

India|Tax & Regulatory|Private circulation|September 21, 2019

Goods and Services Tax Alert

India Indirect Tax

Issue: Recommendation in GST Council Meeting on
September 20, 2019



Change in Law and Procedure

- **Relaxation in filing the Annual Return for MSME for FY 2017-18 and FY 2018-19.**

Waiver of requirement to file Form GSTR-9 or FormGSTR-9A for turnover up to Rs. 2 crores made optional.

- **Imposition of restriction on availment of ITC (Input Tax Credit)**

Taxpayers to timely file their statement of outward supplies, imposition of restrictions on availment of input tax credit by the recipients in cases where details of outward supplies are not furnished by the suppliers in the statement under section 37 of the CGST Act, 2017.

- **New Return from April'2020**

New return system now to be introduced from April, 2020 (earlier proposed from October, 2019), and accordingly GSTR-1 and GSTR-3B may be continued till March'2020.

- Liquor licence by State Governments against payment of license fee as a "no supply".

- **Uniformity in procedure to avail the Refund across the all the jurisdictions.**

A single authority for integrated refund system may be introduced since September 24, 2019

Exemptions

- **Option to pay GST at the rate of 18% on transaction value**

Optional rate of 18% on 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.

- **Exemption from GST/IGST to avail Exim benefit:**

- (i) at the time of import on Silver/Platinum by specified nominated agencies
- (ii) supply of Silver/Platinum by specified nominated agency to exporters for exports of Jewelry
- b) Inclusion of Diamond India Limited (DIL) in the list of nominated agencies eligible for IGST exemption on imports of Gold/ Silver/Platinum so as to supply at Nil GST to Jewelry exporters.

- Conditional exemption of GST on export freight by air or sea by another year, i.e. till 30.09.2020.

- **Exemption on Warehousing services**

Storage or warehousing of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, rice, coffee and tea.

Change in GST Rates w.e.f. October 1, 2019

S. No.	Particulars	Existing Rates	New Rates
1.	Hotel and accommodation Tariff: <ul style="list-style-type: none"> ○ <Rs. 1000 ○ 1000-7500 ○ >7500 	0% 18% 28%	0% 12% 18%
2.	<ul style="list-style-type: none"> • Outdoor catering services other than in premises having daily tariff of unit of accommodation of Rs. 7500/-. • Catering in premise with daily tariff of unit of accommodation is Rs. 7501/- and above 	18% 18% (With ITC)	5% (without ITC) 18% (With ITC)
3.	Job Work Services: <ul style="list-style-type: none"> ○ In relation to diamonds ○ Machine Job work i.e. engineering industry ○ In relation to bus body building 	5 18 18	1.5 12 18

S. No.	Particulars	Existing Rates	New Rates
4.	Services provided by an intermediary to a supplier of goods or recipient of goods when both the supplier and recipient are located outside the taxable territory.	Respective GST Rate	NIL
5.	Royalty charged from publishers to authors	18%	Optional
6.	Specified goods for petroleum operations undertaken under Hydrocarbon Exploration Licensing Policy (HELP)	-	5%
7.	Goods, falling under chapter 86 of tariff like railway wagons, coaches, rolling stock (without refund of accumulated ITC).	5%	12%

S. No.	Particulars	Existing Rates	New Rates
8.	Compensation cess on caffeinated Beverages	18%	28%+12%
9.	Polypropylene/Polyethylene Woven and Non-Woven Bags and sacks, whether or not laminated, of a kind used for packing of goods	5%,12%,18%	12%
10.	<p>Passenger vehicles of engine capacity with 1500 cc in case of diesel, 1200 cc in case of petrol and length not exceeding 4000mm:</p> <ul style="list-style-type: none"> ○ designed for carrying upto 9 persons ○ carrying more than 10 persons but upto 13 persons 	<p>Cess for:</p> <p>Petrol vehicle :1% Diesel vehicle :3%</p> <p>Cess: 15%</p>	<p>Cess for:</p> <p>Petrol vehicle :1% Diesel vehicle :3%</p> <p>Cess for:</p> <p>Petrol vehicle :1% Diesel vehicle :3%</p>