

16<sup>th</sup> September 2018

## GST UPDATE - 13/2018

### Notifications under GST

Gist of all notifications issued from **11.08.2018 to 11.09.2018**

#### Tax (CGST & IGST) Notifications:

<b>Notification No.</b> <b>35/2018 – Central Tax Dated 21.08.2018</b>	<b>Due date for filing GSTR 3B of July 2018 extended to 24.08.2018</b>												
<b>Notification No.</b> <b>36/2018, 37/2018 &amp; 38/2018 – Central Tax Dated 24.08.2018</b>	<p><b>Due date for filing GSTR 3B extended for</b></p> <p>(i) registered persons in the State of Kerala;</p> <p>(ii) registered persons whose principal place of business is in Kodagu district in the State of Karnataka; and</p> <p>(iii) Registered persons whose principal place of business is in Mahe in the Union territory of Puducherry</p> <table border="1"> <thead> <tr> <th><b>Period</b></th> <th><b>Return Form</b></th> <th><b>Due date</b></th> </tr> </thead> <tbody> <tr> <td>July 2018</td> <td>GSTR 3B &amp; GSTR 1 (Monthly)</td> <td>05.10.2018</td> </tr> <tr> <td>August 2018</td> <td>GSTR 3B &amp; GSTR 1 (Monthly)</td> <td>10.10.2018</td> </tr> <tr> <td>Quarter Jul-Sep 2018</td> <td>GSTR 1 (Quarterly)</td> <td>15.11.2018</td> </tr> </tbody> </table>	<b>Period</b>	<b>Return Form</b>	<b>Due date</b>	July 2018	GSTR 3B & GSTR 1 (Monthly)	05.10.2018	August 2018	GSTR 3B & GSTR 1 (Monthly)	10.10.2018	Quarter Jul-Sep 2018	GSTR 1 (Quarterly)	15.11.2018
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July 2018	GSTR 3B & GSTR 1 (Monthly)	05.10.2018											
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<b>Notification No.</b> <b>39/2018 – Central Tax Dated 04.09.2018</b>	<p><b>CGST (8<sup>th</sup> Amendment) Rules, 2018</b></p> <ul style="list-style-type: none"> <li>- FORM GSTR 8 for Annual Return notified</li> <li>- Input tax credit (ITC) may be availed by such registered person even if the invoice does not contain all the specified particulars but contains the details of the <ul style="list-style-type: none"> <li>▪ Amount of tax charged,</li> <li>▪ Description of goods or services,</li> </ul> </li> </ul>												

	<ul style="list-style-type: none"> <li>▪ Total value of supply of goods or services or both,</li> <li>▪ GSTIN of the supplier and</li> <li>▪ GSTIN of recipient and</li> <li>▪ Place of supply in case of inter-State supply</li> </ul>
<b>Notification No.</b> <b>40/2018 – Central Tax</b> <b>Dated 04.09.2018</b>	<b>Time limit for making the declaration in FORM GST ITC-04</b> , 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 period from July, 2017 to June, 2018 till the 30th day of September, 2018.
<b>Notification No.</b> <b>41/2018 – Central Tax</b> <b>Dated 04.09.2018</b>	<p><b>Waiver of Late Fee</b> in following cases</p> <p>(i) Registered persons whose return in FORM GSTR-3B for the month of October, 2017, was submitted but not filed on the common portal, after generation of the ARN</p> <p>(ii) Registered persons who have filed the return in FORM GSTR-4 for the period October to December, 2017 by the due date but late fee was erroneously levied on the common portal</p> <p>(iii) Input Service Distributors (ISD) who have paid the late fee for filing or submission of the return in FORM GSTR-6 for any tax period between the 01.01.2018 and 23.01.2018.</p>
<b>Notification No.</b> <b>42/2018 – Central Tax</b> <b>Dated 04.09.2018</b>	<b>Extends the time limit for making the declaration in FORM GST ITC-01</b> of the said rules, by registered persons who have filed the application in FORM GST-CMP-04 of the said rules between 02.03.2018 and 31.03.2018 to 03.10.2018
<b>Notification No.</b> <b>43/2018 – Central Tax</b> <b>Dated 10.09.2018</b>	<b>Time Limit for filing GSTR 1</b> of registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding FY or the current FY

