

Significant relaxations proposed to the GST law, including reduction in rates and changes in timeline for returns

Date: 13th November 2017

In its 23rd meeting held on 10 November 2017, the GST Council decided to provide significant relief to taxpayers to rationalize rate of tax and facilitate compliances. The relief measures *inter alia* include relaxation on tax rates for more than 170 commodities and various relaxation in the compliance requirements upto March 2018. Some of the significant propositions and recommendations of the GST council in the meeting are detailed below:

Return submission requirements up to March 2018:

- The Council decided to continue with submission of the return in Form 3B up to March 2018, instead of the earlier decision to continue Form 3B up to December 2017. Along with this, the Council decided that Form GSTR1 containing details of outward supplies would also be required to be filed on prescribed due date up to March 2018. The date of payment of tax continues to be 20th of the subsequent month.
Notification No. 56/2017-Central Tax dated November 15, 2017.
- It was also decided that small taxpayers or taxpayers having Nil liability will have simplified returns. The Revenue Secretary informed that for such small taxpayers, only 2 or 3 nominal steps would ensure hassle free filing of returns
- For the purpose of submission of Form GSTR1 up to March 2018, the taxpayers have been divided into two categories. Details of the two categories and timelines for their returns are as mentioned below:

a) Taxpayers with aggregate annual turnover **up to INR 1.5 Crore** are required to file GSTR1 on a **quarterly** basis as follows:

Notification No. 57/2017- Central Tax dated November 15, 2017

Quarter	Due Dates
July-Sep 2017	31 December 2017
Oct-Dec 2017	15 February 2018
Jan-Mar 2018	30 April 2018

b) Taxpayers with aggregate annual turnover **exceeding INR 1.5 Crore** are required to file GSTR1 on a **monthly** basis as follows:

Months	Due Dates
July, Sept. and Oct 2017	31 December 2017
November 2017	10 January 2018
December 2017	10 February 2018
January 2018	10 March 2018
February 2018	10 April 2018
March 2018	10 May 2018

Notification No. 58/2017 – Central Tax dated November 15, 2017

GSTR-1 for the month of July 2017 has been opened again for filing

FORM GSTR-1 (Outward supplies) for month of July 2017 has been re-opened again for filing on the GST portal those who missed to file earlier can file now.

- Submission of GSTR2 and GSTR3 has been temporarily suspended. Revised timelines for these two returns will be announced subsequently based on recommendation by a committee entrusted with the task. This indicates that up to the revised due dates, taxpayers will not be required to carry out reconciliation of their inward and outward supplies with the corresponding outward and inward supplies submitted by their suppliers and customers.

Note: The time period for filing GSTR-2 and GSTR-3 for the months of July 2017 to March 2018 would be worked out by a Committee of Officers. Therefore, filing of GSTR-1 will continue for the entire period without requiring filing of GSTR-2 & GSTR-3 for the previous month / period.

- The Council decided to extend the due dates for furnishing various other returns as well. The revised due dates are as mentioned below:

Return type	Tax period	Revised due date
GST ITC-04 (Details of goods/ capital goods sent to job worker and received back) Notification No.63/2017–Central Tax dated 15.11.2017	Jul-Sep 2017	31 December 2017
GSTR 4 (Composition Return) Notification No.59/2017 –Central Tax dated 15.11.2017	Jul-Sep 2017	24 December 2017
GSTR 5 (Non-Resident foreign taxpayers) Notification No.60/2017 –Central Tax dated 15.11.2017	July 2017	11 December 2017
GSTR 5A (OIDAR return by foreign taxable person) Notification No.61/2017 –Central Tax dated 15.11.2017	July 2017	15 December 2017
GSTR 6 (ISD Return) Notification No.62/2017 –Central Tax dated 15.11.2017	July 2017	31 December 2017

Return type	Tax period	Revised due date
TRAN-1 (Transitional credit etc.) Order No. 09/2017 & Order No.10/2017 – GST dated 15.11.2017	NA	31 December 2017 (Onetime option of revision also to be given till this date)

Penalty for late filing of returns :

- In case of delay in submission of returns pertaining to October 2017 and later, the amount of late fee payable by taxpayers filing nil returns will be INR 20 per day instead of INR 200 per day for each day of delay. For all other taxpayers, the amount of late fee will be INR 50 per day of delay.

