



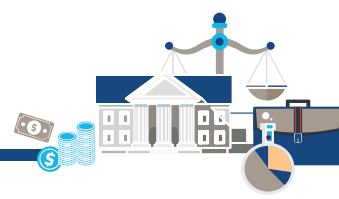
## Dimensions – 57<sup>th</sup> Edition

### Press release under GST

#### **39<sup>th</sup> Meeting of the GST Council dated March 14, 2020**

##### Recommendations on Law and Procedure

- Interest for delayed payment of GST liability to be charged on the **net cash tax liability w.e.f. July 1, 2017** – law to be amended retrospectively.
- Due date for filing of Annual Return (Form GSTR-9) and Reconciliation Statement (Form GSTR-9C) for the FY 2018-19 extended to **June 30, 2020**.
- Requirement of filing Form GSTR-9C relaxed for MSMEs for the FY 2018-19 having aggregate turnover below INR 5 crores.
- Waiver of late fees for delayed filing of Form GSTR-9 and GSTR-9C for financial year 2017-18 and 2018-19 for taxpayers having an aggregate turnover below INR 2 crores.
- One-time measure recommended for filing of application up to June 30, 2020 for revocation of registrations cancelled till March 14, 2020.
- Introduction of '**Know Your Supplier**' facility to enable registered persons to have basic information about their suppliers.
- Special procedures to be introduced for corporate debtors undergoing the corporate insolvency resolution process enabling them to comply with the GST provisions.
- Due date to file Form GSTR-3B, GSTR-1 and GSTR-7 for the period July 2019 to January 2020 extended till March 24, 2020 for persons having principal place of business in the Union Territory of Ladakh.
- Special procedure for registered persons consequent to merger of UTs (Dadra and Nagar Haveli & Daman and Diu) during transition period till May 31, 2020.
- Clubbing of refund claims proposed across the financial years in order to facilitate exporters.
- Dates for implementation of **e-invoicing and QR Code** to be **extended to October 1, 2020**.
- Certain class of registered persons (insurance company, banking company, financial institutions, NBFCs, GTA, passenger transportation service etc.) exempted from issuing e-invoices and capturing QR code.
- Time to finalize **e-Wallet scheme extended up to March 31, 2021**.



- **Exemptions from IGST and Cess** on the imports made under the AA / EPCG / EOU schemes **extended up to March 31, 2021.**
- **Continuation of existing return filing system i.e. Form GSTR-1 and GSTR-3B till September 2020.**
- Restrictions imposed on passing-on of ITC for new GST registrations before physical verification of premises and financial KYC in order to curb the menace of fake invoicing.
- Clarifications for apportionment of ITC in case of business reorganisation under section 18(3) of the CGST Act, 2017, refund related issues and appeals during non-constitution of Appellate Tribunal to be issued.
- Procedural amendments proposed for reversal of ITC on capital goods used for taxable and exempt supplies.
- Ceiling to be fixed for the value of the export supply for the purpose of calculation of refund on zero rated supplies.
- Allow refund to be sanctioned in both cash and credit medium in cases involving excess payment of tax.
- Recovery of refund on export of goods where proceeds are not realised within time prescribed under FEMA.

### Changes in GST rates

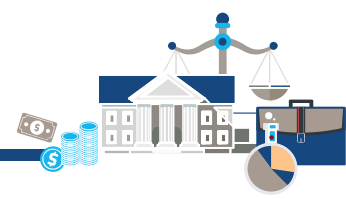
- GST on mobile phones and specified parts **increased to 18%** to address the issue of inverted duty structure.
- GST on Maintenance, Repair and Overhaul (MRO) service in respect to aircraft reduced from 18% to **5% with full ITC.**
- It has been proposed to change the **place of supply** for **B2B MRO services** to the **location of recipient** enabling setting up of MRO services in India.
- Changes to be made effective by issuance of notifications on April 1, 2020.

### Recommendations on IT roadmap

- Transition to the new return system may be made in an incremental manner to smoothen out the roll-out of the new return system.
- Linking of the details of the statement of outward supplies in FORM GSTR-1 to the liability in FORM GSTR-3B and input tax credit in FORM GSTR-3B to the details of the supplies reflected in the FORM GSTR-2A discussed.

### **Dhruva Comments / Observations**

Retrospective amendment to charge interest on the net cash liability was a relief that was much sought for by the trade and industry and would put to rest disputes between the taxpayers and GST department. This step will provide major relief to taxpayers who are receiving notices from authorities to discharge interest on gross tax liability. Also, reduction of rates on MRO services with full input tax credit was a long pending demand of the industry. Few other measures like extension of due date for filing GSTR 9 and 9C for F.Y. 2018-19, date for implementation of e-invoicing etc were on expected lines.





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