

## **Summary of proposed changes to CGST Act vide Budget 2020**

- Ladakh been included in the definition of Union Territory
- Composition scheme restricted to taxpayer making inter-state supply of service, supplies not leviable to GST and supplies through e-com operator where TCS is deductible. Earlier this restriction was only for supply of goods.
- ITC can be availed based on the date of debit note. Earlier the time limit was linked to date to Invoice pertaining to such debit note.
- Provision made for cancellation of the voluntary registration.
- Power to condone the delay in applying for revocation of cancellation has been provided to Additional Commissioner and Commissioner for a period of 30 days each.
- Powers provided to notify the time and manner of issuance of invoice for specific categories of service or supplies
- Powers provided to notify the form of TDS certificate
- Late fee (200 per day max of Rs.5,000) for non-issuance of TDS certificate has been removed
- J&K would be having the state bench on their own
- Person involved/benefited out of fake billing shall also be liable for penalty of 100%
- Punishment of imprisonment extended to the person 'causes to commit' and 'person retaining the benefit' also. Earlier this was only for the person committed.
- Punishment restricted to persons fraudulently taking credit without invoice or a bill. Earlier fraudulently availed credit was not linked to having invoice or otherwise.
- Power to prescribe the time limit for transition provisions has been provided with retrospective effect of 1st July 2017 to nullify the decision of Gujarat High Court in case of Siddhartha Enterprises.
- Board Approval not required for Commissioner to determine the expense in case of special audit and extent period for return of input or capital goods by a job worker.
- Removal of difficulty order can be given for the period upto 5 years from 1<sup>st</sup> of July 2017 which was earlier 3 years.



- Retrospective exemption provided for CGST in respect of supply of fishmeal from the 1st July, 2017 to 30th September, 2019
- CGST 6% rate (12% in total) provided for supply of pulley, wheels and other parts and used as parts of agricultural machinery, during the period commencing from the 1st July, 2017 to 31st December, 2018
- Bar on refund of inverted duty on tobacco products is made with retrospective effect of 1<sup>st</sup> July 2017. Earlier this was with effect from 1<sup>st</sup> October 2019

**Summarized by CA Sudhir V S on behalf Team H&A**

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