





# **1 NATION TAX MARKET**

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***GST RECENT***

***AMENDMENTS***

CA P.ANIL F.C.A.,DISA

## 31<sup>ST</sup> GST COUNCIL

CGST Amendment Act 2018 received the assent of the Honorable President of India on 29<sup>th</sup> August 2018.

Hence the GST Council in its 31<sup>st</sup> Council meeting held on 22<sup>nd</sup> December 2018 decided that the said amendment Act would be brought into force with effect from 01<sup>st</sup> February 2019.





# **GST AMENDMENT ACT 2018**

# IMPORTANT AMENDMENTS

Section 2(18) business vertical excluded in the light of changes proposed in section 25(2) which reads as follows

- ❧ “Provided that a person having multiple places of business in a state or union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed”



- SERVICE FEES, BROKING CHARGES, DOCUMENTATION FEES OR SUCH LIKE FEES IN RELATION TO TRANSACTION IN SECURITIES -

Now GST EXIGIBLE



- TERM SUPPLY IS AMENDED TO EXCLUDE ITEMS COVERED IN SCHEDULE - II
- BUT IT DOESN'T MEAN THAT SCHEDULE - II ITEMS ARE NOT COVERED UNDER GST
- SCHEDULE - II STILL EXISTS. IF THE ITEMS MENTIONED IN SCHEDULE - II CONSTITUTE A SUPPLY IN ACCORDANCE WITH PROVISION OF SECTION 7(1)(A)(B)(C)





# SECTION 9(4)

- ⌘ Reverse charge to be applicable only in the case of class of registered persons ( to be mentioned)



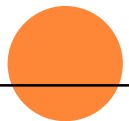
# SECTION 10 COMPOSITION SCHEME

- ❧ Amendment in section 10 is done
- ❧ Service providers to the extent of 10% of turnover or 5 lacs whichever is less are also eligible
- ❧ But for calculating this limit supply of food as per Schedule II will not be considered
- ❧ Threshold limit increased from 1 CR to 1.5 CR
- ❧ As per clause 6(b) of schedule II Food Supply is treated as Supply of Service



# CONDITIONS FOR AVAILING INPUT TAX CREDIT

- ❧ Service providers- if service provided by supplier to any person on the direction of and on account of registered person it shall be deemed that such registered person has received the service.( So that such registered person can avail ITC



## BLOCKED CREDIT ON MOTOR VEHICLES

✂ ITC Non availability restricted in the case of Motor Vehicle's only having capacity of up to 13 persons

## OTHER BLOCKED CREDITS

ITC in respect of food and beverage, health services renting or hiring of Motor Vehicle's, vessels and aircrafts travel benefits to employees can be availed where the provision of such good or services in obligatory for an employer.




**CONSOLIDATED CN/DN COULD BE  
ISSUED IN RESPECT OF MULTIPLE  
INVOICES ISSUED DURING A  
FINANCIAL YEAR**

**MONTHLY PAYMENT OF TAXES  
REQUIRED EVEN IN CASE OF  
QUARTERLY RETURNS**

## **SECTION 29(1) CANCELLATION OR SUSPENSION OF REGISTRATION**

Provides for  
suspension of  
registration  
during  
pendency of  
proceedings  
relating to  
cancellation



## ○ Section 43A

- I. Procedure for availing Input Tax Credit in respect of Outward Supplies not furnished on the common portal shall be such as may be prescribed and such procedure may include the maximum amount of ITC which can be so availed not exceeding 20% of the ITC available on the basis of details furnished by the suppliers under the said subsection.

•THE TAX SO DECLARED SHALL BE DEEMED TO BE PAYABLE BY THE SUPPLIER

•HOWEVER SUPPLIER AND RECIPIENT ARE MADE JOINTLY AND SEVERALLY LIABLE TO PAY TAX.



