

*This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBEC and Department of Revenue. If a handicraft exporter has question[s] to ask on Foreign Trade Policy, he/she may please write / e-mail to EPCH at policy@epch.com*

Impex # 1

## Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion

GST Policy Wing of CBIC issues Circular on the subject on the title above.

Indian exporters participating in fairs/exhibitions abroad have to take with them, their wares for display there. They also send their goods on consignment basis for export promotion. In doing so, the

exporters face a number of problems relating to maintenance of records, issuance of delivery challans, tax invoices, etc. The above issues have been examined by CBEC and clarification on each of these points issues vide their Circular No. 108/27/2019-GST dt. 18th July, 2019 (reproduced below):

(Copy)

### **Subject: Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion - reg.**

Various representations have been received from the trade and industry regarding procedure to be followed in respect of goods sent / taken out of India for exhibition or on consignment basis for export promotion. Such goods sent / taken out of India crystallise into exports, wholly or partly, only after a gap of certain period from the date they were physically sent / taken out of India.

2. The matter has been examined and in view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") hereby clarifies various issues in succeeding paragraphs.

3. As per section 7 of the CGST Act, for any activity or transaction to be considered a supply, it must satisfy twin tests namely-

- (i) it should be for a consideration by a person; and
- (ii) it should be in the course or furtherance of business.

4. The exceptions to the above are the activities enumerated in Schedule I of the CGST Act which are treated as supply even if made without consideration. Further, sub-section (21) of section 2 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the "IGST Act") defines "supply"; wherein it is clearly stated that it shall have the same meaning as assigned to it in section 7 of the CGST Act.

5. Section 16 of the IGST Act deals with "Zero rated supply". The provisions contained in the said section read as under:

*16. (1) "zero rated supply" means any of the following supplies of goods or services or*

*both, namely:--*

*(a) export of goods or services or both; or*

*(b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.*

Therefore, it can be concluded that only such 'supplies' which are either 'export' or are 'supply to SEZ unit / developer' would qualify as zero-rated supply.

6. It is, accordingly, clarified that the activity of sending / taking the goods out of India for exhibition or on consignment basis for export promotion, except when such activity satisfy the tests laid down in Schedule I of the CGST Act (hereinafter referred to as the "specified goods"), do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time. Since such activity is not a supply, the same cannot be considered as 'Zero rated supply' as per the provisions contained in section 16 of the IGST Act.

7. Since the activity of sending / taking specified goods out of India is not a supply, doubts have been raised by the trade and industry on issues relating to maintenance of records, issuance of delivery challan / tax invoice etc. These issues have been examined and the clarification on each of these points is as under: -

Sl.No.	Issue	Clarification
1.	Whether any records are required to be maintained by registered person for sending / taking specified goods out of India?	The registered person dealing in specified goods shall maintain a record of such goods as per the format at Annexure to this Circular.
2.	What is the documentation required for sending / taking the specified goods out of India?	<p>a) As clarified above, the activity of sending / taking specified goods out of India is not a supply.</p> <p>b) The said activity is in the nature of "sale on approval basis" wherein the goods are sent / taken outside India for the approval of the person located abroad and it is only when the said goods are approved that the actual supply from the exporter located in India to the importer located abroad takes place. The activity of sending /taking specified goods is covered under the provisions of sub-section (7) of section 31 of the CGST Act read with rule 55 of Central Goods &amp; Services Tax Rules, 2017 (hereinafter referred to as the "CGST Rules").</p> <p>c) The specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules.</p> <p>d) As clarified in paragraph 6 above, the activity of sending/ taking specified goods out of India is not a zero-rated supply. That being the case, execution of a bond or LUT, as required under section 16 of the IGST Act, is not required.</p>
3.	When is the supply of specified goods sent / taken out of India said to take place?	a) The specified goods sent / taken out of India are required to be either sold or brought back within the stipulated period of six months from the date of removal as per the provisions contained in sub-section (7) of section 31 of the CGST Act.

