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Changes in GST Act and Rules

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He is an accredited GST trainer from the National Academy of Customs, Excise & Narcotics (NACEN), Faridabad. He has delivered lectures on GST at various trade forums, professional associations and also at departmental outreach programmes. He has also participated in various GST discussions in the print and electronic media.

- Aadhaar Authentication facility is available. Now you can authenticate Aadhaar of Partner/Promoter and Primary Authorized Signatory.

- The GSTN has enabled a new feature that requires the taxpayer to select one core business

activity on the GST Portal. Taxpayers are required to select their business activity

1. Manufacturer
2. Wholesaler/Distributor/Retailer
3. Service providers

Note: If you are manufacturer, wholesaler and service provider than you have to select the manufacturer option.

- Section 50 of the CGST Act is being amended to provide for a retrospective effect on charge of interest on net cash liability, with effect from 1st July 2017.

(Interest On Net Cash Liability)

- Every year you have to renew Letter of Undertaking (LUT) for supplies made to exports and SEZ unit.

- Employer's Gifts to Employee Will No Longer be Taxed under GST

- Earlier the supply of goods or services between related persons (made during the course of business) was treated as 'supply' even when there is no consideration. Employer and Employee were covered in the definition of related person. So, it stood that any supply of



GUEST COLUMN

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goods or services by employer to his employees (even if free of cost) would have been covered under the scope of GST.

- Proposed change to the Act provides that GST will not apply on gifts upto Rs. 50,000 by an employer to a particular employee. However, gifts above Rs. 50,000 will attract GST.

● A registered person having aggregate turnover in the previous financial year, shall mention the number of digits of the HSN code as specified below:

Sr. No.	Aggregate Turnover	Digits of HSN Code
1.	Less than or equal to Rs. 5 Crore	4
2.	More than Rs. 5 Crore	6
3.	In case of Export of Goods/ Service	8

● In continuation to the DGFT notification No. 58, dated 12.02.2021, it is to inform that last date for modification/ updation of IEC has been extended up to 31.07.2021.

Input Tax Credit

● Change in Conditions for Disallowing ITC

- According to the earlier provisions of GST Law, if the recipient/buyer failed to pay the service provider within 3 months, then the input credit tax (ITC) availed by the buyer would be disallowed. He would be required to pay the amount of ITC availed along with interest. This was only for services. There were no provisions of re-allowing the ITC if the buyer paid after 3 months.
- Now, in the amended act, this provision includes goods also. Further, the time period for payment is extended to 180 days instead of 3 months before ITC is disallowed. Now, if payment is made even after 180 days then the ITC will be re-allowed.

List of Ineligible Items on which ITC is not allowed under GST Laws

Sr. No.	Category of goods & services	HSN / SAC	Exceptions where ITC is allowed
1	Motor Vehicles & Other Conveyances	87	Further supply of such vehicles or conveyances; or Transportation of passengers; or Providing training on driving, navigating such vehicles; or Conveyances for transportation of goods; or Motor vehicles for transportation of persons having an approved capacity of more than thirteen persons including driver when they are used for business purposes; Buses for pick and drop of employees (if approved capacity is more than 13 persons including driver) - part of above.
2	Insurance, repairs and maintenance for motor vehicles and conveyance not allowed	997134, 998714,	Only allowed under this head if ITC on vehicles are allowed; If the ITC on any type of vehicle is not allowed, then the cost of insurance, repairs and maintenance for such vehicles is also not allowed.

3	Food & Beverages, Outdoor Catering, Beauty Treatment, Health Services Cosmetic, Plastic Surgery Insurance, repairs and maintenance for motor vehicles and conveyance not allowed	99633 99972 99931, 99932, 99933, 99934, 99935	Except where an inward supply of goods or services or both of a particular category is consumed by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply ITC is available in respect of food and beverages or health services where the provision of such goods or services is obligatory for an employer to provide to employees under any law for time being in force.
4	Membership of a Club, Health and Fitness Centre	99972	-
5	Rent-a-cab, Life Insurance & Health Insurance	996601 997132, 997133 997141, 997142	The Government notifies the services which are mandatory for an employer to provide to its employees under any law for the time being in force; or Such inward supply of goods or services of a particular category is used for making an outward taxable supply of the same Category of goods or services or as part of a taxable composite or mixed supply.
6	Travel benefits extended to employees on vacation	NA	-
7	Travel benefits on home travel concession (LTA)	NA	-
8	Works contract services when supplied for construction of an immovable property	9954	Except where it is an input service for further supply of works contract service and plant and machinery
9	Goods or services received by a taxable person for construction of an immovable property	9954	Except goods or services received on his own account including when such goods or services or both are used in the course or furtherance of business and plant and machinery
10	Goods or services on which tax has been paid under section 10 (Composition Scheme)	NA	-
11	Goods or services or both received by a non-resident taxable person	NA	Except on goods imported by him
12	Goods or services or both used for personal consumption	NA	-
13	Goods lost, written off, destroyed or damaged or stolen	NA	-
14	Goods disposed of by way of gift or free samples	NA	Gifts to employees is exempted from GST upto a value of Rs 50,000 per employee – Schedule I of CGST Act, 2017 (Refer Sec 7)
15	Any tax paid in U/Sec 74, 129 and 130. (i.e. in fraud, misstatement, etc.)	NA	-

