

Ref. No.: GIDC/ACCTTS/FIN/GST/110
Office of GIDC, H.O.,
Block no. 4, 1st Floor,
Udhyog Bhavan, Gandhinagar.

Date: 04.08.2017
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-: CIRCULAR:-

Sub: Provisions in GST Act with respect to Reverse Charge Mechanism, Goods / Services received from Unregistered Person and Details required to be checked in the invoice from supplier of Goods or Services.

- Ref:-** 1. Circular No. GIDC/ACCTS/GST/88 dated 03.07.2017
2. Circular No. GIDC/ACCTS/FIN/GST/105 dated 21.07.2017
3. Circular No. GIDC/ACCTS/FIN/GST/107 dated 26.07.2017

With reference to above cited subject and in continuation of above referred circulars, queries raised by our various officers from RM Office/ Executive Engineer Office and Head Office through E-mails to our Service Tax Consultant M/s Khandhar Mehta & Shah, Chartered Accountants (KMS, C.A.). We have received clarifications of the same through various E-mails from KMS, C.A. which is reproduced below:

1. Reverse Charge Mechanism under GST:

Sr. No.	Name of Service	HSN Code	Rate of Tax
1	Services provided from Non-Taxable territory to Taxable territory	999799	18%
2	Goods Transport Agency services	9965	5%
3	Legal Services from Advocates or Firms of Advocate (Direct or indirect)	998216	18%
4	Services from Arbitral Tribunal	998215	18%
5	Sponsorship services to Corporate or Partnership Firm	998397	18%
6	Any Service provided by Govt. or Local Authority to Business Entity	999799	18%
7	Services provided by Directors to Company	999799	18%
8	Transfer of Copyright or right to use provided to Publisher/Music company/Producer	999799	18%
9	Goods/Services received by a Registered Person from Unregistered Person	As per respective Goods or service	As per respective Goods or service

2. Goods / Services received from Unregistered Person under GST:

Any Goods or Services received from Unregistered Person then it will be covered under Reverse Charge Mechanism. Subsequently receiver (i.e. Corporation) will be liable for GST. In this scenario, it is advisable to avoid any purchases / to take services from any Unregistered Person.

Examples of Queries raised by GIDC Officials and answered by KMS, C.A.:-

Sr. No.	Queries raised	Answered by KMS, C.A.
1.	<p>a).Goods/Services received from Non Registered Dealer</p> <p>b).In case of expenditure incurred through Imprest or say Petty Cash like Xerox Expenses, Stationery, TA/DA, Courier Charges, Tea-Coffee Expenses etc.</p>	<p>- If GIDC procures goods or services from unregistered person, then GIDC will be liable to pay GST under reverse charge.</p> <p>- It will covered expenses like Xerox exps. , stationary, courier, tea-coffee, etc.</p> <p>- After making payment of GST under reverse charge, GIDC will avail Input Tax Credit subject to eligibility conditions.</p>
2.	<p>In case of Professional service obtain as a Recovery consultant, Legal Expert etc.</p>	<p>- Legal consultancy services provided by advocate is specifically covered under reverse charge mechanism.</p> <p>But if such recovery agent or legal expert are not advocate, and if they are registered under GST then they will charge GST in their invoice raised to GIDC, and GIDC will avail input tax credit.</p> <p>- If recovery agent or legal expert are unregistered person, then GIDC will liable to pay GST under RCM.</p> <p>- If unregistered consultant has raised invoice dated in July month (e.g. 01/07/2017) for his service of June month, it will be covered GST-reverse charge mechanism in July month.</p> <p>But if invoice date is falling in June month, then there will be no implication of GST. Date of receipt of invoice and approval of payment in July month will not affect taxability.</p>
3.	<p>In case of Vehicle hire charges for officers</p>	<p>Under service tax regime, vehicle hiring (Rent-a-cab) service was covered under RCM.</p> <p>But in GST regime, Rent-a-cab service is not covered under RCM.</p>

	So, if GIDC pay vehicle hiring charges to contractor who is unregistered person , then GIDC will liable to pay tax under reverse charge mechanism.
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3. Details required to be checked in the invoice from supplier of Goods or Services

Sr. No.	Particulars
1	Name, Address and GSTIN of Supplier
2	Tax Invoice No. and Date
3	Name, Address and GSTIN of GIDC and State code (24)
4	Transporter Details with LR No. and Date (If required)
5	Total and Taxable value of supply of Goods or Services or both
6	CGST / SGST / IGST - Rate and Amount
7	Description of Goods or Services along with HSN Code / Accounting Code of Services
8	Signatory details
9	In case of Invoice related to RCM - "Tax is payable on reverse charge basis"
10	In case of Invoice related to Composition Scheme -"composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply.

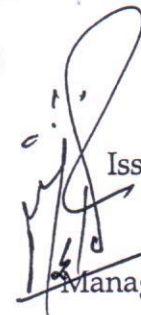
All concerned officers/employees of the Corporation are hereby instructed to comply all above provisions of GST.

Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of Chief Accounts Officer.

Sd/-
Vice Chairman & Managing Director
G.I.D.C., Gandhinagar

Copy to:

1. Federation of Industries Association, for information and necessary action to circulate the above circular to all their members associations
2. All Industries Associations to circulate amongst all Industries in the respective estates
3. Director Notified Areas, for favour of information with a request to examine the applicability of GST provisions to Notified Area after taking suitable Legal Opinion
4. All Heads of the Departments, GIDC, Head Office, Gandhinagar
5. All Officers of the Corporation
6. Manager(S & A), GIDC Gandhinagar for uploading on website
7. All Notified Area Officers
8. Circular File


 Issued
 Manager (Est.)