
KEY UPDATES

DECEMBER, 2018



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SIGNIFICANT NOTIFICATIONS

Sr. No	Notification No.	Key Update																											
1.	67/2018 – Central Tax, Dt- 31.12.2018	<p>➤ The Central government specifies the persons who did not file the complete FORM GST REG26 of the CGST Rules, 2017 but received only a Provisional Identification Number (PID) (hereinafter referred to as “such taxpayers”) till the 31st December, 2017 may now apply for Goods and Services Tax Identification Number (GSTIN).</p> <p>➤ The special procedure to be followed for registration of such taxpayers is as detailed below:</p> <p>i. The details as per the Table below should be furnished by such taxpayers to the jurisdictional nodal officer of the Central Government or State Government on or before the 31st January, 2019.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <tr> <td style="width: 5%; text-align: center;">1.</td> <td style="width: 75%;">Provisional ID</td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Registration Number under the earlier law (Taxpayer Identification Number (TIN)/Central Excise/Service Tax Registration number)</td> <td></td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Date on which token was shared for the first time</td> <td></td> </tr> <tr> <td style="text-align: center;">4.</td> <td>Whether activated part A of the aforesaid FORM GST REG-26</td> <td style="text-align: center;">Yes/No</td> </tr> <tr> <td style="text-align: center;">5.</td> <td>Contact details of the taxpayer</td> <td></td> </tr> <tr> <td style="text-align: center;">5a.</td> <td>Email id</td> <td></td> </tr> <tr> <td style="text-align: center;">5b.</td> <td>Mobile</td> <td></td> </tr> <tr> <td style="text-align: center;">6.</td> <td>Reason for not migrating in the system</td> <td></td> </tr> <tr> <td style="text-align: center;">7.</td> <td>Jurisdiction of Officer who is sending the request</td> <td></td> </tr> </table> <p>ii. Upon receipt, such taxpayers are required to furnish the following details to GSTN by email, on or before the 28th February, 2019 to migration@gstn.org.in:-</p> <p>a) New GSTIN; b) Access Token for new GSTIN; c) ARN of new application; d) Old GSTIN (PID).</p>	1.	Provisional ID		2.	Registration Number under the earlier law (Taxpayer Identification Number (TIN)/Central Excise/Service Tax Registration number)		3.	Date on which token was shared for the first time		4.	Whether activated part A of the aforesaid FORM GST REG-26	Yes/No	5.	Contact details of the taxpayer		5a.	Email id		5b.	Mobile		6.	Reason for not migrating in the system		7.	Jurisdiction of Officer who is sending the request	
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2.	<p>68/2018 - Central Tax, Dt-31.12.2018,</p> <p>69/2018 - Central Tax, Dt-31.12.2018</p> <p>And</p> <p>70/2018 - Central Tax, Dt- 31.12.2018</p>	<p>➤ <u>Extension of due date of GSTR 3B for newly migrated taxpayers</u></p> <p>The dates as mentioned in <i>Notification No. 21/2017- Central tax, dated 08.08.2017, Notification No. 56/2017- Central tax, dated 15.11.2017, Notification No. 35/2017- Central Tax, dated-15.09.2017, Notification No. 16/2018 - Central Tax, dated 23rd March, 2018 and Notification No. 34/2018 dated-10.08.2018</i> for furnishing FORM GSTR-3B electronically through common portal for the period from July, 2017 to February, 2019 by the taxpayers who have obtained Goods and Services Tax Identification Number (GSTIN) in terms of <i>Notification No. 31/2018 - Central Tax dated the 06th August, 2018</i>, (relating to Newly Migrated Taxpayers) shall furnish electronically through the common portal on or before the 31st March, 2019.</p> <p>Accordingly, subject to the provisions of section 49 of the said Act, due date for discharging liability towards tax, interest, penalty, fees or any other amount payable under the Act shall be 31st March, 2019, on or before which required to furnish the GSTR 3B.</p>
3.	<p>71/2018 - Central Tax, Dt- 31.12.2018</p>	<p>➤ <u>Extension of due date of GSTR 1 for newly migrated taxpayers</u></p> <p>Registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year, for furnishing FORM GSTR 1 electronically through common portal for the period from July, 2017 to December, 2018 by the taxpayers who have obtained Goods and Services Tax Identification Number (GSTIN) in terms of <i>Notification No. 31/2018 - Central Tax dated the 06th August, 2018</i>, (relating to Newly Migrated Taxpayers) shall furnish electronically through the common portal on or before the 31st March, 2019.</p>
4.	<p>72/2018 - Central Tax, Dt-31.12.2018</p>	<p>➤ <u>Extension of due date of GSTR 1 for newly migrated taxpayers</u></p> <p>Registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for furnishing FORM GSTR 1 electronically through common portal for the period from July, 2017 to February, 2019 by the taxpayers who have obtained Goods and Services Tax Identification Number (GSTIN) in terms of <i>Notification No. 31/2018 - Central Tax dated the 06th August, 2018</i>, (relating to Newly Migrated Taxpayers) shall furnish electronically through the common portal on or before the 31st March, 2019.</p>

5.	73/2018 – Central Tax, Dt-31.12.2018	<p>➤ <u>Exemption for supplies made by Government Departments and PSUs to other Government Departments and vice-versa from TDS</u></p> <p>The Central Government hereby appoints the 1st day of October, 2018, as the date on which the provisions of section 51 of the said Act shall come into force with respect to persons specified under clauses (a), (b) and (c) of section 51(1) of the said Act and the persons specified below under clause (d) of section 51(1) of the said Act, namely:</p> <p>TDS provisions as per Section 51 (1) of CGST Act are applicable to persons specified as below:</p> <p>a) a department or establishment of the Central Government or State Government; or</p> <p>b) local authority; or</p> <p>c) Governmental agencies; or</p> <p>d) Persons as notified vide Notification No. 50/2018 – Central Tax dated 13.09.2018</p> <p>i. an authority or a board or any other body, -</p> <ol style="list-style-type: none"> 1. set up by an Act of Parliament or a State Legislature; or 2. established by any Government, <p style="padding-left: 40px;">with fifty-one per cent. or more participation by way of equity or control, to carry out any function;</p> <p>ii. Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);</p> <p>iii. Public sector undertakings.</p> <p>Additional proviso has been added to said notification namely-</p> <p>“Provided also that nothing in this notification shall apply to the supply of goods or services or both which takes place between one person to another person specified under clauses (a), (b), (c) and (d) of sub-section (1) of section 51 of the said Act.”</p>
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6.	74/2018- Central Tax, Dt-31.12.2018	<p>➤ <u>Rule 12(1A)- Grant of Registration to persons required to deduct tax at source or to collect tax at source.</u></p> <p>A person applying for registration to collect tax in accordance with the provisions of section 52, in a State or Union territory where he does not have a physical presence, shall mention the name of the State or Union territory in PART A of the application in FORM GST REG-07 and mention the name of the State or Union territory in PART B thereof in which the principal place of business is located which may be different from the State or Union territory mentioned in PART A.</p> <p>➤ <u>Rule 45(3)-Conditions and restrictions in respect of inputs and capital goods sent to the job worker-</u></p> <p>The details of challans in respect of goods dispatched to a job worker or received from a job worker during a quarter shall be included in FORM GST ITC-04 furnished for that period.</p> <p>➤ <u>In Rule 46 and 49 following proviso will be inserted:</u></p> <p>Provided also that the signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000.</p> <p>➤ <u>In Rule 54 (2) following proviso will be inserted:</u></p> <p>Provided that the signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the provisions of the Information Technology Act, 2000.</p> <p>➤ <u>In Rule 54 (4) following proviso will be inserted:</u></p> <p>Provided that the signature or digital signature of the supplier or his authorized representative shall not be required in the case of issuance of ticket in accordance with the provisions of the Information Technology Act, 2000</p> <p>➤ <u>Rule 96(1)-Refund of Integrated tax paid on goods or services exported out of India-</u></p> <p>The shipping bill filed by [an exporter of goods] shall be deemed to be an application for refund of integrated tax paid on the goods</p>
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exported out of India and such application shall be deemed to have been filed only when:

a) The person in charge of the conveyance carrying the export goods duly files [a departure manifest or] an export manifest or an export report covering the number and the date of shipping bills or bills of export; and

b) The applicant has furnished a valid return in FORM GSTR-3or FORM GSTR-3B, as the case may be;

