

# GST Update

Weekly Update  
25.11.2017

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 18.11.2017. 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

- 05 circulars issued by CBEC to clarify issues pertaining to GST rates, value and ITC.
- 01 Public Notice issued by DGFT for enhancing MEIS rate for exporters

# Refund of unutilised ITC for exporters

- [Circular No.18 –CGST dated 16.11.2017](#)
- [<http://www.cbec.gov.in/resources//htdocscbec/gst/circularno-18-cgst.pdf>](#)
  - Clarifies that restrictions on refund of unutilised ITC of GST paid on inputs to manufacturers of goods falling under chapter 50 to 55, 60 & headings 5608, 5801 & 5806 (restricted as per notfn 5/2017 dated 28.6.17) shall not be applicable to manufacturer exporters of fabrics.
  - Refund of ITC though restricted for other categories of manufacturers, not applicable for zero rated supplies.

# Clarification on taxability of Custom milling of paddy

- [Circular No.19-CGST dated 20.11.2017 issued](#)
- <http://www.cbec.gov.in/resources//htdocscbec/gst/circularno-19-cgst.pdf>
- S. No 55 of Notification 12/2017- Central Tax (Rate) dated 28.6.17 exempts carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.
- Exemption will not be available for milling of paddy. Milling of Paddy is not an intermediate production process in relation to cultivation of plants.

# Clarification reg GST rate on terracotta idols

- [Circular No.20 –CGST dated 20.11.2017 issued](#)
- <http://www.cbec.gov.in/resources//htdocscbec/gst/circularno-20-cgst.pdf>
- It has been clarified that as terracotta is clay based, terracotta idols will be eligible for Nil rate under Sl. No.135A of notification 2/2017 dated 28.06.2017.

# Clarification on inter-state movement of rigs/spares & all goods on wheels

- <http://www.cbec.gov.in/resources//htdocscbec/gst/circularno-21-cgst.pdf>
- Circular No. 1/1/2017-IGST dated 7.7.2017 clarified that inter-state movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the CGST Act, 2017, carrying goods or passengers or both; or for repairs and maintenance, [except in cases where such movement is for further supply of the same conveyance] shall be treated “neither as a supply of goods nor supply of service” and therefore would not be leviable to IGST.
- Circular shall mutatis mutandis apply to inter-state movement of rigs, tools and spares, and all goods on wheels [like cranes], and except in cases where movement of such goods is for further supply of the same goods, such inter-state movement shall be treated ‘neither as a supply of goods or supply of service,’ and consequently no IGST would be applicable on such movements.
- It is also reiterated that applicable CGST/SGST/IGST, as the case maybe, is leviable on repairs and maintenance done for such goods

# Clarification on applicability of GST on sale of goods deposited in a custom bonded warehouse

- <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ46-2017cs.pdf>
- **Customs Circular No. 47-Customs**
- Clarifies that goods imported and deposited into a warehouse will be amenable to Customs duty + IGST at the time of filing ex-bond bill of entry. ( Value to be taken at the time of filing into bond bill of entry, rate of tax applicable will be the rate in force at the time of filing ex-bond bill of entry). Thus Customs duty + IGST will be payable at the time of filing ex-bond bill of entry (at the value determined at the time of filing into bond bill of entry)



