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मेवाड़ चेम्बर पत्रिका

(मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री का मासिक पत्र)

उदयपुर, चित्तौड़गढ़, डूंगरपुर, बाँसवाड़ा, प्रतापगढ़

राजसमन्द एवं भीलवाड़ा का सम्भागीय चेम्बर

GST Special - V



मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री

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Welcome Programme of H.E. Lesego Ethel Motsumi, High Commissioner
(The Ambassador) Republic of Botswana , organized at MCCI on 14th September, 2017



Photograph of Seminar on "Government Scheme Powertex India & Impact of GST on Textiles" organized by Ministry of Textiles, Regional Office of The Textile Commissioner, Noida in association with MCCL on Saturday, 9th September, 2017



In this seminar, Shri Subhash Baheria, Hon'ble Member of Parliament presided the Seminar, Dr. Kavita Gupta, Textile Commissioner of India was the Chief Guest, Shri C.K. Jain, Commissioner, CGST & Shri R P Soni, Chairman Sangam Group of Industries was the Guest of Honour.

Photograph of Seminar on "Government Scheme Power tex India & Impact of GST on Textiles"



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- 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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वस्त्र आयुक्त डॉ कविता गुप्ता की भीलवाडा यात्रा

भारत की वस्त्र आयुक्त डॉ कविता गुप्ता का मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री के निमंत्रण पर 9 सितम्बर 2017 को एक दिवसीय यात्रा पर भीलवाडा आगमन हुआ। यहां उन्होंने भारत सरकार के वस्त्र मंत्रालय एवं मेवाड चेम्बर की ओर से “वस्त्र मंत्रालय की पावरटेक्स इण्डिया योजना एवं जीएसटी का टेक्सटाइल पर असर” विषय पर कार्यशाला, मेवाड चेम्बर एवं इटमा के संयुक्त तत्वावधान में इकोसिस्टम फॉर इनोवेशन एवं वस्त्र उद्योग में टेक्नोलॉजी डवलपमेन्ट पर कार्यशाला, कैंटेलोग शो में शिरकत की। साथ ही पत्रकार सम्मेलन को सम्बोधित किया तथा भीलवाडा के वरिष्ठ टेक्सटाइल उद्यमियों से मुलाकात की।

वस्त्र मंत्रालय की पावरटेक्स इण्डिया योजना एवं जीएसटी का टेक्सटाइल पर असर पर कार्यशाला

दिनांक 9 सितम्बर 2017 को प्रातः 11 बजे से हरणी महादेव रोड स्थित ग्लोरिया इन में मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री एवं भारत सरकार के वस्त्र मंत्रालय की ओर से वस्त्र मंत्रालय की पावरटेक्स इण्डिया योजना एवं जीएसटी का टेक्सटाइल पर असर विषय पर कार्यशाला आयोजित हुई। कार्यशाला की मुख्य अतिथि भारत की वस्त्र आयुक्त डॉ कविता गुप्ता थी। भीलवाडा के माननीय सांसद श्री सुभाष बहेडिया ने कार्यक्रम की अध्यक्षता की। कमिश्नर, सेन्ट्रल गुड्स एण्ड सर्विस टैक्स श्री सी के जैन एवं संगम ग्रुप के चेयरमैन श्री आर पी सोनी विशिष्ट अतिथि थे।

कार्यशाला को सम्बोधित करते हुए वस्त्र आयुक्त डॉ कविता गुप्ता ने कहा कि आसमां और भी है, हौंसलों की उड़ान चाहिए। विश्व में उन्हीं देशों ने उन्नति की है, जिसके देशवासियों ने देश के प्रति समर्पण करते हुए कार्य किये हैं। देश ने हमारे लिए क्या किया है, यह सौचने के बजाय हम देश के लिए क्या कर सकते हैं, इस भावना से काम करने वालों ने ही देश को आगे बढ़ाया है। आज जब देश में नीतियों में व्यापक एवं क्रांतिकारी परिवर्तन आ रहे हैं, तब आवश्यकता है इन सब का लाभ उठाकर अपने उद्योग, व्यापार, अपने जिले, अपने प्रान्त और अपने देश को आगे बढ़ाने। नई नीतियां काफी सोच-समझकर बनाई गई हैं, वे रहेगी और इन्हीं नीतियों के तहत हमें अपने उद्योग एवं व्यापार को आगे बढ़ाना है।

डॉ गुप्ता ने पावरटेक्स इण्डिया के तहत विभिन्न नीतियों पर प्रकाश डाला। उन्होंने बताया कि पावरटेक्स इण्डिया के तहत पावरलूम सेक्टर के समग्र विकास के लिए इनसीटू अपग्रेडेशन ऑफ पावरलूम, ग्रुपवर्क शेड स्कीम, यार्न बैंक, कॉमन फेसिलिटी सेन्टर, प्रधानमंत्री ऋण योजना, सोलर पावर स्कीम फॉर पावरलूम, आईटी डवलपमेन्ट, टेक्स वेन्चर फण्ड एवं पावरलूम सर्विस सेन्टर के विकास के लिए ग्राण्ट आदि योजनाएं प्रारम्भ की गई हैं।

वस्त्र आयुक्त ने कहा कि भीलवाडा पावरलूम की दृष्टि से एक अच्छा केन्द्र है, लेकिन अफसोस जाहिर किया कि भीलवाडा के उद्यमी केन्द्र सरकार की योजनाओं का लाभ नहीं उठा पाये। पूरे देश में केवल 5 मेगा पावरलूम क्लस्टर स्वीकृत किये गये, जिनमें भीलवाडा भी सम्मिलित था। सुरत, ईरोड आदि केन्द्र पर मेगा पावरलूम क्लस्टर विकसित हुए हैं लेकिन भीलवाडा इस दिशा में एक कदम भी आगे नहीं बढ़ा।

उन्होंने कहा कि टेक्सटाइल उद्योग के विकास के लिए मेड-अप्स, रेडीमेड गारमेन्ट एवं टेक्नीकल टेक्सटाइल क्षेत्र में विकास करना होगा। भीलवाडा विविंग एवं प्रोसेसिंग का हब है लेकिन जब मैं अगली बार भीलवाडा आऊं तो मेड-अप्स, रेडीमेड गारमेन्ट एवं टेक्नीकल टेक्सटाइल के विकसित उद्योग देखना चाहती हूँ। उन्होंने स्थानीय सांसद श्री सुभाष बहेडिया को इस विषय में अग्रिम भूमिका निभाने का आह्वान किया।

विशिष्ट अतिथि सीजीएसटी आयुक्त श्री सी के जैन ने कहा कि देश बदल रहा है। नई नीतियां बनी हैं एवं वे स्थाई रहेगी। केवल विसंगतियों का निराकरण संभव होगा। जीएसटी की नीतियां पूरे देश के परिपेक्ष बनी हैं एवं विभिन्न राज्यों एवं संगठनों से प्राप्त प्रतिवेदनों पर जीएसटी कॉन्सिल द्वारा समुचित विचार किया जा रहा है। प्रारम्भ में उद्योग एवं व्यापार जगत को जीएसटी के तहत कुछ परेशानी आ रही है लेकिन एक बार सिस्टम सही रूप से लागू होने के बाद सभी समस्याओं का निराकरण स्वतः हो जाएगा। ईमानदार करदाता को कोई परेशानी नहीं आयेगी और करवंचक चाहे तो भी कर चोरी नहीं कर पायेगे।

कार्यक्रम की अध्यक्षता करते हुए भीलवाडा के माननीय सांसद श्री सुभाष बहेडिया ने कहा कि मेनमेड टेक्सटाइल, कॉटन टेक्सटाइल, टेक्सटाइल के सभी सेक्टर पर करारोपण एवं दरों में विसंगतियों को दूर करने के संबंध में कई प्रयास किये हैं एवं स्थानीय उद्योग संगठनों के साथ आगे भी प्रयास करते रहेगे।

इस अवसर पर विशिष्ट अतिथि संगम ग्रुप के चेयरमैन श्री आर पी सोनी ने कहा कि जीएसटी के तहत एक राष्ट्र—एक कर की भावना की गई है लेकिन टेक्सटाइल क्षेत्र में कॉटन एवं मेनमेड टेक्सटाइल के मध्य तथा टेक्सटाइल के विभिन्न सेक्टरों के करों में काफी विसंगतियां हैं, जिन्हें दूर करने की आवश्यकता है, उन्होंने कहा कि उद्योग एवं व्यापार जगत जीएसटी को सफलतापूर्वक लागू करने में सरकार के साथ है लेकिन विसंगतियों को दूर करना आवश्यक है।

अपने स्वागत भाषण में चेम्बर अध्यक्ष श्री दिनेश नौलखा ने भीलवाडा के उद्योगों के टफ स्कीम संबंधी प्रकरण जो कि यूआईडी या अन्य कारणों से लम्बित चल रहे हैं, उनका शीघ्र ही निराकरण, टफ स्कीम में ब्याज अनुदान का भुगतान विलम्ब को समाप्त करने, मेनमेड फाइबर उद्योग पर यार्न स्तर पर 18 प्रतिशत जीएसटी एवं फेब्रिक्स स्टेज पर 5 प्रतिशत जीएसटी होने से पावरलूम उद्योग का उत्पादित कपडा 5 से 7 रुपये मीटर से महंगा होने से पावरलूम उद्योग बन्द होने की कगार पर होने से या तो ड्यूटी रिफण्ड का प्रावधान करवाया जाए अन्यथा दरों की विसंगति दूर की जावे आदि मांग रखी।

चेम्बर के मानद महासचिव श्री आर के जैन ने कार्यक्रम का संचालन किया एवं सभी का धन्यवाद ज्ञापित किया। इस अवसर पर चेम्बर के पूर्वाध्यक्ष श्री आरएल नौलखा, डॉ पी एम बेसवाल, वरिष्ठ उपाध्यक्ष श्री जेके बागडोदिया, संयुक्त सचिव श्री के के मोदी, कोषाध्यक्ष श्री वीके मानसिंगका, श्री जे सी सोनी, श्री जीसी जैन, श्री प्रवीण जैन, श्री राजीव मुखिजा सहित 200 से अधिक उद्यमी उपस्थित थे।

इकोसिस्टम फॉर इनोवेशन एवं वस्त्र उद्योग में टेक्नोलॉजी डवलपमेन्ट पर कार्यशाला

मेवाड चेम्बर एवं इण्डियन टेक्सटाइल एसोसरीज एण्ड मशीनरी मैनुफेक्चरर एसोसियेशन (इटमा) मुम्बई के संयुक्त तत्वावधान में दिनांक 9 सितम्बर 2017 को दिन में 3.00 बजे पूर रोड स्थित कांची रिसोर्ट में “इकोसिस्टम फॉर इनोवेशन एवं वस्त्र उद्योग में टेक्नोलॉजी डवलपमेन्ट” पर कार्यशाला आयोजित हुई। भारत सरकार की वस्त्र आयुक्त डॉ कविता गुप्ता कार्यशाला की मुख्य अतिथि थी। इटमा के अध्यक्ष श्री किशोर खेतान ने अतिथियों का स्वागत किया। डॉ एन डी महात्रे एवं अन्य विशेषज्ञों ने विषय-वस्तु पर प्रस्तुतिकरण दिया। उन्होंने बताया कि वस्त्र उद्योग में नवीनतम तकनीकी विकसित करने के लिए भारतीय मशीनरी एवं एसोसरीज निर्माता भी पूरा प्रयास कर रहे हैं। अब भारत में भी आधुनिकतम आयातित मशीनों के स्पेयर पार्ट्स एवं एसोसरीज उपलब्ध है। साथ ही मशीनरी उद्योग डाईंग, प्रिंटिंग, टेक्नीकल टेक्सटाइल एवं अन्य क्षेत्रों में लगातार अनुसंधानरत है ताकि उद्योगों को नये एवं विश्वस्तरीय केमीकल्स आदि भी कम लागत पर उपलब्ध कराये जा सके।

कार्यशाला के बाद कांची रिसोर्ट में ही सायं 5.00 बजे से इटमा की ओर से प्रोडक्ट कम केटेलोग शो का आयोजन हुआ, जिसमें इटमा के 40 से अधिक सदस्यों ने अपने नवीन उत्पादों के विषय में जानकारी दी। स्थानीय वस्त्र उद्योग के सैकड़ों वरिष्ठ अधिकारियों एवं तकनीकी अधिकारियों ने इस प्रोडक्ट शो में भाग लेकर नवीन उत्पादों की जानकारी प्राप्त की। मेवाड चेम्बर के अध्यक्ष श्री दिनेश नौलखा, मानद महासचिव श्री आर के जैन, वरिष्ठ उपाध्यक्ष श्री जे के बागडोदिया, पूर्वाध्यक्ष डॉ पी एम बेसवाल, कोषाध्यक्ष श्री वीके मानसिंगका, टेक्सटाइल उद्यमी श्री सुरेश पोद्दार, श्री के डी राठी, श्री जीसी जैन, श्री एस के सुराना, श्री मनोज गर्ग, श्री अनूप सोमाणी, श्री एस के लोढा, श्री एस एन गुप्ता सहित कई उद्यमी एवं तकनीकी अधिकारी उपस्थित थे।

वस्त्र आयुक्त की प्रेसवार्ता

भारत सरकार की वस्त्र आयुक्त डॉ कविता गुप्ता ने कांची रिसोर्ट में अपरान्ह 3.30 बजे प्रेसवार्ता को सम्बोधित किया। उन्होंने कहा कि भविष्य को देखते हुए गारमेन्ट, टेक्नीकल टेक्सटाइल जैसे उद्योगों की ओर रुख करना होगा। साथ ही भीलवाडा के उद्यमियों को वेल्यू एडिशन पर ध्यान देना होगा। स्थानीय टेक्सटाइल उद्योग को पीवी फाइबर आधारित उत्पादों के साथ कॉटन एवं अन्य फाइबर के क्षेत्र में भी अनुसंधान एवं औद्योगिक विकास की ओर ध्यान होगा। उन्होंने पत्रकारों के टेक्सटाइल उद्योग में जीएसटी की विसंगति के विषय में पूछे जाने पर उन्होंने कहा कि इस विषय को मंत्रालय की ओर से जीएसटी कॉन्सिल के पास भेजा गया है, अन्तिम निर्णय कॉन्सिल द्वारा ही किया जाएगा।

वस्त्र आयुक्त की उद्यमियों से मुलाकात

वस्त्र आयुक्त डॉ कविता गुप्ता ने कांची रिसोर्ट में प्रेसवार्ता के बाद भीलवाडा के वरिष्ठ उद्यमियों से मुलाकात कर स्थानीय उद्योगों की समस्याएं एवं प्रगति के बारे में चर्चा की। इस अवसर पर मेवाड चेम्बर के अध्यक्ष श्री दिनेश नौलखा, मानद महासचिव श्री आर के जैन, वरिष्ठ उपाध्यक्ष श्री जे के बागडोदिया, पूर्वाध्यक्ष डॉ पी एम बेसवाल, कोषाध्यक्ष श्री वीके मानसिंगका, टेक्सटाइल उद्यमी श्री सुरेश पोद्दार, श्री के डी राठी, श्री जीसी जैन, श्री डी एम भड्किया, श्री राजेश समदानी सहित कई उद्यमी उपस्थित थे।

बोत्सवाना की महामहिम राजदूत का चेम्बर में आगमन

दिनांक 14 सितम्बर 2017 को बोत्सवाना की महामहिम राजदूत सुश्री लेसेगो इथैल मौत्सुमी मेवाड चेम्बर में पधारी। सुश्री मौत्सुमी 15 से अधिक वर्षों से बोत्सवाना की सांसद एवं विभिन्न मंत्री पद पर रही हैं एवं 7 वर्षों से भारत में बोत्सवाना की राजदूत पद को सुशोभित कर रही हैं। मेवाड चेम्बर के अध्यक्ष श्री दिनेश नौलखा, मानद महासचिव श्री आर के जैन, पूर्वाध्यक्ष डॉ पी एम बेसवाल, कोषाध्यक्ष श्री वी के मानसिंगका ने पुष्पगुच्छ से माननीय राजदूत का स्वागत किया एवं कार्यक्रम के अन्त में स्मृति चिन्ह के रूप में भीलवाडा

प्रसिद्ध पड़ पेन्टिंग भेंट की। इस अवसर पर सुश्री मौत्सुमी ने बोत्सवाना में औद्योगिकीकरण एवं व्यापार में प्रगति तथा सरकार की ओर से दिये जा रहे विभिन्न प्रोत्साहनों के बारे में स्थानीय उद्यमियों को जानकारी दी। उन्होंने स्थानीय उद्यमियों से बोत्सवाना में निवेश कर वहां के विकास में सहयोग का आह्वान किया।

निर्यात मित्र योजना पर कार्यशाला

दिनांक 15 सितम्बर 2017 को विदेश व्यापार निदेशालय एवं मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की ओर से मेवाड चेम्बर भवन में निर्यात मित्र योजना पर कार्यशाला का आयोजन हुआ। जयपुर के संयुक्त विदेश व्यापार महानिदेशक श्री विरेन्द्र सिंह कार्यशाला के मुख्य अतिथि थे।

श्री विरेन्द्र सिंह ने कार्यशाला को सम्बोधित करते हुए बताया कि भारत सरकार की ओर से विदेश व्यापार नीति 2015-20 में देश से वस्तु एवं सर्विस निर्यात बढ़ाने तथा अधिक रोजगार पैदा करने के लिए प्रावधान किए गये हैं। माननीय प्रधानमंत्री की मेक इन इण्डिया को साकार बनाने के लिए इसके तहत दो मुख्य योजनाएं मर्केन्डाइज एक्सपोर्ट फ्राम इण्डिया स्कीम एवं सर्विस एक्सपोर्ट फ्राम इण्डिया स्कीम लागू की गई हैं, जिनके तहत निर्यात पर ड्यूटी क्रेडिट स्क्रिप जारी की जाती है, जिससे आयात किया जा सकता है, साथ ही इसे दूसरों को ट्रांसफर भी किया जा सकता है। भारत सरकार एवं राजस्थान सरकार की ओर से निर्यात बंधु योजना के तहत उद्यमियों के लिए कई तरह के प्रोत्साहन योजनाएं भी लागू की गई हैं।

मर्केन्डाइज एक्सपोर्ट फ्राम इण्डिया स्कीम के तहत निर्यात किए जाने वाले देशों को तीन समूह में बांटा गया है एवं निर्यात प्रोत्साहन 2 से 5 प्रतिशत रखा गया है। वहीं सर्विस निर्यात प्रोत्साहन 3-5 प्रतिशत रखा गया है।

शतप्रतिशत निर्यातक इकाईयों को प्रोत्साहन देने के लिए फास्ट ट्रेक क्लिरेन्स, आधारभूत सुविधाओं को बढ़ाना, बन्दरगाहों के पास स्वयं के वेयरहाउस निर्माण आदि की सुविधा दी गई है। देश में 108 एमएसएमई क्लस्टर को निर्यात बन्धु स्कीम के तहत लिया गया है। ताकि लघु उद्योगों को भी निर्यात के लिए प्रोत्साहन मिल सके।

भीलवाडा के उद्यमियों को रेडीमेड गारमेन्ट एवं टेक्नीकल टेसटाइल उद्योग में निवेश कर विदेश व्यापार में भारत सरकार की ओर से प्रोत्साहन योजनाओं का लाभ लेने का आह्वान किया।

संयुक्त विदेश व्यापार महानिदेशक जयपुर कार्यालय के ईडीआई इंचार्ज श्री सतीश रैना ने विदेश व्यापार प्रपत्र भरने में डिजिटल उपयोग के बारे में विस्तृत जानकारी दी। वर्ल्ड ट्रेड सेन्टर के सहायक निदेशक श्री नवनीत अग्रवाल विडियो प्रजेन्टेशन से विदेश व्यापार में दी जा रही विभिन्न सुविधाओं के बारे में बताया। फेडरेशन ऑफ इण्डियन एक्सपोर्ट ओर्गेनाजेशन के जयपुर चेप्टर हेड श्री भुपेन्द्र सिंह ने निर्यात संवर्धन की संभावनाओं के बारे में जानकारी दी।

कार्यक्रम के प्रारम्भ में मेवाड चेम्बर के अध्यक्ष श्री दिनेश नौलखा एवं मानद महासचिव श्री आर के जैन, पूर्वाध्यक्ष श्री एम डी गगराणी, कोषाध्यक्ष श्री वी के मानसिंगका ने अतिथियों का स्वागत किया। अपने स्वागत भाषण में श्री दिनेश नौलखा ने बताया कि भीलवाडा से 9 हजार करोड़ प्रतिवर्ष से अधिक सूती धागे, पी वी यार्न, पी वी ब्लैण्डेड फेब्रिक्स, जिंक एवं लैड कन्संनट्रेट, सेण्ड स्टोन, इन्सुलेटेड ब्रिक्स आदि का लगभग शतप्रतिशत निर्यात इस क्षेत्र से होता है। क्षेत्र से निटेड फेब्रिक्स, मलाई डोरी, मसाले, एल्युमिनियम उत्पाद, सीमेन्ट प्लान्ट मशीनरी आदि का भी निर्यात किया जा रहा है।

अजमेर मण्डल के रेलवे मण्डल प्रबंधक की भीलवाडा यात्रा

दिनांक 22 सितम्बर 2017 को अजमेर मण्डल के रेलवे मण्डल प्रबंधक श्री पुनीत चावला एक दिवसीय यात्रा पर भीलवाडा आये। मेवाड चेम्बर के कोषाध्यक्ष एवं जोनल रेल उपयोगकर्ता सलाहकार समिति के सदस्य श्री वी के मानसिंगका ने रेलवे स्टेशन पर पुष्पगुच्छ से श्री चावला का स्वागत किया। उन्होंने अन्य विषयों पर चर्चा के साथ श्री चावला से पुर्नगठित की जा रही जोनल रेल उपयोगकर्ता सलाहकार समिति में मेवाड चेम्बर के प्रतिनिधित्व के बारे में चर्चा की।

