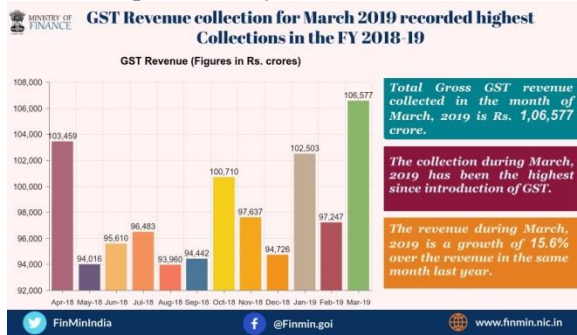


# GST COUNCIL SECRETARIAT'S NEWS-LETTER

## GST Revenue:

GST collections in the month of March 2019 was a record high of ₹.1,06,577 crore (CGST= ₹ 20,353 crore, SGST = ₹ 27,520 crore, IGST= ₹ 50,418 crore and cess is ₹.8,286 crore) as against revenue in March, 2018 of ₹ 92,167 crore, showing growth of 15.6% over revenue in same month last year. Revenue for last quarter in 2018-19 is 14.3% higher than same period last year.



## GST Council Wins the Changemaker of the Year Award

The Hindu Business Line awarded Changemaker Award for the year 2019 to GST Council. Union Finance Minister Shri Arun Jaitley accepted the award on behalf of the GST Council on 15<sup>th</sup> March, 2019.

“As an example of the perfect coming together of cooperative federalism and an uncomplicated tax regime, the GST Council played a stellar role in uniting multiple State Governments with varying political obligations under a ‘one nation, one tax’ system called the Goods and Services Tax.” – *The Hindu Business Line.*

## GST Council:

The GST Council was constituted on 15<sup>th</sup> September 2016 under Article 279A of the Constitution. It consists of the Union Finance Minister (Chairperson), Union Minister of the State in charge of Revenue of Finance and the Minister in charge of Finance or Taxation or may other Minister nominated by each State Government. Union Revenue Secretary is the ex-officio Secretary to the GST Council. The working of GST Council has ushered in a New Phase of Cooperative Federalism where the Central and the State Government work together to take collective decision on all issues relating to Indirect Tax regime of the country. In 34 meetings of GST Council 1064 decisions have been taken. The decisions includes interalia the issues related to GST laws, rules, GST

rates on goods and services, compensation, taxation threshold, composition scheme, MSME, real estate, hotel, and lottery etc.

### The details of 34 GST Council Meetings:

Meeting	Date	Place
1.	22 <sup>nd</sup> & 23 <sup>rd</sup> September, 2016	New Delhi
2.	30 <sup>th</sup> September, 2016	New Delhi
3.	18 <sup>th</sup> & 19 <sup>th</sup> October, 2016	New Delhi
4.	3 <sup>rd</sup> & 4 <sup>th</sup> November, 2016	New Delhi
5.	2 <sup>nd</sup> & 3 <sup>rd</sup> December, 2016	New Delhi
6.	11 <sup>th</sup> December, 2016	New Delhi
7.	22 <sup>nd</sup> & 23 <sup>rd</sup> December, 2016	New Delhi
8.	3 <sup>rd</sup> & 4 <sup>th</sup> January, 2017	New Delhi
9.	16 <sup>th</sup> January, 2017	New Delhi
10.	18 <sup>th</sup> February, 2017	Udaipur
11.	4 <sup>th</sup> March, 2017	New Delhi
12.	16 <sup>th</sup> March, 2017	New Delhi
13.	31 <sup>st</sup> March, 2017	New Delhi
14.	18 <sup>th</sup> & 19 <sup>th</sup> May, 2017	Srinagar
15.	3 <sup>rd</sup> June, 2017	New Delhi
16.	11 <sup>th</sup> June, 2017	New Delhi
17.	18 <sup>th</sup> June, 2017	New Delhi
18.	30 <sup>th</sup> June, 2017	New Delhi
19.	17 <sup>th</sup> July, 2017	VC
20.	05 <sup>th</sup> August, 2017	New Delhi
21.	09 <sup>th</sup> September, 2017	Hyderabad
22.	06 <sup>th</sup> October, 2017	New Delhi
23.	10 <sup>th</sup> November, 2017	Guwahati
24.	16 <sup>th</sup> December 2017	VC
25.	18 <sup>th</sup> January, 2018	New Delhi
26.	10 <sup>th</sup> March 2018	New Delhi
27.	4 <sup>th</sup> May, 2018.	VC
28.	21 <sup>st</sup> July 2018	New Delhi
29.	04 <sup>th</sup> August 2018	New Delhi
30.	28th September, 2018	VC
31.	22nd December, 2018	New Delhi
32.	10th January, 2019	New Delhi
33.	24 <sup>th</sup> February 2019	New Delhi
34.	19 <sup>th</sup> March 2019	VC

