

## CUSTOMS

### *Pre-notice consultation Regulations, 2018*

The Central Government *vide Notification no. 29/2018-Customs (N.T.) dated 2nd April, 2018* has provided the Pre- notice consultation regulations, 2018 which are as follows:

**Manner of conducting pre-notice consultation:** - Pre-notice consultation shall be made in the following manner: -

(1) Before the notice is issued, the proper officer shall inform, in writing, the person chargeable with duty or interest of the intention to issue the notice specifying the grounds and the process of pre-notice consultation shall be initiated as far as possible at least 2 months before the expiry of the time limit mentioned in sub-section (3) of section 28 of the Act.

(2) The person chargeable with duty or interest may, within 15 days from the date of communication referred to in sub regulation (1), make his submissions in writing on the grounds so communicated. Provided if no response received, the proper officer shall proceed to issue the notice to the said person without any further communication:

Provided further that while making the submissions, the person chargeable with duty or interest shall clearly indicate whether he desires to be heard in person by the proper officer.

(3) The proper officer, may if requested, hear the person within 10 days of receipt of the submissions referred to in sub-regulation (2) and subject to the provisions of section 28, decide whether any notice is required to be issued or not: Provided that no adjournment for any reason shall be granted in respect of the hearing allowed under this regulation.

(4) Where the proper officer, after consultation, decides not to proceed with the notice with reference to the grounds communicated under sub-regulation (1), he shall, by a simple letter, intimate the same to the person concerned.

(5) The consultation process provided in these regulations shall be concluded within sixty days from the date of communication of grounds as provided in sub-regulation (1).

(6) Where the proposed show cause notice is in respect of a person to whom a notice on the same issue but for a different period or documents has been issued after pre-notice consultation, the proper officer may proceed to issue the show cause notice for subsequent periods without any further consultation.

*[Notification no. 29/2018-Customs (N.T.) dated 2nd April, 2018]*

### *International courier terminals*

The Central Government *vide Notification no. 27 /2018-Customs (N.T.) dated 28th March, 2018* has appointed the Mumbai ,Delhi, Chennai ,Kolkata ,Bengaluru ,Hyderabad ,Jaipur ,Trivandrum, Cochin, Coimbatore , Calicut ,Tiruchirappalli, additionally as international courier terminals.

*[Notification no. 27 /2018-Customs (N.T.) dated 28th March, 2018]*

**Refund of IGST on Export-Extension of date in SB005 alternate mechanism cases & clarifications in other cases-reg.**

Central Government vide [Circular No. 08/2018-Customs dated 23<sup>rd</sup> March, 2018](#) extended the facility to resolve invoice mismatch cases and for correction in SB005 through officer interface till 23th February, 2018 in case of those shipping bills where SB005 was allowed to be corrected through officer interface for SBs filed up to 31.12.17.

Further, representations have also been received from:

(i) field formations seeking resolution of SB006 errors due to discontinuance of transference copy of shipping bill. It has been proposed by the field formations that in lieu of transference copy either the final Bill of Lading issued by the shipping lines or written confirmation from the custodian of the gateway port, may be treated as valid document for the purposes of integration with the EGM. The proposal from the field formation has been examined in the Board. The proposal sent from field formation in such EGM error cases has been agreed.

(ii) exporters that by mistake they have mentioned the status of IGST payment as "NA" instead of mentioning "P" in the shipping bill. In other words, the exporter has wrongly declared that the shipment is not under payment of IGST, despite the fact that they have paid the IGST. As a one-time exception, it has been decided to allow refund of IGST through an officer interface wherein the officer can verify and satisfy himself of the actual payment of IGST based on GST return information forwarded by GSTN. DG (Systems) shall open a physical interface for this purpose.

*[Circular No. 08/2018-Customs dated 23<sup>rd</sup> March, 2018]*

**Clarification regarding EGM related cases in case of Refund of IGST on Export**

Central Government vide [Circular No. 06/2018-Customs dated 16<sup>th</sup> March, 2018](#) clarified the Export General Manifest related issues which leads to holding up the refunds in Inland Container Depots (ICD). Filing of EGM, apart from filing of shipping bill and Form GSTR-3B is a mandatory requirement for processing refund claim.

The shipping lines have been filing EGM electronically for exports originating from gateway ports. However, for cargo originating from ICDs, the Shipping lines/agents were filing EGM in manual form. In order to overcome this major obstacle in processing of refund claims, the Shipping lines have been mandated to include shipping bills originating from ICDs while filing electronic EGMs at the gateway ports. In case EGMs have not incorporated shipping bills pertaining to ICDs, supplementary EGMs will be filed. In case, shipping lines/agents fail to file either regular or supplementary EGMs electronically for the cargo originating from ICDs, the jurisdictional officers may initiate penal actions.

In order to ensure a hassle-free processing of refund claims, the following steps may be ensured by the jurisdictional officers in ICDs:

- a) filing of local EGM i.e train or truck summary, as the case may be, immediately after cargo leaves the port,
- b) liaising with jurisdictional officers at gateway port for incorporation of Shipping Bills pertaining to the cargo originating in ICDs, in the EGMs filed at gateway port by the Shipping lines/agents
- c) rectification of errors in local and gateway EGM, wherever necessary.

The jurisdictional officers should strictly monitor the EGM pendency and error reports available in ICES so as to resolve the EGM errors in an expeditious manner. In cases, where there are errors either in the shipping bill or in the local EGM (i.e. truck or train summary), the remedial action has to be taken by jurisdictional officer in ICD.

It has been observed that mis-match of information provided in local and gateway EGM mainly occurs because of:

- i. incorrect gateway port code in local EGM (error M),
- ii. change in container for LCL cargo or mistakes committed while entering container number (error C),
- iii. incorrect count of containers (error N),
- iv. mistakes in entering the nature of cargo - LCL or FCL (error T),
- v. the let export order is given in ICES after sailing date of the vessel (error L),

ICES has provision to correct all aforementioned errors. The procedure to be followed for each type of error has been clearly delineated in the step by step guide issued by the Directorate of Systems for dealing with the errors. In case of specific difficulties, the same may be taken with the errors. In case of specified difficulties, the same may be taken up with Directorate of Systems.

There is a shared responsibility between officers working at ICDs and gateway ports in ensuring an error free filing and integration of local and gateway EGMs. The officers at both locations should also ensure swift rectification of errors and effective coordination between the domestic carriers, who file local EGMs, and Shipping lines/agents, who file gateway EGMs. The error free filing and integration of EGMs is a pre-requisite for smooth processing of refunds. Recognizing this necessary outreach may be done to sensitize domestic carriers as well as Shipping lines/agents with regard to due diligence that is required in filing of EGMs and its critical importance in hassle free processing of IGST refunds.

