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Issue 12

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THE MONTHLY ROUND-UP

UPDATES ON GST

**CENTRAL TAX
BANGALORE**



The Goods and Service Tax, a transformative tax reform introduced in India, has completed two years since its historical role out on 1st July 2017 in the Central Hall of Parliament on 30th June 2017.

For the industry, the introduction of GST has resulted in dismantling of the structure created under the pre-GST era, improvement in supply chain efficiencies and direct customer access leading to ease of doing business. Seamless flow of input tax credit across the value chain has made this tax completely business neutral. Reduction in tax rates, simplification of procedures, technology driven processes has reduced the compliance burden, GST has also ensured speedier refunds of taxes paid on inputs used in goods or services exports out of India.

The GST reform has enabled the Government to widen the tax base, improve the tax collections and achieve efficiency in compliance level. Over the last two years, the GST revenue trends have clocked positive growth giving room for further rate rationalisation and bringing down the tax rates. Technology driven tax administration has helped in identifying the tax related risks at very early stages to formulate appropriate response to mitigate the evils of tax evasion and under-reporting.

The E-way Bill system has brought in a robust, transparent audit trail on movement of goods which is effectively used in addressing the menace of fake invoice and tax evasion. The cross empowerment enabled under the GST law provide single interface to the tax payer minimising the interface of the tax officials with the tax payers. For the consumers, the reduction in the GST rates, the transparency in the tax incidence are the biggest advantages.

The GST reform is an on-going exercise. The introduction of revised GST return formats, single refund process and unified cash ledger, e-invoicing of business to business transactions, and certain amendments proposed in the GST law will further reduce the compliance burden and pave way for improved efficiency in tax administration.

On this occasion, I wish to place on record our sincere appreciation to all the stakeholders for supporting the tax administration in its endeavour to provide the quality taxpayer service delivery and improved compliance. But for their constant support and perseverance this state at which GST stands today, would not have been not possible.

EDITOR'S NOTE

At a glittering special midnight session of the Parliament, Prime Minister Shri Narendra Modi had on 1st July 2017, led India to its biggest indirect tax reform – the Goods and Services Tax (GST). The historic moment was the culmination of 14 year long journey which began in December, 2002 observed the then President Shri Pranab Mukherjee. At the Parliament's historic Central Hall, the Prime Minister had described GST as a good and simple tax. In an observation which was full of realism, the Prime Minister had said that GST may cause some minor problems but people will adjust soon- "Even eyes need to adjust to new spectacles," he had said. The GST Council has been working since unremittingly and in a sentient manner to resolve issues and lay the way forward.

Today, we mark the completion of the second full year of the GST as on 1st of July 2019. Meanwhile, the 35th GST Council met on 21st June 2019 and was the first council meeting chaired by the new Union Finance Minister, Mrs. Nirmala Sitharaman. The opening remarks of the Finance Minister at the 35th GST Council meeting on 21st June 2019 makes a clear suggestion of the road that lies ahead. The Finance Minister remarked that "GST Council has much more work to do including simplification of GST Rules, rationalisation of GST rates & bringing more items in the ambit of GST among others".

The GST Council decided to extend the tenure of the anti-profiteering authority by two years till November 2021. Council also approved imposing a penalty of up to 10 per cent of the profiteered amount on entities for not passing on benefits of GST rate cuts to consumers, as against the current norm of levying a maximum fine of Rs 25,000 The Council also allowed use of Aadhaar as proof for obtaining GST registration while referring tax cut on electric vehicles and their chargers to an officers' committee. The Council also approved the rollout of an electronic invoicing system on a pilot basis from January 1, 2020, made it mandatory for GST-registered multiplexes to issue e-tickets, and also decided to seek Attorney General' opinion on the issue of GST rate on lotteries.

The Council also extended the date for the filing of annual GST returns for 2017-18 fiscal by two months, till August 31st, 2019. In addition, the date for barring non-filers of GST returns for two consecutive months from generating e-way bills for transporting good has been extended by two months till August 21st, 2019.