## Section 49 (5)

- Amended to provide that SGST/UTGST can be utilized for payment IGST only when the balance of ITC on account of CGST not available for payment of IGST



# SECTION 49 A (NEW SECTION)

## Manner of Utilisation of GST Credit

- IGST Credit  $\longrightarrow$  IGST - CGST - SGST
- Then CGST Credit  $\longrightarrow$  CGST - IGST(if any)
- Then SGST Credit  $\longrightarrow$  SGST - IGST(if any)





- Small e-commerce operators would now be eligible for availing the threshold exemption limit benefit for registration purpose

- Service shall qualify as exports even if payments received in Indian Rupees as per RBI Regulations



- Recovery of tax may be made from distinct persons present in different states/UTs to ensure speedy recovery from other establishments of the registered person

- Ceiling Limit for filing appeal fixed
  - Appellate Authority at 25 Cr (10% of disputed tax)
  - Appellate Tribunal at 50 Cr (20% of disputed tax)



- Time Limit before which proceedings u/s 130 can be initiated from 7 days to 14 days.(at the time of transfer of goods)



## SECTION 143 (1) (b) JOB WORK PROCEDURE


- Principal can send inputs to a job worker without payment of tax subject to the condition that it is brought back within a period of one year.
- New Provision is inserted to provide that on sufficient cause the commissioner can extend for a further period not exceeding one year.
- Principal can send capital goods to a job worker without payment of tax subject to the condition that it is brought back within 3 years
- New Provision - Extension of 2 Years



- Import of Services by unregistered entities (making only exempted supplies) but are otherwise engaged in business activities shall be liable to tax when they receive service from related person outside India.

- **Scope of Schedule III**

**extended:** Supply of goods in the course of High Seas Sales and sale of imported warehoused goods shall neither be treated a supply of goods nor a supply of services.



- Transportation of goods from a place in India to a place outside India by a transporter located in India would not be chargeable to GST as place of supply will be outside India.



## SECTION 13(3) PLACE OF SUPPLY OF PERFORMANCE BASED SERVICES

- Not to tax job work of any treatment or process done on goods temporarily imported into India (eg.. Gold, diamond) which are then exported



TDS TCS APPLICABILITY CONCEPT  
W.E.F 01/10/2018  
SECTION 51 & 52

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- Deductor – (a) CG Departments or Establishments
  - (b) State Governments
  - (c) Local Authorities
  - (d) Government Agencies

(Cont....)



# TDS TCS APPLICABILITY CONCEPT

W.E.F 01/10/2018

## SECTION 51 & 52 (CONT...)

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( e) Notified persons such as

(1) An authority Board or other body

- set up by Parliament or Legislature of State
- established by any Government with 51% or more share in equity

(2) Society established by CG, SG, LA

(3) Public Sector Undertakings



# TDS TCS APPLICABILITY CONCEPT

W.E.F 01/10/2018

## SECTION 51 & 52 (CONT...)

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- Deductee - Supplier of taxable goods or services  
where value of supply under contract  
exceeds INR 2,50,000/-
- Rate - 2%
- Value - Not to include GST and Cess
- Registration - Compulsory (No threshold)
- Form - GSTREG07
- Payment Date – Within 10 days after the end of the  
month in which TDS made



# TDS TCS APPLICABILITY CONCEPT

## W.E.F 01/10/2018

### SECTION 51 & 52 (CONT...)

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- TDS Certificate
  - GSTR 7A within 5 days of remittance of tax
- ITC to Deductee
  - Can Claim
- GST Return
  - GSTR7 (due on 10<sup>th</sup> of following month)
- For non payment of TDS within time
  - 18% interest per annum
- For Failure to furnish TDS Certificate within 5 days
  - INR 2,000 per day subject to a maximum of 10,000



# TDS TCS APPLICABILITY CONCEPT

## W.E.F 01/10/2018

### SECTION 51 & 52 (CONT...)

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- TCS who is Required to collect
  - Every Electronic Commerce Operator
- Rate of TCS
  - 1% of the Net Value of Taxable Supplies
- ECO
  - Means any person who owns electronic platform for E-Commerce
- Compulsory Registration
  - ECO Compulsorily to be registered (But wide amendment Act of 2018 restricted to notified cases)



TDS TCS APPLICABILITY CONCEPT  
W.E.F 01/10/2018  
SECTION 51 & 52 (CONT...)

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- TCS to be paid within 10 days from the end of the month.
- ITC can be claimed by the Supplier.