	Month	Due Date					
	July – September 2017						
	October – December 2017						
	January – March 2018	31.10.2018					
	April – June 2018						
	July – September 2018						
	October – December 2018	31.01.2019					
<b>Notification No.</b> <b>44/2018 – Central Tax</b> <b>Dated 10.09.2018</b>	January – March 2019	30.04.2019					
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Month	Due Date						
July 2017 to September 2018	31.10.2018						
October 2018 to March 2019	11 <sup>th</sup> of succeeding month						
<b>Notification No.</b> <b>45/2018, 46/2018 &amp;</b> <b>46/2018 – Central Tax</b> <b>Dated 10.09.2018</b>	In case of assesses who have used the option of migration as per notification no. 31/2018 – Central Tax dated 06.08.2018 – For July 2017 to November 2018 - Time limit for filing GSTR 1 extended till 31.12.2018						
	In case of assesses who have used the option of migration as per notification no. 31/2018 – Central Tax dated 06.08.2018 – For July 2017 to November 2018 - Time limit for filing GSTR 3B extended till 31.12.2018						
<b>Notification No.</b> <b>48/2018 – Central Tax</b> <b>Dated 10.09.2018</b>	<b>CGST (9<sup>th</sup> Amendment) Rules, 2018</b> The Commissioner may, on the recommendations of the Council, extend the date for submitting the declaration electronically in FORM GST TRAN-1 by a further period not beyond 31.03.2019, in respect of registered persons who						

	<p>could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council has made a recommendation for such extension.</p> <p>Above persons may file FORM GST TRAN 2 by 30.04.2019</p>
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## **Circulars**

<p><b>Circular</b> <b>55/29/2018-</b> <b>GST dated</b> <b>10.08.2018</b></p>	<p><b>Taxability of services provided by Industrial Training Institutes (ITIs)</b></p> <p>(a) Whether GST is payable on vocational training provided by private ITIs in designated trades and in other than designated trades? If the Private ITI is providing training related to approved vocational education course, services are exempt as per Entry 66 of Notification No. 12/2017- Central Tax (Rate) dated 20.06.2017. If the course is not approved vocational education course, the same is taxable.</p> <p>(b) Whether GST is payable on the service, provided by private ITIs for conduct of examination against consideration in the form of entrance fee and also on services related to admission to or conduct of examination?</p> <p>In case of designated trades, conduct of examination and services in relation to conduct of examination is exempt from GST whereas in case of other than designated trades, the same becomes taxable.</p>
<p><b>Circular</b> <b>56/30/2018-</b> <b>GST dated</b> <b>24.08.2018</b></p>	<p><b>Clarification regarding removal of restriction of refund of accumulated ITC on fabrics</b></p> <p>(a) Whether the Notification No. 20/2018 – Central Tax (Rate) seeks to lapse all ITC lying unutilized after payment of tax upto month of July 2018?</p>

