

GST Updates

April 2018



CBIC prescribes procedures for arrears recovery / inadmissible ITC reversal, detention & release of goods

Central Board of Indirect Taxes and Customs('CBIC') lays down procedure for recovery of central excise duty / service tax and CENVAT credit thereof arising out of proceedings under existing law, unless recovered thereunder, and that of inadmissible transitional credit as "arrears of tax" under CGST Act. CENVAT credit of central excise duty or service tax wrongly carried forward as transitional credit shall be recovered as central tax liability to be paid through utilization of amounts available in electronic credit ledger / electronic cash ledger.

Please [Click Here](#) to read the Circular No. 42/16/2018-GST dated April 13, 2018

CBIC prescribes detailed procedure for inspection, release & confiscation of goods / conveyances

CBIC lays down detailed procedure for interception of conveyances for inspection of goods in movement and detention, seizure, release and confiscation of such goods and conveyances.

Please [Click Here](#) to read Circular No. 41/15/2018-GST dated April 13, 2018.

Clarification regarding GST on supply of food and drinks in educational institutions

The Ministry of Finance has clarified the rate of GST applicable on supply of food and drinks in educational institutions:

- a. GST rate on supply of food and drinks in a mess or canteen in an educational institution attracts GST at 5% without Input Tax Credit ('ITC')
- b. If schools up to higher secondary level supply food directly to its students, then the same are exempt from GST.

Please [Click Here](#) to read Press Release dated April 11, 2018

Roll-out of e-Way Bill system for Intra-State movement of goods in 5 States from April 16, 2018

As per the decision of GST Council, e-Way Bill system for all inter-State movement of goods has been rolled-out from April 1, 2018. E-way Bill system for Intra-State movement of goods in the State of Karnataka is also operational from the said date. E-Way Bill system for Intra-State movement of goods would be implemented from April 15, 2018 in 5 States namely Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh

Please [Click Here](#) to read the Finance Ministry Press Release dated April 10, 2018.

Clarification on issues related to furnishing of Bond/Letter of Undertaking ('LUT') for exports

CBIC has clarified that LUT shall be deemed to be accepted as soon as Application Reference Number (ARN) is generated on submission of online Form GST RFD -11 on GST portal. No document needs to be physically submitted to the jurisdictional office for acceptance of LUT. In case of rejection, the LUT shall be deemed to have been rejected abinitio.

Please [Click Here](#) to read **Circular No. 40/14/2018-GST dated April 6, 2018**

Government sets up an IT Grievance Redressal Mechanism to address the grievances of taxpayers due to technical glitches on GST Portal

CBIC explains details of IT-Grievance Redressal Mechanism which has been set up to address grievances of taxpayers owing to technical glitches on GST portal. Any issue which needs to be addressed through such mechanism shall be identified by GSTN and the method of resolution will be approved by the GST Implementation Committee (GIC), which shall act as the IT Grievance Redressal Committee.

Such IT Grievance Redressal Committee may approve and recommend to the GSTN the steps to be taken to redress the grievance and provide relief to the taxpayer. The relief could be in the nature of addressing problems with filing / amending of any statutory Form or Return that affect large section of taxpayers. However, where the problem relates to individual taxpayer, due to localised issues such as non-availability of internet connectivity or failure of power supply, this mechanism shall not be available.

Please [Click here](#) to read Circular No. 39/13/2018-GST dated April 3, 2018.

No IGST on overseas trading absent importation of goods into India

The Authority for Advance Rulings ('AAR') in the case of Synthite Industries Ltd held that the goods would be liable to IGST only when they are imported into India and the same would be payable at the time of importation of goods.

The applicant is neither liable to GST on the sale of goods procured from China and directly supplied to USA nor on the sale of goods stored in the warehouse in Netherlands, after being procured from China, to customers in and around Netherlands, as the goods are not imported into India at any point.

Please [Click here](#) to read / download the copy of AAR

Recovery of canteen expenses from employees taxable under GST regime

Kerala AAR in the matter of Caltech Polymers Pvt. Ltd. clarifies that recovery of food expenses from employees for canteen services provided by company is liable to GST as 'outward supply'. The AAR observed that in the pre-GST period, such service by canteen maintained in factory covered under Factories Act was exempted from service tax but there is no similar provision under the GST laws. The AAR held that even though there is no profit as claimed by the applicant on supply of food, there is "supply" as contemplated u/s 7(1)(a) of CGST Act and the applicant would come under the definition of "supplier" as provided in Section 2(105) of CGST Act. Moreover, since the applicant recovers the cost of food from its employees, there is "consideration" as defined in Section 2(31) of CGST Act and therefore taxable as service under GST.

Please [Click here](#) to read / download the copy of AAR

5% Uniform rate of GST to apply in all railway catering services in trains or on stations

CBIC has clarified that GST rate applicable on supply of food and drinks made available in trains, platforms or stations by the Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees, whether in trains or at platforms (static units), will be 5% without input tax credit.

Please [Click Here](#) to read the Order No. 02/2018-GST dated March 31, 2018

Due Dates of GST Returns

CBIC has notified the due dates for GST returns for the period April 2018 to June 2018 by issuing notifications. The due dates are tabulated below:

Sr. No.	Returns	Description	Tax Period	Due Dates
1	Monthly GSTR 1	Taxpayer having aggregate turnover of more than Rs. 1.50 crores in previous financial year are required to file monthly GSTR 1	April-2018	31-May-2018
			May -2018	10-June-2018
			June-2018	10-July-2018
2	Quarterly GSTR 1	Taxpayer having aggregate turnover of upto Rs. 1.50 crores in previous financial year can file quarterly GSTR 1	April 2018 to June 2018	31- July-2018
3	GSTR 3B	All Taxpayers need to file GSTR 3B	April-2018	20-May-2018
			May -2018	20-June-2018
			June-2018	20-July-2018
4	GSTR-6	Input Service Distributors	July, 2017 to April, 2018	31-May-2018
5	TRAN-2	For availing credit of stock held on 30 June, 2017 without possession of invoice	July, 2017 to December, 2017	30-June-2018

Please [Click Here](#) to read the notification for monthly GSTR1

Please [Click Here](#) to read the notification for quarterly GSTR1

Please [Click Here](#) to read the notification for GSTR 3B

About KrayMan

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- **Prime Advisory Network (PAN), United Kingdom** - a network of Accountants and Lawyers with presence in more than 60 countries
- **Cross Border Associates (CBA), Germany** - specializing in mergers & acquisitions activities having presence in more than 95 countries
- **TiE Delhi** - world's largest entrepreneurial organization with 62 chapters in 18 countries

For any GST related assistance, please write to us at:
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