# Circular No. 46/2017-Customs (Contd)

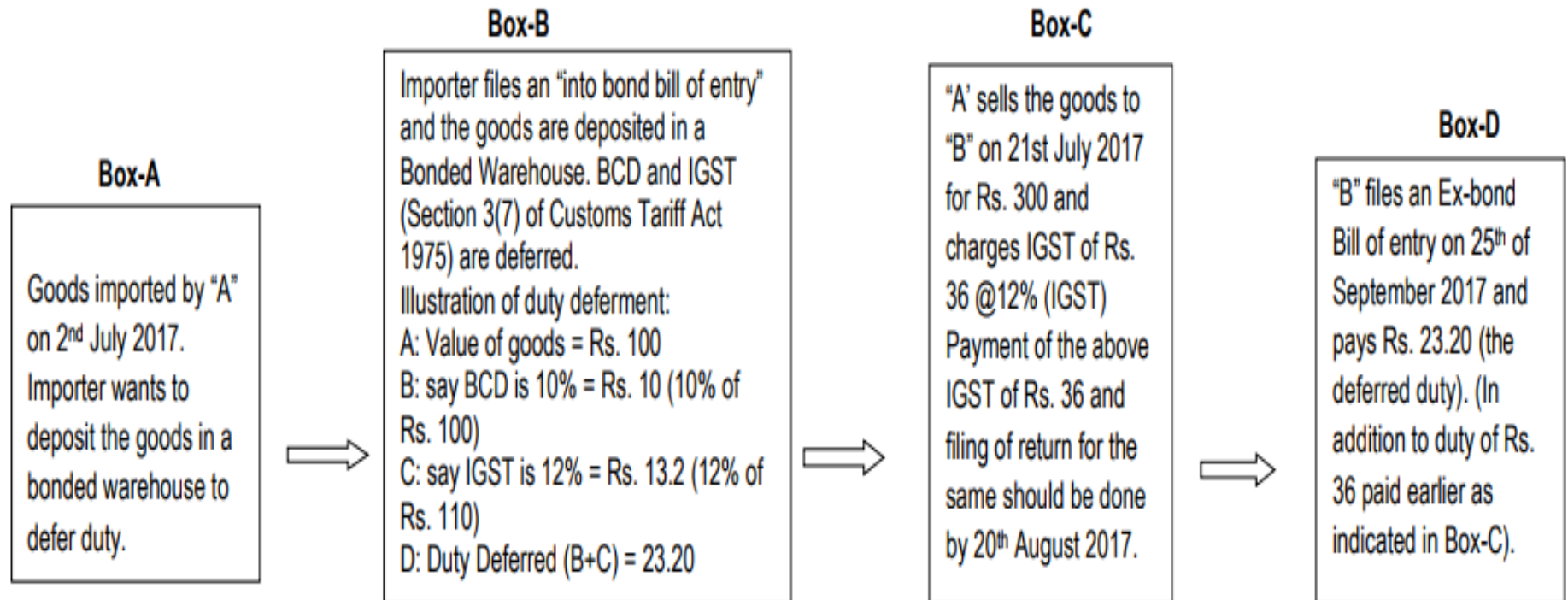
- If the importer sells the customs bonded goods to another person before clearance, IGST will be leviable on such transaction at the time of sale. The importer will have to pay by 20<sup>th</sup> of next month.
- There is no provision to vary the assessable value of the goods at the ex-bond stage unless they are such goods on which tariff valuation applies. Therefore, duties of customs (BCD + IGST) shall be paid on the imported goods at the stage of ex-bonding on the value determined under section 14 of the Customs Act.

# Circular No. 46/2017-Customs (Contd)

- Integrated tax on the import transaction shall be leviable, however the same so long as such goods remain deposited in the warehouse the customs duty to be collected shall remain deferred.
- When the buyer clears the goods from the warehouse by filing ex-bond bill of entry, Customs duty + Integrated tax as applicable will be payable

Sale of goods in a Bonded Warehouse and clearance thereof:

## ILLUSTRATION



# Increase in rate of MEIS from 2% to 4% to encourage Apparel Exports

- <http://dgft.gov.in/Exim/2000/PN/PN17/Public%20Notice%2042%20English.pdf>
- **DGFT Public Notice no.42/2015-20 dated 24.11.2017 issued**
- To boost the apparel export sector, the Merchandise Export from India Scheme (MEIS) rate on MMF, Cotton Apparels and Made ups –( ITC HS chapter 61,62,63) increased from 2% to 4%
- The rates shall be valid from 01.11.2017 to 30.06.2018

## Rebate of State Levies (RoSL)

- Ministry of Textiles vide Notification No. 14/26/2010- IT dated 24th November 2017 has notified post-GST rates under the scheme for Remission of State Levies (RoSL) on exports of readymade garments, made-ups and under AA-RoSL for garments.
- Rates up to a maximum of 1.70% for cotton garments, 1.25% for MMF, Silk and Woollen garments and 1.48% for apparel of blends. Rates are up to a maximum of 2.20% for cotton made-ups, 1.40% for MMF and silk made-ups and 1.80% for made-ups of blends. For sacks and bags made of jute, the rate is 0.60%. The RoSL rate for garments under AA-AIR combination is 0.66%
- These rates shall be effective from 01.10.2017.



