



Discussions on other issues

Issues for discussions

- 1. GST on Liquidated damages**
- 2. Penalty collected for Regularisation of unauthorised Irrigation Pump set (IP set)**
- 3. Amount lying more than 3 years considered as MISC receipts – Other income**
- 4. Deposit Contribution Work (DCW)**
- 5. B2B Details for uploading in GSTR1**
- 6. Repair of Transformers (Job work)**
- 7. GSTR9 – Annual Return and compliance**

GST on Liquidated Damages (LD)

- 1. LD is like compensation recovered for non execution of work within specific time**
- 2. U/s 5(e) of CGST Act, agreeing to the obligation to refrain from an act, or to tolerate an act or a situation is supply of service**
- 3. Under Section 15(2)(d) of CGST Act, Taxable value shall include interest or late fee or penalty for delayed payment of any consideration for any supply of Goods/Services**
- 4. In the case of Maharashtra & Rajasthan Advance Ruling Authority has held that, Liquidated damages collected from supplier of Goods / Services are liable for GST**
- 5. It is shown as “Misc Receipt” or “Other Receipts” in the Balance sheet. Hence liable for GST. Cum-Tax-Value can be taken for GST**

Penalty & Misc Receipts

Penalty :-

- 1. Penalty collected for Regularisation of unauthorised Irrigation Pump set (IP set) is liable for GST**
- 2. 28th Council meeting it was held that GST exempts for the works of installation and commissioning undertaken by DISCOMS/ Electricity distribution companies for extending electricity distribution network upto the tube well of the farmer/ agriculturalist for agricultural use – not for penalty**

Misc Receipts :-

- 1. Amount pending for payment more than 3 years is shown as Misc-Income / Other Receipts in the Balance Sheet**
- 2. It is like “Retention Money” party has not collected from CESC**
- 3. Retention money, Forfeited money is liable for GST**
- 4. Any additional money received by CESC and accounted as Misc Receipts / Other receipts is liable for GST**

Deposit Contribution Work (DCW)

1. Applicability of GST for DCW :-

- ❖ **DCW work is liable for GST. Hence, ITC credit exclusively used for DCW work is allowed and it can adjust for DCW**

2. Procedure for taking credit exclusively for DCW :-

- **Purchase the items separately for DCW work.**
- **Give separate PO/WO & Accounting Code for DCW work**
- **Invoice should be separate for Transformer, Cable, Conductor, Poles exclusively used for DCW work.**
- **Part quantity used for DCW work in a invoice cannot be bifurcated for taking the credit.**
- **If ITC credit taken, then Depreciation on GST paid for Transformers, Poles, Cables, Conductors is not allowed (Plant & Machinery).**

Deposit Contribution Work (DCW)

2. Procedure for taking credit exclusively for DCW :-

- Maintain separate account for depreciation purpose for the items exclusively used for DCW**
- If credit taken, then payment should be made within 6 months to the supplier**
- Dealer has to upload Invoice details and filed GSTR1. If it is not appearing in GSTR2A, hold the GST payment till he upload the details in GST Portal**
- Make a list of all the Tax invoices for the month exclusively purchased for DCW work with GST details.**
- Update the credit details in GSTR3B & Off set the payment and file GST Return.**

B2B Details for uploading in GSTR1

- 1. CESC is Billing for Supervision charges with GST**
- 2. The Contractors, Construction of Complex, Company may take ITC credit for GST paid by CESC**
- 3. In such case CESC has to upload invoice-wise details in B2B in GST Portal. B2B means Buyer to Buyer where the Buyer would like to take credit and utilise it for his GST payment.**
- 4. The details will appear in GSTR2A in his portal**
- 5. Buyer details like, GSTIN, Inv.No.&Date, Amount, Tax rate, GST paid has to upload**
- 6. If full details are not received, then the consolidated sales will be uploaded in B2C (Buyer to Customer). The Buyer cannot view the details in GSTR2A in GST Portal. The Govt. will disallow the ITC credit to him.**
- 7. Once the return is filed in B2B or B2C, it is difficult to amend the Return.**

Repair of Transformers (Job work)

- 1. Sending Transformers for repair purpose is falling under Job work**
- 2. U/s.143 of CGST Act, no tax shall be paid for goods sent for JW**
- 3. The Job worker should have registered under GST.**
- 4. Don't send transformers to un-registered person for repair**
- 5. Before sending transformer for repair, intimation to be given to the Asst.Commissioner of GST with vendor details (one time)**
- 6. Delivery Challan with E-Waybill has to prepare for movement**
- 7. The Job vendor has to issue invoice for Repair charges with GST**
- 7. ITC-04 Quarterly return has to file by CESC**
- 8. In the case of Inputs it should comeback within one year and in the case of Capital goods it has to come back with 3 years. If it is not returned back, applicable GST has to pay (it is deemed sale)**
- 9. Prepare statement of details of transformers sent and received after repair monthly basis for filing ITC-04 Return**
- 10.Regularise the transaction from July 2017 to Sept.2018 at the earliest.**

GSTR9 – Annual Return and compliance

- 1. It is a Annual Return**
- 2. To be filed before 31.12.2018**
- 3. Transactions from July 2017 to March 2018**
- 4. Any left out transactions can be included**
- 5. Any late fee, Interest can be paid**
- 6. CESC need not have to file GSTR9C (Audited Reconciliation statement)**
- 7. At a later date if found out by the dept. that there is short payment or non payment of tax, then Interest at 18% and up to 100% penalty will be imposed**