

GST Alert

An e-newsletter from

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GST ALERT DATED 30.03.2018
SUMMARY OF IMPORTANT DECISIONS, GST NOTIFICATIONS, ORDERS &
CIRCULARS IN MARCH 2018

Extension of Due Dates

- (i) The period for furnishing the statement in **Form GST TRAN-2** has been extended till the **30th day of June 2018** vide Order No.1/2018 dated 28.03.2018.
- (ii) In terms of Notification No.18/2018-CT, the time limit for furnishing details of outward supply in **Form GSTR-1** for registered persons having aggregate turnover more than 1.5 crores in the preceding financial year or the current financial year has been extended in the following manner:

Sl. No.	Month	Last date for filing
1.	April, 2018	31 st May, 2018
2.	May, 2018	10 th June, 2018
3.	June, 2018	10 th July, 2018

- (iii) Registered persons having aggregate turnover upto 1.5 crores in the preceding financial year or current financial year shall furnish details of outward supply in **Form GSTR-1** effected during the quarter April to June 2018 till **31st day of July 2018**.
- (iv) Time limit for furnishing return by an input service distributor (ISD) in **Form GSTR-6** for the months of July 2017 to April 2018 has been extended till the **31st day of May 2018**.
- (v) Time limit for specialized agencies of UNO, Consulates, Embassies, etc. as specified for claiming refund of taxes paid on notified supplies has been extended and accordingly application for refund must be made to the jurisdictional tax authority in such form and manner as specified before the expiry of **18 months** from the last date of the quarter in which such supply was received.

Form GSTR - 3B

In terms of Notification No. 16/2018 - CT dated 23.03.2018, Form GSTR - 3B should be furnished electronically on or before the last date specified in the table:

Sl. No.	Month	Last date for filing
1.	April, 2018	20 th May, 2018
2.	May, 2018	20 th June, 2018
3.	June, 2018	20 th July, 2018

The Notification also provides that subject to Section 49, the registered person furnishing the return should discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act by debiting the electronic cash ledger or electronic credit ledger *not later than the last date specified in the table.*

Reverse Charge Mechanism - Taxable supplies from unregistered supplier to a registered recipient

The RCM under Section 9(4) of the CGST Act was kept in abeyance vide Notification No.38/2017 upto 31.03.2018. The provisions continue to be kept in abeyance till **30.06.2018** vide Notification No.10/2018 - CT (R).

The RCM under Section 5(4) of the IGST Act was kept in abeyance vide Notification No.32/2017 upto 31.03.2018. The provisions continue to be kept in abeyance till **30.06.2018** vide Notification No.11/2018 - IT (R).

E Way Bill - Effective date

Notification No.15/2018 - CT has appointed the **1st day of April 2018** as the date on which the Rules pertaining to E-Way Bill shall come into force.

The **Government of Tamil Nadu** vide Notification No. Rc.46/2018/Taxation/A1 dated 28.03.2018 has declared that *no E-Way Bill is required to be generated for intra-State movement within the State of Tamil Nadu.*

Similar Notifications have been issued by the Government of Puducherry, West Bengal, Tripura, Madhya Pradesh, Assam and Gujarat providing that E Way Bill is not required for intra-State movement.

Customs Notifications

- (i) Notification No.33/2018 - Cus. dated 23.03.2018, seeks to extend exemption from IGST and compensation cess to EOUs on imports till **01.10.2018**.
- (ii) Notification No. 35/2018 - Cus. dated 28.03.2018, seeks to amend various Customs exemption Notifications to exempt integrated tax & GST compensation cess on import of goods under Advance Authorisation/ EPCG Schemes till **01.10.2018**.

Exports - CBEC Circular dated 15.03.2018

- (i) A supplier shall be eligible for refund of unutilised input tax credit of central tax/ state tax/ UT tax/ integrated tax/ compensation cess even if the supplier is availing drawback only with respect of basic customs duty.
- (ii) Refund of credit on account of state tax shall be available even if the supplier of goods or services or both has availed drawback in respect of central tax.
- (iii) Errors can be rectified through Table 9 of Form GSTR-1.
- (iv) Zero rating cannot be denied where export has been made. Delay in furnishing LUT may be condoned and facility for LUT may be allowed *ex-post facto basis* taking into account the facts and circumstances of each case.
- (v) There can be only one deficiency memo for one refund application and once such a memo is issued, the applicant is required to file fresh refund application manually.
- (vi) Self declaration for non-prosecution cannot be sought for every refund claim since the requirement is already satisfied in the case of exports under LUT.
- (vii) Transitional credit cannot be said to have been availed during relevant period and thus cannot be treated as part of net ITC.
- (viii) During processing of refund claim, invoice value and corresponding shipping bill value should be examined and the lower of the two should be sanctioned as refund.

- (ix) Exporter at his option may file refund claim for one calendar month / quarter or by clubbing successive calendar months/ quarters. The calendar month (s)/ quarter (s) for which refund claim has been filed, however, cannot spread across different financial years.
- (x) Proof for realization of export proceeds for processing refund claims related to export of goods has not been envisaged under law and should not be insisted upon.
- (xi) Exporter is eligible to take credit of the 0.05% / 0.1% tax paid in the capacity as merchant exporter. The exporter can export the goods only under LUT/ bond and cannot export on payment of integrated tax.
- (xii) As the refund claims are being filed by the recipient in a semi-electronic environment and is completely based on the information provided, it is necessary that invoices are scrutinized. A list of documents has been specified and no other documents should be called for from the tax payers.

Job Work

- (i) Rule 45 of the CGST Rules has been amended whereby in case goods are sent from one job worker to another job worker, the challan may be issued either by the principal or by the job worker sending the goods to another job worker. The challan issued by the principal may be endorsed by the job worker indicating therein the quantity and description of goods where the goods are sent by one job worker to another or are returned to the principal. The challan endorsed by the job worker may be further endorsed by another job worker indicating quantity, description of goods where the goods are sent by one job worker to another or are returned to the principal.
- (ii) The CBEC vide Circular No.38 dated 26.03.2018 has issued certain clarifications on issues related to job work and some parts of the Circular are given below:
 - Job Worker is expected to work on the goods sent by the principal and whether the activity is job work or not would have to be determined based on the facts of each case. *Job worker in addition to the goods received from the principal can use his own goods for providing the service of job work.*

- Job worker is required to obtain registration only in cases where his aggregate turnover exceeds the threshold limit.
- Value of moulds, dies, fixtures or tools may not be included in the job work services, provided, its value has been factored in the price for the supply of such services by the job worker.

Madras High Court - Inclusion of petrol and diesel in GST - GST Council

A Writ Petition was filed before the Madras High Court as a PIL seeking a direction for inclusion of petrol and diesel in GST. The Division Bench of the Madras High Court in the case of *K.K.Ramesh Vs. Union of India (2018) TIOL 20 - HC - MAD - GST* has held that a direction under Article 226 cannot be issued for the reason that it is for the GST Council to take a call in that aspect. The Court also observed that the GST Council is having representations of the State Government also and therefore their views have also to be elicited before the Council takes a call as to bring petrol and diesel within the ambit of GST. Government also has the power to issue exemption on the recommendations of the Council. Hence it is the prerogative of the Central Government to take a call on the basis of the recommendation of the GST Council.

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