

GST UPDATE

Recommendations made by GST council in its 37th meeting held at Goa on 20 September 2019

September, 2019

Law and Procedure related changes:



Filing of Annual Return ('GSTR-9') optional for businesses with turnover upto Rs 2 cr. and GSTR 9A for composition taxpayers is waived for FY 2017-18 & 2018-19;



Imposition of restriction on availment of Input Tax Credit ('ITC') for recipient in case the supplier does not furnish details of outward supplies i.e. GSTR-1;



Introduction of New Return filing system from April 2020 instead of earlier proposed October 2019;



A committee is to be constituted for simplification of Annual Return and reconciliation statement;



Taxpayer is eligible to file a refund application for a period and category under which a NIL refund application has already been filed;



Integrated refund system with disbursal by single authority to be familiarized from 24 Sep,2019; and



GST Council is deciding to link Aadhar Card for registration under GST and examining the possibility of making Aadhar Card mandatory for claiming refunds.

Exemption/ Changes in GST rates/ ITC Eligibility Criteria:

- GST rate on Hotel tariffs has been proposed to be reduced as per below schedule :

Hotel Tariff per unit (INR) per day	Current GST Rate	Proposed GST Rate
Below INR 1,000	Nil	Nil
Above INR 1,000 to INR 2,500	12%	12%
Above INR 2,500 to INR 7,500	18%	12%
Above INR 7,501 and more	28%	18%

- **Job Work Service:** Reduction in rate of GST from 5% to 1.5% on supply of job work services in relation to diamond and reduction in rate of GST from 18% to 12% in relation to supply of machine job work(except bus body building);
- **Goods for petroleum operations:** A rate of 5% is proposed on specified goods for petroleum operations under Hydrocarbon Exploration Licensing Policy.



Exemption of Services:

Warehousing services by way of storage or warehouse of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres;

Transportation: Extension of conditional exemption of GST on export freight by air or sea till 30 Sept 2020; and

Intermediary Services: Exemption on Intermediary services provided to a supplier or recipient of goods when both supplier and recipient are located outside the taxable territory.



Reverse Charge Mechanism ('RCM'):

Payment of GST shall be made on securities lending services under RCM at 18% and it is clarified that GST on said services period prior to RCM shall be paid on Forward Charge basis; and

Liability of GST @ 5% is to be discharged through RCM on renting of vehicles, registered person other than body corporate (LLP, proprietorship) when services provided to body corporate entities.

Miscellaneous



Aerated drink manufacturers shall be excluded from composition scheme;



Reduction in cess to 1% (petrol) and 3% (diesel) on passenger vehicle carrying 10-13 persons; and



Option to pay GST at rate of 18% is provided on transaction value of disposal of specified goods for petroleum operations (on which concessional GST rate of 5% was paid at the time of original supply) provided that the goods are certified by Directorate General of Hydrocarbons (DGH) as non-serviceable.

About Us

Nangia & Co LLP is a premier professional services organization offering a diverse range of Taxation, Transaction Advisory and Business Consulting services. Nangia & Co LLP has presence currently in Noida, Delhi, Gurugram, Mumbai, Dehradun, Bengaluru, Chennai and Pune. Nangia & Co LLP has been in existence for more than 38 years and has been consistently rated as one of the best advisory firms in India for entry strategy, taxation, accounting & compliances over the past many years.

Quality of our people is the cornerstone of our ability to serve our clients. For this reason, we invest tremendous resources in identifying exceptional people, developing their skills, and creating an environment that fosters their growth as leaders. From our newest staff members through senior partners, exceptional client service represents a dedication to going above and beyond expectations in every working relationship.

We strive to develop a detailed understanding of our clients' business and industry sector to offer insights on market developments and assist our clients develop effective strategies and business models. We have the resources and experience necessary to anticipate and competently serve our clients on issues pertaining to all facets of Tax and Transaction Advisory. We take pride in our ability to provide definite advice to our clients with the shortest turnaround time. The business and tax landscapes have changed dramatically, and the pace and complexity of change continues to increase. We can assist you navigate this shifting landscape.

Our Offices

NOIDA

A-109, Sector-136,
Noida (Delhi-
NCR) 201304,
INDIA
T : +91 120 2598000

DELHI

B-27, Soami
Nagar, New Delhi
110017, INDIA
T: +91 120 2598000

GURUGRAM

812-814, Tower B, Emaar
Digital Greens Sector 61,
Gurugram,
Haryana- 122102
T: +0124-4301551/1552/1554

MUMBAI

11th Floor, B Wing, Peninsula
Business Park, Ganpatrao
Kadam Marg, Lower Parel,
Mumbai – 400 013, INDIA
T: +91 22 61737000

DEHRADUN

First Floor, "IDA"
46 E. C. Road,
Dehradun – 248001,
Uttarakhand, INDIA
T: +91 135 271 6300/301
/302/303

BENGALURU

Embassy Square, # 29,
306, 3rd Floor, 148
Infantry Road, Bangalore
– 560001

PUNE

Office number 3, 1st floor,
Aditya, Centeegra, Fergusson
College Road, Next to Mantri
House, Pune - 411004

CHENNAI

Suite 118, 31-A, Cathedral
Garden Road, Nungambakkam,
Chennai-600034
T: +91-44-40509200

Please get in touch with us at : nangia@nangia.com | www.nangia.com

Copyright © 2019, Nangia & Co LLP All rights reserved. The Information provided in this document is provided for information purpose only, and should not be construed as legal advice on any subject matter. No recipients of content from this document, client or otherwise, should act or refrain from acting on the basis of any content included in the document without seeking the appropriate legal or professional advice on the particular facts and circumstances at issue. The Firm expressly disclaims all liability in respect to actions taken or not taken based on any or all the contents of this document.