



GST Updates- February, 2019

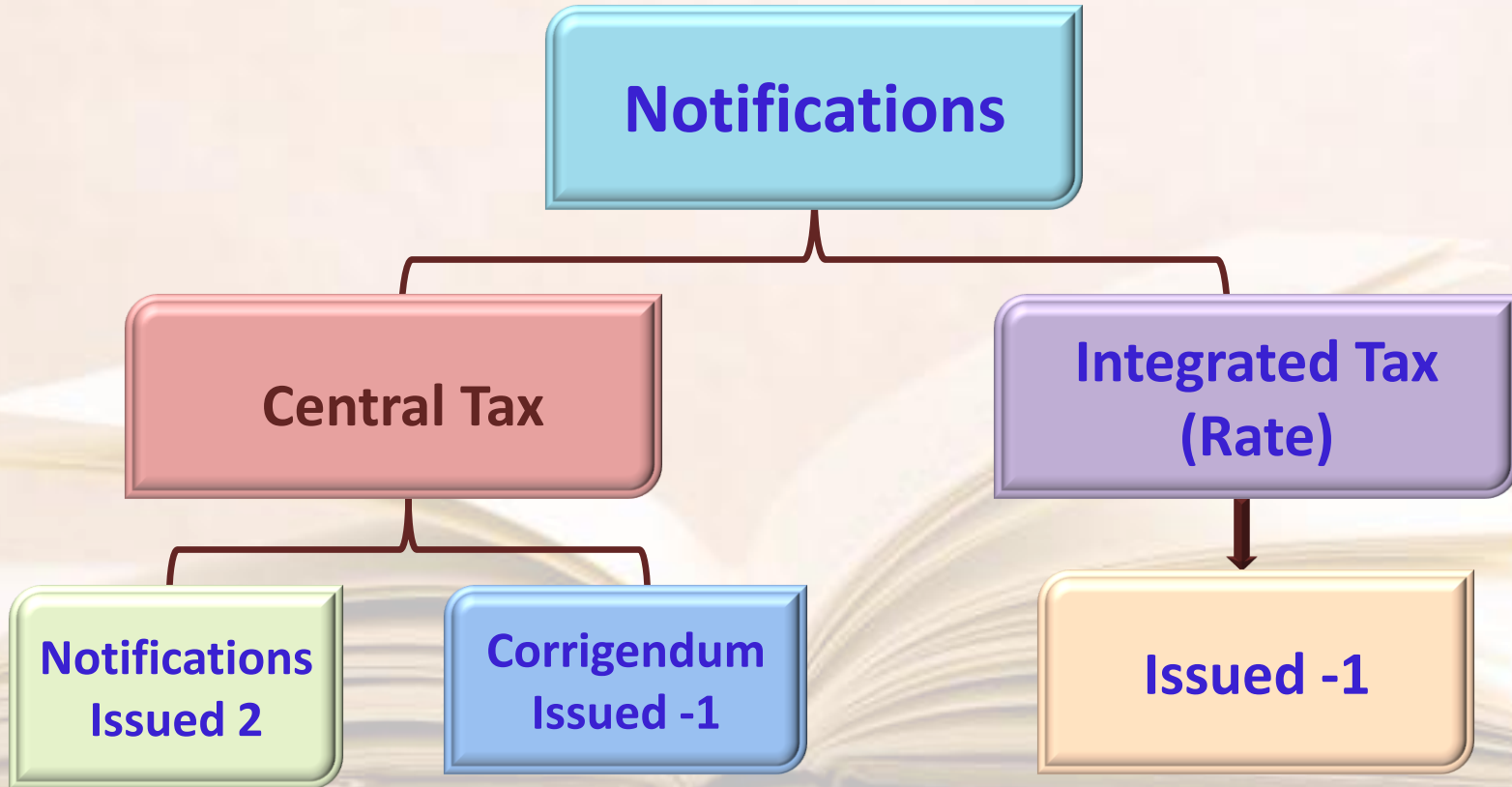


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Central Tax Notifications

SI No.	Subject	Central Notification No with date	Corresponding State Notifications with date
1	Extension of the due date for furnishing of FORM GSTR – 7 for the month of January, 2019 till 28.02.2019 by a registered person required to deduct tax at source under the provisions of section 51 of the Central Goods and Services Tax Act, 2017	<u>Notification No. 8/2019 – CT dt 08.02.2019</u>	<u>Notification No. 02/2019– C.T./GST dt 08/02/2019</u>



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Central Tax Notifications (contd.)

