



Highlights of decisions taken by the GST Council in its 26th Meeting

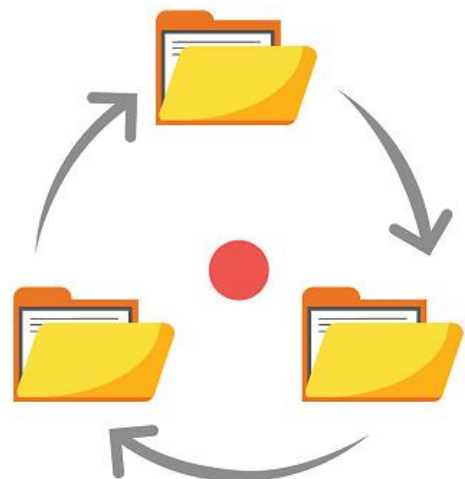
The GST Council in its 26th Meeting on 10th March 2018 held at New Delhi recommended significant facilitative changes in order to provide relief to the taxpayers including exporters.

Relief to Exporters:

- The Council has decided to extend the available tax exemptions on imported goods for further 6 months beyond 31st March 2018. Hence exporters presently availing various export promotion schemes can continue to avail such exemptions on their imports up to 1st October 2018.
- The Council reviewed the progress in grant of refunds to exports of both IGST and Input Tax Credit and directed Goods and Services Tax Network (GSTN) to expeditiously forward the balance refund claims to the Customs / GST authorities for their immediate sanction and disbursal.
- Implementation of e-Wallet scheme has been deferred up to 1st October 2018. The e-Wallet scheme is essentially creation of an electronic wallet, which would be credited with virtual currency by the Director General of Foreign Trade (DGFT) to be used by the exporters to discharge their GST liability on the goods imported / procured by them so that their funds are not blocked.
- In order to facilitate the exporters experiencing difficulties of blockage of working capital due to upfront payment of GST on the inputs imported / procured for purposes of exports, an interim solution was arrived at by re-introducing the pre-GST tax exemptions on such imports in the GST Council meeting held on 6th October 2017.
- Further, merchant exporters were required to pay GST @ 0.1% on their procured goods. Also, domestic procurement made under Advance Authorization, Export Promotion Capital Goods (EPCG) and Export Oriented Units (EOU) schemes were recognized as 'deemed exports' with flexibility for either the suppliers or the exporters being able to claim a refund of GST paid thereon. All these reliefs available up to 31st March 2018 has now been further extended till 1st October 2018.

Policy Changes:

- Current system of filing GST returns i.e. GSTR 3B and GSTR 1 to be extended for further three months i.e. April to June, 2018. A new model was discussed extensively by the Council and a Group of Ministers on IT has been tasked to finalize the same.
- GST liability on Reverse Charge Mechanism (RCM) basis on inward supplies from unregistered suppliers has been deferred till 30th June 2018. In the meantime, a Group of Ministers will look into the way for its implementation to ensure that trade and industry faces no discomfort.
- The provisions for Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) shall remain suspended till 30th June 2018. Meanwhile, the modalities of linking State and Central Governments accounting system with GSTN will be worked out so that seamless credit is available to the registered traders whose tax is deducted or collected at source.
- GST Implementation Committee (GIC) has been tasked to remedy the grievances caused to the taxpayers arising out of IT glitches.



E- Way Bill:

- The Council has recommended implementation of e-way bill for inter-State movement of goods across the country from 1st April 2018. For intra-State movement of goods, e-way bill system will be introduced in a phased manner but not later than 1st June 2018.
- E-way bill is required to be generated only where the value of the consignment, excluding the value of exempted goods, exceeds Rs. 50,000/-. For smaller value consignments, no e-way bill is required.
- There is no requirement to generate e-way bill where an individual consignment value is less than Rs. 50,000/-, even if the transporter is carrying goods of more than Rs. 50,000/- in a single conveyance.
- Public conveyance has been included as a mode of transport and consignor or consignee will be responsible of generating e-way bill in case of movement of goods by public transport.
- Railways has been exempted from generation and carrying of e-way bill with the condition that railways will not deliver the goods to the recipient without the production of e-way bill. However, railways are required to carry invoice or delivery challan etc.
- Time period for the recipient to communicate his acceptance or rejection of the consignment would be the validity period of the concerned e-way bill or 72 hours, whichever is earlier.



E- Way Bill:

- Movement of goods from the place of consignor to the place of transporter up to a distance of 50 km does not require filling of PART-B of e-way bill. They have to generate only PART-A of e-way bill.
- Consignor can authorize the transporter, courier agency and e-commerce operator to fill PART-A of e-way bill on his behalf.
- If the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period in case of transshipment or in case of circumstances of an exceptional nature.
- Validity of one day will expire at midnight of the day immediately following the date of generation of e-way bill.
- A conveyance, once verified by any tax officer, will not be subject to a second check in any State or Union territory, unless, specific information for the same is received.
- In case of movement of goods by railways, airways and waterways, the e-way bill can be generated even after commencement of movement of goods.
- Movement of goods on account of 'Bill-To' 'Ship-To' supply will be handled through the capturing of place of dispatch in PART-A of e-way bill.



Observation of Data Analyzed:

- The observations of preliminary data analysis done by Central Board of Excise and Customs and GSTN are as below:
 - There are differences between the amount of IGST & Compensation Cess paid by importers and input tax credit of the same claimed in GSTR-3B.
 - There is variance between self-declared liability in FORM GSTR-1 and FORM GSTR-3B.

As per press release, these information may be further analysed and adequate action may be initiated accordingly.

Please [click here](#) to read Press Release on the relief provided to exporters by the GST Council

Please [click here](#) for the Press Release on policy changes made by the GST Council

Please [click here](#) for the Press Release on recommendations made by the GST Council for implementation of e-way bill

Please [click here](#) for the Press Release on data analysis made by the GST Council



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