

# 50<sup>th</sup> Council meeting Decisions

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CA VAMSHI KRISHNA II PARTNER II J V N & ASSOCIATES

# Agenda

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New measures for  
Streamlining compliances



Changes - Rates



Trade facilitating  
measures

# GST Council - 50 steps towards a journey

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➤ Fin.min has released a video on the occasion of 50<sup>th</sup> Council meeting

<https://youtu.be/k7X0M6-nwvI>

# GST COUNCIL

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# Formation of GST council

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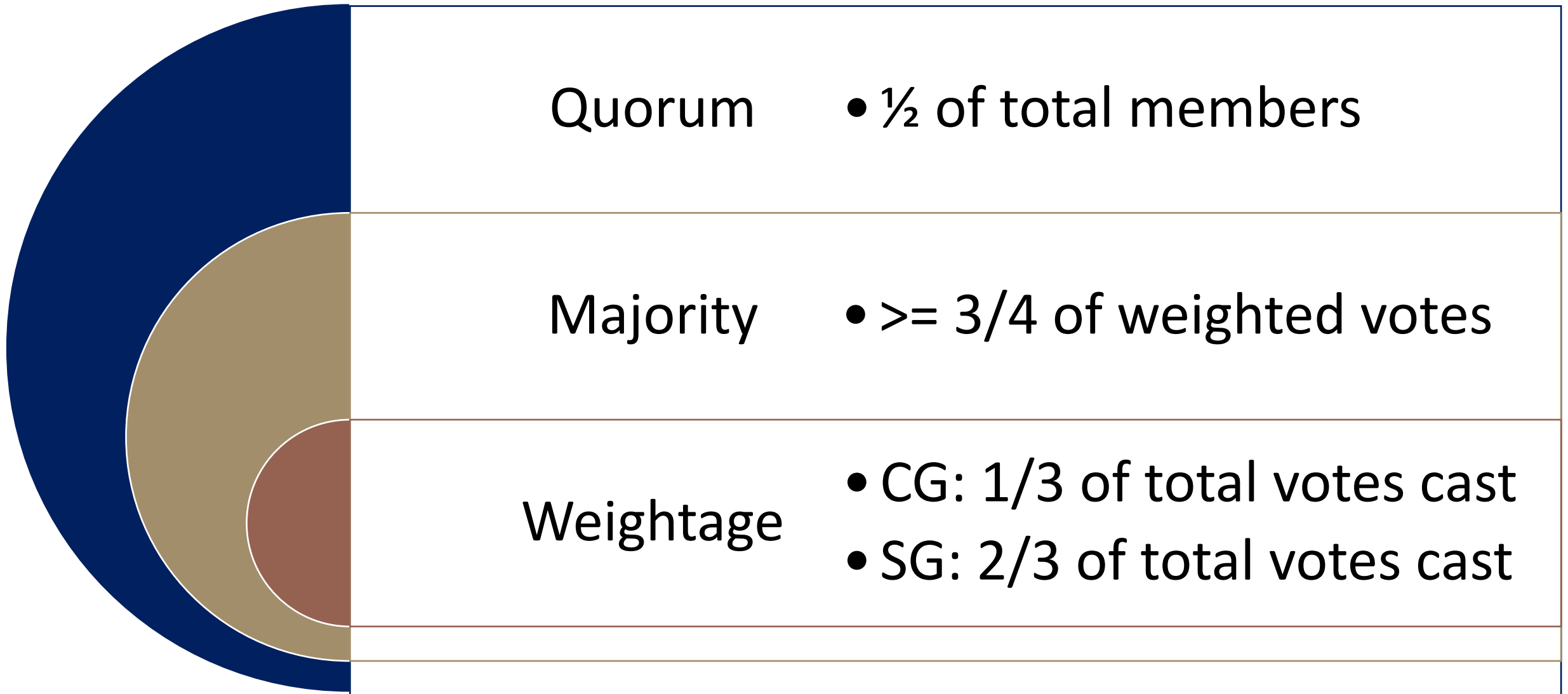
- Article 279A – With in 60 days from amendment
- Consists of :-
  - ✓ the Union Finance Minister as **Chairperson**;
  - ✓ the Union Minister of State in charge of Revenue or Finance - **Members**;
  - ✓ the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government - **Members**.
  - ✓ Vice Chairperson - to be chosen among the members

# GST Council – To recommend:

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- The taxes, cesses and surcharges that may be subsumed;
- The goods and services that may be subjected to or exempted from GST;
- Model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied under Article 269A and the principles that govern the place of supply;
- The threshold limit of turnover below which goods and services may be exempted;
- Rates, floor rates, band, special rates;
- Special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand
- Date on which GST be levied on petroleum crude, HSD, Petrol, natural gas and ATF and
- Any other matter relating to the goods and services tax, as the Council may decide.
- GST Council to devise mechanisms to adjudicate disputes arising between the Centre and States.

