregate turnover, to be computed on all India.

Q20. In case of inter-state movement of goods for job work, is generation of e-way bill necessary? If so by whom?

Ans. Yes. The third proviso to rule 138(1) of the CGST Rules provides that the e-way bill shall be generated either by the principal or by the registered job worker irrespective of the value of the consignment, where goods are sent by a principal located in one State/Union territory to a job worker located in any other State/Union territory.

Q21. What are the legal/documentary requirements where goods are sent by the principal to only one job worker?

Ans. The principal shall prepare in triplicate, the challan in terms of rules 45 and 55 of the CGST Rules, for sending the goods to a job worker. Two copies of the challan may be sent to the job worker along with the goods. The job worker should send one copy of the said challan along with the goods, while returning them to the principal. The FORM GST ITC-04 will serve as the intimation as envisaged under section 143 of the CGST Act, 2017

Q22. What are the legal/documentary requirements where goods are sent by one job worker to another job worker?

Ans. In such cases, the goods may move under the cover of a challan issued either by the principal or the job worker. In the alternative, the challan issued by the principal may be endorsed by the job worker sending the goods to another job worker, indicating therein the quantity and description of goods being sent. The same process may be repeated for subsequent movement of the goods to other job workers.

Q23. What are the legal/documentary requirements where goods are returned to the principal by the job worker?

Ans. The job worker should send one copy of the challan received by him from the principal while returning the goods to the principal after carrying out the job work.

Q24. What are the legal/documentary requirements where goods are sent directly by the supplier to the job worker?

Ans. In this case, the goods may move from the place of business of the supplier to the place of business/premises of the job worker with a copy of the invoice issued by the supplier in the name of the buyer (i.e. the principal) wherein the job worker's name and address should also be mentioned as the consignee, in terms of rule 46(o) of the CGST Rules. The buyer (i.e., the principal) shall issue the challan under rule 45 of the CGST Rules and send the same to the job worker directly in terms of para (i) above. In case of import of goods by the principal which are then supplied directly from the customs station of import, the goods may move from the customs station of import to the place of business/premises of the job worker with a copy of the Bill of Entry and the principal shall issue the challan under rule 45 of the CGST Rules and send the same to the job worker directly.

Q25. What are the legal/documentary requirements where goods are returned in piecemeal by the job worker?

Ans. In case the goods after carrying out the job work, are sent in piecemeal quantities by a job worker to another job worker or to the principal, the challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.

Q26. What is the mode and manner in which the principal is required to intimate the details of goods sent for job work?

Ans. Rule 45(3) of the CGST Rules provides that the principal is required to furnish the details of challans in respect of goods sent to a job worker or received from a job worker or sent from one job worker to another job worker during a quarter in FORM GST ITC-04 by the 25th day of the month succeeding the quarter or within such period as may be extended by the Commissioner. It is the responsibility of the principal to include the details of all the challans relating to goods sent by him to one or more job worker or from one job worker to another and its return therefrom.

The FORM GST ITC-04 will serve as the intimation as envisaged under section 143 of the CGST Act.

Q27. How will liability devolve on the Principal in case inputs or capital goods are neither returned nor supplied from the job workers premises within the stipulated period?

Ans. If the inputs or capital goods are neither returned nor supplied from the job worker's place of business / premises within the specified time period, the principal would issue an invoice for the same and declare such supplies in his return for that particular month in which the time period of one year / three years has expired. The date of supply shall be the date on which such inputs or capital goods were initially sent to the job worker and interest for the intervening period shall also be payable on the tax.

Q28. What would be the GST implications in case the goods are returned by the job worker after the stipulated period?

Ans. If such goods are returned by the job worker after the stipulated time period, the same would be treated as a supply by the job worker to the principal and the job worker would be liable to pay GST if he is liable for registration in accordance with the provisions contained in the CGST.

Q29. Whether the value of moulds and dies, jigs and fixtures or tools which have been provided by the principal to the job worker and have been used by the latter for providing job work services would be included in the value of job work services?

Ans. Section 15 of the CGST Act lays down the principles for determining the value of any supply under GST. Importantly, clause (b) of sub-section (2) of section 15 of the CGST Act provides that any amount that the supplier is liable to pay in relation to the supply but which has been incurred by the recipient will form part of the valuation for that particular supply, provided it has not been included in the price for such supply. Accordingly, the value of such moulds and dies, jigs and fixtures or tools may not be included in the value of job work services provided its value has been factored in the price for the supply of such services by the job worker.

Q30. How would be the time and place of supply be determined, where the supply is made by the principal from the premises of the job worker?

Ans. Since the supply is being made by the principal, the time, value and place of supply would have to be determined in the hands of the principal irrespective of the location of the job worker's place of business/premises. Further, the invoice would have to be issued by the principal.

Q31. Whether independent fabric processors (job workers) in the textile sector supplying job work services are eligible for refund of unutilized input tax credit on account of inverted duty structure under section 54(3) of the CGST Act, 2017, even if the goods (fabrics) supplied are covered under notification No. 5/2017-Central Tax (Rate) dated 28.06.2017?

Ans. Notification No. 5/2017-Central Tax (Rate) dated 28.06.2017 specifies the goods in respect of which refund of unutilized input tax credit (ITC) on account of inverted duty structure under section 54(3) of the CGST Act shall not be allowed where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies of such goods. However, in case of fabric processors, the output supply is the supply of job work services and not of goods (fabrics). Hence, the fabric processors shall be eligible for refund of unutilized ITC on account of inverted duty structure under section 54(3) of the CGST Act even if the goods (fabrics) supplied to them are covered under notification No.5/2017-Central Tax (Rate) dated 28.06.2017.



NOTIFICATION

To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs

Notification No. 78 /2018 – Central Tax

New Delhi, the 31st December, 2018

G.S.R... (E). - In pursuance of section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and sub-rule (3) of rule 45 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), and in supercession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 59/2018-Central Tax, dated the 26th October, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.1071(E), dated the 26th October, 2018, except as respects things done or omitted to be done before such supercession, the Commissioner, hereby extends the time limit for furnishing the declaration in **FORM GST ITC-04** of the said rules, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to December, 2018 till the 31st day of March, 2019.

[F.No.20/06/16/2018-GST]

(Dr. Sreeparvathy S.L.)
Under Secretary to the Government of India

F. No. CBEC-20/16/04/2018-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 31st December, 2018

The Principal Chief Commissioners/ Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All)/
The Principal Directors General/ Directors General (All) Madam/Sir,

Subject: Clarification on certain issues (sale by government departments to unregistered person; levability of penalty under section 73(11) of the CGST Act; rate of tax in case of debit notes / credit notes issued under section 142(2) of the CGST Act; applicability of notification No. 50/2018-Central Tax; valuation methodology in case of TCS under Income Tax Act and definition of owner of goods) related to GST-Reg.

