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Issue 1

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IRIS GST wishes you a prosperous and hassle free Financial Year 2019-20. Happy Compliance to you.

In this issue, we'll be covering the highlights of the 34th GST Council which brought relief to real estate buyers in the long run. Our last newsletter covered overview of new Simplified GST Return. Although same has been deferred at the moment we continue the 2nd and last part of it that covers preparation and Amendments of new simplified GST Return forms as and when they come into effect.

The newsletter covers overview of IRIS Garnet along with the product updates to look forward to in the month of April.

*Regards,
Team IRIS GST*

IRIS GST TIMES



NEWSLETTER

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34th GST Council Meeting Updates- Real Estate

GST Council in the 34th meeting discussed the operational details for implementation of the recommendations made in the 33rd GST council meeting for lower effective GST rate for Real Estate. The council decided the modalities of the transition as follows.

1. Option in respect of ongoing projects

For a prescribed time, Ongoing projects can opt in to continue to pay tax at the old rates

2. New rate of 1% without (ITC) applicable on:

- All houses with an area 60 sqm in metros / 90 sqm in non- metros and value upto RS. 45 lakhs,
- Affordable houses being constructed in ongoing projects under the existing central and state housing schemes presently eligible for concessional rate of 8% GST.

3. New rate of 5% without ITC applicable on:

- All houses other than affordable houses in ongoing projects whether booked prior to or after 01.04.2019.
- Commercial apartments in RREP with carpet area below 15% of total carpet area of all apartments.

4. Conditions for the new tax rates

The new tax rates shall be available subject to following conditions-

- Input tax credit shall not be available,
- 80% of inputs and input services (other than capital goods, TDR/ JDA, FSI, long term lease (premiums) shall be purchased from registered persons.
- On shortfall of purchases from 80%, tax shall be paid by the builder @ 18% on RCM basis.
- Tax on cement purchased from unregistered person shall be paid @ 28% under RCM and on capital goods under RCM at applicable rates.

5. Transition for ongoing projects

Ongoing projects (buildings where construction and booking both had started before 01.04.2019) and have not been completed by 31.03.2019 opting for new tax rates shall transition the ITC as per the prescribed method.

6. Treatment of TDR/ FSI and Long term lease

Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer shall be exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them.

[To know more, read the article here.](#)

Simplified GST Return Forms, Deferred

The pilot project of Simplified GST Return forms that was to come into effect from April 1, 2019 has been deferred until further notice. Nevertheless, as the CBIC prepares the system, let us take our time preparing ourselves for the New GSTR Forms.

Simplified Returns Explained

Filing Restrictions

The taxpayer filing the return on a monthly basis will not be able to upload the details of documents from 18th to 20th of the month following the tax period.

Reverse Charge

Only the recipient shall be able to report the supplies attracting reverse charge in GST ANX-1 (Outward supplies). Such supplies shall be required to be reported GSTIN wise.

HSN CODE

HSN code shall be reported at least at six-digit level for both, the goods and the services.

POS Declaration

The taxpayer will have to report place of supply (POS) mandatorily for all supplies. For intra-State supplies, the POS will be the state under which the supplier is registered.

Negative Value Reporting

Supplies are reported as net of debit/credit notes, the values may become negative in some cases and the same may be reported as such.

Payment of tax

Liability declared in the return shall be discharged in full at the time of filing of the return by the supplier similar to how it is being done in the current return FORM, GSTR 3B.

Amending Simplified Returns

Supplier side Amendment –

The return system provides for all editing or amendments from the supplier's side only. The recipient will have the option to reset/unlock or reject a document but editing of or amendment to the same shall be made by the supplier only.

Editing of documents up to the 10th of the following month -

Details of the documents uploaded up to the 10th of the following month may be edited by the supplier up to the said date (10th day of the following month) only if such documents are not accepted by the recipient. If a document has already been accepted (up to the 10th) by the recipient, then such document has to be reset/unlocked by the recipient and only then, it can be edited by the supplier up to the 10th day of the following month.

Editing of documents after 10th of the following month

The details of the documents uploaded by the supplier up to the 10th day of the filing month or quarter will be auto-populated and made available to the recipient in FORM GST ANX-2 to accept, reject or to keep the document pending.

Shifting of Document

In certain situations, the particulars of the document may be correct but the document has been reported in the wrong table. Therefore, when the recipient rejects such documents, instead of amending the document, a facility of shifting such documents to the appropriate table will be provided.