➤ There is also substitution of **FORM GST RFD 01** which is provided in **Notification No.74/2018** dated **31.12.2018**.

➤ When a revisional authority pass an order **under section 108** authority shall serve a notice in **Form GST RVN 01** and shall also issue a summary of order in **Form GST APL 04**.

➤ **Rule 101(1) The period of audit to be conducted under section 65 (1) shall be a financial year or part thereof or multiples thereof.**

➤ **Rule 109B has been inserted which is as follows:-**

Notice to person and order of revisional authority in case of revision:-

(1) Where the Revisional Authority decides to pass an order in revision under section 108 which is likely to affect the person adversely, the Revisional Authority shall serve on him a notice in **FORM GST RVN-01** and shall give him a reasonable opportunity of being heard.

(2) The Revisional Authority shall, along with its order under section 108(1), issue a summary of the order in **FORM GST APL-04** clearly indicating the final amount of demand confirmed

➤ **Rule 138E has been inserted which is as follows:-**

Restriction on furnishing of information in PART A of FORM GST EWB-01:-

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>a) being a person paying tax under section 10, has not furnished the returns for two consecutive tax periods; or</p> <p>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> <p>Further, 3 provisos have also been inserted in respect of</p> <p>a) furnishing additional information, b) providing opportunity of hearing and c) Deemed rejection by commissioner.</p> <p>➤ <u>In rule 142(5) - Notice and Order of Demand of amount payable under the Act</u></p> <p>A summary of the order issued under section 73(9) or section 74 (9) or section 75(12) or section 76(3) or section 125 or section 129 or section 130 shall be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty payable by the person chargeable with tax</p> <p>➤ <u>Following forms have been amended / newly introduced:</u></p> <table border="1" data-bbox="594 905 1459 1398"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Form</th> <th>Purpose of the Form</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>GST RFD -01 (revised)</td> <td>Application for refund</td> </tr> <tr> <td>2.</td> <td>GST RFD-01A (revised)</td> <td>Application for Refund (Manual)</td> </tr> <tr> <td>3.</td> <td>GSTR 9 (revised)</td> <td>Annual return</td> </tr> <tr> <td>4.</td> <td>GSTR 9C (revised)</td> <td>Reconciliation and Certification / GST Audit Report</td> </tr> <tr> <td>5.</td> <td>GST RVN - 01 (new)</td> <td>Notice under section 108</td> </tr> <tr> <td>6.</td> <td>GST APL - 04</td> <td>Summary of the demand after issue of order by the appealable authority.</td> </tr> </tbody> </table>	Sr. No.	Name of the Form	Purpose of the Form	1.	GST RFD -01 (revised)	Application for refund	2.	GST RFD-01A (revised)	Application for Refund (Manual)	3.	GSTR 9 (revised)	Annual return	4.	GSTR 9C (revised)	Reconciliation and Certification / GST Audit Report	5.	GST RVN - 01 (new)	Notice under section 108	6.	GST APL - 04	Summary of the demand after issue of order by the appealable authority.
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6.	GST APL - 04	Summary of the demand after issue of order by the appealable authority.																					
7.	75/2018 - Central Tax, Dt-31.12.2018	<p>➤ <u>Waiver of late fee leviable on account of delayed furnishing of FORM GSTR-1 for the period July, 2017 to September, 2018</u></p> <p>Late fee payable under section 47 of the CGST/SGST Act shall be waived for the registered persons who failed to furnish the details of outward supplies in FORM GSTR-1 for the months/quarters from July, 2017 to September, 2018 by the due date but furnishes the said details in FORM GSTR-1 between the period from 22nd December, 2018 to 31st March, 2019.</p>																					

8.	76/2018 - Central Tax, Dt- 31-12-2018	<p><u>Waiver of late Fee leviable on account of delayed furnishing of FORM GSTR-3B for the period July, 2017 to September, 2018</u></p> <p>➤ Late fee payable under section 47 of the CGST/SGST Act shall stand waived for the registered persons who failed to furnish the return in FORM GSTR-3B for the months of July, 2017 to September, 2018 by the due date but furnishes the said return between the period from 22nd December, 2018 to 31st March, 2019.</p>						
9.	77/2018 - Central Tax, Dt-31.12.2018	<p>➤ <u>Waiver of late fees leviable on account of delayed furnishing of FORM GSTR-4 for the period July, 2017 to September, 2018</u></p> <p>Late fee payable under section 47 of the CGST/ SGST Act shall stand waived for the registered persons who failed to furnish the return in FORM GSTR-4 for the quarters from July, 2017 to September, 2018 by the due date but furnishes the said return between the period from 22nd December, 2018 to 31st March, 2019.</p>						
10.	78 /2018 - Central Tax, Dt-31.12.2018	<p>➤ <u>Extension of due date for furnishing FORM ITC-04 for the period from July, 2017 to December, 2018 till 31.03.2019</u></p> <p>The time limit has been extended for furnishing the declaration in FORM GST ITC-04 of the said rules, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to December, 2018 till the 31st day of March, 2019.</p>						
11.	79/2018 - Central Tax, Dt-31.12.2018	<p>➤ <u>Assigning of powers relating to Demands and Recovery</u></p> <p>As per Notification no. 2/2017 dated 19-06-2017 which notifies the jurisdiction of Central Tax Officers, the Principal Commissioners of Central Tax or the Commissioners of Central Tax and the central tax officers sub-ordinate to them, are hereby vested with the territorial jurisdiction specified in the corresponding entry in column (3) of the said Table</p> <table border="1" data-bbox="602 1608 1458 1871"> <tr> <td data-bbox="602 1608 716 1833">Sr.No.</td> <td data-bbox="716 1608 997 1833">Principal Chief Commissioner / Chief Commissioner of Central Tax</td> <td data-bbox="997 1608 1458 1833">Jurisdiction of Principal Chief Commissioner / Chief Commissioner of Central Tax in terms of Principal Commissioner/ Commissioner of Central Tax</td> </tr> <tr> <td data-bbox="602 1833 716 1871">(1)</td> <td data-bbox="716 1833 997 1871">(2)</td> <td data-bbox="997 1833 1458 1871">(3)</td> </tr> </table>	Sr.No.	Principal Chief Commissioner / Chief Commissioner of Central Tax	Jurisdiction of Principal Chief Commissioner / Chief Commissioner of Central Tax in terms of Principal Commissioner/ Commissioner of Central Tax	(1)	(2)	(3)
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(1)	(2)	(3)						