श्री मानसिंगका ने बताया कि श्री चावला से चर्चा के दौरान यह निर्णय किये गये कि मार्च 2018 तक रेलवे स्टेशन पर सीसीटीवी कैमरे लगेंगे एवं गंगापुर रोड पर दूसरा प्रवेश द्वार शुरू हो जायेगा। इसके लिए रेलवे के हिस्से के बजट का टेण्डर जारी हो चुका है एवं सांसद एवं विधायक कोष वाले हिस्से के टेण्डर शीघ्र किये जा रहे हैं। इस कार्य हेतु नगर विकास न्यास ने भी 50 लाख रुपये देने का आश्वासन दिया है। इस अवसर पर माननीय सांसद श्री सुभाष बहेड़िया, डीआरएम श्री पुनीत चावला ने पैसंजर अ परेटेड इंकवायरी टर्मिनल एवं उच्च श्रेणी महिला प्रतीक्षालय का उद्घाटन किया।

मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री, भीलवाड़ा कार्यकारिणी समिति की बैठक दिनांक 23.09.2017

मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री की मेनेजिंग कमेटी की बैठक दिनांक 23 सितम्बर 2017, शनिवार को अपरान्ह 3.00 बजे, गेस्ट हाउस, जिंक कॉलोनी, कपासन रोड, चि गौडगढ में आयोजित की गई। बैठक की अध्यक्षता, अध्यक्ष श्री दिनेश नौलखा ने की।

- मानद महासचिव श्री आर के जैन ने बताया कि 29 जुलाई 2017 को आयोजित कार्यकारिणी समिति की बैठक का कार्यवाही विवरण चेम्बर पत्रिका के जुलाई 2017 के अंक में प्रकाशित किया गया है। उपस्थित सदस्यों ने दिनांक 29.07.2017 की बैठक की कार्यवाही विवरण की पुष्टि की।

- निम्न सदस्यों ने अनुपस्थिति चाही जो स्वीकृत की गई –

श्री वी के सोडानी	संगम इण्डिया लिमिटेड
श्री अनिल मानसिंहका	शारदा स्पनटेक्स प्रा लि
श्री सन्मति जैन	श्री गुड्स केरियर

- चि गौडगढ चेप्टर की गतिविधियों पर एवं भविष्य की योजनाओं पर चर्चा –

मानद महासचिव श्री आर के जैन ने कहा कि चि गौडगढ चेप्टर को ओर अधिक कार्यशील करने की जरूरत है। चेप्टर में नियमित रूप से सेमिनार, वर्कशोप, स्टेडी सर्किल मिटिंग एवं अन्य कार्यक्रम होने चाहिए। चि गौडगढ के औद्योगिक विकास के अनुसार चि गौडगढ चेप्टर में कम से कम 100 सदस्य होने चाहिए। इसके लिए हम चि गौडगढ चेप्टर की हर संभव मदद करने के लिए तैयार हैं।

अध्यक्ष श्री दिनेश नौलखा ने कहा कि वर्ष में कम से कम एक बार कार्यकारिणी समिति की बैठक चि गौडगढ में होनी चाहिए एवं दो-तीन सेमिनार, वर्कशोप का आयोजन चि गौडगढ में करना चाहिए। इसके लिए स्थानीय सदस्यों एवं चेम्बर के पदाधिकारियों को आगे आना होगा, साथ ही चि गौडगढ के उद्यमी एवं पदाधिकारी यहां की समस्याओं के बारे में हमें समय-समय पर बताते रहे, ताकि हम संबंधित विभाग या मंत्रालय से सम्पर्क कर उसका समाधान कर सकें।

श्री रामेश्वर काबरा ने कहा कि चि गौडगढ में नियमित कार्यक्रम आयोजन से चेम्बर की चि गौडगढ शाखा अपनी प्रभावशाली उपस्थिति दर्ज करा सकती है, साथ ही यहां की औद्योगिक समस्याओं को भी उचित प्लेटफॉर्म पर उठाकर उसका समाधान कर सकती है। उन्होंने वर्ष में 4 बड़े कार्यक्रम चि गौडगढ में करने का सुझाव दिया।

पूर्वाध्यक्ष डॉ पी एम बेसवाल ने कहा कि स्थानीय सदस्यों एवं संयोजक को ही आगे आकर कार्य करना चाहिए, औद्योगिक समस्याओं को भीलवाड़ा कार्यालय को तुरन्त भेजा जाना चाहिए, ताकि उसका समाधान करवाया जा सके। उन्होंने सामयिक सेमिनार व वर्कशोप का भी सुझाव दिया।

चि गौडगढ चेप्टर के चेयरमैन श्री अर्जुन मुन्दडा ने सुझाव दिया कि स्थानीय शाखा का अपना भवन एवं कार्यालय होना चाहिए एवं इसके लिए मेवाड़ चेम्बर को प्रयास करना चाहिए। उन्होंने सेमिनार व अन्य कार्यक्रम भी चि गौडगढ में आयोजित करने का सुझाव दिया। साथ ही प्रशासन के सहयोग से स्थानीय चेप्टर को भवन हेतु भूमि आवंटन करवाने के लिए प्रयास करने का सुझाव दिया।

चि गौडगढ चेप्टर के संयोजक श्री एन एन जिन्दल ने कहा कि हमें नियमित रूप से कार्यक्रम करने चाहिए, ताकि लोगों में चेम्बर के प्रति रुझान बढ़े। इससे नई सदस्यता भी बढ़ सके। उन्होंने कम से कम चार बड़े कार्यक्रम चि गौडगढ में करने का सुझाव दिया। उन्होंने राजस्थान सरकार के मंत्री माननीय श्री श्रीचन्द जी कृपलानी का सम्मान समारोह एवं सोलर एनर्जी पर कार्यशाला का आयोजन करने का सुझाव दिया।

अध्यक्ष श्री दिनेश नौलखा ने कहा कि चेम्बर हर संभव सहयोग करने का तैयार है लेकिन आगे तो स्थानीय सदस्यों को ही आना होगा, उन्होंने दिसम्बर से पूर्व सोलर एनर्जी पर कार्यशाला करने की सहमति दी।

- मार्बल एवं टेक्सटाइल पर जीएसटी के विषय में चर्चा–

मानद महासचिव श्री आर के जैन ने बताया कि चेम्बर नियमित रूप से भारत सरकार के वि मंत्रालय, टेक्सटाइल मंत्रालय सहित संबंधित विभागों में प्रतिवेदन भेजकर टेक्सटाइल में आ रही विभिन्न विसंगतियों को दूर करवाने के लिए प्रयासरत है। अभी हाल ही में टेक्सटाइल के जोब से संबंधित आ रही विसंगतियों के बारे में वस्त्र आयुक्त, सीजीएसटी आयुक्त एवं अन्य संबंधित विभागों को प्रतिवेदन भेजकर जोब प्रोसीजर को व्यावहारिक बनाने का आग्रह किया है। उन्होंने बताया कि टेक्सटाइल मंत्रालय को चेम्बर द्वारा हाल ही में भेजी गई रिपोर्ट में बताया गया है कि वस्त्र उद्योग की हालात अच्छे नहीं हैं, यदि जल्द ही इसमें सुधार नहीं किया है तो स्थिति ओर काफी खराब हो सकती है।

कई सदस्यों ने चेम्बर के माध्यम से राजस्थान उच्च न्यायालय में जीएसटी की विसंगतियों के बारे में वाद दायर करने का सुझाव दिया। पूर्व अध्यक्ष डॉ पी एम बेसवाल एवं अध्यक्ष श्री दिनेश नौलखा की राय थी कि कोर कमेटी ही इस संबंध में निर्णय ले सकती है। श्री नौलखा ने सुझाव दिया कि जीएसटी कॉन्सिल की आगामी पूर्व चेम्बर के प्रतिनिधिमण्डल को दिल्ली जाकर वि मंत्री, वि सचिव इत्यादि से मिलकर टेक्सटाइल क्षेत्र की विसंगतियों को दूर करने का आग्रह करना चाहिए। मानद महासचिव श्री आर के जैन ने कहा कि चेम्बर इसके लिए जीएसटी कॉन्सिल की आगामी बैठक से पूर्व मुलाकात का समय लेने का पूर्ण प्रयास करेगा।

5. नये सदस्यता प्रस्ताव :-

मानद महासचिव ने निम्न नये सदस्यता प्रस्ताव कार्यकारणी समिति के सामने रखे। उन्होंने बताया कि नये सदस्यता प्रस्ताव स्क्रिनिंग कमेटी से मंजूर करवा लिये गये हैं। उपस्थित सदस्यों ने सर्वसम्मति से निम्न नये सदस्यता प्रस्ताव स्वीकार किये:-

श्रेणी	इकाई का नाम	प्रतिनिधि का नाम	विवरण	प्रस्तावक	समर्थक
एसोसियेट्स	प्रकाश पूंज	श्री विजय रांका	इलेक्ट्रीकलस	श्री दिनेश नौलखा	श्री आर के जैन
एसोसियेट्स	वेस्टर्न सुटिंग प्रा लि	श्री एल बी रांका	विविंग इकाई	श्री जे के बागडोदिया	श्री आर के जैन
एसोसियेट्स	ज्योति टेक्सटाइल	श्री प्रशान्त झंवर सीए	यार्न ट्रेडिंग	श्री आर के जैन	श्री जे के बागडोदिया
एसोसियेट्स	दीप केम इंटरप्राइजेज, उदयपुर	श्री प्रदीप गुप्ता	डाईज एण्ड केमीकल्स	श्री आर के जैन	श्री जे के बागडोदिया
एसोसियेट्स	मेसर्स रुपातुल, उदयपुर	श्री रवि बर्मन	डाईज एण्ड केमीकल्स	श्री आर के जैन	श्री जे के बागडोदिया
एसोसियेट्स	रुपम ग्रेनाइट एण्ड मार्बल प्रा लि	श्री किरण कुमार	मार्बल इकाई	श्री राकेश मंत्री	श्री अर्जुन मुन्दडा
साधारण	सी एस गौरव दाधीच	श्री गौरव दाधीच	प्रोफेशनल	श्री आर के जैन	श्री दिनेश नौलखा
साधारण	सी ए शिव प्रकाश चौधरी	श्री शिव प्रकाश चौधरी	प्रोफेशनल	श्री आर के जैन	श्री दिनेश नौलखा

मानद महासचिव ने बताया कि मेसर्स आर एस स्पनटेक्स ने इस नाम से व्यवसाय बन्द करने से त्याग पत्र प्रेषित किया है। सदस्यों ने उक्त त्याग पत्र स्वीकार किया।

1 अन्य बिन्दु अध्यक्ष महोदय की अनुमति से -

अध्यक्ष महोदय की अनुमति से श्री वी के मानसिंगका ने डेडीकेटेड फ्रेट टर्मिनल के बारे में चेम्बर के प्रयासों की चर्चा करते हुए इसके लिए पुनः प्रयास करने का आग्रह किया। अध्यक्ष श्री दिनेश नौलखा ने कहा कि उन्होंने भीलवाड़ा जिला कलक्टर से भी इस विषय में चर्चा की है तथा चि गौडगढ जिला कलक्टर से भी चर्चा करके चि गौडगढ जिला क्षेत्र में डेट रेलवे स्टेशन के आसपास उक्त टर्मिनल हेतु भूमि आवंटन के प्रयास करने का सुझाव दिया।

अन्त में बैठक सधन्यवाद समाप्त हुई।

(आर के जैन)

मानद महासचिव

कार्यकारणी समिति की दिनांक 23.09.2017 को उपस्थित

सदस्यों की सूची निम्नानुसार है -

- | | | |
|----|-----------------------|----------------------------------|
| 1 | श्री दिनेश नौलखा | नितिन स्पिनर्स लिमिटेड |
| 2 | श्री आर के जैन | आर के जैन एण्ड एसोसियेट्स |
| 3 | श्री जे के बागडोदिया | मंगलम यार्न एजेन्सीज |
| 4 | श्री एन एन जिंदल | जिंदल मार्बल प्रा लि |
| 5 | श्री के के मोदी | मोडटेक्स टेक्सटराइजर्स प्रा लि |
| 6 | डॉ पी एम बेसवाल | रंजन सुटिंग प्रा लि |
| 7 | श्री योगेश लढा | मनोमय टेक्स इण्डिया लिमिटेड |
| 8 | श्री रामेश्वर काबरा | रोलेक्स प्रोसेसर्स प्रा लि |
| 9 | श्री अतुल शर्मा | भीलवाड़ा टेक्सटाइल ट्रेड फेडरेशन |
| 10 | श्री रामगोपाल अग्रवाल | फर्नीचर हाउस |
| 11 | श्री वी के मानसिंगका | |

विशेष आमंत्रित

- | | | |
|---|---------------------|--------------------------|
| 1 | श्री अर्जुन मुन्दडा | चेयरमेन, चि गौडगढ चेप्टर |
| 2 | श्री राकेश मंत्री | सचिव, चि गौडगढ चेप्टर |
| 3 | श्री के एम जैन | |

REPRESENTATIONS

About Procedural problem in complying with the job work provisions of GST

Mewar Chamber of Commerce & Industry sent representation on 9th Sept 2017 about Procedural problem in complying with the job work provisions of GST to Hon'ble Shri Arun Jaitely, Minister for Finance, Hon'ble Smt Vasundhara Raje, Chief Minister, Govt of Rajasthan, Dr Hashmukh Adhia, The Secretary (Revenue), Govt of India, Dr. Kavita Gupta, Hon'ble Textile Commissioner of India, Shri C K Jain, Commissioner CGST, Udaipur and Hon'ble Shri Subhash Bahedia, M.P.Bhilwara.

MCCI/GST/2017-2018/290

Dated 09.09.2017

Sub: Procedural problem in complying with the job work provisions of GST.

Respected Sir,

In reference to the above mentioned subject, **Mewar Chamber of Commerce & Industry**, representing Southern Rajasthan, submits that:-

Job Work in Textile Industries

There is a procedural problem in compliance with the job work provisions as provided under newly introduced GST regime. As per provisions enacted under the GST law, inputs and/or semi processed goods and/or finished products are allowed to be send without payment of GST provided that those goods whether inputs or semi processed or finished goods are send under a Job Work Challan (Delivery Challan) which should be prepared by the **Principal Manufacturer** and the delivery challan must containing therein certain prescribed particulars as provided under rule 55 of CGST, Rules, 2017. Further a **intimation must be given** to the concerned authorities in order to send goods to job worker. Job worker also has to maintain and submit the details like date and time of receipt, quantity and goods processed and delivery details etc. The above provisions are applicable to all the commodities irrespective of the nature of job work carried out by the job worker. Provisions of Job Work under GST are as under:-

JOB WORK PROCEDURE

Section 143 – Job Work Procedure

(1) A registered person (hereafter in this section referred to as the “principal”) **may under intimation** and subject **to such conditions as may be prescribed**, send any inputs or capital goods, without payment of tax, to a job worker for job work and from there subsequently send to another job worker and likewise, and shall,—

(a) bring back inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out, to any of his place of business, without payment of tax;

(b) supply such inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, 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, as the case may be;

(2) The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.

(3) Where the inputs sent for job work are not received back by the principal after completion of job work or otherwise in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of one year of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out.

(4) Where the capital goods, other than moulds and dies, jigs and fixtures, or tools, sent for job work are not received back by the principal in accordance with the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of sub-section (1) within a period of three years of their being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out.

(5) Notwithstanding anything contained in sub-sections (1) and (2), any waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the

principal, if the job worker is not registered.

Explanation.—For the purposes of job work, input includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or the job worker.

CONDITIONS AND RESTRICTIONS IN RESPECT OF INPUTS AND CAPITAL GOODS SENT TO THE JOB WORKER

Rule 10 of chapter V (ITC rules) of CGST Rules, 2017— Conditions and restrictions in respect of inputs and capital goods sent to the job worker

The inputs, semi-finished goods or capital goods shall be sent to the job worker under the cover of a challan issued by the principal, including where such goods are sent directly to a job-worker. The challan issued by the principal to the job worker shall contain the details prescribed in rule of Invoice. The details of challans in respect of goods dispatched to a job worker or received from a job worker during a tax period shall be included in FORM GSTR-1 furnished for that period. Where the inputs or capital goods are not returned to the principal within the time stipulated in section 143, the challan issued under sub-rule (1) shall be deemed to be an invoice for the purposes of the Act.

Nature of job work in textiles sector is entirely different from that of other commodities, hence present procedure followed in this sector is also different from that of other sectors. Textile Fabrics is manufactured from mainly these three processes:-

1. Yarn-manufactured by Spinning Units
2. Grey Fabrics-Manufactured by Weaving Units
3. Finished Fabrics-Manufactured or Processed by Process Houses.

Further, manufacturing process of textile fabrics may be divided in following category :-

1. Composite Units having all the facilities i.e. spinning, weaving and processing facilities
2. Independent Spinners, Weavers, and Processors
3. Traders

Process-A

Manufacturing of Grey Fabrics :-

Some of the persons are having the facility of weaving of grey fabrics in their own unit and if required they may get the grey fabrics weaved from other units on job work basis and/or may weave for others in their own units on job work basis. In case of traders, they are not having any facility of weaving, processing etc. Majority of the cases are falling under this category. They purchase the yarn which is supplied directly by the yarn supplier to the premises of job worker for manufacturing of Grey Fabrics on job work basis. In this case, goods were supplied with the cover of sale invoice with challan to the job worker on behalf of the Principal Manufacturer. Copy of the sale Invoice of yarn is enclosed herewith as Annexure-A.

In most of the cases, yarn are directly sent to the premises of job worker for manufacturing of Grey Fabrics, hence it is not feasible to send the Job Work Challan for Job Work at the premises of Job Worker. Job worker is situated at various location and distance which may also vary from 10 to 30 KM.

Process-B

After Manufacturing of Grey Fabrics and as per the requirement of Principal Manufacturer, such Grey Fabrics are sent to various processing units in required lot size with **the Delivery Challan of Job Worker** i.e. Manufacturer of Grey Fabrics mentioning the name of the Further Job Worker (Process House) Name and Address of the Principal of Goods, Quantity and details of goods etc. On receiving the goods/fabrics at Process House, the concerned Process House, check the contents mentioned in the delivery challan of first job worker (Manufacturer of Grey Fabrics) and entered the goods in his records.

As goods are directly sent to Process Houses from the premises of First Job Worker i.e. Weaving Units. In such cases sending the Job Challan by Principal as required under new regime of GST is not feasible as the most of the weaving units are situated in a different locations and in a distance which may be 10-30 KM away from the Principal's place of business. Further, movement of Grey Fabrics is on regular basis and on some days the movement may be two or three times in a day with various process house for further processing. Unprocessed and processed fabrics are lifted by the job worker in their own vehicles at their convenience

and hence date of delivery and vehicle number is also not known before delivery and hence Job Challan cannot be prepared by the principal manufacturer at the time of transportation of goods. Copy of the delivery challan prepared by the job worker (Manufacturer of Grey Fabrics, while sending the Fabrics to Process House) is enclosed herewith as Annexure-B

Stage-III

On completion of processing/activates or job work and as per requirement of Principal of Goods, the finished fabrics (in piecemeal) are sent by the processor (job worker) to the principal under the job worker's challan. Copy of the Job Worker's challan is enclosed herewith as **Annexure-C**. The goods are dispatched/sent in piecemeal and it is not possible to prepare the challan or send the goods lot wise or challan wise from process house. However, the movement of goods always with the cover of challan of job worker.

Job work carried out by the job worker generally is of continuous nature means lot wise distinction can't be made and use of inputs cannot be specifically attributed to a particular lot. Particular kind of yarn supplied by the principal is used in various lots and in many times fabrics are made of different kind of mixed yarn supplied by different suppliers on different dates. Delivery of the semi processed fabrics and processed fabrics is also not made lot wise. In other words many times piecemeal deliveries are made of one lot. Under such circumstances mentioning the details of fabric manufactured on different challan is not practically possible.

Quantitative stock records to reflect the details of stocks with various job worker is always maintained by the Principal Manufacturer and job workers. Use of every lot of yarn can't be precisely attributed to particular lot of fabrics because job is of continuous nature. Year-end reconciliations are made and verified with the physical stocks and if found any discrepancy, it is sorted out.

Maximum persons who get the job work done are in SME sectors having their shops/offices in the market. They are neither financially sound enough to have their own manufacturing facilities and nor they have big godowns wherein all the yarn and unprocessed fabrics can be stored and then dispatched to various job workers in lots. Therefore, all the transactions are carried out directly from yarn supplier to job workers and so on till final goods reach to Principal's office/shop. Movement of goods is always through delivery challan of job workers. The very purpose of GST is to bring uniformity in various taxes and provide ease and convenience from complicated procedures. Job worker provisions as laid down in the present GST law are complicated and difficult to be complied with at least by the SME sectors. Composite sector had already been provided with concessions in the GST regime and also not to comply with complicated records procedures. Competition of the SME sector with the composite unit had already raised the question of survival before the SME sector and complicated procedural formalities would further lead them to the litigations.

In most of the cases all the concerned persons i.e. Principal, job worker and the subsequent job worker are located locally therefore, movement of goods is done through local transport where no consignment notes are prepared. Although goods are always moved under delivery challan from one place to another place containing almost more or less same particulars. Movement of inputs and semi processed goods is always recorded by the Principal Manufacturer in its stocks ledger. Location of the goods for which principal manufacturer is responsible is always reflected in the records maintained by the Principal Manufacturer. It is requested to please waive the condition for sending the goods along with principal's challan. In this case challan prepared by the job worker may please be considered for the compliance of the above provisions.

The genuine demand of the industry should be sympathetically met by the government. We are sure that your good self and your office would consider our humble request sympathetically and would extend suitable relief to save the SME sector, the large employment provider.

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

About Adverse impact of GST on Textile Sector

Mewar Chamber of Commerce & Industry sent representation on 9th Sept 2017 about Adverse impact of GST on Textile Sector to Hon'ble Shri Arun Jaitley, Minister for Finance, Dr Hashmukh Adhia, The Secretary (Revenue), Govt of India, Dr. Kavita Gupta, Hon'ble Textile Commissioner of India, Shri C K Jain, Commissioner CGST, Udaipur.