# Decision making



# Changes in Law & Procedures

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# New rule 88C: Recovery of tax if GSTR-1 > 3B

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## ➤ Rule 88C:

- ✓ If Tax liability as per GSTR-1 > the same as per GSTR-3B, Intimation in Part A of DRC-01B
  - to pay the differential tax along with interest or to explain the reason for diff. in Part-B of DRC-1B
  - within a period of seven days.
- ✓ Unless the reply is submitted, GSTR-1 for subsequent period shall not be allowed. (Rule 59(6)(d))
- ✓ Navigate to Services > Returns > Return Compliance or Direct link on Dash board
- ✓ If the payment and/or reply has not been done in 7 days or the reply is not satisfactory \_ Recovery under Sec 79

## ➤ Proposal:

- ✓ To insert New Rule 142B and New FORM GST DRC-01D
- ✓ To provide for manner of recovery of the tax and interest

# New rule 88C: Recovery of tax if GSTR-1 > 3B

**PART-B Reply by Taxpayer in Respect of the Intimation of Difference in Liability**

1. Paid the difference amount through DRC-03

ARN of Form GST DRC-03	Tax Period	Paid Under Head	IGST (₹)	CGST (₹)	SGST/UTGST (₹)	CESS (₹)

AND/OR

2. Select and explain the reason for difference

Excess Liability paid in earlier tax periods in FORM GSTR-3B

FORM GSTR-1/IFF filed with incorrect details and will be amended in next tax period (including typographical errors, wrong tax rates, etc.)

Some transactions of earlier tax period which could not... ( [Read more](#) )

Mistake in reporting of advances received and adjusted against invoices

Any other reasons

I/ We, hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

# New rule 88D: Diff. b/w GSTR-3B & 2B

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- Similar to 88C for Diff between GSTR-1 & 3B, **Rule 88D** shall be inserted for ITC as per GSTR-3B > 2B
- Option to explain the reasons shall be provided
- New form DRC-01C, similar to DRC-01B
- Rule 59(6) – Restriction on filing the return for future period, shall also be amended suitably
- This is to help dept. in reducing ITC mismatches and misuse of ITC facility in GST.

# Registration – Bank account & Physical verification

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## ➤ **Amendment in rule 10A:**

Details of bank account, in name and PAN of the registered person, to be furnished

- ✓ Within 30 days of grant of registration or
- ✓ before filing of the first GSTR-1/ IFF, whichever is earlier.

## ➤ **Amendment in rule 21A:**

- ✓ System-based suspension of the registration if the above is not done.
- ✓ Automatic revocation upon compliance with provisions of rule 10A.

## ➤ **Amendment in rule 59(6):** To restrict filing of FORM GSTR-1 or using IFF until the bank a/c is updated

## ➤ **Amendment in rule 9 and Rule 25:** Physical verification

- ✓ To do away with the requirement that the physical verification of in the presence of the applicant
- ✓ To provide for physical verification in high risk cases even where Aadhaar has been authenticated

# E-Way bill for Movement of Gold & Precious Stone

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## ➤ **Present:**

- ✓ Exemption for Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71), excepting Imitation Jewellery (7117)]
- ✓ Chapter-71: Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin

## ➤ **Proposed: Insert Rule 138E, to mandate the E-way bills for Chapter-71 items, with some special process**

- ✓ The Expected limit shall be 2lakhs with states having liberty to fix the same for intra-state movement

## ➤ After 47<sup>th</sup> council meeting, from Sep'22, the NIC has facilitated New E-way bills functionalities for Gold as follows:

- ✓ Only if all items transported fall under HSN Chapter 71
- ✓ E-Waybill for Gold is available as a separate option in the main menu
- ✓ No Part-B details can be updated
- ✓ Extension of e-waybill is allowed without updating Part-B details
- ✓ Transporter update is not allowed
- ✓ Consolidated EWB cannot be generated
- ✓ Multivehicle facility is not allowed & no change in cancellation and rejection of e-waybill.