		<p>➤ Notwithstanding anything contained in this notification, the central tax officer specified in column (3) of Table I and the officers subordinate to him shall exercise powers relating to Demands and Recovery under sections 73, 74, 75 and 76 of Chapter XV of the said Act throughout the territorial jurisdiction of the corresponding central tax officer specified in column (2) of the said Table in respect of those cases as may be assigned by the Board.</p>
12.	<p>24/2018- Central Tax (Rate), Dt-31.12.2018,</p> <p>25/2018- Integrated Tax (Rate), Dt-31.12.2018</p> <p>and</p> <p>24/2018- Union territory Tax (Rate), Dt-31.12.2018</p>	<p>➤ <u>In Schedule I under the slab of 5% for IGST and 2.5% each of CGST / SGST / UTGST following items have been inserted:</u></p> <ol style="list-style-type: none"> 1. Marble and travertine, crude or roughly trimmed 2. Natural cork, raw or simply prepared 3. Footwear having a retail sale price not exceeding Rs.500 per pair, the entry "Footwear of sale value not exceeding Rs.1000 per pair" shall be substituted; 4. Walking-sticks including seat sticks 5. Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks 6. Parts and accessories of carriage for disabled persons 7. Explanation has been added relating to the renewable energy devices & parts for their manufacture which is as follows- <p>"If the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Union Territory Tax (Rate), dated 28th June, 2017 [G.S.R. 702(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy per cent. of the gross consideration charged for all such supplies, and the remaining thirty per cent. of the gross consideration charged shall be deemed as value of the said taxable service"</p> <p>➤ <u>In Schedule II under the slab of 12% for IGST and 6% each of CGST / SGST / UTGST following items have been inserted:</u></p> <ol style="list-style-type: none"> 1. Natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip 2. Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom 3. Agglomerated cork (with or without a binding substance) and articles of agglomerated cork 4. Flexible intermediate bulk containers

		<p>➤ <u>In Schedule II under the slab of 18% for IGST and 9% each of CGST / SGST / UTGST following items have been inserted:</u></p> <ol style="list-style-type: none"> 1. Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber 2. Lithium-ion accumulators (other than battery) including lithium-ion power bank 3. Video game consoles and machines, articles of funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment [other than playing cards, ganjifa card, chess board, carom board and other board games of 9504 90 90 like Ludo, etc. <p>➤ <u>In Schedule II under the slab of 28% for IGST and 14% each of CGST / SGST / UTGST following items have been inserted:</u></p> <p style="text-align: center;">Parts and accessories of vehicles of heading 8711</p>
13.	<p>25/2018-Central Tax (Rate), Dt-31.12.2018,</p> <p>26/2018-Integrated Tax (Rate), Dt-31.12.2018</p> <p>and</p> <p>25/2018-Union Territory Tax (Rate), Dt-31.12.2018</p>	<p>➤ The following intra / inter state services are exempted from levy of tax –</p> <ol style="list-style-type: none"> 1. Vegetables (uncooked or cooked by steaming or boiling in water), frozen 2. Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption” 3. Music, printed or in manuscript, whether or not bound or illustrated 4. Supply of gift items received by the President, Prime Minister, Governor or Chief Minister of any State or Union territory, or any public servant, by way of public auction by the Government, where auction proceeds are to be used for public or charitable cause
14.	<p>26/2018-Central Tax (Rate), Dt-31.12.2018</p>	<p>➤ The supply of gold falling under the heading 7108 would be exempt when it is supplied by Nominated Agency under the scheme for “Export against supply by Nominated Agency” to a Registered Person, if the following conditions are satisfied namely:</p>

	<p>27/2018 - Integrated Tax (Rate), Dt-31.12.2018</p> <p>and</p> <p>26/2018 - Union Territory Tax (Rate), Dt-31.12.2018</p>	<ol style="list-style-type: none"> 1. Both the Nominated agency and Recipient shall follow the conditions and observe the procedure specified in Foreign Trade Policy read with Handbook (notified by Government of India in the Ministry of Commerce and Industry vide notification No.41/2015-2020, dated the 5th December, 2017) 2. The recipient shall Export the gold within 90 days from supply of gold and he shall provide shipping bill containing details of GSTIN along with Invoice for Export within 120 days from the supply of gold by Nominated Agency. 3. Where the proof of export is not produced the Nominated agency shall pay the tax along with interest from the date when the said tax on supply was payable, but for exemption 																
15	<p>27/2018-Central Tax (Rate), Dt-31.12.2018</p> <p>28/2018 - Integrated Tax (Rate), Dt-31.12.2018</p> <p>and</p> <p>27/2018 - Union Territory Tax (Rate), Dt-31.12.2018</p>	<p>➤ The amendments are being made to Notification no.11/2017 Central Tax (Rates), dated 28.06.2017 which are as follows-</p> <table border="1" data-bbox="565 930 1474 1946"> <thead> <tr> <th data-bbox="565 930 634 1016">Sr. No</th> <th data-bbox="634 930 1073 1016">Description of Service</th> <th data-bbox="1073 930 1243 1016">Rate (%)</th> <th data-bbox="1243 930 1474 1016">Condition</th> </tr> </thead> <tbody> <tr> <td data-bbox="565 1016 634 1444">8</td> <td data-bbox="634 1016 1073 1444">Transportation of passengers, with or without accompanied baggage, by air, by non-scheduled air transport service or charter operations, engaged by specified organizations in respect of religious pilgrimage facilitated by the Government of India, under bilateral arrangement.</td> <td data-bbox="1073 1016 1243 1444">2.5</td> <td data-bbox="1243 1016 1474 1444">Provided that credit of input tax charged on goods used in supplying the service has not been taken</td> </tr> <tr> <td data-bbox="565 1444 634 1562">15</td> <td data-bbox="634 1444 1073 1562">(vi) Service of third party insurance of "goods carriage"</td> <td data-bbox="1073 1444 1243 1562">6</td> <td data-bbox="1243 1444 1474 1562">-</td> </tr> <tr> <td data-bbox="565 1562 634 1946"></td> <td data-bbox="634 1562 1073 1946">(vii) Financial and related services other than i. Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) Right in respect of goods other than Information Technology software.</td> <td data-bbox="1073 1562 1243 1946">9</td> <td data-bbox="1243 1562 1474 1946">-</td> </tr> </tbody> </table>	Sr. No	Description of Service	Rate (%)	Condition	8	Transportation of passengers, with or without accompanied baggage, by air, by non-scheduled air transport service or charter operations, engaged by specified organizations in respect of religious pilgrimage facilitated by the Government of India, under bilateral arrangement.	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken	15	(vi) Service of third party insurance of "goods carriage"	6	-		(vii) Financial and related services other than i. Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) Right in respect of goods other than Information Technology software.	9	-
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			<ul style="list-style-type: none"> ii. Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of Information Technology software. iii. Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration. iv. Any transfer of right in goods or of undivided share in goods without the transfer of title thereof. v. Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. vi. Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv) and (v) above. 		
		17	(viiia) Leasing or renting of goods	Same rate of Union territory tax as applicable on supply of like goods involving transfer	

