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Issue 1

Chief Editor  
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*In this issue, we'll be covering the highlights of the 36<sup>th</sup> GST council, held on 27<sup>th</sup> July, 2019. The issue also provides you with detailed explanation on how to fill Part IV and V of the annual return form GSTR 9. The issue also covers all the updates released in the month of July for IRIS Sapphire and IRIS Topaz.*

*The feature of the issue is IRIS Sapphire –GSTR 1 and EWB reconciliation.*

*Regards,  
Team IRIS GST*

# IRIS GST TIMES



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## 36th GST Council Meeting Highlights

The 36th GST Council Meeting was held on 27th July 2019 with the prime agenda being - reduction of GST rates applicable on Electric Vehicles. The meeting originally scheduled on 25th July 2019 had to be deferred to a later date as the Chairperson and Union Minister of Finance & Corporate Affairs, Nirmala Sitharaman, was pre-occupied with her duties in the parliament. The 36th GST council, convened over Video Conference, has recommended the follows:

- Reduction in the GST rate for EV Sector
- Extension to opt-in for Composition Scheme

### Boosting the EV sector in India

In an attempt to provide a boost to the eco-friendly alternative to the automotive industry, the GST council has recommended GST rate slashes for Electric Vehicle sector, as given below:

- The GST rate on all electric vehicles shall be reduced from 12% to 5%.
- The GST rate on charger or charging stations for Electric vehicles shall be reduced from 18% to 5%.

- Hiring of electric buses (of carrying capacity of more than 12 passengers) by local authorities shall be exempted from GST.

### GST updates for Composition Scheme

The GST council has extended the time period for a taxpayer to opt-in for composition scheme. The last date for filing of intimation in form CMP 02 has been shifted from 31st July 2019 to 30th September 2019. However, such extension is applicable only for the service providers notified under notification No. 2/2019-Central tax (rate) dated 07.03.2019 for a special Composition Scheme.

Furthermore, the due date for paying GST in CMP-08 (for the quarter April-June 2019) for all the composition dealers has been extended from July 31, 2019 to 31 August 2019. The extension shall provide both, the taxpayer as well as the GSTN, the much needed time to prepare for form CMP 08 (which is yet to be added on the GSTN portal).

To read our coverage on the previous Council Meet decisions, you may refer here:

- 35th GST Council Meeting
- 34th GST Council Meeting
- 33rd GST Council Meeting

## Trial Run for New GST Returns released on GSTN portal

Goods and Services Tax Network (GSTN) on July 30 released trial version of offline tools of GST forms related to supply of goods and services. The offline tools have been released for Annexure of supplies (GST ANX-1) and Annexure of Inward Supplies (GST ANX-2), GSTN, which is the IT backbone of the indirect tax regime.

These two forms would be part of the proposed GST Return filing system under wherein the taxpayer would have to file FORM GST RET-1 (Normal) / FORM GST RET-2 (Sahaj) / FORM GST RET-3 (Sugam) on either monthly or quarterly basis.

All the outward supplies will be detailed in GST ANX-1 while GST ANX-2 will contain details of inward supplies auto-populated mainly from the suppliers' GST ANX-1

It will also contain details auto-populated from Form GSTR-5 and Form GSTR-6..

The release included, " taxpayer will be required to take action on details of inward supplies contained in Form GST ANX-2 by accepting or rejecting the entries. The taxpayer can also keep the invoice pending by marking the entry accordingly,

## Part IV and Part V of GSTR 9 Explained

The annual return is divided into 6 parts, wherein Part I covers basic details, Part II is for outward supplies and Part III is important section covering ITC related reports in Table 6, Table 7 and Table 8. Let us dig into to the particulars of Part IV and V,

### Part IV – Actual tax paid during the FY.

#### For tax Payable and Tax Paid

Information required in this clause is of 'tax payable' and 'tax paid' (by cash or credit).

Table 6.1 of GSTR 3B is meant for collecting information and including it here. The Table also contains 'tax payable' and 'tax paid'. As regards 'tax payable', the same must be in alignment with taxable turnover in Sl.No. 4M of GSTR 9 and corresponding 'tax payable'.

#### For Interest Payable and Paid

For reporting the amount of interest under the given column, interest actually admitted and paid must be reported here. The details of interest actually paid under Section 50 can be captured from Table 5.1 of GSTR 3B filed for the financial year, if paid.

