

# **“ISSUES IN RECENT CHANGES UNDER GST LAW”**

*Presented by*

**Ankit Suresh Kabra [B'Com, ACA, LL.B.]**

***A S Kabra & Co; Chartered Accountants***

***Day & Date : Saturday, 20th April, 2019***

***Organised by : J. B. Nagar CPE Study Circle of WIRC of The ICAI***

## Contents

Sr. No	Particulars	Page No
1	GST Updates Statistics	4-6
2	Recent Circulars	7-21
3	Recent Orders	22
4	Recent Notifications	23-25
5	Key Amendments to CGST Act ,2017 (Definitions - Sec. 2 )	26
6	Key Amendments to CGST Act ,2017 (Supply - Sec. 7 )	27
7	Key Amendments to CGST Act ,2017 (Additions to Schedule III )	28
8	Key Amendments to CGST Act ,2017 ( RCM u/s 9(4) )	29
9	Key Amendments to CGST Act ,2017 ( Composition Scheme - Sec 10 )	30-32
10	Key Amendments to CGST Act ,2017 ( Time of Supply - Sec 12 )	33
11	Key Amendments to CGST Act ,2017 (ITC Eligibility - Sec. 16 )	34
12	Key Amendments to CGST Act ,2017 ( Apportionment of Credit & Blocked Credit - Sec 17)	35-39
13	Key Amendments to CGST Act ,2017 ( Special Category States - Sec 22 )	40
14	Key Amendments to CGST Act ,2017 ( Mandatory Registration - Sec 24 )	41-42
15	Key Amendments to CGST Act ,2017 ( Multiple Registration within the same state )	43
16	Key Amendments to CGST Act ,2017 (Mandatory Registration for unit in SEZ - Sec 25 )	44

Sr. No	Particulars	Page No
17	Key Amendments to CGST Act ,2017 ( Cancellation of Registration - Sec 29 )	45
18	Key Amendments to CGST Act ,2017 ( Consolidated Debit/ Credit notes – Sec 34 )	46
19	Key Amendments to CGST Act ,2017 ( Principle of Unjust Enrichment – Sec 54 )	47
20	Other Key Amendments to CGST Act ,2017	48
21	Other Updates	49-53
22	Set off Rules w.e.f 1 <sup>ST</sup> February 2019	54-62
23	RCM Credit Utilisation	63-64
24	Other Updates- Clarification on Export of Services	65
25	Amendments in IGST Act,2017 - Section 12(8)	66
26	Amendments in IGST Act,2017 “ Goods Temporarily Imported in India “ – Sec 13	67
27	Security Services Included in RCM u/s 9(3)	68-69
28	Interim Budget GST Updates	70
29	GST Council Meeting Updates and Other Announcements	71-74
31	GST Portal Updates & E-waybill Portal Updates	75-82
32	Recent MVAT Updates	83-84
33	Recent Customs Updates & Notifications	85-87
34	New GST Return Forms	88-92
35	Disclaimer & Thank you	93-95

# GST UPDATES STATISTICS

<b>ACTS</b>	1	1	1	29	7
	CGST Act	IGST Act	Cess Act	SGST Acts	UTGST Acts
<b>NOTIFICATIONS</b>	<b>530+</b>		CT+UT+IT+CESS	CT+UT+IT+CESS	
	Total Notifications		Other than Rate	Rate Changes	
<b>ORDERS/PRESS RELEASES/CIRCULARS</b>	14	21	<b>115+</b>		
	Orders	No. of Press Releases	No. of Circulars		
<b>10,000+</b>	<b>8</b>	<b>18,000+</b>	<b>800+</b>	<b>34</b>	
Tweets	Rate Schedules	HSN Codes	SAC Codes	GST Council Meetings	

*NOTIFICATIONS: Issued under the powers of GSTN Council as defined under the Act*

*CIRCULAR: Clarificatory in Nature*

*ORDER: Something that cannot be issued by way of Notification and needs an amendment in the Act*

## GST REVENUE COLLECTION SNAPSHOT

S. No.	Revenue Collected in the Month of	Amount (in Rs. Thousand crore)
1.	July, 17	21,572
2.	August, 17	95,633
3.	September, 17	94,064
4.	October, 17	93,333
5.	November, 17	83,780
6.	December, 17	84,314
7.	January, 18	89,825
8.	February, 18	85,962
9.	March, 18	92,167
10.	April, 18	1,03,458
11.	May, 18	94,016
12.	June, 18	95,610
13.	July, 18	96,483
14.	August, 18	93,960
15.	September, 18	94,442
16.	October, 18	1,00,710
17.	November, 18	97,637
18.	December, 18	94,726
19.	January, 19	1,02,503
20.	February, 19	97,247
20.	<b>Total</b>	<b>18,11,442</b>

## GST REVENUE COLLECTION



**Highest in  
March, 19 = 1,06,577**

**GSTN....."APNA TIME AAYEGA".....!!**

The screenshot shows the GSTN website interface. At the top, there is a navigation bar with the GST logo and the text "Goods and Services Tax". Below this is a menu with options like "Home", "Services", "GST Law", "Downloads", "Search Taxpayer", "Help", and "e-Way Bill System". The main content area displays a message to taxpayers: "Dear Tax Payer, 1,50,000 tax payers are already submitting their returns at this moment... Please wait for your turn in a few minutes.. Thank you for your patience." A green circular loading icon is visible above the message. The footer contains links for "About GST", "Website Policies", "Related Sites", "Help", and "Contact Us". The Windows taskbar at the bottom shows the time as 06:42 PM on 20-Feb-19.

## RECENT CIRCULARS -

- **Clarification in respect of transfer of ITC in case of “death of sole proprietor”**  
(Circular No. 96/15/2019-GST dtd 28/03/19 ):-
  - a) **Registration liability of the transferee / successor :-**  
(while filing FORM GST REG-01 → mention reason to obtain registration as ”death of proprietor”)
  - b) **Cancellation of registration on account of death of the proprietor by legal heirs :-**  
(while filing FORM GST REG-16 → mention GSTIN of transferee to link with Transferor ‘s GSTIN)
  - c) **Transfer of ITC and liability :-**  
(Transferee / successor shall be liable to pay any tax, interest or any penalty due from the transferor)
  - d) **Manner of transfer of credit :-**  
(FORM ITC-02 to be filed by Registered person → viz. Transferee / successor should file before filing cancellation application and thereafter accept the same to get credit in his Electronic Credit Ledger )
- **Clarification for verification of applications for grant of new registration**  
(Circular No. 95/14/2019-GST dtd 28/03/19 ):-
  - ✓ Registrations were cancelled due to non-compliances of statutory provisions
  - ✓ *Formal route*- Revocation of cancellation of registration
  - ✓ However, tax payers to avoid tax payments took *route of Fresh registration*
  - ✓ *Clarification* - Deficiency under Rule 9(2) of CGST Rules
  - ✓ PO may compare information pertaining to earlier registration applied for the same PAN in the same state on common portal- **can reject fresh registration application**

## RECENT CIRCULARS

- **Clarification on refund related issues (Circular No. 94/13/2019-GST dated 28/03/19 ):-**

Sr. No.	Issue	Clarification
1	<p><input type="checkbox"/> <b><u>Refund of Inverted Duty Structure:-</u></b></p> <ul style="list-style-type: none"> <li>• ITC on fabrics accumulated from 01/07/17 to 31/07/18 has been reversed in Aug GSTR3B.</li> <li>• As a result, b'coz of validation check on the portal; RD were unable to claim full eligible refund amount for the month in which reversal is being made in GSTR3B</li> </ul>	<ul style="list-style-type: none"> <li>✓ Apply for refund in category "Any Other" instead of category "Refund of accumulated ITC on account of Inverted Duty Structure" in RFD-01A</li> <li>✓ Debit the eligible refund amount to be claimed in FORM GST DRC-03</li> </ul>
2	<p><input type="checkbox"/> What about cases who are yet to perform this reversal as stated in Sr. No. 1?</p>	<ul style="list-style-type: none"> <li>✓ Reverse credit through FORM GST DRC-03 instead of GSTR-3B</li> </ul>
3	<p><input type="checkbox"/> What will be the consequence of those cases where credit has been reversed subsequent to August 2018 GSTR-3B?</p>	<ul style="list-style-type: none"> <li>✓ Pay Interest u/s 50(1) of CGST Act</li> <li>✓ Interest period :- From Due date of filing Aug GSTR3B till date of Reversal</li> </ul>

## RECENT CIRCULARS

- Clarification on refund related issues (Circular No. 94/13/2019-GST dated 28/03/19) ctnd... :-

Sr. No.	Issue	Clarification
4	<ul style="list-style-type: none"> <li>❑ How should a merchant exporter claim refund of ITC availed on supplies received on which the supplier has availed the benefit of Notification No. 40/17-CT(R) or Notification No. 41/17-IT(R)?</li> </ul>	<ul style="list-style-type: none"> <li>✓ Rule 89(4B) allows refund for such cases</li> <li>✓ Apply for refund in category “Any Other” instead of category “Refund of accumulated ITC on account of Exports without payment of tax” in RFD-01A</li> <li>✓ Debit the eligible refund amount to be claimed in FORM GST DRC-03</li> </ul>
5	<ul style="list-style-type: none"> <li>❑ It was clarified that after issuance of deficiency memo, ITC is required to be re-credited through RFD-01B &amp; taxpayer has to file fresh refund application.(Circular 59/33/2018 dtd 04.09.18 -GST)</li> <li>❑ ITC although re-credited but portal restricted fresh applications for same period where deficiency memos issued</li> <li>❑ Later clarified that no re-credit and file refund application under earlier ARN only (Circular 70/44/2018 dtd 26.10.18-GST)</li> <li>❑ Pending issue, now clarified – <b>“Cases where such re-credit was already carried out and thus refund claims are pending”</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Re-submit the refund application manually in RFD-01A after correction of deficiencies pointed out in the deficiency memo, using the same ARN</li> <li>✓ Debit the eligible refund amount to be claimed in FORM GST DRC-03</li> </ul>

## RECENT CIRCULARS - Circular No. 92/11/2019-GST dtd 07/03/19

S. No.	Nature of discount	Treatment of output tax	Reversal of ITC
1.	<b>Free Samples &amp; Gifts</b>	It shall not be treated as "supply" under GST (except in case of activities mentioned in Schedule I such as supply to distinct persons, agents etc.) as it is without consideration	ITC shall not be available to the supplier on the gifts or free samples distributed without any consideration, except in case of activities mentioned in Sch. I. (Sec 17(5)(h) of CGST Act)
2.	<b>Buy one get one free offer</b>	It is not an individual supply of free goods but a case of two or more individual supplies where a single price is being charged for entire supply. Rate of tax of such supply will be dependent upon as to whether the supply is a composite supply or a mixed supply. <i>For example</i> , if one soap is supplied free with another soap, then rate of tax of soap will be applied. However, where tooth brush is supplied with toothpaste, then higher rate between the two is applied.	ITC shall be available to the supplier for the inputs, input services and capital goods used in relation to supply of goods or services or both as part of such offers.
3.	<b>Buy more, save more discounts</b>	<i>For example</i> , Get 10 % discount for purchases above Rs. 5000/-, 20% discount for purchases above Rs. 10,000/- etc. Such discounts are shown on the invoice itself and shall be excluded to determine the value of supply.	The supplier shall be entitled to avail the ITC for such inputs, input services and capital goods used in relation to the supply of goods or services or both on such discounts.

## RECENT CIRCULARS - Circular No. 92/11/2019-GST dtd 07/03/19

4.	<b>Volume Discounts</b>	Such discounts are established in terms of an agreement entered into at or before the time of supply, as the actual quantum of such discounts gets determined after the supply has been effected and generally at the year end. Such discounts are passed on by the supplier through credit notes and shall be excluded to determine the value of supply, provided they satisfy the parameters laid down in section 15(3), including the reversal of ITC by the recipient of the supply as is attributable to the discount.	The supplier shall be entitled to avail the ITC for such inputs, input services and capital goods used in relation to the supply of goods or services or both on such discounts.
5.	<b>Secondary Discounts</b>	<p><i>For example:</i> M/s A supplies 10000 packets of biscuits to M/s B at Rs. 10/- per packet. Afterwards M/s A re-values it at Rs. 9/- per packet. Subsequently, M/s A issues credit note to M/s B for Rs. 1/- per packet.</p> <p>Such discounts are not known at the time of supply or are offered after the supply is already over. It is clarified that financial / commercial credit note(s) may be issued by the supplier in this case. Such discounts <u>shall not be excluded</u> while determining the value of supply as the conditions laid down in section 15(3)(b) of the said Act are not satisfied.</p>	Recipient of supply is not required to reverse the ITC.