[\[Circular No. 06/2018-Customs dated 16<sup>th</sup> March, 2018\]](#)

## GST

The Central Government vide [Circular No. 37/11/2018-GST dated 15th March,2018](#) has clarified various issues in relation to processing of claims for refund which are discussed below:

### **1. Non-availment of drawback:**

- It has been clarified that the drawback of Central Tax and Integrated Tax should not have been availed while claiming refund of accumulated ITC on zero rated supplies made without payment of tax.
- A supplier availing of drawback only with respect to basic customs duty shall be eligible for refund of unutilized input tax credit of Central tax / State tax / Union territory tax / Integrated tax / Compensation cess under sub section (3) of section 54.
- It is further clarified that refund of eligible credit on account of State tax shall be available even if the supplier of goods or services or both has availed of drawback in respect of central tax.

*Comment: (i) Rule 2(a) of C & CE Drawback Rules, 2017 already excludes GST paid on imported material and this clarification does not lay any new tax position. As such, drawback and zero-rated benefit can co-exist and operate simultaneously;*

*(ii) Rule 96(10) which places a restriction in case claim of IGST refund also implies that IGST refund can co-exist with drawback of non-GST Central duties (NGCDs). Note that refund of IGST arises when exports are on 'payment of IGST' under section 16(3(b) of IGST Act;*

*(iii) Further, please note that the restriction in rule 96(10) is to ensure that the domestic Supplier and Exporter/Deemed-Exporter cannot both claim refund (language appears to place an embargo on refund to exporter);*

48/2017-CT	Notifies deemed exports	Supplier to claim refund due to 'rate inversion' in his hands. As no refundable taxes paid by deemed-exporter, no refund remains to be availed
40/2017-CT (R)	Specifies CGST of 0.05% on supply to deemed exports	
41/2017-Int. (R)	Specifies IGST of 0.1% on supply to deemed exports	
78/2017-Cus.	Exempts IGST on imports	No refund since no IGST paid
79/2017-Cus.	Exempts IGST on imports	

*(iv) As clarified in para 13.2 of this circular, the GST at 0.5%/0.1% in case of supplies to Merchant Exporters causing 'rate inversion' in the hands of Supplier, while the Supplier is eligible to refund of relatable ITC, the ME is eligible to ITC of the (nominal rates of) GST paid;*

*(v) Please also note that NGCDs are neutralized through drawback, all GSTs are neutralized through zero-rated supply as clarified here. It is therefore clear that SGST is refundable vide zero-rated supply facility without being affected by drawback provisions.*

2. Amendment through Table 9 of GSTR-1:

In this it has been clarified that if a taxpayer has committed an error while entering the details of an invoice / shipping bill / bill of export in Table 6A or Table 6B of FORM GSTR-1 due to which refund claims are not being processed, so now taxpayer can rectify the same in Table 9 of FORM GSTR-1 in order to get the refund.

*Comment: Rectification does not limit the number of times such rectification may be made. It is prudent to ensure that the correct amounts are reflected in Table 9 of GSTR-1 so as to facilitate refund claims.*

3. Exports without LUT:

It has been clarified that the facility for export under LUT may be allowed on *ex post facto* basis taking into accounts the facts and circumstances of each case.

*Comment: While an ex post facto filing of LUT greatly undermines the prescriptions of section 16(3)(a) of IGST Act, as it is a beneficial circular, trade may avail this relaxation. This clarification must not be assumed to apply to all 'pre-conditions' of a technical nature in GST. LUTs must nevertheless be filed at least post facto. Failure to file LUT does not avail this procedural relaxation.*

4. Exports after specified period:

It has been reported that the exporters have been asked to pay integrated tax where the goods have been exported but not within 3 months from the date of the issue of the invoice for export. In this regard, it is emphasized that exports have been zero rated under the Integrated Goods and Services Tax Act, 2017 (IGST Act) and as long as goods have actually been exported even after a period of three months, payment of integrated tax first and claiming refund at a subsequent date should not be insisted upon.

Therefore, in such cases, the jurisdictional Commissioner may consider granting extension of time limit for export as provided in the said sub-rule on post facto basis keeping in view the facts and circumstances of each case. The same principle should be followed in case of export of services.

*Comment: This is a significant clarification where, merely because technical aspects are not complied, it does not alter the basic character of the export rendering it a taxable supply. Also, this clarification would not be applicable in case of 'export of services' even if it is an export by way lease of goods.*

5. Deficiency memo:

In this connection, a clarification has been provided that once an applicant has been communicated the deficiencies in respect of a particular application, the applicant shall furnish a fresh refund application after rectification of such deficiencies and once an

application has been submitted afresh, pursuant to a deficiency memo, the proper officer will not serve another deficiency memo with respect to the application for the same period, unless the deficiencies pointed out in the original memo remain unrectified, either wholly or partly, or any other substantive deficiency is noticed subsequently. *Comment: Care should be taken to resolve all deficiencies in order for any refund claim or other application to be legally recognized as having been filed. With this clarification that further deficiencies will not be issued, ensuring that all deficiencies are satisfactorily resolved in imperative to preserve validity of refund claims/applications filed.*

**6. Self-declaration for non-prosecution:**

In terms of Notification No. 37/2017-CT dated 4<sup>th</sup> October, 2017, the facility of export under LUT is available only to those who have not been prosecuted for any offence under the CGST Act or the IGST Act for which a person intending to export under LUT is required to give a self-declaration at the time of submission of LUT that he has not been prosecuted. In this regard it has been clarified that requirement is already satisfied in case of exports under LUT and asking for self-declaration with every refund claim where the exports have been made under LUT is not warranted.

*Comment: Self-declaration by an authorized signatory of a legal entity may include a declaration that the affirmations in the declaration are from extant records of the entity and not personal knowledge.*

**7. Refund of transitional credit:**

As per section 54 Refund of unutilized input tax credit availed on inputs and input services during the relevant period is allowed. In this regard it has been clarified that the transitional credit pertains to duties and taxes paid under the existing laws viz., under Central Excise Act, 1944 and Chapter V of the Finance Act, 1994, the same cannot be said to have been availed during the relevant period and thus, cannot be treated as part of 'Net ITC' therefore, not refundable.