# Tobacco & Pan Masala

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## ➤ VAT based taxation to Capacity based Taxation

- ✓ For the manufacturers of tobacco, pan masala & other similar items inter alia
  - ✓ Not.n u/s 148 prescribing a special procedure
    - for registration of machines and
    - for filing of special monthly returns;
  - ✓ New 122A providing for special penalty for non-registration of machines by such manufacturers;
- Sec 123 of Finance Act, 2021, amending section 16 of IGST Act, to be notified with effect from 01.10.2023
- ✓ Gives power to govt. to notify the person to claim refund and the goods liable for Export with payment
- Notification to be issued under section 16(4) of IGST Act. 2017 to provide for restriction of IGST refund route in respect of exports of tobacco, pan masala & other similar items as well as mentha oil.

# Others

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- Notice for delay in filing of GSTR-9 & 9A \_ FORM GSTR-3A
- POS in respect of supply of goods to **unregistered persons** \_ Sec 10(1)(ca)
- Risk-based biometric-based Aadhaar authentication of registration applicants
  - ✓ State of Andhra Pradesh also expressed its intent to join this pilot after it was done in GJ & Pondy
- OIDAR service providers: provide the details of B2B supplier \_ FORM GSTR-5A & R-64
- Value of supply of goods from Duty Free Shops
  - To be included in the value of exempt supplies for the purpose of reversal of ITC \_ Expl.n to R-42 & 43
- Compounding amount for various offences u/s 132 \_ R-162(3A)

# Others

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- Sharing of information of registered persons available on the common portal with other systems
  - ✓ Account aggregators (Banks & NBFC) \_ R-163
- State level coordination Committee - knowledge sharing and coordinated efforts b/w Centre & State
- GOM report on IT System Reforms
  - ✓ System based measures for strengthening registration process in GST
  - ✓ more use of third-party data for risk management and controlling flow of fake ITC



# Summary

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- GSTR-1 vs 3B: Procedure for Recovery of Tax and Interest in terms of Rule 88C(3)
- GSTR-2B vs 3B: Mechanism to deal with differences in ITC
- Notice for late filing of GSTR-9
- Place of supply for goods supplied to unregistered person
- E-way Bull for movement of Gold/Precious Stones
- GST registration – Bank a/c & Biometric-based Aadhaar authentication
- Special procedures for manufacturers/exporters of tobacco, pan masala and other similar items
- OIDAR service suppliers to provide details regarding supplies made to registered persons
- ITC reversal for supplies made from Duty Free Shops
- Compounding amount to be prescribed
- Consent-based sharing of information of registered persons
- Establishment of State Level Coordination Committee & Measures to curb Fraud in GST



**Any Doubts???**

*Thank you*  
*for the Opportunity & Support*

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# GST Rate Changes - Goods

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# Exemptions

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IGST on Import of below goods

- Import of Dinutuximab (Quarziba) medicine

Conditions:

- ✓ Personal Use

- Import of **Medicines and Food for Special Medical Purposes (FSMP)**

Conditions:

- ✓ Used in the treatment of rare diseases enlisted under the National Policy for Rare Diseases, 2021
- ✓ For Personal Use
- ✓ By Centres of Excellence for Rare Diseases
- ✓ By any person or institution on recommendation of any of the listed Centres of Excellence

# Exemptions

Goods / Service	Old	Suggested	Conditions
Import of Dinutuximab (Quarziba) medicine	12%	Exempt	<ul style="list-style-type: none"> <li>Should be for Personal use</li> </ul>
Import of medicines and Food for Special Medical Purposes (FSMP)	12%	Exempt	<ul style="list-style-type: none"> <li>Should be for Personal use</li> <li>Exemption shall also be applicable to Centers of Excellence for Rare Diseases or any person or institution on recommendation of any of the listed Centers of Excellence.</li> </ul>
Import of Gold, Silver and Platinum by RBL Bank and ICBC bank	3%	Exempt	<ul style="list-style-type: none"> <li>As per Annexure 4B (HBP) of Foreign Trade Policy 2023</li> </ul>

# Reductions

Goods / Service	Old	Suggested	Conditions
Uncooked/unfried snack pellets, by whatever name called	18%	5%	
Imitation zari thread or yarn known by any name	12%	5%	<ul style="list-style-type: none"> <li>Any issues during the past period shall be regularised in “as is basis”</li> </ul>
LD Slag	18%	5%	
Fish soluble paste	18%	5%	<ul style="list-style-type: none"> <li>Any issues during the past period shall be</li> </ul>