E-Way Bill in Brief

● A GST registered person cannot transport goods in a vehicle whose value exceeds Rs. 50,000 (Single Invoice/bill/delivery challan) without an e-way bill that is generated on www.ewaybillgst.gov.in.

Alternatively, Eway bill can also be generated or cancelled through SMS, Android App and by site-to-site integration through API.

● From January 1, 2021, RFID/FASTag has been integrated with the e-way bill system and a transporter is required to have radio-frequency identification (RFID) tag in his vehicle and details of the e-way bill generated for goods being carried by the vehicles are uploaded into the RFID system.

● Blocking and Unblocking of E-way Bill :

- E-way bill generation is blocked for taxpayers who have not filed their returns for the previous two consecutive months/quarters.
- Thus, if a taxpayer has not filed GSTR-3B for two or more consecutive months, then he/she cannot generate e-way bills to do dispatches and receive goods, resulting in a standstill.
- Only when a taxpayer files GSTR-3B, the e-way bills will get unblocked on the next day.

Facts of E-Invoices under GST

● The mandatory requirement for generating e-Invoice to the Taxpayers whose annual aggregate turnover in any of the three preceding financial years from 2017-18 has been more than Rs.50 Crore. This compliance obligation takes effect from 1st April 2021 on B2B supplies (not required for B2cs, Export and SEZ). (Govt may proposed above 10 crore wef 01.10.2021)

● Some of the important rules relating to the cancellation of IRN are hereunder-

- Cancellation of IRN is possible only within 24 hours of the generation of the IRN. Post completion of 24 hours, the supplier will have to issue either a debit note/ credit note or edit Form GSTR-1 modifying the respective invoice details.
- Cancellation of IRN is not possible in case the e-way bill is already generated/ active for the respective IRN.
- Once the e-invoice (IRN) is cancelled, the same invoice number cannot be re-used to generate another IRN.
- Partial cancellation of e-invoice (i.e., IRN) is not possible.

(The views expressed in this column are of the author and not that of Cotton Association of India)

Glimpses of Varun Yagna

Here are a few glimpses of the Varun Yagna held by the Bombay Cotton Merchants' & Muccadums' Association Ltd. (BCMMA), on Friday, 9th July 2021.



All India Weather Summary and Forecast

Weather Forecast for next 5 days

➤ Meteorological sub-division wise detailed 5 days precipitation forecast is given in Table-1.

➤ No significant change in maximum temperatures over most parts of the country during next 5 days.