Notification No. 64/2017-Central Tax dated November 15, 2017

Notes:

1) *Late fees prescribed above is total of both CGST and SGST/UTGST law*

2) *The penalty for late filing of returns for the month of July, August and September has already been waived off and refunds are being credited to taxpayers online GST account. Furthermore, it has been decided that where any such late fees were paid, it will be re-credited to the electronic cash ledger under the 'tax head' instead of 'fee head' so as to enable the taxpayers to use that amount to discharge their future tax liabilities.*

Changes in tax rates :

- Based on the suggestions of the rate fitment committee, the GST Council has proposed to rationalize the rate of tax on various goods & services effective 15 November 2017.
- The luxury items / sin goods on which compensation cess is leviable and other parts of aircrafts, vessels or automotive sector along with cement and paint from the construction sector have been retained in the 28% tax slab. Some of the significant changes include:
 - Printing Inks : HSN 3215 12%
 - Material handling equipments like Fork lift etc : HSN 8427 18%
 - Fire Extinguishers : HSN 8424 18%
 - Recovered waste or scrap of paper or paperboard” : HSN 4707 5%
Notification 34/2017 Sl No 198B
 - Cartons

No GST on Advances in respect of supply of goods :

The Central Government vide **Notification No. 66/2017 – Central Tax dated November 15, 2017**, has notified the registered person who did not opt for the composition levy, as the class of persons who shall pay the CGST on outward **supply of goods** at the time of supply as specified in Section 12(2)(a) of the CGST Act, 2017 including in the situations attracting the provisions of Section 14. Section 12(2)(a) of the CGST Act, 2017, prescribes time of supply for goods as the date of issuance of invoice or the last date on which invoice is required to be issued.

Thus, no GST will be applicable on advance amount received in respect of goods.

It may be noted that this notification has been issued in suppression of earlier Notification No. 40/2017 – Central Tax dated October 13, 2017, wherein the stated benefit was allowed only to small assessee whose aggregate turnover in preceding financial year did not exceed Rs. 1.5 crore. **Now, the provision has been generalized for all the registered assessee other than composition supplier.**

Uniform rate of tax @ 1% for manufacturers and traders:

Earlier in case of Manufacturer 1% composition rate applicable & 2.5% in case of trader as per section 10 of CGST Act 2017. GST Council recommended for application of uniform rate of 1% on trader & manufacturer.

Further, turnover only for supply of **taxable goods** will be considered for the tax liability in other words turnover of exempted goods will not be considered in Total Turnover.

Introduction of Threshold of Rs. 5 Lakh for Composition taxpayer in respect of Services provided by them:

Supply of services by Composition taxpayer **up to Rs 5 lakh per annum** will be allowed. Earlier Composition Scheme is not available to a service provider except restaurants. In such a case, a supplier of goods who has opted for composition scheme becomes ineligible for composition as soon as he makes any outward supply of services except restaurant services. To avoid such hardships being faced by composition taxpayers, it is now proposed to allow them to make outward supply of Services up to Rs. 5 Lakh in a year.

GST Council Recommended Composition Scheme threshold to Rs 2 crore:

Annual turnover eligibility for composition scheme will be increased to **Rs 2 crore** from the present limit of **Rupees 1 crore** under the law.

Thereafter, eligibility for composition scheme upto Rs.1.5 Crore will be allowed to composition taxpayers.

GST ROUNDING RULES FOR TAX VALUES

Methods of Rounding for Tax Values:

A business will usually use any of the following methods to round off tax values.

- Normal rounding
- Upward rounding
- Downward rounding

Let us understand how each of these methods works.

1. Normal Rounding :

In this type of rounding, if the value in paise is 50 paise or more, it is rounded upward to the nearest Rupee. If the value in paise is less than 50 paise, it is rounded downward to the nearest Rupee.

For example: If the value of tax in an invoice is Rs. 200.60, the same will be rounded off to Rs. 201. If the value of tax is Rs. 200.40, the same will be rounded off to Rs. 200.

2. Upward Rounding:

In this type of rounding, the value in paise is always rounded upward to the nearest Rupee.

For example: Value of tax of Rs. 200.60 will be rounded off to Rs. 201 and value of tax of Rs. 200.40 will also be rounded off to Rs. 201.

