



Week of 27th May, 2019

## **PROPOSED CHANGES AND INDUSTRY ISSUES**

### **GST on post-supply discounts**

The GST authorities have taken a view that the post-supply discounts are in the nature of price for services rendered by distributors/ retailers as against the view that the discounted payment is the full payment between the parties and credit to the extent of tax actually paid by the recipient should be available. In this regard, clarification is expected from the government with respect to the GST applicability on post-supply discounts offered by suppliers and eligibility to claim input tax credit (ITC) thereof.

### **Compliance with GSTR 9**

The GST annual return under GSTR 9 is to be filled by the tax payers for financial year 2017-2018 by 30th June, 2019. As per media reports, the businesses must begin with the preparation of filing GSTR 9 without any delay as the filing of GSTR-9 requires thousands of line items of data to be thoroughly reviewed and reconciled by understanding the causes of differences between the books of accounts and GSTR.

### **Anti Profiteering under GST**

As per the anti profiteering provisions, the benefit of the reduced tax rate is required to be passed on to the consumers. The government has during the course of GST regime, conducted investigations and passed orders against businesses which have not passed on the benefit. However, as per media reports and experts, there is a need for clarity on the method to be adopted for computing the benefit.

### **GST portal**

The implementation of GST provisions by all the tax payers goes through the GSTN web portal. However, it is observed that some of the provisions of the GST law are yet not incorporated in the GSTN portal which makes it difficult for the taxpayers to comply with the law. Such issues include the issue of single credit note against multiple invoices and reporting of negative balances in GSTR 3B return for outward supplies. As per media reports, the government is required to bring in its immediate attention to such issues in order to handle the incapacity faced by the taxpayers.

### **Glossary**

**GST – Goods and Services Tax**

**GSTR – Goods and Services Tax Return**

**GSTN – Goods and Services Tax Network**

## **DISCLAIMER**

This update has been written for the general interest of our clients and professional colleagues by the **GSTUpdateTeam@ALMT** and is subject to change. This update is not to be construed as any form of solicitation. It is not intended to be exhaustive or a substitute for legal advice. We cannot assume legal liability for any errors or omissions. Specific advice must be sought before taking any action pursuant to this update. For further clarification and details on the above, you may write to the [GSTUpdateTeam](#) comprising of Statira Ranina (Partner) at [sranina@almtlegal.com](mailto:sranina@almtlegal.com) and Priyanka Jain (Associate) at [priyankaj@almtlegal.com](mailto:priyankaj@almtlegal.com). If you would like to unsubscribe from this weekly update please send an e-mail to us at the above address with the subject unsubscribe.