Table-1
5 Day Rainfall Forecast (MID-DAY)
12-July-2021

Met-Sub-Division	12-Jul Today	13Jul Tue	14Jul Wed	15Jul Thu	16Jul Fri
1. Andaman & Nicobar Islands	WS	FWS	FWS	WS	WS
2. Arunachal Pradesh	FWS	WS	WS	WS	WS
3. Assam & Meghalaya	FWS	WS	WS	WS	WS
4. N. M. M. & T.	FWS	WS	WS	WS	WS
5. S.H. West Bengal & Sikkim	SCT	FWS	FWS	WS	WS
6. Gangetic West Bengal	FWS	FWS	SCT	SCT	SCT
7. Odisha	FWS	FWS	SCT	SCT	SCT
8. Jharkhand	SCT	SCT	SCT	SCT	FWS
9. Bihar	SCT	SCT	FWS	FWS	FWS
10. East Uttar Pradesh	ISOL	ISOL	ISOL	SCT	FWS
11. West Uttar Pradesh	ISOL	ISOL	ISOL	SCT	SCT
12. Uttarakhand	WS	FWS	FWS	FWS	FWS
13. Haryana, Chd & Delhi	SCT	SCT	SCT	SCT	SCT
14. Punjab	FWS	SCT	SCT	SCT	SCT
15. Himachal Pradesh	WS	WS	FWS	FWS	FWS
16. J & K and Ladakh	WS	WS	FWS	SCT	ISOL
17. West Rajasthan	FWS	WS	FWS	FWS	SCT
18. East Rajasthan	FWS	WS	FWS	FWS	SCT
19. West Madhya Pradesh	SCT	SCT	SCT	SCT	SCT
20. East Madhya Pradesh	SCT	SCT	SCT	SCT	SCT
21. Gujarat Region	WS	WS	WS	FWS	FWS
22. Saurashtra & Kutch	WS	WS	WS	FWS	FWS
23. Konkan & Goa	WS	WS	WS	WS	WS
24. Madhya Maharashtra	WS	WS	WS	WS	FWS
25. Marathwada	WS	WS	WS	WS	FWS
26. Vidharbha	FWS	FWS	FWS	SCT	SCT
27. Chhattisgarh	SCT	SCT	SCT	SCT	SCT
28. Coastal A. P. & Yanam	WS	WS	FWS	FWS	SCT
29. Telangana	WS	WS	FWS	SCT	SCT
30. Rayalaseema	FWS	FWS	SCT	SCT	SCT
31. T.N.,Puducherry & Karaikal	ISOL	ISOL	ISOL	SCT	SCT
32. Coastal Karnataka	WS	WS	WS	WS	WS
33. North Interior Karnataka	WS	WS	WS	WS	FWS
34. South Interior Karnataka	WS	WS	WS	WS	WS
35. Kerala & Mahe	WS	WS	WS	WS	WS
36. Lakshadweep	FWS	FWS	FWS	WS	WS

% Station Reporting Rainfall

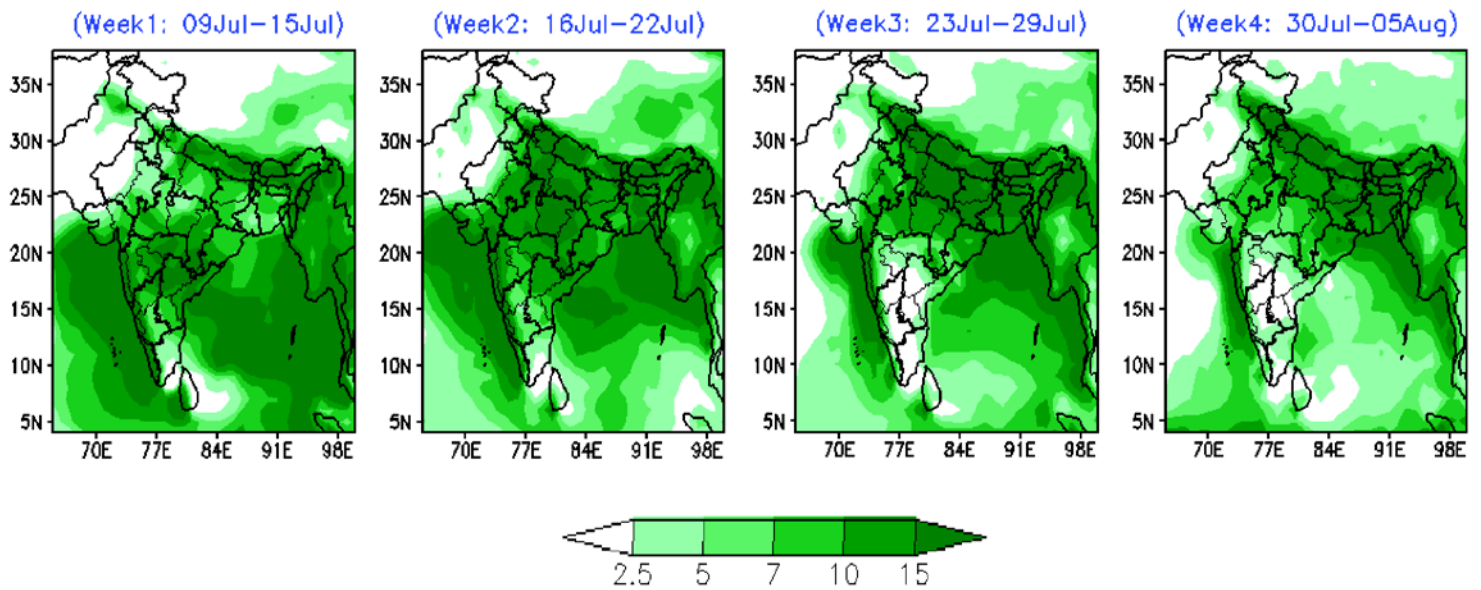
% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

