



GST COUNCIL 32ST MEETING UPDATE

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UPDATES AS PER THE PRESS RELEASE

- Increase in **threshold limit** from **INR 20 lakhs to INR 40 lakhs** is for **supplier of goods**. Not applicable for service providers. Further. States to choose and revert within one week.
- The **limit of Annual Turnover** for availing **Composition Scheme** increased to **Rs 1.5 crore**. Applicable only for supplier of goods.
- The **compliance under Composition Scheme** to be simplified, **one Annual Return** along with **quarterly payment of taxes** (along with a simple declaration).
- A **Composition Scheme** shall be made available for **supplier of services** (or supplier of services and goods) with a **tax rate of 6%** (3% CGST +3% SGST) having an **annual turnover** in the preceding Financial Year **up to Rs 50 lakhs**.



UPDATES AS PER THE PRESS RELEASE

- A seven Member Group of Ministers shall be constituted to examine:
 - (a) the proposal of giving a Composition Scheme to Boost the **Residential Segment of the Real Estate Sector**.
 - (b) the **GST Rate Structure on Lotteries**.
- GST Council approved **levy of cess** on Intra-State Supply of Goods and Services **within the State of Kerala** at a rate not exceeding **@ 1%** for a **period not exceeding 2 years**.





GST COUNCIL 31ST MEETING UPDATE

REMOVAL OF DIFFICULTY ORDER



○ **Order No.2/2018-Central Tax**

- a) the registered person shall be entitled to avail ITC till the due date of filing of return for the month of March 2019.
- b) Any invoices, debit notes or credit notes pertaining to the financial year 2017-18, which have either not been reported or have been incorrectly reported maybe rectified in Form GSTR-1 till the due date of filing of the return for the month of Mar '19 or for the quarter Jan '19 to Mar '19.

○ **Order No.3/2018-Central Tax**

Extend the due date for furnishing of annual return in Form GSTR-9, Form GSTR -9A and reconciliation statement in Form GSTR-9C for the FY 2017-18 till 30.06.2019.

○ **Order No.4/2018-Central Tax**

Extend the due date for furnishing the statement in Form GSTR-8 by e-commerce companies for the months of October to December 2018 till 31.01.2019.



CIRCULAR



CIRCULAR NO. 76/50/2018-GST

- a) It provides for registration of the government departments in case the used vehicles, seized and confiscated goods, old and used goods, waste and scrap, are supplied to unregistered person.

- b) **Penalty under the provisions of section 73(11)** of the CGST Act is not payable in case where the Form GSTR-3B has been filed after the due date of filing of such return. The provisions of section 73(11) of the CGST Act **can be invoked only when the provisions of section 73 are invoked**. It is further clarified that since the tax has been paid late in contravention of the provisions of the CGST Act, a **general penalty under section 125 of the CGST Act may be imposed** after following the due process of law.

- c) **In case of revision of prices, after the appointed date**, of any goods or services **supplied before the appointed day** thereby requiring issuance of any supplementary invoice, debit note or credit note as per the provisions of section 142(2) of the CGST Act, **the rate as per the provisions of the GST Acts (both CGST and SGST or IGST) would be applicable not the rate as per the pre GST regime**



CIRCULAR NO. 76/50/2018-GST

- d) It has been clarified that only those authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which **fifty one per cent or more participation by way of equity or control is with the Government**, are required to deduct tax at source in accordance with Section 51 of the CGST Act, 2017.
- e) **Taxable value** as per section 15(2) of the CGST Act **shall include the TCS** amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.
- f) For the applicability of the provision of section 129(1) of the CGST act, if the invoice or any other specified document is accompanying the consignment of goods, then either the consignor or the consignee should be deemed to be the owner. **If the invoice is not accompanying the consignment** of goods, then in such cases, **the proper officer should determine who should be declared as the owner of the goods.**



CIRCULAR NO. 77/51/2018-GST

- a) The **effective date of denial** of option to pay tax **under the composition scheme** –
- In a case where the taxpayer has sought **withdrawal** from the composition scheme, **the effective date shall be the date indicated by him in his intimation/application** filed in FORM GST CMP-04 but such date may not be prior to the commencement of the financial year in which such intimation/application for withdrawal is being filed.
 - In case of **denial of option by the tax authorities**, **the effective date of such denial shall be from a date, including any retrospective date as may be determined by tax authorities**, but shall not be prior to the date of contravention of the provisions of the CGST Act or the CGST Rules.
- b) The registered person shall be liable to pay tax under section 9 of the CGST Act from the date of issue of the order in FORM GST CMP-07.



