



Compliance Calendar

| S. No. | Due Date | Forms | Period | Description |
|--------|--------------------------------|-------------|--------------|---|
| 1. | 5 th February 2020 | GSTR-9 | FY 17-18 | Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return: - Chandigarh, Delhi, Gujarat, Haryana, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand |
| 2. | 5 th February 2020 | GSTR-9C | FY 17-18 | Reconciliation Statement/ Audit Report for Taxpayers having a turnover of more than Rs. 2 crores: Chandigarh, Delhi, Gujarat, Haryana, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand |
| 3. | 7 th February 2020 | GSTR-9 | FY 17-18 | Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return: - Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Dadra and Nagar Haveli and Daman and Diu, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Sikkim, Telangana, Tripura, West Bengal, Other Territory |
| 4. | 7 th February 2020 | GSTR-9C | FY 17-18 | Reconciliation Statement/ Audit Report for Taxpayers having a turnover of more than Rs. 2 crores: Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Dadra and Nagar Haveli and Daman and Diu, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Sikkim, Telangana, Tripura, West Bengal, Other Territory |
| 5. | 10 th February 2020 | GSTR-7 | January 2020 | Return for Tax Deducted at source to be filed by Tax Deductor |
| 6. | 10 th February 2020 | GSTR-8 | January 2020 | E-Commerce operator registered under GST liable to TCS |
| 7. | 11 th February 2020 | GSTR-1 | January 2020 | Taxpayers having an aggregate turnover of up to INR 1.50 crores or opted to file monthly return |
| 8. | 13 th February 2020 | GSTR-6 | January 2020 | Every Input Service Distributor (ISD) |
| 9. | 20 th February 2020 | GSTR-5 & 5A | January 2020 | Non-resident ODIAR services provider file Monthly GST Return |
| 10. | 20 th February 2020 | GSTR-3B | January 2020 | All registered persons to pay GST and file monthly summary GST return |



The Ministry of Finance in its press release dated 22nd January 2020 has brought the concept of filing GSTR-3B return in staggered manner without payment of late fee. The notification is yet to be issued in this regard.

To read more: <https://www.ascgroup.in/gst-taxpayers-can-file-their-gstr-3b-returns-in-a-staggered-manner/>

TOPIC COVERED

- Proposed Amendments in the CGST Act, 2017
- Proposed Amendments in the IGST Act, 2017
- Proposed Amendments in the UTGST Act, 2017
- Proposed Amendments in the GST (Compensation to States) Act, 2017





GOODS AND SERVICES TAX

Union Budget 2020

The Finance Minister Nirmala Sitharaman presented Union Budget 2020 in Parliament on 1st February 2020 at 11:00 AM. She stated that the Government will take the

country to the next level. She has proposed various changes in Act. Changes proposed by her in GST has been covered in this magazine.

Proposed Amendments in the CGST Act, 2017

Union Territory definition [section 2 (114) (c) (d)]

Existing provision: “Union territory” means the territory of-

- (c) Dadra and Nagar Haveli;
- (d) Daman and Diu

Proposed provision: “Union territory” means the territory of-

- (c) Dadra and Nagar Haveli and **Daman and Diu**;
- (d) **Ladakh**

Effect: The definition has been amended to recognition of “Ladakh” as a separate Union Territory and merger of “Dadra and Nagar Haveli” and “Daman and Diu” as single union.

Simplified Return

The Government proposes to make changes in GST return. They seek to bring simplified return format which will be applicable from 1st April, 2020.





Time limit for availing Input Tax Credit [section 16(4)]

Existing provision: A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Proposed provision: A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or ~~invoice relating to such~~ debit note pertains or furnishing of the relevant annual return, whichever is earlier.



Effect: The time limit of availing ITC of a debit note for a financial year will be counted from the date of issuance of such debit note rather than from the date of issuance of the invoice relating to such debit note.

Cancellation of registration obtained voluntarily [section 29(1)(c)]

Existing provision: The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where—

(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.

Proposed provision: The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where—

(c) the taxable person, ~~other than the person registered under sub-section (3) of section 25~~, is no longer liable to be registered under section 22 or section 24 or ~~intends to opt out of the registration voluntarily made under sub-section (3) of section 25~~.

Effect: An option has been provided to the taxpayers to opt out of the registration under GST which was obtained voluntarily under sub section 3 of section 25.



Extending power of authorities in revocation of cancellation [section 30(1)]

Existing provision: Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.

Proposed provision: Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may

Effect: It empower Additional Commissioner/ Joint Commissioner and the Commissioner to extend the period by thirty days each.

apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.

Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended-(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days; (b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a)

Time period for issuing Tax Invoice [section 31(2)]



Existing provision: A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars

as may be prescribed: Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) tax invoice may not be issued.

Effect: The Government will now specify the categories of services or supplies in respect of which a tax invoice shall be issued along with time frame and manner in which it will be issued.

Proposed provision: A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed: Provided that the Government may, on the recommendations of the Council, by notification ~~and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which—~~

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which—

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) tax invoice may not be issued.