## RECENT CIRCULARS

- **Clarification on Nature of Supply of Priority Sector Lending Certificates (PSLC) (Circular No. 93/12/2019-GST dtd 08/03/19) :-**
  - **Circular No. 62/36/2018-GST dated 12.09.2018 –**
    - GST on PSLCs for the period 1.7.2017 to 27.05.2018 will be paid by the seller bank on **forward charge basis @ 12%**
  - **Notification No. 11/2018-Central Tax (Rate) dated 28.05.2018 –**
    - GST on PSLC trading on **reverse charge basis** from 28.05.2018 onwards to be paid by the buyer bank
  - **Circular No. 93/12/2019-GST dtd 08/03/19 –**
    - Now clarified “Nature of supply” – Interstate trade /commerce
    - **IGST / ~~CGST/SGST~~** shall be payable on the supply of PSLC traded over e-Kuber portal of RBI for both periods i.e 01.07.2017 to 27.05.2018 and from 28.05.2018 onwards.
    - *Except if already paid CGST/SGST earlier for prior period*

## RECENT CIRCULARS

- **Clarification mentioning that details of inter-State supplies made to unregistered persons to be mentioned in Table 3.2 of GSTR-3B and Table 7B of GSTR-1 (Circular No. 89/10/2019-GST dtd 18/02/19) :--**
  - No change but just Clarificatory in nature
  -  **WHY REQUIRED ??**
  - Apportionment of IGST collected on inter-State supplies made to unregistered persons in the State where such supply takes place is based on the information reported in Table 3.2 of FORM GSTR-3B by the registered person
  - Since non-mentioning of such info results in non-apportionment of the due amount of IGST to the State where such supply takes place
  - and also results in mismatch in quantum of supply and IGST reported thereon
- ❖ ***CONSEQUENCES:- Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of section 125 of the CGST Act (viz. may extend upto Rs. 25,000/- under CGST Act)***
-  ***Will it also extend to transactions failed to be reported appropriately even before this clarification?***

## RECENT CIRCULARS

- **Clarification mentioning that Compliance of rule 46(n) of the CGST Rules, 2017 while issuing invoices in case of inter- State supply** *(Circular No. 90/10/2019-GST dtd 18/02/19) :-*
  - No change but just Clarificatory in nature
  - Observed especially in the banking, insurance and telecom sectors, etc.
  - Shall specify the ***place of supply*** along with the ***name of the State*** in the tax invoice
-  **WHY REQUIRED ??**
  - GST is a destination-based consumption tax, so it is essential to ensure that the tax paid by a registered person accrues to the State in which the consumption of goods or services or both takes place
-  **CONSEQUENCES:** - *Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of sections 122 or 125 of the CGST Act.*  
*(viz. may extend upto Rs. 25,000/- under CGST Act )*
-  *Will it also extend to transactions failed to be reported appropriately even before this clarification?*

## RECENT CIRCULARS

- **Clarification regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018 (Circular No. 91/10/2019-GST dtd 18/02/19) :-**
  - Circular No. 3/1/2018-IGST dated 25.05.2018 clarified that **wef 01/04/18**, the supply of warehoused goods before their clearance from the warehouse would not be subject to the levy of IGST
  -  **What about period from 01/07/2017 to 31/03/2018 ?**
  - Supply of warehoused goods while deposited in custom bonded warehouses had the character of **inter-State supply** as per the provisions of IGST Act, 2017
  - But, due to **non-availability of the facility on the common portal**, suppliers have reported such supplies as intra-State supplies and discharged CSGT and SGST on such supplies instead of IGST
- ❖ **CLARIFICATION :-**
  - **As a one-time exception, suppliers who have paid CGST & SGST on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as CGST & SGST = the due amount of IGST on such supplies.**

## CLARIFICATION CIRCULARS

- **Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs) - Circular No. 82/01/2019- GST dt. 01/01/19**
  - 1st July'17 to 30th Jan'18, GST exemption was available only to three long duration programs as specified (*under Sl. No. 67 of Notf. No. 12/17 CT (R)*).
  - w.e.f 31<sup>st</sup> Jan'18, IIMs are now **“educational institutions”**, hence they're entitled to exemption for all its programmes (*under Sl. No. 66 of Notf. No. 12/17 CT (R)*)
  - *Established Principle of Law - “If there are two or more exemption notifications available to an assessee, the assessee can claim the one that is more beneficial to him.”*
- **GST on services provided by Asian Development Bank (ADB) and International Finance Corporation (IFC) is exempt in terms of provisions of IFC Act, 1958 and ADB Act. - Circular No. 83/02/2019- GST dt. 01/01/19**
  - *Established Principle of Law - CESTAT Mumbai held that when the enactments that honour international agreements specifically immunize the operations of the service provider from taxability, a law contrary to that in the form of Section 66A of Finance Act, 1994 will not prevail.*

## CLARIFICATION CIRCULARS

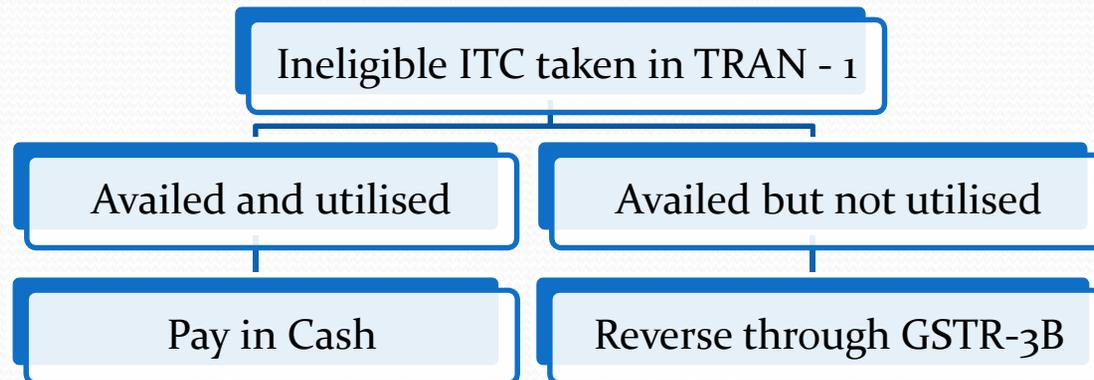
- **Clarification on issue of classification of service of printing of pictures covered under 998386 - Circular No. 84/03/2019- GST dt. 01/01/19**
  - Service code 998386 - “Photographic and videographic processing services” @ GST 18%
  - Service code 998912 - “Printing and reproduction services of recorded media, on a fee or contract basis” @ GST 12%
  - Service code 999613 - “Audio and video production services” @ GST 18%
  - it is clarified that service of “**printing of pictures**” falls under service code 998386 since 998912 clearly excludes services specified in 998386 or 999613.
  
- **Clarification on GST rate applicable on supply of food and beverage services by educational institution - Circular No. 85/04/2019- GST dt. 01/01/19**
  - Notf. No. 11/17 CT (R) – GST @ 5% on supply of food and beverages services.
  - Notf. No. 12/17 CT (R) – exempts services provided by an educational institution to its students, faculty and staff.
  - *Established Principle of Law - “**Specific exemption prevails over general exemption.**”*

## CLARIFICATION CIRCULARS

- **GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company - Circular No. 86/05/2019- GST dt. 01/01/19:-**
  - **Issue 1: Clarification on value of services by BF/BC to a banking company:**
    - Banking company is the service provider in the BF/ BC model operated by a banking company as per RBI guidelines.
    - **The banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via BF/ BC.**
  - **Issue 2: Clarification on the scope of services by BF/BC to a banking company with respect to accounts in rural areas:**
    - Meaning of the expression “accounts in its rural branch” should be accordingly construed.
    - **Classification adopted by the bank in terms of RBI guidelines in this regard should be accepted.**

# CLARIFICATION CIRCULARS

- **Clarification regarding section 140(1) of the CGST Act, 2017 - Circular No. 87/06/2019-GST dt. 02/01/19**
  - Sec. 140 of the CGST Act has been amended with retrospective effect from **1<sup>st</sup> July'17** to clarify that the transitional credit of only **“eligible duties”** can be carried forward to the GST regime.
  - **Issue - Whether the expression “eligible duties” would include CENVAT credit of Service Tax and cess within its scope?**
    - Service Tax – YES
    - Cess (EC, SHEC, KKC, SBC) - NO
  - **Established Principle of Law – “the word “duties” is used interchangeably with the word “taxes” and in the present context, the two words should not be read in a disharmonious manner.”**



# CLARIFICATION CIRCULARS

- **Changes in Circulars issued earlier under the CGST Act, 2017 - Circular No. 88/07/2019- GST dt. 01/02/19**
  - **Circular No. 8/8/2017 dated 04.10.2017** – LUT will be accepted for export of services, even if consideration is received in INR, wherever permitted by RBI.
  - **Circular No. 38/12/2018 dated 26.03.2018** –
    - ✓ Modified in view of amendments in CGST Act which **empowers Commissioner to extend the period** for return of Inputs & CG from the Job worker.
    - ✓ Restrict applicability of **RCM u/s 9(4)** on procurement from URD to **notified class of persons only**.
    - ✓ Q:- *Whether the **value of moulds and dies, jigs and fixtures or tools** which have been provided by the principal to the job worker and have been used by the latter for providing job work services **would be included** in the value of job work services?*  
Ans:- **NO, provided its value has been factored in the price for the supply of such services by the job worker.**
  - **Circular No. 41/15/2018 dated 13.04.2018** – Amended to allow payment of applicable tax & penalty on seizure of goods **within 14** days from the date of issue of Order of Detention, instead of 7 days prescribed earlier.

# CLARIFICATION CIRCULARS

## Changes in Circulars issued earlier under the CGST Act, 2017 - Circular No. 88/07/2019-GST dtd 01/02/19 ctnd...

- [Circular No. 58/32/2018 dated 04.09.2018](#) –
  - ❑ It was clarified earlier that in case of **wrongly availed CENVAT credit under earlier regime or CENVAT credit wrongly transitioned in GST**,
  - ✓ A taxpayer may reverse such credit through **Table 4(B)(2) [ITC Reversed-Others] of GSTR-3B**.
  - ✓ Applicable Interest & Penalty to be paid through **Col 9 of Table 6.1 [Payment of Interest] of GSTR-3B**

**Circular now modified to bring into effect**

- ✓ Such liabilities may be discharged by the taxpayer in **Form GST DRC-03** [Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement].
- ✓ The applicable Interest and Penalty is to be paid in **Form GST DRC-03**.

## RECENT ORDERS

- Extension of time limit for submitting the declaration in FORM GST TRAN-1 till 31<sup>st</sup> March'19 under rule 117(1A) of the CGST Act, 2017 - Order No. 01/2019- GST dt. 31/01/19
  - Only for the class of registered persons who could not submit the said declaration by the due date **on account of technical difficulties** on the common portal and whose cases have been recommended by the Council.
  - Further, TRAN – 2 in such cases can be filed up to **30<sup>th</sup> April'19**.



*What if the proof of facing technical difficulties is not available?*

- ROD. 01/2019- GST dt. 31/01/19
  - It is hereby clarified that the value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account –
    - (i) for determining the eligibility for composition scheme under second proviso to section 10 (1);
    - (ii) in computing aggregate turnover in order to determine eligibility for composition scheme.