MCCI/GST/2017-2018/296

Dated 09.09.2017

Sub: Adverse impact of GST on Textile Sector

Respected Sir,

Due to applicability of GST, textile sector are facing some serious problem such as textile fabrics manufactured by SME Sector is much costlier in comparison to imported fabrics, imported new shuttle less looms will be more costlier due to non availability of EPCG benefit etc. We are narrating some of the major issues of textile to resolve the problems at the earliest possible.

In the above reference, **Mewar Chamber of Commerce & Industry**, representing Southern Rajasthan, submits that:-

A. Cost of the textile fabrics increased by approx 10%

Reason for increase of Cost of Fabrics __

- i. **Increase in Incidence of Tax** :- Rate of GST on **Man Made Fibre/ Man Made Filament** levied **@18.00%** as against previous incidence of taxes **@14.50%** (12.50% Excise Duty + 2.00% CST) i.e. increase of 3.50%, and also on **Man Made Yarn** GST levied **@ 18.00%** as against previous rate of taxes (CST/VAT) 2 to 5 % i.e. increase of **13 to 16%**.
- ii. **GST on Job Charges** – In previous regime all type of job work in textile sector were exempt but in new tax regime it will be taxable. Most of the textile units and job workers are in SME sector and catering to economical weaker society of the country. The **effective rate of GST on Textile SME sectors is around 12-13%** as against the declared rate of GST on fabrics is only 5.00%. The Composite Units will pay GST **@ 5%** at finished fabric stage and the SME sector will have to pay GST **@ 18%** at the time of purchasing of yarn, 5% each on various job work such as Doubling, Weaving, Sizing, Processing of fabrics etc. The ultimate burden on GST will be much more in comparison of Composite Units because they are not required to pay GST on yarn and on any job work. If this anomaly is not taken care of, it would surely result into heavy increase in the prices of fabrics in comparison to Composite Units and secondly will put a question of survival before the SME sector.
- iii. Due to non availability of refund on accumulated ITC. It is against the GST them to maintain seamless credit at all the stages. For this reason the cost of the fabrics is also increased.

Suggested solution to resolve the above problem :-

Reduce the GST @ 5% from 18% at yarn stage. Remove the condition of No Refund at every Textile Stage. This would not cause any loss to the exchequer too, because at fiber/filament stage recovered more GST as compared to Central Excise and CST/VAT and at yarn stage GST **@5.00%** would also be available as additional revenue as against the CST/vat **@ 2 to 5%**.

OR

Reduce the Rate of GST on Man Made Fibre, Man Made Filament and on Man Made Yarn (Spun and Filament) to 12.00% and allow the refund of excess accumulated ITC at all stages of textile including textile fabric stage-

At this rate, the exchequer will get the total revenue which is more than the present revenue.

If the above correction is not carried the SME powerloom sector **shall suffer heavily and the growth of MMF industry shall not take place and majority of units will become the sick and unviable.**

B. Imported Fabrics from China and other countries will be more cheaper in comparison of Indian fabrics manufactured by Indian textile manufacturers

As per **the prevailing system** for import of textile fabrics the custom duty is payable **@5.00%** and CVD, SAD Cess etc. are also payable at 18.65%, total duty **burden is 23.65%** and in the new regime custom duty and IGST each will be leviable **@ 5.00%** each on imported finished fabrics and total custom duty and GST rate will be 10.00% as against present duty incidence of 23.65%. Due to this reason, there shall be heavy import of fabrics in coming days because such import will not suffer the heavy duty burden of **GST rate at yarn stage** or there would be no impact of surplus tax at the finished fabric stage. This would result in damage to the entire powerloom sector to a very large extent and we fear that many units may become unviable.

A Statement showing the comparison of previous system of duty and GST are as under :-

Particulars of Duty on imported fabrics	Present Duty (%)	(%)Duty after implementation of GST (%)
Basic Custom Duty	5.00	5.00
CVD	12.50	0.00
SAD	4.00	0.00
Cess 3.00% on above	2.65	0.00
IGST	0.00	5.00
Total Duty	23.65	10.00

C. Non-availability of ITC Refund of IGST on imported Capital Machinery in textile Sector and/or non availability of import of capital machinery on Zero rate of import duty :-

Textile Sector is the **biggest employment generator** in the Manufacturing Sector providing employment to Unskilled, Semi Skilled and Skilled Labour and also one of the biggest **Foreign Exchange Earner** for the Country. Government of India has introduced Scheme like **TUFS to modernise textile industry** in India and make it competitive in the World Market. Government of India has also introduced Schemes such as **0% EPCG for New Machines** in Textile Industry for import of latest technology Capital Goods (Machinery) to make best quality textile products at competitive prices, which is in line with the **Vision of MAKE IN INDIA**.

In GST, the **imported Automatic Shuttle less Looms and all other Machinery/Parts/Components** will attract **18% IGST** resulting in more costly textile machinery and capital goods and further expansion and modernization in the textile sector will become impossible due to significantly increase in GST Rate (IGST @18.00%) and non availability of benefit of EPCG scheme as there is no Excise duty on imported looms. The following statement will explain the comparison.

As per existing system the import duty on **New Automatic Shuttle less Airjet Weaving Looms/Other Looms/Machinery** is as follows:-

Particulars	Present Rate of Duty if imported without EPCG	Present Rate of duty, if imported under EPCG Scheme	Proposed duty in GST w.e.f. 01.07.2017
Basic Duty of Customs	0.00%	0.00%	0.00%
Additional Duty of Customs (CVD)/IGST	6.00%	0.00%	18.00
Customs Education Cess	0.4272%	0.00%	0.00%
Special Additional Duty of Customs	4.00%	0.00%	0.00%
Total Effective Duty	10.4272%	0.00%	18.00%

The Country has about 45 lacs powerlooms at present out of which 90% looms are of obsolete 30-40 years old technology and require modernization to compete in the emerging world scenario.

In GST, New Automatic Shuttle less Looms/ Component/Equipment **would attract 18% GST. Accordingly, project cost for new looms required for modernization will be higher by 18.00% from the existing cost. This will result in discontinuation of modernization/setting up of new units with state of art modern technology. Due to this reason the Indian textile industry will enter in to a dark era of obsolete technology.**

In new regime the entire range of these textile machinery attracting 18% GST will become more costly **and the all the project will become non viable**. Since GST on textile fabrics would be 5% and as accumulated ITC Refund would not be allowed, the cost of new weaving projects would increase significantly making it unviable.

To resolve the above problem, we request :-

- To allow the refund on IGST paid on imported new looms, OR
- To allow import new looms on ZERO Rate of GST i.e. under EPCG scheme

D. Problem due to applicability of RCM :- As per the recently enacted GST law under the reverse charge mechanism, reverse charge is to be paid on all taxable goods and services, if procured from unregistered supplier. **This RCM is to be paid through Cash mode only** by the registered person i.e. there is no provision of payment through ITC. In spite of having sufficient balance of ITC, they have to deposit the amount through cash. This is extra burden to all SME sector of textile industries, because in textiles sector (fabrics), wherein rate of tax on inputs is more than output, this is an extra burden which can never be set off. On man-made textiles other than in composite sector effective rate of GST is around 11-12% of the sale price as against 5% on output, there will be always credit balance of ITC and refund is also not allowed. Under such circumstances paying the reverse charge first in cash and then claiming credit makes no sense since it is going to add to the credit balance of ITC which is not eligible for refund.

Further, if we carry the excess unutilized ITC then we have to pay Income Tax on this amount, because there profit will be increased to that extent. As, if excess ITC is not written off at the end of the financial year to that extent profit will increase and income tax be paid accordingly. It is requested to please either allow refund of the credit balance of ITC or alternatively it should be exempted to pay the reverse charge in cash and allow to pay against the credit balance of ITC.

E. Job Work in Textile Industries

There is procedural problem in compliance of job work provisions of GST. As per GST provisions, inputs and/or semi processed goods are allowed to be moved without payment of GST provided goods whether inputs or semi processed goods are moved through Delivery challans prepared by the **Principal Manufacturer** containing therein certain prescribed particulars and **intimation be given** to the concerned authorities. Job worker also has to maintain and submit the details like date and time of receipt, quantity and goods processed and delivery details etc. The above provisions are applicable to all the commodities irrespective of the nature of jobs to be carried out by the job worker.

Nature of job work in textiles is very different from the other commodities and hence procedure followed is also different. Maximum SME fabrics manufacturers are engaged mainly in job are having only shop cum godown in the market and not having their separate godown for stocking of yarn and unprocessed fabrics. While placing the order for yarn the name of factory where job work is to be carried out is informed verbally and goods directly delivered from the yarn suppliers to the weaving unit without bringing it to the premises of principal manufacturer. In many cases small traders, who in numbers are huge, do not buy the yarn and instead buy the grey fabrics (unprocessed fabrics) from the supplier and fabrics are directly delivered to the processing unit (job worker) by the suppliers without bringing it to their shop cum godown. Bill by the supplier is made in the name of buyer showing its GSTIN and in the space of consignee, the name of the weaving unit, address and GSTIN is mentioned. Same things are mentioned in challan. Now after weaving the grey fabrics are sent to the process house for further processing without bringing the grey fabrics at the premises of principal. Delivery Challans by the weaving units (job worker) are made in the name of principal along with GSTIN and in the place of consignee name of the Processing unit with GSTIN is mentioned. After processing goods are returned to the principal owner through a delivery challan. In case of weaving units and also processing units invoices for job charges including GST are prepared subsequently after dispatch of the goods, on either same day or next day. All the particulars are entered as soon as the challans and invoices are received at the principal's office.

Job work carried out by the job worker generally is of continuous nature means lot wise distinction can't be made and use of inputs cannot be specifically attributed to a particular lot. Supply of one kind of yarn is used in various lots because many times fabrics are made of different kind of mixed yarns. Delivery of the semi processed fabrics and processed fabrics is also not made lot wise. In other words many times piecemeal deliveries are made of one lot.

Unprocessed and processed fabrics are lifted by the job worker in their own vehicles at their convenience and hence date of delivery and vehicle number is also not known before delivery and hence delivery challans can't be prepared by the principal manufacturer at the time of transportation of goods. In most of the cases all three that is Principal, job worker and the subsequent job worker are located locally and, therefore, movement of goods is done through local transport where no consignment notes are prepared. Although goods are always moved under delivery challan from one place to another place containing almost more or less same particulars. Movement of inputs and semi processed goods is always recorded by the Principal manufacturer in its stocks ledger. Location of the goods for which principal manufacturer is responsible is always reflected in the records maintained by the Principal manufacturer.

The suggestion of the job workers in the industry is that the practice followed by them should be allowed to be continued since it makes them fully accountable for the movement of goods once received in their ownership and secondly will also save them from the impractical hardship of the current system laid down under the recent law.

F. To Exempt requirement of issuance of e-way bill in case of job work :

The government has notified the e-way bill keeping some items of mass consumption such as vegetables, fruits, food grains, meat, bread, curd, books and jewellery out of its ambit. These will provide the framework for the transport of goods under the goods and services tax (GST) regime. An e-way bill is required to transport any item worth more than Rs 50,000 within the country. Movement of goods within the distance of 10 kms radius had been exempted **but in case of job work the limit of 10 KM will not be applicable.** It is requested to please

exempt the e-way bill requirement in case of textile job work. In case of textile job work the movements of goods from one industry/job worker to another, located in different industrial zones of the same city covers bit more distance and hence it should be kept around 30-40 KM. Otherwise making frequent e-way bills on which GST is not payable becomes very cumbersome and inconvenient process.

G. Transitional Provision Section 140(3) Proviso— Deemed Credit on Stocks held as on Cut off Date where duty paying documents are not available in case of Manufacturers.

As per Section 140(3) of The Central Goods and Service Tax Act, 2017 credit of duty, in case of goods lying in stock on the appointed day a deemed/specified Input tax credit is to be given to the registered person (**other than manufacturer**). Therefore, credit on deemed basis is allowed where the taxable person is not in the possession of duty paying documents. This provision is not **extended to manufacturers**. The majorities in the textile sector are in unorganized sector and have opted the exemption route as per Notification No. 30/2004 CE dated 09.07.2004.

Since as per section 140(3) not allowed the deemed credit **to manufacturers**, the stock held on the cut- off date will become costlier due to cascading effect of earlier stage duty levied on fiber/filament and credit was not available. In present situation the whole textile industry **is paying central excise duty** at Fiber/Filament stage and after this stage they are working under Notification **No. 30/2004 CE dated 09.07.2004** i.e. **under option exemption route** and therefore, no duty paying document would be available with any of such manufacturer after the stage of Fiber/Filament. Due to non availability of Deemed Credit to manufacturers the stock of textile fabrics, stock of raw material and stock lying in WIP will be more costlier. Therefore, we request you to kindly make the SME Sector at par with others and allow the above benefit to manufacturer also.

H. Applicability of GST on Finance Cost

Applicability of GST on Interest Received on delay payment received from customer. It is not part of supply of goods and services hence GST imposed on such finance cost is against the principal of GST. It is requested to please exempt the GST on finance cost i.e. interest payment received from customers on account of delay payment.

The genuine demand of the industry should be sympathetically met by the government. We are sure that your good office would consider our humble request sympathetically and would extend suitable relief to save the SME sector, the large employment provider.

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General



About Change in GST range-XXIV head quarter from Gulabpura to Bhilwara

MCCI/GST/2017-2018/303

Dated 20.09.2017

Shri C K Jain Sb

Hon'ble Commissioner

Central Goods & Service Tax

Commissionerate-Udaipur

Udaipur

Sub: Change in GST range-XXIV head quarter from Gulabpura to Bhilwara.

Respected Sir,

We wish to submit that the Goods and Service Tax Department has allotted the geographical area of tehsil Mandal & Banera from Bhilwara to GST range XXIV situated at Gulabpura.

Our member units situated in these localities have reported that it is very inconvenient for them to visit Gulabpura for every work related to GST. Their city offices are in Bhilwara and most of the staff comes from Bhilwara and visiting Gulabpura for every job is very time consuming and unnecessary burden on MSME units.

We therefore request your goodself to kindly shift the office of the range XXIV from Gulabpura to Bhilwara or alternately allot Mandal and Banera area to the range situated at Bhilwara.

We hope you will very kindly look into the matter for doing the needful and oblige.

With Best Regards

(CS R.K.Jain)

Hon'y Secretary General

GOOD AND SIMPLE TAX: ON THE GST REGIME

A course correction is essential to fix the glitches in the GST regime

India's goods and services tax regime is nearing the end of its first full quarter since roll-out this July. Revenue collections from the first month appear robust, with just 70% of eligible taxpayers bringing in Rs. 95,000 crore. At this rate, the total tally could well surge close to ₹1.2 lakh crore. This would be significantly higher than the Rs.91,000 crore indirect tax target for the Centre and the States on an overall basis. This initial trend will need to be corroborated by inflows for subsequent months, but with many more taxpayers registering in August, the GST appears to have begun well as far as the exchequer is concerned. If revenues remain healthy, the government would, over time, get the necessary fiscal room to rationalise multiple GST rates into fewer slabs and possibly lower levies as a stimulus. However, for businesses the going has been far from smooth, with firms of all sizes across sectors struggling to file their first set of returns under the GST due to significant glitches in the GST Network, its information technology backbone, and issues of connectivity. The government has extended the deadline for GST returns for the first month twice, with GSTR-3 now required to be submitted as late as November 10. A group of Central and State ministers has been tasked with resolving the GSTN's challenges. To inspire confidence, this group must act not only expeditiously but also transparently — especially with regard to the GSTN's operational capacity.

However, as it stands now the delay in filing returns for the first, and therefore subsequent, months means that taxpayers expecting a refund from the authorities on taxes already paid (for example, by exporters) will end up waiting for almost four months (for the period of July alone). This is bound to crimp their working capital availability and create an unjust burden on their finances, impacting their ability to scale up production ahead of the high-turnover festive season. The problem is most acute for exporters, for whom the Council has now formed a special committee under the Revenue Secretary. Provided there are no further setbacks on these timelines, these procedural problems need to be resolved as soon as possible for industry to be comfortable with this switch-over. Amid all this, the GST Council has already changed the announced tax rates on over 100 products and services within about 75 days of the roll-out. An ever-changing policy landscape is hardly conducive for attracting investment. The fact that industrial output grew just 1.2% in July may not be a coincidence. Clearly, a lot of things were not thought through or tested (such as the GSTN) when the government opted for a July 1 launch for GST instead of the September 16 date that the constitutional changes made last year allowed. Admitting to the errors of judgment so far is essential for a genuine course correction.

The review of GST rates once every 3 months, a convergence of tax rates to 12% and 18% — are among the new recommendations to the GST Council through a new "approach paper" prepared by the Fitment committee.

The new approach paper suggests fewer chances of rates revision in the next three months as in the past three Fitment committee meetings, a huge number of items have gone through rate changes. For instance, on September 9, rates of over 40 items were reviewed along with the critical car cess that was hiked.

The indications are that rates for goods are in the pre-GST tax era. Now, probably what remains is whether, or not, the policy objectives are achieved.



20 THINGS YOU MUST KNOW ABOUT E WAY BILLS IN GST LAW

Who shall furnish details: Every registered person who causes movement of goods shall furnish information relating to the said goods in Part A of FORM GST EWB-01, electronically, on the common portal, before commencement of such movement.

When to submit: If the consignment value of such goods exceeds 50,000/-. Option is given to generate and carry e-way bill even if the consignment value is less than 50,000/-

When to submit: If movement is in relation to a supply or for reasons other than supply or due to inward supply from an unregistered person. For example, if movement is for:1

Supply;

Export or Import;

Job Work;

Removal in SKD or CKD form;

Line Sales;

Sales Return;

Exhibition or fairs ;

For own use (stock transfers etc.)

Supply by unregistered person: In case of supply by an unregistered person to a registered recipient, then the movement shall be said to be caused by registered recipient if such recipient is known at the time of commencement of the movement of goods.

When not required: Generation of e-way bill is not required in the following cases:

In case where the goods are transported for a distance of less than 10 Kms intra-state from the place of business of the consignor.

Where the goods being transported are specified in annexure to the Notification no 27/2017. (mainly it covers category of goods that are exempted/ nil rated)

Where the goods are being transported by a non-motorised conveyance;

Where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; or In respect of movement of goods within such areas as are notified under rule 138(14)(d) of the Goods and Services Tax Rules of the concerned State. Who should enter details in Part B and Generate the E-way bill:

If goods are transported by the registered person himself as a consignor or as a consignee through own conveyance or a hired one or by railways or by air or by vessel	The consigner/ consignee as the case may be
If goods are handed over to a transporter for transportation by road	The registered person shall only furnish the information relating to the transporter in Part B and the e-way bill shall be generated by the transporter.
When movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter.	The unregistered person or the transporter may, at their option, generate the e-way bill.

When details of conveyance not required: Details of conveyance in Part B is not required to be provided if goods are transported for a distance of less than ten kms within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation.

EBN Number: Upon generation of e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

Acceptance or rejection of e-way bill: The details of e-way bill generated shall be made available to the recipient, if registered who shall communicate his acceptance or rejection of the consignment. Where no communication is made within 72 hours, then it shall be deemed that he has accepted the said details.

Transferring goods in transit: If a transporter is transferring goods from one conveyance to another in the course of transit then he shall update the details of conveyance in the e-way bill before such transfer and further movement of goods.

Multiple consignments: If multiple consignments are intended to be transported in one conveyance, then the transporter may indicate the serial number of e-way bills of each consignment and a consolidated e-way bill may be generated by him prior to the movement of goods.

If goods not transported as per e-way bill generated: Where an e-way bill has been generated, but goods are either not transported or are not transported as per the details furnished in the e-way bill, then the e-way bill may be cancelled within 24 hours of generation of the e-way bill.

Validity of e-way bill: Any e-way bill which is generated shall be valid in every State and Union territory. However, the periodicity of validity shall be as under:

Upto 100 Km - 1 day

For every 100 km or part thereof thereafter - One additional day

The period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty four hours.

Exceptional circumstances: If goods cannot be transported within the validity period of the e-way bill due to circumstances of an exceptional nature, then the transporter may generate another e-way bill after updating the details in Part B.

Documents to be carried: The person in charge of a conveyance shall carry the following:

the invoice or bill of supply or delivery challan, as the case may be; and

a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.

Mandatory device in the conveyance: Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance for mapping the e-way bill to the said device.

Interception of any conveyance: The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all inter-State and intrastate movement of goods.

Report of inspection: A summary report of every inspection of goods in transit shall be recorded online by the proper officer within 24 hours of inspection and the final report shall be recorded within 3 days of such inspection.

Physical verification of goods: No further physical verification of the said conveyance shall be carried out again in the state, if the physical verification of goods being transported has been done during transit at one place within the State or in any other State, unless specific information relating to evasion of tax is made available subsequently.

Vehicle intercepted for more than 30 minutes: If a vehicle has been intercepted and detained for a period exceeding thirty minutes, then transporter may upload the said information in FORM GST EWB-04 on the common portal.



