



कालीन निर्यात संवर्धन परिषद्
CARPET EXPORT PROMOTION COUNCIL
(Set up by Ministry of Textiles, Govt. of India)

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SANJAY KUMAR

Executive Director-cum-Secretary

Ref: CEPC/HQ/ED-Corres/2019-20

Date: 03-04-2019

To,

All Members

Carpet Export Promotion Council

Subject: New changes in GST applicable from 01-04-2019

Dear Sir,

We would like to inform you that changes have been made in the GST which shall be applicable from April 1, 2019. In order to update our members, we are summarizing such changes as under:

1. Threshold limit to take registration has been increased to Rs. 40 lakhs

As per Section 23 of the CGST Act, every person is required to obtain the GST registration if his turnover from supply of goods or services exceeds Rs. 20 lakhs. This threshold limit has been increased to Rs. 40 lakhs only if supplier is engaged in supply of goods. Therefore, any person who is engaged in supply of goods and his total turnover in the current financial year does not exceed Rs. 40 lakhs, is not required to take registration under GST. This exemption from GST registration is subject to various conditions, inter alia, he is not making any Inter-State supply, he is not a non-resident taxable person, etc. This has been made applicable by Notification No. 10/2019 – Central Tax dated March 7, 2019 and this notification shall come into force from April 1, 2019.

2. Threshold Limit for composition scheme has been increased to Rs. 1.5 crores

The existing threshold limit on gross turnover in previous financial year to avail of the composition scheme has been increased from Rs. 1 crore to Rs. 1.5 crores. In respect of special category States (North-Eastern States), the threshold limit has been increased from Rs. 50 lakhs to Rs. 75 lakhs. Consequently, the taxable persons can substantially reduce their compliance burden as they would be required to file GST returns on quarterly basis instead of monthly basis. This benefit has been extended vide Notification No. 14/2019 – Central Tax dated March 7, 2019 and this notification shall come into force from April 1, 2019.

3. New Scheme is now available @ 6% to Intra-State Suppliers of Goods or Service

Wherein an Intra-State supplier can now pay GST at the rate of 6% (3% for Central and 3% for respective State) on first supplies of goods or services for Rs. 50 lakhs. With effect from April 1, 2019 the benefit of this scheme can be availed. This scheme shall be available only if the aggregate turnover of supplier does not exceed Rs. 50 lakhs during the previous financial year. This has been made effective vide Notification No. 02/2019 – Central Tax (Rate) dated March 7, 2019.

The benefit of this scheme shall not be available to service providers who are rendering services in multiple States or through e-commerce websites.

4. Due dates for filing of GSTR-1 and GSTR-3B have been announced

The due dates for filing of GSTR-1 and GSTR-3B for the months of April, May and June of 2019 have been notified, which shall be as follows:

a) In case of GSTR-1

If the turnover of registered person is up-to Rs. 1.50 crores for the months of April to June, 2019, he shall file his GSTR-1 on a quarterly basis and the due date shall be 31st July, 2019.

If the turnover of registered person exceeds Rs. 1.50 crores for the months of April to June, 2019, he shall file his GSTR-1 on a monthly basis and the due date shall be 11th of succeeding month.

b) In case of GSTR-3B

Form GSTR-3B shall be filed on a monthly basis by every tax payer who is required to file GSTR-3B and due date shall be 20th of the succeeding month.

This has been made effective vide Notification No. 11/2019, Notification No. 12/2019, and Notification No. 13/2019- Central Tax dated March 7, 2019.

5. Option to opt for Composition Scheme

The registered person who wants to opt for payment of tax under Composition Scheme for the F.Y. 2019-20 shall file an intimation, duly signed and verified, on the GST common portal, latest March 31, 2019.

6. Last chance to avail Input Tax Credit relating to F.Y. 2017-18:

The registered person can avail input tax credit of GST paid from July, 2017 to March, 2018, latest by the due date of furnishing the return for the month of March, 2019 i.e. by April 20, 2019. Legal wording can also be referred to removal of difficulty order no. 2/2018 dated 31.12.2018.

7. Availing benefit of reduced GST Rates by real estate developers or builders:

The GST Council in its 33rd and 34th meeting had recommended the GST rate of 1% in case of affordable houses and 5% in other cases, without input tax credit. The promoters shall be given an one-time option to continue to pay tax at the old rates (i.e., at 8% or 12% with ITC) on ongoing projects (if construction and actual booking have started before 01-04-2019) which have not been completed by March 31, 2019. The option shall be exercised once within a prescribed time frame and where the option is not exercised within the prescribed time limit, new rates shall apply.

8. Due date to file Form ITC-04 for Goods sent to Job-worker:

The last date to furnish a declaration in Form GST ITC-04 in respect of goods dispatched to the job-worker or received from a job-worker during the period from July, 2017 to December, 2018 is March 31, 2019 vide Notification No.-78/2018-Central Tax dated December 31, 2018.

9. Benefits related to Specific Industry:

- a) Money changer (Forex Dealer); or
- b) Air travel agent; or
- c) Dealer of second-hand goods opting for 'Margin Scheme'; or
- d) Taxpayer engaged in Life insurance business have been given the option to determine the value of such supply as per rule 32 of the CGST Rules, 2017. It is suggested that the above mentioned eligible

registered persons intended to determine the value of their supplies as per the valuation rules can exercise the option at the beginning of the Financial Year that is on or before April 1, 2019.

10. Availing Input tax credit by Banks, Financial Institutions or NBFC:

Banks or financial institution or NBFC have been given an option to avail 50% of the eligible Input tax credit on inputs, capital goods and input services. This option to be exercised at the beginning of the F.Y. that is on or before April 1, 2019 as the option once exercised cannot be withdrawn during the remaining part of the financial year.

11. The following GST Acts have been amended applicable from February 1, 2019

- a) CGST (Amendment) Act, 2018
- b) IGST (Amendment) Act, 2018
- c) UTGST (Amendment) Act, 2018
- d) GST (Compensation to States) Amendment Act, 2018

Some of the Major changes are as follows:

- a) Manner of utilization of ITC has been amended by inserting Section 49A in CGST Act. Now the credit of IGST needs to be utilized first fully for the payment of IGST, CGST, SGST and UTGST respectively.
- b) Section 9(4) relating to reverse charge applicability on purchases made by registered person from unregistered person is replaced and now it applies to specific class.
- c) Now only e-commerce operators who are required to collect tax at source under Section 52 of the CGST Act, 2017 are mandatorily required to obtain GST registration.
- d) Composition dealers as per section 10 of CGST Act, 2017 are allowed to supply services to the extent higher of 10% of the turnover in the preceding financial year or Rs. 5 lakhs.
- e) Multiple GST registrations within same state for each place of business has been allowed. The concept of business vertical is done away with.
- f) Issue of consolidated debit/credit note is allowed in respect of multiple invoices issued in a financial year rather than single debit/credit note in respect of each invoice.
- g) The receipt of payment in Indian rupees which is permitted by Reserve Bank of India for services exported out of India, will be covered in the definition of 'export of services' as per the IGST Act, 2017.

The above are for your kind information please.

Please feel free to contact us any time for further clarifications.

Thanking You

Sanjay Kumar
Executive Director