Sl.No.	Issue	Clarification
		<p>b) The supply would be deemed to have taken place, on the expiry of six months from the date of removal, if the specified goods are neither sold abroad nor brought back within the said period.</p> <p>c) If the specified goods are sold abroad, fully or partially, within the specified period of six months, the supply is effected, in respect of quantity so sold, on the date of such sale.</p>
4.	<p>Whether invoice is required to be issued when the specified goods sent / taken out of India are not brought back, either fully or partially, within the stipulated period?</p>	<p>a) When the specified goods sent / taken out of India have been sold fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice in respect of such quantity of specified goods which has been sold abroad, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p> <p>b) When the specified goods sent / taken out of India have neither been sold nor brought back, either fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice on the date of expiry of six months from the date of removal, in respect of such quantity of specified goods which have neither been sold nor brought back, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p>
5.	<p>Whether the refund claims can be preferred in respect of specified goods sent / taken out of India but not brought back?</p>	<p>a) As clarified in para 5 above, the activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, the sender of goods cannot prefer any refund claim when the specified goods are sent / taken out of India.</p> <p>b) It has further been clarified in answer to question no. 3 above that the supply would be deemed to have taken place:</p>

Sl.No.	Issue	Clarification
		<p>(i) on the date of expiry of six months from the date of removal, if the specified goods are neither sold nor brought back within the said period; or</p> <p>(ii) on the date of sale, in respect of such quantity of specified goods which have been sold abroad within the specified period of six months.</p> <p>c) It is clarified accordingly that the sender can prefer refund claim even when the specified goods were sent / taken out of India without execution of a bond or LUT, if he is otherwise eligible for refund as per the provisions contained in sub-section (3) of section 54 the CGST Act read with sub-rule (4) of rule 89 of the CGST Rules, in respect of zero rated supply of goods after he has issued the tax invoice on the dates as has been clarified in answer to the question no. 4 above. It is further clarified that refund claim cannot be preferred under rule 96 of CGST Rules as supply is taking place at a time after the goods have already been sent / taken out of India earlier.</p>

8. The above position is explained by way of illustrations below: *Illustrations:*

*i) M/s ABC sends 100 units of specified goods out of India. The activity of merely sending /taking such specified goods out of India is not a supply. No tax invoice is required to be issued in this case but the specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules. In case the entire quantity of specified goods is brought back within the stipulated period of six months from the date of removal, no tax invoice is required to be issued as no supply has taken place in such a case. In case, however, the entire quantity of specified goods is neither sold nor brought back within six months from the date of removal, a tax invoice would be required to be issued for entire 100 units of specified goods in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules within the time period stipulated under sub-section (7) of section 31 of the CGST Act.*

*ii) M/s ABC sends 100 units of specified goods out of India. The activity of sending /taking such specified goods out of India is not a supply. No tax invoice is required to be issued in this case but the specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules. If 10 units of specified goods are sold abroad say after one month of sending / taking out and another 50 units are sold say after two months of sending / taking out, a tax invoice would be required to be issued for 10 units and 50 units, as the case may be, at the time of each of such sale in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules. If the remaining 40 units are not brought back within the stipulated period of six months from the date of removal, a tax invoice would be required to be issued for 40 units in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules. Further, M/s ABC may claim refund of accumulated input tax credit in accordance with the provisions contained in subsection (3) of section 54 of the CGST Act read with sub-rule (4) of rule 89 of the CGST Rules in respect of zero-rated supply of 60 units.*

## RECORD OF SPECIFIED GOODS SENT / TAKEN OUT OF INDIA AND BROUGHT BACK / SOLD ABROAD

Folio No./ Reference No.	Description of specified goods	Quantity unit (Nos./ grams/ piece etc.)	Value per unit	Total value of the specified goods	Date of removal from place of business	Delivery Challan No. & date	Shipping Bill no. & Date		Details of specified goods supplied (i.e. specified goods not brought back)	Invoice no. & date		Details of specified goods brought back	Bill of Entry No. & Date				
							No.	Date		No.	Date		Quan- tity	Value	Quan- tity	Value	No.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

DGFT issues Trade Notice inviting suggestions for new Foreign Trade Policy.

