

## **GOODS & SERVICES TAX / IDT UPDATE – 59**

### **GST**

#### **Form GSTR-9C notified**

The Central Government vide *Notification No. 49 /2018 –CT dated 13<sup>th</sup> September, 2018* has notified Part A- FORM GSTR-9C - Reconciliation Statement and Part B-Certificate” to be certified by the Chartered Accountants, which is applicable in case of taxable person whose aggregate turnover during a financial year exceeds Rs. 2 crore. It is required to be submitted on or before 31<sup>st</sup> Dec, 2018.

#### **TD/TCS provisions effective from 1st October, 2018**

The Central Government vide *Notification No. 50 /2018 –CT dated 13<sup>th</sup> September, 2018* has notified 1<sup>st</sup> October, 2018, as the date on which the provisions of section 51 (Tax deducted at source) will be effective with respect to a department of central/state Government, local authority, governmental agencies and notified persons as specified below:

- a) an authority or a board or any other body, -
  - (i) set up by an Act of Parliament or a State Legislature; or
  - (ii) established by any Government,with fifty-one per cent or more participation by way of equity or control, to carry out any function;
- b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- c) Public sector undertakings.

Therefore, w.e.f 1<sup>st</sup> Oct, 2018, above notified persons are required to deduct TDS @1% each in case of intra state and 2% in case of interstate supply for total value of supply exceeding Rs. 2.5 Lacs under a contract and the amount so collected shall be paid to the Government by the deductor within 10 days after the end of the month in which such deduction is made.

*Comments: TDS deposited will flow from Electronic Cash Ledger of Deductor to the Electronic Cash Ledger of the deductee by the process of GSTR-7 returns. Deductor will not need to be registered in every State but will be able to pass the amount deducted as CGST-SGST or as IGST into any State where the deductee is supplying from. The working of this form of flow of amount in GSTN will be very interesting to note.*

*[Notification No. 50 /2018 –CT dated 13<sup>th</sup> September, 2018 ]*

Also, the Central Government vide *Notification No.51/2018 –CT dated 13<sup>th</sup> September, 2018;* *Notification No. 52/2018 – CT dated 20<sup>th</sup> September, 2018* has notified that w.e.f 1<sup>st</sup> Oct, 2018 an e-commerce operator is required to collect TCS @ ½% each (CGST /SGST) of the net

value of intra-State taxable supplies and 1% IGST of the net value of interstate taxable supplies, made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator and the amount so collected shall be paid to the Government by the operator within 10 days after the end of the month in which such collection is made.

*Comments: TCS will not apply to 'own website' sales. There are websites that are merely 'information portals' and which do not handle the consideration flowing from Customer to Supplier. Registration is mandatory to those eCommerce Operators to whom TCS applies. But, it is not another kind of registration for TCS purposes, in case they are already registered for other purposes. Only requirement is that the benefit of threshold cannot be availed by eCommerce Operators and Suppliers supplying through such eCommerce Operators.*

[[Notification No.51/2018 –CT dated 13<sup>th</sup> September, 2018](#); [Notification No. 52/2018 – CT dated 20<sup>th</sup> September, 2018](#)]

#### **Levy of GST on Priority Sector Lending Certificates (PSLC)**

The Central Government vide [Circular No.62/36/2018 –GST dated 12<sup>th</sup> September, 2018](#) has clarified that GST on PSLCs for the period 1.7.2017 to 27.05.2018 will be paid by the seller bank on forward charge basis and GST rate of 12% will be applicable on such supply.

[[Circular No.62/36/2018 –GST dated 12<sup>th</sup> September, 2018](#)]

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