# Regularisation – “as is basis”

Goods / Service	Issue	Clarification
Raw cotton and Kala Cotton Supplied by agriculturists to “ <b>co-operatives</b> ”	<ul style="list-style-type: none"><li>Notified under RCM, if recipient is any registered person</li></ul>	<ul style="list-style-type: none"><li>Regularise issues relating for the past period on “as is basis”</li></ul>
Trauma, spine and arthroplasty implants		<ul style="list-style-type: none"><li>Regularise issues prior to 18-07-2022 on “as is basis”</li></ul>
Desiccated coconut		<ul style="list-style-type: none"><li>Regularise issues during 1.7.2017 to 27.7.2017 on “as is basis”</li></ul>



# Regularisation

Goods / Service	Issue	Clarification
Plates and cups made of areca leaves prior to 01.10.2019		
Biomass briquettes for the period 01.7.2017 to 12.10.2017		

# Compensation Cess

Goods / Service	Old	New
<p>22% Cess on all utility vehicles, if</p> <p>L&gt;4000mm &amp;</p> <p>Engn.&gt;1500cc &amp;</p> <p>GC&gt;170mm</p>	<p>52B of N/n 1/2017- levies <b>22% cess</b> on “Motor vehicles of engn.&gt;1500cc, popularly known as <b>SUVs</b> including utility vehicles.</p> <p><b>Explanation.</b> —For the purposes of this entry, SUV includes a motor vehicle of length exceeding 4000 mm and having ground clearance of 170 mm and above</p>	<ul style="list-style-type: none"> <li>The specific reference to SUVs shall be omitted, to include MUVs, XUVs..etc</li> </ul>
<p>Biomass briquettes for the period 01.7.2017 to 12.10.2017</p>		

# GST Rate Changes -Services

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# Exemptions

Goods / Service	Old	Suggested	Conditions
Satellite launch services by organizations in private sector	18%	Exempt	<ul style="list-style-type: none"><li>• Should be for Personal use</li></ul>

# GTAs

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- Declaration for paying GST under forward charge **need not be** filed every year,
  - ✓ unless there is a change
- Last date of exercising the change shall be 31st March
  - ✓ Window shall be opened from 1<sup>st</sup> January to 31<sup>st</sup> March of the preceding FY.
- Earlier the requirement was to filed every year and the last dare was 15<sup>th</sup> March

# GST on Casinos, Race Courses and Online Gaming

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- **Levy**: Amendments to be made to law to include online gaming and horse racing in schedule III as taxable actionable claims.
- **Valuation**: Full value
  - ✓ **Casinos**:
    - On the face value of the chips
  - ✓ **Horse Racing**:
    - Full value of the bets placed with bookmaker/totalizator
  - ✓ **Online Gaming**:
    - Full value of the bets placed
- **Rate of tax**: 28%

# Trade Facilitation

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# GST appellate Tribunal

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# Annual Returns for FY 2022-23

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# Clarifications

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# Clarifications - Tax

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## ➤ **RCM on Services Supplied by Directors:**

- ✓ Only for Services supplied by him **as** or **in the capacity** of director of that company or body corporate
- ✓ Not applicable for services under personal capacity, such as, Renting of property

## ➤ **Food and Beverages in cinema halls:**

Shall be taxable as restaurant services, i.e., 5% without GST, if

- ✓ They are supplied by way of or as part of a service **and**
  - ✓ Supplied independently of the cinema exhibition service
- If the Ticket and food and beverages are clubbed, and such bundled supply satisfies the test of composite supply, the entire supply will be taxable as Service of Exhibition of Cinema and taxable @ 18%

# Clarifications - Refund

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## ➤ Restricting ITC to GSTR-2B:

- ✓ Only for Services supplied by him **as** or **in the capacity** of director of that company or body corporate
- ✓ Not applicable for services under personal capacity, such as, Renting of property

## ➤ Adjusted Total turnover:

- ✓ They are supplied by way of or as part of a service **and**
- ✓ Supplied independently of the cinema exhibition service

## ➤ Admissibility of refund

- ✓ If the Ticket and food and beverages are clubbed, and such bundled supply satisfies the test of composite supply, the entire supply will be taxable as Service of Exhibition of Cinema and taxable @ 18%

# Clarifications - Others

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- **ISD not mandatory**
  - ✓ Shall be mandated
- Warranty replacement of parts and repair services during warranty period
  - ✓ Not liable for GST
  - ✓ Not liable for reversal of credit
- TCS – Multiple E-Com operators
- E-invoice for Supplies to Govt. entities with TDS-GSTIN
- Interest calculation for IGST Credit reversal
- **Mere holding of securities of a subsidiary company by a holding company cannot be treated as a supply of services**
- Procedure for dealing 2A vs 3B issues for Apr'19-Dec'21

