

GST Update

Weekly Update
27.10.2018

Background

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 20.10.2018. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

- One Press releases on extension of last date of GSTR-3B issued
- Five Central Tax notifications; One Integrated Tax notification, Four Central Tax circulars issued
- One customs circular on IGST refunds issued

Last date of GSTR-3B for month of September, 2018

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-55-central-tax-english-2018.pdf;jsessionid=29F06CAA5C9281946DF72742AFA619E3>
- Last date for return in GSTR-3B for the month of September, 2018 extended to
 - 25th October, 2018

Exemption from compulsory registration to inter-state suppliers of handicraft goods

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-56-central-tax-english-2018.pdf;jsessionid=1E1F999DD95186F7D45235C8662A0ED3>
- Notification 56/2018-CT dated 23.10.2018 issued.
- Notification specifies two categories of inter-state suppliers of handicraft goods who shall be exempt from taking compulsory registration a casual taxable persons.
- Notification supercedes earlier notification no.32/2017 – CT, dated the 15.09.2017.

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

- **1st Category:** Exemption available to such persons making inter-State taxable supplies of handicraft goods as defined in the “Explanation” in notification No. 21/2018 -Central Tax (Rate), dated the 26.07.2018” and falling under the Chapter, Heading, Sub-heading or Tariff item specified in the Table contained in the said notification.
- The Notification 21/2018 contains a list of 39 entries pertaining to handicraft items which are eligible to concessional rate of duty.
- “handicraft goods” means – Goods predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced goods of similar utility.

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

Table

S.No.	Chapter, Heading, Subheading or Tariff item	Description of Goods	Rate
(1)	(2)	(3)	(4)
1.	3406	Handcrafted candles	6 %
2.	4202 22, 4202 29, 4202 31 10, 4202 31 90, 4202 32, 4202 39	Handbags including pouches and purses; jewellery box	6 %
3.	4416, 4421 99 90	Carved wood products, art ware/decorative articles of wood (including inlay work, casks, barrel, vats)	6 %
4.	4414 00 00	Wooden frames for painting, photographs, mirrors etc	6 %
5.	4420	Statuettes & other ornaments of wood, wood marquetry & inlaid, jewellery box, wood lathe and lacquer work [including lathe and lacquer work, ambadi sisal craft]	6 %
6.	4503 90 90 4504 90	Art ware of cork [including articles of sholapith]	6 %

7.	4601 and 4602	Mats, matting and screens of vegetable material, basketwork, wickerwork and other articles of vegetable materials or other plaiting material, articles of loofah (including of bamboo, rattan, canes and other natural fibres, dry flowers (naturally dried), articles thereof, ringal, raambaan article, shola items, Kouna/chumthang (water reeds) crafts, articles of Water hyacinth, korai mat]	2.5 %
8.	4823	Articles made of paper mache	2.5 %
9.	5607, 5609	Coir articles	2.5 %
10.	5609 00 20, 5609 00 90	Toran, Doorway Decoration made from cotton yarn or woollen yarn and aabhala (mirror) with or without hanging flaps	2.5%
11.	57	Handmade carpets and other handmade textile floor coverings (including namda/gabba)	2.5 %
12.	5804 30 00	Handmade lace	2.5 %
13.	5805	Hand-woven tapestries	2.5 %
14.	5808 10	Hand-made braids and ornamental trimming in the piece	2.5 %
15.	5810	Hand embroidered articles	2.5 %
16.	6117, 6214	Handmade/hand embroidered shawls of sale value not exceeding Rs. 1000 per piece	2.5 %
17.	6117, 6214	Handmade/hand embroidered shawls of sale value exceeding Rs. 1000 per piece	6 %
18.	6802	Carved stone products (e.g., statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	6 %
19.	6815 99 90	Stone art ware, stone inlay work	6 %
20.	6912 00 10 6912 00 20	Tableware and kitchenware of clay and terracotta, other clay articles	6%
21.	6913 90 00	Statuettes & other ornamental ceramic articles (incl blue potteries)	6 %
22.	7009 92 00	Ornamental framed mirrors	6 %
23.	7018 10	Bangles, beads and small ware	2.5 %
24.	7018 90 10	Glass statues [other than those of crystal]	6 %
25.	7020 00 90	Glass art ware [incl. pots, jars, votive, cask, cake cover, tulip bottle, vase]	6 %
26.	7113 11 10	Silver filigree work	1.5 %