	<p>The ITC on account of inverted duty structure lying in balance after payment of GST for the month of July (on purchases made on or before 31.07.2018) shall lapse.</p> <p>(b) Whether unutilized ITC in respect of services and capital goods shall also be disallowed?</p> <p>The Notification does not put any restriction in respect of ITC on input services and capital goods. Formula prescribed in Rule 89(5) ensures that ITC relating to capital goods and input services does not lapse.</p> <p>(c) Implication to fabrics like cotton or silk where there was no inverted duty structure?</p> <p>It is clarified that condition of lapsing of ITC would apply only if ITC has been accumulated on account of inverted duty structure.</p> <p>(d) Whether accumulated ITC in respect of exports shall also be made to lapse?</p> <p>Formula specified in Rule 89(5) ensures that accumulated ITC on exports does not lapse as this formula excludes zero rated supplies.</p>
<p><b>Circular</b> <b>57/31/2018-</b> <b>GST dated</b> <b>24.08.2018</b></p>	<p><b>Scope of Principal-agent relationship in the context of Schedule I of the CGST Act</b></p> <ul style="list-style-type: none"> <li>▪ Supply of services between the principal and the agent and vice versa is outside the ambit of the said entry</li> <li>▪ The key ingredient for determining relationship under GST would be whether the invoice for the further supply of goods on behalf of the principal is being issued by the agent or not. Where the invoice for further supply is being issued by the agent in his name then, any provision of goods from the principal to the agent would fall within the fold of the said entry.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Similarly, where the goods being procured by the agent on behalf of the principal are invoiced in the name of the agent then further provision of the said goods by the agent to the principal would be covered by the said entry.</li> <li>▪ The crucial point is whether or not the agent has the authority to pass or receive the title of the goods on behalf of the principal.</li> </ul>
<p><b>Circular 58/32/2018- GST dated 04.09.2018</b></p>	<p><b>Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit</b></p> <p>Recovery of arrears arising under the existing law shall be made as CGST liability to be paid through the utilization of the amount 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> <p>The functionality to record this liability in the electronic liability register is not available on the common portal.</p> <p>Therefore, it is clarified that as an alternative method, taxpayers may reverse the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of FORM GSTR-3B. The applicable interest and penalty shall apply on all such reversals which shall be paid through entry in column 9 of Table 6.1 of FORM GSTR-3B.</p>
<p><b>Circular 59/33/2018- GST dated 04.09.2018</b></p>	<p><b>Clarification on refund related issues</b></p> <p><b>Submission of invoices for processing of claims of refund</b> – Refund claim to be accompanied by GSTR 2A. In situations where invoices does not appear in GSTR 2A i.e. the supplier doesn't file his GSTR 1, the proper officer may call for the hard copies of such invoices if he deems it necessary for the examination of the claim for refund.</p> <p>The proper officer shall not insist on the submission of an invoice</p>

(either original or duplicate) the details of which are present in FORM GSTR-2A of the relevant period submitted by the claimant.

**System validations in calculating refund amount** – The amount of refund calculated to be first debited to IGST ITC balance and the balance, if any; CGST & SGST balance equally; if any shortfall will be debited to available balance of CGST or SGST.

**Re-credit of electronic credit ledger in case of rejection of refund claim** –

- In case of rejection of claim for refund of unutilized ITC on account of ineligibility of ITC, order of rejected amount to be re-credited to electronic credit ledger using FORM GST RFD-01B and recovery of the amount is through GST DRC-07. Alternatively, the claimant can pay the tax + interest + penalty before service of notice and intimate in FORM GST DRC-03
- In case of rejection of claim for refund of unutilized input tax credit, on account of any reason other than the eligibility of ITC, the rejected amount shall be re-credited to the electronic credit ledger of the claimant using FORM GST RFD-01B only after the receipt of an undertaking from the claimant to the effect that he shall not file an appeal against the said rejection or in case he files an appeal, the same is finally decided against the claimant.

**Scope of rule 96(10) of the CGST Rules** - it is clarified that the restriction under rule 96(10) of the CGST Rules, as amended retrospectively by notification No. 39/2018-Central Tax, dated 04.09.2018, applies only to those purchasers/importers who are directly purchasing/importing supplies on which the benefit of certain notifications, as specified in the said sub-rule, has been availed.

