
KEY UPDATES

AUGUST, 2019



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CONTENTS

Sr. No.	Particulars	Page No.
1.	Significant Notifications	3
2.	Significant Circulars and Orders	7
3.	Recent Case Laws	
	✓ Applicability of GST on Joint Development Agreement (JDA).	9
	✓ Applicability of GST Rate for supply of Goods to Specified Government Schemes.	10
	✓ High Court Directs Payment of interest on delay in granting GST Refund.	11
	✓ GSTR-3B is not a return under section 39 of CGST Act,2019	12
	✓ Is the amount collected as membership and admission fees from members liable to GST as supply of services and whether ITC on food expenses made can be claimed?	13
	✓ Applicability of Notification 12/2017 Central Tax (Rate) in relation to monthly maintenance charges payable by Members of Association.	14
	✓ Liability of GST on contributions made to Society by its Member for Recurring or Capital Expenditure.	15
	✓ Whether Back Office Services provided are classified as Intermediary Services.	16
	✓ Whether Clinical Research Services constitute as Exports?	17
	✓ Marketing and Handholding Services to be constituted as Export of Services?	18

SIGNIFICANT NOTIFICATIONS

Sr. No.	Notification No.	Key Update
1.	36/2019 – Central Tax, Dt- 20.08.2019	<p>➤ <u>Extension of the due date for blocking and unblocking of E- Way:-</u></p> <ul style="list-style-type: none"> • <u>Rule 138E has been inserted which is as follows:-</u> <p>Restriction on furnishing of information in PART A of FORM GST EWB-01:-</p> <p>Notwithstanding anything contained in rule 138(1), no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who,—</p> <ol style="list-style-type: none"> a) being a person paying tax under section 10, has not furnished the returns for two consecutive tax periods; or b) being a person other than a person specified in clause (a) has not furnished the returns for a consecutive period of two months. <p>Further, 3 provisos have also been inserted in respect of</p> <ol style="list-style-type: none"> a) furnishing additional information, b) providing opportunity of hearing and c) Deemed rejection by commissioner <p>The provisions this section of CGST (14th Amendment Rules,2018) shall come into force from 21st November, 2019 instead of 21st August, 2019.</p>
2.	37/2019 – Central Tax, Dt- 21.08.2019 And 37/2019-MGST Act, Dt-21.08.2019.	<p>➤ Due date of filing GSTR 3B for the month of July, 2019 has been extended to 22nd August, 2019.</p> <p>➤ FORM GSTR 3B for the month of July, 2019 for registered persons whose principal place of business is in the district mentioned in Table below, shall be furnished on or before the 20th September, 2019:</p>

Sr No.	Name of the State	Name of District
1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.
2.	Gujarat	Vadodara
3.	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir
4.	Kerala	Idukki, Malappuram, Wayanad, Kozhikode
5.	Maharashtra	Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar
6.	Odisha	Balangir, Sonapur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur
7.	Uttarakhand	Uttarkashi and Chamoli
8.	State of Jammu and Kashmir	Entire state