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

27.	7117	Handmade imitation jewellery (including natural seeds, beads jewelry, cardamom garland)	1.5 %
28.	7326 90 99	Art ware of iron	6 %
29.	7419 99	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver	6 %
30.	7616 99 90	Aluminium art ware	6 %
31.	8306	Bells, gongs and like, non-electric, of base metal; statuettes, and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal; (including Bidriware, Panchloga artware, idol, Swamimalai bronze icons, dhokra jaali)	6 %

32.	9405 10	Handcrafted lamps (including panchloga lamp)	6 %
33.	9401 50, 9403 80	Furniture of bamboo, rattan and cane	6 %
34.	9503	Dolls or other toys made of wood or metal or textile material [incl wooden toys of sawantwadi, Channapatna toys, Thanjavur doll)	6 %
35.	9504	Ganjifa card	6 %
36.	9601	Worked articles of ivory, bone, tortoise shell, horn, antlers, coral, mother of pearl, seashell other animal carving material	6 %
37.	9602	Worked vegetable or mineral carving, articles thereof, articles of wax, of stearin, of natural gums or natural resins or of modelling pastes etc, (including articles of lac, shellac)	6 %
38.	9701	Hand paintings drawings and pastels (incl Mysore painting, Rajasthan painting, Tanjore painting, Palm leaf painting, basoli etc)	6 %
39.	9703	Original sculptures and statuary, in metal, stone or any other material	6 %

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

- **Or 2nd Category:** Exemption available to such persons making inter-State taxable supplies of the products mentioned in Notification 56/2017 (the present notification), when made by the craftsmen predominantly by hand even though some machinery may also be used in the process:-
- This notification prescribes a list of 28 handicraft items, suppliers of which will be eligible for exemption from compulsory registration requirement while making inter state supplies

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

Table

Sl. No.	Products	HSN Code
(1)	(2)	(3)
1.	Leather articles (including bags, purses, saddlery, harness, garments)	4201, 4202, 4203
2.	Carved wood products (including boxes, inlay work, cases, casks)	4415, 4416
3.	Carved wood products (including table and kitchenware)	4419
4.	Carved wood products	4420
5.	Wood turning and lacquer ware	4421
6.	Bamboo products [decorative and utility items]	46
7.	Grass, leaf and reed and fibre products, mats, pouches, wallets	4601, 4602

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

8.	Paper mache articles	4823
9.	Textile (handloom products)	including 50, 58, 62, 63
10.	Textiles hand printing	50, 52, 54
11.	Zari thread	5605
12.	Carpet, rugs and durries	57
13.	Textiles hand embroidery	58
14.	Theatre costumes	61, 62, 63
15.	Coir products (including mats, mattresses)	5705, 9404
16.	Leather footwear	6403, 6405
17.	Carved stone products (including statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	6802
18.	Stones inlay work	68
19.	Pottery and clay products, including terracotta	6901, 6909, 6911, 6912, 6913, 6914
20.	Metal table and kitchen ware (copper, brass ware)	7418
21.	Metal statues, images/statues vases, urns and crosses of the type used for decoration of metals of Chapters 73 and 74	8306
22.	Metal bidriware	8306
23.	Musical instruments	92
24.	Horn and bone products	96
25.	Conch shell crafts	96
26.	Bamboo furniture, cane/Rattan furniture	94
27.	Dolls and toys	9503
28.	Folk paintings, madhubani, patchitra, Rajasthani miniature	97

Exemption from compulsory registration to inter-state suppliers of handicraft goods (Contd)

- Further conditions for availing exemption from registration.
 - Such persons are availing the benefit of notification No. 03/2018 – Integrated Tax, dated 22.10.2018
 - The aggregate value of such supplies, to be computed on all India basis, does not exceed the amount of aggregate turnover above which a supplier is liable to be registered in the State or Union territory in accordance with section 22 (1) read with clause (iii) of the Explanation to that section.
 - Such persons shall obtain a PAN and generate an e-way bill in accordance with the provisions of rule 138 of the CGST Rules, 2017.