एमएसएमई उद्योगों पर कार्यशाला

दिनांक 14 सितम्बर 2017 को मेवाड़ चेम्बर आफ कॉमर्स एण्ड इन्डस्ट्री के चि गौडगढ चेप्टर एवं एम.एस.एम.ई संस्थान के संयुक्त तत्वावधान में एमएसएमई उद्योगों के विकास एवं विभिन्न योजनाओं पर कार्यशाला का आयोजन हुआ।

अपने स्वागत भाषण में चि गौडगढ चेप्टर के चेयरमैन श्री अर्जुन मुन्दडा ने कहा कि वर्तमान परिप्रेक्ष्य में सुक्ष्म लघु एवं मध्यम इकाईयों एवं व्यवसायीयों को सरकार द्वारा संरक्षण यदि नहीं दिया गया या जैसे समुद्र में बड़ी व्हेल मछलीयों के भरोसे छोड़ दिया तो देश में कुटीर एवं लघु उद्योगों का भविष्य संकट में आ जाएगा व देश की आर्थिक स्थिति अच्छी होते हुए भी देश का बुनियादी ताना बाना सतही स्तर पर बिगड़ जायेगा।

इससे पूर्व उदघाटन सत्र में मुख्य अतिथि सहायक निदेशक एम.एस.एम.ई श्री सु गील कुमार ने भी सम्बोधित किया। उन्होंने वि शेष रूप से एम.एस.एम.ई इकाईयों को रिम्बर्समेन्ट, बार कौडिंग हेतु क्रेडिट लिंक सब्सिडी, अन्तर्राष्ट्रीय एग्जीबीसन एवं फेयर पार्टीसिपे इन स्पे। हेतु व भाग लेने पर वि शेष सुविधा व अनुदान, वेन्डर डवलपमेन्ट प्रोग्राम, वित्तीय सहायता, क्लस्टर डवलपमेन्ट सहित काफी स्किम के बारे में जानकारी दी। श्री भंवरलाल ने एफ.सी.आई हेतु एवं रेल्वे बोर्ड के श्री योगे। सहगल ने बताया कि एम. एस.एम.ई किस तरह से रेल्वे में रजिस्टर्ड कर वेन्डर बन सकता है। सीए श्री आर के न्याती ने जीएसटी के बारे में जानकारी दी। संरक्षक श्री नित्यानन्द जिन्दल एवं श्री दिने। चन्द्र ने भी उद्बोधन दिया।

कार्यशाला में विशिष्ट अतिथि के रूप में उपस्थित नोर्थ वेस्टर्न रेल्वे के श्री योगेश सहगल, फुड कोर्पोरेशन लिमिटेड के श्री भरतलाल मीणा, जिला उद्योग अधिकारी श्रीमती अरुणा शर्मा, मार्बल लघु उद्योग संस्थान अध्यक्ष श्री जी.एस. ओझा, औद्योगिक समुह संस्थान के अध्यक्ष श्री विपिन लढ्ढा, मेवाड़ गर्ल्स कॉलेज के अध्यक्ष श्री गोविन्द लाल गदिया, सी.ए. श्री आर के न्याती का स्वागत चि गौडगढ चेप्टर के चेयरमैन श्री अर्जुन मुन्दडा संरक्षक श्री नित्यानन्द जिन्दल सचिव श्री राके। मंत्री द्वारा माल्यार्पण किया गया एवं स्मृति चिन्ह भेंट किये गये।

CONCEPT NOTE ON GOODS TRANSPORT AGENCY IN GST

In a concept note issued by, the Directorate General of Taxpayer Services, Central Board of Excise and Customs (CBEC) has clarified the position of levy of Service Tax on Goods Transport Agency under Goods and Services Tax (GST) Act. The **legal position prevailing under Service Tax is being continued under the GST regime.**

The services of transportation of goods by road (except services of GTA) continue to be exempt even under the GST regime. In so far as the services of GTA is concerned, if the services (of Goods Transportation) are provided (by the GTA) to specified classes of persons, the tax liability falls on such recipients under the reverse charge mechanism. Under GST laws, the definition of Goods Transport Agency is provided in clause (ze) of notification no.12/2017-Central Tax (Rate) dated 28.06.2017. (ze) “goods transport agency means any person who provides service in relation to transport of goods by road and **issues consignment note, by whatever name called**; Thus, it can be seen that issuance of a consignment note is the sine-qua-non for a supplier of service to be considered as a Goods Transport Agency. If such a consignment note is not issued by the transporter, the service provider will not come within the ambit of goods transport agency. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till it's safe delivery to the consignee. Charge of GST on services provided by GTA In terms of notification no. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended by notification no. 20/2017- Central tax (Rate) dated 22.08.2017 , sr.no. 9 and sr. no. 11, (i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use) attracts GST @2.5% or 6% CGST. Identical rate would be applicable for SGST also, taking the effective rate to 5% or 12%.

However, the rate of 5% is subject to the condition that credit of input tax charged on goods or services used in supplying the service has not been taken.

The Explanation to the notification further clarifies that it shall mean that, - (a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and (b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of subsection (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made there under.

Person Liable to Pay GST on GTA services The liability to pay GST devolves on the recipients for supply of services by a goods transport agency (GTA) who has not paid central tax at the rate of 6%, in respect of transportation of goods by road (in terms of notification no. 13/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.1) as amended by notification no. 22/2017-Central Tax (Rate) dated 22.08.2017, if the recipients (located in the taxable territory) belong to the following category:

- (a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- (c) any co-operative society established by or under any law; or
- (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or
- (e) any body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons; or
- (g) any casual taxable person.

Thus in cases where services of GTA are availed by the above categories of persons in the taxable territory the GTA supplier has the option to pay tax (and avail ITC) @12% (6% CGST + 6% SGST); and if the GTA does not avail this option, the liability to pay GST will fall on the recipients. In all other cases where the recipients do not fall in the categories mentioned above, the liability will be on the supplier of GTA services. The Concept note also clarified that, In terms of notification no.12/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.21), the following services provided by a GTA is exempt from payment of tax: Services provided by a goods transport agency, by way of transport in a goods carriage of:

- (a) agricultural produce;
- (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;

- (c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty;
- (d) milk, salt and food grain including flour, pulses and rice;
- (e) organic manure;
- (f) newspaper or magazines registered with the Registrar of Newspapers;
- (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or
- (h) defence or military equipments.

The Concept note also said that, :-

To qualify as services of GTA, the GTA should be necessarily issuing a consignment note. Only services provided by a GTA are taxable under GST. Services of transportation of goods by a person other than GTA are exempt. Moreover, in cases where the service of GTA is availed by the specified categories of persons in the taxable territory, the recipients who avail such services are the ones liable to pay GST and not the supplier of services unless the GTA opts for collecting and paying taxes @ 12% (6% CGST + 6% SGST). In all other cases where GTA service is availed by persons other than those specified, the GTA service supplier is the person liable to pay GST.

The GTA service supplier is not entitled to take ITC on input services availed by him if tax is being charged @ 5% (2.5% CGST + 2.5% SGST). In case the GTA service supplier hires any means of transport to provide his output service, no GST is payable on such inputs.

In a nutshell, the GST law continues the provisions prevailing under the Service Tax regime. The law recognizes that pure transportation of goods services are mostly provided by persons in the unorganized sector and hence has specifically excluded such operators from the tax net. In respect of those who provide agency services in transport, the liability is cast on the recipients in most of the cases or unless option to pay under forward charge has been exercised by the GTA.



TAXABILITY OF GTA

CS R K Jain

Transportation of goods by road are done by transporter or courier agency. Here, we are discussing about transporter. Transporter can be of two types:

- a. **Goods Transport Agency (GTA)**—like VRL Logistic or TCIXPS
- b. Transport (i.e. Vehicle) Owners

The real difference between GTA and Transport Owners, GTA are not fleet owners. They provide service of transportation by using the fleet of others.

We have to differentiate GTA & Transport Owners?

Because of the following exemption – “**Notification 12-2017 dated 28 June 2017** Paragraph 1 Serial No. 18 – Service by way of transportation of goods by road except the services of Goods Transport Agency and courier agency.”

However, law has mischief by defining the GTA as “**Notification 12-2017 dated 28 June 2017** Paragraph 2 Clause (ze) – any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called”, because consignment note is even issued by transport owners.

As per Rule of Interpretation of Tax Statutes given by Hon'ble Courts, whenever law has mischief, to suppress such mischief one can refer the speech of mover given on the floor of Parliament.

Finance Minister Shri P. Chidambaram, in his Budget Speech on 8-7-2004 (Para 149) has stated as follows:

149. 58 services have been brought under the net so far. I propose to add some more this year. These are business exhibition services; airport services; services provided by transport booking agents; transport of goods by air; survey and exploration services; opinion poll services; intellectual property services other than copy right; brokers of forward contracts; pandal and shamiana contractors; outdoor caterers; independent TV/radio programme producers; construction services in respect of

commercial or industrial constructions; and life insurance services to the extent of the risk premium. **I may clarify that there is no intention to levy service tax on truck owners or truck operators.** Nor, as was clarified by my predecessor, is there any intention to levy service tax on the savings part of the premium collected by an insurer.

It is clear from the above speech, tax was imposed only on goods transport agency and not on transport owners.

The definition and tax ability of transportation of goods in GST are identical to as it was in 2005 (Positive Regime of Taxation in Service Tax) and 2012 (Negative Regime of Taxation in Service Tax). Also, the current Finance Minister Mr Arun Jaitley while deciding the rate and exemption on services on 19 May 2017 at the GST Council Meeting has said that they are following grandfather approach in deciding tax ability of services in **GST regime**.

Registration:

The next question which needs to be answered, “When GTA is required to take registration?”

Section 22(1) of CGST Act, 2017 “Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees”

It means once aggregate turnover of a GTA exceeds Rs. 20 Lakh, he is compulsorily required to take registration. The said limit of Rs. 20 Lakh will be reduced to Rs. 10 Lakh if a GTA is having business in any of the special category states such as north-eastern states or hilly states.

Case: If a GTA is providing transportation service from Uttar Pradesh and Uttarakhand, then when he is required to take registration?

Ans – If his accumulated turnover from both state exceeds Rs 10 Lac, then he needs to take registration in both the state.

No Registration required for person whose supplies are in Reverse Charge:

In terms of **Notification No. 5/2017- Central Tax dated 19/06/2017**, “In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby specifies the persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under sub-section (3) of section 9 of the said Act as the category of persons exempted from obtaining registration under the aforesaid Act”

Thus, a person is not required to obtain registration if he is exclusively supplying goods or services, the total tax on which is required to be paid by the recipient under reverse charge basis even if his aggregate turnover exceeds Rs. 20 Lakh.

Reverse Charge:

In terms of Sr. No. 1 of paragraph 1 of **Notification No. 13/2017- Central Tax (Rate) dated 28.06.2017**, Central Government has notified the applicability of reverse charge on GTA as follows:

“Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to-

- (a) any factory registered under or governed by the Factories Act, 1948(63 of 1948); or
- (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- (c) any co-operative society established by or under any law; or
- (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or
- (e) any-body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons; or
- (g) any casual taxable person.”

Thus, if the recipient of supply of GTA is a person covered under aforesaid 7 categories i.e. (a) to (g) [hereinafter called as specified category recipient], then GST needs to be discharged by the recipient.

Explanation (a) to the aforesaid notification defined the recipient as: “The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification”

The person who is liable to pay will be the service recipient and he may be either the consigner or the consignee.



Thus, if the liability of payment of freight to GTA is of Supplier of goods (Consigner), then that supplier/ Consigner will be treated as recipient and if he is covered under aforesaid (a) to (g) category, then that supplier needs to discharge GST on reverse charge basis.

On the other hand, if liability of freight payment lies with the recipient of goods (Consignee), then that recipient/ Consignee will be treated as recipient and if he is covered under aforesaid (a) to (g) category, then that recipient needs to discharge GST on reverse charge basis.

Case 1:

A GTA is providing services exclusively to the Specified category recipient. His turnover for the year is Rs. 50 Lakh. Whether he is required to take registration?

Since in this case, the person is engaged exclusively in making taxable supplies, the tax on which is required to be paid by the recipient, thus in terms of **Notification No. 5/2017- Central Tax dated 19.06.2017**, the GTA is not required to be registered.

Case 2:

A GTA is providing services to both the specified category recipient and others. Details are summarized in following table:

Particular	Case A	Case B	Case C
Supplies to specified category recipient	5 Lakh	45 Lakh	15 Lakh
Supplies to unregistered individual	2 Lakh	5 Lakh	7 Lakh
Aggregate turnover	7 Lakh	50 Lakh	22 Lakh
Whether registration is required	No	Yes	Yes
On what value, GST needs to be paid by the GTA	NA	5 Lakh	7 Lakh

No Registration required for person whose supplies are fully exempted:

Section 23(1) of CGST Act, 2017 the following person is not required to take registration:

“any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act.”

Exemptions available in case of Transportation of Goods by GTA:

1. Exemption to Specific Services provided by GTA:

Notification 12/2017- Central Tax dated 28 June 2017 Paragraph 1 Serial No. 21:

Services provided by a goods transport agency, by way of transport in a goods carriage of –

(a) agricultural produce;

As per **Notification 12/2017- Central Tax dated 28 June 2017** Paragraph 2 Clause (d) – “agricultural produce” means any produce out of cultivation of plants and rearing of all life forms of animals, (except the rearing of horses), for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

(b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;

(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty;

Illustrations on aforesaid Clause (b) and (c):

Transaction	Clause (b)	Clause (c)	Conclusion
A goods carriage carrying 4 consignments (all belonging to different person) at freight of Rs 300 each	Exemption	Exemption	Exemption
A goods carriage carrying 4 consignments (all belonging to different person) at freight of Rs 500 each	No Exemption	No Exemption	No Exemption
A goods carriage carrying 4 consignments (all belonging to different person) at freight of Rs 800 each	No Exemption	No Exemption	No Exemption
A goods carriage carrying 4 consignments (all belonging to same person i.e. same consignee) at freight of Rs 300 each	Exemption	No Exemption	No Exemption
A goods carriage carrying 4 consignments (all belonging to same person i.e. same consignee) at freight of Rs 500 each	No Exemption	No Exemption	No Exemption
A goods carriage carrying 2 consignments (all belonging to different person) at freight of Rs 1000 and Rs 400 respectively.	Exemption	Person paying freight of Rs 400 – Exempted	Person paying Freight Rs 1000 – No Exemption.

(d) milk, salt and food grain including flour, pulses and rice;

(e) organic manure;

Organic fertilizers are fertilizers derived from animal matter, animal excreta (manure), human excreta, and vegetable matter. (e.g. compost and crop residues). Naturally occurring organic fertilizers include animal wastes from meat processing, peat, manure, slurry, and guano.

(f) newspaper or magazines registered with the Registrar of Newspapers;

(g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or

(h) defence or military equipment.

2. Exemption to GTA receiving means of Transport on Hire:

Notification 12/2017- Central Tax dated 28 June 2017 Paragraph 1 Serial No. 22(b): Services by way of giving on hire – to a goods transport agency, a means of transportation of goods.

Compulsory Registration:

Section 24 of CGST Act, 2017 “Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act:

(i) persons making any inter-State taxable supply

(iii) persons who are required to pay tax under reverse charge

Case: Whether GTA of Chhattisgarh is required for registration, if he is providing transportation service to the following?

a. Factory registered under Factory Act – Rs 15 lac

b. Individual registered in GST – Rs 50000

c. Individual not registered in GST – Rs 70000

d. Transportation of rice to individual registered in GST – Rs 3 lac

e. Transportation of coconut to partnership firm in Madhya Pradesh – Rs 10 lac

He also received legal service from an individual advocate of Rs. 35000 in relation to Income Tax Act.

Ans – The GTA is required to take registration because of the following reason:

i. He is providing service to individual not registered in GST on which reverse charge is not applicable.

ii. He procured legal service from an individual advocate on which he is required to pay tax on reverse charge basis.

AND

His aggregate turnover is Rs 29.20 lac which exceeds Rs 20 lac.

Place of Supply:

As we all know, in GST there are four types of taxes i.e. CGST, SGST, UTGST & IGST. Now, when CGST & SGST/UTGST or IGST will be levied needs to be answered:

As per Section 7 of IGST Act, 2017, Where the Location of Supplier and Place of Supply are in:

(a) two different States;

(b) two different Union territories; or

(c) a State and a Union territory,

Then such supply will be treated as “Supply in the course of Inter-state trade or commerce”

On the other hand, where the location of the supplier and the place of supply of goods are in the same State or same Union territory, then it shall be treated as intra-State supply as per Section 8 of IGST Act, 2017.

Location of Supplier of Service: location from where supply has been made and

- If that location is registered place of business then place of business will be location.
- If that location is fixed establishment then that establishment will be the location.
- If supply is made from more than one establishment then establishment more concerned with the supply.
- If that location is neither place of business nor fixed establishment then usual place of residence. Rule for determination of Place of Supply in case of Transportation of goods by road by GTA:
- If that supply is to a registered person, place of supply will be “location of such person”
- If that supply is to a person other than a registered person, place of supply will be “location at which such goods are handed over for their transportation”
- However, where the location of supplier of services or the location of recipient of services is outside India, place of supply of services of transportation of goods by GTA shall be the “place of destination of such goods”.

Case 1: A GTA (located in CG) provides transportation service to person registered in GST (located in C.G) transporting goods from M.H to Gujrat.

Ans.: Location of supplier – CG, Place of Supply – Location of registered person i.e. CG. So, it is an intra-state supply and CGST & SGST will be payable by registered recipient on reverse charge basis.

Case 2: A GTA (located in CG) provides transportation service to person unregistered in GST (located in C.G) transporting goods from M.H to Gujrat.

Ans – Location of supplier – CG, Place of Supply – Location from where goods have been loaded i.e. MH. So, it is an inter-state supply and IGST will be payable by GTA. There will be no threshold in this case as GTA is making Inter-state supplies.

Case 3: A GTA (located in CG) provides transportation service to person registered in GST (located in C.G) transporting goods from M.H to Gujrat by using fleet of another person who is located in MH.

Ans.: Location of supplier – CG, Place of Supply – Location of registered person i.e. CG. So, it is an intra-state supply and CGST & SGST will be payable by registered recipient on reverse charge basis.

Applicable Tax rates and eligibility of Input Tax Credits:

Paragraph 1 of **Notification No. 11/2017- Central Tax (Rates)** notifies central tax rates for services subject to condition mentioned there in the notification.

Sr No. 9(iii) of that para prescribes 2.5 % Central Tax rate for Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use) with the condition that “credit of input tax charged on goods and services used in supplying the service has not been taken”.

Hence, the rates applicable for payment of GST on freight payment to GTA are as follows:

(a) CGST = 2.5% and SGST = 2.5% in case of Intra-state supply

(b) IGST = 5% in case of Inter-state supply.

The same rate will also apply in case of Reverse Charge Liability of GST on Freight Payment.

Case 1: X Ltd is taking the transportation of goods by road service of GTA, for which it is paying freight amounting to Rs. 10,000. Who is liable to pay GST? Can ITC be availed by the person paying GST?

Ans.: In this case, tax needs to be paid by X Ltd on reverse charge basis. After paying the requisite tax, X Ltd can avail the ITC of the tax paid by it. GTA can not avail the ITC of input, capital goods and input services used for providing this service.

Case 2: Mr. X (Unregistered person) is taking the transportation of goods by road service of GTA, for which it is paying freight amounting to Rs. 10,000. Who is liable to pay GST? Can ITC be availed by the person paying GST?

Ans.: In this case, tax needs to be paid by the GTA which he will collect from Mr. X in his invoice. GTA can not avail the ITC of input, capital goods and input services used for providing this service. Mr. X is also not eligible to avail ITC of GST paid on freight payment as he is unregistered.

Is Composition Scheme available for Transportation?

As per Section 10(2) of CGST Act, 2017, “The composition scheme in case of service provider is available only in case of Restaurant or catering service”. Therefore, **composition is not available for goods transport agency.**

What Accounts & Records needs to maintained by GTA?

As per Section 35(2), every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.

If a Transporter is not registered, then he shall submit the details regarding his business electronically on the common portal in **FORM GST ENR-01** and upon validation of the details furnished, a unique enrolment number shall be generated and communicated to the said person.

Any person engaged in the business of transporting goods shall maintain records of goods transported, delivered and goods stored in transit by him along with the GSTIN of the registered consigner and consignee for each of his branches.

What Invoices / Consignment Note will require to be issued by GTA?

Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the:

(a) gross weight of the consignment,

(b) name of the consigner and the consignee,

(c) registration number of goods carriage in which the goods are transported,

(d) details of goods transported,

(e) details of place of origin and destination,

(f) Goods and services Tax Identification Number of the person liable for paying tax whether as consigner, consignee or goods transport agency, and

(g) Other general information which are also applicable for normal invoices.

Residual Case Studies

We have discussed how a transport service provider will meet his obligation in GST. Now, it's time to squeeze the law to find out suitable interpretation where complex transactions are undertaken-

Case 1: Supply of goods on FOR or Ex-Factory basis along with transportation of same and single price is charged or separate price is charged.

Ans – There are two supplies, one is supply of goods and another is supply of transportation service. These two supplies are naturally bundled and supplied in conjunction to each other in ordinary course of business and hence it is composite supply and the principal supply is supply of goods. Rate of principal supply will be applicable to the entire consideration.

Case 2: Supply of more than one different goods (having different rate of tax) on FOR or Ex-Factory basis along with transportation of same and single & separate price is charged for transportation?

Ans – It is a composite supply, where supply of goods and supply of transportation service are naturally bundled in ordinary course of business, however supply of two different goods are not composite supply. In such case, both rate of tax of goods will be applied on the proportionate value of transportation proportionate on the basis of value of goods.

(Disclaimer: This write up is based on the understanding and interpretation of authors and the same is not intended to be a professional advice.)



GOODS TRANSPORT AGENCY IN GST

Background of levying tax on the services of Goods Transport Agency

The levy of Service Tax on Road Transportation Service has always been a contentious issue. The Finance Act, 1997 had levied Service Tax on Goods Transport Operators w.e.f. 16-11-1997 which was subsequently withdrawn after nation-wide strike. Thereafter by the Finance (No. 2) Act, 2004 Service Tax was imposed on Transport of Goods by Road service rendered by a goods transport agency with effect from 10-09-2004. However, the levy was deferred until further notice again in view of transporters' strike. The Government thereafter constituted a Committee to deal with the issue and after taking into account the recommendations of the Committee, Notification Nos. 32 to 35/2004 – ST all dated 03-12-2004 were issued, levying tax on Transport of Goods by Road with effect from 01-01-2005.

The legal position prevailing under Service Tax is being continued under the GST regime. The services of transportation of goods by road (except services of GTA) continue to be exempt even under the GST regime. In so far as the services of GTA is concerned, if the services (of Goods Transportation) are provided (by the GTA) to specified classes of persons, the tax liability falls on such recipients under the reverse charge mechanism. The following discussion will clarify the position.