				of title in goods	
			(viii) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above	9	-
		34	(ii) Services by way of admission exhibition of cinematograph films where price of admission ticket is one hundred rupees or less	6	-
			(iia) Services by way of admission to exhibition of cinematograph films where price of admission ticket is above one hundred rupees.	9	
		38	Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of following, - (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Ocean waves/tidal waves energy devices/plants Explanation : This entry shall be read in conjunction with	9	-

		serial number 234 of Schedule I of the notification No. 1/2017- Union Territory Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated 28th June, 2017 vide GSR number 710(E) dated 28th June, 2017.		
16.	<p>28/2018- Central Tax (Rate), Dt-31.12.2018,</p> <p>29/2018 - Integrated Tax (Rate), Dt - 31-12-2018;</p> <p>And</p> <p>28/2018 - Union Territory Tax (Rate), Dt - 31-12-2018;</p>	<p>➤ The Central Government on the recommendations of the Council, hereby notifies intra-State supply of services as exempts which are follows-</p> <ol style="list-style-type: none"> 1. Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to, - <ol style="list-style-type: none"> a) A Department or Establishment of the Central Government or State Government or Union territory; or b) local authority; or c) Governmental agencies, <p>Which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.</p> 2. Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY). 3. Services provided by rehabilitation professionals recognized under the Rehabilitation Council of India Act, 1992 (34 of 1992) by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by Central Government, State Government or Union territory or an entity registered under section 12AA of the Income Tax Act, 1961 (43 of 1961). 		
17.	<p>29/2018- Central Tax (Rate) Dt-31.12.2018,</p> <p>30/2018 Integrated Tax (Rate),</p>	<p>➤ The categories of supply of services mentioned in column (2) of the Table below, supplied by a person as specified in column (3) of the said Table, the whole of central tax leviable under section 9 of the said CGST Act, shall be paid on RCM basis by the recipient of the such services as specified in column (4) of the said Table:</p>		

<p>Dt-31.12.2018</p> <p>And</p> <p>29/2018- Union Territory Tax (Rate), Dt-31.12.2018</p>	<p>Sr. No</p>	<p>Category of Supply of Services</p>	<p>Supplier of service</p>	<p>Recipient of Service</p>
	<p>(1)</p>	<p>(2)</p>	<p>(3)</p>	<p>(4)</p>
	<p>1.</p>	<p>Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road</p>	<p>Goods Transport Agency (GTA)</p>	<p>a) Any factory registered under or governed by the Factories Act, 1948 b) Any society registered under the Societies Registration Act, 1860 c) Any co-operative society established by or under any law; or d) Any person registered under the CGST Act or the IGST Act or the SGST Act or the UTGST Act e) Any body corporate established, by or under any law f) Any partnership firm whether registered or not under any law including association of persons; or g) Any casual taxable person; located in the taxable territory</p>

In the above table additional proviso has been added which is as follows-

“Provided that **nothing contained in this entry shall apply** to services provided by a goods transport agency, by way of transport of goods in a goods carriage by road, to, -

- a. Department or Establishment of the Central Government or State Government or Union territory; or
- b. local authority; or
- c. Governmental agencies,

Which has taken registration under the CGST Act, 2017 (12 of 2017) only for the purpose of deducting tax under **section 51** and not for making a taxable supply of goods or services.

➤ Additional categories of supply of services are been added brought under the ambit of RCM which are as follows-

Sr. No	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
12.	Services provided by business facilitator (BF) to a banking company	Business facilitator (BF)	A banking company, located in the taxable territory.
13.	Services provided by an agent of business correspondent (BC) to business correspondent (BC).	An agent of business correspondent (BC)	A business correspondent, located in the taxable territory
14.	<p>Security services (services provided by way of supply of security personnel) provided to a registered person:</p> <p>Provided that nothing contained in this entry shall apply to-</p> <p>I.</p> <p>a) a Department or Establishment of the Central Government or State Government or Union territory; or b) local authority; or c) Governmental agencies; which has taken registration under the CGST Act, 2017 (12 of 2017) only for</p>	Any person other than a Body corporate	A registered person, located in the taxable Territory.

		<p>the purpose of deducting tax under section 51 of the said Act and not for making a taxable supply of goods or services; or</p> <p>II. A registered person paying tax under section 10 of the said Act.</p>		
		<p>➤ Explanation has been added further which states as-</p> <p>“Provisions of this notification, in so far as they apply to the Central Government and State Governments, shall also apply to the Parliament and State Legislatures.”</p>		
18.	<p>30/2018- Central Tax (Rate), Dt-31.12.2018</p> <p>31/2018 - Integrated Tax (Rate), Dt - 31- 12-2018</p> <p>and</p> <p>30/2018 - Union Territory Tax (Rate), Dt - 31- 12-2018</p>	<p>➤ In respect of Goods Transport Services, other than transport of goods by rail, transport of goods by vessel, services of GTA and transport of goods in containers by rail by any person other than Indian Railways (Serial No. 9 entry No. vi) following explanation has been added:</p> <p>“Nothing contained in this item shall apply to supply of a service other than by way of transport of goods from a place in India to another place in India.”</p>		
19.	<p>04 /2018 - Integrated Tax, Dt-31.12.2018</p>	<p>➤ <u>Rule 3(h)</u> in the case of advertisements over internet <u>the service shall be deemed to have been provided all over India and</u> the amount attributable to the value of advertisement service disseminated in a State or Union territory shall be calculated on the basis of the internet subscribers in such State or Union territory, which in turn, shall be calculated in the following manner, namely (as mentioned in Rule 3 (h))</p> <p>➤ <u>Rule 4 to Rule 9 have been inserted which are follows-</u></p>		

		<ul style="list-style-type: none"> ❖ Rule 4: The supply of services attributable to different states or Union Territories under section 12(3) of the IGST, 2017: <ul style="list-style-type: none"> • In case of services provided by way of lodging accommodation by a hotel, inn, guest house, club or campsite (<i>except cases where it is a Single property in 2 or more states</i>) the supply of services shall be treated in proportion to the number of nights stayed in such property; • In case of all other services in relation to immovable property including services by way of accommodation in any immovable property for organizing any marriage or reception etc., and in cases of supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called where such property is a single property located in two or more contiguous States or Union territories or both, and services ancillary to such services, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the area of the immovable property lying in each State or Union territory; • In case of services provided by way of lodging accommodation by a house boat or any other vessel and services ancillary to such services, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the time spent by the boat or vessel in each such State or Union territory, which shall be determined on the basis of a declaration made to the effect by the service provider. ❖ Rule 5: The supply of services attributable to different states or Union Territories under section 12(7) of IGST Act, in the case of- <ul style="list-style-type: none"> a) Services provided by way of organization of a cultural, artistic, sporting, scientific, educational or entertainment event, including supply of services in relation to a conference, fair exhibition, celebration or similar events; or b) Services ancillary to the organization of any such events or assigning of sponsorship to such events, where the services are supplied to a person other than a registered person, the event is held in India in more than one State or Union territory and a consolidated amount is charged for supply of such services, shall be taken as being in each of the respective States or Union territories, and in the absence of any contract or agreement between the supplier of service and recipient of services for
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		<p>separately collecting or determining the value of the services in each such State or Union territory, as the case maybe, shall be determined by application of the generally accepted accounting principles.</p> <ul style="list-style-type: none"> ❖ Rule 6: The supply of services attributable to different states or Union Territories under section 12(11) of the said Act, <ul style="list-style-type: none"> • In case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services; Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the number of points lying in the State or Union territory. ❖ Rule 7: The supply of services attributable to different states or Union Territories under section 13(7) of the said Act <ol style="list-style-type: none"> 1. In the case of services supplied on the same goods, by equally dividing the value of the service in each of the States and Union territories where the service is performed; 2. In the case of services supplied on different goods, by taking the ratio of the invoice value of goods in each of the States and Union territories, on which service is performed, as the ratio of the value of the service performed in each State or Union territory; 3. In the case of services supplied to individuals, by applying the generally accepted accounting principles. ❖ Rule 8: Under section 13(7) of the said Act, The value of supply shall be determined by applying provisions of Rule 4 mutatis mutandis. (Where either the location of supplier or the location of recipient is outside India) ❖ Rule 9: Under section 13(7) of the said Act, the value of supply shall be determined by applying provisions of Rule 5 mutatais mutandis.
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		(Where either the location of supplier or the location of recipient is outside India)
For detailed Notifications kindly follow below link- http://www.cbic.gov.in/hdocs-cbec/gst/central-tax-notfns-2017		