# GST Portal Updates

**Locate GST Practitioner** : This service will enable taxpayers to search & view the details and address of a GST Practitioner (GSTP) at the GST Portal.

**Engage/Disengage GST Practitioner** : This service will enable taxpayers to engage/disengage a GST Practitioner for performing specified activities on his behalf.

- **GST Practitioner Dashboard – Accept / Reject Taxpayer** : This service will enable GST Practitioner (GSTP) to accept/ reject the taxpayer's request who wishes to engage him.

- **GST Practitioner Dashboard - List of Taxpayers** : This service will enable GST Practitioner (GSTP) to view list of all the taxpayers on his dashboard who have engaged him as GSTP.

**GST Practitioner Dashboard** : After Login to GST portal, the GSTP will first land on its dashboard.

GSTP's Dashboard will have various functionalities like profile details, List of Taxpayers, Accept/Reject Taxpayer etc. using which GSTP can take actions on any pending tasks or can view respective details w.r.t taxpayer's engaged.

· Following functionalities **will be made available soon** regarding GST Practitioner

- ∅ GSTP dashboard for filing registration and returns
- ∅ GSTP dashboard for clearing remaining backlogs



# New Functionalities

- A functionality for refund of Input Tax Credit of inputs/input services attributed to export of Goods & Services has been provided to taxpayers on the GST Portal, as per Rule 89(4) of CGST Rules, 2017.
- This refund application can be filed only if, Form GSTR 3B has been filed by the taxpayer for that particular tax period. This refund application can be filed only once for a tax period.



Functionality for refund of Input Tax Credit of inputs/input services attributed to export of Goods & Services has been made available to taxpayers on the GST Portal.

This refund application can be filed only once for a tax period and only if Form GSTR 3B has been filed by the taxpayer for that particular tax period.

Visit <https://www.gst.gov.in/> Login > Services > Refunds > Application for Refund

# Filing of Form GSTR 1

- Filing of Form GSTR 1 for July, 2017, has been opened again for filing for those taxpayers who have not filed it so far.



Those taxpayers who have not filed Form GSTR 1 for July 2017, can now file it on the GST Portal.

Visit <https://www.gst.gov.in/> Login > Services > Returns

**As per Rule 96, the refund of IGST paid on export of goods is processed and disbursed by Customs. For processing such refund, GST System transmits invoice level data of Table 6A in GSTR 1 subject to following validations:**

- 1. GSTR 3B is filed for corresponding period, with admitted tax liability of IGST under Table 3.1 (b)**
- 2. Export invoices are submitted in GSTR1/Table 6A, and have correct Shipping Bill number, shipping bill date and port number**
- 3. The admitted tax liability of IGST under Table 3.1 (b) of GSTR 3B, is equal to, or greater than, the IGST amount claimed to have been paid under Table 6A of GSTR 1 of corresponding period**



## STEPS TO DOWNLOAD GSTR 4 OFFLINE TOOL

- 1) Download GSTR 4 Offline tool from the download tab on GST portal.
- 2) Ensure that the minimum system requirements of Windows 7 and MS Excel 2007 is met.
- 3) Extract the GSTR 4 offline tool. Open the GSTR 4 Offline tool .xls file by double clicking on it.
- 4) Enter the required details in the different worksheets of the Offline tool.
- 5) Inward supplies from registered taxpayers, and amendment tables are not required to be entered in the July to September quarter return and these worksheets are not provided in the Ver. 1 of the tool.

