**Date : February 2018**

**UNION BUDGET: 2018-2019**

1. Highlights of Union Budget: 2018-19: Automotive Specific prepared by ACMA

2. ACMA Press Statement-Post Budget

3. Memorandum Explaining the provisions in the Finance Bill-2018

4. Budget Analysis by ACMA Knowledge Partner- Ernst & Young

Highlights Economic Survey 2017-2018

## SEEKING VIEWS ON NEW INDUSTRIAL POLICY OF INDIA

**Date : February 2018**

Encl: [Discussion Paper](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CIndustrial_policy_2017_Discussion%20paper.pdf)

## GST UPDATE NO.14- NON-TRANSITION OF CENVAT CREDIT UNDER SECTION 140 OF CGST

**Date : February 2018**

Encl: [Circular](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CCircular_CGST_Circular%20No.%2033_07_2018_dated_23rd%20February%202018.pdf)

## GST UPDATE NO. 15- AMENDMENT IN CGST RULES, 2017

**Date : March 2018**

Notification No.12/2018 – Central Tax dated 7thMarch 2018

## GST UPDATE NO. 16- CLARIFICATIONS ON ISSUES RELATED TO JOB WORK

**Date : March 2018**

Encls: [Circular](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CJobwork_Circular_26th_March_2018.pdf)

## GST UPDATE NO. 17- CLARIFICATIONS ON ISSUES RELATED TO FURNISHING OF BOND/L

**Date : April 2018**

Encl: [Circular](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CCircular%2040-14-2018_GST.PDF)

## GST UPDATE NO. 18- RECOVERY OF EXPENSES FOR PROVISION OF CANTEEN FACILITY

**Date : April 2018**

Encl.: [Circular](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CAdvance%20Ruling%20-%20Canteen%20Services.pdf)

***Automotive Component Manufacturers Association of India***

1st May 2018

To : All Members

**GST Update no. 19:  Clarification on E-waybill in case of Bill to-Ship to model**

This is to update you on the press release issued by the Ministry of Finance providing clarification regarding the requirement of E-waybill in case of “Bill To-Ship To” model. By virtue of the said press release, it has been clarified that only one E-waybill is required to be generated in a “Bill to–Ship to” transaction. Further, clarification has also been provided in respect of details to be filled in various columns of E-waybill while generation.

We have summarized below the key highlights of the press release for your ease of reference:

Considering the case where the Mr. A places an order to Mr. B for goods to be delivered at Mr. C premises.

Case 1 : Where E-Way Bill is generated by Mr. B

Case 2 : Where E-Way Bill is generated by Mr. A

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Particulars** | **Case 1** | **Case 2** |
| 1 | Bill from | In this field details of Mr. B are supposed to be filled | In this field details of Mr. A are supposed to be filled |
| 2 | Dispatch from | Place from where goods are actually dispatched. It may be the principal or additional place of business of Mr. B | Place from where goods are actually dispatched. It may be the principal or additional place of business of Mr. B |
| 3 | Bill to | In this field details of Mr. A are supposed to be filled | In this field details of Mr. C are supposed to be filled |
| 4 | Ship to | In this field address of Mr. C is supposed to be filled | In this field details of Mr. C are supposed to be filled |
| 5 | Invoice details | Details of Invoice issued by Mr. B to Mr. A are supposed to be filled | Details of Invoice issued by Mr. A to Mr. C are supposed to be filled |

We have also attached the copy of [press release](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CPress%20Release-Clarification%20on%20E-waybill%20in%20case%20of%20Bill%20to-Ship%20to%20mode....pdf) for the ease of reference.

Sd/-

Secretary

Circular No: ACMA/2018-19/20

***Automotive Component Manufacturers Association of India***

                         1st May 2018

**To : All Members**

**Seeking urgent inputs on Public Procurement Policy**

This is regarding the Public Procurement Policy issued by Department of Industrial Policy and Promotion, Government of India. The policy is aimed to encourage  'Make in India' and promote manufacturing and production of goods and services in India, thereby increasing income and employment in India. Copy of the order, is attached for Members’ reference.

To make the policy more favourable for manufacturing sector, various Government departments/agencies are collating feedback from the industry. Department of Heavy Industry, Government of India has approached ACMA seeking our member’s inputs.

Members are requested to send their comments on the attached policy to ACMA secretariat at  sushil.rajput@acma.in by 11th May 2018. Your response would help ACMA to make an appropriate response to Government of India.

We look forward to your timely response.