SI No	Subject	Central Notification No with date	Corresponding State Notifications with date
2	<p>Amendments to notification No 34/2018 dt 10/08/2018 (amended from time to time by notification Nos. 35/2018-CT dt 21.08.2018, 36/2018 dt 24.08.2018, 47/2018 dt 10.09.2018, 55/2018 dt 21.10.2018, 62/2018 dt 29.11.2018 & 70/2018 dt 31.12.2018) in relation to the due date of filing GSTR-3B for period July, 2018 to March, 2019 that:</p> <p>I. the return in FORM GSTR-3B for the month of January, 2019 shall be furnished electronically through the common portal, on or before 22/02/2019 &</p> <p>II. the return in FORM GSTR-3B for the month of January, 2019 shall be furnished electronically through the common portal by the registered persons whose principal place of business is in the State of Jammu and Kashmir on or before 28-02-2019.</p>	<p>Notification No. 09/2019 – CT 20.02.2019</p>	<p>Notification No. 03/2019–C.T./GST dt 20/02/2019</p>



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Corrigendum to Central Tax Notification

SI No	Subject	Central Notification No with date	Corresponding State Notifications with date
1	<p>Rectifies drafting mistakes in several paras of notification No 3/2019 dt 29-01-2019 containing amendments in the CGST Rules, 2017.</p> <p>Effective change in the CGST Rules, 2017 :</p> <p>I. In instruction 12 appended with Form REG-I the word/s 'business verticals'/'vertical', has been replaced with the phrase “place of business”</p> <p>II. In Form GST REG-20, the existing note (inserted by notification No 3/2019 dt 29-01-2019) has been substituted with the note:- “Suspension of registration stands revoked with effect from.....(date).”</p> <p>III. In clause 14(b) of FORM GST APL-05 the word ‘admitted’ in the bracket has been omitted.</p>	<p>Corrigendum dt 05.02. 2019</p>	<p>N.A.</p>



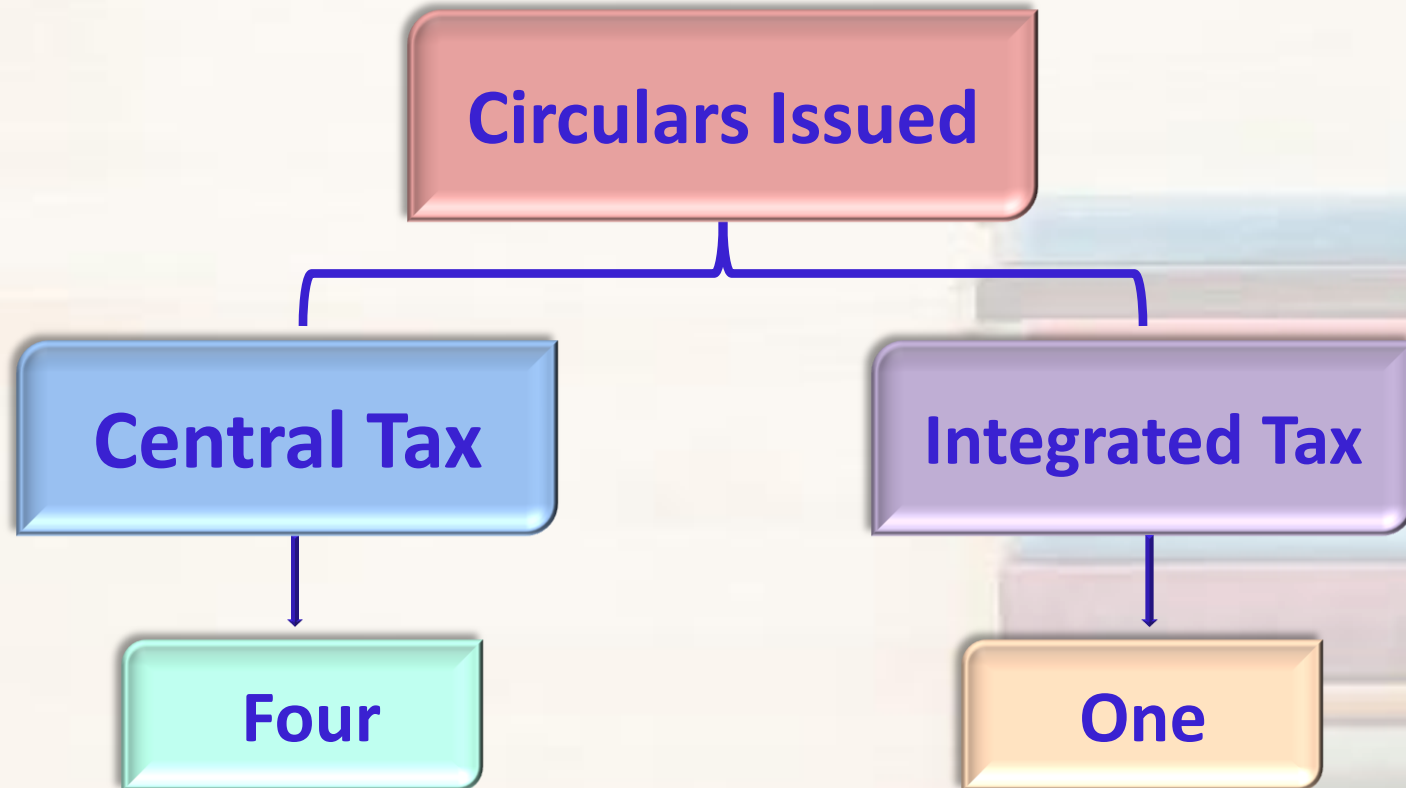
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Integrated Tax (Rate) Notifications