Exemption to post audit authorities under MoD from TDS compliance

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-57-central-tax-english-2018.pdf>
- With effect from the 1st day of October, 2018.
- Notification No. No. 50/2018-Central Tax dated the 13th September, 2018 amended
- TDS shall not apply to post audit authorities under the Ministry of Defence, other than the authorities specified in the Annexure-A and their offices.
- List of 30 Pr./ controller of defence accounts has been given in the Annexure who and their offices will have to implement the TDS. All other authorities in MOD other than these are exempted

Time limit for Final Returns

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-58-central-tax-english-2018.pdf>
- The taxpayers whose registration has been cancelled on or before the 30th September, 2018
- Time limit to furnish **Final Return** in FORM GSTR-10
- Extended till 31st December, 2018

Last date for GST ITC-04

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-59-central-tax-english-2018.pdf;jsessionid=F1384FDAFFF97046CE1BD502A7318598>
- Time limit for furnishing the declaration in FORM GST ITC-04 for the period from July, 2017 to September, 2018
- Extended till 31st December, 2018

Cancellation of registration

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-No-69.pdf;jsessionid=F17A0D9D698901660016379669E33A6D>
- Circular No. 69-Central Tax issued clarifying a few issues
- Section 29 of the CGST Act, read with rule 20 of the CGST Rules provides that a taxpayer can apply for cancellation of registration in FORM GST REG-16 in the following circumstances:
 - Discontinuance of business or closure of business;
 - Transfer of business on account of amalgamation, merger, de-merger, sale, lease or otherwise;
 - Change in constitution of business leading to change in PAN;

- Taxable person (including those who have taken voluntary registration) is no longer liable to be registered under GST;
- Death of sole proprietor;
- Any other reason (to be specified in the application)
- Application in FORM GST REG-16 has to be submitted within a period of 30 days of the “occurrence of the event warranting the cancellation”. The 30-day deadline may be liberally interpreted and the taxpayers’ application for cancellation of registration may not be rejected because of the possible violation of the deadline as it may be difficult to pinpoint the date on which event occurs in all cases.

Cancellation of registration (Contd)

- **Following information mandatory required to be filled in appln:**
- Address for future correspondence with mobile number and email address;
- Reason for cancellation;
- Date from which cancellation is sought;
- Details of the value and the input tax/tax payable on the stock of inputs, inputs contained in semi-finished goods, inputs contained in finished goods, stock of capital goods/plant and machinery;
- In case of transfer, merger of business, etc., particulars of registration of the entity in which the existing unit has been merged, amalgamated, or transferred (including the copy of the order of the High Court / transfer deed);
- Details of the last return filed by the taxpayer along with the ARN of such return filed.

- The cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation, therefore, the proper officer should accept all such applications within a period of 30 days from the date of filing the application, except in the following circumstances:
 - The application in FORM GST REG-16 is incomplete, i.e. where all the relevant particulars, as detailed in para 4 above, have not been entered;
 - In case of transfer, merger or amalgamation of business, the new entity in which the applicant proposes to amalgamate or merge has not got registered with the tax authority before submission of the application for cancellation.

Cancellation of registration (Contd)

- The order for cancellation should be issued in FORM GST REG-19 with the effective date of cancellation being the same as the date from which the applicant has sought cancellation in FORM GST REG-16.
- In any case the effective date cannot be a date earlier to the date of application for the same.
- Any rejection of request for cancellation should be issued after giving the applicant an opportunity to be heard, recording reasons for rejection in the dialog box that opens once the “Reject” button is chosen

- Section 45 of the CGST Act- Every registered person whose registration is cancelled needs to file a final return in GSTR-10 with in three months of cancellation
- The purpose of the final return is to ensure that the taxpayer discharges any liability that he/she may have incurred
- Section 29(5) of the CGST Act, read with rule 20 of the CGST Rules - The taxpayer seeking cancellation of registration shall have to pay, by way of debiting either the electronic credit or cash ledger, the input tax contained in the stock of inputs, semi-finished goods, finished goods and capital goods or the output tax payable on such goods, whichever is higher.

