

23rd GST Council Meet

10 November, 2017

Overall
Highlights



Due Date
Changes



GST Rate
Changes

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6 Big Decisions

1. GST Rate cut for more than 178 items
2. Composition scheme limit increased to Rs 1.5 crore
3. All service providers exempt from seeking exemption if turnover under Rs 20 lakhs
4. Only GSTR-1 and GSTR-3B until 31st March 2018
5. Massive relief for small businesses for compliance
6. Relaxation in timelines for almost all GSTR forms

(Changes to be made prospectively from 15th November)

Changes in Composition Scheme

1. Composition scheme limit to be increased to Rs 1.5 crore (can be extended to Rs 2 crore later).
2. 1 % GST rate for manufacturers & traders
3. Composition tax of 1% on turnover of taxable goods (turnover of exempted goods to be excluded)
4. Those supplying goods and services (services not exceeding Rs 5 lakhs in total) eligible for compositions scheme
5. Composition Returns, GSTR-4 due date extended to 24th December
6. Composition dealers cannot make inter-state sales. Input tax benefit not allowed.

Relief in GSTR compliance

1. All businesses to file **GSTR-1** and **GSTR-3B** till March 2018.
2. **No GSTR-2 and GSTR-3** filing till March 2018.
3. Turnover under Rs 1.5 Cr to file **quarterly** GSTR-1.
4. Turnover above Rs 1.5 Cr to file **monthly** GSTR-1.
5. All businesses to file **GSTR-3B** by 20th of next month till March 2018.

Extension of GSTR-1 filing Due Dates

For turnover up to Rs 1.5 Cr

Period (Quarterly)	Due Dates
July- Sept	31st Dec 2017
Oct- Dec	15th Feb 2018
Jan- Mar	30th April 2018

For turnover more than Rs 1.5 Cr

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

Relief for service providers

All service providers with turnover up to Rs 20 lakhs exempt from GST registration. Including those who supply inter-state or supply through e-commerce operator, such service providers do not have to register.

Challenges ahead for Restaurants

GST rate cut to 5% with no input tax credit.

Other taxpayer relief measures

1. **Late Fees reduced** - For delayed filing of NIL returns, late fee reduced from Rs 200 per day to Rs 20 per day.

Other taxpayer relief measures (Contd.)

2. **Late Fee credit** - Late fees for GSTR-3B of July, Aug and Sept waived. Any late fees paid for these months will be credited back in Electronic Cash Ledger under 'Tax' and can be utilized to make GST payments.
3. **Manual filing for Advance Ruling** application to be introduced
4. **Export of services to Nepal and Bhutan** are exempt from GST and have now been allowed to claim refund of input tax credit paid, if any.
5. **TRAN-1** can be revised till 31st December 2017. Revision to be done only once.
6. **Timelines for filing of GSTR-2 and GSTR-3** for July to March 2018 to be worked out by Committee of Officers. However, subsequent month filing of GSTR-1 will not be impacted.

Others GSTR filing extensions

Return	Revised Due Date	Old Due Date
GSTR-5 (for Non-Resident)	15th Dec 2017	Earlier of 20th August 2017 or 7 days from date of registration
GSTR-4 (for Composition Dealers)	24th Dec 2017	18th October 2017
GSTR-6 (for Input Service Distributor)	31st Dec 2017	13th August 2017
ITC-04 (for job work) for quarter of Jul-Sep	31st Dec 2017	25th October 2017
TRAN-1	31st Dec 2017	30th September 2017

GST Rate Changes

- 28% slab pruning cost to government= 20,000 crore
- 1 % composition rate for manufacturers & traders
- Reduced from 28% to 18% W.e.f. 15th Nov 2017 - Shampoo, Perfume, tiles, watches
- Reduced from 28% to 12% - Wet grinders, tanks
- Reduced from 18% to 12% - condensed milk, refined sugar, diabetic food
- Reduced from 12% to 5% - desiccated coconut, idli dosa batter, coir products
- Reduced from 5% to nil - guar meal, khandsari sugar, dried vegetables
- Restaurants within hotels (room tariff <7,500- 5% w/o ITC
- Restaurants within hotels (room tariff >7,500) still 18% w/ ITC
- Outdoor catering 18% with ITC