3.	38/2019 – Central Tax, Dt - 31.08.2019	<p>➤ <u>CBIC waives requirement to furnish declaration in FORM ITC-04 for the period July, 2017 to March, 2018 and FY 2018-19</u></p> <p>The registered persons required to furnish the details of challans in FORM ITC-04, as the class of registered persons who shall follow the special procedure such that the said persons shall not be required to furnish FORM ITC-04 under rule 45(3) of the said rules for the period July, 2017 to March, 2019.</p> <p>Provided that the said persons shall furnish the details of all the challans in respect of goods dispatched to a job worker in the period July, 2017 to March, 2019 but not received from a job worker or not supplied from the place of business of the job worker as on the</p>
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		31st March, 2019 , in serial number 4 of FORM ITC-04 for the quarter April-June, 2019.															
4.	39/2019 - Central Tax, Dt-31.08.2019	<p>➤ <u>Section 103 of Finance (No. 2) Act, 2019 applicable from 01.09.2019-</u></p> <p>Central Government appoints the 1st day of September, 2019 as the date on which the provisions of section 103 of the Finance (No. 2) Act, 2019 shall come into force.</p> <p>Extract of section 103 of the Finance (No. 2) Act, 2019 is as follows:-</p> <p>In section 54 (i.e. refund of tax) of the CGST Act, after sub-section (8), the following sub-section shall be inserted, namely:-</p> <p>“(8A) The Government may disburse the refund of the State tax in such manner as may be prescribed.</p>															
5.	40/2019 - Central Tax, Dt- 31.08.2019	<p>➤ Extension of due date for furnishing GSTR 7 (i.e. Return of Tax deducted at source)</p> <p>The return to be furnished by a registered person, required to deduct tax at source under the provisions of section 51 in FORM GSTR-7 of the CGST Rules, 2017 for the month of July, 2019, whose principal place of business is in the state and districts mentioned in Table below, shall be furnished electronically through the common portal, on or before the 20th September, 2019.</p> <table border="1"> <thead> <tr> <th>Sr. no</th> <th>Name of State</th> <th>Name of District</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Bihar</td> <td>Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.</td> </tr> <tr> <td>2.</td> <td>Gujarat</td> <td>Vadodara</td> </tr> <tr> <td>3.</td> <td>Karnataka</td> <td>Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir.</td> </tr> <tr> <td>4.</td> <td>Kerala</td> <td>Idukki, Malappuram, Wayanad, Kozhikode.</td> </tr> </tbody> </table>	Sr. no	Name of State	Name of District	1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.	2.	Gujarat	Vadodara	3.	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir.	4.	Kerala	Idukki, Malappuram, Wayanad, Kozhikode.
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6.	41/2019 - Central Tax, Dt- 31.08.2019	<p>➤ Central Government seeks to waive the late fees for the month of July, 2019 for FORM GSTR 1 and GSTR 6 (Input Service Distributor) in certain cases whose principal place of business is in the state and district as mentioned in below table provided that said returns are furnished by 20th September, 2019-</p> <table border="1"> <thead> <tr> <th>Sr.No</th> <th>Name of State</th> <th>Name of District</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Bihar</td> <td>Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.</td> </tr> <tr> <td>2.</td> <td>Gujarat</td> <td>Vadodara</td> </tr> <tr> <td>3.</td> <td>Karnataka</td> <td>Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir</td> </tr> <tr> <td>4.</td> <td>Kerala</td> <td>Idukki, Malappuram, Wayanad, Kozhikode.</td> </tr> <tr> <td>5.</td> <td>Maharashtra</td> <td>Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar.</td> </tr> <tr> <td>6.</td> <td>Odisha</td> <td>Balangir, Sonapur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur.</td> </tr> <tr> <td>7.</td> <td>Uttarakhand</td> <td>Uttarkashi and Chamoli</td> </tr> <tr> <td>8.</td> <td>State of Jammu and Kashmir</td> <td>Entire State</td> </tr> </tbody> </table>	Sr.No	Name of State	Name of District	1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.	2.	Gujarat	Vadodara	3.	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir	4.	Kerala	Idukki, Malappuram, Wayanad, Kozhikode.	5.	Maharashtra	Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar.	6.	Odisha	Balangir, Sonapur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur.	7.	Uttarakhand	Uttarkashi and Chamoli	8.	State of Jammu and Kashmir	Entire State
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SIGNIFICANT CIRCULARS AND ORDERS