In this issue, as before, we have detailed the changes in law, reported important decisions and encapsulated the clarifications issued by the CBIC in the month of June 2019. We hope that this issue of the Bengaluru Zone's newsletter will help you to deepen your understanding and appreciation of the GST laws. As usual, we look forward to receiving your comments and feedback on gstcell-blr@gov.in.



Amitesh Bharat Singh
Additional Commissioner (Pr.CCO)

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EDITORIAL TEAM

Amitesh Bharat Singh, ADC (Pr.CCO)
Gayathri Menon, DC (Pr.CCO)

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1. Date for implementation of blocking and unblocking on EWB facility extended:

Notification No 25/2019 CT dated 21.06.2019 extends the date for implementation of Rule 138E of CGST Rules from 21st June 2019 to 21st August 2019. Rule 138E was introduced vide Notf No 74/2018 CT dated 31.12.2018 as per which, if an assessee, who is a composition dealer has not filed GST returns for two consecutive tax periods, e-way bill can-not be generated for making supply to him. In case of assesses other than composition dealers, if they do not file their GST returns for a consecutive period of two months, e-way bill can-not be generated for making supply to them. These provisions will now come into effect from 21st August 2019.

2. Amendment to the CGST Rules:

Notf No 31/2019 CT dt 28.6.2019 makes the following amendments to the CGST Rules, 2017.

Furnishing of bank account details after grant of registration: Rule 10A has been inserted in the CGST Rules to provide that every person who has been granted a registration in rEG-06 (other than a person who has been granted TDS/TCS registration or granted suo moto registration) shall, within 45 days from the date of grant of registration or date when the return under Sec 39 has to be filed, whichever is earlier, file the details of the bank account on the common portal.

Failure to do so will warrant cancellation of registration in terms of Rule 21 of the CGST Rules.

Value of supply in cases where Kerala Flood Cess is applicable.-

Rue 32A has been inserted in the CGST Rules to provide that the value of supply of goods or services or both on which Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019 shall be deemed to be the value determined in terms of section 15 of the Act, but shall not include the said cess.

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Tax invoice to have Quick Response (QR) code: Rule 46 & 49 of the CGST Rules has been amended to insert a 5th proviso to provide that the Govt may notify that the tax invoice and a bill of supply shall have a QR code. This provision will come into effect from a date to be notified later.

Transfer of amount in the Electronic cash ledger: Rule 87 has been amended to insert sub-rule 13 to provide that a registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in FORM GST PMT-09. This provision will take effect from a date to be notified later.

Changes in the refund provisions: Rules 91, 92 and 94 have been amended to provide for a payment order instead of “payment advise”. This will come into effect from a date to be notified later.

Refund of taxes to the retail outlets established in departure area of an international Airport beyond immigration counters making tax free supply to an outgoing international tourist: Rule 95A has been inserted in the CGST Rules with effect from 1st July 2019, to provide for the form and manner for retail outlets located in the departure area of international airports and supplying indigenous goods to an outgoing international tourist who is leaving India, to claim refund of tax paid by it on inward supply of such goods. The refund form is RFD-10B which is to be filed on a monthly or quarterly basis.

Extension in validity of E-Way Bill: Rule 138 (10) of the CGST Rules has been amended to provide that the validity of the e-way bill may be extended within eight hours from the time of its expiry.

GST Forms amended: The REG-01, REG-07, REG-12, GSTR-4, CMP-08, GSTR 9, GST PMT-07, RFD-05, RFD – 10B, DRC – 03 have been amended/substituted or inserted.

LEGAL UPDATES

3. Due dates for return filing:

Notf No 26/2019 CT dt 28.06.2019 – Due date for filing the **GSTR 7** (TDS Return) for the months October 2018 to July 2019 has been extended till **31st August 2019**.