Cancellation of registration (Contd)

- The requirement to debit the electronic credit and/or cash ledger by suitable amounts should not be a prerequisite for applying for cancellation of registration. This can also be done at the time of submission of final return in FORM GSTR-10
- In case the final return in FORM GSTR-10 is not filed within the stipulated date, then notice in FORM GSTR-3A has to be issued to the taxpayer.

- If the taxpayer still fails to file the final return within 15 days of the receipt of notice in FORM GSTR-3A, then an assessment order(BEST JUDGMENT BASIS) in FORM GST ASMT-13 under section 62 of the CGST Act read with rule 100 of the CGST Rules shall have to be issued to determine the liability of the taxpayer under section 29(5) on the basis of information available with the proper officer
- If the taxpayer files the final return within 30 days of the date of service of the order in FORM GST ASMT-13, then the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue.

- Section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for “Suspension” of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation.
- Although the provisions of CGST (Amendment) Act, 2018 have not yet been brought into force, it will be prudent for the field formations not to issue notices for non-filing of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act.
- However, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

Clarifications on Refund

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-No-70.pdf;jsessionid=F1C5CC4426ED0A3905F0A04494D541D8>
- **Status of refund claim after issuance of deficiency memo and re-credit of electronic credit ledger:**
- Once a deficiency memo has been issued against an application for refund, the ITC under rule 89(3) is not required to be re-credited to the electronic credit ledger by using FORM GST RFD-01B and the rectified refund application would be accepted by the jurisdictional tax authorities with the earlier ARN itself.
- It is further clarified that a suitable clarification would be issued separately for cases in which such re-credit has already been carried out.

Clarifications on Refund (Contd)

- **Allowing exporters who have received capital goods under EPCG to claim refund of IGST paid on exports:**
- Notification No. 54/2018 – Central Tax dated the 9th October, 2018 issued and notification No. 39/2018- Central Tax dated 4th September, 2018 has been rescinded vide notification No. 53/2018 – Central Tax dated the 9th October, 2018
- It is clarified that the net effect of these changes would be that any exporter who himself/herself imported any inputs/capital goods in terms of notification Nos. 78/2017-Customs and 79/2017-Customs both dated 13th October, 2017 shall be eligible to claim refund of the IGST paid on exports till the date of the issuance of the notification No. 54/2018 – Central Tax dated the 9th October, 2018 r

- Further, after the issuance of notification No. 54/2018 – Central Tax dated the 9th October, 2018 , exporters who are importing goods in terms of notification Nos. 78/2017-Customs and 79/2017-Customs both dated 13th October, 2017 would not be eligible for refund of IGST paid on exports as provided in the said sub-rule. However, exporters who are receiving capital goods under the EPCG scheme, either through import in terms of notification No. 79/2017-Customs dated 13th October, 2017 or through domestic procurement in terms of notification No. 48/2017-Central Tax, dated 18th October, 2017, shall continue to be eligible to claim refund of IGST paid on exports and would not be hit by the restrictions provided in the said sub-rule

Clarifications of issues under GST related to casual taxable person & ISD

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-No-71.pdf;jsessionid=40EEBFE5F5786E711C33053CF0F0DEDD>
- Whether the amount required to be deposited as advance tax while taking registration as a casual taxable person (CTP) should be 100% of the estimated gross tax liability or the estimated tax liability payable in cash should be calculated after deducting the due eligible ITC which might be available to CTP?
- *“estimated net tax liability” only and not the gross tax liability, after considering the due eligible ITC which might be available to such taxable person.*

Clarifications of issues under GST related to casual taxable person & ISD (Contd)

- As per section 27 of the CGST Act, 2017, period of operation by casual taxable person is ninety days with provision for extension of same by the proper officer for a further period not exceeding ninety days. Various representations have been received for further extension of the said period beyond the period of 180 days, as mandated in law
- In case of long running exhibitions (for a period more than 180 days), the taxable person cannot be treated as a CTP and thus such person would be required to obtain registration as a normal taxable person.
- Allotment letter/consent letter, granting him permission to use the premises for the exhibition, shall be treated as the proper document as a proof for his place of business.

- **Manner of recovery of excess credit distributed by an Input Service Distributor (ISD) in contravention of the provisions contained in sectionn 20 of the CGST Act**
- According to Section 21 of the CGST Act where the ISD distributes the credit in contravention of the provisions contained in section 20 of the CGST Act resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be **recovered from such recipients along with interest and penalty** if any.