## GST changes for the benefits of MSME Sector:

- Higher exemption threshold limit for registration for exclusively supply of goods increased to ₹.40 lakh from ₹.20 lakh, except persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and subject to the conditions of the notification ([Notification No. 10/2019-CT dt. 07.03 2019](#))

- Composition scheme has been extended to the services also, by an amendment in Rule 7 under CGST Rules, 2017 whereby 'Composition Rules' have changed to 'Composition Levy'. Hence, the latest Composition Levy is as under:

Sl. No.	Category of registered persons	Rate of tax (CGST + SGST)
(1)	(2)	(3)
1.	Manufacturers, other than manufacturers of such goods as may be notified by the Government	One per cent. of the turnover in the State or Union Territory
2.	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	Five per cent. of the turnover in the State or Union Territory
3.	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	One per cent. of the turnover of taxable supplies of goods and services in the State or Union Territory

**[\(Notification No. 03/2019-CT dt. 29.01.2019 and corresponding State Notifications\)](#)**

- Turnover limit for Composition Scheme has been increased to ₹.1.5 crore from ₹.75 lakh for all States except States namely (i) Arunachal Pradesh, (ii) Assam, (iii) Manipur, (iv) Meghalaya, (v) Mizoram, (vi) Nagaland, (vii) Sikkim, (viii) Tripura, (ix) Himachal Pradesh for which the aggregate turnover limit is increased to ₹.75 lakh from ₹.50 lakh

**[\(Notification No. 14/2019-CT dt. 07.03.2019\)](#)**

- A new Composition Scheme for intra State supply of goods or services or both has been launched vide which first supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person, shall be levied at 6%, subject to the conditions as specified in the corresponding entry in notification.

**[\(Notification No.02/2019-CT\(R\) dt. 07.03.2019\)](#)**

**[Changes in Real Estate Sector—](#)**

Consequent upon recommendations by GST Council in the 34th Meeting held on 19th March, 2019, a new composition tax scheme for Real Estate Sector has been brought in with effect from 1st April, 2019:

- Real Estate will be taxed at 5% without input tax credit and 1% for affordable housing without input tax credit.
- Developers of projects who have started constructions before due date will get a one-time option to choose the new rate or old rates
- Under new scheme, 80% of inputs and input services for construction should be procured from registered persons. If it falls below 80%, then tax is to be paid by the developer at 18% on RCM basis (except for cement which is at 28% and capital goods at applicable rates under RCM).
- The exemption notification no. 12/2017 has been amended to include the services provided by the land owner to the developer by way of Transfer of development rights/ FSI/ Long term lease for the residential projects. The above exemption shall be subject to the conditions that all the flats are sold prior to OC.
- The RCM notification 13/2017 has been amended to notify the services provided by the land owner to the developer by way of Transfer of development rights/ FSI/ Long term lease for the residential projects as specified services under reverse charge i.e. under Sec 9(3).
- Up to 15% of commercial development to be treated as residential property only for taxation purposes.
- The area of construction should be considered as the basis for calculating the proportion of credit attributable to taxable / exempt supplies covered under entry 5(b) of schedule II (i.e. Construction services).