*Comment: Apprehension of industry that transitional credits will not be reckoned as 'net ITC' for claiming GST refund is not settled. All refunds under earlier laws must be claimed under earlier laws but if those credits have transitioned under section 140(1), except by utilization or rebate claim, no other refund mechanism would be available.*

**8. Discrepancy between values of GST invoice and shipping bill/bill of export:**

In this regard it has been clarified that in case of discrepancy in value of the goods declared in the GST invoice and shipping bill/bill of export than the value in the GST invoice and corresponding shipping bill / bill of export should be examined and the lower of the two values should be sanctioned as refund.

*Comment: This clarification brings to light the practice that was common under Central Excise for 'assessable value' to be different from 'commercial value'. Invoice under section 31 would be for 'assessable value' which can be different from 'commercial value'. Clue can be taken from here for issuing Tax Invoice for exchange and barter*



*transactions and for supplies where consideration is in non-monetary form. Tax Invoice is required in all these cases even though no 'price' may exist.*

**9. Refund of taxes paid under existing laws:**

- Section 142 of the CGST Act provides that refunds of tax/duty paid under the existing law shall be disposed of in accordance with the provisions of the existing law. It is observed that certain taxpayers have applied for such refund claims in FORM GST RFD-01A also. In this regard, it has been advised through this circular to reject such applications and pass a rejection order in FORM GST PMT-03 and communicate the same on the common portal in FORM GST RFD-01B.
- Furthermore, it has been clarified that the amount arising out of refund claims under existing laws shall be refunded in cash only. Also, it should be insured that no refund of the amount of CENVAT credit is granted in case the said amount has been transitioned under GST.

**10. Filing frequency of Refunds:**

In this regard, it is hereby clarified that the exporter, at his option, may file refund claim for one calendar month / quarter or by clubbing successive calendar months / quarters. The calendar month(s) / quarter(s) for which refund claim has been filed, however, cannot spread across different financial years.

*Comment: This is a welcome and much awaited clarification (which may soon be permitted on the portal). In a month where there is no ETO, taxable persons may carry forward ITC in the following quarter and file a consolidated refund for the 'net ITC of quarter' and 'ETO/TTO of quarter'. Care should be taken not to skip any month and maintain refund claims consecutively.*

**11. BRC / FIRC for export of goods:**

In case of export of goods, realization of consideration is not a pre-condition. therefore it is clarified that, insistence on proof of realization of export proceeds for processing of refund claims related to export of goods has not been envisaged in the law and should not been insisted upon.

*Comment: Another welcome clarification but this applies only in respect of refund claims relating to export of 'goods' and not services.*

**12. Supplies to Merchant Exporters:**

It is clarified that the benefit of supplies at concessional rate is subject to certain conditions and the said benefit is optional and the goods may be procured at the normal applicable tax rate. It is also clarified that the supplier who supplies goods at the concessional rate is also eligible for refund on account of inverted tax structure as per the provisions of section 54 of the CGST Act.

*Comment: It must be ensure that there is no duplication of claims and suitable documentary proof must be provided by the claimant of the refund that the counter party has not claimed refund.*

### **13. Requirement of invoices for processing of claims for refund:**

A list of documents required for processing the various categories of refund claims on exports is provided in the Table below. Apart from the documents listed in the Table below, no other documents should be called for from the taxpayers, unless the same are not available with the officers electronically:

<b>Table</b>	
<b>Type of Refund</b>	<b>Documents</b>
Export of Services with payment of tax (Refund of IGST paid on export of services)	<ul style="list-style-type: none"> <li>• Copy of FORM RFD-01A filed on common portal</li> <li>• Copy of Statement 2 of FORM RFD-01A</li> <li>• Invoices w.r.t. input, input services and capital goods</li> <li>• BRC/FIRC for export of services</li> <li>• Undertaking / Declaration in FORM RFD-01A</li> </ul>
Export (goods or services) without payment of tax (Refund of accumulated ITC of IGST / CGST / SGST / UTGST / Cess)	<ul style="list-style-type: none"> <li>• Copy of FORM RFD-01A filed on common portal</li> <li>• Copy of Statement 3A of FORM RFD-01A generated on common portal</li> <li>• Copy of Statement 3 of FORM RFD-01A</li> <li>• Invoices w.r.t. input and input services</li> <li>• BRC/FIRC for export of services</li> <li>• Undertaking / Declaration in FORM RFD-01A</li> </ul>

*\*These instructions shall apply to exports made on or after 1st July, 2017. It is also advised that refunds may not be withheld due to minor procedural lapses or non-substantive errors or omission.*

### **Introduction of e-way bill**

The Central Government *vide* [Notification No. 15/2018 – Central Tax dated 23rd March, 2018](#) has notified that the provisions of sub-rules (ii) [other than clause (7)], (iii), (iv), (v), (vi) and (vii) of rule 2 of notification No. 12/2018 – Central Tax, dated the 7th March, 2018 shall come into force from 1st day of April, 2018.

*Comments: (i) 9/2018-CT dated 23rd January, 2018 appoints “www.ewaybillgst.gst.in” to be the official website for generation of EBN*



(ii) Rule 138 of CGST Rules has been brought into force by notification under section 164 of the CGST Act

(iii) Similarly, notification(s) under section 164 of the SGST Act(s) are required for EWB applicability to intra-State movement of goods

(iv) In the absence of corresponding State/UT notifications, all intra-State movements will be free from requirement of EWB until notified (except State of Karnataka which has issued its SGST notification)

(v) Notifications issued under CGST Act are mutatis mutandis applicable to IGST Act as such, inter-State movements attract the requirement of EWB immediately (from 1st April, 2018)

(vi) There is no need for any concern about CGST officers inspecting vehicles during intra-State movement without EWB because generation of EWB is not possible where 'dispatch' and 'delivery' are in same State (except in case of Karnataka).

[ [Notification No. 15/2018 – Central Tax dated 23rd March, 2018](#) ]

### **Clarification on issues related to Job Work**

The Central Government *vide* [Circular No.38/12/2018 – Central Tax dated 26<sup>th</sup> March, 2018](#) has clarified various issues related to Job work which are as follows:

- The registered principal may, without payment of tax, send inputs or capital goods to a job worker for job work and on completion of the job work, the principal shall either bring back the goods to his place of business or supply (including export) the same directly from the place of business/premises of the job worker within 1 year in case of inputs or within 3 years in case of capital goods (except moulds and dies, jigs and fixtures or tools).

Sending goods for job work is not a supply as such, but it acquires the character of supply only when the inputs/capital goods sent for job work are neither received back by the principal nor supplied further by the principal from the place of business / premises of the job worker within 1/3 years of being sent out.