Transportation of Goods by Road

In terms of Notification no. 12/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.18), the following services are exempt from GST

Services by way of transportation of goods (Heading 9965):

(a) by road except the services of:

- (i) a goods transportation agency;
- (ii) a courier agency;

(b) by inland waterways.

Thus, it is to be seen that mere transportation of goods by road, unless it is a service rendered by a goods transportation agency, is exempt from GST.

Who is a GTA – Goods Transport Agency?

As per Section 65B (26) of the Finance Act, 1994; “Goods Transport Agency means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called”. Therefore, in the Service Tax regime, issuance of Consignment Note (C/N) was integral and mandatory requirement before any road transporter could be brought within the ambit of GTA.

Position under GST

Under GST laws, the definition of Goods Transport Agency is provided in clause (ze) of notification no.12/2017-Central Tax (Rate) dated 28.06.2017.

(ze) “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;

Thus, it can be seen that issuance of a consignment note is the sine-qua-non for a supplier of service to be considered as a Goods Transport Agency. If such a consignment note is not issued by the transporter, the service provider will not come within the ambit of goods transport agency. If a consignment note is issued, it indicates that the lien on the goods has been transferred (to the transporter) and the transporter becomes responsible for the goods till its safe delivery to the consignee.

It is only the services of such GTA, who assumes agency functions, that is being brought into the GST net. Individual truck/tempo operators who do not issue any consignment note are not covered within the meaning of the term GTA. As a corollary, the services provided by such individual transporters who do not issue a consignment note will be covered by the entry at s.no.18 of notification no.12/2017-Central Tax (Rate), which is exempt from GST.

What is a consignment note

Consignment Note is neither defined in the Act nor in the notification no.12/2017-Central Tax (Rate). Guidance can be taken from the meaning ascribed to the term under the Explanation to Rule 4B of Service Tax Rules, 1994. In terms of the said rule, consignment note means a document, issued by a goods transport agency against the receipt of goods for the purpose of transport of goods by road in a goods carriage, which is serially numbered, and contains the name of the consignor and consignee, registration number of the goods carriage in which the goods are transported, details of the goods transported, details of the place of origin and destination, person liable for paying service tax whether consignor, consignee or the goods transport agency.

Charge of GST on services provided by GTA

In terms of notification no. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended by notification no. 20/2017- Central tax (Rate) dated 22.08.2017, sr.no. 9 and sr. no. 11, (i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use) (Heading 9965 & 9967 respectively) attracts GST @2.5% or 6% CGST. Identical rate would be applicable for SGST also, taking the effective rate to 5% or 12%. However, the rate of 5% is subject to the condition that credit of input tax charged on goods or services used in supplying the service has not been taken. The Explanation to the notification further clarifies that it shall mean that, - (a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and (b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made there under.

GST @ 6% CGST (12% cumulative) is subject to the condition that the goods transport agency opting to pay central tax @ 6% under this entry shall, thenceforth, be liable to pay central tax @ 6% on all the services of GTA supplied by it. Further, there is no restriction on the GTA from taking ITC if this option is availed.

Thus, where the GTA is not eligible to take ITC for the supplies effected by it and the liability under GST is discharged under reverse charge basis, the recipient of GTA service discharging the tax liability is entitled to take Input Tax Credit (ITC) of the amount of tax paid under reverse charge, provided it is used in the course or furtherance of business at his end. Further the recipient would be eligible for ITC of the GST paid by GTA on forward charge basis. Notification no. 11/2017-Central Tax (Rate), sr. no. 11, (ii) also provides that supporting services in transport other than those mentioned in (i) (Heading 9967) would attract GST @9% CGST. Identical rate would be applicable for SGST also, taking the effective rate to 18%. Similar rate has been prescribed for services falling under heading 9965 in terms of notification no. 11/2017-Central Tax (Rate), sr.no. 9 (v).

Person Liable to Pay GST on GTA services

The liability to pay GST devolves on the recipients for supply of services by a goods transport agency (GTA) who has not paid central tax at the rate of 6%, in respect of transportation of goods by road (in terms of notification no. 13/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.1) as amended by notification no. 22/2017-Central Tax (Rate) dated 22.08.2017, if the recipients (located in the taxable territory) belong to the following category:

- (a) Any factory registered under or governed by the Factories Act, 1948 (63 of 1948); or
- (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- (c) any co-operative society established by or under any law; or

- (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or
- (e) any body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons; or
- (g) any casual taxable person.

Thus in cases where services of GTA are availed by the above categories of persons in the taxable territory the GTA supplier has the option to pay tax (and avail ITC) @12% (6% CGST + 6% SGST); and if the GTA does not avail this option, the liability to pay GST will fall on the recipients. In all other cases where the recipients do not fall in the categories mentioned above, the liability will be on the supplier of GTA services.

GTA services specifically exempt

In terms of notification no.12/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.21), the following services provided by a GTA (Heading 9965 or 9967) is exempt from payment of tax:

Services provided by a goods transport agency, by way of transport in a goods carriage of:

- (a) agricultural produce;
- (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;
- (c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty;
- (d) milk, salt and food grain including flour, pulses and rice;
- (e) organic manure;
- (f) newspaper or magazines registered with the Registrar of Newspapers;
- (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or
- (h) defence or military equipments.

Similarly, the following services received by the GTA (Heading 9966 or 9973) is also exempt in terms of notification no.12/2017-Central Tax (Rate) dated 28.06.2017 (sr.no.22)

Services by way of giving on hire :

- (b) to a goods transport agency, a means of transportation of goods.

Thus, if the GTA hires a means of transportation of goods, no GST is payable on such transactions.

Significance of the term 'in relation to' in the definition of GTA

The use of the phrase 'in relation to' has extended the scope of the definition of GTA. It includes not only the actual transportation of goods, but any intermediate/ancillary service provided in relation to such transportation, like loading/unloading, packing/ unpacking, trans-shipment, temporary warehousing, etc. If these services are not provided as independent activities but are the means for successful provision of GTA Service, then they are also covered under GTA.

Conclusion

The above discussion shows that not all transport of goods by road is by a GTA. To qualify as services of GTA, the GTA should be necessarily issuing a consignment note. Only services provided by a GTA are taxable under GST. Services of transportation of goods by a person other than GTA are exempt. Moreover, in cases where the service of GTA is availed by the specified categories of persons in the taxable territory, the recipients who avail such services are the ones liable to pay GST and not the supplier of services unless the GTA opts for collecting and paying taxes @ 12% (6% CGST + 6% SGST). In all other cases where GTA service is availed by persons other than those specified, the GTA service supplier is the person liable to pay GST. The GTA service supplier is not entitled to take ITC on input services availed by him if tax is being charged @ 5% (2.5% CGST + 2.5% SGST). In case the GTA service supplier hires any means of transport to provide his output service, no GST is payable on such inputs.

In a nutshell, the GST law continues the provisions prevailing under the Service Tax regime. The law recognises that pure

transportation of goods services are mostly provided by persons in the unorganised sector and hence has specifically excluded such operators from the tax net. In respect of those who provide agency services in transport, the liability is cast on the recipients in most of the cases or unless option to pay under forward charge has been exercised by the GTA.

AGRICULTURAL SECTOR

Introduction:

Agricultural Sector is the largest contributor to the Indian economy. It covers around 16% of the overall GDP of the Country. Under the earlier regime, Centre and State Governments are lenient in taxing the agricultural sector as compared to all other sectors. However, GST is implemented on the premise to widen the tax base with fewer exemptions and to ensure seamless flow of input tax credit so that the entire tax burden will be rested on the end consumers. This will have a bearing on all the business sectors and will impact one or the other aspects of every sector. Agriculture is no exception. In this article, an attempt is made to provide a macro view on the overall impact of GST on agricultural sector.

Agriculturist is relieved from GST Compliances:

The word 'Agriculturist' is defined under section 2(7) of CGST Act, 2017 to mean an individual or HUF who undertakes cultivation of land by own labour or by labour of family or by employing labour on wages or through hired labour. In terms of Section 23(1)(b), an agriculturist is relieved from the requirement of registration to the extent related to supply of produce arising out of cultivation of land. This would imply that any agriculturist is not legally required to collect and pay GST to Government, though the produce of the agriculturist would be subject to GST. This would mean that the person who buys such produce from an agriculturist is required to discharge the corresponding GST liability under reverse charge mechanism as it becomes a supply from unregistered persons in terms of Section 9(4) of CGST Act, 2017. A similar practice

was adopted by State Governments under earlier regime also, in order to relieve the farmers from the burden of VAT compliance. However, the said privilege is not applicable to those persons who are involved in animal husbandry and aquaculture. Thus subject to other requirements relating to taxability, these persons are required to register and pay GST upon supply of meat, eggs, milk, fish, shrimps, prawns etc.

GST Impact on Agricultural Produce:

Under the earlier regime, there used to be no excise duty or any other central taxes on agricultural produce as the said activities does not amount to manufacture. The only tax implications are of VAT or CST. Many of the states used to charge VAT at the rate of 5% on most of the agricultural produce viz. rice, wheat, barley, oats, maize etc. However, under GST there is not tax on these items unless they are sold in unit containers bearing a registered brand name. In such case, the applicable GST rate is 5%. Thus, compared to earlier regime, the tax impact on agricultural produce under GST regime is reduced and is restricted only to that produce that is sold under a brand name which are meant for consumption by wealthy citizens.

GST Impact on Milk Products:

Fresh milk, Pasteurised milk, separated milk curd, lassee and butter milk are not subject to VAT and excise duty under the earlier regime. These items continue to be exempt under GST also. Condensed milk was subject to VAT at 5% and excise duty at 12.5% under the earlier regime. It is now going to be taxed at GST rate of 18%. In case of ultra-high temperature milk, which possess longer shelf life upto nine months, there used to be no excise duty but were subject to VAT at the rate of 5%. Now they are subject to GST at the rate of 5%. Thus, there is no increased tax impact on milk products due to GST.

GST Impact on Animal Husbandry and Aquaculture:

Live birds and their eggs, sheep, goats, swine, bovine animals were not subject to any VAT and they continue to be exempt under GST also. Meat used to be completely exempt under VAT. Under GST regime, frozen meat sold in unit containers under a registered brand name are subject to GST at the rate of 12%. Coming to aquaculture, all kinds of fishes, prawns, shrimps were not subject to any VAT and they continue to be exempt under GST also. However, frozen meat of these items sold in unit containers under a registered brand name are subject to GST at the rate of 5%. Thus, under GST regime there is a higher tax impact on frozen meet.

GST Impact on capital goods and inputs used in Agriculture:

The capital goods required by agriculturists includes tractors, agriculture equipment, horticulture equipment, harvesting equipment, sprinklers, dippers, poultry machinery including incubators and brooders etc. All these items are exempted from

excise duty under the earlier regime. They are subject to VAT at the rate of 5% in most of the states. Under GST regime, sprinklers and dippers are subject to GST at 18% while all other agriculture equipment is subject to GST at the rate of 12%. Thus these items would be subject to a higher tax rate under GST. However, as these items are exempted from excise duty under the earlier regime, there could be hidden tax impact on these items as no credit of service tax and excise duty paid by manufacturers of these items are allowed as CENVAT. Coming to fertilisers, they are subject to VAT at the rate of 5% and excise duty at the rate of 1% without CENVAT. Therefore, the duty impact is around 6%. As there is no benefit of CENVAT of excise duty and service tax paid by manufacturers on their inputs and input services, there was a hidden tax impact on these items. Under GST regime, they are going to be taxed at 5%. Further, there are no restrictions on availment of input tax credit under GST. Thus, there is favourable tax impact in case of fertilisers. Coming to the case of seeds including fish and prawn seeds, prawn feeds and other aquatic feeds, they are not subject to any tax under the earlier regime as well as under GST regime.

Conclusion:

Upon comprehension of the above tax changes of various aspects of agricultural sector, it is inevitable that both Centre and States continues to be lenient in taxing this sector under GST regime also. Only products that are sold under a registered brand name which are meant for consumption by wealthy citizens are subject to additional tax burden. In fact, the essential items like rice, wheat, barley, oats, maize etc are free of any tax as compared to earlier regime which is a welcoming move.

RCM UNDER GOODS AND SERVICE TAX (GST)

One of the important concepts under the Goods & Services Tax (GST) laws is the reverse charge. The concept of reverse charge was known to the trade dealing with both goods or services. However, under GST laws, the said concept has taken a new shape and has become a night mare for majority of the trade. We shall try to dwell on such issues in this article after a brief understanding of the law. Principally, under the indirect taxation laws, the tax has to be collected and paid by the supplier, who is engaged in supply of goods or services. However, under certain notified circumstances, the burden of payment of tax is shifted on the recipient of the supply of goods or services. Hence, colloquially, the said tax shift is referred as reverse charge.

Under GST laws, the recipient is obliged to pay tax on receipt of supply of goods or services or both vide two sections, namely Section 9(3) and 9(4) of Central Goods & Services Tax Act, 2017 (CGST Act). Similar sections with same verbatim, are there under the State Goods & Services Tax Act (SGST Act), Integrated Goods & Services Tax Act (IGST Act) and Union Territory Goods & Services Tax Act (UTGST Act).

Section 9(3) of CGST Act talks about instances, where the tax has to be paid by recipient of supply of specific goods or services or both, as notified by the government. Vide Notification No 04/2017 – CT (Rate) dated 28th June, 17 and Notification No 13/2017- CT (Rate) dated 28th June, 17, the government has notified the specific category of goods and services respectively on which reverse charge is applicable.

Section 9(4) of CGST Act talks about instances, where tax has to be paid by recipient of supply of goods or services or both, when purchased from an unregistered supplier. Hence, all taxable purchases made from unregistered supplier would attract tax under reverse charge. However, the central government on recommendations of the council has exempted supplies aggregating to the value of Rs 5,000 per day when purchased from unregistered supplier vide Notification No 8/2017-CT (Rate) dated 28 June, 17.

With the above understanding, let us now address certain frequently asked question under reverse charge.

Section 9(3):

1. We are engaged in trading of goods. We were given to understand that there will be a reverse charge liability only if we purchase certain notified goods like cashews or services like services from advocates. Is this in accordance with the law?

The reverse charge under GST laws is under two sections as detailed above namely Section 9(3) and Section 9(4) of CGST Act. Section 9(3) deals with the reverse charge liability if certain notified services or goods are procured (for example cashew or advocate services).

Section 9(4) deals with the reverse charge liability when goods or services are procured from unregistered supplier. Hence, there would be liability under reverse charge even you are purchasing goods or services other than those notified vide Notification No 04/17 & 13/17 – CT (Rate) dated 28th June, 17.

2. What are the goods that are notified for liability under reverse charge under Section 9(3) of CGST Act?

The following are the goods that are notified for liability under reverse charge under Section 9(3) of CGST Act by virtue of

Notification No 04/17-CT (Rate) dated 28th June, 17

- a. Cashew Nuts, not shelled or peeled falling under Chapter 0801
- b. Bidi Wrapper Leaves (tendu) falling under Chapter 1404 90 10
- c. Tobacco Leaves falling under Chapter 2401
- d. Silk Yarn falling under Chapters 5004 to 5006
- e. Supply of Lottery

The above goods when supplied and received by certain notified persons, the tax has to be paid by notified recipient of such supplies.

3. What are the services that are notified for liability under reverse charge under Section 9(3) of CGST Act?

The following are the services that are notified for liability under reverse charge under Section 9(3) of CGST Act by virtue of Notification No 13/17-CT (Rate) dated 28th June, 17

- a. Goods Transportation Agency Services
- b. Advocate Services
- c. Arbitral Tribunal Services
- d. Sponsorship Services
- e. Services provided by Central/State Government or Local Authority except certain notified
- f. Director of Company/Body Corporate
- g. Insurance Agent Services
- h. Recovery Agent Services
- i. Supplies of Services of Author/Music Composer/Photographer/Artist/Like

The above services when supplied and received by certain notified persons, the tax has to be paid by notified recipient of such supplies.

4. Under the service tax laws, the services of works contract, rent-a-cab, manpower and security services were notified under partial reverse charge mechanism? Does such mechanism continue even under GST laws?

Under GST laws, the concept of partial reverse charge does not exist. Further, the services of works contract, rent-a-cab, manpower and security services are not notified under Section 9(3) of CGST Act read with Notification No 13/2017-CT (Rate) dated 28th June, 17. Therefore the said services are not directly covered under reverse charge. These services will be under reverse charge only when they are procured from unregistered suppliers in terms of Section 9(4) of CGST Act. The FAQs relating to Section 9(4) are detailed hereunder.

5. We are a company engaged in construction services. During the year, we have placed order for certain materials from our vendor. As per the agreement, we have to incur the freight for obtaining the goods to our construction site. The vendor has arranged for a Goods Transport Agency Services (GTA) and accordingly the GTA has delivered goods at our site. Now, the GTA has raised invoice for the supplies with a tax of 5%. Can we make the payment of tax to the GTA?

Since the services provided by GTA are notified services under Notification No 13/2017-CT (Rate) and the recipient is also a notified person, the obligation to pay tax shall be on the company and not the GTA supplier. Hence, the GTA has to raise invoice without tax component and the tax has to be paid by the company to the credit of central government. Further, it is important to note that tax being paid to GTA is not a proper compliance and the authorities can insist tax payment again from the company since the obligation is on the company.

6. In the above question, whether there would be any change if the GTA charges 12% of tax instead of 5%?

Vide Notification No 22/2017-CT (Rate) dated 22 August, 17, the government has made an amendment to Notification No 13/2017 – CT (Rate). As per the changes done, if the GTA charges 12% of tax, the recipient is not obliged to pay tax under reverse charge.

Hence, in the given case, since the GTA supplier has charged tax @ 12% instead of 5%, the obligation of payment of GST is on the GTA supplier and not on the person who has received the services.

7. Under the service tax laws, if the services are procured by a person located in taxable territory from a person located in

non-taxable territory, the obligation to pay service tax on such services was on the recipient of services that is the person located in taxable territory. This was evident from the erstwhile Notification No 30/2012-ST dated 20.06.2012. However, under GST laws, when we see the Notification No 13/2017-CT (Rate), such services were not specified. Does that mean there is no concept of import of services under GST laws?

Under GST laws, the concept of import of services is taken care by the IGST Act. Vide Section 7(4) of IGST Act, import of services into territory of India are specified as inter-state supplies.

Hence, the notification for reverse charge has to be seen under IGST laws and not under CGST laws.

Accordingly, Entry 1 of Notification No 10/2017-CT (Rate) dated 28th June, 17 specifies that the person liable to pay tax in case of services supplied by any person who is located in non-taxable territory to any person located in taxable territory, as the person located in taxable territory.

8. We have procured services from a goods transport agency (GTA) who is registered under GST laws. On a plain reading of reverse charge concepts, it is understood there will not be any liability under reverse charge for the services procured from GTA, since he is registered. The reverse charge liability will arise only when purchases were made from unregistered suppliers. Is this accordance with the law?

No. GTA is one of the notified services under Section 9(3) of CGST Act and accordingly services procured from GTA shall be subjected to reverse charge in the hands of the recipient of supply. This holds good even the GTA is registered. The liability under Section 9(3) of CGST Act does not depend upon the registration status of the supplier. It depends upon whether a particular service or good is notified to be under reverse charge as per Section 9(3).

Section 9(4):

9. What is the scope of Section 9(4) of CGST Act? Are there any goods or services which are notified under Section 9(4) of CGST Act to qualify for liability under reverse charge?

As stated earlier, Section 9(4) of CGST Act casts an obligation to pay tax under reverse charge on supply of taxable goods or services or both when received from an unregistered supplier. Hence, if the supplier is unregistered, then there would be a liability under reverse charge vide Section 9(4) of CGST Act, irrespective of the fact that those goods or services are not notified.

10. We are a company purchasing goods or services from unregistered suppliers. As per Section 9(4), the liability under reverse charge exists. Is there any exemption from such liability or all purchases are taxable?

Vide Notification No 8/2017-CT (Rate) dated 28th June, 17, the government has exempted all intrastate supplies of goods or services or both received by a registered person from unregistered suppliers. However, such exemption shall not be available if the aggregate value of supplies of goods or services or both received by a registered person from any or all the unregistered suppliers when exceeds Rs 5,000/- rupees in a day.

11. We are a company engaged in providing software services. We procure daily certain items from 6 unregistered suppliers which would amount to Rs 3,000/- per vendor. In such a case, whether the exemption specified in Notification No 8/2017-CT (Rate) shall be applicable, since per vendor, the limit of Rs 5,000/- has not exceeded? Under Section 9(4) of CGST Act, is there any exemption from such liability or all purchases are taxable?

The exemption of Rs 5,000/- per day is not per vendor or supplier. The limit is for the purchases made from all the unregistered suppliers in a day. In the case of your company, since you are purchasing from 6 vendors, the total purchases will amount to Rs 18,000/- per day, which exceeds Rs 5,000/- limit and becomes taxable.

12. In the above case, whether the tax under reverse charge has to be paid on Rs 18,000/- or Rs 13,000/- (Rs 18,000 – 5,000)? That is to say, whether Rs 5,000/- per day is a standard exemption?

The exemption of Rs 5,000/- per day is not a standard exemption. If the purchases from all unregistered suppliers exceed Rs 5,000/- per day, then the total amount paid for such purchases shall be taxable. Rs 5,000/- is only for qualifying amount for such exemption. Hence, in the instant case, Rs 18,000/- becomes taxable and not Rs 13,000/-.

13. We are a firm of chartered accountants. We do not have regular purchases from unregistered suppliers. That is to say, the Rs 5,000/- per day limit is not exhausted many a times. In such case, whether such amount of Rs 5,000/- can be carried forward? That is to say, on 29th August, 17, we do not have any purchases from unregistered supplier. On 30th August, 17, we have purchased services from an unregistered supplier amount to Rs 10,000/-. Are we not required to pay tax on Rs 10,000/- since the limit available on 29th August can be used on 30th August?