# 32<sup>ND</sup> GST COUNCIL MEETING PROPOSAL

EFFECTIVE DATE 01/04/2019



## GST Council Meeting

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Updates



## COMPOSITION SCHEME (FOR SUPPLIERS OF GOODS)

- Existing- If Annual Turnover  $\leq$  1Cr in preceding Financial Year
- Proposal- Limit increased to 1.5 Cr
- Special Category states to decide within one week. Rate of compounding continue to be 1%



# COMPOSITION SCHEME FOR SERVICES AS WELL AS FOR SUPPLIERS OF GOODS AND SERVICES

- Existing – Not Available
- Proposal- If Annual Turnover  $\leq$  50 Lakhs

Rate - 6%





# COMPLIANCE UNDER COMPOSITION SCHEME

- Existing- File GSTR 4 on quarterly basis and to make payment on quarterly basis.
- Proposed- Just file one Annual Return but payment of tax shall continue to be on quarterly basis along with a simple declaration.

**Note: Not clear whether filing of Annual Return by Composition suppliers in Form 9A shall continue or not**



## OTHER MAJOR DECISIONS

- New additional cess at the Rate of 1% on Interstate supply within Kerala for a period not exceeding 2 Years.
- For MSME's engaged in supply of Goods (Not services) relaxed threshold limit from 20 Lakhs to 40 Lakhs (choice given to states).
- Free accounting and billing software to small taxpayers



# MATTERS REFERED TO SEVEN MEMBER GROUP OF MINISTRIES

- Composition scheme to Real Estate Sector.
- Rate structure on Lottery.



# CLARIFICATIONS



## SECTION 140(1) REGARDING TRANSITIONAL ARRANGEMENTS FOR INPUT TAX CREDIT

- Major clarification Circular No. **87/06/2019** CENVAT Credit of Service Tax paid under Section 66B of Finance Act 1996 available as transitional credit under Section 140(1) .



## PHOTOGRAPHIC AND VIDEOGRAPHIC PROSESING SERVICES

- Developing of negatives and printing of pictures for others according to customer specifications such as enlargement of negatives or slides, Black and White processing, color printing of images from film or digital media slide and negative duplicates reprints etc.



- Developing films for both amateur photographers and commercial clients, preparing of photographic slides, copying of films, converting of photographs and films to other media-Service Code -998386 photographic and video graphic and video graphic processing services.

**Hence GST rates applicable is 18%**

(Explanatory note to the scheme of classification of service- Circular No. 84/03/2019 dated 01/01/2019).



## SUPPLY FOR FOOD AND BEVERAGES SERVICES BY EDUCATION INSTITUTION

- Supply of Foods and Beverages by an educational institution to its students, faculties and staff where such supply made by the educational institution itself is exempt.

However such supply of Food and Beverages by any person other than the educational institution based on a contractual agreement with such institution is leviable to GST @ 5%.

(Circular No. 85/04/2019 Dated on 01/01/2009).

**Aim: To remove conflict between Notification No 11/2017 and 12/2017.**





## GST ON SERVICES OF BUSINESS FACILITATOR(BF) OR BUSINESS CORRESPONDENT(BC) TO BANKING COMPANY.

- Value adopted for GST- Bank agreement with BC specifically prohibits any fee collection from customers.
- Banking Company is the service provider and is liable to pay GST on the entire value of service charges or fee charged to customers whether or not received in a BF or BC.
- Clarification on the scope of service by BF or BC in rural accounts- Classification adopted by bank in terms of RBI guidelines in this regards should be accepted.



## TAXABLE SERVICE MADE BY ADB AND IFC EXEMPT

- Taxable services provided by ADB and IFC exempt and exemption is available only to the service provided by ADB and IFC and not to any entity appointed by working on behalf of ADB or IFC.

(Circular No.83 dated 31/12/2018)



# CIRCULAR NO. 77/51/2018-GST, DATED 2-JAN-2019

## DENIAL OF COMPOSITION OPTION BY TAX AUTHORITY AND EFFECTIVE DATE THEREOF

### Clarification:

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.



# CIRCULAR NO. 77/51/2018-GST, DATED 31-DEC-2018

## DENIAL OF COMPOSITION OPTION BY TAX AUTHORITY AND EFFECTIVE DATE THEREOF

### Clarification:


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. In such cases, as provided under S.10(5) of the CGST Act, the proceedings would have to be initiated under the provisions of section 73 or section 74 of the CGST Act.



