

Recent GST updates on refund and extension of certain timelines

GSTR-3B with EVC

- CBIC has allowed furnishing of return in Form GSTR-3B verified through EVC

ANNUAL RETURN

- CBIC has further extended the time limit to furnish GST annual return from June 30, 2020 to September 30, 2020 for the Financial Year 2018-19

VALIDITY OF E-WAY BILL EXTENDED

- The validity period of e-way bill generated on or before March 24, 2020 and expiring during the period March 20, 2020 to April 15, 2020 till May 31, 2020



RECOVERY OF GST REFUND IN CASE OF EXPORT OF GOODS

Rule 96B inserted vide notification: 16/2020-CT dated 23rd March 2020.

- If sale proceeds in respect of export goods is not realized, in full or in part, within the period allowed under FEMA Act:
 - The registered person will deposit the GST (refunded to him earlier), to the extent of non-realization of sale proceeds, along with interest within 30 days of the expiry of aforesaid period (extended period, if any)
 - If he fails to pay, GST refund shall be recovered u/s 73 or 74 of the Act, as the case may be, as is applicable for recovery of erroneous refund, along with interest under section 50
- If sale proceeds are realized in foreign currency (in full or part) subsequently, **within extended period as permitted by RBI**, the person can re-claim refund amount on production of evidence about such realization within 3 months from the date of such realization
- If Reserve Bank of India writes off the requirement of realization of sale proceeds on merits, then no recovery will be initiated

REDEFINING VALUE OF ZERO-RATED SUPPLY OF GOODS FOR REFUND CLAIM

Amendment in Rule 89(4)(C) – Value of zero rated supply of goods is redefined for claiming refund of Unutilised ITC [Notification No. 16/2020-CT dated 23rd March, 2020]

- Post amendment the Value of Zero - Rated Supply will be as under:
Lower of:
 - Value of zero-rated supply of goods made during the relevant period without payment of tax under bond or LUT or
 - Value which is 1.5 times the value of like goods domestically supplied by the same supplier or similarly placed supplier
- As per the above, the value of exports (zero rated supply) shall be limited to 1.5 times of the domestic price of such goods supplied either by the same supplier (refund claimant) or similarly placed supplier.
- This provision is intended to act as a check on over invoicing of export to claim more refund. But, when the refund claimant is not at all having domestic sale of same goods, the price of "similarly placed suppliers" have to be compared for this purpose, which is likely to lead to litigation on "similarity".

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