Form and manner of Tax Deducted at Source (TDS) certificate [section 51(3)]

Existing provision: The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.

Proposed provision: A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.

Effect: The Government will now issue the form and manner in which TDS certificate will be issued.

Waiver of late fee for not furnishing TDS certificate [section 51(4)]

Existing provision: If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five days period until the failure is rectified, subject to a maximum amount of five thousand rupees.

Proposed provision: ~~If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five days period until the failure is rectified, subject to a maximum amount of five thousand rupees.~~

Effect: In cases when deductor fails to furnish certificate, the Government has waived the late fee of Rupees one hundred per day subject to maximum of Rupees five thousand.

Constitution of the Appellate Tribunal [section 109(6)]

Existing provision: The Government shall, by notification, specify for each State or Union territory except for the State of Jammu and Kashmir, a Bench of the Appellate Tribunal (hereafter in this Chapter, referred to as "State Bench") for exercising the powers of the Appellate Tribunal within the concerned State or Union territory:

Proposed provision: The Government shall, by notification, specify for each State or Union territory ~~except for the State of Jammu and Kashmir~~, a Bench of the Appellate Tribunal (hereafter in this Chapter, referred to as "State Bench") for exercising the powers of the Appellate Tribunal within the concerned State or Union territory:

Provided that for the State of Jammu and Kashmir, the State Bench of the Goods and Services Tax Appellate Tribunal constituted under this Act shall be the State Appellate Tribunal constituted under the Jammu and Kashmir Goods and Services Tax Act, 2017.

~~Provided that for the State of Jammu and Kashmir, the State Bench of the Goods and Services Tax Appellate Tribunal constituted under this Act shall be the State Appellate Tribunal constituted under the Jammu and Kashmir Goods and Services Tax Act, 2017~~

Effect: The Government has made the provisions for Appellate Tribunal and its benches to be applicable in the Union territories of Jammu & Kashmir and Ladakh

Penalty for certain offence [section 122]

Existing provision: -----



Proposed provision: Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.

Effect: A new sub section is seek to be inserted in section 122 where penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on shall be levied on those persons on whose behalf such transactions has been conducted.

Punishment for fraudulent availment of input tax credit [section 132(1)]

Existing provision: (1) whoever commits any of the following offences, namely:-

- (a) Supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
- (b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;
- (c) Avails input tax credit using such invoice or bill referred to in clause (b);
- (d) Collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (e) Evades tax, fraudulently avails input tax credit or fraudulently obtains refund and where such offence is not covered under clauses (a) to (d)

Proposed provision: (1) whoever commits **or causes to commit and retain the benefits arising out of**, any of the following offences, namely:-

- (a) Supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
- (b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;
- (c) avails input tax credit using such invoice or bill referred to in clause (b) **or fraudulently avails input tax credit without any invoice or bill;**
- (d) Collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;
- (e) Evades tax, ~~fraudulently avails input tax credit~~ or fraudulently obtains refund and where such offence is not covered under clauses (a) to (d)



Effect: The Government seeks to amend Section 132 so as to make the offence of fraudulent availing of ITC without invoice or bill cognizable and non-bailable under sub-section (1) of Section 69 and to make any person who retains the benefit of certain transactions and at whose instance such transactions are conducted liable for punishment.

Retrospective amendment in transitional arrangement for ITC [section 140]

This amendment will be effective from 1st July 2017. The Government is aiming to amend Section 140 which is related to transitional arrangements for ITC, so that

Government can prescribe the time limit and the manner for availing ITC against certain unavailed credit under the existing law.

Time period extended in removal of difficulties [section 172(1)]

Existing provision: If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

Effect: The Government is extending time limit for issuing order in case of removal of difficulties from three years to five years.

Proposed provision: If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of ~~three years~~ **five years** from the date of commencement of this Act.

Retrospective amendment to clarify meaning of transfer of business assets [Schedule II]

Existing provision: (a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration, such transfer or disposal is a supply of goods by the person;

(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a

consideration, the usage or making available of such goods is a supply of services.

Proposed provision: (a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, ~~whether or not for a consideration~~, such transfer or disposal is a supply of goods by the person;

(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made



available to any person for use, for any purpose other than a purpose of the business, ~~whether or not for a~~

~~consideration~~, the usage or making available of such goods is a supply of services.

Effect: This amendment will be applicable from 1st July 2017. The Government has omitted the word “whether or not for consideration” to provide clarity in entries (a) and (b) of paragraph 4 of Schedule II i.e. Transfer of business assets.

Retrospective exemption from, or levy or collection of, CGST in certain cases

The Government has provided retrospective exemption in following cases:

- i. As per Clause 130 of Finance Bill, no CGST shall be paid in respect of supply of fishmeal (falling under heading 2301) for the period between 1st July 2017 to 30th September 2019 (both day inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.
- ii. As per Clause 130 of Finance Bill, CGST will be paid at reduced rate of 6% in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the

31st day of December, 2018 (both days inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.