# CIRCULAR NO. 78/52/2018-GST, DATED 31-DEC-2018

## CLARIFICATION ON EXPORT OF SERVICES UNDER GST

### Clarification:

- Total value of services as agreed to in the contract between the exporter of services located in India and the recipient of services located outside India will be considered as export of services.
  - Supplier of services located in India would be liable to pay IGST under RCM on the import of services on that portion of services which has been provided by the supplier located outside India.
  - Supplier in India eligible to avail ITC of IGST paid under RCM.
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# **CIRCULAR NO. 84/03/2019- GST, DATED 1-JAN-2019**

## **SERVICES PROVIDED BY WAY OF PRINTING OF PICTURE**

**Clarification on the issue of classification of  
service of printing of picture covered under  
998386**

**CBIC has clarified that service of printing of  
pictures shall be classified under service code  
998386 – “Photographic and Videographic  
processing services” thereby taxable @18% and  
not @12%.**



# **CIRCULAR NO. 85/04/2019- GST, DATED 1-JAN-2019**

## **FOOD AND BEVERAGES SERVICES PROVIDED BY EDUCATIONAL INSTITUTION**

### **Clarification on GST rate applicable on supply of food and beverage services by education institution**

**Supply of food & beverages by educational institution to its students and staff shall be exempt from GST under NN- 12/2017- Central Tax(Rate) dated 28-Jun-2017.**

**However, such supply made by any person other than educational institution shall be taxable @ 5%**



# **CIRCULAR NO. 87/06/2019-GST, DATED 2-JAN-2019**

## **CLARIFICATION REGARDING S. 140(1)**

- 1. CBIC has clarified its stance and affirmed that CENVAT credit of service tax paid shall be included in “eligible duties and taxes” and shall be available as transitional credit u/s. 140(1)**
- 2. No transition of credit of cesses would be allowed in terms of Explanation 3 to section 140 which shall be applied retrospectively**





**NN-24/2018-  
CENTRAL TAX  
(RATE), DATED 31-  
DEC-2018**



## GST rates reduction on 12% items to 5%

**A. 12% To 5%**



GOODS	NEW RATE	OLD RATE
Natural cork, raw or simply prepared	5%	12%
Walking Sticks including seat sticks	5%	12%
Fly ash Bricks; Fly ash block	5%	12%

## GST rates reduction on 18% items to 5%

**B. 18% To 5%**



GOODS	NEW RATE	OLD RATE
Marble and travertine, crude or roughly trimmed	5%	18%
Footwear of sale value not exceeding Rs. 1,000/- per pair	5%	18%



## GST rates reduction on 28% items to 5%

**C. 28% To 5%**



### GOODS

### NEW RATE

### OLD RATE

Parts and accessories of carriage  
for disabled persons

**5%**

**28%**



## New Entry Inserted in the Tax bracket of 12%

### D. NEW ENTRY



GOODS	NEW RATE
Flexible intermediate bulk containers	<b>12%</b>

## GST rates reduction on 18% items to 12%

**E. 18% To 12%**



GOODS	NEW RATE	OLD RATE
Cork roughly squared or debugged, Articles of natural cork	<b>12%</b>	18%
Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	<b>12%</b>	18%
Agglomerated cork and articles of agglomerated cork	<b>12%</b>	18%

## GST rates reduction on 28% items to 18%

**F. 28% To 18%**

<b>GOODS</b>	<b>NEW RATE</b>	<b>OLD RATE</b>
Re-treaded or used pneumatic tyres and flaps	<b>18%</b>	28%
Power banks of Lithium ion batteries	<b>18%</b>	28%
Digital Cameras and Video Camera recorders	<b>18%</b>	28%

## GST RATES REDUCTION ON 28% ITEMS TO 18%

**F. 28% To 18%**



GOODS	NEW RATE	OLD RATE
Monitors and TVs of upto screen size of 32 inches	<b>18%</b>	28%
Computer Monitor upto size 32 inches	<b>18%</b>	28%



## GST RATES REDUCTION ON 28% ITEMS TO 18%

**F. 28% To 18%**



GOODS	NEW RATE	OLD RATE
Video Game Console & Machines and other games and sports requisites falling under HSN Code 9504	<b>18%</b>	28%
Pulley, Transmission shafts and cranks, gear boxes etc.	<b>18%</b>	28%