Notf No 27/2019 CT dt 28.06.2019 – Due date for filing the **GSTR 1** for July 2019 to Sept 2019, by taxpayers whose aggregate turnover is less than 1.5 cr has been prescribed as **31st October 2019**.

Notf No 28/2019 CT dt 28.06.2019 – Due date for filing the **GSTR 1** for each month of July 2019 to September 2019, by taxpayers whose aggregate turnover is over Rs 1.5 cr, has been prescribed as the **11th day of the month succeeding such month**.

Notf No 29/2019 CT dt 28.06.2019 – Prescribes the due date for filing the **GSTR 3B** by all taxpayers for the months of July 2019 to Sept 2019 as the **20th day of the month following such month**.

Notf No 30/2019 CT dt 28.06.2019 exempts **OIDAR service providers** from outside India, who supply OIDAR services to unregistered persons in India, from the requirement of filing the Annual return in **GSTR 9** and Reconciliation Statement in **GSTR 9C**.

Notf No 32/2019 CT dt 28.06.2019 – Due date for furnishing the **ITC -04** return in respect of goods dispatched to a job worker or received from a job worker, for the months July 2017 to June 2019 has been extended till **31st August 2019**.

Removal of Difficulty Order No 06/2019 dt 28.06.2019 – Due date for furnishing the **Annual return in GSTR 9** for the period 1st July 2017 to 31st March 2018 has been extended to **31st August 2019**.

LEGAL UPDATES

4. Clarification regarding applicability of GST on additional / penal interest

EMIs are used to pay off both interest and principal every month, so that over a specified period, the loan is fully paid off along with interest. In cases where the EMI is not paid at the scheduled time, there is a levy of additional / penal interest on account of delay in payment of EMI.

The Board vide **Circular No 102/21/2019-GST dt 28.06.2019**, has clarified that in a case where X sells a mobile phone to Y for Rs 40,000/- and X gives Y an option to pay in installments, Rs 11,000/- every month before 10th day of the following month, over next four months (Rs 11,000/- *4 = Rs. 44,000/-). Further, as per the contract, if there is any delay in payment by Y beyond the scheduled date, Y would be liable to pay additional / penal interest amounting to Rs. 500/- per month for the delay. In some instances, X is charging Y Rs. 40,000/- for the mobile and is separately issuing another invoice for providing the services of extending loans to Y, the consideration for which is the interest of 2.5% per month and an additional / penal interest amounting to Rs. 500/- per month for each delay in payment. In such a case, as per the provisions of sub-clause (d) of sub-section (2) of section 15 of the CGST Act, the amount of penal interest is to be included in the value of supply. The transaction between X and Y is for supply of taxable goods i.e. mobile phone. Accordingly, the penal interest would be taxable as it would be included in the value of the mobile, irrespective of the manner of invoicing.

In a case where X sells a mobile phone to Y for Rs 40,000/- and Y has the option to avail a loan at interest of 2.5% per month for purchasing the mobile from M/s ABC Ltd. The terms of the loan from M/s ABC Ltd. allows Y a period of four months to repay the loan and an additional / penal interest @ 1.25% per month for any delay in payment. In such a case, the additional / penal interest is charged for a transaction between Y and M/s ABC Ltd., and the same is getting covered under Sl. No. 27 of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. Accordingly, in this case the 'penal interest' charged thereon on a transaction between Y and M/s ABC Ltd. would not be subject to GST, as the same would not be covered under notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. The value of supply of mobile by X to Y would be Rs. 40,000/- for the purpose of levy of GST

LEGAL UPDATES

It was also clarified that the transaction of levy of additional / penal interest does not fall within the ambit of entry 5(e) of Schedule II of the CGST Act i.e. “agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act”, as this levy of additional / penal interest satisfies the definition of “interest” as contained in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. It is further clarified that any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.