The limit of Rs 5,000/- exhausts every day. The amount cannot be carried forward and be utilised next day or subsequent period. Hence, the tax is required to be paid on Rs 10,000/- on 30th August, 17.

14. We are a company engaged in manufacture of pharma products. We make purchases from unregistered suppliers on a day to day basis like procurement of tea, coffee and snacks. However, the bill for such vendors is settled once in a month. Let us say, the monthly bill from such vendor is Rs 1,50,000/-. In such a case, whether we can take the exemption of Rs 5,000/- per day and not pay tax on such supplies?

As stated above, the limit of Rs 5,000/- is per day and cannot be carried forward and utilised for entire month. Hence, the purchases from such vendor attracts tax under reverse charge on Rs 1,50,000/-.

15. We are a company engaged in provision of construction services. During the month, we have procured certain goods which has rate of tax as NIL from unregistered suppliers amounting to Rs 15,00,000/-. In such case, whether reverse charge is applicable on such purchases?

The liability under reverse charge exists only when there is a supply of taxable goods or services from unregistered suppliers. Since, in the instant case, the purchases are of NIL rated, there cannot be any tax liability under reverse charge under Section 9(4) of CGST Act. Similar, is the case for exempted purchases also.

16. While calculating the daily limit of Rs 5,000/- per day, whether all purchases or only taxable purchases from unregistered suppliers shall be calculated? That is to say, a company has purchased goods which attracts NIL rate of tax Rs 3,000/- and goods of Rs 4,000/- which attracts rate of tax at 18%. Whether while calculating Rs 5,000/- limit, should we consider Rs 3,000/- value of goods, which attracts NIL rate of tax?

Companies Act

While calculating the daily limit of Rs 5,000/-, only taxable supplies has to be considered. This is evident from the language used in the Notification No 08/2017 – CT (Rate) dated 28 June, 17. The language used is as under 'Provided that the said exemption shall not be applicable **where the aggregate value of such supplies** of goods or services or both received by a registered person from any or all of the suppliers, who is or are not registered, exceeds five thousand rupees in a day'. The phrase 'such supplies' used in notification refers to the supplies referred in Section 9(4) of CGST Act. The said section uses the phrase '**supply of taxable goods or services or both**'. Hence, it can be inferred that while calculating the daily limit of Rs 5,000/- only taxable goods or services has to be considered. Further, the exemption under this Notification is a general exemption. It is well-established legal principle that what are exempt specifically cannot be exempt again by way of general exemption. Therefore, the phrase 'such supplies' used in this notification would mean the supply of those goods or services or both which are not exempt under any other notification. Accordingly, in the question posed, the value of Rs 3,000/- which attracts NIL rate of tax is not to be considered and hence the purchase of Rs 4,000/- would qualify for exemption under Notification No 08/2017- CT (Rate) dated 28th June, 17.

Reverse Charge vis-a-vis Registration:

17. We are a company engaged in provision of services. Our turnover in the current financial year has not exceeded Rs 20 lakhs. We have purchases from unregistered suppliers for which tax has to be paid under reverse charge vide Section 9(4) of CGST Act. In such case, do we need to register under GST laws?

The exemption from registration based on the aggregate turnover as specified in Section 22 is subject to the persons who require registration under Section 24 of CGST Act. That is to say, Section 24 of CGST Act has an overriding effect on Section 22. One of the persons that requires mandatory registration under Section 24 is 'persons who are required to pay tax under reverse charge'. The phrase 'reverse charge' has been defined vide Section 2(98) of CGST Act as 'means the liability to pay tax by the recipient of supply of goods or services or both instead of supplier of such goods or services or both under sub-section (3) or sub-section (4) of Section 9, or under sub-section (3) or sub-section (4) of Section 5 of Integrated Goods and Services Tax Act'.

Since, there is a liability for the company under Section 9(4) of CGST Act, the company has to register mandatorily as per Section 24 despite of the fact there is eligibility for exemption under Section 22.

Companies Act

18. We are a company engaged in provision of health care services. Our services are exempted under Notification No 12/2017 – CT (Rate) dated 28th June, 17. We have made purchases from unregistered suppliers and hence there is a liability under Section 9(4) on us. However, we are of the opinion that since our supplies are completely exempted, we are eligible from exemption from registration under Section 23 of CGST Act and accordingly we are not supposed to pay GST under reverse charge. Are we right?

Section 23 of CGST Act provides exemption from registration for any person who is engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax. Since in the instant case, the company is engaged exclusively in the business of supplying services which are exempt from tax, they are eligible for exemption from

registration under Section 23 of CGST Act. However, in light of Section 24 of CGST Act, they have to obtain registration, since there is a liability to pay tax under reverse charge. The word '**exclusively**' used in Section 23 *ibid* assumes importance, since supplies liable to pay tax under reverse charge are deemed to be provided by the person who receives such supply by virtue of language used in Section 9(3) or 9(4) of CGST Act.

19. I am engaged in trading of goods and my turnover in the previous financial year has not exceeded Rs 75 lakhs and hence I have opted for composition under GST laws. I have made certain purchases from unregistered suppliers. Am I required to pay tax under reverse charge?

Yes, the provisions of Section 9(4) of CGST Act, shall be applicable to a registered person. Since the pre-requisite for opting for composition scheme is to obtain registration, there shall be a liability under reverse charge on you.

20. We are a partnership firm engaged in manufacture of goods. We have obtained registration under GST laws for making supplies. During the course of the year, we have procured certain materials from a composition dealer. Are we required to pay tax under Section 9(4) of CGST Act?

Section 9(4) of CGST Act applies only when purchases are made from unregistered suppliers. Since the pre-requisite for opting for composition is to obtain registration, the purchases made from composition dealer shall be treated as purchases from registered person and accordingly there will be no liability under Section 9(4) *ibid*.

21. We are a company engaged in development of software and located in SEZ. We have made certain purchases from unregistered dealers. Are we liable to pay tax under Section 9(4) of CGST Act?

Yes. There shall be a liability to pay tax under reverse charge since purchases were made from unregistered suppliers. The same can be claimed as credit and applied for refund under Section 54 of CGST Act. Notification No 18/2017- IT (Rate) dated 05th July, 2017 exempts services imported by a unit or a developer in the SEZ from the whole of the integrated tax leviable under Section 5 of IGST Act. Hence, accordingly, it can be concluded that there cannot be any liability under reverse charge even if SEZ developer or unit purchases from unregistered supplier. However, such a view can be aggressive since the word 'import' cannot be applied to services procured from domestic tariff area.

22. We are a company engaged in restaurant services. We procure goods or services from various unregistered suppliers. Recently, we have come to know that purchases from unregistered suppliers would attract compliance under reverse charge vide Section 9(4) of CGST Act. In this regard, we have asked our vendors to register under GST laws and charge us GST. However, they have stated that they are eligible to claim the exemption from registration if the turnover is less than Rs 20 lakhs as specified in Section 22 of CGST Act and accordingly they are not required to register. In such case, whether we are required to pay under reverse charge even the vendor qualifies exemption from registration under Section 22?

The reverse charge under Section 9(4) exists even when the vendor is not required to register because of the exemption mentioned in Section 22 of CGST Act. The liability under Section 9(4) is not dependent on whether the vendor is required to register or not.

General:

23. Whether the liability under reverse charge can be paid using the input tax credit?

As per Section 49(4) of CGST Act, 'the amount available in electronic credit ledger may be used for making any payment towards **output tax**'. The phrase 'output tax' has been defined vide Section 2(82) of CGST Act 'in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent **but excludes tax payable by him under reverse charge**'. Hence, the liability under reverse charge either under Section 9(3) or Section 9(4) of CGST Act cannot be paid using input tax credit.

24. Whether the tax paid under reverse charge can be taken as credit?

The phrase 'input tax' has been defined vide Section 2(62) of CGST Act to include '**tax payable under the provisions of sub-sections (3) and (4) of Section 9**'. Hence, the tax paid under reverse charge can be availed as input tax credit.

25. We procure services of rent-a-cab from unregistered vendors and we pay tax under Section 9(4). We heard that all the taxes paid under reverse charge can be availed as input tax credit. Is our understanding in accordance with the law?

The tax paid under reverse charge can be availed as credit subject to the provisions of Section 16 and Section 17 of CGST Act. The credit entitlement under GST laws is dealt by Section 16 of CGST Act. Section 17(5) *ibid* specifies the credits which are not available for the registered person, where tax paid on renting of motor vehicles is one of the item. It is to be noted that Section 17(5) overrides Section 16 because of the language used in the former provision. Section 17(5) of CGST Act starts with the phrase '**Notwithstanding anything contained in sub-section (1) of Section 16**...'. Hence, the credits which are not available

because of Section 17(5) of CGST Act cannot be availed even they are paid under reverse charge. Hence, tax paid on reverse charge for rent-a-cab service shall not be eligible for credit.

26. We have procured certain services from registered vendors, where they have charged GST and compensation cess. Similar items are purchased from unregistered vendors. When we are paying under reverse charge, are we required to pay the compensation cess or only the GST?

The concept of reverse charge is shifting the tax liability from the supplier to the recipient. Except that there are no changes in tax payments. Hence, if a supply attracts GST and compensation cess, the recipient has to pay both GST and compensation cess even under reverse charge. The compensation cess paid can be taken as credit (if it is not falling under the ambit of Section 17(5) of CGST Act) and can be used against payment of compensation cess on output liability of the recipient, if any.

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CBDT worried over GST impact on advance tax liability

The Central Board of Direct Taxes (CBDT) is worried about the impact of the Goods and Services Tax on the advance tax collections. It has asked Income Tax officers to regularly engage with top 100 tax payers in each range and understand their difficulties in paying the taxes, sources in the IT department said.

At a recent conference of CBDT members and IT Commissioners, solutions were discussed to enhance advance tax and overall revenue collections. Advance tax is paid in instalments every quarter by the assesseees and September 15 is the due date for the second instalment. However, the GST rollout has been a major disruptor in the market impacting revenues.

Sources said in the past engagement with top tax payers was sporadic, but now CBDT has asked for a continuous engagement so that the problems of top tax payers could be understood and they could be motivated to pay their taxes. The CBDT has even asked the IT Commissioners to send photographs of such meetings to the respective heads in CBDT as a proof of the meetings conducted by the officers.

IT Commissioners have also been asked to sharpen their focus on those individuals and companies, who have deposited cash in the banks under the demonetisation drive but have not replied to the notices and e-mails sent by the IT Department. If demand notices are not answered by such tax payers then prosecution procedures would be launched against them, sources said.

Dispose of cases

For enhancing the revenues, CBDT has also asked the IT officers to give priority to dispose of 10-year-old cases where the tax payers have challenged the tax assessment and have appealed against it with various appeal authorities. In cases where the tax payers are not traceable, the CBDT has asked the officers to push for prosecution. In a number of cases, the assesseees simply vanish from their last known addresses and tax recovery becomes impossible. Only when the prosecution process gets launched with the help of State Police, the assesseees, out of fear of law, surface, sources added.

With revenue collection from the TDS category witnessing a sluggish pace, the CBDT had asked the I-T department to pull up its socks and take "urgent" steps and also conduct survey operations to shore up the funds. CBDT Chairman Sushil Chandra has issued a stern directive to all the field offices of the Income Tax Department in this context and has sought an action taken report in less than a month's time.

In his letter, accessed by , Chandra has expressed his "disappointment" over the growth rate under the Tax Deducted at Source (TDS) collections, saying some regions (I-T ranges) in the country were showing negative or single digit figures.

CBDT asks I-T department to take urgent steps

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In view of this, he wrote, "there is an urgent need to step up efforts for augmenting TDS collections."

"A few indicative steps in this regard are conducting more TDS surveys to check large scale non-deduction or under deduction of taxes at source as well as non-deposit of taxes already deducted," the chairman told his principal chief commissioners.

Chandra also directed the department that all cases, where TDS payment by the deductors in the current year is more than 10 per cent lower than the payments in the corresponding period of last year, "may be examined on priority for possible spot verification or survey based on the compliance background of the deductors."

The CBDT chief asked the taxman to "ensure" that the TDS deducted by the state and central government departments are duly collected.

According to official data, the TDS revenue collection till August 31 was over Rs 1.65 crore which reflects a growth rate of 10.44 per cent over the corresponding period of the last fiscal.

However, this rate also shows a "significant decline" of 7 per cent over the last financial year, when the growth rate was 17.44 per cent.

The department has also been asked by the CBDT chairman to monitor TDS collections under section 194-IB of the Income Tax Act (payment of rent by certain individuals or Hindu undivided family) and section 194-IC of the same Act (payment under specified agreement).

The department has also been asked to keep a tab on TDS "defaulters" and been instructed that criminal prosecution complaints should be filed in such instances, on a case-to-case basis.

DGFT

DGFT has issued Trade Notice stating that "**Contact@DGFT**" service as single point contact for all foreign trade related issues has been established. **Contact@DGFT** system has been activated at the DGFT website (www.dgft.gov.in) as a single point contact for resolving all foreign trade related issues. Exporters/Importers are requested to use this facility for resolution of foreign trade related issues either directly concerning DGFT (headquarters or regional offices) or concerning other agencies of the Central or State Governments. Best efforts will be made for expeditious resolution of issues which are directly related to DGFT and the issues concerning other agencies will be taken up by DGFT on behalf of the exporters/importers with the agencies concerned. A reference number will be issued for each request so that the status of action taken can be tracked. Effective monitoring arrangements have been made. All stakeholders are requested in the interest of systematic monitoring and effective resolution, exporters/importers are requested not to send their queries through twitter or email and use **Contact@DGFT** service instead.

MCA

Pursuant to the action of the Ministry of Corporate Affairs of cancellation of registration of around 2.10 lakh (2,09,032) defaulting companies and subsequent direction of the Ministry of Finance to banks to restrict operations of bank accounts of such companies by the directors of such companies or their authorized representatives, **the Ministry of Corporate Affairs has identified 1,06,578 Directors for disqualification under Section 164(2)(a) of the Companies Act, 2013 as on September 12, 2017.** Ministry of Corporate Affairs is further analyzing the data of these companies available with the Registrar of Companies to identify the Directors and the significant beneficial interests behind these companies. Profiles of Directors such as their background, antecedents and their role in the operations/functioning of these companies are also being compiled in collaboration with the enforcement agencies. The Professionals, Chartered Accountants/Company Secretaries/Cost Accountants associated with such defaulting Companies and involved in illegal activities have been identified in certain cases and the action by Professional Institutes such as ICAI, ICSI and ICoAI is also being monitored. The disqualification under Section 164 of the Act is by operation of law. Further, it may be noted that prior to action against defaulting companies, there were about 13 Lakh companies in the Registry. However, after closing of around 2.10 Lakh Companies, there are about 11 Lakh companies having Active status in the Registry.

RBI

RBI has clarified that Merchant Discount Rate (MDR) Charges for Government transactions up to Rs.1 lakh through debit cards by all Agency Banks can be claimed as reimbursement from RBI separately as per extant guidelines. It has been further clarified that full amount paid to the Government by the customers / through debit / credit cards should be remitted to the concerned Government Ministry / Department. Deduction of MDR charges from the receipts of government is not permissible at all. Thus, banks which have remitted the net amount of Government receipts after deduction of MDR charges to the Ministries/Departments in contravention of the guidelines referred to above are required to remit the MDR charges so deducted immediately to the concerned Ministry/Department under intimation to Reserve bank of India.

Government moves to rework direct tax law after PM Narendra Modi's nudge

After indirect taxes, the government has now set its sights on overhauling the 56-year-old direct taxes law covering income and corporation tax as it seeks to make the Indian regime more contemporary and tailor it to current requirements.

Senior government officials told TOI that the finance ministry was in the process of setting up a task force to write the new tax law, an attempt which was last made in 2009 when Pranab Mukherjee released the Direct Taxes Code (DTC) prepared (DTC) prepared by P Chidambaram and his team, only to significantly dilute it a few years later.

The Bill was never legislated and the Narendra Modi government had dropped plans to rewrite the Income Tax Act as it got down to removing the clutter in indirect tax through goods and services tax (GST). But with the Prime Minister himself commenting on the outdated nature of the law during last week's Rajaswa Gyan Sangam, the annual retreat of tax officers, the finance ministry has started a review.

Sources said the plan is to have the draft legislation ready by the Budget before it is put out for public comments. With general elections due in 2019, the government is unlikely to move to the new regime at the start of 2019-20 financial year, but may want to complete the ground work. While it is still early days, DTC had originally proposed to do away with several tax exemptions, including those available on provident fund and public provident fund at the time of withdrawal.

Proposing an exemption of up to Rs 3 lakh, it had suggested that the peak rate of 30% tax apply to those with income above Rs 25 lakh, while those earning Rs 10-25 lakh were to face 20% levy. The idea was to simplify the regime and increase the threshold for taxation. For companies, too, several exemptions were to be withdrawn. While tax experts are in favour of a new law, the question is timing.

"The government should give a breather to India Inc since it is already dealing with several changes such as GST, the new Companies Act and the new accounting standards," said Sudhir Kapadia, national tax leader at Ernst & Young. Rahul Garg, who leads the direct tax practice at PricewaterhouseCoopers, said starting from a zero-based approach was essential to deal with the global alignment of tax systems as well as technological invasion.

CBDT proposal on advance estimates of tax liability

A draft notification by the Central Board of Direct Taxes (CBDT) has not gone down well with the industry, which said it would increase compliance burden on them at a time when they are already struggling to cope with issues related to the goods and services tax (GST) regime. However, some of them said that the notification is aimed at bringing about transparency.

The CBDT had proposed that companies and taxpayers, who have to get their accounts audited, will be required to submit their income estimates and tax liability for six months of the financial year 2017-18 to the I-T department by November 15.

It had come out with a draft notification seeking stakeholders' comment on the filing of Form 28AA by giving details of income and advance taxes paid.

Naveen Wadhwa of Taxmann says currently taxpayers are struggling with compliance burden after the introduction of GST, the Income Computation and Disclosure Standards (ICDS) norms and Indian Accounting Standard (Ind-AS). "Such reporting will put additional compliance burden on taxpayers," he said.

Also, businesses have to specify the reason for any reduction in advance tax payment compared to preceding financial year.

Also in cases where the total income has declined by Rs 5 lakh or 10 per cent, whichever is higher, compared to the previous financial year, taxpayers will have to furnish a similar statement of income and tax liability for the April-December period by January 31.

Sanjay Sanghvi of Khaitan & Co says this is an onerous task, as compliance is being imposed on businesses and taxpayers, which seems to be going overboard. In addition to the GST filings and four instalments of advance tax (including for individual taxpayers), this new obligation will put too much of pressure.

The Rs 5-lakh threshold for this new obligation also seems to be quite low, he said, adding this is rather a very harsh and onerous obligation being cast upon taxpayers and needs reconsideration.

It may be noted that small taxpayers opting for presumptive taxation scheme are also liable to pay advance tax in one go.

However, they have been exempted from disclosing their estimated income in Form 28AA.

However, these disclosures are voluntary in nature.

"It is proposed to create a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by certain taxpayers viz-a-viz companies and tax audit cases, on voluntary compliance basis," CBDT said.

Frank D'Souza of PwC says given that the filings are voluntary, it remains to be seen how active the participation by taxpayers would be. "One also needs to factor in the additional compliance burden that this would impose on the taxpayers," he says.

The draft, if finalised, will help the tax department to get an idea about the trend of income of the entity on an almost real-time basis.

Neha Malhotra of Nangia & Co says the move is in line with government's efforts to bring more transparency in tax administration. "It will help make advance tax payment a more formalised process," Malhotra says.

However, Malhotra is of the view that it increases the compliance burden on taxpayers at a time when businesses are still struggling with GST-compliance.

"Now more questions would be asked if there is a variation between computation filed at the time of advance tax payment and tax filed at the time of income tax return," she says.

Under the present mechanism, taxpayers have to only pay an advance tax to the CBDT on income tax payable for the full financial year in four instalments. These instalments can be advanced on the 15th of June, September, December and March. They need not provide the I-T department estimates of income.

The CBDT plans to insert Rule 39A in the Income Tax Rules wherein companies and those assesseees who have to get their accounts audited will have to submit Form 28AA, giving details of income and tax paid.

Such taxpayers are further liable to pay interest for deferment of advance tax, in case any quarterly instalment of advance tax paid falls short of the prescribed percentage of the total advance tax paid.

"It is of utmost importance for such taxpayers to arrive at a reasonably accurate estimate of their current income and advance tax liability so that the additional burden on account of interest for default or deferment of advance tax can be avoided," the CBDT said.

Companies may have to submit income estimates by 15 November

Income tax officers chasing the government's revenue targets may no longer have to informally call up chief financial officers of companies enquiring how much advance tax they are about to pay in a quarter or gently persuade them to err on the higher side on their tax outgo.

The Central Board of Direct Taxes (CBDT) has proposed to introduce a new rule asking companies with annual income of Rs1 crore and professionals with Rs50 lakh income per year to report estimates of current income, tax payments and advance tax liability on a voluntary basis.

The estimate of income up to 30 September has to be given by 15 November, which gives assesseees about 45 days to make an estimate. Although taxpayers will have an idea of their cash receipts, they may have to wait till the end of the financial year to decide whether it can be recognized as income accrued and therefore it will still be treated as an income estimate for the half-year period.

In case, the income estimate is less than the income for the previous corresponding period by Rs5 lakh or 10%, whichever is higher, the assessee has to give another estimate of income as on 31 December before the end of the following month.

Once this requirement proposed in a draft rule is implemented, the tax department will have a new set of data on estimated

income for the financial year which will help in identifying sectors and regions where tax receipts are lagging behind. It will also boost the department's revenue mobilisation steps.

An official statement from the finance ministry said that accurate estimation of current income and advance tax liability will help assessee avoid interest for default or deferment of advance tax.