**[Notifications No. 03/2019 to 08/2019 – Central Tax \(Rate\), all dated 29.03.2019; Notification No.16/2019-CT dt. 29.03.2019 amending the CGST Rules, 2017; and Order No. 4/2019 - CT dt. 29-03-2019](#)**

**[System Related Changes](#)**

- Businesses with an annual turnover of over ₹ 2 crore can now start filing GST audit reports for fiscal 2017-18 as GST Network (GSTN) has made its format available on its portal.
- The audit report for 2017-18, the first year of the Goods and Services Tax (GST) implementation, is to be filed by June 30.
- Annual return forms GSTR-9, GSTR-9A and GSTR-9C to be filed by June 30.—**[\(Notification No. 14/2019-CT dt. 07.03.2019\)](#)**

- The DG Systems under CBIC has released a new business functionalities in GST IT Ecosystem dated 20<sup>th</sup> April, 2019, as under:
  - Tax Officers can block / unblock ITC credit in Credit ledger at GST portal;
  - Tax Officers can see annual returns GSTR-9; GSTR-9A filed on GST portal;
  - Tax Officers can see GSTR-2 return claiming TDS/TCS credit on GST portal;
  - Tax Officers can see ITC-01 and ITC-03 returns filed by new registrants for ITC credit on inputs held in stock or semi-finished or finished goods.

### **Judicial Pronouncement on GST**

#### **No input tax credit if GST returns not filed,; and Interest payable on gross GST liability; says High Court of Telangana—**

In the case of M/s.Megha Engineering & Infrastructures Ltd. (Writ Petition Number 44517 of 2018), the High Court of Telangana has ruled that no input tax credit (ITC) is available unless GST returns are filed and a taxpayer is liable to pay penalty on the entire liability. Accordingly, the court held that interest was payable on the gross amount of the goods and services tax (GST) liability.

*“In other words until a return is filed as self-assessed, no entitlement to credit and no actual entry in the electronic credit ledger takes place.*

*As a consequence, no payment can be made from out of such a credit entry,”* Justices V Ramasubramanian and P Keshava Rao.

*“.....the claim made by the respondents for interest on the ITC portion of the tax cannot be found fault with. Hence, the Writ Petition is dismissed,”* the court said.

Because of the taxpayer’s delay in filing the return in this instance, the payment of the tax liability—partly in cash and partly in the form of a claimed input tax credit—was made beyond the period prescribed, and thus the liability to pay interest on the gross amount arose automatically. The taxpayer was thus liable for interest on the gross GST liability.

### **Committee of Officers (CoO) on generation of e-Invoice**

On 22<sup>nd</sup> April, 2019, a Committee of Officers (CoO) on generation of electronic Invoice through GST portal is constituted to examine various issues on generation of electronic Invoice through GST portal. Dr. Rajeev Ranjan, Special Secretary, GST Council Secretariat is Convener of the Committee.

### **Important GST Notifications/ Circulars/Orders**

#### **Central Tax Notifications:**

#### **Notification No. 21/2019-CT dt. 23-04-2019**

Notify procedure for quarterly tax payment and annual filing of return for taxpayers availing the benefit of Notification No. 02/2019–Central Tax (Rate), dated the 7<sup>th</sup> March, 2019.

#### **Notification No. 15/2019-CT dt. 28-03-2019**

To extend the due date for furnishing of FORM GST ITC-04 for the period July 2017 to March 2019 till 30<sup>th</sup> June 2019 issued.

### **Important Circulars:**

#### **No. 99/2019 dated 23-04-2019 (F. No. CBEC–20/16/04/2018 – GST)**

CBIC clarified the extension in time under sub-section (1) of section 30 of the Act to provide a one time opportunity to apply for revocation of cancellation of registration on or before the 22<sup>nd</sup> July, 2019 for the specified class of persons for whom cancellation order has been passed up to 31<sup>st</sup> March, 2019.

