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L&S Update

an e-update to clients from
Lakshmikumaran & Sridharan

**L&S GST Update
No. 30 of 2017,
dated 12-6-2017**

**GST Council's Meeting held on 11-6-2017
– Rate reduction, IGST exemptions,
changes in GST rate for certain services &
composition scheme**

GST Council's Meeting held on 11th June, 2017

The 16th meeting of the GST Council was held on 11-6-2017. The Council took several decisions including the following:

- **GST rates reduced on number of items**
 - **GST rates and exemptions for certain services, specified**
 - **Certain IGST exemptions specified**
 - **Threshold limit for Composition Levy, enhanced**
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- **GST rates reduced for certain goods including the following:**
 - ***Chapters 01 to 25*** - Preparations of vegetables, fruits, nuts or other parts of plants, including pickle, murabba, chutney, jam, jelly; Ketchup & Sauces, mustard sauces; Curry paste; mayonnaise and salad dressings; mixed condiments and mixed seasonings; Bari made of pulses; Ice and snow; and Salt.
 - ***Chapters 26 to 49*** - Bio gas; Insulin; Menthol and menthol crystals; Kajal; Agarbatti; diagnostic kits and reagents; Plastic beads; Rear Tractor tyres and tubes; certain School bags, Hand bags and Shopping bags; Exercise books and note books; Children's picture, drawing or colouring books.

- **Chapters 51 to 71** - Coir mats, matting and floor covering; Headgear; Human hair; Fly ash blocks; Pre cast Concrete Pipes; Glasses for corrective spectacles; and Rough precious and semi-precious stones
- **Chapters 72 to 83** - Aluminium foil; Spoons, forks, ladles, skimmers, cake servers, fish knives, tongs
- **Chapters 84 to 87** - Air Based Atta Chakki; Diesel Engines (fixed speed); Weighing Machinery (other than electric); Printers (other than multifunction); Ball bearings; specified Transformers; UPS; CCTV; Set top Box for TV; specified Computer monitors; Winding Wires; Baby carriages.
- **Chapters 90 to 96** - Corrective Spectacles; length measuring instruments; Bamboo furniture; Playing cards; Board games; Swimming pools; Postage or revenue stamps.
- **Nil or 0% rates** - Cereal grains hulled; Palmyra jaggery; Salt; Dicalcium phosphate (DCP) of animal feed grade (particular specification); Kajal (other than kajal pencil sticks); Children's picture, drawing or colouring books; Human hair; and Muddhas made of sarkanda and phool bahari jhadoo

➤ **GST rates and exemptions to certain services**

- Exemption to pure services provided to Government/authority in relation to any function entrusted to Panchayat or Municipality
- 5% GST to be levied on job work services in relation to
 - textile yarns (specified) and fabrics;
 - Cut and polished diamonds; precious and semi-precious stones, or plain and studded jewellery of gold and other precious metals
 - Printing of books, journals and periodicals
 - Leather processing
- 18% GST on Cinema entry tickets, if consideration is Rs. 100 or less – Rate reduced from 28%.
- Exemption from registration available to individual advocates and individual sponsorship service providers

➤ **Certain new IGST exemptions**

- Exemption provided to Inter-state movement of any mode of conveyance (carrying goods and/or passengers, or for repair and maintenance) between distinct persons
 - Exemption not available where such movement is for further supply of same conveyance
 - Tax however payable on repair and maintenance
- Exemption provided to import of diamonds for certification or grading, or re-import after testing abroad (Exemption presently available under Customs)

➤ **Threshold limit for Composition Levy**

- Threshold limit for composition levy for manufacturers, traders and restaurant service providers, enhanced to Rs. 75 lakh from Rs. 50 lakh.

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