Various representations have been received seeking clarification on certain issues under the GST laws. In order to clarify these issues and to ensure uniformity of implementation across field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") hereby clarifies the issues as below:

Sr.	Issue	Clarification
1.	Whether the supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by Government departments are taxable under GST?	<ol style="list-style-type: none"> 1. It may be noted that intra-State and inter- State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by the Central Government, State Government, Union territory or a local authority is a taxable supply under GST. 2. Vide notification No. 36/2017-Central Tax (Rate) and notification No. 37/2017- Integrated Tax (Rate) both dated 13.10.2017, it has been notified that intra- State and inter-State supply respectively of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by the Central Government, State Government, Union territory or a local authority to any registered person, would be subject to GST on reverse charge basis as per which tax is payable by the recipient of such supplies. 3. A doubt has arisen about taxability of intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by the Central Government, State Government, Union territory or a local authority to an un-registered person. 4. It was noted that such supply to an unregistered person is also a taxable supply under GST but is not covered under notification No. 36/2017-Central Tax (Rate) and notification No. 37/2017- Integrated Tax (Rate) both dated 13.10.2017. In this regard, it is clarified that the respective Government departments (i.e. Central Government, State Government, Union territory or a local authority) shall be liable to get registered and pay GST on intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by them to an unregistered person subject to the provisions of sections 22 and 24 of the CGST Act.
2.	Whether penalty in accordance with section 73 (11) of the CGST Act should be levied in cases where the return in FORM GSTR-3B has been filed after the due date of filing such return?	<ol style="list-style-type: none"> 1. As per the provisions of section 73(11) of the CGST Act, penalty is payable in case self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax. 2. It may be noted that a show cause notice (SCN for short) is required to be issued to a person where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit

Sr.	Issue	Clarification
2.		has been wrongly availed or utilised for any reason under the provisions of section 73(1) of the CGST Act. The provisions of section 73(11) of the CGST Act can be invoked only when the provisions of section 73 are invoked. The provisions of section 73 of the CGST Act are generally not invoked in case of delayed filing of the return in FORM GSTR-3B because tax along with applicable interest has already been paid but after the due date for payment of such tax. It is accordingly clarified that penalty under the provisions of section 73(11) of the CGST Act is not payable in such cases. It is further clarified that since the tax has been paid late in contravention of the provisions of the CGST Act, a general penalty under section 125 of the CGST Act may be imposed after following the due process of law.
3.	In case a debit note is to be issued under section 142(2)(a) of the CGST Act or a credit note under section 142(2)(b) of the CGST Act, what will be the tax rate applicable – the rate in the pre-GST regime or the rate applicable under GST?	2. It may be noted that as per the provisions of section 142(2) of the CGST Act, in case of revision of prices of any goods or services or both on or after the appointed day (i.e., 01.07.2017), a supplementary invoice or debit/credit note may be issued which shall be deemed to have been issued in respect of an outward supply made under the CGST Act. It is accordingly clarified that in case of revision of prices, after the appointed date, of any goods or services supplied before the appointed day thereby requiring issuance of any supplementary invoice, debit note or credit note, the rate as per the provisions of the GST Acts (both CGST and SGST or IGST) would be applicable.
4.	Applicability of the provisions of section 51 of the CGST Act (TDS) in the context of notification No. 50/2018-Central Tax dated 13.09.2018.	1. A doubt has arisen about the applicability of long line mentioned in clause (a) of notification No. 50/2018- Central Tax dated 13.09.2018. 2. It is clarified that the long line written in clause (a) in notification No. 50/2018- Central Tax dated 13.09.2018 is applicable to both the items (i) and (ii) of clause (a) of the said notification. Thus, an authority or a board or any other body whether set up by an Act of Parliament or a State Legislature or established by any Government with fifty-one per cent. or more participation by way of equity or control, to carry out any function would only be liable to deduct tax at source. 3. In other words, the provisions of section 51 of the CGST Act are applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which fifty one per cent. or more participation by way of equity or control is with the Government.
5.	What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?	1. Section 15(2) of CGST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.” It is clarified that as per the above provisions, taxable value for the purposes of GST shall include the TCS amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.
6.	Who will be considered as the „owner of the goods“ for the purposes of section 129(1) of the CGST Act?	It is hereby clarified that if the invoice or any other specified document is accompanying the consignment of goods, then either the consignor or the consignee should be deemed to be the owner. If the invoice or any other specified document is not accompanying the consignment of goods, then in such cases, the proper officer should determine who should be declared as the owner of the goods.

2. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

3. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

(Upender Gupta) , Commissioner (GST)

F. No. CBEC-20/16/04/2018-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 31st December, 2018

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All)

The Principal Directors General/Directors General (All)

Madam/Sir,

Subject : Denial of composition option by tax authorities and effective date thereof - Reg.

Rule 6 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”) deals with the validity of the composition levy. As per the said rule, the option exercised by a registered person to pay tax under the composition scheme shall remain valid so long as he satisfies the conditions mentioned in section 10 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”) and the CGST Rules. The rule lays down the procedure for withdrawal from the composition scheme by a taxpayer who intends to withdraw from the said scheme and also the procedure for denial of option to the taxpayer to pay tax under the said scheme where he has contravened the provisions of the CGST Act or the CGST Rules.

2. In this connection, doubts have been raised as to the date from which withdrawal from the composition scheme shall take effect in a case where the composition taxpayer has exercised such option to withdraw. Doubts have also been raised regarding the effective date of denial of the option to pay tax under the composition scheme where action has been initiated by the tax authorities to deny such option to the composition taxpayer. Further, clarification has been sought regarding the follow up action to be taken by the tax authorities when the composition option is denied to the taxpayer retrospectively. In order to clarify these issues 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 CGST Act, hereby clarifies the issues raised as below.
3. Sub-rule (2) of rule 6 of the CGST Rules provides that the composition taxpayer shall pay tax under sub-section (1) of section 9 of the CGST Act as a normal taxpayer from the day he ceases to satisfy any of the conditions of the composition scheme and shall issue tax invoice for every taxable supply made thereafter. Sub-rule (3) of rule 6 of the CGST Rules provides that the registered person who intends to withdraw from the composition scheme shall, before the date of such withdrawal, file an application in **FORM GST CMP-04** on the common portal. He shall file intimation for withdrawal from the scheme in **FORM GST CMP-04** within seven days of the occurrence of such event.
4. As per sub-rule (4) of rule 6 of the CGST Rules, where the proper officer has reasons to believe that the registered person was not eligible to pay tax under section 10 of the CGST Act or has contravened the provisions of the CGST Act or the CGST Rules, he may issue a notice to such person in **FORM GST CMP-05** to show cause as to why the option to pay tax under section 10 of the CGST Act shall not be denied. Upon receipt of the reply to the show cause notice from the registered person in **FORM GST CMP-06**, the proper officer shall, in accordance with the provisions of sub-rule (5) of rule 6 of the CGST Rules, issue an order in **FORM GST CMP-07** within a period of thirty days of the receipt of such reply, either accepting the reply, or denying the option to pay tax under section 10 of the CGST Act from the date of the option or from the date of the event concerning such contravention, as the case may be.
5. It is clarified that in a case where the taxpayer has sought withdrawal from the composition scheme, the effective date shall be the date indicated by him in his intimation/application filed in **FORM GST CMP-04** but such date may not be prior to the commencement of the financial year in which such intimation/application for withdrawal is being filed. If at any stage it is found that he has contravened any of the provisions of the CGST Act or the CGST Rules, action may be initiated for recovery of tax, interest and penalty. In case of denial of option by the tax authorities, the effective date of such denial shall be from a date, including any retrospective date as may be determined by tax authorities, but shall not be prior to the date of contravention of the provisions of the CGST Act or the CGST Rules. In such cases, as provided under sub-section (5) of section 10 of the CGST Act, the proceedings would have to be initiated under the provisions of section 73 or section 74 of the CGST Act for determination of tax, interest and penalty for the period starting from the date of contravention of provisions till the date of issue of order in **FORM GST CMP-07**. It is also clarified that the registered person shall be

liable to pay tax under section 9 of the CGST Act from the date of issue of the order in **FORM GST CMP-07**.

Provisions of section 18(1)(c) of the CGST Act shall apply for claiming credit on inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods on the date immediately preceding the date of issue of the order.

6. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
7. Difficulties, if any, faced in implementation of the above instructions may be brought to the notice of the Board at an early date. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)



Circular No. 78/52/2018-GST

F. No. CBEC-20/16/04/2018-GST

Government of India
Ministry of Finance Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 31st December, 2018

The Principal Chief Commissioners/ Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All)/
The Principal Directors General/ Directors General (All)

Madam/Sir,

Subject: Clarification on export of services under GST – Reg.

Representations have been received seeking clarification on certain issues relating to export of services under the GST laws. The same have been examined and the clarifications on the same are as below:

Sr.	Issue	Clarification
1.	In case an exporter of services outsources a portion of the services contract to another person located outside India, what would be the tax treatment of the said portion of the contract at the hands of the exporter? There may be instances where the full consideration for the outsourced services is not received by the exporter in India.	<ol style="list-style-type: none">1. Where an exporter of services located in India is supplying certain services to a recipient located outside India, either wholly or partly through any other supplier of services located outside India, the following two supplies are taking place:-<ol style="list-style-type: none">(i) Supply of services from the exporter of services located in India to the recipient of services located outside India for the full contract value;(ii) Import of services by the exporter of services located in India from the supplier of services located outside India with respect to the outsourced portion of the contract.Thus, the total value of services as agreed to in the contract between the exporter of services located in India and the recipient of services located outside India will be considered as export of services if all the conditions laid down in section 2(6) of the Integrated Goods and Services Tax Act, 2017 (IGST Act for short) read with section 13(2) of the IGST Act are satisfied.2. It is clarified that the supplier of services located in India would be liable to pay integrated tax on reverse charge basis on the import of services on that portion of services which has been provided by the supplier located outside India to the recipient of services located outside India. Furthermore, the said supplier of services located in India would be eligible for taking input tax credit of the integrated tax so paid.3. Thus, even if the full consideration for the services as per the contract value is not received in convertible foreign exchange in India due to the fact that the recipient of services located outside India has directly paid to the supplier of services located outside India (for the outsourced part

Sr.	Issue	Clarification
1.		<p>of the services), that portion of the consideration shall also be treated as receipt of consideration for export of services in terms of section 2(6)(iv) of the IGST Act, provided the:</p> <p>(i) integrated tax has been paid by the supplier located in India for import of services on that portion of the services which has been directly provided by the supplier located outside India to the recipient of services located outside India; and</p> <p>(ii) RBI by general instruction or by specific approval has allowed that a part of the consideration for such exports can be retained outside India.</p> <p><i>Illustration:</i> ABC Ltd. India has received an order for supply of services amounting to \$ 5,00,000/- to a US based client. ABC Ltd. India is unable to supply the entire services from India and asks XYZ Ltd. Mexico (who is not merely an establishment of a distinct person viz. ABC Ltd. India, in accordance with the Explanation 1 in Section 8 of the IGST Act) to supply a part of the services (say 40% of the total contract value). ABC Ltd. India shall be the exporter of services for the entire value if the invoice for the entire amount is raised by ABC Ltd. India. The services provided by XYZ Ltd. Mexico to the US based client shall be import of services by ABC Ltd. India and it would be liable to pay integrated tax on the same under reverse charge and also be eligible to take input tax credit of the integrated tax so paid. Further, if the provisions contained in section 2(6) of the IGST Act are not fulfilled with respect to the realization of convertible foreign exchange, say only 60% of the consideration is received in India and the remaining amount is directly paid by the US based client to XYZ Ltd. Mexico, even in such a scenario, 100% of the total contract value shall be taken as consideration for the export of services by ABC Ltd. India provided integrated tax on import of services has been paid on the part of the services provided by XYZ Ltd Mexico directly to the US based client and RBI (by general instruction or by specific approval) has allowed that a part of the consideration for such exports can be retained outside India. In other words, in such cases, the export benefit will be available for the total realization of convertible foreign exchange by ABC Ltd. India and XYZ Ltd. Mexico.</p>

2. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

3. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

(Upender Gupta) , Commissioner (GST)



F. No. CBEC-20/16/04/2018 - GST

Circular No. 79/53/2018-GST

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 31st December, 2018

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All) /
The Principal Directors General/ Directors General (All) / The Principal Chief Controller of Accounts (CBIC)

Madam/Sir,

Subject: Clarification on refund related issues – Reg.

Various representations have been received seeking clarification on various issues relating to refund. In order to clarify these

issues and to ensure uniformity in the implementation of the provisions of 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 detailed hereunder:

Physical submission of refund claims with jurisdictional proper officer:

2. Due to the non-availability of the complete electronic refund module, a work around was prescribed vide Circular No. 17/17/2017-GST dated 15.11.2017 and Circular No. 24/24/2017-GST dated 21.12.2017, wherein a taxpayer was required to file **FORM GST RFD-01A** on the common portal, generate the Application Reference Number (ARN), take print-outs of the same, and submit it physically in the office of the jurisdictional proper officer, along with all the supporting documents. It has been learnt that this requirement of physical submission of documents in the jurisdictional tax office is causing undue hardship to the taxpayers. Therefore, in order to further simplify the refund process, the following instructions, in partial modification of the aforesaid circulars, are issued:
- a) All documents/undertaking/statements to be submitted along with the claim for refund in **FORM GST RFD-01A** shall be uploaded on the common portal at the time of filing of the refund application. Circular No. 59/33/2018-GST dated 04.09.2018 specified that instead of providing copies of all invoices, a statement of invoices needs to be submitted in a prescribed format and copies of only those invoices need to be submitted the details of which are not found in **FORM GSTR-2A** for the relevant period. It is now clarified that the said statement and these invoices, instead of being submitted physically, shall be electronically uploaded on the common portal at the time of filing the claim of refund in **FORM GST RFD-01A**. Neither the application in **FORM GST RFD-01A**, nor any of the supporting documents, shall be required to be submitted physically in the office of the jurisdictional proper officer.
 - b) However, the taxpayer will still have the option to physically submit the refund application to the jurisdictional proper officer in **FORM GST RFD-01A**, along with supporting documents, if he so chooses. A taxpayer who still remains unallocated to the Central or State Tax Authority will necessarily have to submit the refund application physically. They can choose to do so before the jurisdictional proper officer of either the State or the Central tax authority, as was earlier clarified vide Circular No. 17/17/2017 - GST dated 15.11.2017.
 - c) The ARN will be generated only after the claimant has completed the process of filing the refund application in **FORM GST RFD-01A**, and has completed uploading of all the supporting documents/ undertaking/ statements/ invoices and, where required, the amount has been debited from the electronic credit/cash ledger.
 - d) As soon as the ARN is generated, the refund application along with all the supporting documents shall be transferred electronically to the jurisdictional proper officer who shall be able to view it on the system. The application shall be deemed to have been filed under rule 90(2) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”) on the date of generation of the said ARN and the time limit of 15 days to issue an acknowledgement shall be counted from that date. This will obviate the need for a claimant to visit the jurisdictional tax office for the submission of the refund application. Accordingly, the acknowledgement for the complete application or deficiency memo, as the case may be, would be issued by the jurisdictional tax officer based on the documents so received electronically from the common portal. However, the said acknowledgement or deficiency memo shall continue to be issued manually for the time being.
 - e) If a refund application is electronically transferred to the wrong jurisdictional officer, he/she shall reassign it to the correct jurisdictional officer electronically within a period of three days. In such cases, the application shall be deemed to have been filed under rule 90(2) of the CGST Rules only after it has been so reassigned. Deficiency memos shall not be issued in such cases merely on the ground that the applications were received electronically in the wrong jurisdiction. Where the facility of electronic re-assignment is not available, the present arrangement shall continue.
 - f) It has already been clarified vide Circular No. 70/44/2018-GST dated 26.10.2018 that after the issuance of a deficiency memo, taxpayers would be required to submit the rectified refund application under the earlier Application Reference Number (ARN) only. It is further clarified that the rectified application, which is to be treated as a fresh refund application, will be submitted manually in the office of the jurisdictional proper officer.
3. It may be noted that the documents/statements/undertakings/invoices to be submitted along with the refund application in **FORM GST RFD-01A** are the same as have been prescribed under the CGST Rules and various Circulars issued on the subject from time to time. Only the method of submission of these documents/ statements/ undertakings/ invoices is being changed from the physical mode to the electronic mode. It may also be noted that the other stages of processing of a refund claim submitted in **FORM GST RFD-01A** by the jurisdictional tax officer shall continue to be carried out manually for

the time being, as is being presently done.