Clarification on reconciliation of information in GSTR-1, GSTR-2 & GSTR-3B

Circular No. 7/7/2017-GST dated 1st September, 2017

- The GST Policy Wing of CBEC has issued **clarifications regarding** system based reconciliation of information furnished in Form GSTR-1 (outward supply return) and Form GSTR-2 (inward supply return) with Form GSTR-3B.
- The information furnished in GSTR-3B and GSTR-1 for the month of July **shall be auto-drafted in GSTR-2A** for all corresponding recipients of supply.
- Based on the details communicated in GSTR-2A, the registered person **shall prepare the statement of inward supplies in GSTR-2.**

Preparation of GSTR-2

- Taxpayers will be required to be **prepare GSTR-2 by:**
 - **Adding, deleting or modifying the invoice level details communicated in GSTR-2A.**
 - **Adding information pertaining to details that are required to be furnished in GSTR-2 but are not part of FORM GSTR-2A like details of imports, details of supplies attracting reverse charge that have been received by registered person.**
 - **Providing details of supplies received from composition suppliers and exempt, nil-rated & non GST inward supplies.**
 - **Providing details of reversal of input tax credit (As per Rules 37, 39, 42 and 43 of CGST Rules).**
 - **Providing HSN wise summary details of inward supplies.**

Correction of details provided in GSTR-3B

Correction of details provided in GSTR-3B through GSTR-1 or GSTR-2:

If outward supplies have been **under reported or excess reported** in GSTR-3B, **the same may be correctly reported in GSTR-1.**

If inward supplies have been **reported less or more than** what they should have been, **the same may be correctly reported in GSTR-2.**

This will get reflected in the revised output tax liability or eligible ITC.

Details furnished in GSTR-1 and GSTR-2 will be auto-populated and reflected in GSTR-3 for that particular month.

Reconciliation process

SITUATION	EFFECT
Tax payable as per GSTR-3 is more than what has been paid as per GSTR-3B	Payment of additional amount of tax along with interest on delayed payment of tax starting from 26.08.2017 till date of debit in cash/ credit ledger
Eligible ITC claimed in GSTR-2 is less than ITC claimed and utilised in GSTR-3B	Excess ITC availed added to output tax liability along with interest
Eligible ITC claimed in GSTR-3B is less than ITC eligible in GSTR-2	Additional ITC credited to ledger and may be used if there is an increase in output tax liability
Output tax liability as per GSTR-1 and GSTR-2 is less than output tax liability as per GSTR-3B and the same is (i) Not offset by decrease in eligible ITC (ii) Offset by a decrease in eligible ITC	Excess carried forward to the next month's return for offset against output tax liability. Decrease adjusted against the output tax liability and balance carried forward to next month's return for offset against output tax liability

GSTR-3B filed or not filed

Where GSTR-3B submitted without payment of taxes (by debiting from electronic cash or credit ledger)

Furnish GSTR-1 and GSTR-2, and sign and submit GSTR-3 along with payment of due taxes

Where GSTR-3B not submitted and taxes not paid

Payment of interest on delayed payment of tax starting from 26th August, 2017 till the date of debit from cash/ credit ledger

No payment of late fee

Other important points

- Transitional credit as claimed in Form TRAN-1 and credit to ledger may be utilized for the payment of any additional tax liability.
- Matching of information in GSTR-1 and GSTR-2 will be carried out as if such returns have been submitted in the regular course (process of matching as per Sections 41 – 43 of CGST Act read with Rules 69 – 76 of CGST Rules).
- Amendment of GSTR-1 and GSTR-2 as per Sections 37(3) and 38(5) of the CGST Act, respectively.
- GSTR-3 to be considered a valid return when tax payable has been paid in full after which it shall be taken up for matching.



21st GST Council meeting held on 9th of September – Major recommendations / decisions

GST Council in its 21st meeting held in Hyderabad on 9th of September has taken the following important decisions:

Due date for filing of 3 monthly GST Returns for the month of July 2017 has been further extended. The new dates for GSTR-1, GSTR-2 and GSTR-3 are :

Month	Last date for furnishing the following Returns		
	Form GSTR-1	Form GSTR-2	Form GSTR-3
July, 2017	10th October, 2017*	31st October, 2017	10th November, 2017

* For registered persons with aggregate turnover of more than Rs. 100 crores, the due date shall be 3rd October 2017

Last date for filing GSTR-6 (Return for Input Service Distributor) for July is now 13th of October, 2017.

Due dates for filing GSTR-1, GSTR-2 & GSTR-3 for August 2017 to be decided / notified later.

GSTR-3B (Monthly Summary Return) is also required to be filed for months of August, September, October, November and December, 2017 (by 20th of the following month).

GST Rate for certain goods reduced

Reduction in GST rate on certain goods has been recommended. Important goods covered under this reduction are: Cotton seed oil cakes – Nil rate, irrespective of end use.

Computer monitors upto 20" - New rate will be 18%. At present this rate is for monitors upto 17".
Duty credit scrips - Rate will be 5%, down from 12%.
Idols - While the new rate will be 'Nil' for idols made of clay, it will be 12% in case of idols of wood stone and metals (excluding precious metals).
Kitchen gas lighters - New rate is 18%.
Medical grade sterile disposable gloves of plastics, and plastic raincoats - New rate is 18%. Statues, statuettes, etc. - Rate reduced to 12%.
Table and Kitchenware etc. of wood - Proposed rate is 12%.
Tableware, kitchenware, other household articles and toilet articles covered under Heading 6911 and 6912 - New rate is 12%.

GST Rate on branded food items

At present GST of 5% is levied on pulses, cereals and flours, put up in unit container and bearing a registered brand name. However such goods supplied without registered brand name are exempted.

Exemption notification is proposed to be amended to consider a brand registered as on 15-5-2017 as a 'registered brand' for the purposes of levy of 5% GST, even if such brand is subsequently deregistered.

Registration of brand under Copyright Act, 1957 or under any law in any other country will also qualify as 'registered brand'.

According to the recommendations of GST Council, a mark or name in respect of which actionable claim is available shall also be deemed to be a registered brand name.

Compensation Cess increased for certain motor vehicles

Rate of Compensation Cess on certain specified motor vehicles has been recommended to be increased.

Some of these changes are: Mid segment cars (with engine capacity less than 1500cc) Proposed Cess is 17%, instead of present 15%.

Large cars (with engine capacity above 1500cc) Cess proposed is 20%, from present 15%.

Sports Utility Vehicles (with length > 4m ; engine > 1500 cc; ground clearance > 170 mm) Proposed Cess is 22%, up from present 15% Cess.

No increase in Compensation Cess has been recommended on small cars (both petrol and diesel), and on hybrid mid-segment cars, hybrid large cars and hybrid SUVs.

Exemption from registration - Inter-State supplies by job- workers and by handicraft suppliers

- Job workers undertaking inter-State supplies, and covered under Rs. 20 lakh threshold (Rs. 10 lakh for certain States), granted exemption from registration, if goods move under E-way Bill.
- Exemption however not available to job work in relation to jewellery, goldsmiths and silversmiths wares, which do not require e-way bill.
- Exemption from registration depending upon above mentioned threshold has also been provided to persons making inter-State supplies of handicrafts. Such person should have a Permanent Account Number (PAN) and goods should move under cover of e-way bill.

Transition to GST regime

- Due date for submission of Form GST TRAN-1 has been extended by one month. The last date for submission will be 31st of October, 2017. Provisions also being made to enable revision of GST TRAN-1 form once.

Composition Scheme

- Option for Composition Scheme can now be exercised till 30th of September, 2017.
- Table-4 in GSTR-4 (Quarterly return for those opting for composition levy), pertaining to details of inward supplies including supplies on which tax is to be paid on reverse charge, is not required to be filled for the quarter July-September, 2017.
- Filing of Form GSTR-4A which is auto-drafted from GSTR-1, 5 and 7 filed by suppliers, has been dispensed with for the quarter July-September, 2017.

EXEMPTION FROM OBTAINING REGISTRATION TO SUPPLIERS OF HANDICRAFT GOODS

The CBEC (Deptt. of Revenue) Ministry of Finance, Government of India vide **NOTIFICATION No. 32/2017–Central Tax, dated 15th September, 2017** on the recommendations of the Council, notified granting exemption to a casual taxable person making taxable supplies of handicraft goods from the requirement to obtain registration.

NOTIFYING SECTION 51 OF THE CGST ACT, 2017 FOR TDS

The CBEC (Deptt. of Revenue) Ministry of Finance, Government of India vide **NOTIFICATION No. 33/2017–Central Tax, dated 15th September, 2017** hereby appoints the 18th September, 2017 as the date on which the provisions of sub-section (1) of section 51 (**Tax deduction at source**) of the said Act shall come into force with respect to persons specified under clauses (a) and (b) of subsection (1) of section 51 of the said Act and the persons specified in the notification under clause (d) of subsection (1) of section 51 of the said act. Provided that the said persons shall be liable to deduct tax from the payment made or credited to

the supplier of taxable goods or services or both with effect from a date to be notified subsequently, on the recommendations of the Council, by the Central Government.

SEVENTH AMENDMENT IN CGST RULES, 2017

The CBEC (Deptt. of Revenue) Ministry of Finance, Government of India vide **NOTIFICATION No. 34/2017–Central Tax , dated 15th September, 2017** notified Central Goods and Services Tax (Seventh Amendment) Rules, 2017 w.e.f. 15th day of September, 2017.

TIME LIMIT FOR FILLING OF GSTR3B FOR AUGUST TO DECEMBER 2017

The CBEC (Deptt. of Revenue) Ministry of Finance, Government of India vide **NOTIFICATION No. 35/2017–Central Tax , dated 15th September, 2017** on the recommendations of the GST Council, hereby specifies that the return for the month of August, 2017 to December, 2017 shall be furnished in FORM GSTR-3B electronically through the common portal on or before the last dates as specified in the corresponding entry in column (3) of the following Table.

S. NO.	Month	Last date for filing of Return in Form GST-3B
1	August, 2017	20th September, 2017
2	September, 2017	20th October, 2017
3	October, 2017	20th November, 2017
4	November, 2017	20th December, 2017
5	December, 2017	20th January, 2018

CGST RATE ON SPECIFIED SUPPLIES OF WORKS CONTRACT SERVICES IS REDUCED.

The Department of Revenue, Ministry of Finance, Government of India vide **Notification No. 24/2017–Integrated Tax (Rate), dated 21st September, 2017** on the recommendations of the GST Council and on being satisfied that it is necessary in the public interest so to do, hereby makes amendments in the **Notification No. 8/2017- Integrated Tax (Rate), dated the 28th June, 2017** to reduce CGST rate on specified supplies of Works Contract Services.



F. No. 349/58/2017-GST
Government of India
Ministry of Finance Department of Revenue
Central Board of Excise and Customs

New Delhi, the 18th September, 2017

Order No. 02/2017-GST

Subject: Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 120A of the Central Goods and Service Tax Rules, 2017

In exercise of the powers conferred by rule 120A of the Central Goods and Services Tax Rules, 2017 read with section 168 of the Central Goods and Services Tax Act, 2017, the Commissioner, on the recommendations of the Council, hereby extends the period for submitting the declaration in **FORM GST TRAN-1** till 31st October, 2017.

(Upender Gupta)
Commissioner (GST)

F. No. 349/164/2017/-GST

Government of India Ministry of Finance ,Department of Revenue
Central Board of Excise and Customs GST Policy Wing
New Delhi, Dated the 01st September, 2017

New Delhi, Dated the 01st September, 2017

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

Subject : System based reconciliation of information furnished in FORM GSTR-1 and FORM GSTR-2 with FORM GSTR-3B - regarding

Sections 37, 38 and section 39 of the CGST Act, 2017(hereinafter referred to as 'the Act') read with rules 59, 60 and 61 of the CGST Rules, 2017(hereinafter referred to as 'the Rules') require every registered person to furnish details of outward supplies made in a month in FORM GSTR-1, details of inward supplies received in a month in FORM GSTR-2 and a return in FORM GSTR-3 by the 10th, 15th and 20th of the next month respectively. Keeping in view that taxpayers may face certain issues in the initial days after the introduction of GST, the GST Council extended the date for filing of FORM GSTR-1 and FORM GSTR-2 for the months of July and August, 2017 and approved the filing of a simplified return in FORM GSTR-3B for these two months by the notified due dates after making the due payment of tax.

2. Registered persons opting to utilize transitional credit available under section 140 of the Act read with the rules made there under for discharging the tax liability for the month of July, 2017 were required to file FORM GST TRAN -1 on or before 28th August, 2017. This transitional credit was to be credited to the electronic credit ledger and be available for discharging the tax liability.
3. As per the provisions of sub-rule (5) of rule 61 of the Rules, the return in FORM GSTR-3B was required to be furnished when the due dates for filing of FORM GSTR-1 and FORM GSTR-2 have been extended. After the return in FORM GSTR-3B has been furnished, the process of reconciliation between the information furnished in FORM GSTR- 3B with that furnished in FORM GSTR-1 and FORM GSTR-2 would be carried out in accordance with the provisions of sub-rule (6) of rule 61 of the Rules.
4. The detailed procedure for reconciliation of information furnished in FORM GSTR-3 and FORM GSTR-3B is detailed in succeeding paras.

Furnishing of information in FORM GSTR- 1 & FORM GSTR-2 :

5. It may be noted that after the registered person has filed his return in FORM GSTR- 3B and the statement of outward supplies in FORM GSTR-1, the inward supplies shall be auto drafted for all registered persons (corresponding recipients of supply) and made available to them in FORM GSTR-2A as per sub-rule (3) of rule 59 of the Rules. FORM GSTR-2A is the exact replica of FORM GSTR-2 containing only those details that are auto- populated from the details furnished in FORM GSTR-1 by the corresponding suppliers. Based on the details communicated in FORM GSTR-2A, the registered person shall prepare the statement of inward supplies in FORM GSTR-2 by:-
 - a. adding, deleting or modifying the invoice level details communicated in FORM GSTR-2A;
 - b. adding information pertaining to details that are required to be furnished in GSTR-2 but are not part of FORM GSTR-2A like details of imports, details of supplies attracting reverse charge that have been received by registered person;
 - c. providing details of supplies received from composition suppliers and exempt, nil-rated & non GST inward supplies;
 - d. providing details of advances paid on inward supplies attracting reverse charge, if any, along with adjustments;
 - e. providing details of reversal of ITC as per the provisions of rules 37, 39, 42 and 43 of the Rules, if any; and
 - f. providing HSN wise summary details of inward supplies.

Correction of erroneous details furnished in FORM GSTR-3B :

6. In case the registered person intends to amend any details furnished in FORM GSTR- 3B, it may be done in the FORM GSTR-1 or FORM GSTR-2, as the case may be. For example, while preparing and furnishing the details in FORM GSTR-1, if the

outward supplies have been under reported or excess reported in FORM GSTR-3B, the same may be correctly reported in the FORM GSTR-1. Similarly, if the details of inward supplies or the eligible ITC have been reported less or more than what they should have been, the same may be reported correctly in the FORM GSTR-2. This will get reflected in the revised output tax liability or eligible ITC, as the case may be, of the registered person. The details furnished in FORM GSTR-1 and FORM GSTR-2 will be auto-populated and reflected in the return in FORM GSTR-3 for that particular month.

Action on the system-based reconciliation :

7. After the registered person has furnished the statement of inward supplies in FORM GSTR-2 by the extended date, the common portal shall auto-draft Part-A of the return in FORM GSTR-3 for the said month based on the information furnished in FORM GSTR-1 and FORM GSTR-2. Based on the revised figures of output tax liability and eligible input tax credit, Table 12 of Part B of FORM GSTR-3 shall be made available. The common portal would populate the correct figures of tax payable in column (2) of Table 12 of FORM GSTR-3, based on the information furnished in FORM GSTR-1 and FORM GSTR-2. The tax paid through the electronic cash ledger and electronic credit ledger in the return in FORM GSTR-3B shall be displayed by the system in column (3) to (7) of the Table 12 of Part B of FORM GSTR-3. Where there is no difference between the details of output tax liability and eligible input tax credit furnished in FORM GSTR-3B and the details furnished in FORM GSTR-1 and FORM GSTR-2, the amount of tax payable and tax paid shall be the same in FORM GSTR-3B and FORM GSTR-3. The person can sign and submit FORM GSTR-3 without any additional payment of tax.

Additional payment of taxes:

8. Where the tax payable by a registered person as per FORM GSTR-3 is more than what has been paid as per FORM GSTR-3B, the common portal would show another instance of Table 12 for making additional payment of taxes, in accordance with the mandate of clause (b) of sub-rule (6) of rule 61. As the tax payable in column (2) of Table 12 of FORM GSTR-3 is more than what was shown in FORM GSTR-3B, the additional amount of tax payable can be paid by debiting the electronic cash or credit ledger as per the provisions contained in section 49 of the Act along with applicable interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash or credit ledger. If the eligible ITC claimed by the person in FORM GSTR-2 is less than the ITC claimed and utilised by the registered person in FORM GSTR-3B, the same would be added to his output tax liability and shall have to be paid by him along with interest by debiting the electronic cash or credit ledger as per the provisions contained in section 49 of the Act before submitting the return in FORM GSTR-3 to complete the process. It may be noted that where the transitional credit as declared in FORM GST TRAN-1 is credited to the electronic credit ledger, the same can be utilised for the payment of the said additional tax liability.

Additional claim of eligible ITC:

9. Where the eligible ITC claimed by the taxpayer in FORM GSTR-3B is less than the ITC eligible as per the details furnished in FORM GSTR-2, the additional amount of ITC shall be credited to the electronic credit ledger of the registered person when he submits the return in FORM GSTR-3 (in accordance with clause (c) of sub-rule (6) of rule 61). However, simultaneously, if there is an increase in the output tax liability, the registered person can utilise this additional amount of ITC eligible as per the details furnished in FORM GSTR-2 along with the balance in the electronic cash ledger, if required, for the payment of the increased output tax liability and submit his return in FORM GSTR-3.

Reduction in output tax liability:

10. Where the output tax liability of the registered person as per the details furnished in FORM GSTR-1 and FORM GSTR-2 is less than the output tax liability as per the details furnished in the FORM GSTR-3B and the same is not offset by a corresponding reduction in the input tax credit to which he is entitled, the excess shall be carried forward to the next month's return to be offset against the output liability of the next month by the taxpayer when he signs and submits the return in FORM GSTR-3. However, simultaneously, if there is a decrease in the eligible input tax credit, the same will be adjusted against the above mentioned reduction in output tax liability and the balance, if any, of the reduction in output tax liability shall be carried forward to the next month's return to be offset against the output liability of the next month.

Submission of GSTR-3B without payment of taxes:

11. Where, for some reasons, the registered person has only submitted the return in FORM GSTR-3B and has not made the payment of taxes by debiting the same from his electronic cash or credit ledger, the return shall still be subjected to the

reconciliation process as detailed above. Such registered person should furnish the details in FORM GSTR-1, FORM GSTR-2 and sign and submit the return in FORM GSTR-3 along with the payment of the due taxes as per the provisions of section 49 of the Act. However, since the payment was not made on or before the due date, the registered person shall be liable for payment of interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash and / or credit ledger but will not be liable to pay any late fee provided the requisite return in FORM GSTR-3B was submitted on or before the due date.

12. Where the registered person has not submitted the return in FORM GSTR-3B, he is required to furnish the details in FORM GSTR-1 and FORM GSTR-2 and sign and submit the return in FORM GSTR-3 along with the payment of the due taxes as per the provisions of section 49 of the Act. However, since the payment was not made on or before the due date, the registered person shall be liable for payment of interest on delayed payment of tax starting from 26th day of August, 2017 till the date of debit in the electronic cash and / or credit ledger. No late fee, however, would be levied for late filing of return in terms of section 47 of the Act, in accordance with the recommendation of the GST Council, as notified vide Notification No. 28/2017-Central tax dated 01.09.2017.

Processing of information furnished :

13. After submission of the information in FORM GSTR-1 and FORM GSTR-2, the process of matching as per section 41, 42 and 43 of the Act read with rules 69 to 76 of the Rules shall be carried out as if these details were submitted in the regular course. Any amendment in the details furnished in FORM GSTR-1 and GSTR-2 shall be done following the procedure laid down under sub-section (3) of section 37 and sub-section (5) of section 38 of the Act respectively. The return shall be considered to be a valid return when the tax payable as per FORM GSTR-3 has been paid in full after which the return shall be taken up for matching.
14. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
15. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)



[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 Excise and Customs
Notification No. 32/2017 Central Tax

New Delhi, the 15th September, 2017

G.S.R. (E).—In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the casual taxable persons making taxable supplies of handicraft goods as the category of persons exempted from obtaining registration under the aforesaid Act:

Provided that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of twenty lakh rupees in a financial year:

Provided further that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ten lakh rupees in case of Special Category States, other than the State of Jammu and Kashmir.

2. The casual taxable persons mentioned in the preceding paragraph shall obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.
3. The above exemption shall be available to such persons who are making inter-State taxable supplies of handicraft goods and are availing the benefit of notification No. 8/2017 – Integrated Tax dated the 14th September, 2017 published in the Gazette of

India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 1156(E), dated the 14th September, 2017.

Explanation - For the purposes of this notification, the expression “handicraft goods” means the products mentioned in column (2) of the Table below and the Harmonized System of Nomenclature (HSN) code mentioned in the corresponding entry in column (3) of the said Table, when made by the craftsmen predominantly by hand even though some machinery may also be used in the process:-

Table

Sr.	Products	HSN Code
(1)	(2)	(3)
1.	Leather articles (including bags, purses, saddlery, harness, garments)	4201, 4202, 4203
2.	Carved wood products (including boxes, inlay work, cases, casks)	4415, 4416
3.	Carved wood products (including table and kitchenware)	4419
4.	Carved wood products	4420
5.	Wood turning and lacquer ware	4421
6.	Bamboo products [decorative and utility items]	46
7.	Grass, leaf and reed and fibre products, mats, pouches, wallets	4601, 4602
8.	Paper mache articles	4823
9.	Textile (handloom products)	including 50, 58, 62, 63
10.	Textiles hand printing	50, 52, 54
11.	Zari thread	5605
12.	Carpet, rugs and durries	57
13.	Textiles hand embroidery	58
14.	Theatre costumes	61, 62, 63
15.	Coir products (including mats, mattresses)	5705, 9404
16.	Leather footwear	6403, 6405
17.	Carved stone products (including statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	6802
18.	Stones inlay work	68
19.	Pottery and clay products, including terracotta	6901, 6909, 6911, 6912, 6913, 6914
20.	Metal table and kitchen ware (copper, brass ware)	7418
21.	Metal statues, images/statues, vases, urns and crosses of the type used for decoration of metals of chapters 73 and 74	8306
22.	Metal bidriware	8306
23.	Musical instruments	92
24.	Horn and bone products	96
25.	Conch shell crafts	96
26.	Bamboo furniture, cane/Rattan furniture	
27.	Dolls and toys	9503
28.	Folk paintings, madhubani, patchitra, Rajasthani miniature	97

[F. No. 349/58/2017-GST(Pt.)]