## RECENT NOTIFICATIONS

- Notf. No. 01/2019- GST dt. 15/01/19
  - In case of Deemed exports where ITC availed on inputs are used in manufacture of such export goods,
  - **CA certificate** is to be issued **within 6 months** stating that ***such goods shall be used in manufacture and supply of taxable goods*** (other than nil rated or fully exempted goods).
- Notf. No. 02/2019- GST dt. 29/01/19
  - Provisions of the Central Goods and Services Tax (Amendment) Act, 2018 (31 of 2018) have come into force **w.e.f 1<sup>st</sup> Feb'19** except –
    - Sec. 8(b)          Sec. 17          Sec. 18          Sec. 20(a)          Sec. 28(b)(i)          Sec. 28(c)(i)
- Notf. No. 03/2019- GST dt. 29/01/19
  - **Rule 53** - This notification has separated the **particulars of revised tax invoice and debit/credit** notes through introduction of Rule 1A, which were earlier clubbed together.
  - **Rule 83(8)** - A **GST practitioner** can undertake following additional activities:
    - furnish information for generation of e-way bill
    - furnish details of challan in FORM GST ITC-04
    - file an application for amendment or cancellation of enrolment under rule 58
    - file an intimation to pay tax under the composition scheme or withdraw from the said scheme

## RECENT NOTIFICATIONS

- Notf. No. 10/2019- Central Tax dt. 07/03/19:-

**Registration exemption wef 01/04/2019 :-** Any person, who is engaged in exclusive supply of **goods** and whose aggregate turnover in the financial year **does not exceed 40 lakh rupees.**

### **Exceptions:-**

- a) Mandatory registration u/s 24
- b) Ice cream (HSN 21050000); Pan masala (HSN 21069020), Tobacco (HSN 24) manufacturers
- c) States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand;
- d) Voluntary registration u/s 25(3)

- Notf. No. 11/2019 and 12/2019- Central Tax dt. 07/03/19:-

Due dates for **FORM GSTR-1** for April- June, 2019

✓ for t/o < 1.5cr – **31<sup>st</sup> July, 2019**

✓ for t/o > 1.5cr – **11<sup>th</sup> of succeeding month**

Due dates for **FORM GSTR-3B** for April- June, 2019

✓ **20<sup>th</sup> of succeeding month**

- Notf. No. 15/2019- Central Tax dt. 28/03/19:-

✓ **Due date of furnishing FORM GST ITC-04** has been extended **upto 30/06/2019** for the period **from 01/07/17 to 31/03/2019**

## RECENT NOTIFICATIONS

- Notf. No. 03/2019- GST dt. 29/01/19 (contd..)
  - {Rule 89(2)(f)}
  - **Up to 31<sup>st</sup> Jan'19:** ~~“a declaration to the effect that the SEZ unit or the SEZ developer **has not availed the input tax credit of the tax paid by the supplier** of goods or services or both, in a case where the refund is on account of supply of goods or services made to a SEZ unit or a SEZ developer”~~
  - **W.e.f. 1<sup>st</sup> Feb'19:** *a declaration to the effect that **tax has not been collected from the SEZ unit or the SEZ developer**, in a case where the refund is on account of supply of goods or services or both made to a SEZ unit or a SEZ developer*
  - **Rule 91** – Provisional/ Final refund order issued - in **FORM GST RFD-04/06** shall not be **required to be revalidated by the P.O.**
  - However, payment advice in **FORM GST RFD-05** shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.

# KEY AMENDMENTS TO CGST Act, 2017- SECTION 2

## ❖ Definitions:

- **Sec 2(4)** - CBEC is now known as **CBIC** (Central Board of Indirect Taxes & Customs) and
- **National Anti-Profitteering Authority** constituted under section 171(2) has been **excluded from the definition of 'adjudicating authority'**
- Sec 2(18) - Due to amendment in section 25(2) and Rule 11, the term **"business vertical" has been omitted.**



***Does it mean that I can have multiple registrations based on place of business?***

- **Sec 2(102)** - Although 'securities' has been excluded from the definition of 'goods' and 'services', but the **facilitating or arranging transactions in securities is included in the ambit of services and accordingly is liable for GST.**

## ❖ Supply:

- **Schedule II omitted from definition of Supply w.r.e.f 01/07/17:**

This amendment seems to be effected in order to remove the anomaly that in some cases, even though an activity mentioned in Schedule II did not amount to supply, due to deemed inclusion of such activities in definition of supply, it attracted tax. This defeated the objective of Schedule II, which was to give guidance on whether specified activities were to be treated as supply of goods or services.



***What about tax positions taken & Advance Rulings announced on many transactions especially on the activities which have been considered as taxable under the entry "agreeing to obligation to refrain from an act or to tolerate an act or a situation or to do an act"?***

***The existing provision under Section 7 which made activities under Schedule II as a supply of goods or services was an inadvertent error in law drafting. Thus Sec 7(1A) has been inserted w.r.e.f 01/07/17***

# KEY AMENDMENTS TO CGST Act, 2017- SECTION 7

## DEFINITION OF “SUPPLY” (SECTION 7)

Sale, transfer, barter, exchange, licence, rental, lease or disposal

+

in the course or furtherance of business

+

For Consideration

=

Supply

Import of services

+

whether or not in the course or furtherance of business

+

For Consideration

=

Supply

Activities specified in Schedule I

+

in the course or furtherance of business

+

Without a consideration

=

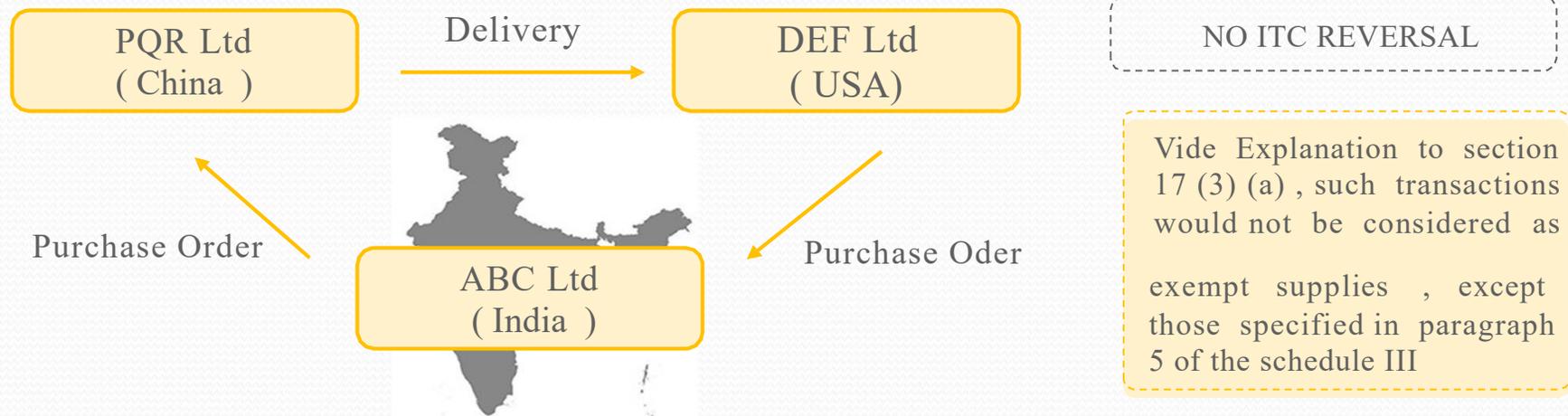
Supply

**Conclusion :- Sch II has been omitted from definition of Supply. Instead, inserted Rule 7(1A) to refer Sch II for determining whether supply is a supply of goods / supply of services**

## KEY AMENDMENTS TO CGST Act, 2017- ADDITIONS TO SCHEDULE III

7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India;

❖ *Illustration :-*



8 (a). Supply of warehoused goods to any person before clearance for home consumption

8 (b). Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption. (High Sea Sales)

## KEY AMENDMENTS TO CGST Act, 2017 – RCM u/s 9(4)

**“ Effectively Inactive ”  
or “Superfluous”**

**Registered Tax Payer  
(Recipient)**

← Supply of Goods or Services

**Unregistered Person  
(Supplier)**

*CBIC rescinded 08/2017 Notification by way of issuing Notification 01/2019 dt 29/01/2019.*



***Whether RCM u/s 9(4) is made applicable to all registered persons?***



Hence RCM [u/s 9(4)] under GST is applicable only to **specified class of registered person** and **specified category of goods and services** supplied by unregistered person

**Specified in Notification No. 07/2019-IGST(R) dtd 29/03/2019 - {wef 01/04/2019}**

***When recipients are Promoters for construction of project for specified cases of dealing with URD***

## KEY AMENDMENTS TO CGST Act, 2017 – COMPOSITION SCHEME (SEC 10)

Sr. No.	FROM	TO	OTHER THAN SPECIAL CATEGORY STATES	SPECIAL CATEGORY STATES
1	01/07/17	13/10/17	75 lacs	50 lacs
2	13/10/17	31/01/19	100 lacs	75 lacs

Now, Limit under composition scheme has now been increased to **Rs. 1.5 Crore** from 1 Crore in Amendment Act.



**NO increase in limit for Special Category States?** (Arunachal Pradesh , Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand)

*\*Only **TRADERS** are eligible for this provision w.e.f 01/02/19*

**Composition Dealer**

Can supply service up to

Rs. 5 Lakhs

10% of  
Turnover in State of  
Previous FY

H  
i  
g  
h  
e  
r

🗣️ *Is GSTR-4 changed on portal accordingly?*

🗣️ *What about turnover limit in case of 1<sup>st</sup> year of business?*

🗣️ *What will be rate of tax for services? Normal OR Composition rate?*

❑ **Composition Scheme extended to “Service Providers” subject to CONDITIONS:-**

- ❖ Keeping t/o limit as upto 50 lacs
- ❖ Rate of tax @6% (3% CGST + 3% SGST)
- ❖ Issue a “Bill of Supply” instead of a “Tax Invoice” (ROD 03/2019-CT dtd 8/3/19)
- ❖ Payment of taxes on quarterly basis - (As announced in Press Release)
- ❖ Filing of returns on annual basis - (As announced in Press Release)

Notified w.e.f 01/04/19 vide Notification No. 02/2019- CT (Rate)

- File FORM CMP-02 by 30/04/19
- Also file ITC-03 as per Rule3(3) (Circular No. 97/16/2019-GST)

## **IPL SEASON - SIXER IN GST wef 01/4/19!!!** (Notf. No. 2/2019-Central Tax(Rate) dtd 07.03.2019)



### **20:20 Format :-**

Where for first 20 lakhs aggregate turnover no tax and then for next 30 there is 6% tax rate scheme.

● Thus, its 20:30 scheme in GST.



### **Half Century:-**

If he scored below half century i.e, 50 runs (Lakhs) in the previous match (previous year), then only he can play the match (opt for the scheme)



**Restrictions are there like power play, No balls, limited players in yards, limited bowling, etc. otherwise third umpire's (GST officer/ GSTN) decision will be final. :-**

- Aggregate turnover of the supplier should be INR 50 Lakhs or less in the preceding financial year.
- should not be eligible to pay tax under section 10 (1) of the Act (Composition Scheme)
- should not be engaged in making supply, which is not leviable to tax.
- should not be engaged in making any inter-state supply.
- should not be a CTP/NRTP/ ECO required to collect TCS u/s 52
- should not be engaged in making supplies of ice cream, pan masala, tobacco



### **Net practice, training and fitness test of players:-**

A registered person who wants to play for the new scheme shall file the **FORM GST CMP-02 by 30**

**April 2019** and such person shall also file the **FORM GST ITC-03 for ITC reversal.**

## KEY AMENDMENTS TO CGST Act, 2017 – COMPOSITION SCHEME (SEC 10) ctnd..

### ▪ Rate of Composition Scheme :-

- 1% for Traders & 2% for Manufacturers from 01/07/2017 to 31/12/2017 on GOODS*
- 1 % for Traders & 1% for Manufacturers from 01/01/2018 to 31/01/2019 on GOODS*
- 1 % for Traders & 1% for Manufacturers from 01/02/2019 on GOODS + SERVICES*

- Amendment in Table 3, Column 3 of Rule 7 of CGST Rules *wef 01/02/19* states

Sr. No.	Category of Registered Persons	Rate of Tax
1	Manufacturers, other than manufacturers of such goods as may be notified by the Government	half per cent. of the turnover in the State or Union territory
2	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	two and a half per cent. of the turnover in the State or Union territory
3	Any other supplier eligible for composition levy under section 10 and or the provisions of this Chapter	half per cent. of the turnover of taxable supplies of goods <b>and services</b> in the State Union territory

## KEY AMENDMENTS TO CGST Act, 2017 – TIME OF SUPPLY (SEC 12)

- Section 12 (2) (a), Time of Supply of Goods, now reads:
  - ⊙ the date of issue of invoice by the supplier or the last date on which he is required, under ~~sub-section (1)~~ of section 31, to issue the invoice with respect to the supply;
- By the above omission, **all invoices u/s 31 are now covered** whereas there existed a confusion that only supply of goods is covered and continuous supply of goods is not covered.
  