#### For Late Fees Payable and Paid

For reporting Late Fees duly paid during the period July 2017 to March 2018 for late filing of any of the GST Returns on which Late Fees was levied and paid by the Registered Person,.

#### For Penalty and Other Dues Payable and Paid

In GSTR 3B, there is no Table specified for payment of any Penalty or Other Dues.

However, under the law there can be instances where a person filing an Annual Return might have paid penalty due to various instances such as like for causing movement of goods in violation of provisions of Rule 138 or due to any order passed by proper officer etc.

[For detailed explanation, read the complete article here.](#)

### Part V - Particulars of the transactions for the FY 2017-18 declared in returns between April 2018 till March 2019, consisting of following tables:

- **Table 10: Supplies / tax declared through Amendments (+) (net of debit notes)**
- **Sl. No. 11: Supplies / tax reduced through Amendments (-) (net of credit notes)**
- **Sl. No. 12: Reversal of ITC availed during previous financial year**
- **Sl. No. 13: ITC availed for the previous financial year**
- **Sl. No. 14. Differential tax paid on account of declaration in 10 and 11 above**
- **For tax Payable**  
Similar to the details of the tax payable filed in Table 9 of Part IV, the details of tax payable to be reported in table 14 of GSTR 9, the net amount of tax reported in 10 and 11 should be considered.
- **For tax paid through Cash**  
In case, the amount of tax disclosed in 10 and 11 is positive or an increase in liability of tax and such tax has been also paid in GSTR 3B filed for months from April 2018 to March 2019, the amount of tax paid should be mentioned.
- **For Interest Payable and Paid**  
For reporting the amount of interest under the given column, the person filing an Annual Return needs to calculate the interest applicable under section 50 of the CGST Act.

[For detailed explanation, read the complete article here.](#)

## GST Treatment of Secondary Discounts or Post-Sales Discount

CBIC vide Circular No. 105/24/2019-GST dated June 28, 2019, has clarified that the treatment of tax in cases of secondary discounts or post-sales discount under GST regimes for the purpose of determination of the value of supply.

If post-sale discount is given by the manufacturer or wholesaler ("supplier of goods") to the dealer without any further obligation or action required at the dealer's end, then such discount will be related to the original supply of goods and not included in the value of supply subject to the fulfillment of provisions of Sub-Section (3) of Section 15 of the Central Goods and Services Tax, 2017 ("CGST Act")

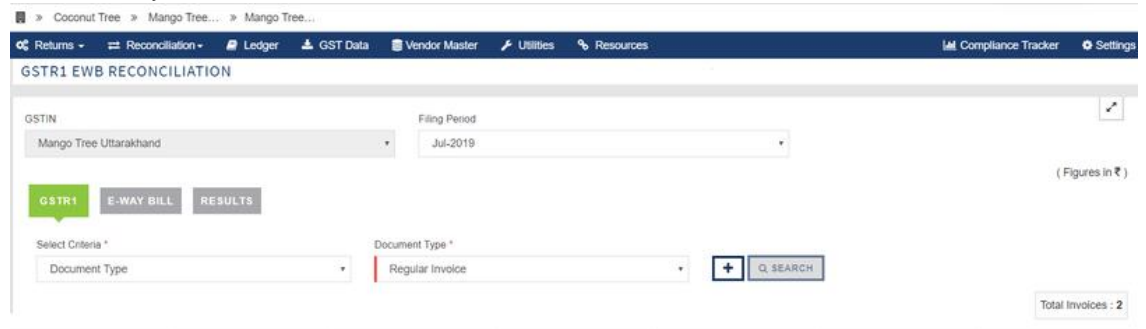
If the additional discount is given by the supplier of goods to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by the dealer to the customer.

The supplier of goods can issue financial/commercial credit notes in such cases but he will not be eligible to reduce his original tax liability.

[Read the complete article here](#)

## IRIS Sapphire: GSTR 1 and EWB Reconciliation

IRIS Sapphire now supports the reconciliation between your Eway bills and GSTR 1, as mandated by the GST council



Document Type	Inv / Note. No.	Inv / Note. Date	Inv. Type	Invoice Amount	CP GSTIN	CP Name
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With this feature, the user will be able to do reconciliation between documents uploaded for GSTR 1 against the document details for which E-way bills (EWB) have been generated.

The reconciliation results provide the user with the following details:

- Invoices found for which EWB generated and the same invoice considered for GSTR 1.
- EWB's not generated for some invoices which are uploaded in GSTR 1.
- Invoices missing in uploaded GSTR 1 data for which EWB generated.

