

Dear Members,

The 31st GST Council Meeting was held at New Delhi on 22nd December 2018. In the GST Council Meeting, various important decisions pertaining to GST return filing and GST rates were undertaken but no changes in rate of tax in textile article. We look at the highlights of the 31st GST Council Meeting.

### **No Late Fee for GSTR-1 & GSTR-3B Return:**

The biggest relief extended to small business by the 31st GST Council is the waiver of late fee for filing GSTR-1 and GSTR-3B return. The GST Council has announced:

“Late fee shall be completely waived for all taxpayers in case **FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4** for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019.”

Thus, filing of Form GSTR-1, GSTR-3B and GSTR-4 will not attract any late fee penalty until 31st March 2019.

### **GST Annual Return Due Date Extended:**

All entities having GST registration are required to file GST annual return in form GSTR-9. The due date for filing GST annual return is usually 31st December of each year for the financial year ended on 31st March of the same calendar year. As GST is newly introduced in India, the Government has decided to extend the due date for GST annual return filing to 30th June 2019. The due date for filing GST annual return was originally extended upto 31st March 2019, which has been further extended to 30th June 2019 by the GST Council.

### **Filing GSTR-1, GSTR-3B and GSTR-4:**

Filing of GSTR-1, GSTR-3B and GSTR-4 will be a prerequisite for filing GSTR-9 annual return.

### **HSN Code:**

GST returns required the furnishing of HSN code of all goods supplied by the taxpayer. The Government has relaxed this regulation. HSN code now needs to be declared only for goods whose value independently accounts for 10% or more of the total value of inward supplies.

### **Single Cash Ledger:**

The Government has decided to implement a single cash ledger for each of the tax heads – viz (IGST, CGST and SGST) after consultation with GSTN and various other stakeholders. This move would reduce the complexity of GST compliance for small businesses.

### **New GST Return Format:**

In the GST Council Meetings held earlier, the Government had proposed a new simpler type of GST return. The Government would now implement the new type of GST return on a trial basis from 01.04.2019 and on a mandatory basis from 01.07.2019.

### **GST Refund Disbursement:**

The Government would speed up the disbursement of GST refund by implementing a single authority of the refund due from either the Centre or the State tax authorities on a pilot basis.

Further, all the supporting documents/invoices in relation to a claim for refund in FORM GST RFD-01A can be uploaded electronically on the common portal at the time of filing of the refund application itself. Hence, there will be no requirement for the taxpayer to visit a tax office for submission of a refund application. GSTN will enable this functionality on the GST common portal shortly.

In case of applications for refund in FORM GST RFD-01A (except those relating to refund of excess balance in the cash ledger) which are generated on the common portal before the roll out of the functionality described in point (10) above, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants will be sent communications on their registered email ids containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the said refund applications will be summarily rejected, and the debited amount, if any, will be re-credited to the electronic credit ledger of the claimant.

The following types of GST refund will also be made available through FORM GST RFD-01A:

1. Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
2. Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice-versa;
3. Excess payment of Tax; and
4. Any other refund.

The GST Council has also promised to issue clarification on certain refund related matters like refund of ITC accumulated on account of inverted duty structure, disbursement of refunds within the stipulated time, time allowed for availment of ITC on invoices, refund of accumulated ITC of compensation cess etc.

### **Auto-Populated GSTR-9:**

To improve ease of compliance, the Government on the GST portal will auto populate all invoices pertaining to previous FY (irrespective of month in which such invoice is reported in **FORM GSTR-1**) in Table 8A of FORM GSTR-9.

### **Extension for Filing Form ITC-04:**

The Government has decided to extend the due date for filing FORM GST ITC-04 for the period July 2017 to December 2018 upto 31.03.2019.

**Extension for Filing Form GSRT-8:**

GSTR-8 form must be filed by e-commerce operators. The Government has extended the due date for filing FORM GSTR-8 to 31.01.2019.

**Input Tax Credit:**

GST input tax credit in relation to invoices issued by the supplier during FY 2017-18 can be availed by the recipient till the due date for furnishing of **FORM GSTR-3B** for the month of March, 2019.

**GST Migration:**

A last chance will be given to taxpayers for migration from service tax or VAT to GST. The due date for the taxpayers who did not file the complete **FORM GST REG-26** but received only a Provisional ID (PID) have been given a chance to migrate to GST by furnishing the requisite details to the jurisdictional nodal officer before 31.01.2019. Also, the due date for filing FORM GSTR-3B and FORM GSTR-1 for the period July, 2017 to February, 2019/quarters July, 2017 to December, 2018 by such taxpayers will be extended till 31.03.2019.

**Eway Bill Facility:**

Taxpayers who have not filed their GST return for two consecutive tax periods will be restricted from generating e-way bills. This provision will be made effective once GSTN/NIC make available the required functionality.

Thanking you,

Regards,

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Adviosr, AEPC