- The recipient unit(s) who have received excess credit from ISD may deposit the said excess amount voluntarily along with interest if any by using FORM GST DRC-03
- If the recipient unit(s) does not come forward voluntarily, necessary proceedings may be initiated against the said unit(s) under the provisions of section 73 or 74 of the CGST Act as the case may be. FORM GST DRC-07 can be used by the tax authorities in such cases.
- It is further clarified that the ISD would also be liable to a general penalty under the provisions contained in section 122(1)(ix) of the CGST Act.

Return of time expired drugs or medicines

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-No-72.pdf>
- The common trade practice in the pharmaceutical sector is that the drugs or medicines (hereinafter referred to as “goods”) are sold by the manufacturer to the wholesaler and by the wholesaler to the retailer on the basis of an invoice/bill of supply as case may be. It is significant to mention here that such goods have a defined life term which is normally referred to as the date of expiry. Such goods which have crossed their date of expiry are colloquially referred to as time expired goods and are returned back to the manufacturer, on account of expiry, through the supply chain.
- The retailer/ wholesaler can return such goods by treating it as a fresh supply or by issuing credit note. He can follow either of the procedures.

Return of time expired drugs or medicines (Contd)

- **Return of time expired goods to be treated as fresh supply:**
- A registered person may return the said goods by treating it is as a fresh supply and thereby issuing an invoice for the same.
- The value of the said goods as shown in the invoice on the basis of which the goods were supplied earlier may be taken as the value of such return supply.
- The wholesaler or manufacturer, as the case may be, who is the recipient of such return supply, shall be eligible to avail Input Tax Credit (hereinafter referred to as “ITC”) of the tax levied on the said return supply subject to the fulfilment of the conditions specified in Section 16 of the CGST Act.

Return of time expired drugs or medicines (Contd)

- **Return of time expired goods to be treated as fresh supply:**
- In case the person returning the time expired goods is a composition taxpayer, he may return the said goods by issuing a bill of supply and pay tax at the rate applicable to a composition taxpayer. In this scenario there will not be any availability of ITC to the recipient of return supply.
- In case the person returning the time expired goods is an unregistered person, he may return the said goods by issuing any commercial document without charging any tax on the same.

Return of time expired drugs or medicines (Contd)

- **Return of time expired goods to be treated as fresh supply:**
- Where the time expired goods which have been returned by the retailer/wholesaler are destroyed by the manufacturer, he/she is required to reverse the ITC availed on the return supply in terms of the provisions of section 17(5)(h) of the CGST Act.
- It is pertinent to mention here that the ITC which is required to be reversed in such scenario is the ITC availed on the return supply and not the ITC that is attributable to the manufacture of such time expired goods.

Return of time expired drugs or medicines (Contd)

- **Return of time expired goods by issuing Credit Note:**
- As per Section 34(1) of the CGST Act the supplier can issue a credit note where the goods are returned back by the recipient. Thus, the manufacturer or the wholesaler who has supplied the goods to the wholesaler or retailer, as the case may be, has the option to issue a credit note in relation to the time expired goods returned by the wholesaler or retailer.
- The retailer or wholesaler may return the time expired goods by issuing a delivery challan.
- There is no time limit for the issuance of a credit note in the law except with regard to the adjustment of the tax liability in case of the credit notes issued prior to the month of September following the end of the financial year and those issued after it.

Return of time expired drugs or medicines (Contd)

- It may further be noted that if the credit note is issued within the time limit specified in section 34(2) of the CGST Act, the tax liability may be adjusted by the supplier, subject to the condition that the person returning the time expired goods has either not availed the ITC or if availed has reversed the ITC so availed against the goods being returned.
- However, if the time limit specified in section 34(2) has lapsed, a credit note may still be issued by supplier for such return of goods but the tax liability cannot be adjusted by him in his hands. In case time expired goods are returned beyond the time period specified in section 34(2) of the CGST Act and a credit note is issued consequently, there is no requirement to declare such credit note on the common portal by the supplier (i.e. by the person who has issued the credit note) as tax liability cannot be adjusted in this case.