Sr. No.	Circular/ Order No.	Key Update														
1.	<p>7/2019-Central Tax, Dt - 26.08.2019</p> <p style="text-align: center;">and</p> <p>07/2019-MGST Act, Dt -29.08.2019</p>	<p>➤ The due date for filing of Annual return i.e. GSTR 9 along with GSTR 9C for FY 2017-18, has been extended to 30th November, 2019.</p>														
2.	<p>Trade Circular No. 47T of 2019, MGST Act, Dt-26.08.2019</p>	<p><u>INSTRUCTIONS FOR TAX PAYERS</u></p> <p>In view of the aforesaid facts, it is essential to issue guidelines for tax payers to report ITC related fields properly and correctly while filing their periodic /annual returns, which are as follows:</p> <p><u>Monthly GSTR-3B:</u></p> <ul style="list-style-type: none"> • <u>The provisions related to GSTR-2 are suspended for the time being.</u> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 60%;">REPORTING OF</th> <th style="width: 40%;">NEEDS TO BE DONE IN GSTR-3B</th> </tr> </thead> <tbody> <tr> <td>The reversal of ITC under rule 42 & 43</td> <td>Table 4 (B) (1)(B2B Invoices)</td> </tr> <tr> <td>entire eligible ITC including reversal but excluding ineligible reversal as per rule 37(180 days Non-Payment- Reversal of ITC)</td> <td>Table 4(A)</td> </tr> <tr> <td>Ineligible credit excluded while reporting ITC in 4(A)</td> <td>Table 4 (B) (2).</td> </tr> <tr> <td>ineligible or blocked credit as per provisions of section 17 (5)</td> <td>Table 4(D).</td> </tr> <tr> <td>ineligible / blocked credit as per section 17 (4) of CGST / SGST Act read with rule 38</td> <td>Table 4 (D) (1)</td> </tr> <tr> <td>Other ineligible ITC, like ITC wrongly availed in previous period</td> <td>Table 4 (D) (2)</td> </tr> </tbody> </table> <p>Only net effect shown by tax payers in the return would result in short settlement of IGST. Therefore, reversal of ITC and ineligible ITC has to be reported by tax payers while filing his due return.</p>	REPORTING OF	NEEDS TO BE DONE IN GSTR-3B	The reversal of ITC under rule 42 & 43	Table 4 (B) (1)(B2B Invoices)	entire eligible ITC including reversal but excluding ineligible reversal as per rule 37(180 days Non-Payment- Reversal of ITC)	Table 4(A)	Ineligible credit excluded while reporting ITC in 4(A)	Table 4 (B) (2).	ineligible or blocked credit as per provisions of section 17 (5)	Table 4(D).	ineligible / blocked credit as per section 17 (4) of CGST / SGST Act read with rule 38	Table 4 (D) (1)	Other ineligible ITC, like ITC wrongly availed in previous period	Table 4 (D) (2)
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➤ **Correction GSTR-4:**

The field of GSTR-4, which are related to the transfer of fund are Table 4(A), 4 (B), 4 (C) and 4 (D) only. The tax payers are hereby directed to fill in the information in those fields correctly and report the place of supply in it.

➤ **Correction in returns filed earlier:**

Those tax payers who have committed errors of wrongly reporting or nor reporting ineligible ITC as well as reversal of ITC in the returns filed —

<u>WRONGLY REPORTED</u>	<u>SHOULD NOW REPORT IN</u>
financial period 2017-18	Annual return - form GSTR-9.
financial period 2018-19	Return GSTR-3B for the period from April to September 2019.
the return periods from April, 2019 to July, 2019	Subsequent GSTR 3B to be filed from August, 2019.

- Incorrect information of ITC in periodic returns may result in selection of cases for scrutiny and later on might result into imposition of penalty under the CGST / SGST Act.

It is hereby directed to follow the guidelines of this circular and file the periodic returns in GSTR-3B henceforth correctly. Also correct the figures reported in the returns filed for earlier period.

For detailed Notifications kindly follow below link—
<http://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017>

RECENT CASE LAWS

1. Applicability of GST on Joint Development Agreement (JDA).

Applicant	M/s Durga Projects and Infra Structure Private Limited
Journal of Publication	LGSTO-90, Bengaluru
Date of Ruling	25 th June 2019
Ruling Authority	Karnataka AAR

