

26th April 2018

GST UPDATE - 5/2018

It has been 300 days since GST has been implemented in India. There is a mix of responses towards GST. Though there are issues regarding law, many people faced many problems in implementation. The problems are being resolved over the period. Let us hope the technical glitches will be sorted out and India will see fruits of real GST by 01.07.2018 i.e. 1st Anniversary of GST implementation in India.

Notifications under GST

Gist of all notifications issued from **25.03.2018 to 25.04.2018**

Tax (CGST & IGST) Notifications:

Notification 17/2018 & 18/2018 – Central Tax Dated 28.03.2018	No.	Due date for GSTR 1			
		Turnover	Frequency/Period	Due Date	
		< Rs. 1.5 Crores	Quarterly April to June	31-07-2018	
		> Rs. 1.5 Crores	Monthly	April	31.05.2018
			May	10.06.2018	
			June	10.07.2018	
Notification 19/2018 – Central Tax Dated 28.03.2018	No.	Due date for GSTR 6 of July 2017 to April 2018 – 31.05.2018			
Notification 20/2018 – Central Tax Dated 28.03.2018	No.	Extension of Time limit to claim refund by Specified Agencies such as any specialised agency of the UNO or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries.			

		Existing Time Limit for filing refund application	Revised Time Limit for filing refund application
		Before the expiry of 6 months from the last day of the quarter in which such supply was received	Before the expiry of 18 months from the last date of the quarter in which such supply was received
Notification No. 21/2018 – Central Tax Dated 18.04.2018	No.	CGST (4th Amendment) Rules, 2018 1. Formula for calculating refund in case of Inverted Duty Structure Amended to include value of Services also whereas earlier the formula included only Goods. New Formula is Maximum Refund Amount = {(Turnover of inverted rated supply of goods <i>and</i> services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods <i>and</i> services. 2. Rule 97 which deals with Consumer Welfare Fund amended 3. Form GSTR 10 i.e. Final Return Notified	

Circulars under GST

Circular No. 38/12/2018-GST dated 26.03.2018	Clarification on issues related to Job Work 1. Scope/ambit of job work - job work is a treatment or process undertaken by a person on goods belonging to another registered person. Thus, the job worker is expected to work on the goods sent by the principal and whether the activity is covered within the scope of job work or not would have to be determined on the basis of facts and circumstances of each
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case.

2. **Requirement of registration for the principal/ job worker –**
Principal should be a registered person as per provisions of Section 143 of CGST Act, 2017. Job worker needs to obtain registration only if his aggregate turnover, to be computed on all India basis exceeds Rs. 10/20 Lakhs per annum.
3. **Supply of goods by the principal from job worker's place of business/ premises -** The supply of goods by the principal from the place of business / premises of the job worker will be regarded as supply by the principal and not by the job worker.
4. **Movement of goods from the principal to the job worker and the documents and intimation required therefor -**
 - a. Where goods are sent by principal to only one job worker
- The principal shall prepare in triplicate, the E-Way Bill and Delivery Challan, for sending the goods to a job worker. 2 copies of the challan may be sent to the job worker along with the goods. The job worker should send 1 copy of the said challan along with the goods, while returning them to the principal. The FORM GST ITC-04 will serve as the intimation.
 - b. Where goods are sent from one job worker to another job worker - In such cases, the goods may move under the cover of a challan issued either by the principal or the job worker. In the alternative, the challan issued by the principal may be endorsed by the job worker sending the goods to another job worker, indicating therein the quantity and description of goods being sent.

- c. Where the goods are returned to the principal by the job worker - The job worker should send 1 copy of the challan received by him from the principal while returning the goods to the principal after carrying out the job work.
- d. Where the goods are sent directly by the supplier to the job worker – Invoice of Supplier in name of Principal and delivery address as job worker’s address + 3 Copies of Delivery challan by Principal. If Goods are imported, Bill of Entry + 3 Copies of Delivery challan by Principal.
- e. Where goods are returned in piecemeal by the job worker - challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.
- f. Submission of intimation - Details of challans in respect of goods sent to a job worker or received from a job worker or sent from one job worker to another job worker during a quarter in FORM GST ITC-04 by the 25th day of the month succeeding the quarter

5. Liability to issue invoice, determination of place of supply and payment of GST –

- a. Invoice - For Job Work Services, Registered job worker needs to issue Invoice. In case of unregistered Job Worker, RCM u/s 9(4) attracts but in abeyance till 30.06.2018
- b. Place of Supply – If Goods are supplied directly from Job Worker premises, the place of supply is determined based on location of Principal since the supply is by Principal irrespective of the location of the job worker’s place of

