



Week of 30th July, 2018

## A. CHANGES IN THE GST REGIME

### Extension of due date to file FORM GSTR-6

GSTR-6 is a monthly return that has to be filed by an input service distributor under section 39(4) of the CGST Act read with rule 65 of the CGST rules, 2017. The CBIC vide Notification number 30/2018 – central tax dated 30th July, 2018 has extended the time limit for furnishing the return by an input service distributor for the months of July 2017 to August 2018 till 30th of September 2018. Previously, the time limit for furnishing the return by an input service distributor for the months of July 2017 to June 2018 was 31st of July 2018.

### GST on ambulance services provided to government by private sector providers (PSPs) under the national health mission

The government vide Circular no. 51/25/2018-GST dated 31st July, 2018 has clarified that services provided by PSPs to the state governments by way of transportation of patients on behalf of the state government against consideration in the form of fee or otherwise charged from the state government would be exempt if (1) it is a pure service and not a composite supply involving supply of any goods; (2) it is a composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply.

### GST on supplies made to SEZ units: West Bengal AAR ruling

The applicant is a trader of diesel engines and its spare parts. It also provides service of diesel engine either on AMC basis or on an as and when required basis. The applicant sought an advance ruling to determine (1) whether or not the supply of goods and on-site services to customers in SEZ area, to any SEZ unit or SEZ developer is 'zero rated supply' under section 16 of the IGST Act, 2017; and (2) whether GST is chargeable for the supply of goods or services to SEZ unit or SEZ developer. The AAR ruled that since the applicant supplies to units and developers of SEZs only, the provisions of section 16 of IGST Act will be applicable in this case and the tax liability will be at zero rate under sub section 1(b) of the IGST Act. The ruling states that the applicant may supply without paying tax subject to the provisions under section 16 (3) (a) of the IGST Act, or he may supply on payment of tax and claim refund subsequently under section 16 (3) (b) of the IGST Act. Therefore, the applicant shall be liable to pay tax when supplying to units and developers of SEZ subject to the provisions of section 16 of the IGST Act, 2017.

## **B. PROPOSED CHANGES AND INDUSTRY ISSUES**

### **Draft of GST returns**

The GST Council in its 27th meeting held on 4<sup>th</sup> May, 2018 had approved the basic principles of GST return design. Now in its 28th meeting held on 21st July, 2018, the GST Council approved the key features and new format of the GST returns. The CBIC has released salient features and formats of the returns for the information of trade and industry and other stakeholders. The government is also seeking feedback and suggestions from the public domain until 31st August, 2018.

### **GST on solar projects**

As per the media reports, urgent clarification is sought by solar industries on the applicable rate of GST on solar projects because of controversial rulings. The Maharashtra AAR has ruled that a GST rate of 18% will apply on solar projects, treating installation as a whole works contract. However, the Karnataka AAR has held that a GST rate of 5% will apply as the contract was not a 'composite supply'. The solar industry fears that the levy of 18% GST would render projects unviable and therefore has sought a clarification on the applicability of GST rate.

### **The Cabinet approved GST laws amendments**

As per media reports, the Cabinet meeting chaired by Prime Minister Narendra Modi has cleared the GST law amendments inter alia relating to CGST Act and IGST Act. The government will now table these amendments in the ongoing monsoon session of Parliament.

### **Settlement of VAT and excise disputes**

As per media reports, the GST Council will take up the proposal to consider offering a one-time settlement to clear out the legacy of central excise duty and VAT issues so that these issues do not linger and act as a drag for GST regime. This would allow officials to focus on GST compliance rather than dealing with legacy issues.

## **Glossary**

**AAR – Authority for Advance Ruling**  
**CGST – Central Goods and Services Tax**  
**GSTR – Goods and Service Tax Return**  
**IGST – Integrated Goods and Services Tax**  
**SEZ – Special Economic Zone**  
**VAT – Value Added Tax**

**GST Council- Goods and Services Tax Council, a constitutional body comprising of members of the Central and the State Governments to recommend changes under the existing GST regime.**

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