## STEPS TO FILL WORKSHEETS USING GSTR 4 OFFLINE TOOL

- 1) Enter the relevant details in each worksheet of the downloaded excel file as applicable (except Inward supplies from registered taxpayers, and amendment tables).
- 2) Validate the entered details by pressing the “Validate tab” on each worksheet.
- 3) In case certain details fail validation check, they would be highlighted in red and an error message would also be visible in the column ‘**Sheet Validation Error**’
- 4) Validation errors need to be corrected before upload. After each worksheet is successfully validated, click on ‘**Get Summary**’ to update the summary on Home tab.
- 5) If the summary is satisfactory and matches with your accounting records. To generate JSON file, click on ‘**Generate JSON File to upload**’ and prepare GSTR 4 offline, to be uploaded on GST portal later.
- 6) Save the JSON file at an appropriate location.

# Taxpayers guide to upload JSON file using GSTR 4 Offline Tool

## Uploading JSON file using GSTR 4 Offline Tool

- 1) Login on the GST portal and navigate to the GSTR 4 tab clicking Return > Return Dashboard > Selecting the Tax period.
- 2) Click on Prepare Offline button on the GSTR 4 Tile.
- 3) Click on Choose File and select the JSON file generated by the GSTR 4 offline tool for that tax period.
- 4) The uploaded JSON file would be validated and processed.
- 5) It is possible to upload JSON multiple times on GST portal till submission.

# Taxpayers guide to correcting JSON file processed with error using GSTR 4 Offline Tool

## Correcting JSON file processed with error using GSTR 4 Offline Tool

- 1) In case of validation failure of one or more details upon processing of uploaded JSON file on the GST portal, status will be updated as 'Processed with Error'
- 2) Click the link to Generate error report.
- 3) Once the report is generated, click link to download the error report.
- 4) Error report is downloaded in .zip file. Save error report on your system.
- 5) Unzip the files from .zip folder. To unzip the files, right click on the .zip folder downloaded, and select "Extract All"
- 6) The Unzipped folder contains two JSON files
  - a. (returns\_ <Date> \_R4\_ <GSTIN> \_offline.json) with records processed successfully on GST Portal
  - b. (returns\_ <Date> \_R4\_ <GSTIN> errorReport.json ) with records processed with error on GST Portal
- 7) Select both the files there and click on open i.e both the error file and the records processed successfully file have to be selected together and opened together.
- 8) Both the successfully processed as well as error records would be visible in the different worksheets. Correct the errors as mentioned in the column "GST Portal Validation Errors" in each sheet.
- 9) After making the corrections, Validate the sheets. After each worksheet is successfully validated, click on 'Get Summary' to update the summary on Home tab.
- 10) If the summary is satisfactory Click on 'Generate JSON File to upload' to generate JSON file for upload of GSTR-4 return details prepared offline on GST portal.



## Downloading JSON file using GSTR 4 Offline Tool

- 1) One can also download the earlier uploaded file and open it in the Offline tool using “Open Downloaded GSTR-4 JSON File” and modify, delete or correct the earlier declared values and again generate the JSON file and upload to the GST portal.
- 2) For filing the GSTR 4 on the portal Click **INITIATE FILING**, declare the aggregate turnover values of last financial year and the first quarter of this financial year.
- 3) Click “preview” to view the pdf summary of the uploaded details. It can also be downloaded for verification.
- 4) If the preview is satisfactory, check the declaration box and submit. Once submitted no change can be made in the uploaded data.
- 5) After successful Submit, the taxpayer needs to click the utilize cash button to make payment of all liabilities in a single go.
- 6) The details of the debit entries in the cash ledger can be seen by clicking the debit entries tiles.
- 7) After successful discharge of the liabilities the taxpayer has to click “File Return” select authorized signatory and file with DSC/EVC as applicable.

## Any ISSUES/ queries?



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

# Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- [https://twitter.com/askGST\\_GoI](https://twitter.com/askGST_GoI)
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- <https://twitter.com/GSTNACIN>

**THANK YOU**