5. Clarification regarding determination of place of supply in certain cases:

The Board vide **Circular No 103/22/2019-GST dt 28.06.2019** has clarified the issue of determination of place of supply in respect of the following cases:

Services provided by Ports - place of supply in respect of various cargo handling services provided by ports to clients. Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc. Doubts have been raised whether the place of supply would be determined in terms of the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be or the same shall be determined in terms of the provisions contained in sub-section (3) of Section 12 of the IGST Act.

It is hereby clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property. Accordingly, the place of supply of such services will be determined as per the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be, depending upon the terms of the contract between the supplier and recipient of such services.

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Services rendered on goods temporarily imported in India - place of supply in case of services rendered on unpolished diamonds received from abroad, which are exported after cutting, polishing etc. and are not put to any use in India. It is clarified that place of supply in case of performance based services is to be determined as per the provisions contained in clause (a) of sub-section (3) of Section 13 of the IGST Act and generally the place of services is where the services are actually performed. But an exception has been carved out in 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. In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India are not put to any use in India, the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the IGST Act.

6. Processing of refund applications in FORM GST RFD-01A submitted by taxpayers wrongly mapped on the common portal:

Prior to 31.12.2018, refund applications were being processed only after submission of printed copies of FORM GST RFD 01A in the respective jurisdictional tax offices. Subsequent to the issuance of Circular No.79/53/2018-GST dated 31.12.2018, copies of refund applications are no longer required to be submitted physically in the jurisdictional tax office. Now, the common portal forwards the refund applications submitted on the said portal to the jurisdictional proper officer of the tax authority to whom the taxpayer has been administratively assigned.

It has been reported by the field formations that administrative assignment of some of the tax payers to the Central or the State tax authority has not been updated on the common portal in accordance with the decision taken by the respective tax authorities, in pursuance of the guidelines issued by the GST Council Secretariat, vide Circular No. 01/2017 dated 20.09.2017, regarding division of taxpayer base between the Centre and States to ensure Single Interface under GST. In such cases, the application was transferred by the common portal to the wrong tax authority.

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As per para 2(e) of Circular No. 79/53/2018-GST dated 31.12.2018, it was instructed that the wrongly assigned tax officer should electronically re-assign the said application to the designated jurisdictional proper officer. It has, however, been reported that the said re-assignment facility is not yet available on the common portal.

Therefore, the Board vide **Circular No 104/23/2019-GST dt 28.06.2019** has clarified that in such cases, where reassignment of refund applications to the correct jurisdictional tax authority is not possible on the common portal, the processing of the refund claim should not be held up and it should be processed by the tax authority to whom the refund application has been electronically transferred by the common portal. After the processing of the refund application is complete, the refund processing authority may inform the common portal about the incorrect mapping with a request to update it suitably on the common portal so that all subsequent refund applications are transferred to the correct jurisdictional tax authority.

7. Clarification on various doubts related to treatment of secondary or post-sales discounts under GST:

The Board vide **Circular No 105/24/2019-GST dt 28.06.2019** has issued clarifications in respect of tax treatment in cases of secondary discounts or post sales discount. For the purpose of value of supply, post sales discounts are governed by the provisions of clause (b) of sub-section (3) of section 15 of the CGST Act. It is clarified that if the post-sale discount is given by the supplier of goods to the dealer without any further obligation or action required at the dealer's end, then the post sales discount given by the said supplier will be related to the original supply of goods and it would not be included in the value of supply, in the hands of supplier of goods, subject to the fulfilment of provisions of sub-section (3) of section 15 of the CGST Act. However, if the additional discount given by the supplier of goods to the dealer is the post-sale incentive requiring the dealer to do some act like undertaking special sales drive, advertisement campaign, exhibition etc., then such transaction would be a separate transaction and the additional discount will be the consideration

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for undertaking such activity and therefore would be in relation to supply of service by dealer to the supplier of goods. The dealer, being supplier of services, would be required to charge applicable GST on the value of such additional discount and the supplier of goods, being recipient of services, will be eligible to claim input tax credit (hereinafter referred to as the “ITC”) of the GST so charged by the dealer.