#### **No. 98/2019 dated 23-04-2019 (F. No. CBEC–20/16/04/2018 – GST)**

CBIC has clarified the manner of utilization of input tax credit post insertion of the rule 88A of the CGST Rules. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the illustrations given in the circular.

#### **No. 95/2019 dated 28.03-2019 (F. No. 20/16/04/2018 – GST)**

To clarify verification for grant of new registration. The circular has been issued to guide the departmental officers to cross check the registration applications properly, to ensure that no such tax payers (whose registration was cancelled due to non-compliance and failed to discharge all the pending liabilities) are provided with a new GSTIN.

**No. 94/2019 dated 28.03-2019 (F. No. 20/16/04/2018 GST)**

This circular has been issued to clarify certain refund related issues under GST

**No. 92/2019 dated 07.03-2019 (F. No. CBEC-20/16/04/2018 - GST)**

CBIC has issued the circular clarifying various doubts related to treatment of sales promotion scheme under GST. There are several promotional schemes which are offered by taxable persons to increase sales volume and to attract new customers for their products. Some of these schemes have been examined and clarification has been made by CBIC, on the aspects of taxability, valuation, availability or otherwise of Input Tax Credit in the hands of the supplier in relation to the said schemes.

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**Important Orders:**

**Order No. 5/2019 - CT dt. 23-04-2019**

This order has been issued to extend the time limit for filing an application for revocation of cancellation of registration for specified taxpayers.

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**IMF-TADAT training**

GST Council has facilitated IMF 'Tax administration Diagnostic Assessment Tool' (TADAT) training to provide an objective assessment of the health of key components of a country's system of tax administration, for the officers from States and other formations in the month of April 2019.

**Examination for Confirmation of Enrollment of GST Practitioners**

The next examination for confirmation of enrollment of Goods and Services Tax Practitioners (GSTPs) shall be conducted on 14.06.2019 from 1100 hrs to 1330 hrs at designated examination centers across India. It will be a Computer Based Examination. The registration for the examination can be done by the eligible GSTPs on a registration portal, link of which will be provided on NACIN and CBIC websites. The registration portal for examination scheduled on 14.06.2019 will be activated on 21st May, 2019 and

will remain open up to 4th June, 2019. The applicants are required to make online payment of examination fee of ₹.500/- at the time of registration for this exam.

**Union Finance Minister Desk**

The Union Finance Minister Shri Arun Jaitley said that the Government is committed to facilitate trade and industry in the country so that the momentum of the growth continues to move-up. He asked the captains of Indian industry to comply with the recent recommendations of the GST Council with regard to reduction of rates of various items and pass on the benefits to the consumers at large. The Finance Minister Shri Jaitley was speaking when a delegation of Federation of Indian Chambers of Commerce and Industry (FICCI) called on him in his office in New Delhi on 5th March' 2019.

The Finance Minister said that GST is now on the track and is in process of fast settling down. The Finance Minister said that the thrust of the Government is to lower the tax rate and widen the tax base and keep the revenue collections moving-up. He said that the indirect tax collections will further increase in future.

Mr. Sandip Somany, President FICCI congratulated the Finance Minister for the decisive action taken on many economic fronts including Landmark Reforms like Introduction of GST and Insolvency and Bankruptcy Act among others.

*(Source-PIB Delhi)*

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**Revenue Secretary Desk**

Shri Ajay Bhushan Pandey, Revenue Secretary said while a lot of things had been done to simplify the GST regime, more would be on the cards in near future. "For example, from the three-return system, we will be moving towards a single return system within a few months. Similarly, when it comes to returns and other procedures, they will also be completely streamlined. Our aim would be to make the system as simple and as convenient as possible, through use of technology".

*(Source-The Economic Times)*

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