Calculation of refund amount for claims of refund of accumulated Input Tax Credit (ITC) on account of inverted duty structure:

4. Representations have been received stating that while processing the refund of unutilized ITC on account of inverted tax structure, the departmental officers are denying the refund of ITC of GST paid on those inputs which are procured at equal or lower rate of GST than the rate of GST on outward supply, by not including the amount of such ITC while calculating the maximum refund amount as specified in rule 89(5) of the CGST Rules. The matter has been examined and the following issues are clarified:
- a) Refund of unutilized ITC in case of inverted tax structure, as provided in section 54(3) of the CGST Act, is available where ITC remains unutilized even after setting off of available ITC for the payment of output tax liability. Where there are multiple inputs attracting different rates of tax, in the formula provided in rule 89(5) of the CGST Rules, the term „Net ITC“ covers the ITC availed on all inputs in the relevant period, irrespective of their rate of tax.
 - b) The calculation of refund of accumulated ITC on account of inverted tax structure, in cases where several inputs are used in supplying the final product/output, can be clearly understood with help of the following example:
 - i. Suppose a manufacturing process involves the use of an input A (attracting 5 per cent GST) and input B (attracting 18 per cent GST) to manufacture output Y (attracting 12 per cent GST).
 - ii. The refund of accumulated ITC in the situation at (i) above, will be available under section 54(3) of the CGST Act read with rule 89(5) of the CGST Rules, which prescribes the formula for the maximum refund amount permissible in such situations.
 - iii. Further assume that the claimant supplies the output Y having value of Rs. 3,000/- during the relevant period for which the refund is being claimed. Therefore, the turnover of inverted rated supply of goods and services will be Rs. 3,000/-. Since the claimant has no other outward supplies, his adjusted total turnover will also be Rs. 3,000/-.
 - iv. If we assume that Input A, having value of Rs. 500/- and Input B, having value of Rs. 2,000/-, have been purchased in the relevant period for the manufacture of Y, then Net ITC shall be equal to Rs. 385/- (Rs. 25/- and Rs. 360/- on Input A and Input B respectively).
 - v. Therefore, multiplying Net ITC by the ratio of turnover of inverted rated supply of goods and services to the adjusted total turnover will give the figure of Rs. 385/-.
 - vi. From this, if we deduct the tax payable on such inverted rated supply of goods or services, which is Rs. 360/-, we get the maximum refund amount, as per rule 89(5) of the CGST Rules which is Rs. 25/-.

Disbursal of refund amounts after sanction:

5. Section 56 of the CGST Act clearly states that if any tax ordered to be refunded is not refunded within 60 days of the date of receipt of application, interest at the rate of 6 per cent (notified vide notification No. 13/2017-Central Tax dated 28.06.2017) on the refund amount starting from the date immediately after the expiry of sixty days from the date of receipt of application (ARN) till the date of refund of such tax shall have to be paid to the claimant. It may be noted that any tax shall be considered to have been refunded only when the amount has been credited to the bank account of the claimant. Therefore, interest will be calculated starting from the date immediately after the expiry of sixty days from the date of receipt of the application till the date on which the amount is credited to the bank account of the claimant. Accordingly, all tax authorities are advised to issue the final sanction orders in **FORM GST RFD-06** within 45 days of the date of generation of ARN, so that the disbursement is completed within 60 days by both Central and State Tax Authorities for CGST / IGST / UTGST / Compensation Cess and SGST respectively.

Refund applications that have been generated on the portal but not physically received in the jurisdictional tax offices:

6. There are a large number of applications for refund in **FORM GST RFD-01A** which have been generated on the common portal but have not yet been physically received in the jurisdictional tax offices. With the implementation of electronic submission of refund application, as detailed in para 2 above, this problem is expected to reduce. However, for the applications (except those relating to refund of excess balance in the electronic cash ledger) which have been generated on the common portal before the issuance of this Circular and which have not yet been physically received in the jurisdictional offices (list of all applications pertaining to a particular jurisdictional office which have been generated on the common portal, if not already available, may be obtained from DG-Systems), the following guidelines are laid down:

- a) All refund applications in which the amount claimed is less than the statutory limit of Rs. 1,000/- should be rejected and the amount re-credited to the electronic credit ledger of the applicant through the issuance of **FORM GST RFD-01B**.
 - b) For all applications wherein an amount greater than Rs. 1000/- has been claimed, a list of applications which have not been received in the jurisdictional tax office within a period of 60 days starting from the date of generation of ARN may be compiled. A communication may be sent to all such claimants on their registered email ids, informing that the application needs to be physically submitted to the jurisdictional tax office within 15 days of the date of the email. The contact details and the address of the jurisdictional officer may also be provided in the said communication. The claimant may be further informed that if he/she fails to physically submit the application within 15 days of the date of the email, the application shall be summarily rejected and the debited amount, if any, shall be re-credited to the electronic credit ledger.
7. For the applications generated on the common portal before the issuance of this Circular in relation to refund of excess balance from the electronic cash ledger which have not yet been received in the jurisdictional office, the amount debited in the electronic cash ledger in such applications may be re-credited through **FORM GST RFD-01B** provided that there are no liabilities in the electronic liability register. The said amount shall be re-credited even though the return in **FORM GSTR-3B**, as the case may be for the relevant period has not been filed.
 8. For the refund applications generated on the common portal after the issuance of this Circular, and for the refund applications generated on the common portal before the issuance of this Circular and which have been physically received in the jurisdictional tax offices before the issuance of this Circular, the existing guidelines, as modified by this Circular may be followed.

Issues related to refund of accumulated Input Tax Credit of Compensation Cess:

9. Several representations have been received requesting clarifications on certain issues related to refund of accumulated input tax credit of compensation cess on account of zero- rated supplies made under Bond/Letter of Undertaking. These issues have been examined and are clarified as below:
 - a) **Issue:** A registered person uses inputs on which compensation cess is leviable (E.g. coal) to export goods on which there is no levy of compensation cess (E.g. aluminum). For the period July, 2017 to May, 2018, no ITC is availed of the compensation cess paid on the inputs received during this period. ITC is only availed of the CGST, SGST/UTGST or IGST charged on the invoices for these inputs. This ITC is utilized for payment of IGST on export of goods. Vide Circular No. 45/19/2018-GST dated 30.05.2018, it was clarified that refund of accumulated ITC of compensation cess on account of zero-rated supplies made under Bond/Letter of Undertaking is available even if the exported product is not subject to levy of cess. After the issuance of this Circular, the registered person decides to start exporting under bond/LUT without payment of tax. He also decides to avail (through the return in **FORM GSTR-3B**) the ITC of compensation cess, paid on the inputs used in the months of July, 2017 to May, 2018, in the month of July, 2018. The registered person then goes on to file a refund claim for ITC accumulated on account of exports for the month of July, 2018 and includes the said accumulated ITC for the month of July, 2018. How should the amount of compensation cess to be refunded be calculated? **Clarification:** In the instant case, refund on account of compensation cess is to be recomputed as if the same was available in the respective months in which the refund of unutilized credit of CGST/SGST/UTGST/IGST was claimed on account of exports made under LUT/Bond. If the aggregate of these recomputed amounts of refund of compensation cess is less than or equal to the eligible refund of compensation cess calculated in respect of the month in which the same has actually been claimed, then the aggregate of the recomputed refund of compensation cess of the respective months would be admissible. Further, the recomputed amount of eligible refund (of compensation cess) in respect of past periods, as aforesaid, would not be admissible in respect of consignments exported on payment of IGST. This process would be applicable for application for refund of compensation cess (not claimed earlier) in respect of the past period.
 - b) **Issue:** A registered person uses coal for the captive generation of electricity which is further used for the manufacture of goods (say aluminium) which are exported under Bond/Letter of Undertaking without payment of duty. Refund claim is filed for accumulated Input Tax Credit of compensation cess paid on coal. Can the said refund claim be rejected on the ground that coal is used for the generation of electricity which is an intermediate product and not the final product which is exported and since electricity is exempt from GST, the ITC of the tax paid on coal for generation of electricity is not available?