It is further clarified that if the additional discount is given by the supplier of goods to the dealer to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by dealer to the customer. This additional discount as consideration, payable by any person (supplier of goods in this case) would be liable to be added to the consideration payable by the customer, for the purpose of arriving value of supply, in the hands of the dealer, under section 15 of the CGST Act. The customer, if registered, would be eligible to claim ITC of the tax charged by the dealer only to the extent of the tax paid by the said customer to the dealer in view of second proviso to sub-section (2) of section 16 of the CGST Act.

There may be cases where post-sales discount granted by the supplier of goods is not permitted to be excluded from the value of supply in the hands of the said supplier not being in accordance with the provisions contained in sub-section (3) of section 15 of CGST Act. It has already been clarified vide Circular No. 92/11/2019-GST dated 7th March, 2019 that the supplier of goods can issue financial / commercial credit notes in such cases but he will not be eligible to reduce his original tax liability. It is now clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods in view of the provisions contained in second proviso to sub-rule (1) of rule 37 of the CGST Rules read with second proviso to sub-section (2) of section 16 of the CGST Act as long as the dealer pays the value of the supply as reduced after adjusting the amount of post-sale discount in terms of financial / commercial credit notes received by him from the supplier of goods plus the amount of original tax charged by the supplier.

CASE LAW UPDATES

In the case of **M/s JSW Energy Ltd vs UOI &Ors reported in 2019-TIOL-1236-HC-MUM-GST**, the challenge was against the orders dated 5 March 2018 made by the Maharashtra Authority for Advance Ruling for Goods and Service Tax (Advance Ruling Authority) and order dated 2 July 2018 made by the Maharashtra Appellate Authority for Advance Ruling for Goods and Service Tax (Appellate Authority).

The petitioner, JSW Energy Limited (JEL), which is engaged in the business of generation and sale of electricity, proposed to enter into an arrangement with JSW Steel Limited (JSL) involving inter alia conversion of coal and other inputs into electricity and conversion of electricity into Steel on job work basis. In order to ascertain whether, the proposed arrangement, qualifies as "job work" as defined under section 2(68) of the CGST Act, the petitioner, applied to the Advance Ruling Authority seeking Advance Ruling on the applicability of GST to the proposed arrangement. The Advance Ruling Authority vide order dated 5 March 2018 ruled that the proposed arrangement did not qualify as 'job work' primarily because the same amounted to 'manufacture' as defined under Section 2(72) of the CGST Act. On this basis, the Advance Ruling Authority ruled that the proposed arrangement attracted GST.

Aggrieved, the petitioner appealed to the Appellate Authority, emphasizing that an arrangement, including the proposed arrangement can amount to 'job work' even though there may arise an element of 'manufacture' therein.

The Appellate Authority, vide its order dated 2nd July 2018 disagreed with the reasoning of Advance Ruling Authority that the proposed arrangement did not amount to 'job work' because the same amounted to 'manufacture'. However, the Appellate Authority, upheld the ultimate conclusion of Advance Ruling Authority relying upon two different and distinct grounds which were **new grounds**.

The High Court held that they do not propose to examine the impugned orders on their substantive merits or demerits, merely because Statutes in question have not provided for any further appeal against the decision of the Appellate Authority. Any such attempt, would virtually amount to converting these proceedings under Article 226/227 of the Constitution of India, which are essentially proceedings seeking judicial review, into appellate proceedings.

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Therefore, the High Court held that the validity or otherwise of the impugned orders will have to be examined by applying the principles of judicial review and not the principles which apply in case of an appeal. The principles of judicial review, normally do not concern themselves with the decision itself, but are mostly confined to the decision making process. Such proceedings are not an appeal against the decision in question, but a review of the manner in which such decision may have been made.