**NN-25/2018-  
CENTRAL TAX  
(RATE), DATED  
31- DEC-2018**



## GST rates reduction on 12%/5% items to NIL

### A. 5% To EXEMPT



GOODS	NEW RATE	OLD RATE
Vegetables (uncooked or cooked by steaming or boiling in water), frozen	<b>Exempt</b>	5%
Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine) but unsuitable in that state for immediate consumption	<b>Exempt</b>	5%

## GST rates reduction on 12%/5% items to NIL

### B. 12% To EXEMPT



GOODS	NEW RATE	OLD RATE
Music, printed or in manuscript, whether or not bound or illustrated	<b>Exempt</b>	12%

## Amend. in NN-02/ 2017- Central Tax (Rate), dt. 28-Jun-2017

### Inserted Entry No. 153 :

Supply of gift items received by the President, Prime Minister, Governor or Chief Minister of any State or any public servant, by way of public auction by the Government, where auction proceeds are to be used for public or charitable cause shall be exempt from the levy of GST.



**NN-26/2018-  
CENTRAL TAX  
(RATE), DATED  
31- DEC-2018**



## **NN-26/2018-CENTRAL TAX (RATE), DATED 31-DEC-2018**

**CG has exempted supply of gold when supplied by Nominated Agency under the scheme for “Export Against Supply by Nominated Agency” as referred in Foreign Trade Policy subject to conditions.**



**NN-27/2018-  
CENTRAL TAX  
(RATE), DATED  
31- DEC-2018**





## Amend. in NN-11/ 2017- Central Tax (Rate), dt. 28-Jun-2017

### 1) Transportation of passengers in respect of religious pilgrimage

Description of services	Tax Rate
<ul style="list-style-type: none"><li>• Transportation of passengers, by air, in respect of religious pilgrimage facilitated by the GOI, under bilateral agreement shall be taxed at 5% without ITC of goods</li></ul>	5%



## Amend. in NN-11/ 2017- Central Tax (Rate), dt. 28-Jun-2017

### 2) Third party Insurance

Description of services	Tax Rate
Services of third party insurance of “goods carriage”	12%

### 3) Leasing or renting

Description of services	Tax Rate
Leasing or renting of goods	Same rate of tax as applicable on sale of like goods.

## Amend. in NN-11/ 2017- Central Tax (Rate), dt. 28-Jun-2017

### 4) Admission to Cinema Halls

Description of services	Rate of Tax
Services by way of admission to cinema halls where price of ticket is upto Rs. 100/-	<b>12%</b> (earlier rate was 18%)
Services by way of admission to cinema halls where price of ticket is Rs. 100/- or above	<b>18%</b> (earlier 28%)

## Amend. in NN-11/ 2017- Central Tax (Rate), dt. 28-Jun-2017

### 4) Services in relation to setting up of renewable energy devices and plants *[New entry no. 38 inserted]*

Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of renewable energy plants or devices (e.g. Bio Gas Plant, Solar Power Plant, Solar Power Generating system, Wind Mills, etc.) shall be taxable at the rate of 18%.



NN-28/2018-  
CENTRAL TAX  
(RATE), DATED 31-  
DEC-2018



## **Amend. in NN-12/ 2017- Central Tax (Rate), dt. 28-Jun-2017**

### **2) Government has made certain services exempt on the recommendation of GST Council:**

- Services provided by banking company to Basic Saving Bank Deposit account holder under Pradhan Mantri Jan Dhan Yojana.**
- Supply of services (services provided by IIMs) under Entry No. 67 of the said notification shall be omitted.**
- Services provided by rehabilitation professionals recognised under Rehabilitation Council of India Act, 1992 by way rehabilitation, therapy , counselling, at medical establishment, centres establish by Govt. or an entity registered under S. 12AA of I.T Act, 1961.**

**NN-29/2018-  
CENTRAL TAX  
(RATE), DATED  
31- DEC-2018**



## **Amend. in NN-13/2017- Central Tax (Rate), dt.28-Jun-2017**

### **CBIC has made following supply of services taxable under RCM:**

- **Service provided by Business Facilitator to Banking Company located in taxable territory.**
- **Service provided by an agent of business correspondent (BC) to business correspondent located in taxable territory.**
- **Security Service provided by any person (other than body corporate) to a registered person. Provided that nothing contained in this entry shall apply to Govt. Department which has taken registration under Act, only for the purpose of deducting tax u/s. 51. This entry shall also not be applicable to composition taxpayer.**



