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**Highlights - 17th GST Council Meeting and Notifications
issued under GST**

The 17th Goods and Services Tax (GST) council meeting was held on 18 June 2017 at New Delhi to consider the E-way Bill and other pending rules along with taxation on lottery.

The Key Highlights of the said meeting are as under:

1.0 Relaxation in return filing procedure under GST for the month of July and August

- With the objective of smooth rollout, GST Council has decided to allow to determine tax payable under GST for July and August 2017 based on summary of outward and inward supplies in Form GSTR-3B. However, the detailed outward and inward supply information needs to be furnished under regular GSTR-1 and GSTR-2 on or before extended due dates which are as under:

| Month | GSTR-3B | GSTR-1 | GSTR-2 |
|-------------|----------------------------|---------------------------------------------|-----------------------------------------------|
| July 2017 | 20 th August | 1 st - 5 th September | 6 th - 10 th September |
| August 2017 | 20 th September | 16 th - 20 th Septem- | 21 st - 25 th September |

- The facility to provide details under GSTR-1 for July 2017 shall be made available by 15th July 2017 onwards.
- There will not be any late fees or penalty for this *interim period* i.e. July 2017 and August 2017 related to said Return filing under GST. This is done with intention to provide a sense of relief to the taxpayers and give them an elbow room to adjust themselves with the requirements of the changed system.

2.0 GST on Lottery

The GST council has approved following rates on lottery under GST regime:

| Particulars | GST Rate |
|-------------------------------------------------------------------------|----------|
| Where lottery is run by State Government | 12% |
| Where lottery, authorized by State Government, is run by Private Entity | 28% |

3.0 Revision in GST rate for Hotels/Restaurants

- The Council has revised the rate of GST as 18% for Hotels having per day room tariff between Rs. 2,500 and Rs. 7,500 which was earlier subject to 28% if tariff exceeds Rs. 5,000.

Summary of revision is as under:

| Sr. No. | Per day tariff | Proposed | |
|---------|--------------------------------------------|-----------|---------------|
| | | Old Rates | Revised Rates |
| 1 | Less than Rs. 1,000 | Exempt | Exempt |
| 2 | Rs. 1,000 or above but less than Rs. 2,500 | 12% | 12% |
| 3 | Rs. 2,500 or more but less than Rs. 5,000 | 18% | 18% |
| 4 | Rs. 5,000 or more but less than Rs. 7,500 | 28% | 18% |
| 5 | Rs. 7,500 or above | 28% | 28% |

- Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel shall attract GST rate of 18% with full ITC as against earlier proposed rate of 28% of GST.

4.0 Other aspects

- The GST council in previous meeting held on 11 June 2017 has recommended to increase turnover limit for Composition Levy from 50 Lakh to 75 Lakh for all eligible registered persons. However in this meeting council has clarified that increased turnover limit of Rs. 75 lakh for Composition Levy will not be available for Special category states i.e. existing limit will be applicable to them. Further, turnover limit for the Composition Levy for the state of Jammu & Kashmir will be decided in due course.
- In addition to above, council has recommended that composition scheme will not be available for manufacturer of following goods

| Sr. No. | Classification | Description |
|---------|----------------|-----------------------------------------------------------------|
| 1 | 2105 00 00 | Ice cream and other edible ice, whether or not containing cocoa |
| 2 | 2106 90 20 | Pan masala |
| 3 | 24 | Tobacco and manufactured tobacco substitutes |

- The GST Council has deferred mandatory requirement of E-way Bill. This means, at present, the state, which has existing Way bill structure, may continue with it and other states may have their own decision on applicability of E-way Bill in that states.
- The GST Council also recommended that the GST rate on dried singhada and makhana will be 5%.
- The GST council has approved the following 4 pending rules:
 - Advance Ruling Rules and format
 - Anti Profiteering Rules
 - Appeals and Revision Rules and format
 - Assessment and Revision and format

5.0 Notifications

- On 19 June 2017, the Central Board of Excise and Customs (CBEC) has issued following Notifications for Central Tax and Integrated Tax which shall be effective from 22 June 2017, details of GST notification is as under:

| Notification issued in relation to | Notification No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Authority to grant GST Registration in case of online information and database access or retrieval services to person who is located in non-taxable territory and received by non-taxable online recipient | 02/2017-Integrated Tax |
| Notified the certain section of the IGST Act, 2017 | 01/2017-Integrated Tax |
| Notified the certain section of the CGST Act, 2017 | 01/2017-Central Tax |
| Notifying jurisdiction of Central Tax Officers | 02/2017-Central Tax |
| Notifying the CGST Rules, 2017 on registration and composition levy | 03/2017-Central Tax |
| Notifying www.gst.gov.in as the Common Goods and Services Tax Electronic Portal | 04/2017-Central Tax |
| Seeks to exempt persons only engaged in making taxable supplies, total tax on which is liable to be paid on reverse charge basis | 05/2017-Central Tax |
| Modes of verification under CGST Rules, 2017 | 06/2017-Central Tax |

- The next meeting of GST Council shall be held on 30 June 2017 to launch GST by having a Special Midnight Session in Parliament.

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This newsflash is general in nature. In this newsflash, we have summarized the extracts of the 17th GST Council meeting held at New Delhi on 18 June 2017. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

19 June 2017