FACTS
<ul style="list-style-type: none"> The applicant is engaged in construction and sale of residential apartments and residential complexes under joint development agreements. The applicant has executed projects under JDA with Land Owners for an agreed ratio of built up-area. Construction was commenced during pre-GST regime and continued under GST regime. Substantial portion of the work has been sub-contracted to another registered person. The JDA between land owner and developer is such that the land owner contributes land and developer develops property with the condition to share the developed properties whereby land owners transfers undivided interest in land to the Developers share of flats and developer agrees to construct buildings on the land belonging to the land owner.
ISSUE
<ul style="list-style-type: none"> Whether GST is levied towards work executed under JDA on land owners portion where work commenced during pre-GST and continued under GST Law and if tax is applicable the valuation for payment of tax?
HELD
<p>In terms of Notification No.4/2018-Central Tax (Rate) dated 25.01.2018 the time of supply would fall under the purview of GST Law. Thus, the tax liability arises not partially under earlier law and partly in GST Law, but entirely under GST Law.</p> <ul style="list-style-type: none"> Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 in para 2 states that in case of supply involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case maybe and value of land or undivided share of land, in such supply shall be deemed to be one third of the total charged for such supply. Thus, applicant is liable to pay GST towards work executed under JDA on land owner's portion, on the value to be arrived at the time of transfer of possession of the land owners portion of flats.

2. Applicability of GST Rate for supply of Goods to Specified Government Schemes.

Applicant	M/s United Engineering Works
Journal of Publication	KAR ADRG 15/2019
Date of Ruling	25 th July 2019.
Ruling Authority	Karnataka AAR

FACTS
<ul style="list-style-type: none">• The applicant is engaged in manufacturing and supply of submersible pump sets and accessories along with the installation, electrification and energization of the said pump sets in the ready drilled bore wells.• The applicant has been awarded contract, under Ganga Kalyana Scheme under Social Welfare Development, Government of Karnataka for supply of pump sets and accessories along with installation, electrification and energization of the same in the already driller bore wells for small and marginal land owners of Schedule Caste/Schedule Tribe and other backward class farmers of economic weaker sections for Agriculture purpose.• The applicant submits that their supply to the Government entities falls under Works Contract in terms of section 2(119) of CGST Act, 2017 classifiable under SAC 9954 and attracts GST of 12% as their supply is in the nature of irrigation works.• The applicant also provides guarantee and maintenance of installed submersible pump sets till 2 years which is used for irrigational purposes.
ISSUE
<ul style="list-style-type: none">• The applicable rate of GST for the manufacture and supply of submersible pump sets under Ganga Kalyana Scheme.
HELD
<ul style="list-style-type: none">• The service of installation is possible only when the goods (submersible pump sets) are supplied and hence the pre-dominant supply is that of “Submersible Pump Sets” and hence the principal supply in this case is supply of goods i.e. Submersible Pump Sets. Therefore, the instant supply squarely falls under definition of “Composite Supply”.• The supplies made by the applicant qualify to be treated as a composite supply and tax liability on the same is governed by Section 8 of the CGST Act, 2017.• Thus, the applicants supply does not qualify as Works Contact but a Composite Supply and the GST rate applicable on the same would be the rate on the Principle Supply i.e. submersible pump sets.

3. High Court Directs Payment of interest on delay in granting GST Refund.

Applicant	M/S SARAF NATURAL STONE
Journal of Publication	High Court
Date of Ruling	10 th July 2019
Ruling Authority	High Court Of Gujarat, Ahmedabad

FACTS
<ul style="list-style-type: none">• Applicant has filed a writ petition for directing the Tax Department to pay interest on delay in granting refund of IGST paid on export of goods.• Applicant has submitted that officer suo- moto has to order sanctioning of interest on delayed refund, without any application to be made by registered person.• Applicant further stated that there is no option available on the GST common portal to make an application for claiming interest on delayed refund.• Further, applicant contended that refund was received after a substantial period of delay and it impacted the working capital of the business.
ISSUE
<ul style="list-style-type: none">• Whether applicant is entitled to seek compensation along with interest for the delayed refund?
HELD
<ul style="list-style-type: none">• The HIGH COURT observed that provision relating to interest on refund have been consistently held as beneficial. HIGH COURT rejected the Revenue Department's argument that in the absence of specific provision for interest on refund, no interest would be available.• The HIGH COURT observed that Revenue has not explained the reason for delay. Accordingly, the HIGH COURT held that the tax department is liable to pay simple interest at 9% per annum on delayed payment of IGST refund.• The HIGH COURT further held that interest is payable on from the date of filing of GSTR-3B.