Although, it should be noted that the reconciliation between GSTR 1 and EWB can be done only on GSTIN level, for a period of one month at a time.

### How to reconcile your GSTR 1 and EWB data with IRIS Sapphire:

So as a Sapphire user, who want to use this feature, needs to do one-time setup activity.

Let's see how to use this feature:

1. Once you uploaded your GSTR 1 data, go to the view tab

2. In the view tab, you will get the option of GSTR 1 EWB Recon. Now click on this button.
3. In GSTR 1 tab, here you will see the uploaded data for selected GSTIN and for selected period
4. In the second tab, you will get E-way bills. So here first you need to do some setup activity i.e. Adding IRIS as GSP on NIC portal and providing your NIC credential on IRIS Sapphire. So for the first time when you click on E-way bill tab, below window will get opened
5. Once this setup is done, here you can see an option to fetch E-way bills details. By default, for selected filing period, you can fetch details. For maximum 60 days, you can fetch E-way bills in one go. Once fetch request is completed on UI, you can see details of E-way bills. Now after fetching details click on "Reconcile" button to perform reconciliation. Once reconciliation request is completed go to the Results tab.
6. In the Results tab, firstly you can see the "Summary" of reconciled documents and in "Invoice Level" tab you can see the results invoice level-wise getting bifurcated between "Found", "EWB's Missing in GSTR 1" and "GSTR 1 missing in EWB".

IRIS Sapphire is an application built with a highly scalable, available and secure architecture that will help you to file with GST. With built-in analytics and dashboards, IRIS Sapphire will ensure that you stay compliant, while always having a pulse on the process. [Click here for free demo](#)

## Upcoming Due Dates

GSTR 7 – 10<sup>th</sup> Aug

GSTR 8 – 10<sup>th</sup> Aug

GSTR 1 – 11<sup>th</sup> Aug

GSTR 6 – 13<sup>th</sup> Aug

GSTR 3B – 20<sup>th</sup> Aug

CMP 08 – 31<sup>st</sup> Aug

**IRIS Topaz** offers you a 360° solution for all your E-way Bill Needs. A cloud-based tool, IRIS Topaz, provides you with the ability to manage all your tasks related to E-way Bill in an easy and automated way, on the go.

[Book your free demo today!!!](#)

## CONTACT US

Have feedback for us?

Want to request for our product demos?

Please reach out to us at



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## IRIS GST – Product Updates

Putting customer satisfaction at priority, every month our team at IRIS GST strive hard on to further simplify your GST journey. Thus, here are the product/feature updates for the month of July.

### IRIS Sapphire

#### GSTR 2P Summary

IRIS Sapphire now provides the user with a detailed break up of GSTR 2 data based on the data uploaded by the user.

#### Bulk Download

Similar to the bulk upload feature of IRIS Sapphire, users will be able to bulk download the details of the business errors in his uploaded data for more than one GSTIN. However, the download is restricted to data related to single form, period and section.

### IRIS Topaz

IRIS topaz is under a minor revamp, wherein the utilities of our Eway Bill managing tool can aid the supplier/consignor as well as the transporter. And for the same, the following 2 features has been added on our portal, to aide the transporters with their logistic process.

#### Assign to me

With IRIS Topaz's Assign to me feature, transporters can have the EWB assigned to them from the supplier or the consignor.

#### Consolidated EWB

If a transporter has multiple consignments allotted to him against multiple Eway bills, he can now consolidate all these Eway bills into one with IRIS Topaz.

## Valuation Rule for Pure Agents

According to the valuation rule, the expenditure or costs incurred by the supplier as a pure agent (contracted to the recipient of the supply of services) shall be excluded from the value of supply, if all of the following conditions are satisfied:

- The pure agent makes a payment to a third party, on behalf of the recipient, for procuring a supply when the contract for the supply of services procured is between the third party and the recipient;
- The recipient of the supply is the only user of the services procured by the pure agent from the third party;
- The recipient of the supply is liable to make payment to the third party;
- The recipient of the supply authorizes the pure agent to make payment on his behalf;
- The recipient of the supply knows that the third party provides the services (for which the pure agent has made payment);
- The payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the agent;
- The pure agent recovers from the recipient only such amount as has been paid by him to the third party; and
- The services procured by the pure agent from the third party are in addition to the supply/service he provides on his own.