# REFUND CLAIM SIMPLIFIED

## BEFORE

- GSTRFD- 01A to be filed in common portal
- Generate the application ref. No.(ARN)
- Submit the above printout before jurisdictional proper officer


## AFTER

- Only statement of invoices need to be submitted
- But if not found in GSTR2A submit only those copies (Submission need be done only through electronic uploading, no physical submission necessary, However choice is left with assessee)

## BEFORE

- All documents/  
undertaking statements to  
be uploaded along with  
GSTRFD-01A

## AFTER

- ARN shall be generated once  
submission is over within 15  
days from creating ARN the  
proper officer would issue  
acknowledgement or  
deficiency memo
  - If deficiency Memo issued  
submit corrected application  
physically
- 

# INVERTED DUTY STRUCTURE- CALCULATION OF REFUND AMOUNT

- Net ITC covers on all inputs
- Refund of accumulated ITC when input rates are different (say 5 % and 18 %) and output attracts 12 %
- Section 54 (3) with rule 89 (5)

Multiply Net ITC  $\times$   $\frac{\text{Turnover of inverted rated supply}}{\text{Adjusted Total Turnover}}$

*Deduct Tax payable on Total Turnover to get the refund*



- Interest to be paid to the claimant if the refund is not given after 60 days from the date of generation of ARN.
- For refund application that have been generated on the portal but not physically received before the issue of circular has been provided with 15 days time to submit.
- Refund of accumulated credit of Compensation Cess – aggregate of recomputed refund of compensation cess would be admissible



- Presently ITC is reflected in Electronic Credit Ledger on self declaration basis in GSTR 3B. What happens if goods purchased against a particular Tax invoice in a particular month declared in GSTR 3B of Subsequent month (Rightly so since goods received in subsequent month)



# CLARIFICATIONS

- Net ITC means ITC availed on inputs during the relevant period.
- Under present system this happens when the taxable person files GSTR3b.(see 16(4) ITC may be claimed on or before the due date of filing return for the month of September following the FY to which invoice pertains or date of filing annual return whichever is earlier
- Hence ITC of invoices issued in a month availed in next month cannot be excluded from the calculation of refund.
- Net ITC- also includes GST paid on stock



- Section 54 (3) Refund of unutilized ITC may be claimed on inputs higher than rate on output.
- Inputs defined as goods other than Capital Goods
- Thus it is clarified that the law and rules clearly prevent the refund of tax paid on input services and Capital Goods due to inverted duty structure.

(As contained in Circular No. 79/53/2018 dated 31/12/2018)



# EXPORT OF SERVICE

- Outsourcing by exporter of service wholly or partially through any other supplier of service located outside India.
- Indian supplier would be liable to pay IGST on reverse charge basis on the imported portion of service provided by outside supplier. Also the Indian suppliers would be eligible to take Input Credit. (Circular No. 78)





# SUPPLY OF USED VEHICLES BY GOVERNMENT DEPARTMENT

- Supplying used vehicle old and useful  
CG,SG,UT,LA, is taxable supply to registered person on reverse charge basis.
- Now it is clarified that if the supply is made to unregistered person the respective Government or Local Authority shall get themselves registered and pay GST. For delayed filling of 3B penalty is not payable.



- Debit Notes and Credit Notes u/s 142(2)(a) 142(2)(b) GST rates applicable.
- TDS applicability u/s 51 only to bodies setup by parliament act or state legislature (Government body having  $\geq 51\%$  equity holding by Government)
- TCS under Income Tax Act to be included for GST Valuation (CIR 76).



- Guidelines for processing of applications for financial assistance under the central sector scheme named Seva Bhoj Yojana of the ministry of culture.
- For reimbursement of CGST and CG share of IGST on the purchase of certain raw food items used for distributing free food to general public or devotees by Charitable/Religious institutions.



# RETURN OF EXPIRED DRUGS BY WHOLESALE/RETAILER

## OPTION A


- Treat the return as supply value.
- Value- May adopt the value in the invoice at the time of receipt.(If the person returning is a registered person other than a composition taxpayer).
- The wholesaler or manufacturer can claim ITC.



- If the person returning is a composition taxpayer raise a bill of supply (no ITC is available to wholesaler/manufacturer).
- If the person is unregistered return by issuing any commercial document.
- Where the goods are subsequently destroyed by wholesaler/manufacturer – reverse the return supply ITC availed.



