

Indirect Taxes

Highlights of 39th GST Council Meetings held on 14th March, 2020

1. Interest for delayed GST payment will be calculated on the '*net tax liability*' i.e only on the portion which is paid in cash. This amendment will apply retrospectively from 1st July,2017.

2. Taxpayers who have cancelled their GST registrations till 14th March,2020 can file an application for revocation of cancellation of registration. The window to fill this application is available till 30th June,2020. The extension is a one-time measurement to facilitate those who want to continue conducting the business.

3. Extension of GSTR 9 and GSTR 9C

a) The GSTR 9 & 9C deadline is extended to **30th June 2020** for FY18-19 (earlier date for filing the said returns was 31st march,2020).

b) Filing of GSTR 9C is made optional for the taxpayers having the turnover less than Rs.5 crore.

c) Late fees not to be levied for delayed filing of the Annual return and the Reconciliation Statement for the FY 2017-18 and 2018-19 for the taxpayers with aggregate turnover less than Rs.2 crore.

4. A new facility called '**Know your Supplier**' has been introduced so that the taxpayers are informed about the basic details of the suppliers with whom they transact or proposes to conduct business.

5. Waiver and extensions of due dates

a) The due date of Form GSTR-3B,GSTR 1 and GSTR 7 for July 2019 to January 2020 is extended till 24th March 2020 for taxpayers with a principal place of business in the Union Territory of Ladakh.

b) The GSTR-1 for 2019-20 will be waived for certain taxpayers who could not opt for the special composition scheme by filing Form CMP-02.

6. Refund claims will now be processed in bulk for the benefits of the exporters.

7. Deferment of new GST return system and E-Invoicing

a) The implementation of new GST return system has been postponed to 1st October,2020. The present return system (GSTR 1, GSTR 2A, GSTR 3B) will be continued till September,2020.

b) Deferment of E-invoice and QR Code for certain class of registered persons (Insurance Co., Banking Co.,Financial institutions, NBFC, GTA, Passenger transportation service, etc.) to be exempted from issuing e-invoices or capturing dynamic QR code.

c) Date of implementation of e-invoicing or capturing dynamic QR code to be extended to 1st Oct,2020.

8. Deferment of e-wallet Scheme

a) Extension of the time to finalize e-wallet Scheme up to 31st March,2021.

b) Extension of the present exemptions from IGST and Cess on the imports made under the AA/EPCG/EOU schemes up to 31.03.2021.

9. Amendment to the CGST Rules

a) Procedure for reversal of ITC in respect of capital goods partly used for affecting taxable supplies and partly for exempt supplies under Rule 43 (1) (c).

b) Ceiling to be fixed for the value of the export supply for the purpose of calculation of refund on zero rated supplies.

c) To allow for refund to be sanctioned in both cash and credit in case of excess payment of tax.

d) To provide for recovery of refund on export of goods where export proceeds are not realized within the time prescribed under FEMA.

e) To operationalize Aadhaar authentication for new taxpayers.

10. Changes in GST Rates

S. No	Recomendations	Old Rate of GST	New Rate of GST (to be effective from 1 st April,2020)
1.	Mobile phone and specified parts	12%	18%
2.	All type of Matches (handmade and other matches)	Handmade – 5% Other matches- 18%	12%
3.	Maintenance, Repair and Overhaul (MRO) services in respect of aircraft	18%	5% (with ITC)

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