

<b>From</b>	<b>Karvy Data Management Services Ltd.</b>
<b>Date</b>	<b>March 12, 2018</b>
<b>Subject</b>	<b>Outcome of the 26<sup>th</sup> Meeting of GST Council held on 10<sup>th</sup> March 2018</b>
<b>Category</b>	<b>Press Release</b>
<b>Reference</b>	<b>Press Release Note dated 10<sup>th</sup> March 2018 – PIB, Govt. of India</b>
<b>Series</b>	<b>Karvy/GST/52</b>

The GST Council Meeting met on 10<sup>th</sup> of March 2018 at New Delhi. It was expected that the Council would roll out measure for Return Simplification and some clarity on E-Way Bill. The GST Council meeting outcome can be summarized under following heads –

1. Extension of tax exemptions for exporters for 6 months
2. Recommendations for E-Way Bill Implementations
3. Recommendations for return filing and other processes
4. Recommendations regarding Data Analytics

The recommendations have been summarised in below sections -

Sl. No.	26th GST Council Meeting - Decision Heading	Description of the Outcome
1	<b>Extension of tax exemptions for exporters for 6 months</b>	In its meeting held on 6th Oct 2017, the GST Council had noted that exporters are experiencing difficulties of cash blockage on account of having to upfront pay GST / IGST on the inputs, raw materials etc. / finished goods imported / procured for purposes of exports
<b>Benefits being extended to exporters post GST Council meeting on 6th Oct 2017</b>		
<ul style="list-style-type: none"> <li>• An interim solution was found by re-introducing the pre-GST tax exemptions on such imports</li> <li>• Additionally, for merchant exporters a special scheme of payment of GST @ 0.1% on their procured goods was introduced</li> <li>• Also, domestic procurement made under Advance Authorization, EPCG and EOU schemes were recognized as 'deemed exports' with flexibility for either the suppliers or the exporters being able to claim a refund of GST / IGST paid thereon.</li> <li>• All these avenues were made available upto 31.03.2018</li> </ul>		

**Existing benefits further extended to exporters till 1st Oct 2018**

- The permanent solution agreed to by the GST Council was to introduce an e-Wallet scheme w.e.f. 1st April 2018
- The Council was also unanimous that there should be no disruption that may affect the exports. Accordingly, the GST Council agreed to:
  - (a) Defer the implementation of the e-Wallet scheme by 6 months i.e., upto 1st Oct 2018; and
  - (b) Extend the present dispensation in terms of exemptions etc. which is available up to 31.03.2018, for a further 6 months i.e. upto 1st Oct 2018

Sl. No.	26th GST Council Meeting - Decision Heading	Description of the Outcome
2	<b>Recommendations for E-Way Bill Implementations</b>	<ul style="list-style-type: none"> <li>• Notification No. 12/2018-Central Tax dated 7th March 2018 was issued notifying major amendment to the E-Way Bill Rules</li> <li>• The GST Council in its meeting dated 10th March 2018, has recommended the introduction of e-way bill for inter-State movement of goods across the country from 1st April 2018.</li> <li>• For intra-State movement of goods, e-way bill system will be introduced w.e.f. a date to be announced in a phased manner but not later than 1st June, 2018</li> </ul>

**Major highlights of the council meeting recommendations on further improvement over the last set of E-Way Bill Rules:**

- The provisions of sub-rule (7) of Rule 138 will be notified from a later date. Therefore, at present 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.
- Railways has been exempted from generation and carrying of e-way bill with the condition that without the production of e-way bill, railways will not deliver the goods to the recipient. But 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
- In case of movement of goods on account of job-work, the registered job worker can also generate e-way bill
- Movement of goods from the place of consignor to the place of transporter up to a distance of 50 Km [increased from 10 km] does not require filling of PART-B of e-way bill. They have to generate 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
- Extra validity period has been provided for Over Dimensional Cargo (ODC)
- Validity of one day will expire at midnight of the day immediately following the date of generation of e-way bill
- 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 despatch in PART-A of e-way bill
- Value of exempted goods has been excluded from value of the consignment, for the purpose of e-way bill generation
- 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
- Once verified by any tax officer, the same conveyance will not be subject to a second check in any State or Union territory, unless and until, specific information for the same is received.

Sl. No.	26th GST Council Meeting - Decision Heading	Description of the Outcome
3	<b>Recommendations for Return Filing System, Reverse Charge Mechanism and other processes</b>	<b>(a) Return Filing System</b> - The present system of filing of GSTR 3B and GSTR 1 is extended for another three months i.e., April 2018 to June, 2018 till the new return system is finalized. A new model was discussed extensively by the GST Council Meeting and Group of Ministers on IT has been tasked to finalize the same. The Council could not arrive at a conclusion for return simplification process
		<b>(b) Reverse Charge Mechanism</b> - The liability to pay tax on reverse charge basis has been deferred till 30th June 2018. The Council informed that, a Group of Ministers will look into the modalities of its implementation to ensure that no inconvenience is caused to the trade and industry.
		<b>(c) TDS/TCS</b> - The provisions for deduction of tax at source (TDS) under section 51 and collection of tax at source (TCS) under section 52 of the CGST Act shall remain suspended till 30th June 2018. Earlier the same was suspended till 31st March 2018
		<b>(d) Grievance Redressal Mechanism</b> - GST implementation Committee (GIC) has been tasked with the work of redressing the grievances caused to the taxpayers arising out of IT glitches
4	<b>Recommendations regarding Data Analytics</b>	<ul style="list-style-type: none"> <li>• The GST Council was apprised of the fact that CBEC and GSTN have started detailed data analytics across a number of data sets available with them</li> </ul> <p><b>The outcome of preliminary data analysis has revealed following insights:</b></p>
		(a) It has emerged that there is variance between the amounts of IGST & Compensation Cess paid by importers at Customs ports and input tax credit of the same claimed in GSTR-3B.
		(b) There are major data gaps between self-declared liability in FORM GSTR-1 and FORM GSTR-3B.

Link to access to the Press Releases as under –

1. Extension of tax exemptions for exporters for 6 months - <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1523716>

2. Recommendations for E-Way Bill Implementations – <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1523716>
  3. Recommendations for Return Filing System, Reverse Charge Mechanism and other processes-  
<http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1523716>
  4. Recommendations regarding Data Analytics - <http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1523716>
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In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi and Kolkata. For more information about KDMSL service offerings, visit [www.karvygst.com](http://www.karvygst.com)

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