- Section 13 (2), Time of Supply of Services, now reads:
  - ⊙ the date of issue of invoice by the supplier or the last date on which he is required, under ~~sub-section (2)~~ of section 31, to issue the invoice with respect to the supply;
- By the above omission, **all invoices u/s 31 are now covered** whereas there existed a confusion that only supply of goods is covered and continuous supply of services is not covered.

## KEY AMENDMENTS TO CGST Act, 2017 – SEC 16

### *“Bill To - Ship To” transactions in Service*

Sec 16(2)(b) ; specifies one of the conditions to claim ITC as follows:-

***“he has received the goods or services or both”***

Explanation to Section 16(2) has been amended as follows:

- For the purposes of this clause, it shall be **deemed that the registered person has received** the goods or, as the case may be, services—
  - (i) Where the Goods.....
  - (ii) Where the services are provided **by the supplier to any person on the direction of and on account of such registered person.**

*In other words, By virtue of this amendment, the above deeming fiction is now being provided for “services” as well.*

*Eg:- if the services are contractually agreed to by head office but services are physically rendered to the branch office, the vendor may be asked to raise invoice “bill to” head office and “ship to” branch office.*

**Conclusion :- The head office can take the ITC based on such Service invoice.**

## KEY AMENDMENTS TO CGST Act, 2017 – SEC 17

- Change in definition of “value of exempt supply” for reversal of ITC u/s 17(3):

The explanation has been inserted to clarify that ***Reversal of common ITC shall NOT be required on activities or transactions specified in Schedule III (other than sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building)*** by excluding those from the ambit of ‘**exempt supply**’ for the purpose of reversal.

## KEY AMENDMENTS TO CGST Act, 2017 – SEC 17

### Blocked Credit u/s 17(5) - Motor vehicles and other Conveyances for:-

Purpose	Specification	Conditions
Transportation of persons	Approved seating capacity upto 13 persons (incl. drivers)	Credit eligible <b><u>only if</u></b> it used for making following taxable supplies: <ul style="list-style-type: none"> <li>▪ Further supply of such motor vehicles</li> <li>▪ Transportation of passengers</li> <li>▪ Imparting training for motor driving</li> </ul>
Transportation of persons	Approved seating capacity more than 13 persons (incl. drivers)	Credit is admissible without any restriction
Transportation of persons or goods	Vessels and aircrafts	Credit eligible only if the used for making following taxable supplies, namely: <ul style="list-style-type: none"> <li>▪ Further supply of such vessels/aircrafts</li> <li>▪ Transportation of passengers</li> <li>▪ Imparting training on navigating such vessels</li> <li>▪ Imparting training on flying such aircrafts</li> <li>▪ Transportation of goods</li> </ul>
Transportation of goods	Any type of goods transportation Vehicle	Credit is admissible without any restriction

## KEY AMENDMENTS TO CGST Act, 2017 – SEC 17

**Sec 17 (5) (aa)** – Separate provision is created for blocking ITC in respect of **vessel and aircrafts**. Earlier these items were included in the term “other conveyances”.

**Sec 17(5)(a)** - The amendment brings clarity regarding blocked credit of ITC.

✓ **Construction equipment vehicles**

*{Now entitled for ITC irrespective of the fact that whether the same are used for transportation of goods or not}*

✓ **Motor buses**

Similarly blockade on input tax credit on Motor buses also removed.

✓ Removal of Blockade on ITC in respect of ‘**other conveyance**’ has removed the blockade of ITC in respect of **non- motorised vehicles**.



***What about ITC on Dominos/Zomato/Swiggy/UberEats bikes ?***



***What about ITC on UberMoto?***



***What about ITC on Ujaas eGO and eSpa electronic vehicles?***



***What about ITC on Food Trucks?***

## KEY AMENDMENTS TO CGST Act, 2017 – Blocked Credit u/s 17(5)

### • Sec 17 (5)(ab) -

- ✓ ITC in relation to **Services of general insurance, Servicing, Repair & Maintenance** on which Credit is available, is also allowed for motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) .
- ✓ Also, ITC on such services of general insurance, Servicing, Repair & Maintenance is allowed to
  - **Manufacturer of such motor vehicles, vessels or aircraft** *and*
  - **to those engaged in supply of general insurance services in respect motor vehicles, vessels or aircraft insured by them.**



***What about ITC on such services prior to 01/02/19?***

### • Sec 17(5)(b) -

- ✓ Blockade of ITC in respect of **“rent a cab” has been expanded** to the blockade of ITC in respect of **leasing, renting or hiring** of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein.
- ✓ However, Blockade of ITC in respect of aforesaid supplies has been specified to be ***not applicable in cases where goods or services or both is obligatory for an employer to provide to its employees under any law for the time being in force.***

## KEY AMENDMENTS TO CGST Act, 2017 – Blocked Credit u/s 17(5)

- Credit on employee welfare related goods or services or both shall be available as per below:

Inward Supply of below nature	ITC is eligible when
<ul style="list-style-type: none"><li>▪ Food and beverages</li><li>▪ Outdoor catering</li><li>▪ Beauty treatment</li><li>▪ Health services</li><li>▪ Cosmetic and plastic surgery</li></ul>	<ul style="list-style-type: none"><li>▪ Used for making outward taxable supply of same category of goods or services</li><li>▪ Used as an element of a taxable composite or mixed supply</li><li>▪ It is obligatory for an employer to provide such services to its employees under any other law time being in force</li></ul>
<ul style="list-style-type: none"><li>▪ Membership of a club, health and fitness centre</li><li>▪ Travel benefits extended to employees on vacation such as leave or home travel concession</li></ul>	<ul style="list-style-type: none"><li>▪ It is obligatory for an employer to provide such services to its employees under any other law time being in force</li></ul>

## KEY AMENDMENTS TO CGST Act, 2017 – SPECIAL CATEGORY STATES (SEC 22)

### Prior to 01/02/19 :-

- 1) Assam
- 2) Arunachal Pradesh
- 3) Himachal Pradesh
- 4) Meghalaya
- 5) Sikkim
- 6) Uttarakhand
- 7) Tripura
- 8) Nagaland
- 9) Mizoram
- 10) Manipur

*Prior to 01/02/19 - Limit is 10 lacs*

### After 01/02/19 :-

- 1) Assam
- 2) Arunachal Pradesh
- 3) Himachal Pradesh
- 4) Meghalaya
- 5) Sikkim
- 6) Uttarakhand

*Limit is 20 lacs w.e.f 01/02/19*

### After 01/02/19 :-

- 1) Tripura
- 2) Nagaland
- 3) Mizoram
- 4) Manipur

*Limit is 10 lacs but State has a power to extend limit upto 20 lacs*

# KEY AMENDMENTS TO CGST Act, 2017 – MANDATORY REGISTRATION (SEC 24)

**Prior to 01.02.2019**

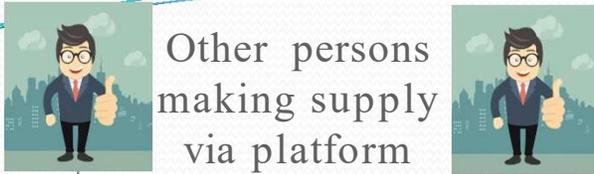
(x) Every electronic - commerce operator

**01.02.2019 Onwards**

(x) : Every electronic - commerce operator **who is required to collect tax at source under section 52**

- This means that those e-commerce operators who provide a facility for other persons to make supply via their platform will only be liable to deduct TCS and therefore liable for compulsory registration.
- This means small e-commerce operators managing their own platform and making supplies only via their own platform, need not take registration if their turnover doesn't exceed Rs. 20 Lakhs.
- Registration for TCS deduction **is separate** as compared to registration required under this section

# KEY AMENDMENTS TO CGST Act, 2017 – E-Commerce Operator



Aggregator



**Mandatory Registration**



Inventory Model



NO Mandatory Registration

**Conclusion:-** Thus, it appears that the ECO which are not acting as agent and whose turnover is within the threshold limit are **NOT** liable to be registered under GST

## KEY AMENDMENTS TO CGST Act, 2017 – Multiple Registration within the same State

- Taxpayers can now opt for **multiple registrations within a State/Union territory** in respect of multiple places of business located within the same State/Union territory, since the definition of business vertical u/s 2(18) has now been omitted.
- **Transfer of ITC in case of business is transferred.**



Procedure to be followed

ITC - 02A – To be filed by Transferor

Within 30 days of registration

Acceptance by the Transferee

Transfer of ITC will be on the basis of “Value of Asset” held



***Are we moving towards Service tax regime of “Place of Business” based registration ?***

## **KEY AMENDMENTS TO CGST Act, 2017 –**

### **Mandatory registration for Unit in SEZ**

- The second proviso to *Section 25 (1)* has been inserted:
- In case a registered person has a SEZ Unit or being a SEZ Developer within the same state wherein he has a Normal Registration under GST, as per the newly inserted proviso to *Section 25 (1)* such registered person now requires to take a **separate registration** for each such SEZ unit.
- Will be treated as “Distinct Person”
- Erstwhile it was part of Chapter III [ Registration ] Rule 8, the same has been omitted from the rule and inserted in *Section 25* [incorporating the same in Act itself ] to avoid anomaly of Rules over riding Act

#### **□ Recovery from Distinct person :-**

***Recovery can be made from DISTINCT PERSONS even if present in different State / UT***

## KEY AMENDMENTS TO CGST Act, 2017 – Suspension of Compliance during cancellation

As per Rule 21A, in case a registered person has applied for cancellation, the registered person shall be deemed to be **suspended** from:

(a) Date of submission of application

or

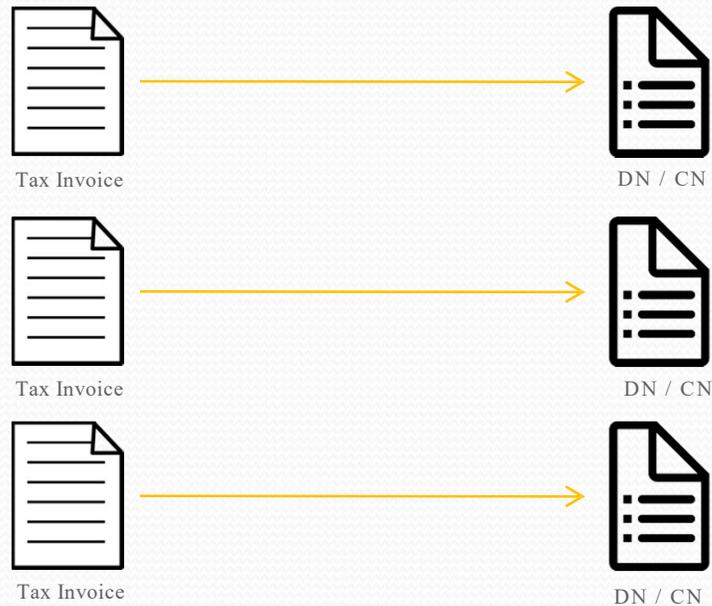
(b) Date from which cancellation is sought

Whichever is LATER

- Registered person **need not file any returns** during such **period of suspension**.
- Period of suspension shall lapse upon the **receipt of Cancellation Order**.
- Persons cant make any Taxable Supplies during such **period of suspension**.

