

# GST BULLETIN

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## Notifications & Circulars

### **Due date for submission of TRAN-1 extended to November 30, 2017**

**Order No. 08/2017 & 07/2017** dated **October 28, 2017**

Govt. vide Order No. 08/2017 & 07/2017 dated October 28, 2017, has extended the deadline for submitting Tran-1 till November 30, 2017.

**Comments:** The Govt. has been very supportive in extending such deadlines considering the fact that it was difficult for the industry to cope up with the new formats of filling returns and various other compliances.

### **0.1% tax rate prescribed on inter& intra state supply of goods for exports**

**Notification No. 40/2017-Central Tax** Dated **October 23, 2017**

Government vide Notification No. 40/2017-Central Tax and parallel notifications for IGST and UTGST, has prescribed 0.1% GST rate on the goods which are supplied for exports. The rate prescribed is subject to fulfillment of the following conditions: -

- the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- the registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;
- the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;
- the registered recipient shall be registered with an Export Promotion Council or a

Commodity Board recognised by the Department of Commerce;

- the registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;
- the registered recipient shall move the said goods from place of registered supplier – (a) directly to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported; or (b) directly to a registered warehouse from where the said goods shall be moved to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported;
- if the registered recipient intends to aggregate supplies from multiple registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Depot, Airport or Land Customs Station from where they shall be exported;
- in case of situation referred to in the above condition, the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice and the acknowledgment of the warehouse operator shall be provided to the registered supplier as well as to the jurisdictional tax officer of such supplier; and
- when goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.

**Comments:** This is major boost to the export which has faced a lot of problem due to credit block after the implementation of GST.

**late fee waived for GSTR-3B late filing for Aug/ Sept**

October 23-November 5

**Notification No. 50/2017-Central Tax dated- October 24, 2017**

Central Government vide Notification No. 50/2017 dated October 24, 2017 has waived late fee payable under Section 47 of the GST Act, for all registered persons who failed to furnish the return in FORM GSTR-3B for the months of August and September, 2017 by the due date

**Comments:** The Govt. keeping in mind the difficulties faced by the industry for filling and compliance of the returns has waived off the late fee for the initial period.

**Printing contracts taxability as 'goods' / 'services' depending on principal supply**

**Circular No. 11/11/2017-GST Dated- October 20, 2017**

FinMin vide Circular No. 11/11/2017-GST dated October 20, 2017, has clarified the taxability of printing contracts pertaining to supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed good. FinMin stated that whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply. The FinMin has clarified the as follows; -

- In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.
- In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

**Comments:** There were different kind of interpretations regarding this and the same have been cleared now.

**Time limit extended for intimating details of stock held on preceding date of opting for composition levy**

**Order No. 05/2017-GST dated October 28, 2017**

Government vide Order 05/2017-GST dated October 28, 2017, has extended the period for intimation of details of stock held on the date preceding the date from which the option to pay tax under section 10 of the Act is exercised in FORM GST CMP-03, till November 30, 2017.

**Comments:** The time limit has been earlier also and this might be the last.

**Time limit extended for making declaration of goods dispatched to a job worker**

**Notification No. 53/2017-Central Tax Dated October 28, 2017**

Government vide Notification No.53/2017 Central Tax dated October 28, 2017, has extended the time limit for making the declaration in FORM GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another, during the quarter July to September, 2017 till November 30, 2017

**Comments:** This would be helpful for the industry.

**Deadline extended for declaration of input credit by registered person who eligible for ITC**

**Notification No. 52/2017-Central Tax dated October 28, 2017**

Govt. vide Notification No. 52/2017 -Central Tax dated October 28, 2017 has extended the time limit for declaration of input credit available to the registered person who became eligible for such credit in the month of July & August, till November 30, 2017.

**Comments-** This is to facilitate the newly registered assesseees.

**No IGST on supply of services to Nepal & Bhutan against payment in INR**

October 23-November 5

**Notification No. 42/2017 -Integrated Tax(Rate) dated October 27, 2017**

Govt. vide Notification No. 42/2017- Integrated Tax(Rate) dated October 27, 2017 has provided that the supply of services to Nepal or Bhutan against payment in Indian Rupees is taxable to nil rate of duty.

**Comments:** In case of supply of services outside the place of business of the supplier shall be considered as place of supply and IGST would be leviable accordingly. However, in case the supply is made to Nepal or Bhutan where payment is received in Indian Rupees then no IGST would be leviable.

**Govt. clarifies the classification of cut pieces of fabric**

**Circular No. 13/13/2017 Dated- October 27, 2017**

Govt. vide Circular No. 13/13/2017 Dated- October 27, 2017, has clarified the following regarding the Unstitched Salwar Suits;-

- Fabrics are classifiable under chapters 50 to 55 of the First Schedule to the Customs Tariff Act, 1975 on the basis of their constituent materials and attract a uniform GST rate of 5% with no refund of the unutilized input tax credit.
- Mere cutting and packing of fabrics into pieces of different lengths from bundles or thans, will not change the nature of these goods and such pieces of fabrics would continue to be classifiable under the respective heading as the fabric and attract the 5% GST rate.

**Comments:** Since the nature of fabric doesnot change even after cutting, the same rate of 5% would be attracted.

**Due date to fill GST REG-26 extended to December 31, 2017**

**Order No. 06/2017-GST dated October 28, 2017**

Govt. vide Order No. 06/2017 dated October 28, 2017, extended the period for submitting electronically the application in the FORM GST REG- 26 till December 31, 2017.

**Comments:** FORM GST REG-26 is required for the confirmation of Registration.

**Govt. extends deadline for filing of Forms GSTR-2 & 3 for July**

**Notification No. 54/2017-Central Tax dated October 30, 2017**

Govt. extended the due date for filling of GSTR-2 & 3 for the month of July to November 30 and December 11 respectively.

Comments: These extensions are very helpful for industry.

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