*Comment:* This is a welcome clarification that eliminates doubts both to industry and administration that 'sending goods for job-work is not a supply' as it does not satisfy any limb in the definition in section 7 of CGST Act. It is for this reason that section 19(3)/19(6) of CGST Act 'deems' non-return of goods within the time limit to be a supply. From this, it can be clearly appreciated that 'sending moulds for job-work' is also not supply.

- It may be noted that the responsibility of keeping proper accounts of the inputs and capital goods sent for job work lies with the principal.
- **Scope/ambit of job work:** The job worker is expected to work on the goods sent by the principal only. In this regard it is clarified that the job worker, in addition to the goods received from the principal, can use his own goods for providing the services of job work.

- **Requirement of registration for the principal/ job worker:** It is clarified that a job worker is required to obtain registration only in cases where his aggregate turnover, to be computed on all India basis, in a financial year exceeds the threshold limit regardless of whether the principal and the job worker are located in the same State or in different States.
- **Supply of goods by the principal from job worker's place of business / premises:** It is clarified that the supply of goods by the principal from the place of business / premises of the job worker will be regarded as supply by the principal and not by the job worker.
- **Movement of goods from the principal to the job worker and the documents and intimation required therefor:** The following is clarified with respect to the issuance of challan, furnishing of intimation and other documentary requirements in this regard:
  - i. **Where goods are sent by principal to only one job worker:** The principal shall prepare in triplicate, the challan in terms of rules 45 and 55 of the CGST Rules, for sending the goods to a job worker. Two copies of the challan may be sent to the job worker along with the goods. The job worker should send one copy of the said challan along with the goods, while returning them to the principal. The FORM GST ITC-04 will serve as the intimation as envisaged under section 143 of the CGST Act, 2017.
  - ii. **Where goods are sent from one job worker to another job worker:** In such cases, the goods may move under the cover of a challan issued either by the principal or the job worker. In the alternative, the challan issued by the principal may be endorsed by the job worker sending the goods to another job worker, indicating therein the quantity and description of goods being sent. The same process may be repeated for subsequent movement of the goods to other job workers.
  - iii. **Where the goods are returned to the principal by the job worker:** The job worker should send one copy of the challan received by him from the principal while returning the goods to the principal after carrying out the job work.
  - iv. **Where the goods are sent directly by the supplier to the job worker:** In this case, the goods may move from the place of business of the supplier to the place of business/premises of the job worker with a copy of the invoice issued by the supplier in the name of the buyer (i.e. the principal) wherein the job worker's name and address should also be mentioned as the consignee, in terms of rule 46(o) of the CGST Rules. The buyer (i.e., the principal) shall issue the challan under rule 45 of the 7 CGST Rules and send the same to the job worker directly in terms of para (i) above. In case of import of goods by the principal which are then supplied directly from the customs station of import, the goods may move from the customs station of import to the place of business/premises of the job worker

with a copy of the Bill of Entry and the principal shall issue the challan under rule 45 of the CGST Rules and send the same to the job worker directly.

- v. **Where goods are returned in piecemeal by the job worker:** In case the goods after carrying out the job work, are sent in piecemeal quantities by a job worker to another job worker or to the principal, the challan issued originally by the principal cannot be endorsed and a fresh challan is required to be issued by the job worker.
  - vi. **Submission of intimation:** Rule 45(3) of the CGST Rules provides that the principal is required to furnish the details of challans in respect of goods sent to a job worker or received from a job worker or sent from one job worker to another job worker during a quarter in FORM GST ITC-04 by the 25th day of the month succeeding the quarter or within such period as may be extended by the Commissioner. It is clarified that it is the responsibility of the principal to include the details of all the challans relating to goods sent by him to one or more job worker or from one job worker to another and its return therefrom. The FORM GST ITC-04 will serve as the intimation as envisaged under section 143 of the CGST Act.
- **Liability to issue invoice, determination of place of supply and payment of GST:** On conjoint reading of all the related provisions the following is clarified with respect to the issuance of an invoice, time of supply and value of supply:
    - i. **Supply of job work services:** The job worker, as a supplier of services, is liable to pay GST on the value of supply of such service if he is liable to be registered. In this regard, it is clarified that the value of moulds and dies, jigs and fixtures or tools may not be included in the value of job work services provided its value has been factored in the price for the supply of such services by the job worker. It may be noted that if the job worker is not registered, GST would be payable by the principal on reverse charge basis in terms of the provisions contained in section 9(4) of the CGST Act. However, the said provision has been kept in abeyance for the time being.
    - ii. **Supply of goods by the principal from the place of business/ premises of job worker:** Section 143 of the CGST Act provides that the principal may supply, from the place of business / premises of a job worker after completion of job work or otherwise. Since the supply is being made by the principal, it is clarified that the time, value and place of supply would have to be determined in the hands of the principal irrespective of the location of the job worker's place of business/premises. Further, the invoice would have to be issued by the principal. It is also clarified that in case of exports directly from the job worker's place of business/premises, the LUT or bond, as the case may be, shall be executed by the principal.

Illustration: The principal is located in State A, the job worker in State B and the recipient in State C. In case the supply is made from the job worker's place of

business / premises, the invoice will be issued by the supplier (principal) located in State A to the recipient located in State C. The said transaction will be an inter-State supply. In case the recipient is also located in State A, it will be an intra-State supply.

**iii. Supply of waste and scrap generated during the job work:** Sub - section (5) of Section 143 of the CGST Act provides that the waste and scrap generated during the job work may be supplied by the registered job worker directly from his place of business or by the principal in case the job worker is not registered. The principles enunciated in Para (ii) above would apply mutatis mutandis in this case.

- **Violation of conditions laid down in section 143:** If the inputs or capital goods are neither returned nor supplied from the job worker’s place of business / premises within the specified time period, the principal would issue an invoice for the same and declare such supplies in his return for that particular month in which the time period of one year / three years has expired. The date of supply shall be the date on which such inputs or capital goods were initially sent to the job worker and interest for the intervening period shall also be payable on the tax. If such goods are returned by the job worker after the stipulated time period, the same would be treated as a supply by the job worker to the principal and the job worker would be liable to pay GST if he is liable for registration in accordance with the provisions contained in the CGST 11 Act read with the rules made thereunder.
- **Availability of input tax credit to the principal and job worker:** In this regard, It is clarified that the input tax credit would be available to the principal, irrespective of the fact whether the inputs or capital goods are received by the principal and then sent to the job worker for processing, etc. or whether they are directly received at the job worker’s place of business/premises, without being brought to the premises of the principal. It is also clarified that the job worker is also eligible to avail ITC on inputs, etc. used by him in supplying the job work services if he is registered.