Clarification: There is no distinction between intermediate goods or services and final goods or services under GST. Inputs have been clearly defined to include any goods other than capital goods used or intended to be used by a

supplier in the course or furtherance of business. Since coal is an input used in the production of aluminium, albeit indirectly through the captive generation of electricity, which is directly connected with the business of the registered person, input tax credit in relation to the same cannot be denied.

- c) Issue:** A registered person avails ITC of compensation cess (say, of Rs. 100/-) paid on purchases of coal every month. At the same time, he reverses a certain proportion (say, half i.e. Rs. 50/-) of the ITC of compensation cess so availed on purchases of coal which are used in making zero rated outward supplies. Both these details are entered in the **FORM GSTR-3B** filed for the month as a result of which an amount of Rs. 50/- only is credited in the electronic credit ledger. The reversed amount (Rs. 50/-) is then shown as a 'cost' in the books of accounts of the registered person. However, the registered person declares Rs. 100/- as 'Net ITC' and uses the same in calculating the maximum refund amount which works out to be Rs. 50/- (assuming that export turnover is half of total turnover). Since both the balance in the electronic credit ledger at the end of the tax period for which the claim of refund is being filed and the balance in the electronic credit ledger at the time of filing the refund claim is Rs. 50/- (assuming that no other debits/credits have happened), the system will proceed to debit Rs. 50/- from the ledger as the claimed refund amount. The question is whether the proper officer should sanction Rs. 50/- as the refund amount or Rs. 25/- (i.e. half of the ITC availed after adjusting for reversals)?

Clarification: ITC which is reversed cannot be held to have been 'availed' in the relevant period. Therefore, the same cannot be part of refund of unutilized ITC on account of zero-rated supplies. Moreover, the reversed ITC has been accounted as a cost which would have reduced the income tax liability of the claimant. Therefore, the same amount cannot, at the same time, be refunded to him/her in the ratio of export turnover to total turnover. However, if the said reversed amount is again availed in a later tax period, subject to the restriction under section 16(4) of the CGST Act, it can be refunded in the ratio of export turnover to total turnover in that tax period in the same manner as detailed in para 9(a) above. This is subject to the restriction that the accounting entry showing the said ITC as cost is also reversed.

Non-consideration of ITC of GST paid on invoices of earlier tax period availed in subsequent tax period:

10. Presently, ITC is reflected in the electronic credit ledger on the basis of the amount of the ITC availed on self declaration basis in **FORM GSTR-3B** for a particular tax period. It may happen that the goods purchased against a particular tax invoice issued in a particular month, say August 2017, may be declared in the **FORM GSTR-3B** filed for a subsequent month, say September 2017. This is inevitable in cases where the supplier raises an invoice, say in August, 2017, and the goods reach the recipient's premises in September, 2017. Since GST law mandates that ITC can be availed only after the goods are received, the recipient can only avail the ITC on such goods in the **FORM GSTR-3B** filed for the month of September, 2017. However, it has been observed that field officers are excluding such invoices from the calculation of refund of unutilized ITC filed for the month of September, 2017.
11. In this regard, it is clarified that „Net ITC“ as defined in rule 89(4) of the CGST Rules means input tax credit availed on inputs and input services during the relevant period. Relevant period means the period for which the refund claim has been filed. Input tax credit can be said to have been „availed“ when it is entered into the electronic credit ledger of the registered person. Under the current dispensation, this happens when the said taxable person files his/her monthly return in **FORM GSTR-3B**. Further, section 16(4) of the CGST Act stipulates that ITC may be claimed on or before the due date of filing of the return for the month of September following the financial year to which the invoice pertains or the date of filing of annual return, whichever is earlier. Therefore, the input tax credit of invoices issued in August, 2017, „availed“ in September, 2017 cannot be excluded from the calculation of the refund amount for the month of September, 2017.

Misinterpretation of the meaning of the term “inputs”:

12. It has been represented that on certain occasions, departmental officers do not consider ITC on stores and spares, packing materials, materials purchased for machinery repairs, printing and stationery items, as part of Net ITC on the grounds that these are not directly consumed in the manufacturing process and therefore, do not qualify as input. There are also instances where stores and spares charged to revenue are considered as capital goods and therefore the ITC availed on them is not included in Net ITC, even though the value of these goods has not been capitalized in his books of account by the claimant.
13. In relation to the above, it is clarified that the input tax credit of the GST paid on inputs shall be available to a registered person as long as he/she uses or intends to use such inputs for the purposes of his/her business and there is no specific restriction on the availment of such ITC anywhere else in the GST Act. The GST paid on inward supplies of stores and spares, packing materials etc. shall be available as ITC as long as these inputs are used for the purpose of the business

and/or for effecting taxable supplies, including zero-rated supplies, and the ITC for such inputs is not restricted under section 17(5) of the CGST Act. Further, capital goods have been clearly defined in section 2(19) of the CGST Act as goods whose value has been capitalized in the books of account and which are used or intended to be used in the course or furtherance of business. Stores and spares, the expenditure on which has been charged as a revenue expense in the books of account, cannot be held to be capital goods. **Refund of accumulated ITC of input services and capital goods arising on account of inverted duty structure:**

14. Section 54(3) of the CGST Act provides that refund of any unutilized ITC may be claimed where the credit has accumulated on account of rate of tax on **inputs** being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies). Further, section 2(59) of the CGST Act defines **inputs** as any **goods other than capital goods** used or intended to be used by a supplier in the course or furtherance of business. Thus, inputs do not include services or capital goods. Therefore, clearly, the intent of the law is not to allow refund of tax paid on input services or capital goods as part of refund of unutilized input tax credit. Accordingly, in order to align the CGST Rules with the CGST Act, notification No. 26/2018-Central Tax dated 13.06.2018 was issued wherein it was stated that the term Net ITC, as used in the formula for calculating the maximum refund amount under rule 89(5) of the CGST Rules, shall mean input tax credit availed on **inputs** during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both. In view of the above, it is clarified that both the law and the related rules clearly prevent the refund of tax paid on input services and capital goods as part of refund of input tax credit accumulated on account of inverted duty structure.
15. All previous Circulars/Instructions issued on the subject stand modified accordingly. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
16. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)



Circular No. 80/54 /2018-GST

F. No.354/432/2018-TRU

Government of India
Ministry of Finance
Department of Revenue
(Tax Research Unit)

North Block, New Delhi Dated 31st December, 2018

Principal Chief Commissioners/ Principal Directors General, Chief Commissioners/ Directors General, Principal Commissioners/ Commissioners of Central Excise & Central Tax