4. GSTR-3B is not a return under section 39 of CGST Act, 2019

Applicant	AAP & CO
Journal of Publication	High Court
Date of Ruling:	24 th June 2019
Ruling Authority	High Court of Gujarat

FACTS
<ul style="list-style-type: none">• The Petitioner had filed a writ petition questioning the legality of Para 3 of the press release purporting to clarify that the last date for availing the ITC relating to the invoices issued during the period between July 2017 and March 2018 would be the last date for filing of the return in Form GSTR-3B.• Further, the Petitioner contended that the impugned press release is contrary to the relevant provisions of the GST law and hence is unreasonable, illegal and void.
ISSUE
<ul style="list-style-type: none">• Whether the last date for availing the ITC relating to the invoices issued during the period from July 2017 to March 2018 is the last date for filing of the return in form GSTR-3 or GSTR-3B.
HELD
<ul style="list-style-type: none">• The HC observed that, in order to ease the burden of the taxpayer for some time, it was decided in the 18th GST Council Meeting to allow filing of a shorter return in Form GSTR-3B for initial periods. It was never introduced to replace GSTR-3. The return in Form GSTR-3B is only a temporary stop-gap arrangement till the due date of filing the return in Form GSTR-3 is notified.• The HC pointed out that the notification introducing mandatory filing of GSTR-3B in lieu of GSTR-3 was retrospectively rectified by the Government.• Accordingly, the impugned press release dated 18th October 2018 could be said to be illegal to the extent that its para-3 purports to clarify that the last date for availing input tax credit relating to the invoices issued during the period from July 2017 to March 2018 is the last date for the filing of return in Form GSTR-3B.

5. [Is the amount collected as membership and admission fees from members liable to GST as supply of services and whether ITC on food expenses made can be claimed?](#)

Applicant	Rotary Club of Mumbai Queens Necklace
Journal of Publication	GST-ARA, Application No.118
Date of Ruling	30 th April, 2019
Ruling Authority	Maharashtra AAR

FACTS
<ul style="list-style-type: none"> • The applicant is an un-incorporated association of individuals. It is a not for profit institution. • To ensure the smooth and proper working of the club, membership subscription fees and admission fees are collected from the members. The receipts majorly comprise of fees from members which in essence is contribution towards yearly expenses and one time admission fees from new members. • The club organizes events for the purpose of enabling members to meet and interact with each other. For such events the Club incurs various expenditure like banquet charges, catering services etc.
ISSUE
<ul style="list-style-type: none"> • Whether the amount collected as membership subscription and admission fees from members is liable to GST as supply of services? • If the above receipts are liable to GST can the club claim ITC of the tax paid on Banquet and catering services for holding members meetings and various events?
HELD
<ul style="list-style-type: none"> • The club is liable to pay GST since it has fulfilled both the conditions prescribed by Section 7 of the CGST Act: <ul style="list-style-type: none"> (i) that such supply is made by them in lieu of consideration since the membership fees collected from the members is not only meant for administrative expenses but also towards organizing the Leadership Program for the direct or indirect benefit of both members. (ii) such supply has been made in the course or furtherance of business since the term business includes provision by club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members. • The applicant is NOT entitled to Input Tax Credit since the applicant do not provide outward taxable supply of same category of goods and services.

6. [Applicability of Notification 12/2017 Central Tax \(Rate\) in relation to monthly maintenance charges payable by Members of Association.](#)

Applicant	TVH Lumbini Square Owners Association
Journal of Publication	GST-ARA, Application No.07
Date of Ruling	15 th February, 2019.
Ruling Authority	Tamil Nadu State AAAR