Return of time expired drugs or medicines (Contd)

- Further, where the time expired goods, which have been returned by the retailer/wholesaler, are destroyed by the manufacturer, he/she is required to reverse the ITC attributable to the manufacture of such goods, in terms of the provisions of section 17(5)(h) of the CGST Act

Alternate Mechanism for refund of IGST paid on exports of goods

- <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2018/Circular-40-2018-Customs.pdf>
- **Customs Circular No. 40/2018-customs issued**
- **IGST Export Refunds – extension in SB005 alternate mechanism and revised processing in certain cases including disbursal of compensation Cess**
- The exporters have committed many errors which have hampered sanctioning of IGST refund. CBIC has introduced several options and alternative mechanisms through which various mismatch errors between the Shipping Bill (SB) and GSTR 1 data can be handled in the system
- Rectification facility extended to Shipping Bills filed up to 15.11.2018 (Earlier it was up to 30.06.2018)

Alternate Mechanism for refund of IGST paid on exports of goods

- Cases wherein the refund scroll has been generated for a much lesser IGST amount than what has actually been paid against the exported goods.
- Directorate of Systems has now provided a facility (officer interface based) in ICES for the processing and sanctioning of the eligible differential IGST refund
- The exporter is required to submit a duly filled and signed Revised Refund Request (RRR) annexed to this circular
- Once the revised amount is approved by the designated AC/DC in the system, a fresh scroll will be available for generation for the differential amount only.

Revised Refund Request

Annexure: Revised Refund Request (RRR)

SB Number:

SB Date:

Port Code:

GSTIN:

IEC:

Exporter Name:

Sl No	GST Invoice Number/ Date	IGST Amount	Sl. No	Corresponding SB Invoice No. /Date	IGST Amount as declared per SB	Final (corrected) IGST Amount as per actual exports*
1			1			
2						
3						
4			2			
5			3			
6						
7			4			

** after reducing amount pertaining to Short shipment etc.*

IGST Refund already received (A):

Total Revised IGST Claim (B):

Differential IGST Refund (B-A):



GST PORTAL UPDATES

- **Refund workaround**
- Facility to claim Refund on account of export of services with payment of tax, has been enabled on GST Portal for the taxpayers (Alternate Flow-02), with upload of statement 2.
(refer Section 54(1) of CGST Act 2017 & Rule 89 (2) (c) of the CGST Rules, 2017)
- Facility to claim Refund on account of assessment/provisional assessment/ appeal/ any other order, has been enabled on GST Portal for the taxpayers (Alternate Flow-04).
- *(refer Section 54(1) of CGST Act 2017)*

- **Refund: Change of BRC/FIRC validations in Statement -3 (AF-03)**
- The following changes in validations in statement -3 has been done, while applying for Form RFD 01A, for refund of ITC accumulated due to Exports of goods / services- Without payment of Tax :
 - The date of FIRC/ BRC for export of services in the statement 3 to be uploaded can be before the date of invoice.
 - One invoice can be associated with several FIRC/BRC in the statement 3 to be uploaded with the refund application.

- **Release of API related to Recovery**
- Get Case for Recovery
- Recovery – Notice
- Recovery - Certificates or Orders
- Recovery - Reply to Notice
- Update Recovery Status
- Update Mode of Recovery status
- Payment towards Demand



GST Legal Updates

Gujarat HC upholds constitutional validity of Section 140(5) of CGST Act, 2017

- Gujarat High Court; M/s RSPL vs Union of India
- Rectification of GST-TRAN1 already filed not allowed
- Prayer for declaring Section 140(5) of CGST Act as violative of Article 14 & 19(1)(g) of Constitution of India and hence invalid – said section does not allow the credit of excise duty paid on capital goods which were in transit as on 01.07.2017
- The Gujarat High Court accepted the contention of the revenue that capital goods unlike inputs may take much longer time for delivery and installation after the orders are placed and the legislature was not inclined to keep the issues of migration of tax credits and pending claims open for indefinite period of time. Hence the HC did not find the provision as violative of Article 14 & 19.

Any ISSUES/ queries?



- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - <https://selfservice.gstsystem.in/> - Grievance redressal portal
 - Help Desk Number: 0120-4888999

Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- https://twitter.com/NACIN_OFFICIAL

THANK YOU