3. Downward Rounding :

In this type of rounding, the value in paise is always rounded downward to the nearest Rupee.

For example: Value of tax of Rs. 200.40 will be rounded off to Rs. 200 and value of tax of Rs. 200.60 will also be rounded off to Rs. 200.

GST ROUNDING RULES

The method to be used for rounding off in GST invoice is **normal rounding**, i.e. if the value in paise is more than 50 paise, it should be rounded upward to the nearest Rupee and if the value in paise is less than 50 paise, it should be rounded downward to the nearest Rupee.

This GST calculation rounding method is used to compute the value of tax, interest, penalty, fine or refund.

Hence, tax payers should ensure that values of tax, interest, penalty, etc. are rounded off using normal rounding method.

GST UPDATE ON ISSUANCE OF DEBIT/CREDIT NOTES

[Section 34](#) of [CGST Act 2017](#) prescribes provisions related to issuance of debit notes and credit notes. The sub-section (1) and (2) to this section reads as follows:-

"(1) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient a credit note containing such particulars as may be prescribed.

(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person."

Where a tax invoice has been issued against any supply, credit note **may** be issued by the supplier in following cases :

- Taxable value or tax charged in that invoice is found in excess of actual; or
- In case of goods returned by the recipient :
- Where the supply (goods or services or both)is found to be deficient.

Hence, in any of the above cases, option has been given to the supplier to issue a credit note as the language contained in the above section uses the word "may". This shows that it is optional for the supplier to issue the credit note, but once issued, its details are supposed to be filed by the supplier in the return.

Further, [Section 34\(3\) & \(4\)](#) of [CGST Act](#) prescribes the conditions related to issuance of debit notes. This section reads as follows:-

"(3) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as may be prescribed.

(4) Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

Explanation.—For the purposes of this Act, the expression “debit note” shall include a supplementary invoice."

The analysis of above makes it clear that debit note SHALL be issued by the SUPPLIER in the cases where the tax amount or taxable value charged on the invoice is found to be less than actual. Further, where the debit note is issued, the supplier shall declare the details of such debit note in the return for the month during which such debit note has been issued.

The analysis of above provisions related to issuance of debit note or credit note makes it clear that in case of sales return, an option has been given to the supplier to issue the credit note. Since the language of this section uses the word 'may', we can conclude that it is an option lying with the supplier and alternatively, the debit note can also be issued by the recipient while returning the goods to original supplier.

But at the same time, the language of [section 34\(3\)](#) is also clear that the debit note "SHALL" be issued by the SUPPLIER. In other words, [section 34\(3\)](#) gives exclusive power to issue the debit note to the supplier only. It nowhere states that the debit note can be issued by the recipient also.

However, when we look into the returns prescribed under GST law, it shows some other picture. [GSTR-2](#) in which details of inward supplies is to be given reflects that the debit note as well as the credit note, both can be issued by the buyer/recipient of supply also. Thus, the return formats which are the parts of [CGST Rules, 2017](#) are giving altogether different interpretation than what is suggested by the [section 34](#). If there arises any dispute, which one will prevail in such case.

If there is any conflict between the interpretation given by the Act and interpretation given by the Rules, the Act will always have the precedence

Inter- State Movement of Goods not to Constitute Supply: -

The inter-state movement of goods like ***rigs, tools, spares and goods on wheel like cranes***, *not being in the course of furtherance of supply* of such goods, does not constitute a supply. This clarification gives major compliance relief to industry as there are frequent inter-state movement of such kind during providing services to customers or for the purposes of getting such goods repaired or refurbished or for any self-use. Service provided using such goods would in any case attract applicable tax.

1. **Form GST REG-29 – Application for cancellation of provisional registration** by the migrated taxpayer, who is not liable for registration under GST. Taxpayer can Login with credentials, click on link “Cancellation of Provisional Registration” at the Dashboard (under view profile), mention reason, sign and Submit. The cancellation will be effective from appointed date.

2. **Form GST PMT-07 - “PMT-07 Grievance for payment”**, application for intimating discrepancy relating to payment is available on Portal. This functionality is meant for the taxpayer to raise grievance when the amount is debited from his account, but their Electronic Credit Ledger is not updated.