## OPTION B

- Issue a Credit Note by supplier who receives back the goods from wholesaler or retailer and adjust the tax liability in the month of issue of Credit Note according to Section 34(1). The person returning has to adjust the ITC claimed , if any.
  - Even if the time limit specified u/s 34(2) has lapsed a credit note may still be issued but tax liability cannot be adjusted.-No requirement to declare such credit note on GST portal.
- 

- Further where the time expired goods returned by wholesaler or retailer destroyed the ITC attributable to the manufacture of such good need be reversed.



- Casual Taxable Person only required to deposit the net tax liability on an estimated basis ( after deducting the eligible ITC).
- If exhibition is for a period of more than 180 days CTP to take normal registration, further
  - I. Copy of allotment letter to use exhibition stall shall be treated as proper document as a proof for his place of business.
  - II. No advance tax payment required





## CIRCULAR No.71

- Manner of recovery of excess ITC distributed by ISD
  1. Recipient unit may deposit the excess voluntarily with interest.
  2. If excess credit is not deposited voluntarily proceedings may be initiated. (general penalty may also be imposed)



## CIRCULAR No. 70

- Exporters are eligible to claim refund of IGST paid on exports who have received Capital Goods under Export Promotion Capital Goods Scheme.



## CIRCULAR NO: 48

- Service of short term accommodation, conferencing, banqueting etc. provided to SEZ developer or a SEZ unit shall be treated as Interstate Supply.

Benefits of Zero rated Supplies shall be available to a supplier of Event Management Services, Hotel accommodation services, consumables etc.

If such supply received by SEZ developer or unit for authorized operations and endorsing the specified officer.

- Fabric Processors shall be eligible for Refund of unutilized ITC on account of Inverted Duty structure



## CIRCULAR NO.56

- Casual Taxable Person exempted from obtaining registration Supply of handicraft.
- Certain items mentioned (made by the craftsman predominantly by hand).



## CIRCULAR NO.32

- Hotel accommodation given to students by trust are exempt.
- Fee paid by litigants in the Consumer Disputes Redressal Commission are not leviable to GST. Consultancy charges paid to doctors are exempt even if a portion of fee collected are retained.
- Food supply to inpatient doctors and staff are exempt but to outpatients taxable.



## CIRCULAR NO 14

- Services by an old age home - Nil Rate
- Services provided by an unincorporated body or non profit entity engaged in  
Labour welfare activities  
Trade, commerce, industry, agriculture,  
charitable, environmental protection  
activities to its own members up to Rs.1000/-  
membership fees per member per year. -

**NIL RATED**



## CIRCULAR NO.17

- Manual filing and processing of refund claims in respect of zero rated supplies
- Exporters have two option
  - Pay IGST on exports and claim refund
  - Make supplies as zero rated under bond or LUT and claim refund of unutilized ITC.

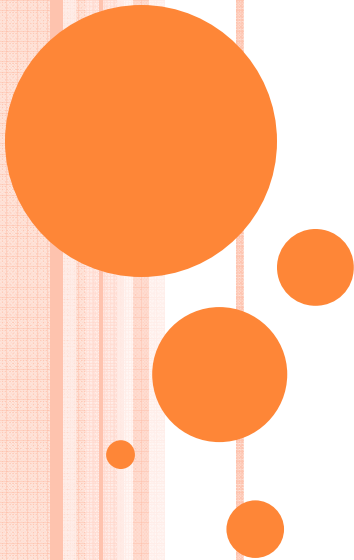


Sl. No.	Category of Refund	Process of Filing
1.	Refund of IGST paid on export of goods	No separate application is required as shipping bill itself will be treated as application for refund.
2.	Refund of IGST paid on export of services/ zero rated supplies to SEZ units or SEZ developers	Printout of <b>FORM GST RFD-01A</b> needs to be filed manually with the jurisdictional GST officer (only at one place - Centre or State) along with relevant documentary evidences, wherever applicable.
3.	Refund of unutilized input tax credit due to the accumulation of credit of tax paid on inputs or input services used in making zero-rated supplies of goods or services or both	<b>FORM GST RFD-01A</b> needs to be filed on the common portal. The amount of credit claimed as refund would be debited in the electronic credit ledger and proof of debit needs to be generated on the common portal.
4.		<b>FORM GST RFD- 01A</b> needs to be submitted before the jurisdictional GST officer along with necessary documentary evidences, wherever applicable.