[\[Circular No.38/12/2018 – Central Tax dated 26<sup>th</sup> March, 2018\]](#)

**Return Filing**

The Central Government *vide* [Notification No. 17/2018 – Central Tax; 18/2018 – Central Tax; 19/2018 – Central Tax dated 28<sup>th</sup> March ,2018](#), [Notification No. 16 /2018 – Central Tax dated 23rd March, 2018](#) has provided the time limits within which the taxpayers shall furnish the Forms as specified in Column (2) of the table below:

Sl. No	Form	For the Month/Quarter	Last date for filing of return in FORM GSTR-1	Last date of filing of return in Form 3B
(1)	(2)	(3)	(4)	(5)

1.	GSTR 1 & GSTR-3B by the taxpayers with annual aggregate turnover of more than Rs. 1.5 crore	April, 2018	31st May, 2018	20 <sup>th</sup> May, 2018
		May, 2018	10th June, 2018	20 <sup>th</sup> June, 2018
		June, 2018	10th July, 2018	20 <sup>th</sup> July, 2018
2.	GSTR 1 & GSTR-3B by the taxpayers with annual aggregate turnover upto 1.5 crore	April, 2018 – June ,2018	31 <sup>st</sup> July, 2018	April- 20 <sup>th</sup> May, 2018 May- 20 <sup>th</sup> June, 2018 June- -20 <sup>th</sup> July, 2018
3.	GSTR-6 by an Input Service Distributor	July, 2017 to April, 2018	31 <sup>st</sup> May, 2018	

[\[Notification No. 17/2018 – Central Tax dated 28<sup>th</sup> March ,2018,Notification No. 18/2018 – Central Tax dated 28<sup>th</sup> March ,2018;Notification No. 19/2018 – Central Tax dated 28<sup>th</sup> March ,2018, Notification No. 16 /2018 – Central Tax dated 23rd March, 2018. \]](#)

**Extension in time limit to make an application for refund by specified persons**

The Central Government vide [Notification No. 20/2018 – Central Tax dated 28<sup>th</sup> March, 2018](#) has increased the time limit within which the specified persons (class of persons who are entitled to claim a refund of taxes paid on notified supplies of goods or services or both received them as notified under section 55 of CGST Act,2017 ) shall make an application for refund of tax paid by it on inward supplies of goods or services or both,to the jurisdictional tax authority, in such form and manner as specified, from **6 months to 18 months** from the last date of the quarter in which such supply was received.

[\[Notification No. 20/2018 – Central Tax dated 28<sup>th</sup> March, 2018\]](#)

**No RCM on procurements made from unregistered person till June 30, 2018**

Earlier, The Central Government vide Notification No. 38/2017 – Central Tax (Rate) dated 13th October, 2017 has provided that any registered person procuring taxable goods/services from unregistered suppliers, shall not be required to pay CGST under reverse charge mechanism U/s 9(4) of CGST Act, 2017 till March 31, 2018 with effect from 13th Oct, 2017.

Further in order to continue such exemption, the Central Government vide [Notifications No. 10/2018 – Central Tax \(Rate\), 11/2018 – Integrated Tax \(Rate\) dated 23<sup>rd</sup> March, 2018](#) has provided that any registered person procuring taxable goods/services from unregistered

suppliers, shall not be required to pay CGST/IGST under reverse charge mechanism U/s 9(4) of CGST Act or u/s 5(4) of IGST Act, 2017 respectively **till 30th June,2018**

*Comment: Please note that this exemption does not exempt the requirement to generate self-invoice under section 31(3)(f) of CGST Act in respect of inward supplies under the circumstances of section 9(4) of CGST Act and 5(4) of IGST Act, respectively.*

[Notification No. 10/2018 – Central Tax (Rate) dated 23<sup>rd</sup> March, 2018; Notification No. 11/2018 – Integrated Tax (Rate) dated 23<sup>rd</sup> March, 2018]

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

The Central Government has decided to put in place an IT-Redressal Mechanism, the details of the said grievance redressal mechanism are provided vide [Circular No. 39/13/2018-GST dated 3rd April,2018](#) which are as follows:

### **Introduction**

Where an IT related glitch has been identified as the reason for failure of a class of taxpayer in filing of a return or a form within the time limit prescribed in the law by a large section of taxpayers and there are collateral evidences available to establish that the taxpayer has made bonafide attempt to comply with the process of filing of form or return, GST Council has delegated powers to the IT Grievance Redressal Committee to approve and recommend to the GSTN on matters identified by it and the steps to be taken to redress the grievance and the procedure to be followed for implementation of the decision.

### **Suggested solutions**

1. GST Council Secretariat shall obtain inputs of the Law Committee, where necessary, on the proposal of the GSTN and call meeting of GIC to examine the proposal and take decision thereon.
2. The committee shall examine and approve the suggested solution with such modifications as may be necessary.
3. IT-Grievance Redressal Committee may give directions as necessary to GSTN and field formations of the tax administrations for implementation of the decision.

### **Legal Issues:**

GST Council has delegated the power to the IT Grievance Redressal Committee to recommend waiver of fine or penalty, in case of an emergency, to the Government in terms of section 128 of the CGST Act, 2017 under such mitigating circumstances as are identified by the committee. All such notifications waiving fine or penalty shall be placed before GST Council.

However, Where adequate time is available, the issue of waiver of fee and penalty shall be placed before the GST Council with recommendation of the IT-Grievance Redressal Committee.

## **Resolution of stuck TRAN-1s and filing of GSTR-3B**

It has been decided that all such taxpayers, who tried but were not able to complete TRAN-1 procedure (original or revised) of filing them on or before 27.12.2017 due to IT-glitch, shall be provided the facility to complete TRAN-1 filing. It is clarified that the last date for filing of TRAN 1 is not being extended in general and only the identified taxpayers (on the basis of electronic audit trail) shall be allowed to complete the process of filing TRAN-1.

The taxpayer shall not be allowed to amend the amount of credit in TRAN-1 during this process vis-à-vis the amount of credit which was recorded by the taxpayer in the TRAN-1, which could not be filed. If needed, GSTN may request field formations of Centre and State to collect additional document/ data etc. or verify the same to identify taxpayers who should be allowed this procedure.