[Read the complete article here.](#)

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Advance Rulings in February 2019.

TAMILNADU ADVANCE RULING

In the case of Dream Runners Foundation Advance ruling held that The conduct of Marathon event by the Applicant for the participants is a not an exempt supply under CGST/TNGST Act

Only those activities of Applicant, who is a Trust is under Sec 12AA of the Income Tax Act 7961, which fall under the definition of "charitable activities" as per Clause 2(r) of Notification 12/2017 Central Tax(Rate) dated 28th June 2017 and Notification No.II(2)/CTR/532(d-15)2017 vide G.O. (Ms) No. 73 dated 29.06.2017 are exempt.

Dream Runners Foundation is a Charitable Trust involved in charitable objects such as Health care, Rural Development, Women Empowerment, Education facility etc. As the Applicant is supplying taxable supply of services such as organizing marathon etc. and has aggregate turnover in a financial year exceeding twenty lakh rupees, the Applicant is required to be registered under CGST/TNGST Act.

The money collected from the participants for conduct of the Marathon in the event organized by the Applicant and therefore is not exempted from CGST/ SGST.

EWay Bill updates

Changes planned to track and minimize GST Evasion in India

India is eyeing several changes to the electronic-way bill system, ranging from auto calculation of distance for movement of goods to barring businesses from generating multiple e-way bills based on one invoice, as it cracks down on evasion in the goods and services tax (GST) framework.

E-way bill system will be enabled to auto calculate the distance for movement of goods based on the postal PIN codes of source and destination locations while allowing a variation of only 10%. That is if the system has displayed the distance between Place A and B, based on the PIN codes, as 655 kms; then the user will be able to enter the actual distance up to 720 KM (655KMs + 65KM), according to the new conditions.

The new rules envisage not allowing generation of multiple e-way bills based on one invoice by any party — consignor, consignee and transporter. That is, once e-way bill is generated with an invoice number, then none of the parties — consignor, consignee or transporter — can generate the e-Way bill with the same invoice number.

IRIS Topaz: A smart Way to Eway Bill management. Begin A Smooth and Speedy EWB Journey [here.](#)

IRIS Garnet: An Overview

Large businesses spread across multiple locations have multiple people working on their daily inward and outward supplies recording. Sometimes there is even change of resources due to people leaving jobs, or change in roles as people tend to stick to their ways of recording. And then there are multiple vendors who have their own way of capturing data. As invoice generation does not mandate capturing of particular item like invoice number, people tend to 'not capture such details

While this is acceptable in usual business, preparing your GST returns becomes difficult as GSTN mandates multiple fields and in specific format before upload of data. Keeping this in mind, IRIS Garnet was developed. IRIS Garnet helps you transform all your invoice details into a standard format capturing all the details as required by GSTN before uploading to IRIS Sapphire.

As of now, IRIS Garnet is an offline utility tool and supports .xls and .csv files. IRIS Garnet shall soon be available on cloud to automatically transforming user data into the required format.

Using IRIS Garnet

IRIS Garnet works on a 2-step process as given below:

Creating Rule File:

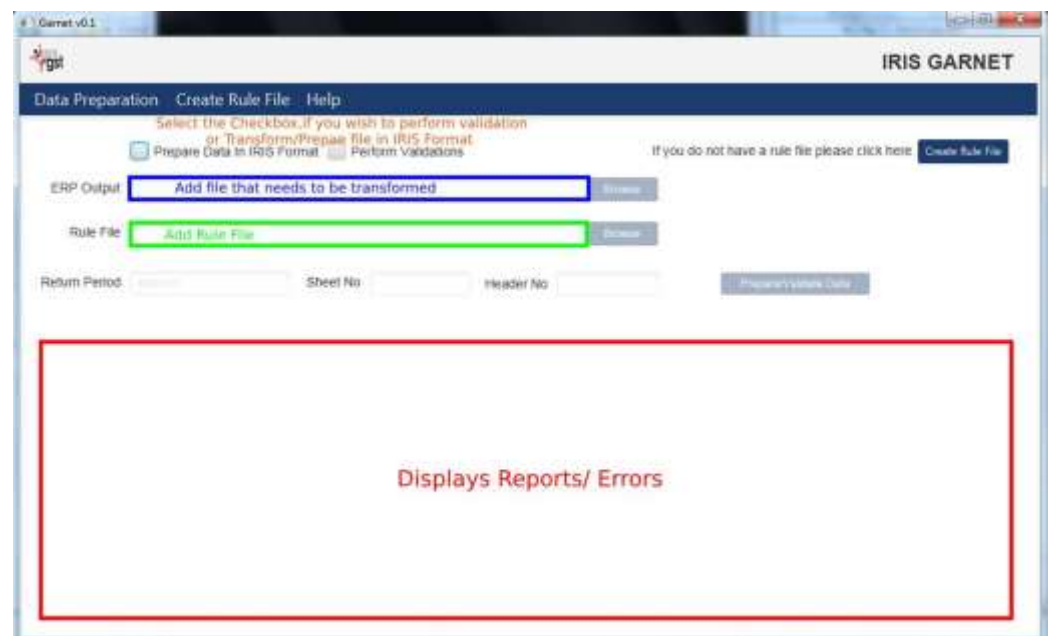
- Select Create Rule File Tab
- Add the files that needs to be transformed
- Enter the required sheet no and Row no.
- Chose applicable rules from the predefined rules
- Click on Generate.