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) Chhatua or Sattu
- (ii) Fish meal and other raw materials used for making cattle/poultry/aquatic feed
- (iii) Animal Feed Supplements/ feed additives from drugs
- (iv) Liquefied Petroleum Gas for Domestic Use
- (v) Polypropylene Woven and Non-Woven Bags and PP Woven and Non-Woven Bags laminated with BOPP
- (vi) Wood logs for pulping
- (vii) Bagasse based laminated particle board
- (viii) Embroidered fabric sold in three pieces cloth for lady suits
- (ix) Waste to Energy Plant-scope of entry No. 234 of Schedule I of notification No.1/2017- Central Tax (Rate) dated 28.6.2017
- (x) Turbo Charger for railways
- (xi) Rigs, tools & Spares moving inter-state for provision of service

2. The matter has been examined. The issue-wise clarifications are discussed below:

3. **Applicability of GST on Chhatua or Sattu:**

3.1 Doubts have been raised regarding applicability of GST on Chhatua (Known as “Sattu” in Hindi Belt).

3.2 Chhatua or Sattu is a mixture of flour of ground pulses and cereals. HSN code 1106 includes the flour, meal and powder made from peas, beans or lentils (dried leguminous vegetables falling under 0713). Such flour improved by the addition of very small amounts of additives continues to be classified under HSN code 1106. If unbranded, it attracts Nil GST (S. No. 78 of notification No. 2/2017- Central Tax (Rate) dated 28.06.2017) and if branded and packed it attracts 5% GST (S. No. 59 of schedule I of notification No. 1/2017-Central Taxes (Rate) dated 28.06.2017).

4. **Applicable GST rate on Fish meal and other raw materials used for making cattle/poultry/aquatic feed:**

4.1. Representations have been received seeking clarification regarding GST rate applicable on the other raw materials/inputs used for making cattle/poultry/aquatic feed. The classification dispute here is between the following two entries in the two notifications. The details are as under:

Notification	Tariff Line	Description	Rate
S. No. 102 of notification No. 2/2017- Central Tax (Rate) dated 28.6.2017	2301, 2302, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed & cattle feed , including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran & de-oiled cake	NIL
S. No. 103 of notification No. 1/2017- Central Tax (Rate) dated 28.6.2017	2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption ; greaves	5%

4.2 A number of raw materials such as fish meal falling under heading 2301, meat and bone meal also falling under heading 2301, oil cakes of various oil seeds, soya seeds, bran, sharps, residue of starch and all other goods falling under headings 2302, 2303, 2304, etc are used to manufacture/formulation of, aquatic feed, animal feed, cattle feed, poultry feed etc. These raw materials/inputs cannot be directly used for feeding animal and cattle. The Larger Bench of the Hon'ble Supreme Court in the Commissioner of Customs (Import), Mumbai vs. Dilip Kumar [2018 (361) E.L.T 577] has laid down that inputs for animal feed are different from the animal feed. Said S. No. 102 covers the prepared aquatic/poultry/cattle feed falling under headings 2309 and 2301. This entry does not apply to raw material/inputs like fish meals or meat cum bone meal (MBM) falling under heading 2301.

4.3 It is accordingly clarified that fish meals, meat cum bone meal (MBM) etc., attract 5% GST under S. No. 103 in notification No. 1/2017- Central Tax (Rate) dated 28.6.2017

2. **Applicable GST rate on Animal Feed Supplements/feed additives from drugs:**

5.1. Representations have been received seeking clarification regarding GST rate applicable on Animal Feed Supplements/feed additives from drugs. The dispute is in classification of Animal Feed Supplements/feed additives from drugs between tariff heading 2309 and 2936.

5.2 As per the HSN, 2309 interalia covers reading vitamins and pro-vitamins which improve digestion and, more generally, ensure that the animal makes good use of the feeds and safeguard its health. On the other hand, HS code 2936 coves vitamins and pro-vitamins which are medicinal in nature and have much higher concentration of active substance.

5.4 Thus while deciding the classification of the products claimed to be animal feed supplements, it may be necessary to ensure that the said animal feed supplements are ordinarily or commonly known to the trade as products for a specific use in animal feeding.

5.5 A product deserves classification chapter 29 (equally applicable to heading 2936), if it is an item of general use, e.g., if a product is of specific use, say dietary supplement for human being product particularly suitable for a specific use rather than for general use. Vitamins and provitamins are normally covered under code heading 2936, but if they're prepared as food supplements in the form of tablets, etc. they would not be classifiable under this heading as the way they are presented, they are suitable for a specific use. Heading 2309 would cover items like feed supplements for animals that contain vitamins and other ingredients - such as cereals and proteins. These are covered in chapter 23 under heading code 2309, or antibiotic preparations used in animal feeding - for example a dried antibiotic mass on a carrier like cereal middling. The antibiotic content in these items is usually between 8% and 16%. Thus, HS code 2309 would cover only

such product, which in the form supplied, are capable of specific use as food supplement for animals and not capable of any general use. If the vitamins, provitamins are supplied in a form in which they are capable of general use, i.e. in the form in which it could be used as inputs or raw materials for further processing, instead of being ready to use, then these would be classifiable under heading 2936.

3. **Applicability of GST on supply of Liquefied Petroleum Gas for Domestic Use:**

- 3.1 Representations have been received seeking clarification regarding applicability of GST rate at 5% on LPG supplied by refiners/fractionators (like GAIL / ONGC) to Oil Marketing Companies (OMC) for ultimate supply to household domestic consumers in terms of Ministry of Petroleum and Natural Gas (MoPNG) letter No. P 20023/2/2011-PP dated 23.07.2013. The references point to the fact that refiners/ fractionators like GAIL and ONGC are supplying LPG for domestic use to OMCs and this supply is not being treated as a supply for domestic use by field formations.
- 3.2 The issue seems to have arisen in the context of addition of S. No. 165A to notification No.1/2017-Central Tax (Rate) dated 28.6.2017, vide notification No. 6/2018 dated 25.01.2018. This entry was added on the recommendations of the GST Council in its 25th meeting, extending 5% GST rate for supply of LPG to household domestic consumers.
- 3.3 It is observed that the LPG stream for domestic LPG is differentially priced and packed differently from commercial LPG. The usage of LPG for domestic supply is known at the time of supply being made by refiner/fractionators to OMCs.
- 3.4 Therefore, it is being clarified that LPG supplied in bulk, whether by a refiner/fractionator to an OMC or by one OMC to another for bottling and further supply for domestic use will fall under the S. No. 165A of the notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 and shall, accordingly, attract a GST rate of 5%, with effect from 25.1.2018.

4. **Applicability of GST on supply of Polypropylene Woven and Non- Woven Bags and PP Woven and Non-Woven Bags laminated with BOPP:**

- 4.1 Representations have been received seeking the classification and GST rates on Polypropylene Woven and Non-Woven Bags and Polypropylene Woven and Non-Woven Bags laminated with BOPP As per the explanatory notes to the HSN to HS code 39.23, the heading covers all articles of plastics commonly used for the packing or conveyance of all kinds of products and includes boxes, crates, cases, sacks and bags.
- 4.2 Further as per the Chapter note to Chapter 39, the expression "plastics" means those materials of headings 39.01 to 39.14 which are or have been capable, either at the moment of polymerization or at some subsequent stage, of being formed under external influence (usually heat and pressure, if necessary with a solvent or plasticizer) by moulding, casting, extruding, rolling or other process into shapes which are retained on the removal of the external influence.
- 4.3 Thus it is clarified that Polypropylene Woven and Non-Woven Bags and PP Woven and Non-Woven Bags laminated with BOPP would be classified as plastic bags under HS code 3923 and would attract 18% GST.
- 4.4 Non-laminated woven bags would be classified as per their constituting materials.