CIRCULAR NO. 77/51/2018-GST

- c) The provisions of section 18(1)(c) of the CGST Act shall apply for claiming credit on inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods on the date immediately preceding **i.e. availment of credit on transitioning from composition to regular taxpayer**



CIRCULAR NO. 78/52/2018-GST

In case an **exporter of services outsources a portion of the services contract to another person located outside India** then the following two supplies are taking place:-

- a) Supply of services from the exporter of services located in India to the recipient of services located outside India for the full contract value, then the total value of services as agreed to in the contract will be considered as export of services even if the full consideration is not received in convertible foreign exchange in India due to the fact that the recipient of services located outside India has directly paid to the supplier of services located outside India.
- b) Import of services by the exporter of services located in India from the supplier of services located outside India with respect to the outsourced portion of the contract then the supplier of services located in India would be liable to pay integrated tax on reverse charge basis on the import of services



CIRCULAR NO. 79/53/2018-GST

Refund related:

- a) **At the time of filing of refund claim in FORM GSTR RFD-01A all documents / undertaking/ statements and invoices, instead of being submitted physically in the office of the jurisdictional proper officer shall be electronically uploaded on the common portal.** However, the taxpayer will still have the option to physically submit, if he so chooses.

- b) The supplier is eligible for the refund under inverted duty structure, there is **no need of referring to the rate of tax on the individual inputs. Credit being in the nature of pool, refund formula has to be applied on total input tax credits on account of inputs.**



CIRCULAR NO. 79/53/2018-GST

- d) **Refund applications** which have been generated on the common portal but have **not been received in the jurisdictional office within 60 days.**
- Where the **amount claimed is less than Rs. 1,000/-** should be rejected and the amount re-credited to the credit ledger
 - Where the **amount claimed is greater than Rs. 1,000/-** then a communication may be sent to all such claimants on their registered email-id's, **informing that the application needs to be physical submitted to the jurisdictional tax office within 15 days of the date of the email.** Further if they fails to submit then application should be rejected and the debited amount if any re-credited to the electronic credit ledger.



CIRCULAR NO. 79/53/2018-GST

- e) **If registered person uses coal for the captive generation of electricity which is further used for the manufacture of goods exported under Bond/LUT. Then the claim cannot be rejected on the ground that it is used for the exempt supply of electricity because there is no relevance of intermediate goods under GST.**

- f) **If there is reversal of ITC under Rule 42 of the CGST Rules, the refund shall be computed only on the amount claimed as credit net of reversal made under Rule 42.**

- g) **Input tax credit of invoices issued let say in August 2017 but reported in September 2017 GSTR-3B cannot be excluded from the calculation of the refund amount for the month of September 2017**



CIRCULAR NO. 80/54/2018-GST

- **Any interstate movement of goods on own account** (not involving distinct person in terms of section 25), where such movement is not intended for further supply of such goods does not constitute a supply and would not be liable to GST.
- E.g. Manlift Machinery



CIRCULAR NO. 84/03/2019-GST

It is clarified that the service of “Printing of pictures” falls under service code “**998386 : Photographic and videographic processing services**” **attract GST @ 18%** and not under “998912 : Printing and reproduction services of recorded media, on a fee or contract basis” attract GST @ 12%.

CIRCULAR NO. 85/04/2019-GST

Supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself is exempt. However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.



NOTIFICATION



CENTRAL TAX (RATE)NOTIFICATION

○ N/N 29/2018-Central Tax (Rate)

- a) RCM provision not applicable in case GTA provide service to Government department who are liable to get registration only for the purpose of deducting TDS.
- b) Reverse charge to be applicable on the following:
 - Services provided by business facilitator to a Banking company located in the taxable territory
 - Service provided by an agent of business correspondent to business correspondent located in the taxable territory.
 - Security services (services provided by way of supply of security personnel) provided to a registered person then RCM apply. But not applicable when provided to Government department who are liable to get registration only for the purpose of deducting TDS



EXTENSION OF TIME LIMIT FOR VARIOUS FORMS THROUGH NOTIFICATION

- **N/N 67/2018-Central Tax**

Extend the time period for availing the special procedure for completing migration upto Feb 28, 2019 of tax payers who received provisional IDs but could not complete the migration process

- **N/N 68/2018 to N/N 70/2018-Central Tax**

Extend the time limit for furnishing the return in GSTR 3B for the newly migrated tax payers (July, 2017 to Feb, 2019 upto Mar 31, 2019)

- **N/N 71/2018 to N/N 72/2018-Central Tax**

Extend the time limit for furnishing return in GSTR-1 for the newly migrated tax payers (July, 2017 to Feb, 2019 upto Mar 31, 2019)

- **N/N 78/2018-Central Tax**

Extend the due date for furnishing Form ITC-04 for the period from Jul, 2017 to Dec, 2018 till Mar 31, 2019.



CENTRAL TAX NOTIFICATION

○ N/N 73/2018-Central Tax

TDS provision not applicable in case of supplies made by Government Departments and PSUs to other Government Departments & PSUs i.e. which are themselves liable to deduct TDS.