FACTS
<ul style="list-style-type: none">• TVH Lumbini Square Owners Association is a residential welfare association registered under the Societies Act, GST Act and Income Tax.• The applicant has stated that they are currently collecting Maintenance charges on a quarterly basis at Rs 3.50 per square feet per month along with applicable GST if any.• They are claiming exemption of Rs 7500 in respect of those members whose contribution toward maintenance charges does not exceed Rs 7500 per month vide Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.• The applicant has stated that the exemption is extended to the extent of Rs 7500 per month, collected from the members for sourcing of goods or services from a third person for the common use of the members in a housing society of a residential complex.
ISSUE
<ul style="list-style-type: none">• Whether a resident must pay GST on the value over and above Rs 7500 or on the entire amount?
HELD
<ul style="list-style-type: none">• If a service by the applicant, a registered housing society/resident welfare association to its members by way of reimbursement of charges or share of contribution, for sourcing of goods or services from a third person for the common use of its members, is such that it is above 7500 rupees per month effective from 25.01.2018(5000 rupees before), it is not eligible SI No 77 (c) of Notification No 12/2017-C.T.(Rate) dated 28.06.2017 CGST and SGST at appropriate rates are to be paid by the members on the full amount of reimbursement of charges or share of contributions.

7. Liability of GST on contributions made to Society by its Member for Recurring or Capital Expenditure.

Applicant	M/s. National Institute of Bank Management
Journal of Publication	GST-ARA, Application No.139
Date of Ruling:	25 th March 2019
Ruling Authority	Maharashtra AAR

FACTS
<ul style="list-style-type: none"> The applicant is a premier Academic cum Training Institute established by RBI as an autonomous Apex Institute with mandate of playing a pro-active role of “Think Tank” of banking system, registered as a society under the Indian Society Registration Act. RBI, SBI and other Public sector banks are contributing towards fixed amount of Rs.100 Lakhs in the ratio of 40:20:40 for recurring expenses and capex at actuals in capacity of promoters without receiving any services in exchange. The contributions received by NIBM are given freely in which the said banks do not receive any exclusive benefit in return
ISSUE
<ul style="list-style-type: none"> Whether consideration paid as subscription or contribution towards recurring or capital expenses or reimbursement or by whatever name called to National Institute of Bank Management (NIBM) a society registered under Societies Registration Act ,1850 by its members (being banks) for its recurring and non-recurring expenses is leviable to GST?
HELD
<ul style="list-style-type: none"> As per section 7 of CGST Act 2017, the contributions made by the member banks to “Corpus Funds” can be considered as “Consideration as per section 2(31)” as received in furtherance of their business and the activities can be termed as “Business” as per section 2(17)(e) as it includes provision by a club ,association, society or any such body of facilities or benefits to its members. The Applicant has fulfilled the conditions prescribed by Section 7 of the CGST Act 2017, firstly that such supply is made by them in lieu of consideration i.e. contribution and secondly the supply has been made for furtherance of the business. In terms of similar case of The Banking codes and standards boards of India (BCBSI), Advance ruling decided by Honorable Maharashtra Authority for Advance Ruling held that such contributions are leviable to GST. Thus the contributions received by the applicant from RBI and other Public sector banks is nothing but consideration for the entire gamut of services supplied by them and GST is payable on such contributions received.

8. Whether Back Office Services provided are classified as Intermediary Services.

Applicant	Vservglobal Private Limited
Journal of Publication	GST ARA-03/2017-18
Date of Ruling	26 th February 2019
Ruling Authority	Maharashtra AAR

FACTS
<ul style="list-style-type: none">• Vservglobal Pvt Ltd is an Indian Company having its office at Mumbai.• It is engaged in providing back office and accounting services to overseas clients.• The company had filed an appeal with AAR dated 07.07.2018.
ISSUE
<ul style="list-style-type: none">• Whether the services provided by the Appellant fit the definition of intermediary services.• Whether the services are naturally bundled and thus constitute Composite Supply as defined in Section 2(30) of the CGST Act.
HELD
<ul style="list-style-type: none">• The AAAR with reference to the agreement between the appellant and client held that the nature of services provided by the appellant are intermediary services which facilitate supply of goods or services or both and fall beyond the scope of back office services.• Further the AAAR held that the appellant are not supplying goods on its own account.• The AAAR by applying various indicative criteria on the spectrum of services provided by the Appellant held that the said services are provided in conjunction with each other and hence can be construed as Composite supply.• The rulings of AAR were thus held.