Sd/-

Secretary

Encl:  [As above](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CPublic%20Procurement%20%28Preference%20to%20Make%20in%20India%29%2C%20Order%202017.pdf)

Circular No. : ACMA/2018-19/23

***Automotive Component Manufacturers Association of India***

                      1st May 2018

**To : All Members**

**All Industry Rates (AIR) of Duty Drawback for the year 2018-19**

This is to inform you that the Department of Revenue, Ministry of Finance has initiated the exercise of fixation of the All Industry Rates (AIR) of Duty Drawback for the year  2018-19.

As you are aware, the All Industry Rates are worked out by considering the consumption of input materials/services and the incidence of Customs and GST on these input materials/services.

In this regard, please find attached letter received from the Department of Revenue along with all relevant proformas for your kind action.

Since the work is to be completed in a time bound manner, members are requested to furnish the data by 11th May 2018 to

Mr. Nitish K. Sinha, Joint Secretary (Drawback Division), Department of Revenue, CBEC, Ministry of Finance, Jeevandeep Building, Parliament Street, New Delhi-110001. Your response may also be sent by email at jha.anandkumar@nic.in

Sd/-

Secretary

Encls:

1.      [Drawback Notice](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CDrawback%20Notice.pdf)

2.         [Proforma 1 A](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CProforma_I_A.pdf)

2.    [Proforma 1 B](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CProforma_1_B.pdf)

3.    [Proforma 2](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CProforma_II.pdf)

4.    Proforma 3

Circular No. : ACMA/2018-19/21

***Automotive Component Manufacturers Association of India***

11th May 2018

To : All Members

**GST Update no. 20:  Clarification related to certain issues under GST**

This is to inform you that CBIC has issued a circular dated 8th June 2108 regarding clarifications on certain important issues under GST Law. Following are the summarised relevant issues for your ready reference:

**Issue: Whether moulds and dies owned by Original Equipment Manufacturers (OEM) that are sent free of cost (FOC) to a component manufacturer is leviable to GST and whether OEMs are required to reverse input tax credit in this case?**

Clarification:  Mould and dies supplied by OEM to component manufacturers is not taxable under GST because the same does not constitute a supply as there is no consideration involved. Therefore there is no need to reverse the input tax credit. It is further clarified that that while calculating the value of the supply made by the component manufacturer, the value of moulds and dies provided by the OEM to the component manufacturer on FOC basis shall not be added to the value of such supply.

**Issue: How is servicing of cars involving both supply of goods (spare parts) and services (labour), where the value of goods and services are shown separately, to be treated under GST?**

Clarification:  Taxability of the servicing of car differs from case to case basis looking at the facts and circumstances of each case. In the case where supply involves both goods and service and the value of such goods and services supplied are shown separately, the goods and services would be liable to tax at the rates as applicable to such goods and services separately.

**Issue: E-way bill generation in certain cases**

Clarification: It has been clarified that the railways are not allowed to deliver the goods unless the e-way bill is produced at the time of delivery. Also, it has been further clarified that e-way bill generation is not dependent on whether a supply is inter- State or not, but on whether the movement of goods is inter-State or not.

Members are requested to please refer [attached circular](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CCircular_on_Clarification_related_to_GST.pdf) for  more details/explanation.

This is for Members’ reference and information.

Sd/-

Secretary

Circular No: ACMA/2018-19/40

***Automotive Component Manufacturers Association of India***

23rd July 2018

To : All Members

**GST Update no. 22: Outcome of GST Council's 28th meeting held on 21st July 2018**

We would like to update you on the 28th GST Council meeting held on 21 July 2018, wherein the GST Co*unci*l has made various recommendations for changes in the GST law as well as rate of various goods and services. Following are the summarized key points that have emerged based on the attached documents issued by Ministry of Finance  :

1.      [**Changes related to supply of services:**](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CChanges%20related%20to%20supply%20of%20services.pdf)

         Supply of food or drink in restaurant, mess, canteen, eating joints, and supplies to institutions (namely office, factories, educational institutions) on a contractual basis shall be taxed at 5% while only the outdoor catering i.e. event based and on occasional basis shall be taxed at 18%;

         GST rates on hotels would be charged on actual tariff / transaction value as opposed to declared tariff. (i.e. if actual tariff is below INR 7500, GST would be charged at 18% and actual tariff above INR 7500 would be taxed at 28%);

         Services provided in sectors like banking, IT have been provided relief by exempting services supplied by an establishment of a person in India to any establishment of that person outside India [i.e. related party] provided the place of supply is outside India;

         GST on supply of e-books has been proposed to be reduced from 18% to 5% for which print version exists;

         For multimodal transportation service providers, GST rate of 12% with full ITC has been proposed;

         Extend the exemption granted on outward transportation of all goods by air and sea by another one year i.e. up to 30th September, 2019 as relief to the exporter of goods;

         GST on supply of services provided by individual Direct selling agents (DSA) to banks/NBFCs has been proposed to be paid under reverse charge by banks/NBFCs. While supply of service by non-individual DSA to banks/NBFCs shall be on forward charge.