SIGNIFICANT CIRCULARS AND ORDERS

Sr. No.	Circular/ Order No.	Key Update
1.	3/2018-Central Tax, Dt- 31 -12-2018	<p>➤ <u>Extension of due date for furnishing of annual returns in FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C for the FY 2017-2018 till 30.06.2019.</u></p> <p>Explanation has been added to section 44(2) of CGST Act, 2017-</p> <p>➤ “Explanation - For the purposes of this section, it is hereby declared that the annual return for the period from the 1st July, 2017 to the 31st March, 2018 shall be furnished on or before the 30th June, 2019.”</p>
2.	04/2018-Central Tax, Dt-31.12.2018	<p>➤ <u>Extension of due date for furnishing the statement in FORM GSTR-8 by e-commerce companies for the months of October to December, 2018 till 31.01.2019</u></p> <p>Explanation has been added to Section 52(4) of CGST Act, 2017</p> <p>Explanation: - For the purposes of this sub-section, it is hereby declared that the due date for furnishing the said statement for the months of October, November and December, 2018 shall be the 31st January, 2019.</p>
2.	75/49/2018-Central Tax, Dt-27-12-2018	<p>➤ <u>Guidelines for processing of applications for financial assistance under the Central Sector Scheme named ‘Seva Bhoj Yojna’ of the Ministry of Culture</u></p> <ul style="list-style-type: none"> • The scheme shall be known as ‘SEVA BHOJ YOJNA’. The Scheme shall be applicable within the territorial jurisdiction of India. The Scheme will remain open from 1st to 15th of every month. Further, the scrutiny of the applications received will be carried out by duly constituted committee on monthly basis. • The objective of ‘Seva Bhoj Yojna’ is CGST and IGST paid on purchase of specific raw food items by Charitable/Religious Institutions for distributing free food to public shall be reimbursed as Financial Assistance by the Government of India. • This is a Central Sector Scheme for providing reimbursement of CGST and Central Government’s share of IGST paid by charitable/religious institutions on purchase of specific raw food items for serving free food to public / devotees. The scheme

shall be applicable only to such institutions which are eligible under the Scheme.

➤ **The criteria for Financial Assistance are as follows-**

- a) A Public Trust or society or body corporate or organization or institution covered under the provisions of section 10 (23BBA) of the Income Tax Act, 1961 or registered under the provisions of section 12AA of the Income Tax Act, 1961 for charitable/religious purposes or a company formed and registered under the provisions of section 8 of the Companies Act, 2013 or section 25 of the Companies Act, 1956, for charitable/ religious purposes or a Public Trust registered as such for charitable/religious purposes under any Law for the time being in force or a society registered under the Societies Registration Act, 1860 for charitable/religious purposes
- b) The applicant Public Trust or society or body corporate or organization or institution must be involved in charitable/religious activities by way of free and philanthropic distribution of food/Prasad/langar (Community Kitchen)/ bhandara free of cost and without discrimination through the modus of public, charitable/religious trusts or endowments including temples, gurdwaras, wakfs, and churches and so on.
- c) The institutions/organizations should have been in existence for preceding three years before applying for assistance.
- d) Only those institutions would be eligible for financial assistance which have been distributing free food, langar and Prasad to public for at-least past three years on the day of application. For this purpose, entities shall furnish a self- certificate.
- e) Financial Assistance under the scheme shall be given only to those institutions which are not in receipt any Financial Assistance from the Central/State Government for the purpose of distributing free food: self- certificate
- f) The institutions shall serve free food to at least 5000 people in a calendar month.
- g) The Institution/Organization blacklisted under the provisions of Foreign Contribution Regulation Act (FCRA) or under the provisions of any Act/Rules of the Central/State.

➤ **PENALTIES IN CASE OF MISUSE OF ASSISTANCE /GRANT:**

- a) The members of the executive body of the entity /institution would be liable for recovery of misused grants.

		<p>b) The organization /institution will also be blacklisted for misuse of funds, fake registration certificate, fake documents etc.</p> <p>c) All immovable and movable assets created from the Government grants would be taken over by local administration prescribed by the Ministry.</p> <p>d) The assistance provided by the Ministry of Culture shall be recovered with penal interest, apart from taking criminal action as per law.</p>						
3.	76/50/2018-GST, Dt-31.12.2018	<p>➤ <u>Clarification on certain issues related to GST</u></p> <table border="1" data-bbox="620 705 1490 1938"> <thead> <tr> <th data-bbox="620 705 717 779">Sr. No</th> <th data-bbox="717 705 982 779">Issue</th> <th data-bbox="982 705 1490 779">Clarification</th> </tr> </thead> <tbody> <tr> <td data-bbox="620 779 717 1938">1.</td> <td data-bbox="717 779 982 1938">Whether the supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by Government departments are taxable under GST?</td> <td data-bbox="982 779 1490 1938"> <p>➤ It may be noted that intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by the Central Government, State Government, Union territory or a local authority is a taxable supply under GST.</p> <p>➤ Any intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by the Central Government, State Government, Union territory or a local authority to any registered person, would be subject to GST on reverse charge basis as per which tax is payable by the recipient of such supplies.</p> <p>➤ Further, such supply to an unregistered person is also a taxable supply. It is clarified that in this case, the respective Government departments shall be liable to get registered and pay GST on intra-State and inter-State</p> </td> </tr> </tbody> </table>	Sr. No	Issue	Clarification	1.	Whether the supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by Government departments are taxable under GST?	<p>➤ It may be noted that intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by the Central Government, State Government, Union territory or a local authority is a taxable supply under GST.</p> <p>➤ Any intra-State and inter-State supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by the Central Government, State Government, Union territory or a local authority to any registered person, would be subject to GST on reverse charge basis as per which tax is payable by the recipient of such supplies.</p> <p>➤ Further, such supply to an unregistered person is also a taxable supply. It is clarified that in this case, the respective Government departments shall be liable to get registered and pay GST on intra-State and inter-State</p>
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				supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by them to an unregistered person subject to the provisions of sections 22 and 24 of the CGST Act.
			2.	<p>Whether penalty in accordance with section 73 (11) of the CGST Act should be levied in cases where the return in FORM GSTR-3B has been filed after the due date of filing such return?</p> <p>➤ As per the provisions of section 73(11) of the CGST Act, penalty is payable in case self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.</p> <p>➤ It is clarified that provisions of section 73 of the CGST Act are generally not invoked in case of delayed filing of the return in FORM GSTR-3B because tax along with applicable interest has already been paid but after the due date for payment of such tax. It is accordingly clarified that penalty under the provisions of section 73(11) of the CGST Act is not payable in such cases. It is further clarified that since the tax has been paid late in contravention of the provisions of the CGST Act, a general penalty under section 125 of the CGST Act may be imposed after following the due process of law.</p>
			3.	<p>In case a debit note is to be issued under section 142(2)(a) of the CGST Act or a credit note under section 142(2)(b) of the CGST Act, what will be the tax rate applicable</p> <p>- The rate in the pre-GST regime or the rate</p> <p>➤ As per the provisions of section 142(2) of the CGST Act, in case of revision of prices of any goods or services or both on or after the appointed day (i.e., 01.07.2017), a supplementary invoice or debit/credit note may be issued which shall be deemed to have been issued in respect of an outward supply made under the CGST Act.</p> <p>➤ It is accordingly clarified that in case of revision of prices, after the appointed date, of any</p>