SI No	Subject	Notification No with date
1	<p><u>SI No 10D of notification No 9/2017 Integrated Tax (Rate) dt 28-06-2017</u> [as amended by notification <u>No 42/2017-Integrated Tax (Rate), dt 27-10-2017</u>] by which exemption was provided to:</p> <ul style="list-style-type: none">♦ supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees♦ has been omitted in view of, the amendment in section 2(6) of the IGST Act, 2017 by which <i>realization of payment for export of service in INR has been allowed, wherever permitted by the RBI.</i>	<p><u>Notification No. 2/2019-Integrated Tax (Rate)</u> <u>Dt 04-02-2019</u></p>



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Circulars on Central Tax

SI No	Subject	Central Circular No with date	Corresponding State Circular No & date
1	<p>Seeks to amend several Circulars issued earlier consequent to the GST Amendment Acts, 2018 which has come into force w.e.f. 01.02.2019.</p> <p>Amended Circulars are as follows:</p> <ul style="list-style-type: none">➤ 8/8/2017 dt 04.10.2017➤ 38/12/2018 dt 26.03.2018➤ 41/15/2018 dt 13.04.2018➤ 58/32/2018 dt 04.09.2018 &➤ 69/43/2018 dt 26.10.2018)	<p><u>88/2019 dt 01-02-2019</u></p>	<p><u>08/2019 dt 18.02.2019</u></p>



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Circulars on Central Tax

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019:

● **Circular No:** [8/8/2017 dt 04.10.2017](#)

● **Subject:** Clarification on issues related to furnishing of Bond/Letter of Undertaking for exports

● **Reason:** Amendment carried out in section 2(6) of the IGST Act, 2017 allowing realization of export proceeds in INR, wherever permitted by the RBI vide IGST (Amendment) Act, 2018.

● **Relevant Amendment:** The acceptance of LUT for supplies of goods or services to countries outside India or SEZ developer or SEZ unit will be permissible **irrespective of whether the payments are made in Indian currency or convertible foreign exchange** as long as they are in accordance with the applicable RBI guidelines.



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Circulars on Central Tax (contd)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (contd.):

● **Circular No:** [38/12/2018 dt 26.03.2018](#)

● **Subject:** Clarification on issues related to Job Work

● **Reason:** Amendment in section 143 of the CGST Act, 2017 vide CGST (Amendment) Act, 2018 empowering the Commissioner to extend the period of return of inputs and capital goods from the job worker or supply of such from the place of business of the job worker for a further period not exceeding one year and two years respectively

● **Relevant Amendment:**

■ On completion of the job work by the last job worker, the principal shall either bring back the goods to his place of business or supply the same directly from the place of business of the job worker within the time specified under section 143.