The Foreign Trade Policy in force at present was announced on 1st April 2015 and was meant for five years from 2015-16 to 2020-21. It was appraised in the middle of five years from 2015-16 and a new edition with the title 'Mid-Term Review' was issued on 5th December 2017. Now DGFT has decided to revamp the present policy in force so that the new thinkings and priorities on the subject may be implemented. To achieve this objective, DGFT has issued a Trade Notice No. 22/2019-20 dt. 03-07-2019 inviting suggestions from all stakeholders. The trade notice is a good opportunity for all exporters & importers to send their suggestions to DGFT on the link <http://bit.ly/2NuJh9Z>. Copy of Trade Notice dt. 03-07-2019 referred to above is reproduced below:

Copy

Trade Notice No. 22/2019-20 Dated 03.07.2019

To

Members of Trade and Industry  
All Export Promotion Councils

Subject: **Review of the Foreign Trade Policy-inviting suggestions regarding.**

Attention is invited to the Trade Notice No. 21/2019-20 dated 28.06.2019 wherein the stakeholders were advised to send their suggestions regarding the proposed new Foreign Trade Policy on email id "ftp2019-dgft@gov.in".

In view of a large number of suggestions being received, a Google Form has been created on the following link: <http://bit.ly/2NuJh9Z>

2. All the stakeholders are now requested to send their suggestions on the above said Google Form only, within 15 days of the issue of the notice.

Before issue of Trade Notice No. 22 reproduced above, DGFT also issued a Trade Notice No. 21/2019-20 dt. 28-06-2019 on the same subject of inviting suggestions for the new Foreign Trade Policy. The same is reproduced below :

Copy

Trade Notice No. 21 Dated 28.06.2019

Subject: **Inviting suggestions on Review of the Foreign Trade Policy-regarding.**

It has been decided to revise the current **Foreign Trade Policy** ( 2015-2020). Therefore suggestions/inputs are hereby invited from all the stakeholders for framing the proposed new Foreign Trade Policy. The suggestions may please be given separately for the Foreign Trade Policy and Hand Book of Procedures, chapter-wise, in the format given below:

**Foreign Trade Policy Review 2019**

S.No.	Chapter of/FTP/HBP/ Appendix	Para of of/FTP/HBP/ Appendix	Suggestions for changes	Justification
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The suggestions may be mailed at "ftp2019-dgft@gov.in" within 15 days of the issue of this Trade Notice.

EPCH on its part has already sent a copy of both the Trade Notices to all its members for response.

Union Finance Minister announces an interest subvention of two per cent to all MSMEs registered under GST.

MSMEs (Minor, Small and Medium Enterprises) play a very important role in the Indian economy. They provide a wide range of goods and services to meet domestic and overseas demand. They contribute around 40 per cent in exports. Their contribution in GDP is about 30%.

It has been a general complaint of the MSMEs sector that the interest rates in the country is very high and should be brought down for them. Taking note of this genuine demand, the Union Finance Minister has announced a relief (subvention) of two per cent in her Union Budget 2019 presented to Lok Sabha on 5th July 2019. The relevant para of her Budget speech is 27 and is reproduced below:

**27.** For ease of access to credit for MSMEs, Government has introduced providing of loans upto 1 crore for MSMEs within 59 minutes through a dedicated online portal. Under the Interest Subvention Scheme for MSMEs, 350 crore has been allocated for FY 2019-20 for 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans.

Another facilitation measure in the Budget relates to Govt. payment to MSMEs. It is contained in para 28 of her Budget speech and is given below:

**28.** Government payments to suppliers and contractors are a major source of cash flow, especially to SMEs and MSMEs. Investment in MSMEs will receive a big boost if these delays in payment are eliminated. Government will create a payment platform for MSMEs to enable filing of bills and payment thereof on the platform itself.

The government's focus on the MSME sector in the Union Budget announcements reflects a clear and focus approach towards the development and upliftment of the sector in the overall economy. In the past few years, government has taken various reform initiatives to provide a boost to the MSMEs, such as Support and Outreach Programme for the MSME sector, Prime Minister's Employment Generation Programme (PMEGP), launch of web portal [www.psbloansin59minutes.com](http://www.psbloansin59minutes.com), change in the MSMEs classification from investment in plant and machinery to turnover criteria, establishment of Export Promotion Cell, one-time restructuring of existing loans to MSMEs, Pradhan Mantri Mudra Yojana, among others.