			applicable under GST?	goods or services supplied before the appointed day, thereby requiring issuance of any supplementary invoice, debit note or credit note, the rate as per the provisions of the GST Acts (both CGST and SGST or IGST) would be applicable.
		4.	Applicability of the provisions of section 51 of the CGST Act (TDS) in the context of notification No. 50/2018-Central Tax dated 13.09.2018.	➤ It is clarified that the provisions of section 51 (liable to deduct tax at source) of the CGST Act are applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which fifty one per cent. or more participation by way of equity or control is with the Government.
		5.	What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?	➤ It is clarified that as per the provisions of Section 15(2) of CGST Act, taxable value for the purposes of GST shall include the TCS amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.
		6.	Who will be considered as the “owner of the goods” for the purposes of section 129(1) of the CGST Act?	➤ It is clarified that with respect to section 129(1) of the CGST Act, if the invoice or any other specified document is accompanying the consignment of goods, then either the consignor or the consignee should be deemed to be the owner. If the invoice or any other specified document is not accompanying the consignment of goods, then in such cases, the proper officer

					should determine who should be declared as the owner of the goods.
4.	77/51/2018-GST, Dt-31.12.2018	<p><u>Denial of composition option by tax authorities and effective date thereof.</u></p> <ul style="list-style-type: none"> ➤ In a case where the taxpayer has sought withdrawal from the composition scheme, the effective date shall be the date indicated by him in his intimation/application filed in FORM GST CMP-04 but such date may not be prior to the commencement of the financial year in which such intimation/application for withdrawal is being filed. If at any stage it is found that he has contravened any of the provisions of the CGST Act or the CGST Rules, action may be initiated for recovery of tax, interest and penalty. ➤ In case of denial of option by the tax authorities, the effective date of such denial shall be from a date, including any retrospective date as may be determined by tax authorities, but shall not be prior to the date of contravention of the provisions of the CGST Act or the CGST Rules. In such cases, as provided under of section 10(5) of the CGST Act, the proceedings would have to be initiated under the provisions of section 73 or section 74 of the CGST Act for determination of tax, interest and penalty for the period starting from the date of contravention of provisions till the date of issue of order in FORM GST CMP-07. 			
5.	78/52/2018-GST, Dt-31.12.2018	<p><u>Clarification on export of services under GST</u></p> <p><u>ISSUE-</u></p> <p>In case an exporter of services outsources a portion of the services contract to another person located outside India, what would be the tax treatment of the said portion of the contract at the hands of the exporter? There may be instances where the full consideration for the outsourced services is not received by the exporter in India.</p> <p><u>CLARIFICATION-</u></p> <ul style="list-style-type: none"> ➤ Where an exporter of services located in India is supplying certain services to a recipient located outside India, either wholly or partly through any other supplier of services located outside India(outsourcing), the following two supplies are taking place:- <ul style="list-style-type: none"> i. Supply of services from the exporter of services located in India to the recipient of services located outside India for the full contract value; ii. Import of services by the exporter of services located in India from the supplier of services located outside India with respect to the outsourced portion. 			

		<ul style="list-style-type: none"> ➤ It is clarified that the supplier of services located in India would be liable to pay integrated tax on reverse charge basis on the import of services on that portion of services which has been provided by the supplier located outside India to the recipient of services located outside India. Furthermore, the said supplier of services located in India would be eligible for taking ITC of the IGST so paid. ➤ Thus, even if the entire consideration of the contract value is not received in convertible foreign exchange in India due to the fact that the recipient has directly paid the supplier located outside India (for the outsourced part of services), that portion of consideration shall also be treated as receipt of consideration for export of services in terms of section 2(6)(iv) of IGST Act, provided that IGST has been paid on that amount by the supplier located in India.
6.	79/53/2018-GST, Dt-31.12.2018	<ul style="list-style-type: none"> ➤ <u>Clarification on refund related issues:</u> 1) Physical submission of refund claims with jurisdictional proper officer: <p>Earlier taxpayer was required to file FORM GST RFD-01A on the common portal. Therefore, in order to further simplify the refund process, the following instructions, in partial modification of the aforesaid circulars, are issued:</p> <ul style="list-style-type: none"> a) All documents/undertaking/statements to be submitted along with the claim for refund in FORM GST RFD-01A shall be uploaded on the common portal at the time of filing of the refund application. Instead of providing copies of all invoices, a statement of invoices needs to be submitted in a prescribed format and copies of only those invoices need to be submitted the details of which are not found in FORM GSTR-2A for the relevant period. b) However, the taxpayer will still have the option to physically submit the refund application to the jurisdictional proper officer in FORM GST RFD-01A, along with supporting documents, if he chooses so. c) The ARN will be generated only when FORM GST RFD-01A is completely filled and proper supporting documents have been uploaded. d) As soon as the ARN is generated, the refund application along with all the supporting documents shall be transferred electronically to the jurisdictional proper officer who shall be able to view it on the system. The time limit of 15 days to issue an acknowledgement shall be counted from the date ARN is generated.

- e) If a refund application is electronically transferred to the wrong jurisdictional officer, he/she shall reassign it to the correct jurisdictional officer electronically within a period of three days. Deficiency memos shall not be issued in such cases merely on the ground that the applications were received electronically in the wrong jurisdiction.
- f) After the issuance of a deficiency memo, taxpayers would be required to submit the rectified refund application under the earlier Application Reference Number (ARN) only.

2) Calculation of refund amount for claims of refund of accumulated Input Tax Credit (ITC) on account of inverted duty structure:

- a) Refund of unutilized ITC in case of inverted tax structure is available where ITC remains unutilized even after setting off of available ITC for the payment of output tax liability.
- b) Calculation of refund of accumulated ITC on account of inverted tax structure, in cases where several inputs are used in supplying the final product/output is done by clubbing the ITC of the all the inputs that are used in manufacturing the final product.

3) Disbursal of refund amounts after sanction:

If any tax ordered to be refunded is not refunded **within 60 days** of the date of receipt of application, interest at the **rate of 6%** on the refund amount is to be paid to claimant from the day from the expiry of 60 days from the date of receipt of application (ARN) till the date of refund of such tax shall have to be paid to the claimant.