■ Sending goods for job work 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 the specified time period (under section 143) of being sent out.



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Circulars on Central Tax (contd)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (contd.):

● **Circular No:** [38/12/2018 dt 26.03.2018](#) (contd.)

● **Subject:** Registration requirements of a Job Worker

● **Reason:** Relevant amendment in explanation (iii) of section 22 of the CGST Act, 2017 that explain the meaning of special category state.

● **Relevant Amendment:**

■ 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.



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Circulars on Central Tax (*contd*)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (*contd.*):

● **Circular No:** 38/12/2018 dt 26.03.2018 (*contd.*)

● **Subject:** Valuation of Job Works services

● **Reason:** Amendment in sub-section (4) of section 9 of the CGST Act, 2017

● **Relevant Amendment:**

■ the value of moulds and dies, jigs and fixtures or tools which have been provided by the principal to the job worker and have been used by the latter for providing job work services **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.



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Circulars on Central Tax (contd)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (contd.):

● **Circular No:** [38/12/2018 dt 26.03.2018 \(contd.\)](#)

● **Subject:** Return of inputs or capital goods by Job Worker

● **Reason:** Amendment in sub-section (4) of section 9 of the CGST Act, 2017

● **Relevant Amendment:**

■ If inputs or capital 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 .



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Circulars on Central Tax (contd)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (contd.):

◆ **Circular No:** [41/15/2018 dt 13.04.2018](#)

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

◆ **Reason:** Amendment in sub-section(6) of section 129 of the CGST Act, 2017 vide CGST (Amendment) Act, 2018 **allowing 14 days** time (instead of seven days) to pay tax & penalty from the date of detention or seizure.

◆ **Relevant Amendment:** Amendment has been made in para 4 of FORM GST MOV-08 and para 10 of FORM GST MOV-09, annexed to the circular replacing the words “seven days” with “**fourteen days**”.



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Circulars on Central Tax (contd.)

◆ Changes in Circulars (contd.):

● **Circular No:** [58/32/2018 dt 04.09.2018](#)

● **Subject:** Recovery of arrears of wrongly availed CENVAT credit under the existing law

● **Reason:** To streamline the modes of recovery.

● **Relevant Amendments:**

■ Liabilities accruing due to wrongly availed CENVAT credit may be discharged voluntarily in FORM GST DRC-03.

■ The same may be recovered by uploading order in FORM GST DRC-07, & payment against such order shall be made in FORM GST DRC-03.

■ The alternative method of reversing the wrongly availed CENVAT credit & inadmissible transitional credit through Table 4(B)(2) of FORM GSTR-3B is no longer available to taxpayers.

■ The applicable interest and penalty which applies in respect of all such amounts of wrongly availed CENVAT credit as well as inadmissible transitional credit shall also be paid through FORM GST DRC-03.



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Circulars on Central Tax (*contd.*)

◆ Changes in Circulars vide circular No 88/2019 dt 01-02-2019 (*contd.*):

● **Circular No:** [69/43/2018 dt 26.10.2018](#)

● **Subject:** Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16

● **Reason:** Amendment in section 29 of the CGST Act, 2017 vide the CGST (Amendment) Act, 2018 providing for “suspension of registration”

● **Relevant Amendments:** The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation.



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Circulars on Central Tax (contd.)

SI No	Subject	Central Circular No with date	Corresponding State Circular No & date
2	Clarification containing instruction to report the details of inter-state supplies to unregistered persons along with the place of supply in Table 3.2 of GSTR-3B and Table 7B of GSTR-1 by the registered persons as mandated by the law. Contravention of any of the provisions attracts penal action under the provisions of section 125 of the CGST Act.	<u>89/2019</u> <u>18-02-2019</u>	<u>09/2019 dt</u> <u>18.02.2019</u>
3	Clarification regarding compliance of rule 46(n) of the CGST Rules, 2017, which mandates compulsory mentioning of details of Place of Supply along with the name of the State in tax invoices , in case of inter- State supply.	<u>90/2019</u> <u>18-02-2019</u>	<u>10/2019 dt</u> <u>18.02.2019</u>



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Circulars on Central Tax (contd.)