	<p>business</p> <p>6. Availability of ITC to Principal and Job Worker –</p> <p>a. <u>ITC to Principal</u> - ITC would be available to the principal, irrespective of the fact whether the inputs or capital goods are received by the principal and then sent to the job worker for processing, etc. or whether they are directly received at the job worker’s place of business, without being brought to the premises of the principal.</p> <p>b. <u>ITC to Job Worker</u> - The job worker is also eligible to avail ITC on inputs, etc. used by him in supplying the job work services if he is registered.</p>
<p>Circular No. 39/13/2018-GST dated 03.04.2018</p>	<p>Setting up of an IT Grievance Redressal Mechanism to address the grievances of taxpayers due to technical glitches on GST Portal</p> <p>A. <u>Waiver of Late Fee due to Technical Glitch</u> - Where an IT related glitch has been identified as the reason for failure of a taxpayer in filing of a return or form prescribed in the law, the consequential fine and penalty would also be required to be waived. GST Council has delegated the power to the IT Grievance Redressal Committee to recommend waiver of fine or penalty, in case of an emergency, under such mitigating circumstances as are identified by the committee.</p> <p>B. <u>Resolution of stuck TRAN-1s and filing of GSTR-3B</u> - The taxpayers shall complete the process of filing of TRAN 1 stuck due to IT glitches, as discussed above, by 30.04.2018 and the process of completing filing of GSTR 3B which could not be filed for such TRAN 1 shall be completed by 31.05.2018.</p>

<p>Circular No. 40/14/2018-GST dated 06.04.2018</p>	<p>Clarification on issues related to furnishing of Bond/Letter of Undertaking for Exports</p> <p><u>Deemed Acceptance of LUT</u> - An LUT shall be deemed to be accepted as soon as an acknowledgement for the same, bearing the Application Reference Number (ARN), is generated online.</p> <p><u>No Physical submission of Documents</u> - No document needs to be physically submitted to the jurisdictional office for acceptance of LUT.</p>
<p>Circular No. 41/15/2018-GST dated 13.04.2018</p>	<p>Procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances</p> <ol style="list-style-type: none"> 1. An e-way bill number may be available with the person in charge of the conveyance or in the form of a printout, sms or it may be written on an invoice. All these forms of having an e-way bill are valid. 2. Where Documents are not produced by person in charge of conveyance, proper officer <ul style="list-style-type: none"> ➔ Record a statement of the person in charge of the conveyance in FORM GST MOV-01. ➔ Order for physical verification/inspection of the conveyance, goods and documents in FORM GST MOV-02 ➔ Within 24 hours of the aforementioned issuance of FORM GST MOV-02, prepare a report in Part A of FORM GST EWB-03 and upload the same on the common portal ➔ Within a 3 working days from the date of issue of the order in FORM GST MOV-02, the proper officer shall conclude the inspection proceedings ➔ Can obtain Time Extension by written permission in FORM

	<p>GST MOV-03 from the Commissioner or an officer authorized by him</p> <ul style="list-style-type: none">➔ On completion of the physical verification/inspection of the conveyance and the goods in movement, the proper officer shall prepare a report of such physical verification in FORM GST MOV-04➔ Record the final report of the inspection in Part B of FORM GST EWB-03 within 3 days of such physical verification/inspection.➔ Where no discrepancies are found after the inspection of the goods and conveyance, the proper officer shall issue forthwith a release order in FORM GST MOV-05 and allow the conveyance to move further.➔ Where the proper officer is of the opinion that the goods and conveyance need to be detained, he shall issue an order of detention in FORM GST MOV-06 and a notice in FORM GST MOV-07.➔ Where owner comes forward to pay tax & Penalty OR where owner doesn't come forward to pay Tax & Penalty; Order in FORM GST MOV-09 shall be uploaded on the common portal and the demand accruing from the proceedings shall be added in the electronic liability register.➔ Where Owner comes forward to furnish bond, goods and the conveyance shall be released, by an order in FORM GST MOV-05, after obtaining a bond in FORM GST MOV-08 along with a security in the form of bank guarantee.➔ Where any objections are filed against the proposed
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amount of tax and penalty payable, the proper officer shall consider such objections and thereafter, pass a **speaking order** in FORM GST MOV-09, quantifying the tax and penalty payable

- ➔ In case the proposed tax and penalty are not paid within 7 days from the date of the issue of the order of detention in FORM GST MOV-06, **notice** in FORM GST MOV-10, **proposing confiscation** of the goods and conveyance and imposition of penalty may be served
- ➔ An **order of confiscation** of goods shall be passed in FORM GST MOV-11, after taking into consideration the objections filed by the person in charge of the goods
- ➔ The order in FORM GST MOV-11 shall be uploaded on the common portal and the demand accruing from the order shall be added in the electronic liability register
- ➔ In case neither the owner of the goods nor any person other than the owner of the goods comes forward to make the payment of tax, penalty and fine imposed and get the goods or conveyance released within the time specified in FORM GST MOV-11, the proper officer shall **auction** the goods and/or conveyance by a public auction and remit the sale proceeds to the account of the Central Government.
- ➔ **In case of registered person**, Demand of any tax, penalty, fine or other charges shall be added in the electronic liability ledger of the person concerned.
- ➔ Where no electronic liability ledger is available **in case of an unregistered person**, a temporary ID shall be created