The High Court held that the Appellate Authority upheld the conclusion recorded by Advance Ruling Authority on the basis of 'new grounds' and the moot question which arises in this matter is whether the Appellate Authority, in relying upon the 'new grounds', has violated the principles of natural justice, by not putting the petitioner to any notice that such 'new grounds' were proposed to be considered or by not affording the petitioner opportunity to place on record the documentary evidences or clarifications in order to meet such 'new grounds'?

The absence of any indication by the Appellate Authority that it proposed to take into consideration the 'new grounds' or the failure on the part of the Appellate Authority to afford the petitioner an opportunity to produce documents or documentary evidences having direct bearing on the 'new grounds', in our opinion, amounts to failure on the part of the Appellate Authority to adhere to the principles of natural justice. Such failure, vitiates the decision making process and affords a good ground for interference in the exercise of powers of judicial review. the Appellate Authority was required to adhere to the principles of natural justice in arriving at its decision. This requirement of adhering to the principles of natural justice is in fact required to be read into, in the absence of any specific stipulations in the Statute to the contrary.

The High Court therefore, set aside the impugned order dated 2 July 2018 made by the Appellate Authority and remand the petitioner's appeal to the Appellate Authority for reconsideration on its own merits and in accordance with law.

CASE LAW UPDATES

In the case of Writ petitions filed by **M/s V S Ferrous Enterprises Pvt Ltd, M/s Bharani Commodities & M/s BRS Enterprises & Trading ltd vs UOI**, reported in **2019-TIOL-1224-HC-AP-GST**, the challenge was against the Constitutional validity of Sections 67(10), 69(1), 70, 132(5) and 135 of the CGST Act -

The petitioners also claim that powers of arrest u/S 69(1) can be exercised only upon completion of assessment under the CGST Act - It is also claimed that such powers could be exercised only upon failure to comply with summons issued by the authorities –

The High Court observed that such arguments had been raised by the petitioners before the writ court on earlier occasions, but the petitions had been dismissed - The petitioners then approached the Apex Court, which also dismissed the SLPs. The High Court therefore, held that when the arrest of the petitioners is not prohibited prior to completion of assessment, any coercive action lesser than arrest also cannot be said to be prohibited.

CBIC PRESS RELEASE

Transition plan to the new GST Returns:

The GST Council in its 31st meeting decided that a new GST return system will be introduced to facilitate taxpayers. In order to ease transition to the new return system, a transition plan has been worked out. The details of the indicative transition plan are as follows:

In May 2019 A prototype of the offline tool has already been shared on the common portal

Between July 2019 to September 2019 - Users would be able to upload invoices using the FORM GST ANX1 offline tool on trial basis

Users would also be able to view and download, the inward supply of invoices using the FORM GST ANX-2 offline tool under the trial program.

Taxpayers shall continue to fulfill their compliance by filing FORM GSTR-1 on monthly/quarterly basis and FORM GSTR-3B on a monthly basis

During October 2019 and November 2019, FORM GST ANX-1 shall be made compulsory for large taxpayers (previous FY year turnover over Rs 5 cr) and FORM GSTR-1 would be replaced by FORM GST ANX-1.

The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08

The small taxpayers can upload invoices in Form GST ANX-1

Large taxpayers would continue to file FORM GSTR-3B on monthly basis.

In December 2019, Large taxpayers will file their first FORM GST RET-01

In January 2020, All taxpayers shall be filing FORM GST RET-01. FORM GSTR-3B shall be completely phased out

CBIC PRESS RELEASE

Clarifications on filing Annual returns GSTR 9:

The trade and industry had raised certain queries with respect to filing of this Annual return which have been clarified in the Press release as follows:

a) Information contained in FORM GSTR-2A as on 01.05.2019 shall be auto-populated in Table 8A of FORM GSTR-9.

b) Input tax credit on inward supplies shall be declared from April 2018 to March 2019 in Table 8C of FORM GSTR-9.

c) Particulars of the transactions for FY 2017-18 declared in returns between April 2018 to March 2019 shall be declared in Pt. V of FORM GSTR-9. Such particulars may contain details of amendments furnished in Table 10 and Table 11 of FORM GSTR-1.