SI No	Subject	Central Circular No with date	Corresponding State Circular No & date
4	<p>Clarification on payment of central tax and state tax instead of integrated tax for supply of warehoused goods while being deposited in a customs bonded warehouse treating such supplies as intra state supplies due to non - availability of the facility on the common portal for the period July, 2017 to March, 2018</p> <p>◆ Suppliers who have paid central tax and state tax equal to the due amount of integrated tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned.</p>	<p><u>91/2019</u> <u>18-02-2019</u></p>	<p><u>11/2019 dt</u> <u>18.02.2019</u></p>



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Circulars on Integrated Tax

SI No	Subject	Circular No with date	Corresponding State Circular No & date
1	<p>Rescinding of Circular No. 03/01/2018-IGST dt 25th May, 2018 regarding applicability of integrated tax on goods supplied while being deposited in a customs bonded warehouse.</p> <p>Since Schedule III of the CGST Act, 2017 has been amended vide the CGST (Amendment) Act, 2018 treating the “supply of warehoused goods to any person before clearance for home consumption” as neither a supply of goods nor a supply of services w.e.f. 01.02.2019.</p>	<p>04/01/2019-GST dt 01-02-2019</p>	N.A.



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Removal of Difficulties Order

Issued

Two (02)

Sl No	Subject	Central Order No with date	Corresponding State Order No with date
1	<p>Seeks to supersede Removal of Difficulties Order No. 1/2017 - CT dt 13.10.2017 in view of the amendment to Section 10 of the CGST Act, 2017.</p> <p>◆ With effect from 01.02.2019, the value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account either (i) for determining the eligibility for composition scheme under second proviso to section 10(1); or (ii) in computing aggregate turnover in order to determine eligibility for composition scheme.</p>	1/2019 - CT dt 01-02-2019	235-FT-13-02-2019



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Removal of Difficulties Order (contd.)

Sl No	Subject	Central Order No with date	Corresponding State Order No with date
2	Seeks to amend Removal of Difficulties <u>Order No. 04/2018- CT, dt 31-12-2018</u> to extend the due date for furnishing of FORM GSTR – 8 for the months of October, 2018 to December, 2018 till 07.02.2019 instead of 31.01.2019	<u>2/2019 –CT</u> <u>01-02-2019</u>	<u>236-FT-13-02-</u> <u>2019</u>



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Recommendations of the 33rd GST Council meeting:

➤ GST shall be levied at effective GST rate of 5% without ITC on residential properties outside affordable segment w.e.f. 01.04.2019

➤ GST shall be levied at effective GST of 1% without ITC on affordable residential housing properties w.e.f. 01.04.2019

Affordable Housing :
A residential house/flat of carpet area of upto 90 sqm in non-metropolitan cities/towns and 60 sqm in metropolitan cities having value upto Rs. 45 lacs (both for metropolitan and non-metropolitan cities).

Metropolitan Cities:
Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR).



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Recommendations of the 33rd GST Council meeting (*contd.*):

GST exemption on TDR/ JDA, long term lease (premium), FSI: Intermediate tax on development right, such as Transferable Development Right (TDR), Joint Development Agreement (JDA), lease (premium), Floor Space Index (FSI) shall be exempted only for such residential property on which GST is payable.

GST Council decided that the **issue of tax rate on lottery** needs further discussion in the GoM (group of Ministers) constituted in this regard.



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SOP on TDS

Following question (Q. No 61) of the SOP on TDS has been amended:

As a DDO I have deducted tax while making payment to various Vendors. I have deposited the amount in the appropriate Government A/c & also filed return within stipulated time. Have I discharged all my liabilities relating to TDS?

Yes, as a system generated TDS certificate in FORM GSTR-7A mentioning there in the value on which tax is deducted, and amount of tax deducted and other related particulars shall be available for download from the portal by deductee. This shall be deemed to be sufficient compliance with the provisions of section 51(3) since such certificate can not be generated/downloaded unless the deductor files the return



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Court Judgements

◆ **Hindustan Unilever Ltd (HUL) Vs Union of India reported in 2019-TIOL-23-HC-Del-GST:**
◆ The issue pertains to Anti Profiteering order passed against HUL where under it was directed to deposit Rs.233 Crores. Delhi High Court ordered HUL to deposit Rs.90 Crores in the Consumer Welfare Fund as HUL had already deposited Rs 160 Crore.