Exemption to Job worker for doing the job work for the principals over the inter-state :

Job work is treated as supply of Service in terms of Para 3 of Schedule-II of CGST Act, 2017. Once it is a service, he has to mandatorily to get registration under GST law if he works for principal located in another State even though his turnover is less than 20 Lac. To encourage the Job work now the amendment made to exempt the job workers from registration even if he work for the principal located in another State and accordingly GST is also exempted.

The exemption is subject to following conditions:-

His aggregate turnover in a financial year shall not exceed Rs. 20 lac.
He has not registered voluntarily under the GST law.

GST on Interest on Delayed Payments by Customer :

Many suppliers have defined credit terms, which require their customers to make payment for supplies by a certain date. If the payment is not made, the supplier charges interest on the amount due from the customer.

Is GST chargeable on Delayed Payment Applicable ?

Interest charged by a registered person from a customer on delayed payment for a supply will be included in the transaction value of the supply. Hence, GST on interest on delayed payment will be applicable.

What rate of GST will be Applicable on Interest ?

The GST rate applicable to the supply for which the customer has delayed payment, will be the GST rate applicable on interest.

Is GST Liable to be paid on interest on the day it is due or the day it is paid ?

The liability to pay GST on interest arises on the day the customer pays the interest, not on the day the interest becomes due.

Is GST Applicable on Interest even if the Supplier waives it off ?

If a supplier decides to waive off the interest which is due from a customer on delayed payment, GST will not be applicable on the interest.

Hence, GST on interest received from debtors of a business will be applicable. In other words, interest charged and collected by a supplier on a supply has to be included in the transaction value and GST is liable to be paid on the same.

Complete exemption from reverse charge on intra-state supplies made by unregistered persons to registered persons :

As per the provisions of Section 9(4) of CGST Act 2017, intra state supply of taxable goods or services or both made by an unregistered supplier to a registered person shall be paid by registered person on reverse charge basis. Earlier, the said person have been given an exemption from payment of tax under reverse charge in the cases where aggregate value of all such supplies of goods or services or both do not exceed Rs. 5,000/- in a day [Notf. 8/2017-Central Tax (Rate) dated 28.06.2017].

Notification No. 38/ 2017- Central Tax dated 13.10.2017

The Government has suspended the reverse charge mechanism on all intra-state supplies of goods or services made by unregistered suppliers to registered person. The said exemption is without any monetary limit and registered persons are no more required to pay central tax under reverse charge till 31.03.2018.

The new notification is effective from 13.10.2017 and does not change any position for RCM supplies prior to 13.10.2017. It is important to keep in mind the time of supply for transactions liable under reverse charge. Where registered persons have not discharged their liability, it is suggested to pay the liability and take credit. However, in case of blocked credit, a stand could be taken to not to pay RCM and can be kept on hold. There is an inherent risk of interest and penalty in this situation.

Supplies made to SEZ :

Suppliers to SEZ unit could keep the following documents ready for filing the refund claim:

1. Supplier should obtain certificate of receipt of goods or services by concern SEZ unit, consequently such supplies made to SEZ unit/ Developer should be endorsed by the authorized officer of SEZ.
2. Arrange month wise input invoices on which CSGT/ SGST or IGST or UTGST was paid.
3. Prepare month wise input tax credit register, containing the input invoice details along with the details of payment made to vendor.
4. Month wise statement of supplied including supplies to SEZ.
5. Month wise statement of domestic turnover details to be prepared.
6. Proportionate refund claim amount formula may be prescribed to arrive at the refund claim amount, considering the supplies made to SEZ and other supplies.
7. Refund claim amount shall be debited in the books of accounts, subsequently once the GST return is filed the said amount shall be debited in the respective GST Return.
8. GSTR-1 and GST-3B for the month of July 2017 may be arranged.

The following changes have been made in respect of manufacturing services on physical inputs (goods) owned by others i.e. the services by way of job work. The following manufacturing services shall now be taxable at the rate of 12%:

- i. Service by way of job work in relation to the manufacture of umbrella;
 - ii. Services by way of job work in relation to printing of all goods falling under Chapter 48 or 49, which attracts tax rate of 12%;
 - iii. Services by way of any treatment or process on goods belonging to another person in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 12%.
- m) Services by way of printing of all goods falling under chapter 48 or 49 [including newspapers, books (including Braille books), journals and periodicals], which attract GST @ 12% or 5% or Nil, where only content is supplied by publisher and the physical inputs including paper for printing belongs to the printer shall be taxable at the rate of 12%. Earlier, it was taxable at the rate of 18%.