d) It may be noted that irrespective of when the supply was declared in FORM GSTR-1, the principle of declaring a supply in Pt. II or Pt. V is essentially driven by when was tax paid through FORM GSTR-3B in respect of such supplies. If the tax on such supply was paid through FORM GSTR-3B between July 2017 to March 2018 then such supply shall be declared in Pt. II and if the tax was paid through FORM GSTR3B between April 2018 to March 2019 then such supply shall be declared in Pt. V of FORM GSTR-9.

e) Any additional outward supply which was not declared by the registered person in FORM GSTR-1 and FORM GSTR-3B shall be declared in Pt.II of the FORM GSTR-9. Such additional liability shall be computed in Pt.IV and the gap between the “tax payable” and “Paid through cash” column of FORM GSTR-9 shall be paid through FORM DRC-03.

CBIC PRESS RELEASE

f) Many taxpayers have reported a mismatch between auto-populated data and the actual entry in their books of accounts or returns. One common challenge reported by taxpayer is in Table 4 of FORM GSTR-9 where details may have been missed in FORM GSTR-1 but tax was already paid in FORM GSTR-3B and therefore taxpayers see a mismatch between auto-populated data and data in FORM GSTR-3B. It may be noted that auto-population is a functionality provided to taxpayers for facilitation purposes, taxpayers shall report the data as per their books of account or returns filed during the financial year.

g) Many taxpayers have represented that Table 8 has no row to fill in credit of IGST paid at the time of import of goods but availed in the return of April 2018 to March 2019. Due to this, there are apprehensions that credit which was availed between April 2018 to March 2019 but not reported in the annual return may lapse. For this particular entry, taxpayers are advised to fill in their entire credit availed on import of goods from July 2017 to March 2019 in Table 6(E) of FORM GSTR-9 itself.

h) Payments made through FORM DRC-03 for any supplies relating to period between July 2017 to March 2018 will not be accounted for in FORM GSTR-9 but shall be reported during reconciliation in FORM GSTR-9C.

GSTN ADVISORIES

1) Amending Invoices reported in Form GSTR 1, pertaining to financial year 2017-18

Some taxpayers have reported that they are not able to amend the invoices reported in their Form GSTR 1, pertaining to financial year 2017-18.

In this context attention of taxpayers is brought to point number 3 of the Removal of Difficulty Order No. 02/2018-Central Tax, dated 31st December, 2018, issued by Government of India, Ministry of Finance, which allowed the rectification of error or omission till the due date for furnishing the details for the month of March, 2019 or for the quarter January, 2019 to March, 2019.

Thus, taxpayers could have amended their invoices, reported in Form GSTR 1, pertaining to the financial year 2017-18, till the due date of filing of Form GSTR 1 of March, 2019. Since, due date of filing of Form GSTR 1, for the month of March, 2019 has already passed, no amendments in invoices reported in Form GSTR 1 pertaining to the financial year 2017-18, could be made now.

Issues reported in filing Form GSTR 9C by the taxpayers : Steps to be taken

Taxpayers have reported some issues in filing their Form GSTR 9C, which are clarified below:

Turnover for filing Form GSTR- 9C: Form GSTR-9C is to be filed by all those taxpayers whose aggregate turnover has exceeded Rs 2 crore in a financial year. Turnover of complete year i.e. from 1st April, 2017 to 31st March, 2018 has to be taken into account for calculating the turnover. For example, if a taxpayer has a turnover of Rs. 2.1 Cr for the period 1st April, 2017 to 31st March, 2018 and a turnover of Rs. 1.9 Cr for the period 1st July, 2017 to 31st March, 2018, then the taxpayer is required to file form GSTR- 9C.

User getting error message while using Excel version :It is advised to use Microsoft excel version higher than 2007 while preparing Form GSTR 9C.