9. Whether Clinical Research Services constitute as Exports?

Applicant	Cliantha Research Limited
Journal of Publication	GST ARA No. 119
Date of Ruling	4 th May 2019
Ruling Authority	Maharashtra AAR

FACTS
<ul style="list-style-type: none">• The applicant is a public limited company.• Cliantha Research Limited is a global clinical research organization providing clinical research and support services by performing technical testing and analysis on the Drug/Investigational Product, provided by sponsors located outside India and submits final analyses report to such foreign sponsors.• For the services provided, applicant will raise invoice to sponsor in foreign currency and receive the consideration in foreign currency.
ISSUE
<ul style="list-style-type: none">• Determination of liability to pay tax on research services provided to entities located outside India.
HELD
<ul style="list-style-type: none">• As per section 2(6)(iii) of the IGST Act for a service to be considered as export, the place of supply of the services has to be outside India. However, in the case of the applicant, the services provided by it like clinical trials and studies and support services etc. are all performed at the facilities of the applicant in India i.e. within territory of India.• Hence it is not eligible to be treated as an export of service.• Further, the place of supply service is determinable as per Section 13(3)(a) which clarifies the place of supply of service in cases where the material used or consumed in the performance of service, is supplied by the recipient of the service. In case of Cliantha Research the materials consumed or used in the clinical trials is supplied (in physical form) by the recipients of the service.• Moreover, the applicant provides only service i.e. product investigation report in digital form electronically to the recipient. In such cases the place supply of the services shall be the location where service is actually performed.• The services are liable to CGST and SGST as the location of 'supplier of service' and the 'place of supply' is in the same State.

10. Marketing and Handholding Services to be constituted as Export of Services?

Applicant	Mayank Jain
Journal of Publication	GST-ARA, Application No.103
Date of Ruling	1 st June 2019
Ruling Authority	Maharashtra AAR

FACTS
<ul style="list-style-type: none"> The applicant, Mayank Jain, is an individual resident of India who envisages to provide the services in relation to the “Employee Based Immigration: 5th Reference Program”, that statelty provides that a financial investor, who makes investment of US \$500,000 or in commercial entity or investment fund located in and creates job opportunity in the United States of America. Applicant wants to provide certain services in the nature of marketing and intelligence to the “Consultant Manager” acting for the Regional Centre or Company enabling them to receive investments from prospective investors. Consideration for such services will be provided upon successful investment/ repatriation by the investor.
ISSUE
<ul style="list-style-type: none"> Whether the Marketing services to be supplied by the applicant under the Foreign Immigration Advisor to the Consultant Manager constitutes a supply of “Support services “or “Intermediary service” or any other heading? Whether the Handholding services supplied by the applicant constitutes a supply of “Support services “or “Intermediary service” or any other heading? Whether the Marketing services to be provided by the applicant will be an export of services as defined under Section 2(6) of IGST Act 2017? Whether the Handholding services to be provided by the applicant will be an export of services as defined under Section 2(6) of IGST Act 2017?
HELD
<ul style="list-style-type: none"> As per the provisions of Section 2(13) of IGST Act, 2017 definition of “intermediary” has three limbs: <ol style="list-style-type: none"> An intermediary can be a broker, an agent or any other person; An intermediary is a person, who intermediates between two or more persons, i.e. either arranges or facilitates the supply of goods or services or both; An intermediary cannot change the nature of supply as provided by his principal. In the given instance, the applicant arranges and facilitates supply of services between the Consultant Manager and the Indian Investor, for which they receive fees from the overseas Consultant Manager.

- Thus, the Marketing services and the Handholding services constitute the supply of “**Intermediary service**” classified under **SAC 9985**.
- The services provided to the Consultant Manager situated in foreign territory fall in the **Section 13(8)(b) of IGST Act, 2017**. Hence the place of supply of services is within India and therefore the service rendered by the applicant is not export of “**service**” as **condition (iii) of Section 2(6) of IGST Act** is not fulfilled.
- The Marketing services and the Handholding services do not constitute as an export of services as defined under **Section 2(6) of the IGST act**.