The following changes have been made in respect of manufacturing services on physical inputs (goods) owned by others i.e. the services by way of job work. The following manufacturing services shall now be taxable at the rate of 5%:

Services by way of job work in relation to printing of all goods falling under Chapter 48 or 49, which attracts tax rate of 5% or Nil .

GST on printing contracts of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc.

Circular No. 11/11/2017-GST

F. No. 354/263/2017-TRU

Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit
North Block, New Delhi
20th October 2017

To,
The Principal Chief Commissioners/Chief Commissioners/ Principal Commissioners/
Commissioner of Central
Tax (All) /
The Principal Director Generals/ Director Generals (All)
Madam/Sir,

Subject: Clarification on taxability of printing contracts

1. Requests have been received to clarify whether supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc., printed with design, logo, name, address or other contents supplied by the recipient of such supplies, would constitute supply of goods falling under Chapter 48 or 49 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) or supply of services falling under heading 9989 of the scheme of classification of services annexed to **Notification No. 11/2017-CT(R)**.
2. In the above context, it is clarified that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.
3. Principal supply has been defined in Section 2(90) of the **Central Goods and Services Tax Act** as supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.
4. In the case of printing of books, pamphlets, brochures, annual reports, and the like, where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.

5. In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, printed with design, logo etc. supplied by the recipient of goods but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

Yours Faithfully,

Rachna
Technical Officer (TRU)
Email: rachna.irs@gov.in

CAN AN UNREGISTERED PERSON CLAIM ITC OF EXCISE DUTY BY REGISTERING UNDER GST ?

A person registered under GST , who was not registered under the existing law, will be allowed to avail input tax credit on goods held in stock on the appointed day.

IF PROOF OF PAYMENT OF EXCISE DUTY IS AVAILABLE:

The concerned person can take entire **100%** input credit on goods in stock and used in semi-finished or finished goods on the appointed day (1st July 2017).

This provision will apply only if all the following conditions are satisfied:

1. The taxpayer should prove that goods will be used for making taxable supplies, i.e., the final sales must be taxable.
2. The registered person should be eligible for input tax credit on such inputs (i.e., he does not opt for composition levy).
3. Registered person should have invoices which prove that he has paid for input VAT.
4. The invoices should not be more than 12 months old on the date immediately preceding the appointed day (i.e., on 30th June 2017. The invoices cannot be earlier than 1st July 2016).
5. In the case of service providers, he cannot claim input tax credit if he enjoys abatement under GST.

Types of registered persons to whom the above applies:

1. A manufacturer who was not liable to be registered under the excise law.
2. A manufacturer of exempted goods (now no longer exempted under GST).
3. A service provider of exempted services (now no longer exempted under GST)
4. Works contractor enjoying abatement (notification No. 26/2012—Service Tax, 20th June 2012).
5. A first stage dealer.
6. A second stage dealer.
7. A registered importer.
8. A depot of a manufacturer.

IF THERE IS NO PROOF OF PAYMENT OF EXCISE:

A taxpayer, who was not registered under the existing law and does **not possess proof of payment of excise, will still be allowed** to take input tax credit.

*The credit will be allowed at the rate of **40% of the GST** applicable after the appointed date (1st July 2017).(2.4% IGST or 1.2% CGST + 1.2% SGST since the GST on Corrugated Cartons etc is 12 % IGST)*

If the GST rate is 18% and above, then he can enjoy 60% of the GST applicable as ITC.

This will be credited only after the output GST has been paid on the sale of goods.

If IGST is paid on the sale of such goods then ITC of 30% is available if IGST rate is 18% and above and 20% ITC for others

This is **available for six tax periods** from the appointed date (i.e., till 31st December 2017 which is 6 months from 1st July 2017).

This provision applies only if the following conditions are satisfied:

1. The goods in question **should not be exempted from excise duty** or were not 0% rated under excise.
2. The registered person should have the **document for procurement** of these goods (e.g. he should possess challans).
3. A registered person availing this scheme must separately **submit the details of stock** in hand on 1st July.
4. The registered person must give **details of sales** of such goods in the **FORM GST TRAN-1** at the end of each month during which the scheme is in operation.
5. The amount of credit allowed will be credited to the electronic credit ledger maintained in the **FORM GST PMT-2** on the Common Portal.
6. The **stock of goods** on which the credit is availed must be **easily identified** by the registered person and must be stored accordingly.

