

GST check: Multiplexes must sell only e-tickets

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New Delhi:

The government on Friday made it mandatory for multiplexes to shift to electronic ticketing system to check possible goods and services tax (GST) evasion.

The order brings down the curtain on coloured tickets that a few cine complexes were still issuing.

Registered multiplexes will be required to issue a tax invoice electronically, and for this purpose the electronic ticket issued by them shall be deemed to be a tax invoice, government officials said.

With most multiplexes led by PVR, the largest player, having already implemented electronic ticketing, tax consultants said that the move was more symbolic, with many viewing it as a precursor to extending the mandate to singlescreen theatres in the coming months.

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- > Electronic ticket issued by registered multiplexes shall be deemed to be a tax invoice
- > This will probably be extended to single-screen theatres, say tax consultants
- > B2C transactions are viewed as a leakage point since cash is often paid and transactions not fully recorded, resulting in tax evasion
- > Deadline for filing annual GST returns extended by two months to August 2019

Council defers deadline to file GST returns to Aug

With the GST council's decision, multiplexes are also seen to have become the test case for electronic invoices for B2C (business-to-consumer) businesses, something that was required only for businessto-business (B2B) transactions so far. "The proposed e-invoicing by multiplexes possibly marks the beginning of a mandatory e-invoicing system for B2C transactions. This could possibly be extended in future to other B2C transactions in order to have a complete e-trail of the value chain," said Deloitte India partner M S Mani.

Tax experts view B2C transactions as a leakage point since cash is often paid and transactions are not fully recorded, resulting in tax evasion and generation of black money. The focus on plugging evasion also saw the Centre and states discuss ways to crack down on fake

invoices.

During the first meeting chaired by finance minister Nirmala Sitharaman, the GST council also decided to implement e-invoices for B2B transactions in the coming months to make it easier to file returns and help generate e-way bills for transporting goods of over Rs 50,000 in a motorised vehicle. "While this system could initially be implemented for the B2B segment only, but with e-ticketing for multi-screen cinema halls, a similar mechanism is also proposed for the B2C segment. If this experiment turns out to be successful, one could see this mechanism getting extended to other B2C segments as well," said Pratik Jain, partner & leader of indirect tax practice at PwC India.

But the council deferred the deadline for filing annual GST returns by two months to August 2019. Further, it opted to move to a new monthly return filing system from January in a phased manner. At the same time, the government decided to extend the tenure of the National Anti-Profiteering Authority by another two years apart from tightening rules to mandate a penalty of 10% on the profiteered amount if the money is not deposited within 30 days of the order being issued.