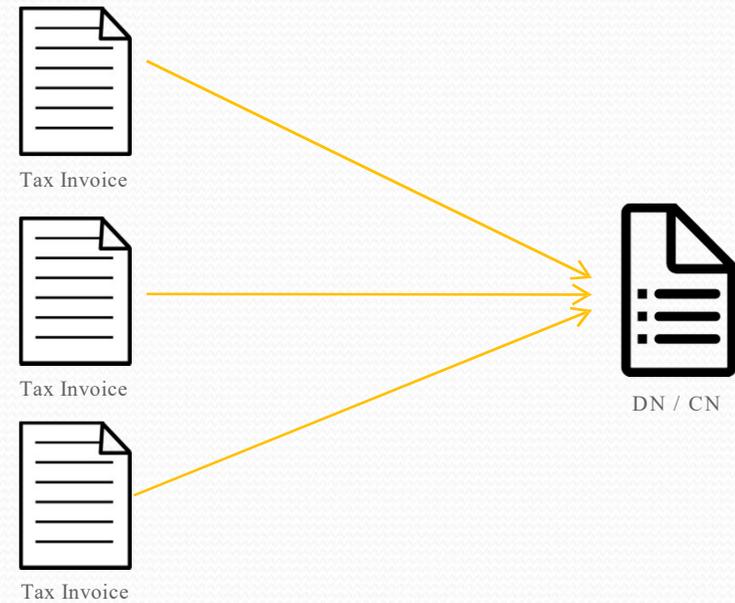
## KEY AMENDMENTS TO CGST Act, 2017 – Consolidated Debit/ Credit Notes

Up till 31<sup>st</sup> Jan 2019



Corresponding Tax Invoice

After 01<sup>st</sup> Feb 2019



Consolidated DN / CN



*Has GST portal been amended accordingly?*

## **KEY AMENDMENTS TO CGST Act, 2017 – Principle of Unjust Enrichment**

- Section 54 (8) provides a list of situations where the principle of unjust enrichment does not apply for the purposes of payment of refund. One such situation is **zero-rated supplies of goods or services**
- Section 54(8) has been amended to provide that the principle of unjust enrichment will be **applicable to cases of refund arising out of supplies made to SEZ unit.**
- Consequent amendment has been made in the Rule 89(2) to provide that at the time of filing of refund for supplies made to SEZ, the supplier will now have to **submit a declaration that tax has not been collected from the SEZ.**
- CONCLUSION :- **Hence, going forward SEZ's are NOT required to provide for declaration stating that ITC has not been availed.**

## Other Key amendments to CGST Act, 2017

- **Sec 52(9)** - The words and figure “*or section 39*” have been inserted to include reference of returns filed by the supplier. **Now the details of outward supply u/s. 52 (TCS) may be matched with the details of outward supplies provided by the original supplier in GSTR-1 and also with returns filed under section 39.**
- **Sec 54(2)(c)(i)** - Receipt of payment in Indian rupees, where permitted, by the RBI in case of export of services is also included in the explanation and thus the condition of receiving the payment only in convertible foreign exchange has been dispensed with. Similar amendment has also been made in Section 2(6)(iv) of the IGST Act to provide that **services shall qualify as exports even if the payment for the services supplied is received in Indian rupees as per RBI regulations.**
- **Sec 54(2)(e)** - It has now been explained that the **relevant date in the case of refund of unutilised ITC arising out of inverted duty structure**, shall be the due date for furnishing of return under section 39 for the period in which such claim for refund arises.
- **Sec 107(6)(b)** - The amendment provides **an upper limit of Rs. 25 Crores as pre-deposit** against disputed tax in case of **filing of the appeal to Appellate Authority.**
- **Sec 112(8)(b)** - The amendment provides **an upper limit of Rs. 50 Crores as pre-deposit** against disputed tax in case of **filing of the appeal to Appellate Tribunal.**

# OTHER UPDATES – WAIVER OF LATE FEE

**“ LATER THE BETTER ”**

GST Returns : FORM GSTR-1/ GSTR-3B/GSTR-4

For

Period July, 2017 to September, 2018

1<sup>st</sup> July, 2017



Had to file along with the requisite late fee

22<sup>nd</sup> December, 2018

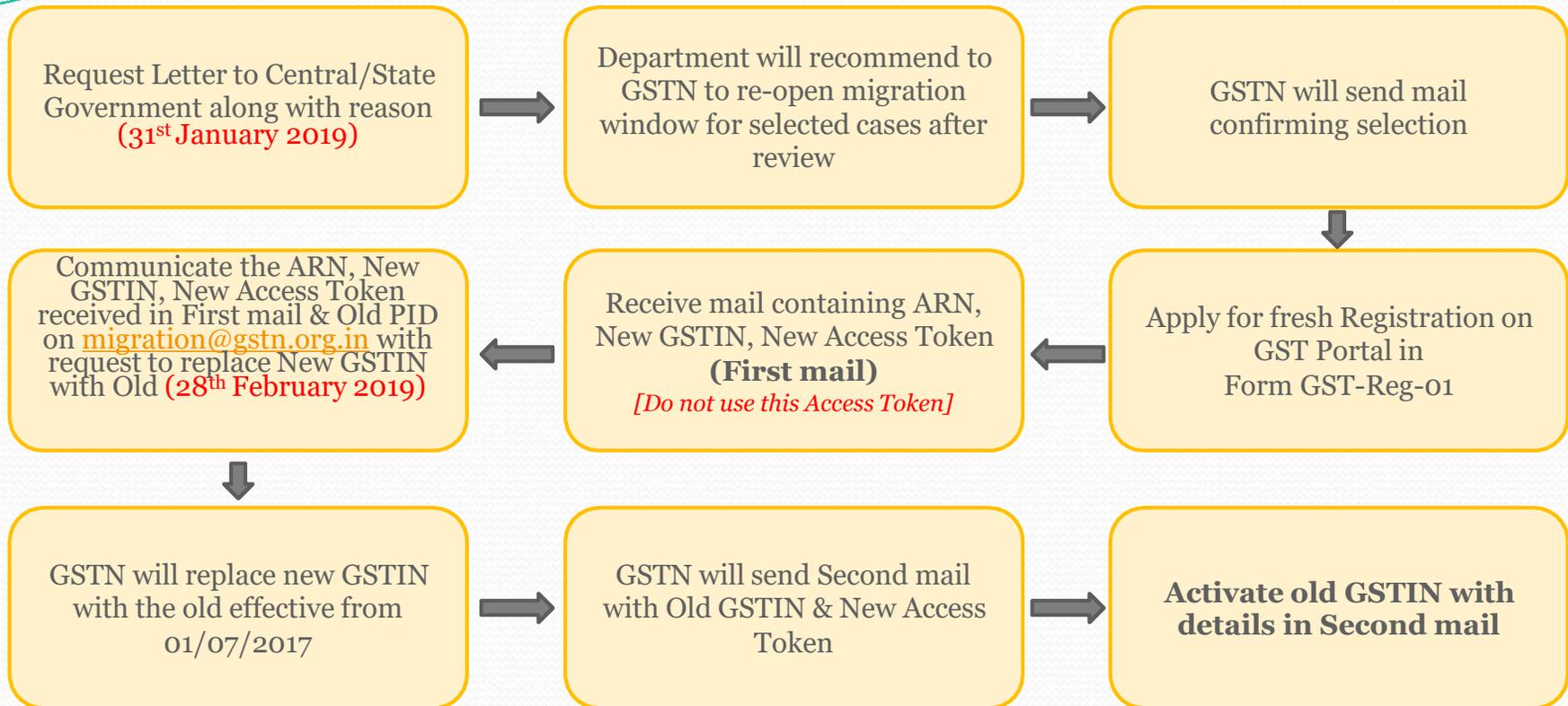


31<sup>st</sup> March, 2019

**NO LATE FEE**  
If filed between the said period

**(Note : Interest is still payable)**

## OTHER UPDATES – SPECIAL PROCEDURE FOR MIGRATION



❖ Vide notification No. 67/2018 - Central Tax

❖ Maharashtra Trade No. 13T of 2018

## OTHER UPDATES – DUE DATE FOR NEWLY MIGRATED TAX PAYERS

	Returns	Period	Due Date
◆	GSTR 3B	July, 2017 to February, 2019	31 <sup>st</sup> March, 2019
✦	GSTR 1	July, 2017 to February, 2019	31 <sup>st</sup> March, 2019



### *Calculation of time period for late fee levy?*



Vide notification No. 68, 69 & 70/2018 – Central Tax



Vide Notification No. 71 & 72/2018 – Central Tax

## **OTHER UPDATES -Time limit of taking ITC u/s 16(4)**

As per section 16(4) : A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

**Order No. 02/2018 - Central Tax :** Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.

## OTHER UPDATES – ITC MISSED OUT of FY 17-18

ITC relating to FY 2017-18 can be claimed on self declaration basis till due date of filing GSTR-3B of Sept'18 and **can still be claimed** post that, till due date of filing **GSTR-3B of March 2019 only if same is reflected in GSTR 2A**

1<sup>st</sup> July, 2017

25<sup>th</sup> October, 2018  
(extended Due Date of  
Sept'18 GSTR-3B)

20<sup>th</sup> April, 2019  
(DD of Mar'19 GSTR-3B)

ITC claimed on self  
declaration basis

*ITC can be claimed only if the  
same is reflecting in GSTR 2A*

Vide Order No. 02/2018-Central Tax dt 31<sup>st</sup> December 2018

## SET-OFF RULES w.e.f 01/02/2019

### Amended Set-off Rules: Section 49(2)- 5(c), 5 (d)

#### Amended proviso 5 (c) :-

*“Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”*

#### Amended proviso 5 (d) :-

In clause (d), the following proviso shall be inserted , namely:-- *“Provided that the input tax credit on account of union territory tax should be utilised towards payment of integrated tax only where the balance of input tax credit on account of central tax is not available for payment of integrated tax ;*

## New provision section 49A

**Sec 49A :-** ~~Notwithstanding anything contained in section 49, the input tax credit on account central tax, state tax or union territory tax shall be utilised towards payment of integrated tax , central tax, state tax or union territory tax, as the case may be, only after the input tax credit available on account of integrated tax first been utilised fully towards such payment.~~



### **Implication of such provision?**

**We have to first utilize input tax credit of IGST , and then use CGST /SGST input tax credit for the balance liability.**

**As per old law: The following sequences are required to be maintained:**

IGST LIABILITY	CGST LIABILITY	SGST LIABILITY
<ul style="list-style-type: none"><li>• IGST CREDIT</li><li>• CGST OR SGST CREDIT</li></ul>	<ul style="list-style-type: none"><li>• CGST CREDIT</li><li>• IGST CREDIT</li></ul>	<ul style="list-style-type: none"><li>• SGST CREDIT</li><li>• IGST CREDIT</li></ul>

**As per New Amended CGST Law: The following sequences are required to be maintained:**

IGST LIABILITY	CGST LIABILITY	SGST LIABILITY
<ul style="list-style-type: none"><li>• IGST CREDIT</li><li>• CGST CREDIT</li><li>• SGST CREDIT</li></ul>	<ul style="list-style-type: none"><li>• <b>IGST CREDIT</b></li><li>• CGST CREDIT</li></ul>	<ul style="list-style-type: none"><li>• <b>IGST CREDIT</b></li><li>• SGST CREDIT</li></ul>

# IMPLICATIONS OF SEC 49A - EXAMPLES

## Example 1

	IGST	CGST	SGST
OUTPUT	1,000.00	1,000.00	1,000.00
INPUT	2,800.00	400.00	400.00

### Set Off as per Old Rules

AS PER OLD RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	600.00	400.00		-
SGST	1,000.00	600.00		400.00	-
TOTAL	3,000.00	2,200.00	400.00	400.00	-

### Set Off as per New Rules

AS PER NEW RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	1,000.00	-		-
SGST	1,000.00	800.00		200.00	-
TOTAL	3,000.00	2,800.00	-	200.00	-

# IMPLICATIONS OF SEC 49A - EXAMPLES

## Example 2

	IGST	CGST	SGST
OUTPUT	1,000.00	1,000.00	1,000.00
INPUT	1,800.00	400.00	400.00

### Set Off as per Old Rules

AS PER OLD RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE TO BE PAID IN CASH
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	600.00	400.00		-
SGST	1,000.00	200.00		400.00	400.00
TOTAL	3,000.00	1,800.00	400.00	400.00	-

### Set Off as per New Rules

AS PER NEW RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE TO BE PAID IN CASH
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	800.00	200.00	-	-
SGST	1,000.00	-	-	400.00	600.00
TOTAL	3,000.00	1,800.00	200.00	400.00	-

# IMPLICATIONS OF SEC 49A - EXAMPLES

## Example 3

	IGST	CGST	SGST
OUTPUT	1,000.00	1,000.00	1,000.00
INPUT	3,800.00	400.00	400.00

### Set Off as per Old Rules

AS PER OLD RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	600.00	400.00		-
SGST	1,000.00	600.00		400.00	-
TOTAL	3,000.00	2,200.00	400.00	400.00	-