Weather Outlook for subsequent 2 days from 26th June 2021 to 28th June 2021

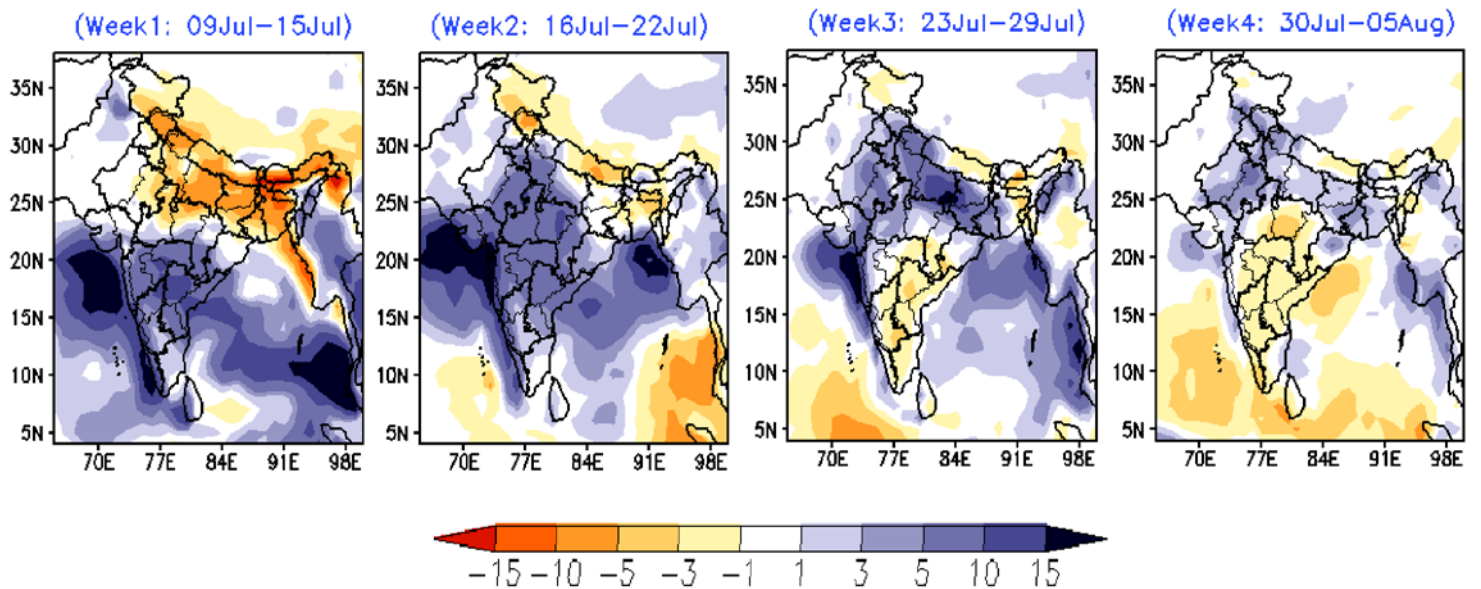
- Active monsoon conditions likely to prevail over the country.
- Fairly widespread to widespread rainfall

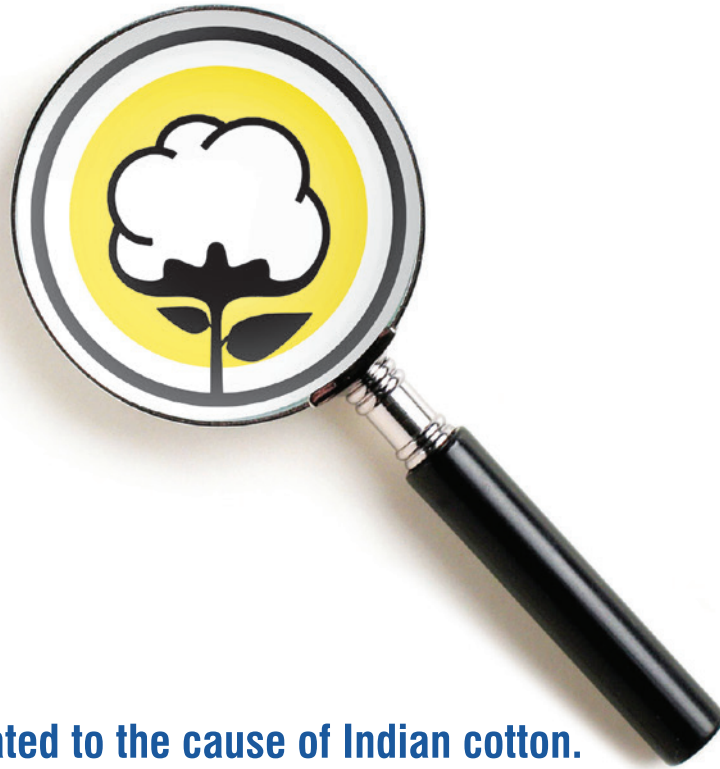
with isolated heavy falls likely over Northeast India and along the West coast; scattered to fairly widespread rainfall over remaining parts of the country except over West Rajasthan, Punjab and parts of Western Himalayan Region where isolated rainfall is likely.