○ N/N 74/2018-Central Tax

- *“Some major changes in the format of GSTR 9”*
- a) All supplies effected in the year 2017-18 to be reported in the Annual Return.
- b) All registered persons need to ensure filing of periodical returns i.e. GSTR-1, GSTR-3B before proceeding for filing of GSTR-9.
- c) Additional liability to be paid through Form DRC-03.



CENTRAL TAX NOTIFICATION

- e) Supplies which are liable to reverse charge i.e. recipient is liable to pay the applicable tax in such cases only taxable value is to be reported by the supplier. Earlier was also required to report the tax amount.
- f) HSN summary is required to be disclosed for only those supplies that independently account for 10% or more of total value of inward supplies.
- g) Registered person cannot claim any ITC unclaimed during FY 17-18 through this return



CENTRAL TAX NOTIFICATION

- *“Change in the format of GSTR 9C”*
- a) Corrections have been done by substituting (+) in 5E and (-) in 5J of Part-A of GSTR-9C. These changes pertain to disclosure of credit notes in the GSTR-9C.
- b) The responsibility of getting the audit done and uploading of the GSTR-9C along with other details/documents is responsibility of the registered person. Hence, a declaration has been added at the end of the reconciliation statement whereby the registered person agrees to upload the reconciliation statement.
- c) GSTR-1 and GSTR-3B to be filed before filing of GSTR-9C.
- d) Additional liability to be paid through Form DRC-03



CENTRAL TAX NOTIFICATION

- Signature or digital signature of supplier or authorized representative of supplier not required on electronically issued invoice or Bill of Supply so long as such invoice is issued in accordance with the provisions of the Information Technology Act, 2000.

Hence, the invoice which bears that “this is computer generated invoice and does not require signature” would be a valid invoice if the same is in accordance with Information Technology Act.



CENTRAL TAX NOTIFICATION

- A registered taxpayer (whether registered as composition dealer or as a normal taxpayer) shall **not be allowed to generate way bill, if he fails to furnish the returns for two consecutive tax period. Effective date to be notified.**



CENTRAL TAX NOTIFICATION

- **N/N 75/2018 to N/N 77/2018 -Central Tax**

Fully waive the amount of late fees leviable on account of delayed furnishing of Form GSTR-1, GSTR-3B, GSTR-4 for the period of Jul, 2017 to Sep, 2018 filed between the period Dec 22, 2018 to Mar 31, 2019



CENTRAL TAX(RATE) NOTIFICATION

- N/N 27/2018-Central Tax (Rate)
 - a) **Air travel of pilgrims by non-scheduled/charter operations**, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall now attract the same rate of GST as applicable to similar flights in Economy class i.e. **taxable at 5%** where ITC of input services will only be allowed.
 - b) **GST rate on cinema tickets** above Rs. 100 is **reduced from 28% to 18%** and **on cinema tickets up to Rs. 100**, the **GST rate is reduced from 18% to 12%**.
 - c) GST rate on **third party insurance of goods carrying vehicles** reduced from **18% to 12%**.
 - d) Services by way of construction or engineering or installation or other technical services in relation to **solar power generating plant** and **other renewable energy plants** attract GST @ 18%
 - e) **Leasing or renting of goods @ 18 percent** except for those specifically excluded.



CENTRAL TAX (RATE)NOTIFICATION

- **N/N 28/2018-Central Tax (Rate)**
 - a) **Services provided by GTA** to Government departments, local authorities, or Governmental Agencies which have taken registration under GST only for the purpose of **deducting tax under Section 51**, shall be **excluded from payment of tax under RCM and the same shall be exempted.**



INTEGRATED TAX NOTIFICATION

○ N/N 04/2018-Integrated Tax

Place of supply of services as given under section 12 & section 13 of the IGST Act, **where the supply of services is attributable to different States i.e.–**

- a) **Immovable property** under Section 12(3) **where the contract between the supplier and recipient of services does not specify the allocation of value for each State then –**
 - Service of lodging accommodation in hotel, inn, guest house etc. then in proportion of **number of night stayed**
 - Other services in proportion to the **area of immovable property lying in each state.**
 - Service of lodging accommodation by a **house boat**, or any other vessel then in **proportion to the time spent by the boat/vessel in such state**



- b) **Event related services** under section 12(7) shall be determined by application of **generally accepted accounting principles**.

- c) **Performance based services** under Section 13(7) in the absence of contract between parties –
 - services supplied on the **same goods, by equally dividing the value of the service in each of the States**
 - services supplied on **different goods, by taking the ratio of the invoice value of goods in each of the States**
 - services supplied to **individuals, by applying the generally accepted accounting principles**.

- d) **Telecommunication services** related to leased circuits under section 12(11) **based upon a proportionate formula considering the number of circuits**.