2.      [**Reduction in GST rates of certain goods which *inter-alia* includes:**](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CReduction%20in%20GST%20rates%20of%20certain%20goods.pdf)

         Footwear having retail sale price under INR 1,000 per pair to be taxed at 5%;

         *GST rates on the following items have been proposed to be reduced to 18%*

o   Consumer electronics or appliances i.e. Food grinders and mixers, food or vegetable juice extractors, Water heater, mixer grinder, hair dryers, Washing machine etc.;

o   Televisions up to the size of 68 cm;

o   Paints, varnishes and wall putty;

o   Special purpose vehicles, work truck and trailer and lithium-ion batteries.

The Council also provided clarifications regarding applicable GST rate on certain goods including milk enriched with vitamins or minerals salt (fortified milk), water supplied for public purposes, beet and cane sugar, including refined beet and cane sugar etc.

3.      [**Simplification of returns under GST:**](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CSimplification%20of%20returns%20under%20GST.PDF)

         Council has approved the mechanism and design of the simplified GST returns and directions have been issued to law committee to finalize the formats and make suitable changes in the rules and the law;

         It has been proposed that for all tax payers (excluding small taxpayers and ISD) a single monthly return mechanism will be introduced;

         The single return shall have two main tables i.e. one for reporting outward supplies and another for availing ITC based on the invoices uploaded by the vendor;

         The vendor invoices shall be updated on the buyer’s platform on a real time basis and the returns shall be designed on a process of “Upload-Lock-Pay” mechanism;

         It has been proposed that the taxpayer would have facility to create his profile based on nature of supplies made and received. The fields of information which a taxpayer would be shown and would be required to fill in the return would depend on his profile.

4.      **Simplification for small taxpayers:**

         It has been proposed that NIL return filers shall be given facility to file the returns by sending SMS;

         It has been proposed to increase the turnover limit for taxpayer filing quarterly returns to INR 5 crores;

         Quarterly return shall be similar to the main return with monthly payment facility and for small taxpayers (i.e. a) with only b2c supplies and b) for b2b+b2c supply). Simplified returns named Sahaj and Sugam shall be introduced;

         Further, the new return mechanism shall provide facility for amendment of invoice by introducing a new amendment return which will have tax payment facility to save the interest liability of the tax payers.

5.      [**Migration window to open till 31st August 2018:**](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CMigration%20window%20to%20open%20till%2031st%20August%202018.pdf)

For taxpayers, who were unable to fill the PART – B of the registration form and had only provisional IDs till date, it has been proposed to fill the part B of the form and to approach the jurisdictional officer to migrate their GSTN. Any late fee paid for delayed filing of returns for such cases shall be refunded to the cash ledger.

6.      [**Proposed amendment in the law:**](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CPublic%20Procurement%20%28Preference%20to%20Make%20in%20India%29%2C%20Order%202017.pdf)

The proposed amendment in the law which were open for public comments were discussed in the council meeting and same will be now placed before the Parliament and the legislature of State and Union territories with legislatures for carrying out the amendments in the respective GST Acts. *(please refer our earlier mail/ update on the proposed amendments) –*Some of the key amendments are as under –

         Supply of Services from branch to Head office will be exempt provided place of supply is outside India;

         No interest on credit reversal if payment not made within 6 months;

         Receipt of consideration for export of services in INR permitted provided approved by RBI;

         Consolidated credit / debit note in respect of multiple invoices;

         Credit on goods and services which are obligatory for an employer, to be allowed.

This is for Members’ reference and information.

Sd/-

Secretary

Circular No: ACMA/2018-19/65

***Automotive Component Manufacturers Association of India***

1st August 2018

To : All Members

**Expression of Interest inviting Proposal for R&D Projects related to Automotive Sector**

We are pleased to inform you that Department of Heavy Industry is inviting proposals from the industry in collaboration with IITs/NITs, ARAI and similar institutions related to  Automobile Sector under Grant for Development Council for Automobile and Allied Industries ( DCCAI).