The taxpayers shall complete the process of filing of TRAN 1 stuck due to IT glitches, as discussed above, by 30th April 2018 and the process of completing filing of GSTR 3B which could not be filed for such TRAN 1 shall be completed by 31st May 2018.

*Comment: This is a welcome measure that must be utilized with eagerness. Care must be taken not to alter the values of transition credits.*

### **Clarification on issues related to furnishing of Bond/Letter of Undertaking for exports**

The Central Government *vide* [Circular No. 40/14/2018-GST dated 6th April, 2018](#) has clarified regarding the acceptance of LUTs being submitted online in FORM GST RFD-11 by making certain modifications in [Circular no. 8/8/2017 dated 4<sup>th</sup> October, 2017](#). Modifications made are explained below:

- a) **Form for LUT:** Earlier the (exporters) were required to download the FORM GST RFD-11 from the website of the Central Board of Excise and Customs ([www.cbec.gov.in](http://www.cbec.gov.in)) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner Now, the registered person (exporters) shall fill and submit FORM GST RFD-11 on the common portal and the LUT shall be deemed to be accepted as soon as an acknowledgement for the same, bearing the Application Reference Number (ARN), is generated online.
- b) **Documents for LUT:** Earlier, self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of Notification No. 37/2017- Central Tax dated 4<sup>th</sup> October, 2017. Now, by this circular it has been clarified that no such document needs to be physically submitted to the jurisdictional office for acceptance of LUT.
- c) **Acceptance of LUT/bond:** Earlier, LUT/bond should be accepted within a period of 3 working days of its receipt along with the self-declaration and if not accepted within a period of 3 working days from the date of submission, it shall be deemed to be accepted. Now the LUT shall be deemed to have been accepted as soon as an acknowledgement for the same, bearing the Application Reference Number (ARN), is generated online. If it is discovered that an exporter whose LUT has been so accepted, was ineligible to furnish an



LUT in place of bond as per Notification No. 37/2017-Central Tax, then the exporter's LUT will be liable for rejection. In case of rejection, the LUT shall be deemed to have been rejected ab initio.”

*Comment: Much needed clarity comes from this circular both to trade and administration. This extent of clarity was sought by local tax administration as much as trade bodies.*

[\[Circular No. 40/14/2018-GST dated 6th April, 2018\]](#)

**Procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances**

The Central Government vide [Circular no. 41/15/2018-GST](#) has issued the following instructions regarding the procedure to be followed in case of interception of conveyances for inspection of goods in movement and detention , seizure and release and confiscation of such goods and conveyances:

- The proper officer, empowered to intercept and inspect a conveyance, may intercept any conveyance for verification of documents and/or inspection of goods. The proper officer shall verify such documents and where, prima facie, no discrepancies are found, the conveyance shall be allowed to move further. An e-way bill number may be available with the person in charge of the conveyance. Wherever a facility exists to verify the e-way bill electronically, the same shall be so verified, either by logging on to <http://mis.ewaybillgst.gov.in> or the Mobile App or through SMS by sending EWBVER to the mobile number 77382 99899 (For e.g. EWBVER 120100231897).
- Where the person in charge of the conveyance fails to produce any prescribed document or where the proper officer intends to undertake an inspection, he shall record a statement of the person in charge of the conveyance. In addition, the proper officer shall issue an order for physical verification/inspection of the conveyance, goods and documents, requiring the person in charge of the conveyance to station the conveyance at the place mentioned in such order and allow the inspection of the goods. The proper officer shall, within 24 hours of the aforementioned issuance of FORM GST MOV-02, prepare a report in Part A of FORM GST EWB-03 and upload the same on the common portal.
- The proper officer shall conclude the inspection proceedings within 3 working days (extendable with the permission of commissioner), either by himself or through any other proper officer authorised in this behalf.
- On completion of the physical verification/inspection of the conveyance and the goods in movement, the proper officer shall prepare a report of such physical verification in FORM GST MOV-04 and serve a copy of the said report to the person in charge of the goods and conveyance. The proper officer shall also record, on the common portal, the final report of the inspection in Part B of FORM GST EWB-03 within 3 days of such physical verification/inspection.

- Where no discrepancies are found after the inspection of the goods and conveyance, the proper officer shall issue forthwith a release and allow the conveyance to move further. Where the proper officer is of the opinion that the goods and conveyance need to be detained under section 129 of the CGST Act, he shall issue an order of detention and a notice, specifying the tax and penalty payable.
- The proper officer shall, after the amount of tax and penalty has been paid in accordance with the provisions of the CGST Act and the CGST Rules release the goods and conveyance by an order in FORM GST MOV-05. Further, the order shall be uploaded on the common portal and the demand accruing from the proceedings shall be added in the electronic liability register and the payment made shall be credited to such electronic liability register by debiting the electronic cash ledger or the electronic credit ledger of the concerned person in accordance with the provisions of section 49 of the CGST Act.
- Where the owner of the goods, or the person authorized by him, or any person other than the owner of the goods comes forward to get the goods and the conveyance released by furnishing a security under clause (c) of sub-section (1) of section 129 of the CGST Act, the goods and the conveyance shall be released, by an order in FORM GST MOV-05, after obtaining a bond in FORM GST MOV-08 along with a security in the form of bank guarantee equal to the amount payable under clause (a) or clause (b) of sub-section (1) of section 129 of the CGST Act. The finalisation of the proceedings under section 129 of the CGST Act shall be taken up on priority by the officer concerned and the security provided may be adjusted against the demand arising from such proceedings.
- Where any objections are filed against the proposed amount of tax and penalty payable, the proper officer shall consider such objections and thereafter, pass a speaking order in FORM GST MOV-09, quantifying the tax and penalty payable.
- In case the proposed tax and penalty are not paid within 7 days from the date of the issue of the order of detention in FORM GST MOV-06, action under section 130 of the CGST Act shall be initiated by serving a notice in FORM GST MOV10, proposing confiscation of the goods and conveyance and imposition of penalty.
- No order for confiscation of goods or conveyance, or for imposition of penalty, shall be issued without giving the person an opportunity of being heard.
- An order of confiscation of goods shall be passed, after taking into consideration the objections filed by the person in charge of the goods (owner or his representative), and the same shall be served on the person concerned. Once the order of confiscation is

passed, the title of such goods shall stand transferred to the Central Government. In the said order, a suitable time not exceeding 3 months shall be offered to make the payment of tax, penalty and fine imposed in lieu of confiscation and get the goods released.