(Dr. Sreeparvathy.S.L.)

Under Secretary to the Government of India

Government of India
Ministry of Finance Department of Revenue
Central Board of Excise and Customs
Notification No. 34/2017 Central Tax

New Delhi, the 15th September, 2017

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

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

(3A) Notwithstanding anything contained in sub-rules (1), (2) and (3), a person who has been granted registration on a provisional basis under rule 24 or who has applied for registration under sub-rule (1) of rule 8 may opt to pay tax under section 10 with effect from the first day of October, 2017 by electronically filing an intimation in FORM GST CMP-02, on the common portal either directly or through a Facilitation Centre notified by the Commissioner, before the said date and shall furnish the statement in FORM GST ITC-03 in accordance with the provisions of sub-rule (4) of rule 44 within a period of ninety days from the said date:

Provided that the said persons shall not be allowed to furnish the declaration in FORM GST TRAN-1 after the statement in FORM GST ITC-03 has been furnished. ;
 - (ii) in sub-rule (5), after the words, brackets and figure or sub-rule (3), the words, brackets, figure and letter or sub-rule (3A) shall be inserted;
3. In the principal rules, after rule 120, the following rule shall be inserted, namely:-

120A. Every registered person who has submitted a declaration electronically in FORM GST TRAN-1 within the time period specified in rule 117, rule 118, rule 119 and rule 120 may revise such declaration once and submit the revised declaration in FORM GST TRAN-1 electronically on the common portal within the time period specified in the said rules or such further period as may be extended by the Commissioner in this behalf. ;
4. In the principal rules, in rule 122, in clause (b), after the words Commissioners of State tax or central tax, the words for at least one year shall be inserted;
5. In the principal rules, in rule 124, -
 - (i) for sub-rule (3), the following sub-rule shall be substituted, namely:-

"(3) The Technical Member shall be paid a monthly salary and other allowances and benefits as are admissible to him when holding an equivalent Group 'A' post in the Government of India.

Provided that where a retired officer is selected as a Technical Member, he shall be paid a monthly salary equal to his last drawn salary reduced by the amount of pension in accordance with the recommendations of the Seventh Pay Commission, as accepted by the Central Government.";
 - (ii) in sub-rule (4), after the first proviso, the following proviso shall be inserted, namely:-

"Provided further that upon the recommendations of the Council and subject to an opportunity of being heard, the Central Government may terminate the appointment of the Chairman at any time.";
 - (iii) in sub-rule (5), after the first proviso, the following proviso shall be inserted, namely:-

"Provided further that upon the recommendations of the Council and subject to an opportunity of being heard, the Central Government may terminate the appointment of a Technical Member at any time.";
6. In the principal rules, in rule 127, after clause (iii), the following clause shall be inserted, namely:-

"(iv) to furnish a performance report to the Council by the tenth of the close of each quarter.";
7. In the principal rules, in rule 138, in sub-rule (1), the following provisos shall be inserted, namely:-

Provided that where goods are sent by a principal located in one State to a job- worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment:

Provided further that where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration under clauses (i) and (ii) of section 24, the e-way bill shall be generated by the said person irrespective of the value of the consignment.

Explanation For the purposes of this rule, the expression handicraft goods has the meaning as assigned to it in the Government of India, Ministry of Finance, notification No.32/2017-Central Tax dated 15.09.2017 published in the Gazette vide number G.S.R 1158 (E). ;

8. In the principal rules, with effect from the 1st day of July, 2017, in FORM GST TRAN-1 ,
- (i) in Serial No. 5(a), in the heading, after the words, figures and brackets Section 140(1) , the words, figures, brackets and letter , Section 140 (4) (a) and Section 140(9) shall be inserted;
 - (ii) in Serial No. 7(a), in the table, in Serial No. 7A, in the heading, after the word invoices , the words, brackets and letters (including Credit Transfer Document (CTD)) shall be inserted;
 - (iii) after the words Designation/Status , the following shall be inserted, namely:-

Instructions:

- 1. Central Tax credit in terms of sub-section (9) of section 140 of the CGST Act, 2017 shall be availed in column 6 of table 5 (a).
 - 2. Registered persons availing credit through Credit Transfer Document (CTD) shall also file TRANS 3 besides availing credit in table 7A under the heading inputs. ;
9. In the principal rules, with effect from the 1st day of July, 2017, in FORM GSTR-4 , in Serial No.8, in entry 8B(2), for the words Intra-State Supplies , the words Inter-State Supplies shall be substituted;
10. In the principal rules, with effect from the 30th day of August, 2017, in the Notes to FORM GST EWB-01 , after Note 4, the following Note shall be inserted, namely:-
5. The details of bill of entry shall be entered in place of invoice where the consignment pertains to an import.

[F. No. 349/58/2017-GST(Pt.)]

(Dr.Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide number G.S.R 610 (E), dated the 19th June, 2017 and last amended vide notification No. 27/2017-Central Tax, dated the 30th August, 2017, published vide number G.S.R 1121 (E), dated the 30th August, 2017.



F. No. 349/58/2017-GST
Government of India
Ministry of Finance Department of Revenue
Central Board of Excise and Customs

New Delhi, the 21st September, 2017

Order No. 03/2017-GST

Subject: Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117 of the Central Goods and Services Tax Rules, 2017

In exercise of the powers conferred by rule 117 of the Central Goods and Services Tax Rules, 2017 read with section 168 of the Central Goods and Services Tax Act, 2017, on the recommendations of the Council, the period for submitting the declaration in **FORM GST TRAN-1** is extended till 31st October, 2017.

(Upender Gupta)
Commissioner (GST)

[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 Excise and Customs
Notification No. 35/2017 Central Tax

New Delhi, 15th September, 2017

G.S.R. ..(E). In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 and notification No. 21/2017-Central Tax dated the 08th August, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide G.S.R. number 997 (E), the Commissioner, on the recommendations of the Council, hereby specifies that the return for the month as specified in column (2) of the Table below shall be furnished in FORM GSTR-3B electronically through the common portal on or before the last dates as specified in the corresponding entry in column (3) of the said Table, namely:-

Table

S. NO.	Month	Last date for filing of Return in Form GSTR-3B
1	August, 2017	20th September, 2017
2	September, 2017	20th October, 2017
3	October, 2017	20th November, 2017
4	November, 2017	20th December, 2017
5	December, 2017	20th January, 2018

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

[F. No.349 /74 /2017-GST (Pt.)]

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



EXPORT

A word of encouragement for exporters came vide PRESS RELEASE of The Finance Ministry on 22nd September 2017 whereby it stated that The Committee on Export set up by the GST Council has discussed various methods of resolving the issue of blockage of funds for the exporters. In addition it has held the following:

1. A way is being found out for giving refund by linking form GSTR 1 with form GSTR 3B and, therefore, for the month of July, where form GSTR 1 is already filed, the authorities would be in a position to process the refund applications.
2. The exporters, who have not yet filed form GSTR 1 for July 2017, may be advised to file it immediately and not to wait till the deadline.
3. GSTN application for refund is also getting ready. But, in the meantime, other ways of giving refund, if necessary through a manual procedure, are also being devised.

Further, amid much ado and confusion, the Govt has finally issued Order No. 03/2017-GST Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117 of the Central Goods and Services Tax Rules, 2017.

Furthermore vide Notification No. 88/ 2017-CUSTOMS, the Govt has issued the drawback rules. The salient features of the rules are as follows

1. They shall come into force on the 1st day of October, 2017
2. A drawback may be allowed on the export of goods at such amount, or at such rates, as may be determined by the Central Government. It is to be noted that the Central Government has determined the rates of drawback in Notification No. 89/2017-CUSTOMS (N.T.).
3. It provides for Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback
4. It provides for procedure for dealing with Cases where amount or rate of drawback has not been determined
5. It provides for procedure for dealing with Cases where amount or rate of drawback determined is low
6. It specifies that no amount or rate of drawback shall be determined in respect of any goods or class of goods if the export value of each of such goods or class of goods is less than the value of the imported materials used in the manufacture, or is not more than such percentage of the value of the imported materials used in the manufacture as may be specified.
7. The drawback amount or rate determined shall not exceed one third of the market price of the export product
8. It specifies the Procedure for claiming drawback on goods exported by post as follows -
 - a. the outer packing carrying the address of the consignee shall also carry in bold letters the words DRAWBACK EXPORT
 - b. the exporter shall deliver to the competent Postal Authority, alongwith the parcel or package, a claim in the Form at Annexure I.
 - c. The date of receipt of the aforesaid claim form by the proper officer of Customs from the postal authorities shall be deemed to be date of filing of drawback claim by the exporter for the purpose of section 75A.
 - d. In case of any deficiency in the form, the exporter shall be informed of the deficiencies therein within 15 days of its receipt from postal authorities by a deficiency memo in the form prescribed.
 - e. The exporter shall comply with the requirements specified in the deficiency memo within 30 days of its return.
9. It specifies the Statement/Declaration to be made on exports other than by Post as follows
 - a. At the time of export of goods, the exporter shall state on the shipping bill or bill of export, the description, quantity and such other particulars as are necessary for deciding whether the goods are entitled to drawback, and if so, at what rate or rates and make a declaration on the relevant shipping bill or bill of export
 - b. A copy of shipment invoice or any other document giving particulars of the description, quantity and value of the goods to be exported, shall be given
10. It specifies the manner and time for claiming drawback on goods exported other than by post
11. It provides for the process of filing Supplementary claim.
12. Where an amount of drawback has been paid to an exporter but the sale proceeds in respect of such export goods have not been realised within the period allowed under FEMA, such drawback shall be recovered in the manner specified.

In Customs, vide Notification No.90/2017 - Customs (N.T.), the Central Board of Excise and Customs has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa, with effect from 22nd September, 2017.

New Delhi, dated 22nd September, 2017

Principal Chief Commissioners / Principal Directors General, Chief Commissioners / Directors General, Principal Commissioners/Commissioners, all under CBEC

Subject : The Customs and Central Excise Duties Drawback Rules, 2017 and All Industry Rates (AIRs) of Drawback related changes -reg.

Madam/Sir,

The Central Government has notified the Customs and Central Excise Duties Drawback Rules, 2017 (hereinafter referred to as Drawback Rules 2017) vide Notification No. 88/2017-Customs (N.T.) dated 21.9.2017 to replace the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995. These Rules takes effect from 1.10.2017. The Central Government has also revised All Industry Rates (AIRs) of Drawback vide Notification No. 89/2017-Customs (N.T.) dated 21.9.2017 which comes into force on 1.10.2017. The notifications may be downloaded from Board's website and carefully perused for details. Some of the important changes in the Rules and AIR Schedule notification are highlighted below –

- (a) Definition of Drawback has been amended to provide for drawback of Customs and Central Excise duties excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 chargeable on any imported materials or excisable materials used in the manufacture of goods exported;
- (b) References to input services and Service Tax have been omitted;
- (c) As drawback is limited to incidence of duties of Customs on inputs used and remnant Central Excise Duty on specified petroleum products used for generation of captive power for manufacture or processing of export goods, only general AIRs under column (4) with caps under column (5) have been provided in the Schedule. For claiming these general AIRs, the relevant tariff item have to be suffixed with suffix 'B' e.g. for export of goods covered under tariff item 640609, the drawback serial no. should be declared as 640609B;
- (d) The Composite rates of Drawback are being discontinued w.e.f. 1.10.2017. Hence, the composite rates and Notes and Conditions pertaining to CENVAT credit, rebate of Central Excise duty, etc. stand omitted. Thus, the declaration required to be given by an exporter for claiming composite rate of drawback w.e.f. 1.7.2017 as per Circular no. 32/2017-Customs dated 27.7.2017 is no longer required w.e.f. 1.10.2017;
- (e) In case of AIR claim against tariff item numbers 711301, 711302 and 711401, the requirement of declaration by exporter as per Circular no. 30/2016-Customs dated 24.6.2016 is no longer required w.e.f. 1.10.2017;
- (f) The notification also specifies the alternative AIRs on garment exports (items covered under Chapter 61 and 62) made against the Special Advance Authorization (para 4.04A of FTP 2015-
- 20) in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13.8.2016. These AIRs are provided in 'Table' in the said notification. For claiming these alternative AIRs, the relevant tariff item has to be suffixed with suffix 'D' instead of the usual suffix 'B';
- (g) Para 3 of the Notification no. 89/2017-Customs (N.T.) dated 21.9.2017 specifies the amount for payment as provisional drawback by proper officer of Customs in terms of sub-rule (3) of Rule 7 of the Drawback Rules, 2017. This is equivalent to the AIR corresponding to the export goods, if applicable, and subject to the same conditions as applicable to a claim for that component. The amount paid as provisional drawback under the above dispensation shall be taken into account by the Customs to authorize further provisional drawback, where necessary;
- (h) For fixation of Brand Rate, Circular no. 23/2017-Customs dated 30.6.2017 may be referred. The brand rate facilitation would continue and there should be no delay by Customs formations in finalizing applications for fixation of brand rate;

- (i) Where in respect of export product, NIL rate or no rate of drawback is provided in AIR Schedule, an application for fixation of Brand Rate under Rule 7 of the Drawback Rules, 2017 shall not be admissible. In such situation, application for fixation of Brand Rate may be filed under Rule 6 of the Drawback Rules, 2017;
 - (j) In terms of Rule 20 of the Drawback Rules, 2017, brand rates of drawback already fixed will not apply for exports with Let export date 1.10.2017 onwards. Thus, exporters will be required to apply fresh for fixation of Brand Rate under Rule 6 or Rule 7 for such exports.
2. The Commissioners are expected to ensure due diligence to prevent any misuse. The shipping bills with parameters considered to be sensitive should be handled with adequate care at the time of export.
 3. There is also need for continued scrutiny for preventing any excess drawback arising from mismatch of declarations made in the Item Details and the Drawback Details in a shipping bill.
 4. With trade facilitation in view, tenure of the Drawback Committee constituted by the Central Government has been extended to 31.12.2017 to expeditiously look into issues arising from the changes made. Accordingly, exporters may immediately come forward with representations with supporting data and documents, if any, for higher rates than rates provided.
 5. Suitable public notice and standing order should be issued for guidance of the trade and officers. Any inconsistency, error or difficulty faced should be intimated to the Board. The Commissioners may also inform, with appropriate data, the details of specific products where drawback cap needs to be imposed.

Yours faithfully

(Dinesh Kumar Gupta)

Director (Drawback) Tel: 23360581



[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)

Notification No. 89/2017-customs (N.T.)

New Delhi, the 21st September, 2017

G.S.R. (E). – In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962) and sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), read with rules 3 and 4 of the Customs and Central Excise Duties Drawback Rules, 2017 (hereinafter referred to as the said rules) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 131/2016-Customs (N.T.), dated the 31st October, 2016, published vide number G.S.R. 1018(E), dated the 31st October, 2016, except as respect to things done or omitted to be done before such supersession, the Central Government hereby determines the rates of drawback as specified in the Schedule annexed hereto (hereinafter referred to as the said Schedule) subject to the following notes and conditions, namely :-

Notes and conditions -

- (1) The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight digits in the said Schedule are in several cases not aligned with the descriptions of goods given in the First Schedule to the Customs Tariff Act, 1975.
- (2) The general rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 shall, mutatis mutandis, apply for classifying the export goods listed in the said Schedule.
- (3) Notwithstanding anything contained in the said Schedule, -
 - (i) all art-ware or handicraft items shall be classified under the heading of art-ware or handicraft (of constituent material) as mentioned in the relevant Chapters;

- (ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, except those classifiable under heading 8432 or 8433 or 8436, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule;
 - (iii) the sports gloves mentioned below heading 4203 or 6116 or 6216 shall be classified in that heading and all other sports gloves shall be classified under heading 9506.
- (4) The figures shown in column (4) in the said Schedule refer to the rate of drawback expressed as a percentage of the free on board value or the rate per unit quantity of the export goods, as the case may be.
 - (5) The figures shown in column (5) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).
 - (6) An export product accompanied with a tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in column (5) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed the amount calculated by applying ad-valorem rate of drawback shown in column (4) to one and half times the tax invoice value.
 - (7) The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.
 - (8) Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rule 12, 13 and 14 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.
 - (9) The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is -
 - (a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962);
 - (b) manufactured or exported in discharge of export obligation against an Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Foreign Trade Policy :
 Provided that where exports are made against Special Advance Authorisation issued under paragraph 4.04A of the Foreign Trade Policy 2015-20 in discharge of export obligations in terms of Notification No. 45/2016-Customs, dated 13th August, 2016, the rates of drawback specified in the said Schedule shall apply as if in the said Schedule, the entries in columns (4) and (5) against the Tariff items in the said Schedule below all Chapters, except Chapter 61 and 62, are NIL, and those in Chapters 61 and 62 are as specified in the Table annexed hereto;
 - (c) manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit in terms of the provisions of the relevant Foreign Trade Policy;
 - (d) manufactured or exported by any of the units situated in Free Trade Zones or Export Processing Zones or Special Economic Zones;
 - (e) manufactured or exported availing the benefit of the notification No. 32/1997-Customs, dated 1st April, 1997.
 - (10) Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in case of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.
 - (11) The term 'article of leather' in Chapter 42 of the said Schedule shall mean any article wherein (a) 60% or more of the outer visible surface area; or (b) 60% or more of the outer and inner surface area taken together, excluding shoulder straps or handles or fur skin trimming, if any, is of leather notwithstanding that such article is made of leather and any other material.
 - (12) The term "dyed", wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or

predominantly printed or coloured in the body.

- (13) The term “dyed” in relation to fabrics and yarn of cotton, shall include “bleached or mercerised or printed or melange”.
- (14) The term “dyed” in relation to textile materials in Chapters 54 and 55 shall include “printed or bleached or melange”.
- (15) In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85% or more by weight.
- (16) The term “shirts” in relation to Chapters 61 and 62 of the said Schedule shall include “shirts with hood”.
- (17) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely :-
- (a) French point or Paris point or Continental Size above 33;
 - (b) English or UK adult size 1 and above; and
 - (c) American or USA adult size 1 and above.
- (18) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely :-
- (a) French point or Paris point or Continental Size upto 33;
 - (b) English or UK children size upto 13; and
 - (c) American or USA children size upto 13.
- (19) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4.72 of the Hand Book of Procedures, 2015-2020 published vide Public Notice No. 1/2015-2020, dated the 1st April, 2015 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold jewellery or silver jewellery or silver articles. The free on board value of any consignment through authorised courier shall not exceed rupees twenty lakhs.
- (20) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported in discharge of export obligation against any Scheme of the relevant Foreign Trade Policy of the Government of India which provides for duty free import or replenishment or procurement from local sources of gold or silver.
- (21) “Vehicles” of Chapter 87 of the said Schedule shall comprise completely built unit or completely knocked down (CKD) unit or semi knocked down (SKD) unit.
2. All claims for duty drawback at the rates of drawback notified herein shall be filed with reference to the tariff items and descriptions of goods shown in columns (1) and (2) of the said Schedule respectively. Where, in respect of the export product, the rate of drawback specified in the said Schedule is Nil or is not applicable, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the said rules. Where the claim for duty drawback is filed with reference to tariff item of the said Schedule and it is for the rate of drawback specified herein, an application, as referred under sub-rule (1) of rule 7 of the said rules shall not be admissible.
 3. The amount referred in sub-rule (3) of rule 7 of the said rules, relating to provisional drawback amount as may be specified by the Central Government, shall be equivalent to the drawback rate and drawback cap shown in column (4) and (5) in the said Schedule for the tariff item corresponding to the export goods, if applicable, and determined as if it were a claim for duty drawback filed with reference to such rate and cap.
 4. This notification shall come into force on the 1st day of October, 2017.

Photograph of Workshop on "Creating an Ecosystem for Innovation and Technology Development in Textile Industry" organised by Textile Accessories & Machinery Manufacturers' Association (ITAMMA) in association with Mewar Chamber of Commerce and Industry on Saturday, 09.09.2017 at Hotel Kanchi Resorts, Pur Road, Bhilwara.



Workshop was inaugurated by Dr. Kavita Gupta, Textile Commissioner of India followed by "Product-cum-Catalogue Show"

Press Conference of Dr. Kavita Gupta, Textile Commissioner of India organized at Hotel Kanchi, Pur Road, Bhilwara on 09.09.2017 during her visit at Bhilwara



Meeting with Members of MCCI with Dr. Kavita Gupta, Textile Commissioner of India



Photograph of Seminar on Foreign Policy & Procedures- under "Niryat Bandhu Scheme" Programme Organized by Director General of Foreign Trade, Ministry of Commerce & Industry, Government of India & MCCI on 15.09.2017





Press Conference organised by Textile Accessories & Machinery Manufacturers' Association (ITAMMA) in association with Mewar Chamber of Commerce and Industry on Friday, 8th September, 2017



Photographs of Product-cum-Catalogue Show organised by Textile Accessories & Machinery Manufacturers' Association (ITAMMA) in association with Mewar Chamber of Commerce and Industry on Saturday, 09.09.2017 at Hotel Kanchi Resorts, Pur Road, Bhilwara.



Managing Committee Meeting at Chittorgarh on 23.09.2017



Seminar on Vendor Development at Chittorgarh on 14.09.2017

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