	<p><b>Disbursal of refund amount after sanctioning by the proper officer in cases of 90% provisional refund is issued by 1 authority and refund is sanctioned by another authority</b> - It is hereby clarified that neither the State nor the Central tax authorities shall refuse to disburse the amount sanctioned by the counterpart tax authority on any grounds whatsoever, except under Sec. 54 (11) of the CGST Act. It is further clarified that any adjustment of the amount sanctioned as refund against any outstanding demand against the claimant can be carried out by the refund disbursing authority if not already done by the refund sanctioning authority.</p> <p><b>Status of refund claim after issuance of deficiency memo</b> - It is clarified that show-cause-notices are not required to be issued where deficiency memos have been issued. A refund application which is resubmitted after the issuance of a deficiency memo shall have to be treated as a fresh application. No order in FORM GST RFD-04/06 can be issued in respect of an application against which a deficiency memo has been issued and which has not been resubmitted subsequently.</p> <p><b>Treatment of refund applications where the amount claimed is &lt; Rs. 1,000 –</b></p> <ul style="list-style-type: none"> <li>○ It is clarified that the limit of Rs. 1,000 shall be applied for each tax head separately and not cumulatively.</li> <li>○ The limit would not apply in cases of refund of excess balance in the electronic cash ledger.</li> </ul>
<p><b>Circular 60/34/2018- GST dated 04.09.2018</b></p>	<p><b>Processing of refund applications filed by Canteen Stores Department (CSD)</b></p> <p><u>Invoice-based refund</u> - It is clarified that the instant refund to be granted to the CSD is not for the accumulated input tax credit but refund based on the invoices of the inward supplies of goods received</p>

by them.

Manual filing of claims on a quarterly basis - Till the time the online utility for filing the refund claim is made available on the common portal; the CSD shall apply for refund by filing an application in FORM GST RFD-10A manually to the jurisdictional tax office.

The said form shall be accompanied with the following documents:

- (i) An undertaking stating that the goods on which refund is being claimed have been received by the CSD;
- (ii) A declaration stating that no refund has been claimed earlier against the invoices on which the refund is being claimed;
- (iii) Copies of the valid return filed in FORM GSTR-3B by the CSD for the period covered in the refund claim;
- (iv) Copies of FORM GSTR-2A of the CSD for the period covered in the refund claim along with the attested hard copies of the invoices on which refund is claimed but which are not reflected in FORM GSTR-2A;
- (v) Details of the bank account in which the refund amount is to be credited.

Processing and sanction of the refund claim – Application in FORM GST RFD-10A; Acknowledgement in GST RFD-02; In case of deficiencies, deficiency memo in GST RFD-03 within 15 days of receipt of refund application; Proper officer shall validate the GSTIN details on the common portal to ascertain whether the return in FORM GSTR- 3B has been filed by the CSD; The proper officer may scrutinize the details contained in FORM RFD-10A, FORM GSTR-3B and FORM GSTR-2A; The proper officer should ensure that the amount of refund sanctioned is 50 % of the CGST, SGST, UTGST and IGST paid on the supplies received by CSD; The proper officer shall issue the refund sanction/rejection order manually in FORM GST RFD-06 along with the payment advice

	manually in FORM GST RFD-05 for each tax head separately.
<p><b>Circular</b>  <b>61/35/2018-</b>  <b>GST dated</b>  <b>04.09.2018</b></p>	<p><b>E-way bill in case of storing of goods in godown of transporter</b></p> <p>→ In case the consignee/ recipient taxpayer stores his goods in the godown of the transporter, then the transporter's godown has to be declared as an additional place of business by the recipient taxpayer. In such cases, mere declaration by the recipient taxpayer to this effect with the concurrence of the transporter in the said declaration will suffice. Where the transporter's godown has been declared as the additional place of business by the recipient taxpayer, the transportation under the e-way bill shall be deemed to be concluded once the goods have reached the transporter's godown.</p> <p>→ Whenever the goods move from the transporter's godown (i.e. recipient taxpayer's additional place of business) to the recipient taxpayer's any other place of business, a valid e-way bill shall be required, as per the extant State-specific e-way bill rules.</p> <p>→ Books of accounts in relation to goods stored at the transporter's godown (i.e., the recipient taxpayer's additional place of business) by the recipient taxpayer may be maintained by him at his principal place of business.</p> <p>→ It may be noted that the facility of declaring additional place of business by the recipient taxpayer is in no way putting any additional compliance requirement on the transporters.</p>

For any further clarifications on the subject, feel free to write us @ [bcoakp@gmail.com](mailto:bcoakp@gmail.com).