- An order of confiscation of conveyance shall be passed, after taking into consideration the objections filed by the person in charge of the conveyance and the same shall be served on the person concerned. Once the order of confiscation is passed, the title of such conveyance shall stand transferred to the Central Government. In the order passed above, a suitable time not exceeding 3 months shall be offered to make the payment of penalty and fines imposed in lieu of confiscation and get the conveyance released.
- In case neither the owner of the goods nor any person other than the owner of the goods comes forward to make the payment of tax, penalty and fine imposed and get the goods or conveyance released within the time specified in FORM GST MOV11, the proper officer shall auction the goods and/or conveyance by a public auction and remit the sale proceeds to the account of the Central Government.
- The procedure narrated above shall be applicable mutatis mutandis for an order or proceeding under the IGST Act, 2017.
- Demand of any tax, penalty, fine or other charges shall be added in the electronic liability ledger of the person concerned. Where no electronic liability ledger is available in case of an unregistered person, a temporary ID shall be created by the proper officer on the common portal and the liability shall be created therein. He shall also credit the payments made towards such demands of tax, penalty or fine and other charges by debiting the electronic cash ledger of the concerned person.
- A summary of every order in FORM GST MOV-09 and FORM GST MOV-11 shall be uploaded electronically in FORM GST-DRC-07 on the common portal.

**List of Forms prescribed to follow the above procedure:**

<b>Sl. No.</b>	<b>Form</b>	<b>Purpose</b>
1.	FORM GST MOV01	For recording statement of the person in charge of the conveyance
2.	FORM GST MOV-02	An order for physical verification/inspection of the conveyance, goods and documents
3.	FORM GST MOV-03	For taking permission , for extension of time beyond three working days of concluding the inspection proceedings
4.	FORM GST MOV-04	Report of such physical verification
5.	FORM GST MOV-05	Release order to allow the conveyance to move

		further
6.	FORM GST MOV-06	An order of detention of goods
7.	FORM GST MOV-07	Notice specifying the tax and penalty payable
8.	FORM GST MOV-08	Bond for release of goods and conveyance
9.	FORM GST MOV-09	Form for release of goods on payment of tax and penalty.
10.	FORM GST MOV10	Notice proposing confiscation of the goods and conveyance and imposition of penalty.
11.	FORM GST MOV-11	An order of confiscation of goods

### **GST Portal related**

#### **Advisory for change in taxpayer type from SEZ to Regular or Regular to SEZ.**

1. Migrated taxpayers who have inadvertently selected themselves as SEZ, can send their requests to become regular on the email: reset.sezflag@gst.gov.in.
2. Taxpayers who have not migrated as SEZ, can send their requests to become SEZ on the email : reset.sezflag@gst.gov.in. Please attach scanned copy of LOA for obtaining registration as SEZ /SEZ developer units.

*Comment: Trade may avail this facility swiftly and reciprocate such measures of proactiveness on the part of the Government.*

**[GSTN]**

#### **Suo-moto Cancellation by officials( Model-II States) of registration for Normal Taxpayer**

- Facility for Suo Moto Cancellation of registration by the Tax Official, has been enabled on GST Portal.
- This process of cancellation could be initiated by tax official, if registered person has contravened such provisions of the act or the rules made thereunder as may be prescribed or Composition person has not furnished returns for three consecutive tax periods or in other cases as mentioned in Section 29 of the CGST Act, 2017.
- API for Model I States/ CBEC will be released soon.

### **Input Tax Refund to Exporters**

Government has decided to speed up input tax refund to exporters. As per rule 91 of CGST Rules, 2017, ninety per cent of the refund amount claimed shall be granted on a provisional basis within a period not exceeding seven days from the date of acknowledgement of the refund claim. Further, as per section 54(7) of the CGST Act, 2017, the final order for granting refund shall be issued within sixty days from the date of receipt of the complete application. Out of total

taxpayers under GST, 64% were also registered under previous tax regime. No specific study has been undertaken on the impact of GST transition.

64% of the total taxpayers registered under GST have transitioned from the previous tax regime to GST as on 2<sup>nd</sup> March, 2018.

The processing of refund claim is being done after the claimant has filed the GST return and the grant of the refund shall be within sixty days from the date of receipt of the complete application.

(Release ID :177360)

### *GST Export Refunds*

It has been noticed that at regular intervals, unverified estimates of pending GST refunds on account of exports are published in the print media or put forward by various trade bodies. These figures are highly speculative and mostly inaccurate. It is a fact that while a number of exporters have not been able to get the export refunds so far others have been granted refunds. In order to overcome the causes of the delay in sanctioning of refunds, Government has taken various steps, which includes amendments in the rules, changes in the business procedures of common portal and customs automated system to address the systemic issues. Many of the errors plaguing the claims for refunds are on account of inadequate familiarisation of the exporters with the GST laws and data entry errors in the various GSTRs / forms.

Government has carried out outreach programmes by issuing guidance circulars, advisories, FAQs, advertisements etc. and also provided an alternative procedure involving manual interface where the errors could not be corrected online. The efforts are beginning to show positive results.

So far more than Rs 10, 000 Crore has already been sanctioned by CBEC and States. A standard operating procedure applicable to both Central and State GST has been put in place by virtue of various Circulars and clarifications issued with regard to processing of ITC refund.

GST Council, in its last meeting on 10<sup>th</sup> March 2018, has directed all States tax authorities to proactively clear refund claims. Exporting community is requested to take benefit of this fortnight and wholeheartedly come forward to get their errors rectified to enable sanction of refunds.

CBEC has taken an initiative to observe a special drive refund sanction fortnight from 15<sup>th</sup> to 29<sup>th</sup> March 2018 on an all India scale for which additional staff and infrastructure has been mobilised. Special refund cells manned by experienced staff is being put in place throughout the country.

Government wants to assure the exporting community that it is keen to see that all their eligible refund claims are considered and sanctioned at the earliest.

(Release ID :177554)

### States Exempted from Tax Refund after GST

The North Eastern and Hilly States have not been provided exemption from tax refund till March, 2027 under GST. The GST Council had decided that all entities exempted from payment of indirect tax under the earlier tax incentive scheme shall pay tax in the GST regime. It was also decided that the decision to continue with any incentive given to specific industries in existing industrial policies of States or through any Schemes of the Central Government, shall be with the concerned State or Central Government and in case the State or Central Government decides to continue any existing exemption/incentive/deferral Scheme, then it shall be administered by way of a reimbursement mechanism through the budgetary route, the modalities for which shall be worked-out by the concerned State/Centre.

