

Dear Professional Colleagues,

**Weekly update on latest Notifications/Circulars issued by the Government of India are as under:**

1. Time limit for filing GSTR-1 for small taxpayers on Quarterly basis i.e. **Turnover upto Rs. 1.5 Cr in preceding F.Y. or in the current F.Y.** has been extended vide **Notification No. 71/2017 – Central Tax dated December 29, 2017.**

S. No.	Quarter for which the details in FormGSTR-1 are furnished	Time for furnishing the details in Form GSTR-1
1	July-September, 2017	January 10, 2018
2	October-December, 2017	February 15, 2018
3	January-March, 2018	April 30, 2018

2. Time limit for filing GSTR-1 for taxpayers on Monthly basis i.e. Turnover more than Rs. 1.5 Cr. in preceding F.Y. or in the current F.Y. has been extended vide Notification No. 72/2017 – Central Tax dated December 29, 2017.

S. No.	Month for which the details in FormGSTR-1 are furnished	Time for furnishing the details in Form GSTR-1
1	July-November, 2017	January 10, 2018
2	December, 2017	February 10, 2018
3	January, 2018	March 10, 2018
4	February, 2018	April 10, 2018
5	March, 2018	May 10, 2018

3. Last date for filing or revising **Form TRAN-1** i.e. Form for taking transitional credit was December 27, 2017. Hence the functionality for filing Form TRAN-1 has been removed from GSTN Portal.
4. Late fees for filing Form GSTR – 4 (Quarterly Return by Composition Dealer) is reduced vide **Notification No. 73/2017 – Central Tax dated December 29, 2017.**
  - Late fees for filing Form GSTR-4 after the due date reduced to Rs.25/- per day. (earlier it was Rs.100/- day) [Total Late Fees from CGST & SGST Act perspective would be Rs. 50/- Per Day]
  - If tax required to be paid is Nil, then late fees for filing Form GSTR-4 after the due date reduced to Rs.10/- per day.[Total Late Fees from CGST & SGST Act perspective would be Rs. 20/- Per Day]
5. E-way Bill rules and provisions related theretoshall come into force w.e.f. February 1, 2018 in view of **Notification No. 74/2017 – Central Tax dated December 29, 2017.**
6. **Notification No. 75/2017 – Central Tax dated December 29, 2017.**

- Following are **the insertion** made vide CGST (Fourteenth Amendment) Rules, 2017:

S. No.	Insertions in CGST Rules, 2017	Analysis/ effect of amendment
1.	<p><b><u>In Rule 17 after sub-rule (1), sub-rule 1A has been inserted:</u></b></p> <p>“The Unique Identity Number (UIN) granted under sub-rule (1) to a person under Section 25(9)(a) shall be applicable to the territory of India.”;</p>	<p>UIN granted to persons mentioned under Section 25(9)(a) i.e. any specialised agency of the United Nations Organisation, will be applicable to the territory of India while applicability of UIN granted to persons mentioned under Section 25(9)(b) has not been prescribed yet.</p>
2.	<p><b><u>In Rule 19 after sub-rule (1), sub-rule 1A has been inserted:</u></b></p> <p>“Notwithstanding anything contained in sub-rule (1), the particulars of application for registration shall not stand amended with effect from a date earlier than the date of submission of the application in <b>Form GST REG-14</b> on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.”</p>	<p>Particulars of application for registration shall stand amended w.e.f. the date of submission of the application in Form GST REG-14. However, change can be effective before the date of submission of application when an order of the Commissioner is issued, for reasons to be recorded in writing, and subject to such conditions as the Commissioner may specify.</p>
3.	<p><b><u>In the heading of Rule 96, after the words “paid on goods”, the words “or services” shall be inserted; and</u></b>  <b><u>In Rule 96, after sub-rule 8, sub-rule 9 has been inserted w.e.f. October 23, 2017:</u></b></p> <p>“The persons claiming refund of integrated tax paid on export of goods or services should not have received supplies on which the supplier has availed the benefit of notification No. 48/2017-Central Tax dated 18th October 2017 or notification No.40/2017-Central Tax (Rate) dated 23rd October 2017 or notification No. 41/2017-Integrated Tax (Rate) dated 23rd October 2017.”;</p>	<ul style="list-style-type: none"> <li>➤ Refund of <u>IGST paid on Services exported out of India</u> will also be available <u>under Rule 96</u> and for this purpose sub-rule (9) has been inserted in Rule 96.</li> <li>➤ The person claiming refund of IGST under this rule - <ul style="list-style-type: none"> <li>• cannot receive supplies from supplier of “Deemed exports”; and</li> <li>• cannot receive supplies from a supplier who is paying CGST @ 0.05% on supply of goods to Merchant Exporter.</li> </ul> </li> </ul>