Interested companies can send their proposals along with relevant documents which shall be submitted to the Under Secretary ( AEI ), D/o Heavy Industry at the following address by 10th August 2018.

                        The Under Secretary ( AEI)

                        Department of Heavy Industry

                        Room No. 428, Udyog Bhawan, New Delhi-110011

                        Tel. No. 011-23061140; (Mobile) 09811702932

Email: simmi.narnaulia@nic.in

For more details and guidelines, Members are requested to please refer to the attached document on the above mentioned subject.  You may also reach Mr. Sushil Rajput, Deputy Director ( Government Affairs & Public Policy) at sushil.rajput@acma.in for any further clarification in this regard.

            We hope that the industry may get benefited by this scheme.

 [Attachment](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CExpression%20of%20Interest-on%20R%26D%20Project.pdf)

Secretary

Circular No: ACMA/2018-19/72

***Automotive Component Manufacturers Association of India***

16th August 2018

**To : All Members**

**Union Budget 2019-2020**

**Inputs for ACMA’s Pre-Budget Recommendations**

This is to  inform you that we have initiated our annual exercise for compiling ACMA’s Pre-Budget Memorandum for the year 2019-2020

May we request you to please forward to us issues of concern for the auto component industry, which relate to any of the following issues:

              Goods and Services Tax

a.     Customs duty and procedures

b.     GST Rate,  Input Tax Credit (ITC) - Policy and procedures

c.      Service Tax

              Direct Tax

              Policy & Procedural Issues

              Any other issues concerning Union Budget

Do kindly send the recommendations as per the attached format to the ACMA Secretariat at sushil.rajput@acma.inpositively by 10th September 2018.

We look forward to receiving your response and inputs.

[Attachment](file:///C%3A%5CUsers%5CVikram%5CDownloads%5CFormat_Pre%20Budget%20Recommendations_2019_20.xls)

Sd/-

Secretary

Circular No: ACMA/2018-19/82

Dear Sir/Madam,

**GITA FOUNDATION DAY**

**29th November 2018: Shangri-La’s-Eros Hotel, New Delhi**

In an age where hyper-competition due to commoditization is becoming the norm, the need for industry to innovate has never been so compelling.

The Global Innovation & Technology Alliance (GITA) was set up in 2011, as a PPP JV between the Confederation of Indian Industry (CII) and the Technology Development Board, Department of Science & Technology, Government of India with the express objective to support acceleration of India’s industrial R&D efforts.

To accelerate innovation for commercialisation, GITA is launching the GITA Innovation Exchange, a unique matchmaking platform, bringing together actors across the innovation spectrum, on the sidelines of the 7th Foundation Day celebrations on Thursday, 29th November 2018 at Hotel Shangri-La’s-Eros, New Delhi, from 1000 hrs onwards.

**Objectives of the GITA Innovation Exchange**

To serve as a **platform for those seeking / offering**

◼ Technologies

◼ Partnership search for Tech Co-development

◼ Innovation-focused Financial Support

◼ IP Services

**Participants**

◼ Industry (Startups, SMEs, Large companies)

◼ VCs / PEs / Angel investors / Banks

◼ IP Specialists

◼ Academic / Research institutions

◼ Aspiring innovators

**Global Innovation & Technology Alliance (GITA)** has received a number of expressions of interest for partnership & connects for/with **Automotive Electronics**.

I am writing to invite your organisation to register and participate at the GITA Innovation Exchange Launchpad event on Thursday 29th November 2018 from 1000 – 1500 hrs at Shangri-La’s-Eros Hotel, Ashoka Road, New Delhi by clicking [here](https://www.cognitoforms.com/GlobalInnovationTechnologyAlliance/GITAInnovationExchange). This will continue as a virtual platform post 29th November.

For any clarification you may please contact:

Ms Ratika Jain

Chief Executive Officer

 Global Innovation & Technology Alliance (GITA)

IGSSS Building (4th Floor), 28 Institutional Area,

Lodi Road, New Delhi – 110 003, India

T:+91 11 4288 8000 I F: +91 11 4577 2014

E: ratika.jain@gita.org.in I W: [www.gita.org.in](http://www.gita.org.in/)

We do hope you would be able to take advantage of this opportunity.

      Sd/-

                                                                                                                                                                                                                                                                                                                                                                             Secretary