P.S You can also add/edit rules manually and have IRIS Garnet validate it for you.

Transforming Files

- Select Data Generation tab
- Add the files that needs to be transformed
- Enter the required Sheet no and Row no.
- Add the Rule file
- And Click on transform

IRIS Garnet runs your file through 120+ validations as specified by GSTN such as POS, Tax Amount etc. as it transforms your file. This helps later to minimize errors while reconciliation.



Upcoming Due Dates

GSTR 7 – 10th April

GSTR 8 – 10th April

GSTR 1 - 11th April

GSTR 6 – 13th April

IRIS Sapphire is an application built with a highly scalable and secure architecture that aims to help you file your GST without any hassle. With built-in analytics and dashboards, IRIS Sapphire ensures that you stay compliant, while always having a pulse on the process. [Book your free demo today!!!](#)

Upcoming Product Updates in April

Team IRIS GST is working on the following features/updates to provide you with better, efficient and quicker GST experience.

IRIS Sapphire

Cross Amendment Reconciliation:

IRIS Sapphire will soon be able to provide cross amendment Reconciliation for its users.

With this feature, the user would be able to reconcile the data between CDN and CDNA and B2B and B2BA, thereby reducing the chances of any discrepancy in their returns.

B2CS Amendment:

With IRIS Sapphire, the user will soon be able directly make amendments for B2CS and Advances sections in GSTR 1. As of now, the user is required to visit the GSTN network to make any changes to their B2CS transactions.

Vendor Compliance Report:

Soon, the user will be able to check the compliance status and filing history of their vendors through IRIS Sapphire.

HSN Rate wise report for inward supply:

IRIS Sapphire will be incorporated with HSN wise report for inward supplies as required in GSTR-9. These reports will be generated using GSTR 2 uploaded data and can be used to auto populate HSN Summary Inward supplies in GSTR9.

IRIS Topaz

Eway Bill Scheduler:

In order to ensure the accuracy of the dashboard status and reminders notification, IRIS topaz shall soon be equipped with a scheduler. The Scheduler feature shall automatically refresh the data (once in a day) from the NIC network and provide you with live status of your Eway Bills.

Bulk Refresh:

Currently, IRIS Sapphire users are able to bulk refresh data on the GSTIN level. Team IRIS GST is working to provide the bulk refresh feature at Pan Level, thus adding swift

CONTACT US

Have feedback for us?

Want to request for our product demos?

Please reach out to us at



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GST Tax fraud caught in Vadodara

Officials of the Goods and Services Tax (GST) department caught a city-based company that was fraudulently claiming input tax credit worth crores. GST officials booked KSEG India International for wrongfully availing input tax credit to the tune of Rs 3.3 crores.

GST officials suspect that there may be more such firms issuing fake invoices to KSEG India International without supplying any goods.

GST department has booked several such companies and the top management for fraudulently availing input tax credit by showing invoices of fake firms.

How can you contribute to minimize tax evasion in the country?

1. Download the Peridot app.
2. Scan the GSTIN provided on the Invoice.
3. Check the Compliance status and Filing History.
4. Report any Non-Compliance
5. Make India a scam-free nation.

You can download IRIS Peridot from [Google Playstore](#) and [Apple Store](#).

