

## **N D A Update – Important Recommendations made in the 50<sup>th</sup> GST Council Meeting**

- In case of difference in Input Tax Credit availed in **FORM GSTR-3B** vis a vis that available as per **FORM GSTR-2A**, a Circular (No. 183/15/2022-GST dated 27<sup>th</sup> December, 2022) was issued to provide for the procedure for verification of input tax credit for such difference during **FY 2017-18 and 2018-19**. To provide further relief to the taxpayers, the Council recommended extending the same for two more years i.e. 2019-20 and 2020-21.
- Extending the GST **Amnesty schemes** notified vide notifications dated 31.03.2023 regarding non-filers of **FORM GSTR-4, FORM GSTR-9 & FORM GSTR-10** returns, **revocation of cancellation of registration and deemed withdrawal of assessment orders** issued under Section 62 of CGST Act, 2017, till **31.08.2023**.
- **Relaxations** provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C **to be continued** for FY 2022-23.
- **Exemption** from filing of annual return (in FORM GSTR-9/9A) for taxpayers having Aggregate Annual Turnover upto Rs. 2 crore **to be continued** for FY 2022-23 also.
- Goods Transport Agencies (GTAs) will not be required to file declaration for paying GST under forward charge every year. Once a declaration is filed, it shall be deemed to have exercised it for subsequent financial years unless a declaration to revert to reverse charge mechanism (RCM) is filed.
- It has also been decided that the last date of exercising the option by GTAs to pay GST under forward charge shall be 31<sup>st</sup> March of preceding Financial Year instead of 15<sup>th</sup> March.
- No RCM on services supplied by a director of a company to the company in his private or personal capacity such as supplying services by way of renting of immovable property to the company. Only those services supplied by a director of company, which are supplied by him as or in the capacity of director of that company, shall be taxable under RCM in the hands of the company.

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- Supply of food and beverages in cinema halls will be taxable as restaurant services at 5%, if supplied independently of the cinema exhibition service. However, if the sale of cinema ticket and supply of food and beverages are clubbed together then GST rate of cinema ticket (18%) will apply.
- Casino, Horse Racing and Online gaming to be taxed at the uniform rate of 28%. **Tax will be applicable on the face value of the chips purchased in the case of casinos, on the full value of the bets placed with bookmaker totalisator in the case of Horse Racing and on the full value of the bets placed in case of the Online Gaming.**
- Input Services Distributor (ISD) mechanism is not mandatory for distribution of input tax credit of common input services procured from third parties to the distinct persons as per the present provisions of GST law. Amendment may be made in GST law to make ISD mechanism mandatory prospectively.
- **On Warranty replacement of parts and repair services during warranty period** without any consideration from the customers, no GST will be chargeable by the manufacturer on such replacement of parts and/ or repair service and also, no reversal of input tax credit will be required to be made by the manufacturer.
- Refund of accumulated input tax credit (ITC) to be restricted to ITC appearing in FORM GSTR-2B.
- Requirement of providing only **name of the State of the recipient**, and not the name and full address of the recipient, on the tax invoice in cases of supply of taxable services by or through an ECO or by a supplier of OIDAR services to an unregistered recipient.

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