# Clarifications - Others

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- Manual Filing of appeal for Tran-1
- Manual Filing of appeal for Other cases
- Extension of due dates for Manipur
  - ✓ For the months of April, May and June, 2023
  - ✓ For filing of FORM GSTR-1, 3B and 7
  - ✓ Till 31-Jul-23
- Extension of Amnesty schemes up to 31-Aug-23
  - ✓ GSTR-4, FORM GSTR-9 & FORM GSTR-10 returns,
  - ✓ Revocation of cancellation of registration and
  - ✓ Deemed withdrawal of assessment orders issued under Section 62

# 2/23: Late fees rationalisation – GSTR-4

S.No	Year	Original		Reduced/Revised		Conditions
		Late fees	Limit	Late fees	Limit	
<b>GSTR-4 – With liability</b>						
I	2017-18* 2018-19* 2019-20 2020-21	Rs. 50 per day	Rs. 10,000	Rs. 50 per day	Rs. 500	Dt. Of filing of return b/w 1st Apr'23 to <b>31st Aug'23</b>
II	2021-22	Rs. 50 per day	Rs. 2,000			
III	2022-23 onwards	Rs. 50 per day	Rs. 2,000	NA	NA	NA
<b>GSTR-4 Nil Liability</b>						
I	2017-18 2018-19 2019-20 2020-21	Rs. 20 per day	Rs. 10,000	0	0	Dt. Of filing of return b/w 1st Apr'23 to <b>31st Aug'23</b>
II	2021-22	Rs. 50 per day	Rs. 500			
III	2022-23 Onwards	Rs. 50 per day	Rs. 500	NA	NA	

# 7/23: Late fees rationalisation – GSTR-9

S.No	Year	Turnover	Regular		Reduced/Revised		Conditions
			Late fees	Limit	Late fees	Limit	
I	2017-18	Any	Rs. 200 per day	0.5 % of Turnover	Rs. 200 per day	20,000	Dt. Of filing b/w 1st Apr'23 to <b>31st Aug'23</b>
	2018-19						
	2019-20						
	2020-21						
	2021-22						
II	From FY 2022-23 Onwards	Up to <b>5Cr</b>	Rs. 200 per day	0.5 % of Turnover	Rs. 50 Per day	0.04% of T/o	No conditions
		>5Cr to <b>20Cr</b>			Rs. 100 Per day	0.04% of T/o	
		> <b>20Cr</b>			NA	NA	



# 8/23: Late fees rationalisation – GSTR-10

Form	Due date	Regular		Reduced/Revised		Conditions
		Late fees	Limit	Late fees	Limit	
GSTR-10 Final return	3M from later of > Dt. of cancellation > Dt. of order	Rs. 200 per day	Rs. 10,000	Rs. 200 per day	<b>Rs. 1,000</b>	Dt. Of filing of return b/w 1st Apr'23 to <b>31st Aug'23</b>

**Ref.:** Sec. 45-Due date; Sec 47-Late fee; Rule 81–Prescribing from GSTR-10

# 3/23: Add.nl time for revocation of cancelled GSTINs

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## ➤ Eligibility:

- ✓ Registration has been cancelled u/s 29, on or before 31-12-2022
- ✓ Failed to apply for revocation within the time period specified u/s 30
- ✓ Includes, the appeals rejected on the ground of failure to adhere to the time limit specified u/s 30(1)

## ➤ Additional time:

- ✓ 01-Apr-23 to **31-Aug-23**
- ✓ No further extension

## ➤ Procedure:

- ✓ File all returns along with payment of tax, interest & late fee, up to the effective date of cancellation of reg.

# 6/23: Withdrawal of assessment orders u/s 62

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## ➤ **Sec 62: Assessment of non-filers of returns.**

- ✓ If RP fails to furnish the returns U/s 39 or U/s 45, even after the service of a notice U/s 46
- ✓ Proper officer may proceed to assess the tax liability of the said person **to the best of his judgement**
- ✓ If the RP files valid return within 30 days of service of Order,  
the order shall be deemed to be with drawn

## ➤ **N/n 06/2023 CT-31-03-23: One time extension of 30 days time limit up to **31-Aug-2023****

### ➤ **Conditions:**

- ✓ Service of the assessment order issued on or before the 28th day of February, 2023
- ✓ RP shall furnish the said return on or before the 30th day of June 2023;
- ✓ The return shall be accompanied by payment of interest due U/s 50(1) and the late fee U/s 47