The proposal to streamline multiple labour laws into a set of four labour codes is inspiring as simplification of labour laws would reduce the compliances for the MSMEs and provide more room for deployment of workforce in their respective factories.

Announcements have been made for solving the issue of Angel Tax by introducing e-verification, speedy assessments of start-ups and redressal of their grievances, and relaxing some of the conditions for carry forward and set-off losses for them.

Any measure announced by any Govt. Department for reduction in transaction cost or for ease of doing business for MSMEs is welcome by Export Promotion Council for Handicrafts inasmuch as an overwhelming majority of its exporters are MSMEs only.



Union Finance Minister announces 'Sabka Vishwas Legacy Dispute Resolution Scheme' in the Budget 2019 presented on 5th July 2019.

Legacy of the past which is 'treasure' should be preserved but that which is 'burden' should be offloaded. The GST which was introduced in July 2017 has inherited past dispute of taxes which got subsumed in GST namely, Central Excise, Service Tax and Cesses. As it is in the interest of all concerned that these disputes are settled as soon as possible, the Union Finance Minister in her Budget 2019 speech dt. 05-07-2019 has announced a scheme titled, 'Sabka Vishwas Legacy Dispute Resolution Scheme' to settle disputes, stated above which is given below:

Copy

### 6.Sabka Vishwas Legacy Dispute Resolution Scheme

S.No.	Details of the proposal
1	<p>A dispute resolution cum amnesty scheme called the Sabka Vishwas Legacy Dispute Resolution Scheme is being introduced for resolution and settlement of legacy cases of Central Excise and Service Tax.</p> <p>The proposed Scheme covers past disputes of taxes which have got subsumed in GST namely Central Excise, Service Tax and Cesses. All persons are eligible to avail the scheme except a few exclusions including as those convicted under the act in the case for which he intends to make declaration and those who have filed an application before the Settlement Commission.</p> <p>The relief under the scheme varies from forty percent (40%) to seventy percent (70%) of the tax dues for cases other than voluntary disclosure cases, depending on the amount of tax dues involved. The scheme also provides relief from payment of interest and penalty. For voluntary disclosures, the relief is regarding waiver of interest and penalty on payment of full tax dues disclosed. The person discharged under the scheme shall also not be liable for prosecution.</p> <p>The Scheme provides for method of payment of tax dues, arrears and restrictions regarding the manner of payment, etc. The Scheme shall become available from a date to be notified. The procedural details and rules regarding the Scheme shall be notified in due course.</p>

The details are in 15 clauses (119 to 134) of the Finance (Number 2) Bill called the Sabka Vishwas(Legacy Dispute Resolution Scheme). It covers excise duty, service tax and various levies under 26 other laws - education cess, secondary and higher education cess and so on. It applies to claims of the govt. under litigation pending before any forum, tax claims quantified after an investigation or audit pending as on end June 2019; also tax dues confirmed by an order where no appeal is preferred by an assessee. It excludes cases where an appeal or showcause notice has been finally heard or where the issue pertains to refunds.

An assessee interested in taking recourse to the scheme must first compute the tax due and make a declaration to a designated committee, claiming the percentage of use specified in the scheme as tax relief. The committee is then to verify the statement. If satisfied with the correctness, specify the amount payable. If the committee is not satisfied, it shall issue an estimate of the amount due; after giving the assessee an opportunity to be heard. State what is payable. The assessee must deposit the stipulated amount within 30 days of getting this statement, withdraw the reply or appeal, and furnish proof of the payment. The committee will issue a discharge certificate within 30 days of such proof.



The scheme is attractive since the tax relief is 40-70 per cent of the amount in dispute. The extent of relief varies by type of cases and amount of tax dues—there is higher relief for dues upto rupees 5 million and less for above this amount.