### Set Off as per New Rules

AS PER NEW RULES					
OUTPUT LIABILITY	OUTPUT	INPUT SET-OFF			BALANCE
		IGST	CGST	SGST	
IGST	1,000.00	1,000.00	-	-	-
CGST	1,000.00	1,000.00	-	-	-
SGST	1,000.00	1,000.00	-	-	-
TOTAL	3,000.00	3,000.00	-	-	-

## Impact of Section 49A

Particulars	Amount		
Goods purchased from Outside state		1,000,000.00	
Input IGST @ 18%		180,000.00	
Goods purchased from inside state		1,000,000.00	
Input CGST @ 9%		90,000.00	
Input SGST @ 9%		90,000.00	
Sold @10% Profit within State		2,200,000.00	
Output CGST @ 9%		198,000.00	
Output SGST @ 9%		198,000.00	
<b>CGST Liability Calculation</b>			
<b>Till 31st January</b>		<b>From 01st Feb</b>	
Particulars	Amount	Particulars	Amount
Total Output	198,000.00	Total Output	198,000.00
Less : CGST Input	90,000.00	Less : IGST Input	180,000.00
Balance	108,000.00	Balance	18,000.00
Less : IGST Input	108,000.00	Less : CGST Input	18,000.00
Paid by Cash Ledger	NIL	Paid by Cash Ledger	NIL
(CGST Input is NIL)		(IGST Input is NIL)	
IGST Balance Remaining (180000-108000)	72,000.00	CGST Balance Remaining (90000-18000)	72,000.00
<b>SGST Liability Calculation</b>			
<b>Till 31st January</b>		<b>From 01st Feb</b>	
Particulars	Amount	Particulars	Amount
Total Output	198,000.00	Total Output	198,000.00
Less : SGST Input	90,000.00	Less : SGST Input	90,000.00
Balance	108,000.00	Balance	108,000.00
Less : IGST Input Remaining	72,000.00	<b>To be Paid by Cash Ledger</b>	<b>108,000.00</b>
<b>To be Paid by Cash Ledger</b>	<b>36,000.00</b>	(IGST Input is NIL)	
(SGST Input is NIL)		(SGST Input is NIL)	
(IGST Input is NIL)		(CGST Input Remaining)	72,000.00

\* This CGST Input will keep on increasing every month unless you change your business system by either decreasing your purchases from inside the state or by increasing your sales outside the state.

## IMPLICATIONS OF SEC 49A - RELIEF vide RULE 88A wef 29/03/19

IGST Credit (remaining after paying IGST) has to be mandatorily used first for CGST liability and then for SGST liability



**Rule 88A – “Order of utilisation of input credit”  
inserted vide  
Notification No. 16/2019- CT dtd 29/03/2019**



Now, IGST credit (remaining after paying IGST) can be used for payment of CGST or SGST (after using it for IGST payment, at the choice of taxpayer.)

## IMPLICATIONS OF SEC 49A - RELIEF vide RULE 88A

### ❑ “Rule 88A.” Order of utilization of input tax credit:-

Input tax credit on account of integrated tax shall first be utilised towards payment of integrated tax, and the amount remaining, if any, may be utilised towards the payment of central tax and State tax or Union territory tax, **as the case may be, in any order**



***Implication:-*** *As per amendment act the order of utilization after the setoff of IGST liability was compulsory CGST and then SGST/UGST. Now the order has been relaxed wherein either of CGST or SGST/UGST liability can be set off.*

### ❑ “Proviso to Rule 88A”:-

Provided that the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilized fully.”

## IMPLICATIONS OF SEC 49A - RELIEF vide RULE 88A (example)

Old set-off rules	IGST	CGST	SGST	New set-off rules (After First Amendment Act)	IGST	CGST	SGST	Latest set-off (After insertion of Rule 88A)	IGST	CGST	SGST
Output liability	500	500	500	Output liability	500	500	500	Output liability	500	500	500
Input credit (including opening)	750	350	350	Input credit (including opening)	750	350	350	Input credit (including opening)	750	350	350
<b>Priority of utilisation :</b>				<b>Priority of utilisation :</b>				<b>Priority of utilisation :</b>			
Intra head credit utilisation	-500	-350	-350	Inter head credit utilisation	-500	-250	0	Inter head credit utilisation	-500	-150	-100
Inter head credit utilisation		-150	-100	- Utilised from		IGST		- Utilised from		IGST	
- Utilised from		IGST	IGST	Intra head credit utilisation		-250	-350	Intra head credit utilisation		-350	-350
Balance Input credit	0	0	0	Balance Input credit	0	100	0	Balance Input credit	0	0	0
<b>Payable</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>Payable</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>Payable</b>	<b>0</b>	<b>0</b>	<b>50</b>

By looking at the above comparison under a different set of provision, we can clearly point out that the earlier position of setoff under earlier sec.49 (before amendment act) has been restored by the insertion of new rule 88A.

## RCM Credit utilization

Section 16(1) : Mentions that subject to the rules prescribed, be entitled to take ITC.

- No registered person shall be entitled to the ITC in respect of any supply of goods or services or both to him unless,

(a) he is in possession of a Tax Invoice or other tax paying documents as prescribed;

(b) he has received the goods or services or both.

- Rule 36 of CGST Rules, 2017 states the documentary requirements for claiming ITC, wherein it has been stated that a **Self Tax Invoice** has to be issued and it is **subject to the payment of tax.**

- **CONCLUSION :-** *Thereby it is NOT as per the earlier Service Tax laws wherein RCM Credit was taken in the month of payment.*

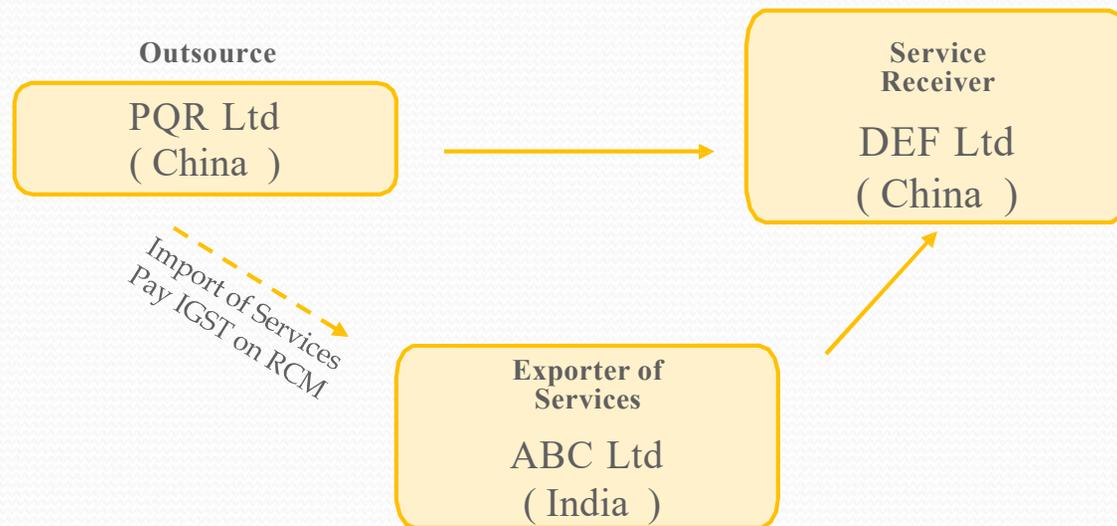
*Whereas in the GST Regime, RCM Credit is available for the specified period upon making payment of the respective periods RCM Liability*

## Illustrations of RCM Credit utilization:-

Return Period	Date of Payment	Date of Filing	RCM credit available or not for July 2017
July 2017	31 July 2017	20 August 2017	Yes
July 2017	20 August 2017	29 August 2017	Yes
July 2017	31 July 2017	25 August 2017	Yes
July 2017	25 August 2017	20 August 2017	No

# OTHER UPDATES - Clarification on Export of services

In case an Exporter of services, **outsources a portion of the services contract to another person located outside India** then treatment under the GST law shall be as follows :



Pay IGST on the import of services under RCM basis on portion of services which has been provided by that Outsourced party

RBI may allow to retained outside India the part of the consideration.



Vide Circular No. 78/2018 dated 31<sup>st</sup> December, 2018

## Amendments in IGST Act, 2017 –

### Proviso to Section 12 (8) of IGST Act [POS]

“For transportation of goods to a place outside India, **the place of supply (POS) shall be the place of destination of such goods** and the said transportation services is **exempted** from GST”



**EXEMPT**

Exemption is extended  
from 30<sup>th</sup> September, 2018  
**till 30<sup>th</sup> September, 2019**  
vide N no. 14/2018 CT(R)



Vide Notification 02/2018 CT (R)

## Amendments in IGST Act, 2017 – “Goods Temporarily Imported in India”

As per **Section 13(3)** of the IGST Act, the place of supply of the following services shall be the location where the services are actually performed, namely:

(a) services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are **temporarily imported** into India for **repairs or for any other treatment or process** and are **exported** after such repairs or treatment or process **without being put to any use in India**, other than that which is required for such repairs or treatment or process

So now, after the amendment, any goods temporarily imported into India for any TREATMENT or PROCESS, then the POS shall be the place of receiver of services (*viz. outside India*), thereby qualifying the same as Export of service (subject to fulfillment of other export conditions)

## RCM u/s 9(3)- Security Services Included *wef 01/01/2019*



- Security services provided **by any person other than body corporate to a registered person**, the recipient is liable to discharge GST under RCM.
- Following persons are excluded from paying GST under RCM, these continues to be liable under the hands of security Agency (forward charge):-
  1. *When the following authorities only taken registration for the purpose of deducting TDS*
    - (a) Department/establishment of CG, SG or UT
    - (b) Local authority
    - (c) Government agencies
  2. *Persons registered under composition scheme*
- **Applicable only where services provided are in the nature of ‘supply of security personnel’ only**
- Tax has to be paid under reverse charge mechanism on the **Gross amount charged** (security personnel Cost + PF + ESI + Service charges + Other charges) by the security service providers **and not merely on the service charges.**

# RCM u/s 9(3)- Security Services Included

Let us take few illustrations for easy understanding:



Supplier	Recipient	Reverse Charge Mechanism (RCM)/ Forward Charge Mechanism (FCM)
Body Corporate Unregistered in GST	Registered Person	RCM
Body Corporate Registered in GST	Registered Person	FCM
Other Than Body Corporate Registered in GST	Registered Person	RCM
Other Than Body Corporate Registered in GST	Registered Person For TDS	FCM
Other Than Body Corporate Registered in GST	Composite Dealer	FCM
Registered Person	Unregistered Person	FCM
Unregistered Person	Unregistered Person	No GST



**There were no major changes of GST in Interim Budget except following :-**

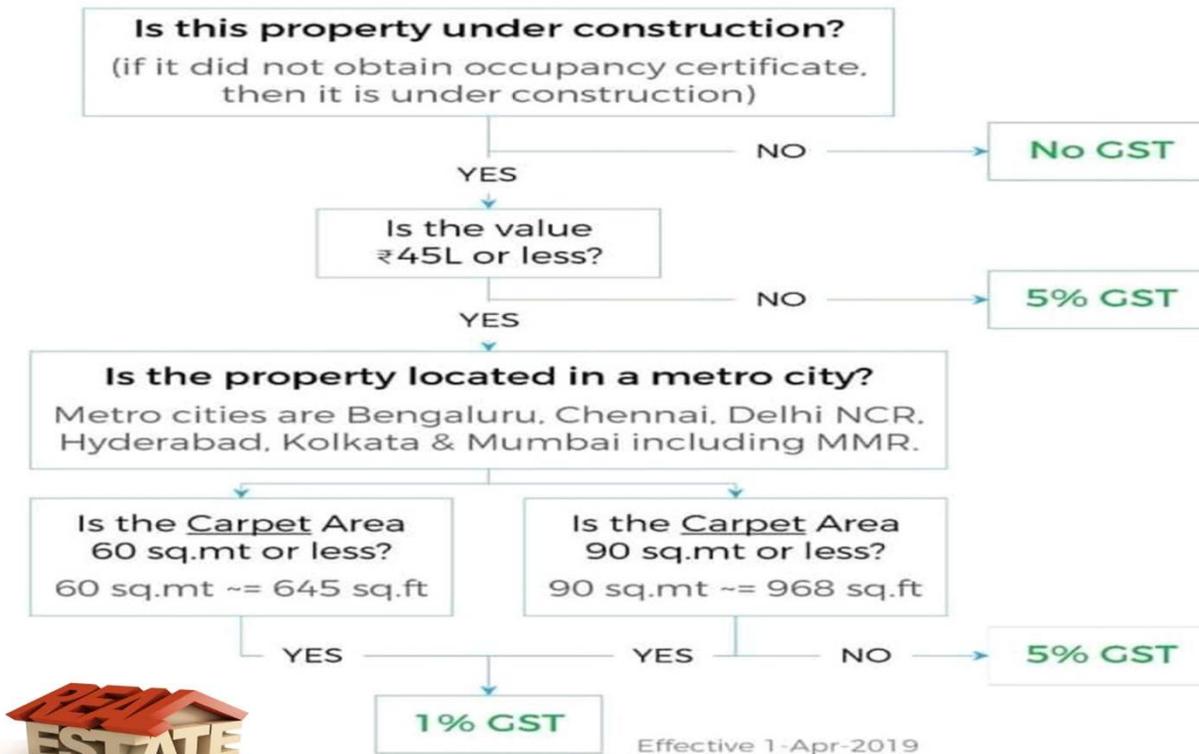
- ◆ Government has moved GST Council to appoint a Group of Ministers to examine and make recommendations to reduce GST burden on home buyers at the earliest.
- ◆ GST registered SME units will get 2% interest rebate on incremental loan of Rs 1Crore.
- ◆ Requirement of sourcing by government enterprises from SMEs increased up to 25%, of which, at least 3% to be sourced from women-led SMEs
- ◆ Government E-procurement Marketplace (GeM) platform extended to Central Public Sector Enterprises

