

### IT Related Roadmap

Shri Nandan Nilekani, on behalf of Infosys, made a presentation addressing the system related issues that are being faced by the taxpayers in the GST system. He first gave the summary of the recently observed IT issues and the way forward to resolve them.

The following were his brief suggestions:

- To smoothen the rollout of the new return system, and to ensure a better uptake of the new return, **the transition to the new return system may be made in an incremental manner**
- **Linking of** the details of the statement of outward supplies in **FORM GSTR-1** to the liability in **FORM GSTR-3B**
- **Linking of** the input tax credit in **FORM GSTR-3B** to the details of the supplies reflected in the **FORM GSTR-2A**.
- The Council gave a go ahead for **deployment of additional manpower** (60 in number) on T&M basis and assured that both on procurement of **additional hardware** and hiring of manpower, expeditious approvals would be given however the return filing experience of the taxpayers and **removal of technical glitches** needs to be carried out **urgently**.

The GST Council expects these initiatives to be implemented by the 31st of July, 2020.

### Interest on delayed payment of GST

- Interest for delay in payment of GST to be charged on the net cash tax liability w.e.f. 01.07.2017 (Law to be amended retrospectively).

### Annual Return and GST Reconciliation

- Due date for filing the Annual return and the Reconciliation Statement for financial year 2018-19 to be extended to 30.06.2020
- Late Fees waived for delayed filing of Form GSTR 9 and 9C for persons having turnover of less than Rs. 2 crores for the both the years 2017-18 and 2018-19
- Persons with turnover of less than Rs. 5 crores exempted from furnishing Form GSTR 9C.
- Resulting effects of the amendments for GSTR 9 and 9C for 2018-19 are as follows:

<b>Persons having aggregate turnover of</b>	<b>GSTR 9</b>	<b>GSTR 9C</b>
Less than Rs. 2 crores	Optional	Optional
Rs. 2 crores – 5 crores	Mandatory	Optional
Above Rs. 5 crores	Mandatory	Mandatory

### Deferment of E-invoicing

- Certain class of registered persons (insurance company, banking company, financial institution, nonbanking financial institution, GTA, passenger transportation service etc.) to be exempted from issuing e-invoices or capturing dynamic QR code; and
- The dates for implementation of e-invoicing and QR Code to be extended to 01.10.2020.

#### **Extension of Form GSTR 1 and 3B**

- Continuation of existing system of furnishing FORM GSTR-1 & FORM GSTR-3B till September, 2020

#### **Revocation of cancelled registration**

- Where registrations have been cancelled till 14.03.2020, application for revocation of cancellation of registration can be filled up to 30.06.2020 as a one time measure

#### **Prevention of fake invoicing**

- In order to prevent businesses from dealing with non-compliant taxpayers, A new facility called 'Know Your Supplier' to be introduced so as to enable every registered person to have some basic information about the suppliers with whom they conduct or propose to conduct business.
- To curb fake invoicing and fraudulent passing of ITC, restrictions to be imposed on passing of the ITC in case of new GST registrations, before physical verification of premises and Financial KYC of the registered person

#### **Extension of GST exemption to EOU/EPCG/AA**

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

#### **Deferment of E-wallet scheme**

- Extension of the time to finalize e-Wallet scheme up to 31.03.2021;

#### **Changes in GST rates of goods**

The following changes have been carried out in the rates of GST for goods:

- To calibrate the GST rates on certain products (like mobile phones, footwear, textiles and fertilizers) on which inverted duty structure is applicable, the following decision were taken:
  - Reduce GST rates on Mobile phone from 18% to 12%
  - Decision on other items to be taken in future meetings

- GST rate on all types of matches (Handmade and other than Handmade) has been rationalised to 12% (from 5% on Handmade matches and 18% on other matches).
- To reduce GST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC and to change the place of supply for B2B MRO services to the location of recipient.

The above is proposed to be implemented from 1<sup>st</sup> April 2020.

#### **GSTR 1 exempted for persons who could not for special composition scheme**

- The requirement of furnishing **FORM GSTR-1** for 2019-20 to be waived for taxpayers who could not opt for availing the option of special composition scheme under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 by filing **FORM CMP-02**

#### **Special provisions for debtors under Insolvency and Bankruptcy code 2016**

- A special procedure is being prescribed for registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016 and are undergoing the corporate insolvency resolution process, so as to enable them to comply with the provisions of GST Laws during the CIRP period

#### **Issuance of Circulars**

Following Circulars are proposed to be issued:

- Clarification in apportionment of ITC in cases of business reorganization under section 18 (3) of CGST Act read with rule 41(1) of CGST Rules;
- Appeals during non-constitution of the Appellate Tribunal;
- Clarification on refund related issues; and
- Clarification on special procedure for registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016, undergoing the corporate insolvency resolution process.

#### **Amendment of CGST Rules**

Key amendments proposed are as below:

- Procedure for reversal of input tax credit in respect of capital goods partly used for affecting taxable supplies and partly for exempt supplies under rule 43 (1) (c);
- ceiling to be fixed for the value of the export supply for the purpose of calculation of refund on zero rated supplies;
- allow refund sanctioned in both cash and credit in case of excess payment of tax;
- to provide for recovery of refund on export of goods where export proceeds are not realized within the time prescribed under FEMA; and
- to operationalize Aadhaar authentication for new taxpayers.



OFFICE : MOOKERJEE HOUSE,  
17, BRABOURNE ROAD, 2<sup>ND</sup> FLOOR,  
KOLKATA - 700001

PHONE NO : 03340687062, +919831912725

EMAIL ID : [info@cakhaitan.com](mailto:info@cakhaitan.com)  
[shubham@cakhaitan.com](mailto:shubham@cakhaitan.com)

WEBSITE : [www.cakhaitan.com](http://www.cakhaitan.com)