# DETAILS OF ORDERS



# ORDER NO.02/2018

DATED 31/12/2018

- “ 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 FY 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) for the month of March 2019.”

(Cont...)



# ORDER NO.02/2018

DATED 31/12/2018

(CONT....)

“Provided Further that the rectification of error or omission in respect of the details furnished under sub section (1) shall be allowed after furnishing of the return under section 39 for the month of September 2018 till the due date for furnishing the details under sub section (1) for the month of March 2019 or for the quarter January 2019 to March 2019.”



## ORDER NO. 03/2018

- Seeks to extend GSTR9, 9A & 9C extended till  
30/06/2019





# ADVANCE RULING

## AUTHORITY FOR ADVANCE RULING KERALA

- The supply of medicine consumables and implants used in the course of providing health care services to in-patients for diagnosis or treatment are naturally bundled and are provided in conjunction with each other would be considered as composite supply and eligible for exemption under the category “health care services”.

*The Rajagiri Healthcare and Education Trust*



- The Activity undertaken by the applicant of processing natural gas and other inputs received from BPCL free of cost basis and manufacturing industrial gases from them shall fall under the scope of “job work” under GST.
- The activity of the applicant being job work is a provision of service as input and output owned by the principal and not by applicant, hence taxable @ 18%.
- GST payable as transaction value for which job work is rendered.



# NOTIFICATIONS

<u>No</u>	<u>Date</u>	<u>Details</u>
○ 77/2018	31/12/2018	Late fee for composition dealers who failed to furnish GSTR-4 for the quarters from July 2017 to September 2018 waived if return furnished in the period 22/12/2018 to 31/03/2019.
○ 76/2018	31/12/2018	Failure to furnish 3B <ul style="list-style-type: none"><li>- not to exceed Rs. 50/- per day</li><li>- NIL Return Rs. 20/- per day</li></ul>





# NOTIFICATIONS

<u>No</u>	<u>Date</u>	<u>Details</u>
○ 75/2018	31/12/2018	Seeks to fully waive the amount of late fees leviable on account of delayed furnishing of GSTR 1 (01/07/2017 to 30/09/2018) Condition: Return to be furnished before 31/03/2019
○ 73/2018	31/12/2018	No TDS for supplies by Govt. Department and PSUs to other Govt. Dept. and vice versa



# NOTIFICATIONS

<u>No</u>	<u>Date</u>	<u>Details</u>
• 27/2018	31/12/2018	Supply of Gold by nominated Agency to registered person is exempt
• 25/2018	31/12/2018	Retreaded or used pneumatic tyres of rubber rate 18%
• 09/2018	25/01/2018	Used motor vehicle, LPG, Petrol -18% Diesel 1500 CC or more -18% SUVs -18% Other Old Vehicle -12%






# OTHER NOTES

# NOTIFICATIONS

<u>No</u>	<u>Date</u>	<u>Details</u>
• 67/2018	31/12/2018	• Time limit for migration in GST extended till 31/1/2019
• 68/69/2018	31/12/2018	• Time limit for filing 3B also extended for newly migrated taxpayer up to 31/3/2019
• 29/2018	31/12/2018	• Services like security included in RCM method
• NN74/2018	31/12/2018	• No signature or digital signature of supplier or authorized representative required in case of issuance of electronic invoice

## NEW RULE 138E INSERTED

No person( consigner, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of Form GST EWB-01 in respect of regarding person, whether as a supplier or recipient who,

- ❖ being a person paying tax u/s 10 has not furnished the returns for two consecutive tax periods.
  - ❖ being a person other than a person specified above has not furnished the returns for consecutive period of two months.
- 

- Time limit for furnishing ITC-04 extended till 31/3/2019(Job worker)
- Time limit for furnishing GSTR-8 (TCS) extended to 31/1/2019



# PENALTY FOR LATE FILING OF GSTR 3B(CIR.76)

Section 73(ii)-Penalty payable if collected tax not paid within 30 days from due date.

But this provision can be invoked only when Sec.73 invoked which is not invoked in case of delayed filing of GSTR 3B,but general penalty may be imposed.



Thank You !

CA P. ANIL FCA, DISA

CA P. ANIL FCA, DISA