## **Other Key Decisions of GST Council Meetings **YET** to be brought into force**

- Creation of a Centralised Appellate Authority for Advance ruling (AAAR) to deal with cases of conflicting decisions of 2 or more State AAAR on the same issue
- Amendment of Sec 50 to provide that interest should be charged only on the net tax liability after taking into account admissible ITC (viz. interest would be leviable only on amount payable through the Electronic cash ledger)
- Final New return filing forms and change in periodicity of filing returns.
- Periodicity of payment of taxes as quarterly and filing of returns as annually for Service provider Composition dealers
- Revenue Mobilization for Natural Calamities: 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.
- Matters referred to Group of Ministers:  
A Group of Ministers shall be constituted to examine the GST Rate Structure on Lotteries

## Key Decisions of 33<sup>rd</sup> GST Council Meeting which was held on 24/02/2019

### GST ON RESIDENTIAL REAL ESTATE - 2019



🤔 Final scheme to be analysed to understand impact of :-

- ✓ Inventory already sold
- ✓ Accumulated ITC
- ✓ Projects with residential & commercial properties
- ✓ Exemption on development rights

PARTICULARS	ON OR BEFORE 31/03/2019		ON OR AFTER 01/04/2019	
	Residential Buyers (Other than Affordable Housing Scheme)	Residential Buyers (Affordable Housing Scheme)	Residential Buyers (Other than Affordable Housing Scheme)	Residential Buyers (Affordable Housing Scheme)
Effective rate of GST	12%	8%	5%	1%
Whether ITC is available?	Yes	Yes	No	No
Cost of Land (A)	25.00	25.00	25.00	25.00
Cost of Construction (B)	14.40	14.40	14.40	14.40
GST on Inputs (at the rate of 18%) (C)	2.60	2.60	2.60	2.60
ITC Available (D)	(2.60)	(2.60)	-	-
<b>Total Cost to Builder (E = A+B+C-D)</b>	39.40	39.40	42.00	42.00
Profit Margin (cost plus 2% mark-up) (F)	0.79	0.79	0.84	0.84
Sale Price of Flat (G = E+F)	40.19	40.19	42.83	42.84
GST on sale price of flat (H = G * Effective Rate)	4.82	3.22	2.14	0.43
<b>Net cost to buyer (G+H)</b>	45.01	43.41	44.97	43.27



Is real boost given to the "REAL ESTATE SECTOR" ???



## Other Announcements



- Government notifies the creation of National Bench of Goods and Services Tax Appellate Tribunal (GSTAT) at New Delhi **w.e.f 13<sup>th</sup> March , 2019**
- Clarification from Principal Commissioner (GST) that TCS under Income tax will not be included for calculation of GST (**Corrigendum to Circular No. 76/50/2018-GST dtd 07/03/2019**)
- UDIN is being made mandatory in IInd phase for **GST Audit Reports** and Tax Audit Reports **w.e.f 01/04/19**

## **GST PORTAL UPDATES – NEW FUNCTIONALITIES INTRODUCED IN 2019**

- **Form 9C Offline Utility available on portal along with list of FAQs and User Manual**
- **Bank details not to be provided while filing Registration Application**
- **Population of data from E-waybill system into Form GSTR-1**
- **Multi-month Refund Application**
- **Preferred Bank option**
- **Online submission of Statement of Invoices along with RFD-01 application**
- **LUT can be filed for FY 2019-20**
- **Furnish details of security/surety in ASMT-05**
- **File Application for Rectification of Order passed by Appellate Authority**

## GST PORTAL UPDATES

### ❖ GSTN issued advisory to GST Taxpayers on Invoice Series to be used wef 1st April, 2019

- ✓ Attention of all taxpayers is invited to Rule 46 (b) of the CGST Rules 2017, which specifies that the tax invoice issued by a registered person should have a **consecutive serial number**, not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year.
- ✓ This rule implies that with the start of new financial year 2019-20 (w.e.f. 01/04/2019), **a new invoice series, unique for the financial year is to be started by the GST taxpayers**. Similar provision is there in Rule 49 of the CGST Rules 2017, in respect of issue of Bill of Supply by registered taxpayers availing Composition Scheme or supplying exempted goods or services or both.
- ✓ If the provisions of Rule 46 or Rule 49 are not adhered to, apart from being a compliance issue, taxpayers **may face problem while generating E-Way Bill** on E-way bill system **or furnishing their Form GSTR 1 or for applying for refund** on GST Portal. It is therefore necessary that suitable modification may be made by the taxpayers in this regard in their invoices or bill of supply, to avoid any inconvenience in the future.

## **GST PORTAL UPDATES – NEW FUNCTIONALITIES INTRODUCED IN 2019**



### **Revocation of Cancellation of Registration**

**Facility for applying for revocation of suo moto cancellation of registration for the person registered as OIDAR /TDS /TCS/NRTP category has been enabled on GST Portal.**

84

FAQs

## **GST PORTAL UPDATES – NEW FUNCTIONALITIES INTRODUCED IN 2019**



### **Annual Return for 2017-18 to be filed by Normal Taxpayer**

- Facility to file Annual Return by Normal Taxpayers, in Form GSTR 9 for Financial Year 2017-18 is now available at GST Portal.
- The FAQs and User Manual for the Form GSTR 9 is available at the GST portal.

*(Refer Section 44 of the CGST Act, 2017 & Rule 80 of the CGST Rules, 2017)*

#2



### **Annual Return for 2017-18 to be filed by Composition Taxpayer**

- Facility to file Annual Return by Composition Taxpayers, in Form GSTR 9A for Financial Year 2017-18, is now available at GST Portal.
- The FAQs and User Manual for Form GSTR-9A is available at the GST portal.

*(Refer Section 44 of the CGST Act, 2017 & Rule 80 of the CGST Rules, 2017)*

#3

## **GST PORTAL UPDATES – VIEWING & DOWNLOADING MONTHWISE COMPARITIVE TABLE ON LIABILITY DECLARED & CREDIT CLAIMED**

- **Normal Taxpayer can view and compare the liability related to exports & SEZ supplies as declared in their Form GSTR-3B during the month [as per table 3.1(b)] and liability as declared in their Form GSTR-1 (Zero rated supplies) as per table 6A, 6B, 9A, 9B & 9C of the Form GSTR 1.**
- **Normal taxpayers have also been provided information regarding data of Input tax credit (ITC) as claimed in their Form GSTR 3B and as accrued in Form GSTR 2A.**
- **Now taxpayers can see both these data sets and compare the input tax credit availed by them.**
- **Normal Taxpayer have been provided with facility to view the liability paid due to reverse charge as declared & paid in Form GSTR 3B and as accrued in Form GSTR 2A, due to uploading of such details by the supplier in Form GSTR-1.**

## **GST PORTAL UPDATES – VIEWING & DOWNLOADING MONTHWISE COMPARITIVE TABLE ON LIABILITY DECLARED & CREDIT CLAIMED**

- This functionality has been provided in Returns dashboard on the GST Portal to taxpayers under the headings “Comparison of liability declared and ITC claimed”.
- The data can also be downloaded in Excel file for viewing and comparison later on. 4/4

## Enhancements in E-Way Bill System

- **Checking of duplicate generation of e-way bills based on same invoice number** :- *If the transporter or consignee has generated one e-way bill on the consignor's invoice, then if any other party (consignor, transporter or consignee) tries to generate the e-way bill, the system will alert that there is already one e-way bill for that invoice, and further it allows him to continue, if he wants.*
- **CKD/SKD/Lots for movement of Export/Import consignment** : - *CKD/SKD/Lots supply type can now be used for movement of the big consignment in batches, during Import & Export also. Delivery challan and tax invoice need to accompany goods as prescribed in Rule 55 (5) of CGST Rules, 2017.*
- **Shipping address in case of export supply type** : - *For Export supply type, the 'Bill To' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and shipping address and PIN code can be given as the location (airport/shipping yard/border check post/ address of SEZ), from where the consignment is moving out from the country.*
- **Dispatching address in case of import supply type** : - *For Import supply, the 'Bill From' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and dispatching address and PIN code can be given as the location (airport/shipping yard/border check post/ address of SEZ), from where the consignment is entering the country.*
- **Enhancement in 'Bill To – Ship To' transactions** : - *EWB generation is now categorized to four types now Regular and Bill to Ship to, Bill from and Dispatch from & combination of both.*
- **Changes in Bulk Generation Tool** : - *Facility of EWB generation through the Bulk Generation Tool has been enhanced.*

## Enhancements in E-Way Bill System (w.e.f 25/03/2019)

- **Auto calculation of route distance based on PIN code for generation of E-way bill:-**
  - *Not allowed for INVALID Pin code*
  - *Variation allowed up to 10%*
  - *If 'Source PIN' and 'Destination PIN' are same – max 100kms distance can be punched*
- **Blocking of generation of multiple e-waybills on one Invoice/document :-**
  - *Either Consignor / Consignee / transporter*
- **Extension of e-waybill in case of consignment in Transit:-**
  - *Extension for Goods in Transit (on road or in warehouse) OR already in Movement*
- **Blocking of Interstate Transactions for Composite dealers :-**
  - *No inter-state movement transactions allowed*
  - *Composite dealers will not allowed to enter CGST or SGST/ UTSGT elements for intrastate transactions*
  - *Document type as "Tax invoice" for Composite dealers will also be disabled*

## **RECENT MVAT / PROFESSIONAL TAX UPDATES:-**

### **❑ MVAT UPDATES:-**

- **Order of withdrawal of pending Assessment proceedings (IBA) under MVAT/CST Act for FY 2013-14, 2014-15 & 2015-16 along with Annexure for specified TIN Numbers**

### **❑ PROFESSIONAL TAX UPDATES :-**

#### **➤ “OTPT SCHEME” –**

- ✓ *One Time Payment of Profession Tax (PTEC) introduced by Maharashtra Government where you can pay a single payment of Profession tax as per PTEC calculation chart released by Govt.*
- ✓ *The calculation chart has tabulated PTEC slab of liabilities ranging from 3yrs to 35 yrs based on “Present Value of money” model depending upon month of payment.*
- **“Late fee Exemption u/s 6(3) for periods upto March 2019 subject to following conditions (Trade Circular No 11 of 2019 dtd 30/03/2019):-**
  - Any amount payable as per return should have been paid before the due date*
  - PTRC returns (monthly/annually) to be filed before for the periods upto March ‘19 on or before **30th April 2019.***

## **RECENT MVAT UPDATES:- MVAT AMNESTY SCHEME- issued on 06/03/2019**

### **MAHARASHTRA VAT**

#### **Amnesty Scheme to settle pre-GST regime disputes**

The Maharashtra government in its cabinet meeting dated 20 February 2019 has approved an amnesty scheme to settle pre-GST regime state tax disputes i.e. for the period on or before 30 June 2017.