- iii. Till now, the refund of accumulated credit of compensation cess on tobacco products arising out of inverted duty structure in Compensation Cess is disallowed w.e.f October 1, 2019 vide Notification No. 31/2019- Compensation Cess (Rate) dated September 30, 2019.

As per the Clause 131 of Finance bill, seeks to give retrospective effect to the above notification w.e.f. July 1, 2017 onwards. Accordingly, no refund on account of inverted duty structure would be admissible on any tobacco products.

Proposed Amendments in the IGST Act, 2017

Time period extended in removal of difficulties [section 25(1)]

Existing provision: If any difficulty arises in giving effect to any provision of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

Proposed provision: If any difficulty arises in giving effect to any provision of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act



or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of ~~three years~~ five years from the date of commencement of this Act.

Effect: The Government is extending time limit for issuing order in case of removal of difficulties from three years to five years.

Retrospective exemption from, or levy or collection of, IGST in certain cases

The Government has provided retrospective exemption in following cases via Clause 133 of Finance Bill:

- i. No IGST shall be paid in respect of supply of fishmeal (falling under heading 2301) for the period between 1st July 2017 to 30th September 2019 (both day inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.
- ii. IGST will be paid at reduced rate of 12% in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July,



2017 and ending with the 31st day of December, 2018 (both days inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.

Proposed Amendments in the UTGST Act, 2017

Union Territory definition [section 2(8)]

Existing provision: “Union territory” means the territory of-

(iii) Dadra and Nagar Haveli

(iv) Daman and Diu

Proposed provision: “Union territory” means the territory of,-

(iii) Dadra and Nagar Haveli **and Daman and Diu**

(iv) **Ladakh**

Effect: The definition has been amended to recognition of “Ladakh” as a separate Union Territory and merger of “Dadra and Nagar Haveli” and “Daman and Diu” as single union territory.



Time period extended in removal of difficulties [section 26(1)]

Existing provision: If any difficulty arises in giving effect to any provision of this Act, the Central Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

Effect: The Government is extending time limit for issuing order in case of removal of difficulties from three years to five years.

Proposed provision: If any difficulty arises in giving effect to any provision of this Act, the Central Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of ~~three years~~ **five years** from the date of commencement of this Act.

Retrospective exemption from, or levy or collection of, UTGST in certain cases

The Government has provided retrospective exemption in following cases via Clause 137 of Finance Bill:

i. No UTGST shall be paid in respect of supply of fishmeal (falling under heading 2301) for the period between 1st July 2017 to 30th September 2019 (both day inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.

ii. UTGST will be paid at reduced rate of 12% in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive). Further no refund of tax will be provided to tax payer who has paid tax during this period.



Proposed Amendments in the GST (Compensation to States) Act, 2017

Time period extended in removal of difficulties [section 14(1)]

Existing provision: If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, on the recommendations of the Council, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

Effect: The Government is extending time limit for issuing order in case of removal of difficulties from three years to five years.

Proposed provision: If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, on the recommendations of the Council, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of ~~three years~~ **five years** from the commencement of this Act



GET IN TOUCH!

In case of any further enquiries or further clarification, please feel free to contact us at:

OFFICES INDIA

DELHI

73, National Park
Lajpat Nagar IV,
New Delhi – 110024
INDIA
Phone No: +91-11-
41729056-57,
41601289

NOIDA

C-100, Sector-2,
Noida- 201301
Uttar Pradesh
Phone No: +91-120-
4729400

GURUGRAM

605, Suncity Business
Tower
Golf Course Road,
Sector-54,
Gurugram,
Haryana – 122002
Phone No.: +91-124-
4245110/116

MUMBAI

Sagartech Plaza,
B- Wing, Office No. 605,
Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072
Phone No: 022-
67413369/70/71

BENGALURU

0420, Second Floor,
20th Main, 6th Block,
Koramangala,
Bengaluru -560095
Phone No.: 80-
42139271

CHENNAI

Level2 – 78/132
Dr RK salai mylapore
Chennai Tamil Nadu
600004
Mobile No: +91-
8860774980

OFFICES ABROAD

SINGAPORE

11 Woodlands Close, #04-36 H,

Woodlands 11, Singapore -
737853.

Mobile No: +65- 31632191

CANADA

885 Progress Ave Toronto

Ontario M1H 3G3 Canada

Mobile No: +1437-774-
4488



For enquiries related to:

| Service | Contact Person |
|--|----------------------------|
| India entry, Business Start-ups, Merger & Acquisition and Business Restructuring | alok@ascgroup.in |
| Insolvency and Bankruptcy | anju@ascgroup.in |
| GST (Goods and Service Tax) | deepak@ascgroup.in |
| Custom and EXIM Policy, Income tax, International Taxation, Corporate Law and Transfer Pricing | shailendra@ascgroup.in |
| Legal Metrology, ETA, BIS and other registration | mayank.singhal@ascgroup.in |
| Japanese Desk | amit.rai@ascgroup.in |
| Audit and Risk Advisory | ankush.goyal@ascgroup.in |
| Sourcing solutions | ravi.ahuja@ascgroup.in |

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