The Central Government, w.e.f. 01.07.2017, has notified a Scheme for grant of Budgetary Support to the eligible units which were availing exemption or refund benefit, for the residual period of exemption under erstwhile Central Excise regime. The support under the scheme will be equal to the share of Central Government of CGST/IGST paid by the unit after utilisation of credit of Central and Integrated Tax.

### Goods & Services Tax (GST) collections

The month-wise consolidated figures of Central Goods and Services Tax (CGST), State Goods and Services Tax (SGST), Integrated Goods and Services Tax (IGST) and Cess collected by the Government since July 1, 2017 is as under:

#### **(Amount in Rs. Crores)**

<b>Month</b>	<b>Collection</b>
August, 2017	93,590
September, 2017	93,029
October, 2017	95,132
November, 2017	85,931
December, 2017	83,716
January, 2018	88,929

The GST collections have increased in the months of Jan. 2018 in comparison to previous two months.

The summary of returns filed for the month of January, 2018 is detailed below:

<b>Taxpayers required to file Return (Other than composition Taxpayers)</b>	<b>GSTR-3B filed till last day of filing</b>	<b>% of returns filed till last date of filing</b>	<b>Filed till 18th March 2018</b>	<b>% of filing as on 18th March, 2018</b>
83,52,202	53,94,018	64.58%	62,96,048	75.38%

The Government is taking various steps to check evasion as well as educate the taxpayers about the new tax regime and encouraging voluntary compliance. The steps which are being taken include introduction of e-way bill, simplification of measures for filing tax returns, steps to capture invoice details of transactions so that the same could be matched with credit taken and verification of transition credit availed by tax payers.

(Release ID :177955)

**Total Rs 17,616 crore of Refunds issued under GST; 90% of IGST eligible claims have been approved.**

In line with commitment of government to liquidate all pending GST refunds, the Central Board of Indirect Taxes and Customs (CBIC) has successfully concluded refund fortnight cum special drive from 15<sup>th</sup> March, 2018 to 31<sup>st</sup> March, 2018.

During the period, all field formations of CBIC worked hard to provide refund relief to the exporters. Special refund cells manned by experienced staff were put in place throughout the country. The exporter awareness campaigns using both print media and social media were carried out so that the benefit can be extended to maximum exporters. All field formations were tasked to go extra mile in order to facilitate the sanctioning of refunds. The Circulars, Instructions etc were issued by CBIC to clarify the issues which threw new challenges while sanctioning of refunds.

The success of these efforts is visible in the amount of refunds sanctioned during this period. By the end of 31<sup>st</sup> March, 2018 another Rs. 4265 crore IGST refund has been sanctioned in the refund fortnight taking the total tally to Rs. 9604 crore. Total 2,73,017 Shipping Bills with the payment of IGST have been filed by the exporters till 31<sup>st</sup> January, 2018. The number of Shipping Bills disposed of till 31<sup>st</sup> March, 2018 is 2,28,829 which is about 83% of those Shipping Bills filed till January end. The eligible IGST claims transmitted by GSTN to Customs of the period till 31<sup>st</sup> January, 2018 are of Rs 10,720 crore, out of which Rs 9,604 crore have been sanctioned which is about 89.6% of those eligible claims transmitted by GSTN.



As regards to ITC refunds, Rs. 1,136 crore has been sanctioned during the special drive making the total figure of ITC sanctioned equal to Rs. 5,510 crore by end of this fiscal. As per the latest available data:

- a. 1,61,325 refund applications have been filed in FORM GST RFD-01A on the common portal, in which an amount of Rs. 17,471 crore has been claimed. Of these, 60,183 refund applications are in relation to zero rated supplies, in which an amount of Rs. 14,649 crore has been claimed. Taxpayers are required to submit a copy of these RFD-01A application to the jurisdictional tax office, along with all supporting documents.
- b. However, only 26,620 refund applications (out of 1,61,325 applications) have been actually received in the Central or State tax offices. Of these, 17,734 applications have been disposed off.
- c. Of the total amount claimed of Rs. 17,471 crores, an amount of Rs. 8,012 crores has already been sanctioned (Rs. 5,510 crore by Centre and Rs. 2,502 crore by States).

Thus, in all, Rs 9,604 crore (IGST refunds), Rs. 5,510 crore (ITC refund by Centre) and Rs 2,502 crore (ITC refund by States) all totalling to **Rs 17,616 crore** has been sanctioned.

Apart from this, an amount of Rs 16,680 crore duty drawback has been disbursed to exporters during the period from 1.7.2017 to 31.03.2018. An amount of Rs 1,833.25 crore approx. has been disbursed to exporters against RoSL claims during financial year 2017-18.

The momentum gained during this fortnight would be carried on in future. The CBIC is dedicated to sanction all the legitimate refund claims of exporters. The efforts are being made to resolve those issues which are still pending in consultations with GSTN

(Release ID :178264)

***Roll-out of e-Way Bill system for Intra-State movement of goods in the States of Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh from 15th April, 2018.***

As per the decision of GST Council, e-Way Bill system for all inter-State movement of goods has been rolled-out from 01<sup>st</sup> April, 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 Bills are getting generated successfully and till 09<sup>th</sup> April, 2018 more than 63 lacs e-Way Bills have been successfully generated.

It is hereby informed that e-Way Bill system for Intra-State movement of goods would be implemented from 15th April, 2018 also in the Andhra Pradesh, Gujarat, Kerala, Telangana, Uttar Pradesh States.

With the roll-out of e-Way Bill system in these States, it is expected that trade and industry will be further facilitated in so far as the transport of goods is concerned, thereby eventually paving the way for a nation-wide single e-Way Bill system. Trade and industry and transporters located

in these States may obtain registration/ enrolment on e-Way Bill portal namely <https://www.ewaybillgst.gov.in> at the earliest without waiting for the last date.

*Comment: This form of roll-out is expected to cover the entire country and then be linked with Tax Invoice reported in GST Returns. Please take care to correctly and completely comply with e-waybill requirements.*

(Release ID :178548)

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

With a view to remove any doubt or uncertainty regarding rate of GST applicable on supply of food and drinks in educational institutions, it is clarified that: -

- i. 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).
- ii. If schools up to higher secondary level supply food directly to students, then the same are exempt from GST."

*Comment: Please note that this clarification does not subvert the exemption available in case of food and drink supplied to all students without a separate charge.*

(Release ID :178603)

[\[http://pib.nic.in/newsite/erelease.aspx\]](http://pib.nic.in/newsite/erelease.aspx)