◆ **Jeyyam Global Foods Pvt Ltd Vs Uoi reported in 2019-TIOL-28-HC-Mad-GST:**
◆ Squad officer can intercept the goods, detain them for the purpose of preparing the relevant papers for effective transmission to the jurisdictional assessing officer. However, it is not open to the squad officer to detain the goods beyond a reasonable period.

◆ **RK Motors Vs State Tax Officer reported in 2019-TIOL-27-HC-Mad-GST:**
◆ Power conferred on a statutory authority, should be exercised in a reasonable manner



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Court Judgements (contd.)

- ◆ **Optival Health Solutions Pvt Ltd Vs UOI reported in 2019-TIOL-448-HC-Kol-GST:**
 - ◆ Reasonable opportunity to rectify or revise Tran-2 should be allowed to assessee. The authorities may retain the original GST TRAN-2 form for their assessment purpose and can confront the person seeking to revise the GST TRAN-2 with the form as originally filed and require explanation as to why such revision was required and whether such revisions are justified or not-such an enquiry can be held in the assessment proceedings
- ◆ **Vikas Goel and Another Vs CGST Commissionerate, Gurugram reported in 2019-TIOL-445-HC-P&H-GST:**
 - ◆ Petitioners denied Bail in GST Fraud Case by the High Court



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Rulings by WBAAR

Order No & Dt :
40/WBAAR/2018-
19 dt 18/02/2019

Name of the Applicant:
Tewari
Warehousing Co
Pvt Ltd

Issue:
Whether ITC is admissible on the inward supplies for construction of warehouse on leasehold land, using pre-fabricated technology ?

Ruling:
The warehouse which is being constructed is an immovable property. The input tax credit is, therefore, not admissible on the inward supplies for construction of the said warehouse, as the credit of such tax is blocked under section 17(5)(d) of the GST Act.



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Rulings by WBAAR (contd.)

Order No & Dt :
41/WBAAR/2018-
19 dt 26/02/2019

Name of the Applicant:
Piyush Polytex
Industries Pvt.
Ltd.

Issue:
Seeking a Ruling on description & HSN of Bags/Sacks (both with & without Handle) made of (i) Laminated P.P. Nonwoven Fabric, (ii) B.O.P.P. Pasted P.P. Nonwoven Fabric and (iii) Woven Fabric Pasted with Nonwoven Fabric, under the GST Act.

Ruling:
(i) Bags/Sacks (both with & without Handle) made of Laminated P.P. Nonwoven Fabric is classifiable under Sub-Heading 39232990, (ii) Bags/Sacks (both with & without Handle) made of B.O.P.P. Pasted P.P. Nonwoven Fabric is classifiable under Sub-Heading 39232990, and (iii) Bags/Sacks (both with & without Handle) made of Woven Fabric Pasted with Nonwoven Fabric have to be classified as per the General Rules for the Interpretation of the First Schedule of the Customs Tariff.



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Rulings by WBAAR (contd)

Order No & Dt :
42/WBAAR/2018
-19 dt
26/02/2019

Name of the Applicant:
Sarj Educational
Centre

Issue:

Whether service by the applicant to students for lodging along with food is a composite supply within the meaning of section 2(30) of the GST Act, and whether supply of such service is eligible for exemption under Sl. No. 14 of Notification No. 12/2017-CT (Rate) dated 28/06/2017 (hereinafter the Exemption Notification)?

Ruling:

The Applicant is offering several individual services in two different combinations to the recipients, depending upon their need for lodging facility. None of the combinations of services being offered is a composite supply, as defined under section 2(30) of the GST Act. They are mixed supplies within the meaning of section 2(74) and taxable in accordance with section 8(b) of the GST Act. Being mixed supply, value of the entire combination of services offered is taxable at the applicable rate.



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Rulings by WBAAR (contd)

Order No & Dt :
43/WBAAR/2018-
19 dt 26/02/2019

**Name of the
Applicant:**
Nipha Exports Pvt
Ltd

Issue:
Whether input
tax credit is
admissible on
ambulances
purchased for the
benefit of the
employees under
legal
requirement of
the Factories Act,
1948?

Ruling:
As per Section 17(5) of the
GST Act, admissibility of
input tax credit on
purchase of ambulance
was blocked during
November, 2018 even if
provisioning of ambulance
service to the employees is
obligatory under the
Factories Act, 1948,



Thank You