4) Refund applications that have been generated on the portal but not physically received in the jurisdictional tax offices:

- a) All refund applications in which the amount claimed is less than the statutory limit of **Rs.1,000/-** should be rejected and the amount re-credited to the electronic credit ledger of the applicant through the issuance of **FORM GST RFD-01B**.
- b) For all applications wherein an amount **greater than Rs. 1000/-** has been claimed, a list of applications which have not been received in the jurisdictional tax office within a period of 60 days starting from the date of generation of ARN may be compiled. A communication may be sent to all such claimants on their registered email ids, informing that the application needs to be physical submitted to the jurisdictional tax office within 15 days

of the date of the email. The claimants are informed that the applications to be submitted physically.

- 5) The applications generated on the common portal before the issuance of this Circular the amount debited in the electronic cash ledger in such applications may be re-credited through **FORM GST RFD-01B** provided that there are no liabilities in the electronic liability register. The said amount shall be re-credited even though the return in **FORM GSTR-3B**, as the case may be for the relevant period has not been filed.

The refund application generated on the common portal before and after the issuance of this circular the existing guidelines, as modified by this Circular may be followed.

6) Non-consideration of ITC of GST paid on invoices of earlier tax period availed in subsequent tax period:

- a) Presently, ITC is reflected in the electronic credit ledger on the basis of the amount of the ITC availed on self-declaration basis in FORM GSTR-3B for a particular tax period. It may happen that the goods purchased against a particular tax invoice issued in a particular month, say August 2017, may be declared in the **FORM GSTR-3B** filed for a subsequent month, say September 2017. This is inevitable in cases where the supplier raises an invoice, say in August, 2017, and the goods reach the recipient's premises in September, 2017. Since GST law mandates that ITC can be availed only after the goods are received, the recipient can only avail the ITC on such goods in the FORM GSTR-3B filed for the month of September, 2017. However, it has been observed that field officers are excluding such invoices from the calculation of refund of unutilized ITC filed for the month of September, 2017.
- b) In this regard, it is clarified that „Net ITC“ as defined in rule 89(4) of the CGST Rules means input tax credit availed on inputs and input services during the relevant period. Relevant period means the period for which the refund claim has been filed. Input tax credit can be said to have been „availed“ when it is entered into the electronic credit ledger of the registered person. Under the current dispensation, this happens when the said taxable person files his/her monthly return in **FORM GSTR-3B**.
- c) Further, section 16(4) of the CGST Act stipulates that ITC may be claimed on or before the due date of filing of the return for the month of September following the financial year to which the invoice pertains or the date of filing of annual return, whichever is earlier. Therefore, the input tax credit of invoices issued in August, 2017, „availed“ in September, 2017 cannot be excluded from the calculation of the refund amount for the month of September, 2017.

		<p>7) Refund of accumulated ITC of input services and capital goods arising on account of inverted duty structure:</p> <p>Section 54(3) of the CGST Act provides that refund of any unutilized ITC may be claimed where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies). Further, section 2(59) of the CGST Act defines inputs as any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business. Thus, inputs do not include services or capital goods. Therefore, clearly, the intent of the law is not to allow refund of tax paid on input services or capital goods as part of refund of unutilized input tax credit.</p> <p>In view of the above, it is clarified that both the law and the related rules clearly prevent the refund of tax paid on input services and capital goods as part of refund of input tax credit accumulated on account of inverted duty structure.</p>
7.	<p>80/54 /2018-GST, Dt-31.12.2018</p>	<p>➤ Clarifications regarding GST rates and classifications for following goods:</p> <ol style="list-style-type: none"> i. Chhatua or Sattu ii. Fish meal and other raw materials used for making cattle/poultry/aquatic feed iii. Animal Feed Supplements/ feed additives from drugs iv. Liquefied Petroleum Gas for Domestic Use v. Polypropylene Woven and Non-Woven Bags and PP Woven and NonWoven Bags laminated with BOPP vi. Wood logs for pulping vii. Bagasse based laminated particle board viii. Embroidered fabric sold in three pieces cloth for lady suits ix. Waste to Energy Plant-scope of entry No. 234 of Schedule I of notification No.1/2017- Central Tax (Rate) dated 28.6.2017 x. Turbo Charger for railways xi. Rigs, tools & Spares moving inter-state for provision of service

8.	81/55/2018-GST, Dt-31.12.2018	<p>➤ <u>Clarification regarding GST tax rate for Sprinkler and Drip Irrigation System including laterals</u></p> <table border="1" data-bbox="609 220 1511 522"> <thead> <tr> <th>Sr.No</th> <th>Chapter/Heading/Sub Heading</th> <th>Description of Goods</th> <th>GST rate</th> </tr> </thead> <tbody> <tr> <td>195B</td> <td>8424</td> <td>Sprinklers; drip irrigation system including laterals;</td> <td>12%</td> </tr> </tbody> </table> <p>All goods falling under HS 8424, namely, Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines (other than fire extinguishers, whether or not charged), were placed under 18% slab.</p> <p>Subsequently, on the recommendation of the GST Council, the item namely, 'Nozzles for drip irrigation equipment or nozzles for sprinkler was placed under 12% GST slab.</p>	Sr.No	Chapter/Heading/Sub Heading	Description of Goods	GST rate	195B	8424	Sprinklers; drip irrigation system including laterals;	12%
Sr.No	Chapter/Heading/Sub Heading	Description of Goods	GST rate							
195B	8424	Sprinklers; drip irrigation system including laterals;	12%							
9.	86/05/2019-GST, Dt-01.01.2019	<p>➤ <u>Clarification on GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company</u></p> <table border="1" data-bbox="609 1083 1469 1900"> <thead> <tr> <th>Issues</th> <th>Clarifications</th> </tr> </thead> <tbody> <tr> <td>Issue 1</td> <td> <p><u>Clarification on value of services by BF/BC to a banking company:</u></p> <ol style="list-style-type: none"> 1. The agreement of banks with the BC specifically prohibits them from directly charging any fee to the customers for services rendered by them on behalf of the bank. 2. Banks (and not BCs) are permitted to collect reasonable service charges from the customers for such service in a transparent manner. 3. Banking company is the service provider in the business facilitator model or the business correspondent model operated by a banking company as per RBI guidelines. It is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent. </td> </tr> </tbody> </table>	Issues	Clarifications	Issue 1	<p><u>Clarification on value of services by BF/BC to a banking company:</u></p> <ol style="list-style-type: none"> 1. The agreement of banks with the BC specifically prohibits them from directly charging any fee to the customers for services rendered by them on behalf of the bank. 2. Banks (and not BCs) are permitted to collect reasonable service charges from the customers for such service in a transparent manner. 3. Banking company is the service provider in the business facilitator model or the business correspondent model operated by a banking company as per RBI guidelines. It is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent. 				
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		<p>Issue 2 <u>Clarification on the scope of services by BF/BC to a banking company with respect to accounts in rural areas:</u></p> <ol style="list-style-type: none"> 1. Clarification has been requested as the exemption from tax on services provided by BF/BC is dependent on the meaning of the expression “accounts in its rural area branch”. 2. Conditions for availing the exemption are: <ol style="list-style-type: none"> a) The services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971 b) Services should be with respect to accounts in a branch located in the rural area of the banking company. The procedure for classification of branch of a bank as located in rural area and the services which can be provided by BF/BC, is governed by the RBI guidelines.
<p>➤ What is Business Facilitator and Business Correspondent?</p> <p><u>As per RBI Circular No. DBOD.No.BL.BC. 58/22.01.001/2005-2006 dated 25.01.2006</u></p> <p><u>Business Facilitator Model: Eligible Entities and Scope of Activities</u></p> <p>Under the "Business Facilitator" model, banks may use intermediaries, such as, NGOs/ Farmers' Clubs, cooperatives, community based organizations, IT enabled rural outlets of corporate entities, Post Offices, insurance agents, well-functioning Panchayats, Village Knowledge Centres, Agri Clinics/ Agri Business Centers, Krishi Vigyan Kendras and KVIC/ KVIB units, depending on the comfort level of the bank, for providing facilitation services. Such services may include</p> <ol style="list-style-type: none"> 1. identification of borrowers and fitment of activities; 2. collection and preliminary processing of loan applications including verification of primary information/data; 3. creating awareness about savings and other products and education and advice on managing money and debt counselling; 4. processing and submission of applications to banks; 		

