Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update No. 4 of 2017
29th March, 2017

Supply, Levy and Composition Levy - Changes proposed in the CGST Bill, 2017

Changes proposed in the CGST Bill, 2017

Supply, Levy and Composition Levy

A. Meaning and Scope of Supply

- Definition of "supply" is proposed to be amended to include activities mentioned in Schedule II to be treated either as supply of goods or supply of services.

- Proviso has been inserted in Schedule I prescribing gifts (supplies without consideration) provided by employer to employee exceeding value of Rs. 50,000 in a financial year to be considered as supply.

- Schedule II has prescribed two composite supplies to be treated as supply of services.

    - Works Contract
    - Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcohol)

- In Schedule III, two entries inserted to define them neither as supply of goods nor supply of services:
  - Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
  - Actionable claims, other than lottery, betting and gambling

B. Levy of CGST

- The upper limit of CGST rate increased from 14% to 20%. Further, Clause 9 now specifically excludes supply of alcoholic liquor for human consumption from the GST net.
- A new sub clause has been inserted to provide that GST on supply of petroleum products shall be levied with effect from such date as may be notified on the recommendation of Council.
- All receipt of goods and/or services from unregistered person by registered person have been proposed to be liable to GST on reverse charge basis.

C. Composition Levy

- In the proposed CGST Bill' 2017, the composition scheme can be availed as an option to the taxable person rather than a permission based facility.
- The upper limit rates for composition levy have also been amended and the revised rates now stand as under: -

Class of dealer	Composition Rate
Manufacturers	1%
Other Supplier of Goods	0.5%
Restaurants	2.5%

- A new proviso has been added which provides that the Government, on the recommendation of Council, may increase the threshold from Rs. 50 lakhs to Rs. 1 crore by Notification.

NEW DELHI
5 Link Road, Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014
Phone : +91-11-4129 9800

B-6/10, Safdarjung Enclave
New Delhi - 110 029
Phone : +91-11-4129 9900
E-mail : lsdel@lakshmisri.com

MUMBAI
2nd floor, B&C Wing,
Cnergy IT Park,
Appa Saheb Marathe Marg, (Near Century Bazar)
Prabhadevi, Mumbai - 400025.
Phone : +91-22-2439 2500
E-mail : lsbom@lakshmisri.com

CHENNAI
2, Wallace Garden, 2nd Street
Chennai - 600 006
Phone : +91-44-2833 4700
E-mail : lsmds@lakshmisri.com

BENGALURU
4th floor, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road,
Malleswaram West,
Bangalore-560 055.
Ph: +91-80-4933 1800
E-mail : lsblr@lakshmisri.com

HYDERABAD
'Hastigiri', 5-9-163, Chapel Road
Opp. Methodist Church, Nampally
Hyderabad - 500 001
Phone : +91-40-2323 4924
E-mail : lshyd@lakshmisri.com

AHMEDABAD
B-334, SAKAR-VII,
Nehru Bridge Corner,
Ashram Road,
Ahmedabad - 380 009
Phone : +91-79-4001 4500
E-mail : lsahd@lakshmisri.com

PUNE
607-609, Nucleus, 1 Church Road,
Camp, Pune – 411 001
Phone : +91-20-6680 1900
E-mail : lspune@lakshmisri.com

KOLKATA
2ND Floor, Kanak Building
41, Chowringhee Road,
Kolkatta-700071
Phone : +91-33-4005 5570
E-mail : lskolkata@lakshmisri.com

CHANDIGARH
1st Floor, SCO No. 59,
Sector 26,
Chandigarh - 160026
Phone : +91-172-492 1700
E-mail : lschd@lakshmisri.com

GURGAON
OS2 & OS3, 5th Floor, Corporate Office Tower, AMBIENCE Island, Sector 25-A,
Gurgaon - 122001
Phone : +91-124-477 1300
E-mail :lsgurgaon@lakshmisri.com

ALLAHABAD
3/1A/3, (opposite Auto Sales), Colvin Road, (Lohia Marg),
Allahabad -211001 (U.P.)
Phone no. : (0532) – 2421037, 2420359
Email: lsallahabad@lakshmisri.com

www.lakshmisri.com
www.gst.lakshmisri.com
www.lakshmisri.cn
www.addb.lakshmisri.com