- Following are **the substitutions** made vide CGST (Fourteenth Amendment) Rules, 2017:

S. No.	Substitution in CGST Rules, 2017	Analysis/ effect of amendment
1.	<p><b><u>In Rule 89, sub-rule (4) has been substituted and sub-rule 4A and sub-rule 4B has been inserted w.e.f. October 23, 2017:</u></b></p> <p><b><u>Substitution of Rule 89(4):</u></b></p> <p>Rule 89(4) provides the formula to calculate the refund amount in the case of zero rated supply of goods/ services made without payment of tax under bond or LUT. Refund of ITC shall be as per the following formula:</p> <p><i>Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover</i></p> <p>Where, -</p> <p>(A) "Refund amount" means the maximum refund that is admissible;</p> <p>(B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period <u>other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;</u></p> <p>(C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking, <u>other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;</u></p> <p>(D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-</p> <p>Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and</p>	<p><b><u>Effect of substitution of Rule 89(4):</u></b></p> <p>For calculation of 'Net ITC', ITC availed for which refund is claimed under sub-rules (4A) or (4B) or both, should be excluded.</p> <p>For calculation of 'Turnover of zero-rated supply of goods', turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, should be excluded.</p> <p>For calculation of 'Adjusted Total turnover', turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, if any, should be excluded.</p> <p><b><u>Effect of insertion of sub-rule 4A and sub-rule 4B:</u></b></p> <p>In the case of supplies received on which the supplier has availed the benefit of "Deemed exports", refund of ITC, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.</p> <p>In the case of supplies received on which the supplier is paying CGST @ 0.05% on supply of goods to Merchant Exporter, refund of ITC, availed in respect of inputs received from the said supplier for</p>

	<p><i>zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;</i></p> <p><i>(E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding –</i></p> <p><i>(a) the value of exempt supplies other than zero-rated supplies and</i></p> <p><i>(b) <u>the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, if any,</u></i></p> <p><i>during the relevant period;</i></p> <p><i>(F) "Relevant period" means the period for which the claim has been filed.</i></p> <p><b><u>Insertion of sub-rule 4A and sub-rule 4B:</u></b></p> <ul style="list-style-type: none"> <li>• <i>Rule 4A – "In the case of supplies received on which the supplier has availed the benefit of Notification No. 48/2017- Central Tax dated 18th October 2017, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted."</i></li> <li>• <i>Rule 4B – "In the case of supplies received on which the supplier has availed the benefit of Notification No. 40/2017-Central Tax (Rate) dated October 23, 2017 or Notification No. 41/2017- Integrated Tax (Rate) dated October 23, 2017, or both, refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.";</i></li> </ul>	<p>export of goods and the ITC availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.</p>
2.	<b><u>In Rule 95, sub-rule (1) is substituted:</u></b>	Date of filing of Form GSTR-2 is