Providing Membership Number by Auditor: While filing Part B of Form GSTR-9C, Auditors are advised to give their membership number without prefixing '0' in their membership number. If membership number is '016', then auditor should enter '16' on the aforesaid part in the membership number field & not '016'.

GSTN ADVISORIES

Issues reported in filing Form GSTR 9 by the taxpayers: Steps to be taken

Taxpayers have reported some issues in filing their Form GSTR 9, which are clarified below:

1. Some taxpayers have reported that figures of Input Tax Credit (ITC), as pre-populated in table 8A of Form GSTR-9, do not match with the figures as appearing in their Form GSTR-2A. Please note that this may happen due to following reasons:

a. Figures in GSTR-2A are auto populated based on filed/ saved / submitted Form GSTR-1 of the supplier taxpayer. But figures in table 8A of Form GSTR-9 are auto-populated only on the basis of filed Form GSTR-1 by the supplier taxpayer. In case, Form GSTR -1 is not filed by your supplier, then credit related to those invoices will not appear in table 8A of your Form GSTR-9.

b. Figures in table 8A of Form GSTR 9 are auto populated only for those Form GSTR-1, which are filed by the supplier taxpayer by due date of its filing i.e. 30th April, 2019. Thus, ITC on supplies of the financial year 2017-18, if reported beyond 30th April, 2019, will not get auto-populated in table 8A of Form GSTR-9.

c. In table 8A of Form GSTR-9, only latest values have been auto-populated based on filed Form GSTR-1, taking into account all the amendments made, if any.

d. In table 8A of Form GSTR-9, ITC related to all such invoices have been excluded in which place of supply lies in supplier's taxpayers State, instead of State of the receiver taxpayer. These figures will be shown in Form GSTR-2A of the recipient. For example if a taxpayer of State A visits State B and stays in a hotel in State B, the tax paid by him to the hotel in State B will appear in his Form GSTR-2A, but the same will not be reflected in table 8A of Form GSTR-9.

e. The Figures in table 8A of Form GSTR-9 do not contain ITC for the period during which the recipient taxpayer was under composition scheme.

2. While filing Form GSTR 9 'Proceed to File' button will be enabled only if 'Compute Liability' is clicked. This button is meant for computation of late fees only. Please note Form GSTR 9 once filed cannot be revised.

GSTN ADVISORIES

Free Accounting & Billing Software for Micro, Small and Medium Enterprises

As per directions of GST Council, GSTN has partnered with some Billing and Accounting software vendors for providing free software to the Micro, Small and Medium Enterprises, with annual turnover under Rs 1.5 Cr, in a financial year. This facility is made available to the active Normal taxpayers, SEZ Developers/SEZ Units and taxpayers who have opted for composition scheme under the GST regime.

There are eight products to choose from. These are available as a cloud based version as well as a downloadable version that installs on desktop or laptop. This software allows a taxpayer to run his daily business by providing day to day billing and accounting features, alongwith facility for return filing for their GST related compliances.

Some of the free features being made available by all the vendors are Sale/ Purchase/ Cash ledger, Inventory management, Supplier/ Customer Masters, Generation of Invoices, Preparation of GST Returns etc.

The software would be available free of cost to eligible taxpayers till 31.03.2021 or till the taxpayer's annual turnover remains under Rs 1.5 Cr in a financial year, after which the taxpayers may have to pay a fee to the vendor.

For using features other than free features listed or using the software beyond the initial free period, the taxpayer may visit respective vendor product site to ascertain fee payable, if any.

To download the accounting and billing software on the GST Portal, the taxpayer need to login to the GST Portal with valid credentials and navigate to Downloads > Accounting and Billing Software option.

The user manual and FAQs for the same and vendors providing software can be viewed at the links provided.

GSTN makes no representations or warranty whatsoever about the Account & Billing Software. The software is independent from GSTN, and GSTN has no control over that Software. GSTN does not endorse or accepts any responsibility the use/misuse by such Software. GSTN is not collecting taxpayers' data through the Software in any manner.

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