	<p>by the proper officer on the common portal and the liability shall be created therein. He shall also credit the payments made towards such demands of tax, penalty or fine and other charges by debiting the electronic cash ledger of the concerned person.</p>						
<p>Circular No. 42/16/2018-GST dated 13.04.2018</p>	<p>Clarification regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit</p> <table border="1" data-bbox="494 694 1476 1724"> <tr> <td data-bbox="494 694 981 896">Recovery of arrears of wrongly availed CENVAT Credit</td> <td data-bbox="981 694 1476 1724" rowspan="4"> <p>Shall be recovered as CGST liability to be paid through the utilization of amounts available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).</p> </td> </tr> <tr> <td data-bbox="494 896 981 1041">Recovery of CENVAT Credit carried forward wrongly</td> </tr> <tr> <td data-bbox="494 1041 981 1512">Recovery of arrears of central excise duty and service tax in pursuance of an assessment or adjudication proceedings due to any proceedings of appeal, review or reference</td> </tr> <tr> <td data-bbox="494 1512 981 1724">Recovery of arrears due to revision of return under the existing law</td> </tr> </table> <p>Payment of central excise duty & service tax on account of returns filed for the past period – With effect from 1st of April, 2018, the return filing shall continue on www.aces.gov.in but the payment shall be made through the ICEGATE portal</p>		Recovery of arrears of wrongly availed CENVAT Credit	<p>Shall be recovered as CGST liability to be paid through the utilization of amounts available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).</p>	Recovery of CENVAT Credit carried forward wrongly	Recovery of arrears of central excise duty and service tax in pursuance of an assessment or adjudication proceedings due to any proceedings of appeal, review or reference	Recovery of arrears due to revision of return under the existing law
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	<p>Recovery of arrears from assesses under the existing law in cases where such assesses are not registered under the CGST Act, 2017 – Recovery shall be made in Cash</p>
<p>Circular No. 43/17/2018-GST dated 13.04.2018</p>	<p>Queries regarding processing of refund applications for UIN agencies</p> <p><u>Submission of Invoices Manually</u> - Print version of FORM GSTR-11 generated by the system does not have invoice-wise details. Therefore, it is clarified that till the system generated FORM GSTR-11 does not have invoice-level details, UIN agencies are requested to manually furnish a statement containing the details of all the invoices on which refund has been claimed, along with refund application.</p> <p><u>One time waiver of non-mentioning of UIN on Invoices</u> - in cases where, UIN has not been recorded on the invoices pertaining to refund claim for the quarters of July – September 2017, October – December 2017 and January – March 2018, a one-time waiver is being given by the Government, subject to the condition that copies of such invoices will be submitted to the jurisdictional officers and will be attested by the authorized representative of the UIN agency.</p>

Orders under GST

<p>Order No. 1/2018 – GST dated 28.03.2018</p>	<p>Extension of date for submitting the statement in FORM GST TRAN-2 to 30.06.2018</p>
<p>Order No. 2/2018 – GST dated 31.03.2018</p>	<p>Incidence of GST on providing catering services in train</p> <p>GST rate on supply of food and/or drinks by the Indian Railways or IRCTC or their licensees, whether in trains or at platforms will be 5% without ITC</p>

Press Releases

Press Releases on Intra-State Way Bill Implementation	Date of implementation	States/Union Territories
	15.04.2018	Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh
	20.04.2018	Bihar, Jharkhand, Haryana, Himachal Pradesh, Tripura and Uttarakhand
	25.04.2018	Arunachal Pradesh, Madhya Pradesh, Meghalaya, Sikkim and Puducherry
<p>Clarification on the manner of filing the quarterly return by composition dealers in FORM GSTR-4</p>	<p>Since auto-population of the details of the inward supplies including supplies on which tax is to be paid on reverse charge is not taking place, taxpayers who have opted to pay tax under the composition levy shall not furnish the data in serial number 4A of Table 4 of FORM GSTR-4 for the tax periods January, 2018 to March, 2018 and subsequent tax periods.</p>	
<p>Issues regarding “Bill To Ship To” for e-Way Bill under CGST Rules, 2017</p>	<p>“A” is the person who has ordered “B” to send goods directly to “C”.</p> <p>“B” is the person who is sending goods directly to “C” on behalf of “A”.</p> <p>“C” is the recipient of goods.</p> <p>2 supplies are involved and accordingly 2 tax invoices are required to be issued:</p> <p>Invoice - 1, which would be issued by “B” to “A”.</p> <p>Invoice - 2 which would be issued by “A” to “C”</p> <p>Case -1: Where e-Way Bill is generated by „B”, the</p>	

<p>following fields shall be filled in Part A of GST FORM EWB-01</p>	
Bill From	In this field details of "B" are supposed to be filled.
Dispatch From	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of "B"
Bill To	In this field details of "A" are supposed to be filled.
Ship to	In this field address of „C" is supposed to be filled.
Invoice Details	Details of Invoice-1 are supposed to be filled
<p>Case 2 – Where e-Way Bill is generated by „A", the following fields shall be filled in Part A of GST FORM EWB-01</p>	
Bill From	In this field details of "A" are supposed to be filled.
Dispatch From	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of "B"
Bill To	In this field details of "C" are supposed to be filled.
Ship to	In this field address of"C" is supposed to be filled.
Invoice Details	Details of Invoice-2 are supposed to be filled

For any further clarifications on the subject, feel free to write us @ bcoakp@gmail.com.