

The Government has proposed the following amendments in its 23rd GST Council Meeting which is expected to be effective from 15th November:

Composition Scheme

- 1) Tax rate of **1%** has been made uniform for both **manufacturers and traders**. No change is there in respect of composition scheme for restaurant.
- 2) For **traders**, turnover will be counted only for **supply of taxable goods** and not any other supply.
- 3) Annual turnover eligibility will be **increased to Rs. 2 crore** from the present limit of Rs. 1 crore. Thereafter such limit will be increased to Rs. 1.5 crore per annum. Such changes will only be implemented **after necessary amendment of the CGST Act and SGST Act**.

Return filing

- 1) Form **GSTR 3B** will stay as a **monthly** return for all taxpayers and is to be filed by 20th of the succeeding month **till March, 2018**.
- 2) Upto March, 2018, filing of **GSTR 1** will be as follows:
 - a) **Quarterly** return for Taxpayers with annual turnover **upto Rs. 1.5 crore**

Period	Dates
July - Sep	31st Dec 2017
Oct - Dec	15th Feb 2018
Jan - Mar	30th April, 2018

- b) **Monthly** return for Taxpayers with annual turnover **more than Rs. 1.5 crore**

Period	Dates
July - Oct	31st Dec 2017
Nov	10th Jan 2018
Dec	10th Feb 2018
Jan	10th Mar 2018
Feb	10th Apr 2018
Mar	10th May 2018

- 3) Filing of **GSTR 2 and GSTR 3** for the months of July to March, 2018 has been **deferred** and will be worked out by Government. GSTR 1 can be filed without filing of GSTR 2 & GSTR 3.
- 4) Late fees for GSTR 3B for July-September have been waived. Payment already made will be transferred in the Electronic Cash ledger from the head 'Tax' to 'Fee'.
- 5) Taxpayers with NIL rate of tax will have a late fee of Rs. 20 per day instead of Rs. 200 per day.

Extension of Due dates

Forms	Description	Period	Due Date
Form GST TRAN-1	Transitional Period Statement (Original/Revised)		31st December
Form GST ITC-04	Goods dispatched to/received from job worker (to be furnished by principal)	July-Sept	31st December
Form GSTR 4	Quarterly Return for Composition Taxpayers	July-Sept	24th December
Form GSTR 6	Input Service Distributors (ISD)	July	31st December
Form GSTR 5A	Suppliers of OIDAR services from outside India	July	15th December
Form GSTR 5A	Non Resident Taxpayers	July	11th December

Advance Ruling

- 1) **Manual filing** of application for **advance ruling** has been introduced for the first time

Other benefits to Service providers

- 1) **Input tax credit** is allowed on **export of services to Nepal or Bhutan** even if though the supply is considered as exempt and the consideration is received in convertible foreign exchange.
- 2) Suppliers providing **services through e-commerce platform** are **exempt** from obtaining compulsory **registration** if their aggregate turnover does not exceed Rs. 20 lakhs.

Rate changes on Goods

- 1) Rate of 177 items have been reduced from 28% to 18%
- 2) Rate of 2 items have been reduced from 28% to 12%
- 3) Only 50 items have been retained at 28% rate
- 4) Rate of 13 items have been reduced from 18% to 12%
- 5) Rate of 6 items have been reduced from 18% to 5%
- 6) Rate of 8 items have been reduced from 12% to 5%
- 7) Rate of 6 items have been reduced from 5% to NIL
- 8) GST rates on aircraft engines from 28%/18% to 5%, aircraft tyres from 28% to 5% and aircraft seats from 28% to 5%.
- 9) GST rate on bangles of lac/shellac from 3% GST rate to Nil.
- 10) 6 exemptions have been given in respect of supply of certain goods
- 11) Modification in definition/clarification in respect of changes in rates of goods have been issued for 6 items.

Rate changes for Services

- 1) All stand-alone restaurants irrespective of air conditioned or otherwise, will attract 5% GST without ITC. Food parcels (or takeaways) will also attract 5% GST without ITC.
- 2) Restaurants in hotel premises having room tariff of less than Rs 7500 per unit per day will attract GST of 5% without ITC.

- 3) Restaurants in hotel premises having room tariff of Rs 7500 and above per unit per day (even for a single room) will attract GST of 18% with full ITC.
- 4) Outdoor catering will continue to be at 18% with full ITC.
- 5) GST on Services by way of admission to "protected monuments" will be exempted.
- 6) The rate of GST on job work services in relation to manufacture of those handicraft goods in respect of which the casual taxable person has been exempted from obtaining registration, shall be reduced to 5% with full ITC.
- 7) Permanent transfer of Intellectual Property other than Information Technology software is to be taxable in the goods rate of 12%
- 8) Permanent transfer of Intellectual Property in respect of Information Technology software in the goods rate list of 18%.
- 9) Services provided by Fair Price Shops to the Central Government, State Governments or Union Territories by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin, is being rationalized
- 10) 'Composite supply of Works Contract' is being entered in the notification no. 11/2017-Central tax (rate) dated 28th June, 2017 in the residuary point of construction services to make it consistent with the other specific points of construction services
- 11) Credit of GST paid on aircraft engines, parts & accessories will be available for discharging GST on inter-state supply of such aircraft engines, parts & accessories by way of inter-state stock transfers
- 12) Processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jaggery, processed spices, processed dry fruits & cashew nuts etc. will fall outside the definition of agricultural produce. therefore the exemption from GST is not available to their loading, packing, warehousing etc
- 13) Services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory are exempt from GST
- 14) Services provided by State Government by way of general insurance (managed by government) to employees of the State government/ Police personnel, employees of Electricity Department or students are exempt

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