On getting the discharge certificate, the assessee gets the immunity from the remaining amount of tax dues, interest and penalty with respect to the matter. Also, the govt. will not prosecute under the relevant enactment or later reopen the matter. An important restriction is that the tax amount cannot be paid by using input tax credit; nor can the amount paid be taken as input tax credit. Any amount paid under the scheme shall not be refunded under any circumstance. Any amount of pre-deposit during litigation may be deducted to compute the amount payable. However, where the pre-deposited amount exceeds what is payable under the scheme, the difference cannot be claimed as a refund.

## Impex # 5

## Questions & Answers

### **Question : Are goods supplied by exporters to job workers liable to GST?**

**Answer :** No, the goods sent by an exporter to a job worker is not a supply, as there is no transfer of title and no consideration for the goods is involved. In terms of section 143 of the CGST Act, 2017 a registered taxable person (the principal) may send any inputs or capital goods, without payment of GST, to a job worker for job work and the principal shall either

- (i) bring back such inputs or capital goods after completion of job work or otherwise within the prescribed period, i.e. 1 year in case of inputs and 3 years in case of capital goods, or
- (ii) supply such inputs or capital goods within such prescribed period on payment of tax within India, or with or without payment of tax for export, as the case may be.

### **Question : What is the rate of GST on export of goods procured by merchant exporter at 0.1% duty?**

**Answer :** The concessional duty of 0.1% is applicable only in case of supplies made by a registered supplier to a registered recipient for exports. The merchant exporter (registered recipient) should avail LUT facility while exporting such goods so that there is no tax liability at the time of export. Moreover, the facility to export such goods on payment of IGST has been withdrawn.

### **Question : What are the benefits of Gold Card Scheme recently re-notified by RBI?**

**Answer :** The Facility under the Gold Card scheme contains the following:

- i. Gold Card holder exporters, depending on their track record and credit worthiness, will be granted better terms of credit including rates of interest than those extended to other exporters by the banks.
- ii. Applications for credit will be processed at norms simpler and under a process faster than for other exporters.
- iii. The 'in-principle' limits will be sanctioned for a period of 3 years with a provision for automatic renewal subject to fulfilment of the terms and conditions of sanction.
- iv. Gold Card holders will be given preference for grant of packing credit in foreign currency (PCFC).
- v. Gold card holders, on the basis of their track record of timely realisation of export bills, will be considered for issuance of foreign currency credit cards for meeting urgent payment obligations, etc.

vi. Since the bonafides of the Gold Card holder is already established based on credit worthiness and track record, the norms in respect of security and collaterals may be relaxed while granting export credit under the Gold Card Scheme.

**Question : Which categories of exporters are eligible for Gold Card?**

**Answer :** All credit worthy exporters with good track record in the opinion of the individual financing bank will be eligible. Exporters whose accounts have been classified as ‘Standard’ continuously for a period of three years and there are no irregularities / adverse features in the conduct of the accounts may be considered as having good track record. However, the scheme may not be applicable to those exporters who are blacklisted by ECGC or included in RBI’s defaulter’s list/ caution list or making losses for the past 3 years or having overdue export bills in excess of 10 per cent of the current year’s turnover.

**Question : What is the exact procedure of refund of IGST?**

**Answer :** The refund of integrated tax paid on goods exported out of India is governed by Rule 96 of the CGST Rules. According to this Rule, the shipping bill filed by an exporter is deemed to be an application for refund of IGST. The application is deemed to have been filed when Export General Manifest (EGM) is filed and the applicant furnishes a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be. Upon receiving the receipt of the information regarding furnishing of a valid return from the common portal, the system designated by the Customs processes the claim for refund and an amount equal to the integrated tax paid in respect of such export is electronically credited into the bank account of the exporter.