The amount of credit specified in the application in the **FORM GST TRAN-1** will be credited to the electronic credit ledger of the applicant maintained in the **FORM GST PMT-2** on the Common Portal.

HOW TO CLAIM REFUND OF EXCESS BALANCE IN ELECTRONIC CASH LEDGER :

A new facility has been started by the government from 29th November on its GSTN portal, under which the taxpayers who paid excess tax money by mistake, can now transfer the money back to their bank accounts.

To get back their excess tax money, businesses will be required to log on to GSTN portal by using their GSTN registered numbers and then they can apply for returning of the excess money. The money will automatically be credited to the concerned bank account registered in the GST portal.

Follow the below mentioned simple steps to claim the Refund of Excess Balance in Electronic Cash Ledger:-

1. Login on GST portal
2. Go to Services
3. Click on Refund
4. Click on Application for Refund
5. Select the Refund type as Refund of Excess Balance in Electronic Cash Ledger
6. Click on CREATE button

REFUND PROCESS UNDER GST :**SITUATIONS FOR REFUND UNDER GST :**

- (A) Excess payment of tax due to mistake or inadvertence.
- (B) Export (including deemed export) of goods / services under claim of rebate or Refund of accumulated input credit of duty / tax when goods / services are exported.
- (C) Finalization of provisional assessment.
- (D) Refund of Pre – deposit for filing appeal including refund arising in pursuance of an appellate authority's order (when the appeal is decided in favor of the appellant).
- (E) Payment of duty / tax during investigation but no/ less liability arises at the time of finalization of investigation / adjudication.
- (F) Refund of tax payment on purchases made by Embassies or UN bodies.
- (G) Credit accumulation due to output being tax exempt or nil-rated.
- (H) Credit accumulation due to inverted duty structure i.e. due to tax rate differential between output and inputs.
- (I) Year-end or volume based incentives provided by the supplier through credit notes.
- (J) Tax Refund for International Tourists.

DELAY IN REFUND AND INTEREST:

A refund application is to be processed within a period of 90 days. If the refund application is not processed within said period then an interest at the rate of 6% is recommended.

According to Nirmala Sitharaman (Commerce and industry minister) who spoke for the concern of exporters on delay in refund, that the refunds under GST shall be processed within a period of 7 days. If same is delayed more than 2 weeks, then refund will be provided with interest.

WHAT IS GST ITC – 04

GST ITC -04 has to be furnished by registered manufacturers , showing details of inputs or capital goods dispatched or received from a Job Worker in a quarter.

The details of the types of transactions need to be furnished in GST ITC – 04 :

1. Inputs or Capital goods dispatched to Job Workers in the quarter.
2. Inputs or Capital goods received from Job Workers in the quarter.
3. Inputs or Capital goods sent from one Job worker to another in the quarter.
4. Inputs or Capital goods supplied from the premises of the Job workers in the quarter.

GST ITC - 04 DUE DATE:

The due date for filing of GST ITC -04 will be 25th of the month succeeding a quarter.

Note that last date for filing GST ITC -04 for the quarter July –Sep 2017 has been extended from 25th October 2017 to 31st December 2017.

HOW TO FILE GST ITC -04 IN GST PORTAL:

The GST ITC -04 can be filed in the GST portal using the offline tool.

Judicial Pronouncements after the Implementation of GST

In *WS Retail Services (P.) Ltd. v Union of India (2017) 84 taxmann.com 92 (Punjab & Haryana)*, where the assessee supplied goods to customer of Punjab, which it brought from its warehouse situated outside State of Punjab to its delivery hub located in Punjab and mentioned its TIN of Punjab in VAT -36 return, it was held that the said supply shall have to be treated as inter-state supply.

In *Sachdeva Overseas v. State of U.P (2017) 86 taxmann.com 181/(10) TMI 252 (Allahabad)*, where the assessee on enforcement of GST regime got itself migrated for purposes of GST as a partnership firm, but Adjudicating Authority had registered it as a sole proprietorship, it was held that Adjudicating Authority shall have to rectify this mistake.