5. **Applicability of GST on supply of wood logs for pulping:**

- 8.1. Representation has been received seeking clarification on applicability of GST rate on wood log for pulping. Wood in the rough (whether or not stripped of bark or sapwood, or roughly squared) is classified under heading 4403 and attracts 18% GST.
- 8.2 As per HSN, heading 4403 also covers.
“timber for sawing; poles for telephone, telegraph or electrical power transmission lines; unpointed and unsplit piles, pickets, stakes, poles and props; round pit-props; logs, whether or not quarter-split, for pulping; round logs for the manufacture of veneer sheets, etc.; logs for the manufacture of match sticks, wood ware, etc.”.
- 8.3 Thus, it is clarified that wood logs or any kind of wood in the rough/timber, including the wood in rough/log/timber used for pulping falls under heading 4403 and attract GST at the rate of 18%.

6. **Applicability of GST on supply of Bagasse based laminated particle board:**

- 6.1 Representation has been received seeking clarification on applicability of GST rate on Bagasse based laminated particle board. In this context, it is stated that the Bagasse Board has specific entry at S. No. 92 in Schedule II to the Notification 1/2017-Central Tax (Rate). Accordingly, the said entry covers Bagasse boards falling under 44 or any other chapter and 12% GST. Further, it is also stated the description “Bagasse board” in the said entry also covers Bagasse board [whether plain or laminated].

6.2 Thus, it is clarified Bagasse board [whether plain or laminated] falling under chapter 44 will attract concessional GST rate of 12%.

7. Applicability of GST on supply of embroidered fabric sold in three piece for lady suits:

10.1. Representations have been received seeking clarification regarding GST rate applicable on supply of embroidered fabric sold in three pieces fabric pack/set for lady suits (fabric for suit, salwar and dupatta). It has been informed that before becoming readymade articles or an apparel, the fabric is cut from bundles or *thans* and sold in that unstitched state with certain embellishment like gota etc. The consumers buy these sets or pieces and get it tailored which entails cutting of fabric in shape and stitching thereof. Doubts have arisen as regards applicable rates on such three fabric pieces in sets/packs.

10.2 Fabrics are classifiable under chapters 50 to 55 and 60 of the First Schedule to the Customs Tariff Act, 1975 on the basis of their constituent materials and attract a uniform GST rate of 5%. Garments and made up articles of textiles under chapters 61, 62 and 63 attract GST at the rate of 5% when value is upto Rs 1000 per piece and 12% when the value exceeds Rs. 1000 per piece.

10.3 Earlier, vide Circular no. 13/13/2017-CGST dated 27th October 2017, it has been clarified that mere packing of fabrics into pieces of different lengths will not change the nature of these goods and such pieces of fabrics would continue to be classifiable under the respective heading as the fabric and attract the 5% GST rate. This clarification would equally apply to three pieces of fabrics sold in a pack as ladies salwar suit. Any embroidery on a fabric piece or certain embellishment thereon does not change the basic nature of their being a fabric. The chapter 63 covers garment, including the unstitched garments which may or may not be sufficiently completed to be identifiable as garments or parts of garments. However, heading 6307 would not cover a fabric pieces or a set of pre-packed fabric pieces, even if embroidered or embellished. Such set of fabric pieces would attract GST at the rate of 5%.

8. Applicability of GST on supply of Waste to Energy Plant:

11.1. Representations have been received regarding applicable GST rate on the goods used in the setting up of Waste to Energy plants (WTEP) in term of Sr. No. 234 of Schedule I of Notification No 1/2017-Central Tax (Rates) dated 28th June, 2018. The said entry 234 prescribes 5% rate on the following renewable energy devices & parts for their manufacture:

- (a) Bio-gas plant
- (b) Solar power based devices
- (c) Solar power generating system
- (d) Wind mills, Wind Operated Electricity Generator (WOEG)
- (e) Waste to energy plants / devices
- (f) Solar lantern / solar lamp
- (g) Ocean waves/tidal waves energy devices/plant
- (h) Photo voltaic cells, whether or not assembled in modules or made up into panels

11.2 The notification specifically applies only the goods falling under chapters 84, 85 and 94 of the Tariff. Therefore, this concession would be available only to such machinery, equipment etc., which fall under Chapter 84, 85 and 94 and used in the initial setting up of renewable energy plants and devices including WTEP. This entry does not cover goods falling under other chapters, say a transport vehicle falling under Chapter 87 that may be used for movement of waste to WTEP.

11.3 Another related doubt raised is as to how would a supplier satisfy himself that goods falling under Chapter 84, 85 and 94, say a turbine or a boiler, required in a WTEP, would be used in the WTEP. In this context it is clarified that GST is to be self-assessed by a taxpayer. Therefore, he needs to satisfy himself with the requisite document from a buyer such as supply contracts/order for WTEP from the concerned authorities before supplying goods claiming concession under said entry 234.

9. Applicability of GST on supply of Turbo Charger for railways:

12.1. Representations have been received seeking clarification regarding classification and applicable GST rate on Turbo Chargers supplied to railways. It is stated that some of the supplier are classifying turbo charges supplied to Railways under Chapter 86 and paying GST at the rate of 5%

12.2 The turbocharger is a turbine-driven forced induction device that increases an internal combustion engine's efficiency and power output by forcing extra compressed air into the combustion chamber. It has the compressor powered by a turbine. The turbine is driven by the exhaust gas from the engine.

- 12.3 Turbo charger is specifically classified under chapter HS code 8414 80 30. It continues to remain classified under this code irrespective of its use by Railways. Therefore, it is clarified that the turbo charger is classified under heading 8414 and attracts 18% GST.
10. **Applicability of GST on supply of cranes, rigs, tools & Spares and other machinery when moved from one state to another by a person on his account for there use for supply of service**
- 10.1 As per Circular No. 21/21/2017-GST dated 22.11.2017, it was clarified that no IGST would be applicable on such interstate movements of rigs, tools & spares and all goods on wheels. Doubts have been raised regarding applicability of GST on inter-state movement of machinery like tower cranes, rigs, batching plants, concrete pumps and mixers which are not mounted on wheels, but require regular means of conveyance (used by companies in Infrastructure business).
- 10.2 Any inter-state movement of goods for provision of service on own account by a service provider, where no transfer of title in such goods or transfer of goods to the distinct person by way of stock transfer is not involved, does not constitute a supply of such goods. Hence, it is clarified that any such movement on own account (not involving distinct person in terms of section 25), where such movement is not intended for further supply of such goods does not constitute a supply and would not be liable to GST.
11. Difficulty, if any, may be brought to the notice of the Board immediately. Hindi version shall follow.

Yours faithfully,
(Mahipal Singh)
Technical Officer (TRU-1)
mahipal.singh1980@gov.in



Circular No. 81/55/2018-GST

F.No.354/408/2018-TRU

Ministry of Finance
Department of Revenue
(Tax Research Unit)

North Block, New Delhi Dated, 31st December, 2018

Principal Chief Commissioners/ Principal Directors General, Chief Commissioners/ Directors General, Principal Commissioners/ Commissioners of GST and Central Tax (All),

Madam/ Sir,

Subject: Clarification regarding GST tax rate for Sprinkler and Drip Irrigation System including laterals—reg.