Forecast Rainfall (mm/day)



Forecast Rainfall Anomaly (mm/day)





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The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

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LABORATORY LOCATIONS

Current locations : • **Maharashtra :** Mumbai; Yavatmal; Aurangabad; Jalgaon • **Gujarat :** Rajkot; Ahmedabad • **Andhra Pradesh :** Adoni
• **Madhya Pradesh :** Khargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana:** Warangal, Adilabad



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COTTON ASSOCIATION OF INDIA

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UPCOUNTRY SPOT RATES													
								(Rs./Qtl)					
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]								Spot Rate (Upcountry) 2020-21 Crop July 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	5th	6th	7th	8th	9th	10th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	11642 (41400)	11698 (41600)	11698 (41600)	11698 (41600)	11698 (41600)	11698 (41600)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	11810 (42000)	11867 (42200)	11867 (42200)	11867 (42200)	11867 (42200)	11867 (42200)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	9617 (34200)	9673 (34400)	9701 (34500)	9758 (34700)	9758 (34700)	9729 (34600)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	10123 (36000)	10179 (36200)	10236 (36400)	10292 (36600)	10320 (36700)	10320 (36700)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	11698 (41600)	11754 (41800)	11810 (42000)	11838 (42100)	11838 (42100)	11838 (42100)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	13582 (48300)	13666 (48600)	13694 (48700)	13723 (48800)	13751 (48900)	13751 (48900)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	11895 (42300)	11951 (42500)	11951 (42500)	11951 (42500)	11951 (42500)	11951 (42500)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	13723 (48800)	13807 (49100)	13835 (49200)	13863 (49300)	13891 (49400)	13891 (49400)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	12176 (43300)	12232 (43500)	12232 (43500)	12232 (43500)	12232 (43500)	12232 (43500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	13329 (47400)	13385 (47600)	13413 (47700)	13413 (47700)	13413 (47700)	13413 (47700)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	13947 (49600)	14032 (49900)	14060 (50000)	14088 (50100)	14116 (50200)	14116 (50200)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	13919 (49500)	14004 (49800)	14060 (50000)	14060 (50000)	14060 (50000)	14060 (50000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	13947 (49600)	14032 (49900)	14088 (50100)	14088 (50100)	14088 (50100)	14088 (50100)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	14144 (50300)	14229 (50600)	14285 (50800)	14285 (50800)	14285 (50800)	14285 (50800)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	14201 (50500)	14257 (50700)	14285 (50800)	14313 (50900)	14313 (50900)	14341 (51000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	14285 (50800)	14369 (51100)	14426 (51300)	14426 (51300)	14426 (51300)	14426 (51300)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	14313 (50900)	14397 (51200)	14454 (51400)	14454 (51400)	14454 (51400)	14454 (51400)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	14622 (52000)	14707 (52300)	14763 (52500)	14763 (52500)	14763 (52500)	14763 (52500)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	14904 (53000)	14960 (53200)	15016 (53400)	15016 (53400)	15016 (53400)	15016 (53400)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	14904 (53000)	14988 (53300)	15044 (53500)	15044 (53500)	15044 (53500)	15044 (53500)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	15129 (53800)	15185 (54000)	15213 (54100)	15213 (54100)	15213 (54100)	15213 (54100)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	15157 (53900)	15213 (54100)	15241 (54200)	15241 (54200)	15241 (54200)	15241 (54200)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	15466 (55000)	15494 (55100)	15522 (55200)	15522 (55200)	15522 (55200)	15522 (55200)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	24324 (86500)	24464 (87000)	24605 (87500)	24746 (88000)	24746 (88000)	24746 (88000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	25027 (89000)	25167 (89500)	25308 (90000)	25449 (90500)	25449 (90500)	25449 (90500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	25589 (91000)	25729 (91500)	25870 (92000)	26011 (92500)	26011 (92500)	26011 (92500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	26011 (92500)	26152 (93000)	26292 (93500)	26433 (94000)	26433 (94000)	26433 (94000)

(Note: Figures in bracket indicate prices in Rs./Candy)