The scheme would be applicable for two disputed periods i.e. for period upto 31 March 2010 and for 1 April 2010 to 30 June 2017.

Gist of the benefit is as under:

Dispute period	Nature of liability	Phase I 1 April 19 – 30 June 19		Phase II 1 July 19 – 31 July 19	
		Payment	Waiver	Payment	Waiver
Upto 31 March 2010	Tax	50%	50%	60%	40%
	Interest	10%	90%	20%	80%
	Penalty	5%	95%	10%	90%
1 April 2010 to 30 June 2017	Tax	70%	30%	80%	20%
	Interest	20%	80%	30%	70%
	Penalty	10%	90%	20%	80%

\*percentage of the disputed amount

## RECENT CUSTOMS NOTIFICATION

In the First Schedule to the Customs Tariff Act, in Section XXI, in Chapter 98, after tariff item 9805 90 00 and the entries relating thereto, the following tariff item and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
“9806 00 00	All goods originating in or exported from the Islamic Republic of Pakistan	-	200 %	-”.

[F.No.354/40/2019 -TRU]

## CURRENCY EXCHANGE RATES - Notification No.32/2019-Customs (N.T.) dtd 18/04/2019

SCHEDULE-I

Sl.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(3)	
		(a)	(b)
		(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	51.10	48.85
2.	Bahraini Dinar	190.50	178.60
3.	Canadian Dollar	53.00	51.10
4.	Chinese Yuan	10.55	10.20
5.	Danish Kroner	10.70	10.30
6.	EURO	80.00	77.05
7.	Hong Kong Dollar	9.05	8.70
8.	Kuwaiti Dinar	236.45	221.20
9.	New Zealand Dollar	48.05	45.80
10.	Norwegian Kroner	8.35	8.05

SCHEDULE-I

Sl.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(3)	
		(a)	(b)
		(For Imported Goods)	(For Exported Goods)
11.	Pound Sterling	92.35	89.05
12.	Qatari Riyal	19.75	18.50
13.	Saudi Arabian Riyal	19.15	17.95
14.	Singapore Dollar	52.30	50.45
15.	South African Rand	5.15	4.80
16.	Swedish Kroner	7.65	7.40
17.	Swiss Franc	70.20	67.50
18.	Turkish Lira	12.45	11.70
19.	UAE Dirham	19.55	18.35
20.	US Dollar	70.40	68.70



SCHEDULE-II

Sl.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	63.30	60.95
2.	Korean Won	6.30	5.90

[F.No. 468/01/2019-Cus.V]

## **RECENT CUSTOMS UPDATES:-**

### **◆ Documents for online IEC applications, clarified-**

DGFT has clarified that if IEC is required to be issued in the name of the firm, the application must be made in the name of the firm. ([Trade Notice No. 39/2015-20](#))

### **◆ Advance authorisation available to other exporters based on ratified norms:**

All applicants of Advance Authorization are now eligible to apply and get their authorizations based on ratified norms which are available on DGFT website in the form of minutes. ([DGFT Public Notice No. 64/2015-20](#))

### **◆ IGST refund on exports Resolution of some EGM related errors:**

CBIC has instructed its officers to take all necessary steps to ensure that all EGMs of cargo related to past cases are filed before 31-1-2019. ([Circular No. 1/2019-Cus.](#))

### **◆ EPCG Scheme – List of products importable revised:**

EPCG scheme now allows import of furniture and fixtures, flooring materials and furnishing materials for hospitals. ([Public Notice No. 61/2015-20](#))

### **◆ Re-export/return of imported SCOMET items Procedure prescribed:**

DGFT has prescribed procedure for re-export/return of imported SCOMET items due to reasons of obsolescence of technology of imported items, cancellation of order by Indian buyer/end user, dead on arrival([Public Notice No. 59/2015-20](#))

### **◆ Customs duty reduced on specified imports from Malaysia, ASEAN, South Korea and Japan:**

Customs duties on import of specified goods from Malaysia, South Korea and from ASEAN countries have been reduced. Further, basic customs duty has been reduced on gear box and parts thereof [Tariff Item 8708 40 00], of specified motor vehicles, when imported from Japan under the India-Japan Comprehensive Economic Partnership Agreement.

### **◆ Capital goods for distribution of power not importable under EPCG:**

Import of capital goods required for distribution of electrical energy (power) is not permitted under EPCG scheme. ([DGFT Circular No. 15/2015-20, dated 4-1-2019](#))

## **NEW GST RETURN FORMS wef 01/07/2019**

1. Periodicity of filing return will be **monthly by default**.

2. **Change in periodicity** from monthly to quarterly and vice versa will be allowed **only once** at the time of filing of first return. If once chosen then it cannot be changed for rest of the financial year and can be changed only at the time of filing of first return of the next financial year.

3. **Three types** of Returns:

Normal (Monthly or quarterly)

Sugam (Quarterly)

Sahaj (Quarterly)

### **Payment of self-assessed tax under Form GST PMT-08:**

- The taxpayers need to make payment of tax on a monthly basis even though they have opted for quarterly filing of returns.
- Payment of tax shall be made by 20<sup>th</sup> of the month succeeding the month to which the liability pertains.
- Payment of tax shall be made for the first two months of the quarter.
- Credit of the tax paid during the first two months of the quarter shall be available at the time of filing the return for the quarter. While filing the quarterly return and feeding the output details and input details of the quarter the total tax calculated shall be reduced by the amount so deposited for the first two months of the quarter and the balance tax shall be payable.

# NEW GST RETURN FORMS *wef 01/07/2019*

Type of Return	Normal or Form GST RET-1 (Monthly or quarterly)		Sugam or Form GST RET- 3 (Quarterly)		Sahaj or Form GST RET-2 (Quarterly)	
	Whether filing applicable	Whether reporting required	Whether filing applicable	Whether reporting required	Whether filing applicable	Whether reporting required
<b>Cases</b>						
B2C supplies	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
B2B supplies	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
Inward supplies attracting RCM	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
Nil rated, exempted or Non GST supplies	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
Zero rated (Exports)	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Supplies through Ecommerce operators	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Input tax credit of missing invoices</b>	<b>Allowed</b>		<b>Not Allowed</b>		<b>Not Allowed</b>	

## **NEW GST RETURN FORMS *wef 01/07/2019***

### **Aggregate turnover as basis of choosing the periodicity**

If the **aggregate turnover** during the preceding financial year is **upto ₹ 5.00 Crores** the taxpayer has **the option** to file return (namely Sahaj or Sugam or Normal) **on a quarterly basis**.

**Switching of returns**, as per the applicability and reporting requirements will be allowed **in the beginning of any quarter in a FY** and as follows:

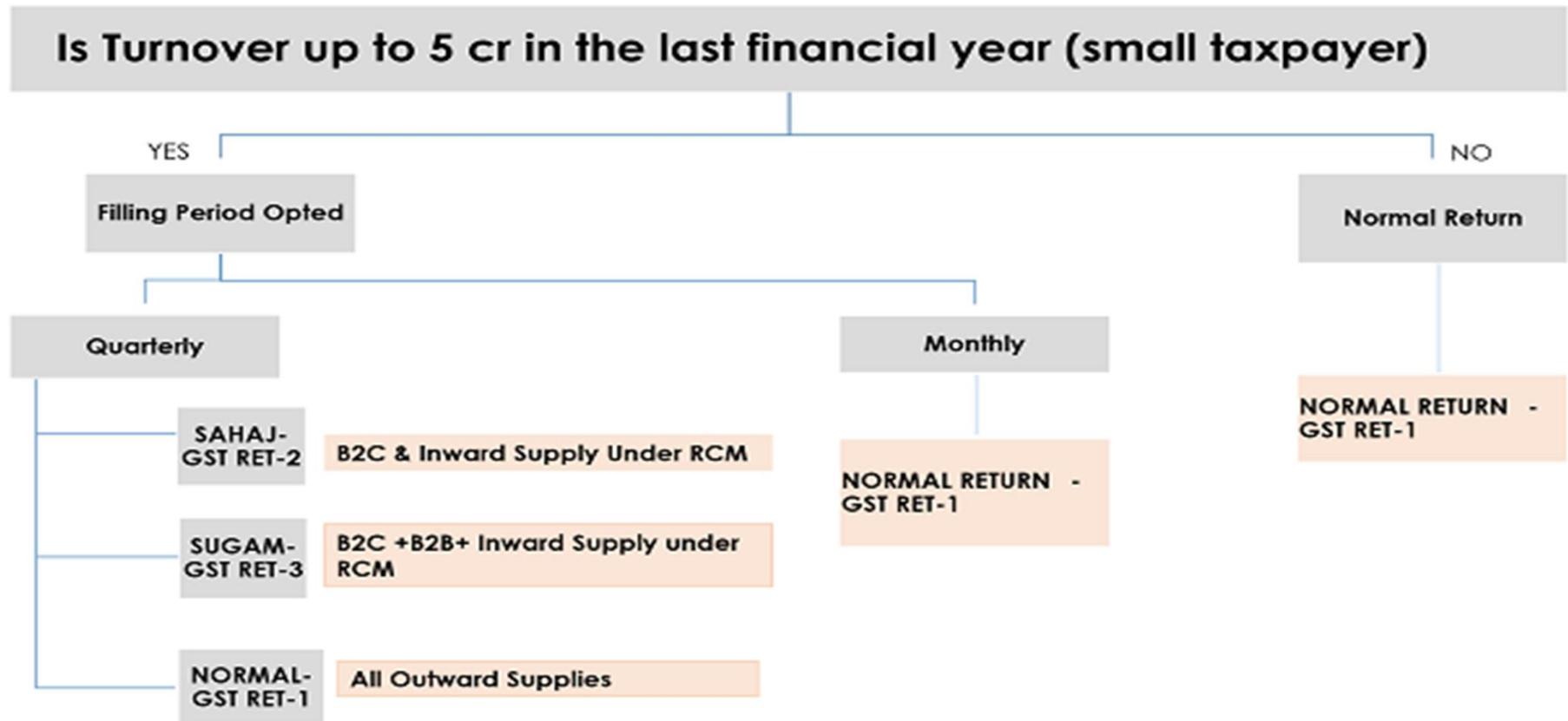
### **Switching of return type**

<b>From</b>	<b>To</b>	<b>No. of times allowed in a Financial Year</b>
Normal (Monthly or quarterly)	Sugam (Quarterly)	<b>Only Once</b> in the beginning of any quarter
Normal (Monthly or quarterly)	Sahaj (Quarterly)	<b>Only Once</b> in the beginning of any quarter
Sugam (Quarterly)	Sahaj (Quarterly)	<b>Only Once</b> in the beginning of any quarter
Sahaj (Quarterly)	Sugam (Quarterly)	<b>More Than Once</b> , in the beginning of any quarter
Sahaj (Quarterly)	Normal (Monthly or quarterly)	<b>More Than Once</b> , in the beginning of any quarter
Sugam (Quarterly)	Normal (Monthly or quarterly)	<b>More Than Once</b> , in the beginning of any quarter

The new forms are available for review under the Downloads section on [www.gst.gov.in](http://www.gst.gov.in)

# NEW GST RETURN FORMS wef 01/07/2019

## Applicability Chart



# NEW GST RETURN FORMS *wef 01/07/2019*

**Total No. of Return require to be filled by Taxpayer in New GST Regime Returns:**



**Analysis of GST ANX-1 : Outward Supplies**



# DISCLAIMER

*\*Disclaimer: The information cited in this presentation has been drawn from various sources which are believed to be reliable. While every efforts have been made to keep the information cited to be error free, the information provided in this presentation are subject to the provisions contained under different Acts and readers are advised to take cognizance of above while applying the contents of the specific case/issue. The Office/Author is not liable for any misappropriation. or any misinterpretation.*

*GST on Smile is 0%.....*

*So "Keep Smiling"*



**THANK YOU**

*From:-*

*Ankit Suresh Kabra [B.Com, ACA, LL.B.]*

*e-mail: [ankitkbr@rediffmail.com](mailto:ankitkbr@rediffmail.com)*

*Mobile : **+91 98193 64345***

*Contact Us:-*

*612, Vakratunda Corporate Park,  
Vishweshwar Nagar, Goregaon (E), Mumbai - 400 063.*

*Tel: +91-22-66719058 / 9417*