Representations have been received seeking clarification as regards the scope and coverage 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 and reads as below:

S. No	Chapter Heading/ Sub- heading/Tariff Item	Description of Goods	CGST Rate
195B	8424	Sprinklers; drip irrigation system including laterals;	6%

2. Doubts have arisen as in certain cases a view has been taken in the field that this entry would not cover “laterals of sprinklers” and “sprinklers irrigation system”, while laterals of drip irrigations are covered by this entry.
3. The matter has been examined. Initially, with effect from 1.7.2017, all goods falling under HS 8424, namely, 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), were placed under 18% slab. Subsequently, on the recommendation of the GST Council, the item namely, 'Nozzles for drip irrigation equipment or nozzles for sprinkler was placed under 12% GST slab (Entry No. '195A' with effect from 22.09.2017). Upon revisiting the issue of GST rate on micro irrigation including drip irrigation system, including laterals the GST Council recommended 12% GST rate on micro irrigation system, namely, sprinklers, drip irrigation system, including laterals. Accordingly, the said entry 195B was inserted in the notification No. 1/2017- Central Tax (Rate).

- 3.1 The micro irrigation, sometimes called „localised irrigation“, „low volume irrigation“, or „trickle irrigation“ is a system where water is distributed under low pressure through piped network, in a pre-determined pattern, and applied as a small discharge to each plant or adjacent to it. The traditional drip irrigation using individual emitters, subsurface drip irrigations (SDI), micro-spray or micro-sprinkler irrigation, and mini bubbler irrigation all belong to the category of micro irrigation method.
4. Therefore, the term “sprinklers”, in the said entry 195B, covers sprinkler irrigation system. Accordingly, sprinkler system consisting of nozzles, lateral and other components would attract 12% GST rate.
5. Difficulty, if any, may be brought to the notice of the Board immediately. Hindi version shall follow.

Yours faithfully

Gunjan Kumar Verma
Under Secretary (TRU-I)



[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]
Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 27/2018-Central Tax (Rate)

New Delhi, the 31st December, 2018

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28th June, 2017, namely:-

1. In the said notification,-

(i) in the Table, -

- (a) against serial number 3, in column (3), in item (xii), after the brackets, figures and word “(xi) above”, the word and number “and serial number 38 below” shall be inserted;
- (b) against serial number 7, in column (3), in item (i), in Explanation 1, the words “school, college” shall be omitted;
- (c) against serial number 8, -
- (A) after item (iv) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be inserted, namely: -

(3)	(4)	(5)
“(iva) Transportation of passengers, with or without accompanied baggage, by air, by non-scheduled air transport service or charter operations, engaged by specified organizations in respect of religious pilgrimage facilitated by the Government of India, under bilateral arrangement.	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to clause (iv) of paragraph 4 relating to Explanation]”;

(B) in column (3), in item (vii), after the brackets and figures “(iv),”, the brackets and figures “(iva),” shall be inserted;

- (d) against serial number 15, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
“(vi) Service of third party insurance of “goods carriage”	6	-
(vii) Financial and related services other than (i), (ii), (iii), (iv), (v), and (vi) above.	9	”;

- (e) against serial number 17, for item (viii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
“(viia) Leasing or renting of goods	Same rate of central tax as applicable on supply of like goods involving transfer of title in goods	-
(viii) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viia) above	9	-”;

- (e) against serial number 17, for item (viii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -
- (f) against serial number 21, in column (3), in item (ii), after the brackets, figures and word “(i) above”, the words and number “and serial number 38 below” shall be inserted;
- (g) against serial number 25, in column (3), in item (ii), after the brackets, figures and word “(i) above”, the words and number “and serial number 38 below” shall be inserted;
- (h) against serial number 34,-
- (A) against item (ii) in column (3), for the entry in column (4), the entry “6” shall be substituted;
- (B) after item (ii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be inserted, namely: -

(3)	(4)	(5)
“(iia) Services by way of admission to exhibition of cinematograph films where price of admission ticket is above one hundred rupees.	9	-”;

- (C) in item (iia), the words “exhibition of cinematograph films,” shall be omitted;
- (D) in column (3), in item (vi), after the brackets and figures “(ii),”, the brackets and figures “(iia),” shall be inserted;

- (i) against serial number 15, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(1)	(2)	(3)	(4)	(5)
“38.	9954 or 9983 or 9987	Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of following, - (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Ocean waves/tidal waves energy devices / plants <i>Explanation:-</i> This entry shall be read in conjunction with serial number 234 of Schedule I of the notification No. 1/2017- Central Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated 28th June, 2017 vide GSR number 673(E) dated 28th June, 2017	9	-”;

- (ii) in paragraph 4 relating to Explanation, after clause (x), the following clauses shall be inserted, namely: -
- “(xi) “specified organisation” shall mean, -
- (a) Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking; or
- (b) Committee' or 'State Committee' as defined in section 2 of the Haj Committee Act, 2002 (35 of 2002).

(xii) “goods carriage” has the same meaning as assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).”.

1. This notification shall come into force on the 1st day of January, 2019.

[F. No.354/428/2018-TRU]

(Gunjan Kumar Verma)

Under Secretary to the Government of India

Note : The principal notification No. 11/2017 - Central Tax (Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, *vide* number G.S.R. 690 (E), dated the 28th June, 2017 and was last amended by notification No. 17/2018-Central Tax (Rate), dated the 26th July, 2018 *vide* number G.S.R. 681(E), dated the 26th July, 2018.



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

Government of India

Ministry of Finance

(Department of Revenue)

Notification No. 28/2018- Central Tax (Rate)

New Delhi, the 31st December, 2018

G.S.R (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.12/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 691(E), dated the 28th June, 2017, namely:-

In the said notification, -

(i) in the Table, -

(a) after serial number 21A and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“21B	Heading 9965 or Heading 9967	Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to, - a Department or Establishment of the Central Government or State Government or Union territory; or local authority; or Governmental agencies, which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.	Nil	Nil

(b) after serial number 27 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“27A	Heading 9971	Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).	Nil	Nil

(a) against serial number 34A, in the entry in column (3), after the letters and words “PSUs from the”, the words “banking companies and” shall be inserted;

(b) against serial number 66, for the entry in column (2), the following entry shall be substituted namely: - “Heading 9992 or Heading 9963”;

(c) serial number 67 and the entries relating thereto, shall be omitted;

(d) after serial number 74 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
"74A	Heading 9993	Services provided by rehabilitation professionals recognized under the Rehabilitation Council of India Act, 1992 (34 of 1992) by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by Central Government, State Government or Union territory or an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961).	Nil	Nil";

(ii) in paragraph 2, after clause (za), the following clause shall be inserted, namely: -

“(zaa) “financial institution” has the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934).”.

2. This notification shall come into force on the 1st day of January, 2019.

[F. No.354/428/2018 -TRU]

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

Note: The principal notification No. 12/2017 - Central Tax (Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, *vide* number G.S.R. 691 (E), dated the 28th June, 2017 and was last amended by notification No. 23/2018 - Central Tax (Rate), dated the 20th September, 2018 *vide* number G.S.R. 906(E), dated the 20th September, 2018.



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

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 30/2018-Central Tax (Rate)

New Delhi, the 31st December, 2018

G.S.R.....(E).- In exercise of the powers conferred by sub-section (3) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary so to do for the purpose of clarifying the scope and applicability of the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28th June, 2017, hereby inserts the following Explanation in the said notification, in the Table, against serial number 9, in column (3), in item (vi), namely:-

“*Explanation 2.*-Nothing contained in this item shall apply to supply of a service other than by way of transport of goods from a place in India to another place in India.”.

2. The existing *Explanation* in the above item shall be renumbered as *Explanation 1*.

3. This notification shall come into force on the 1st day of January, 2019.

[F. No.354/428/2018-TRU]

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

Note : The principal notification No. 11/2017 – Central Tax(Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, *vide* number G.S.R. 690 (E), dated the 28th June, 2017 and was last amended by notification No. 17/2018-Central Tax (Rate), dated the 26th July, 2018 *vide* number G.S.R. 681(E), dated the 26th July, 2018.



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