# News from ‘Print Media’

Financial Express 09.07.2019

Business Standard 15.07.2019



**Attention Taxpayers!**  
**GST Return Filing Calendar**

REGULAR TAXPAYERS			
Return	Period	To be filed by	Last date to file
GSTR-3B	July 2018	All Taxpayers	22 <sup>nd</sup> July 2019
GSTR-1	April - June 2018	Taxpayers with turnover below ₹ 1.5 Crore and not opted for Monthly Returns	31 <sup>st</sup> July 2019
GSTR-7	July 2018	Taxpayers with turnover above ₹ 1.5 Crore or opted for Monthly Returns	15 <sup>th</sup> July 2019
GSTR-9	2017-2018	Annual Return	31 <sup>st</sup> August 2019
GSTR-9C	2017-2018	Annual Return to be filed by Chartered Accountant	31 <sup>st</sup> August 2019
GSTR-9D	2017-2018	Reconciliation Statement to be filed by taxpayers with aggregate turnover exceeding ₹ 2 Crore between July 2017 to March 2018	31 <sup>st</sup> August 2019

  

OTHER TAXPAYERS			
Return	Period	To be filed by	Last date to file
GSTR-5	June 2019	Non-resident Taxpayers	30 <sup>th</sup> July 2019
GSTR-5A	June 2019	Non-resident CGPAN	30 <sup>th</sup> July 2019
GSTR-6	June 2019	Input Service Distributors	15 <sup>th</sup> July 2019
GSTR-8	June 2019	e-Commerce operators who are required to collect Tax at Source under GST	15 <sup>th</sup> July 2019

*Note: In case, returns are not filed by the due dates, late fees are payable as indicated below.*

(A) Taxpayers whose tax liability for the concerned period is NIL	₹ 20/- per day (Rs. 10/- per day each under CGST & SGST Act)
(B) For all other taxpayers (Other than mentioned in (A))	₹ 50/- per day (Rs. 25/- per day each under CGST & SGST Act)

**FILE YOUR RETURNS EARLY TO AVOID PAYING LATE FEES!**



## Budget gives a breather for delay in payments towards GST

**MIRAL SHARMA**  
New Delhi, July 15

Those paying goods and services tax (GST) after the due date have been given relief in the budget.

The Finance Bill, which is yet to be passed by Parliament, has proposed that interest would be charged on the delayed payments for 1%.

Goods tax liability includes input tax credit (ITC) available to tax payers, while the output tax liability includes that portion.

For this purpose, it has proposed amendments in the Central GST Act. Interest is levied at 1% per cent on the delayed payments.

In fact, the GST Council in its last meeting on December 21 last year had decided that the interest would be levied on the non-payment.

However, confusion arose after a meeting chaired by the principal commissioner of central tax, Hyderabad. In February this year, which said, "Since ITC credit is available in the Electronic Cash Ledger system, hence it is debited in the said cash ledger while editing the return, so setting the amount in the 'Liability Ledger', the interest liability is mandatorily accrued on the amount mentioned in the ledger beyond the due date prescribed."

The order was interpreted by many as stipulating that interest is liable to be paid on the total amount of ITC, irrespective of the amount of input tax credit.

Also, the Telangana High Court in April this year had rejected a writ petition challenging the imposition of interest on input goods and services tax liability including ITC.

"The claim made by the respondents-tax authorities for interest on the ITC portion of the tax cannot be

**BUDGET IMPACT**

Abhishek Bhatnagar, partner at Khanna & Co, said this is a big relief and will substantially reduce the burden of interest on the liability to be discharged from the cash ledger since a demand from voluntary and has been acknowledged by the Finance Minister Miral Sharmah. Bhatnagar said, "Many industry players had requested the GST Council to clear the air on this regard. For instance, the Federation of Automobile Dealers Association (FADA) had requested the Council to take any of the amendments proposed on interest on goods and services tax value, while making the GST payment on a monthly basis."

2018. Practitioner Ashish Shrivastava said many ITC payers are annual. In many cases, businesses maintain the ITC credit and carry forward it to the next period or various, many a times due to system malfunctions in their account. However, because of the amount of the non-refundable, the business turnover and input tax credit available is quite high, a considerable portion by the association to the Council said.

The interest is levied on the amount after the discharge period. For instance, due date for the form GSTR-3B is a necessary input-output ratio— is 20th of the month, which follows the month when a declaration is made for large firms with a turnover of ₹ 5 crore or more.

For those with annual turnover of up to ₹ 5 crore, summary of the quarterly. The current mechanism of filing returns is being replaced by simplified forms that would come into operation in phases.