	<p>The words "<u>prepared on the basis of the statement of the outward supplies furnished by the corresponding suppliers in Form GSTR-1</u>" shall be omitted.</p> <p><u>Amended Rule 95(1) is as under:</u></p> <p><i>"(1) Any person eligible to claim refund of tax paid by him on his inward supplies as per notification issued under section 55 shall apply for refund in Form GST RFD-10 once in every quarter, electronically on the common portal or otherwise, either directly or through a Facilitation Centre notified by the Commissioner, along with a statement of the inward supplies of goods or services or both in Form GSTR-11."</i></p>	<p>not yet notified by the Central Government till date, hence GSTR-2A will not be auto drafted from GSTR-1 of corresponding suppliers. Thus statement of the inward supplies of goods/ services, to be given in Form GSTR-11 for claiming refund of tax paid on inward supplies, cannot be prepared on the basis of statement of the outward supplies furnished by the corresponding suppliers in Form GSTR-1 i.e. GSTR-2A.</p>
3.	<p><u>In Rule 95(3), clause (a) is amended by omitting the following words:</u></p> <p><i>"And the price of the supply covered under a single tax invoice exceeds five thousand rupees, excluding tax paid, if any".</i></p>	<p>Refund is available to applicants even when invoice value, excluding tax paid, is upto Rs. 5000/-.</p>

- **Form GSTR-11**, Statement of inward supplies by persons having UIN, has been substituted.
- **Form GST-REG 10**, an application for registration of persons supplying online information and data base access or retrieval ("**OIDAR**") services from a place outside India to a person in India, other than a registered person, has been substituted.
- In **Form GST REG-13**, an application/ form for grant of UIN to UN Bodies/ Embassies /others, some changes have been made.
- **Form GST-RFD 10**, an application for Refund by any specialized agency of UN or any Multilateral Financial Institution and Organization, Consulate or Embassy of foreign countries, etc., has been substituted.
- In **Form GST DRC-07**, Summary of the order, table at serial no. 5 has been omitted.

**7. Instructions on return filing and late fees in Form GSTR – 1 and Form GSTR – 3B vide Circular No.26/26/2017-GST dated December 29, 2017.**

- **The following are the mistakes made by the Tax payers while filing & submitting Form GSTR – 3B** like Under reporting of GST liabilities, Over-reporting of GST Liabilities, Wrong-reporting of GST Liabilities, Under-reporting of ITC, Over-

reporting of ITC, Wrong-reporting of ITC, Cash Ledger wrongly reported. To easily digest the following mistakes are discussed as under:

- I. Under reporting of GST liabilities (In case return is filed):
  - a. Liability may be added in the return of subsequent month(s) after payment of interest.
  - b. If such liability was not reported in Form GSTR-1 of the month/quarter, then such liability may be declared in the subsequent month's/quarter's Form GSTR-1 in which payment was made.
- II. Over-reporting of Liabilities:
  - a. Liability may be adjusted in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.
  - b. Where the liability was over reported in the month's / quarter's vGSTR-1 also, then such liability may be amended through amendments under Table 9 of FormGSTR-1.
- III. Wrong-reporting of Liabilities:
  - a. Unreported liability may be added in the next month's return with interest, if applicable. Also, adjustment may be made in return of subsequent month(s) or refund may be claimed where adjustment is not feasible
  - b. Such taxpayers will have to file for amendments by filling Table 9 of the subsequent month's / quarter's Form GSTR-1.
- IV. Under-reporting of ITC:
  - a. Input tax credit which was not reported may be availed while filing return for subsequent month(s).
  - b. No action required in GSTR-1.
- V. Over-reporting of ITC:
  - a. Pay (through cash) / Reverse such over reported input tax credit with interest in return of subsequent month (s).
  - b. No action required in GSTR-1
- VI. Wrong-reporting of ITC:
  - a. Pay (through cash) / Reverse any wrongly reported input tax credit in return of subsequent month(s).
  - b. For under reported input tax credit, the same may be availed in return of subsequent month(s).
  - c. No action required in GSTR-1.
- VII. Cash Ledger wrongly reported (Only Stage 2 effected):
  - a. Add cash under the right tax head and seek cash refund of the cash added under the wrong tax head.
  - b. No action required in GSTR-1.

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*Hope the information will assist you in your Professional endeavours. In case of any query/ information, please do not hesitate to write back to us.*

Thanks & Best Regards,

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