5. promotion and nurturing Self Help Groups/ Joint Liability groups;
6. post-sanction monitoring;
7. monitoring and handholding of Self Help Groups/ Joint Liability Groups/ Credit Groups/ others; and
8. follow-up for recovery.

As these services are not intended to involve the conduct of banking business by Business Facilitators, no approval is required from RBI for using the above intermediaries for facilitation of the services indicated above.

Business Correspondent Model: Eligible Entities and Scope of Activities

Under the 'Business Correspondent' Model, NGOs/ MFIs set up under Societies/ Trust Acts, Societies registered under Mutually Aided Cooperative Societies Acts or the Cooperative Societies Acts of States, section 25 companies, registered NBFCs not accepting public deposits and Post Offices may act as Business Correspondents. Banks may conduct thorough due diligence on such entities keeping in view the indicative parameters given in Annex 3.2 of the Report of the Internal Group appointed by Reserve Bank of India (available on RBI website: www.rbi.org.in) to examine issues relating to Rural Credit and Micro-Finance (July 2005). In engaging such intermediaries as Business Correspondents, banks should ensure that they are well established, enjoying good reputation and having the confidence of the local people. Banks may give wide publicity in the locality about the intermediary engaged by them as Business Correspondent and take measures to avoid being misrepresented.

The activities to be undertaken by the Business Correspondents would be within the normal course of the bank's banking business, but conducted through the entities indicated above at places other than the bank premises. Accordingly, in furtherance of the objective of increasing the outreach of the banks for micro-finance, in public interest, the Reserve Bank hereby permits banks to formulate a scheme for using the entities indicated in paragraph 3.1 above as Business Correspondents. Banks should ensure that the scheme formulated and implemented is in strict compliance with the objectives and parameters laid down in this circular.

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

HIGHLIGHTS OF 31ST GST COUNCIL MEETING DATED 22 DEC, 2018

Recommendations made during 31st Meeting of the GST Council

Kindly note recommendations as made by GST council shall be effective only from the date vide which such changes have been notified.

- 1) There would be a **single cash ledger** for each tax head. The modalities for implementation would be finalized in consultation with GSTN and the Accounting authorities.
- 2) A scheme of single authority for **disbursement of the refund** amount sanctioned by either the Centre or the State tax authorities would be implemented on pilot basis. The modalities for the same shall be finalized shortly.
- 3) The **new return filing system** shall be introduced on a trial basis from **01.04.2019** and on mandatory basis from **01.07.2019**.
- 4) The due date for furnishing the annual returns in **FORM GSTR-9, FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C** for the Financial Year 2017 – 2018 shall be further extended till **30.06.2019**.
- 5) The following clarificatory changes, inter-alia, shall be carried out in the formats/instructions according to which the annual return / reconciliation statement is to be submitted by the taxpayers:
 - i. Amendment of headings in the forms to specify that the return in **FORM GSTR-9 & FORM GSTR-9A** would be in respect of supplies etc. '**made during the year**' and not '**as declared in returns filed during the year**';
 - ii. All returns in **FORM GSTR-1 & FORM GSTR-3B** have **to be filed before** filing of **FORM GSTR-9 & FORM GSTR-9C**;
 - iii. All returns in **FORM GSTR-4** have to be filed before filing of **FORM GSTR-9A**;
 - iv. **HSN code** may be declared **only for those inward supplies** whose value independently accounts for **10% or more** of the total value of inward supplies;
 - v. Additional payments, if any, required to be paid can be done through **FORM GST DRC- 03** only in cash;
 - vi. ITC cannot be availed through **FORM GSTR-9 & FORM GSTR-9C**;
 - vii. All invoices pertaining to previous FY (irrespective of month in which such invoice is reported in FORM GSTR-1) would be **auto-populated in Table 8A** of **FORM GSTR 9**;

- viii. Value of “**non-GST supply**” shall also **include** the value of “**no supply**” and may be reported in Table 5D, 5E and 5F of **FORM GSTR-9**;
- ix. **Verification by taxpayer** who is uploading reconciliation statement would be included in **FORM GSTR-9C**.
- 6) The due date for furnishing **FORM GSTR-8** by e-commerce operators for the months of **October, November and December, 2018** shall be extended till **31.01.2019**.
- 7) The due date for submitting **FORM GST ITC-04** for the period July 2017 to December 2018 shall be extended till **31.03.2019**.
- 8) ITC in relation to invoices issued by the supplier during FY 2017-18 may be availed by the recipient till the due date for furnishing of **FORM GSTR-3B** for the **month of March, 2019**, subject to specified conditions.
- 9) All the supporting documents/invoices in relation to a claim for refund in **FORM GST RFD 01A** shall be uploaded electronically on the common portal at the time of filing of the refund application itself, thereby obviating the need for a taxpayer to physically visit a tax office for submission of a refund application. GSTN will enable this functionality on the common portal shortly.
- 10) The following types of refunds shall also be made available through **FORM GST RFD-01A**:
- i. Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
 - ii. Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice-versa;
 - iii. Excess payment of Tax; and
 - iv. Any other refund.
- 11) In case of applications for refund in **FORM GST RFD-01A** (except those relating to refund of excess balance in the cash ledger) which are generated on the common portal before the roll out of the functionality described in point (10) above, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants shall be sent communications on their registered email ids containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the said refund applications shall be summarily rejected, and the debited amount, if any, shall be re-credited to the electronic credit ledger of the claimant.
- 12) One more window for completion of migration process is being allowed. The due date for the taxpayers who did not file the complete **FORM GST REG-26** but received only a **Provisional ID (PID)** till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer shall be extended till 31.01.2019. Also, the due date for

furnishing **FORM GSTR-3B** and **FORM GSTR-1** for the period July, 2017 to February, 2019/quarters July, 2017 to December, 2018 by such taxpayers shall be extended till **31.03.2019**.

- 13) Late fee shall be completely waived for all taxpayers in case **FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4** for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019.
- 14) Taxpayers who have **not filed the returns for two consecutive tax periods** shall be restricted from generating e-way bills. This provision shall be made effective once GSTN/NIC make available the required functionality.
- 15) Clarifications shall be issued on certain refund related matters like **refund of ITC accumulated** on account of inverted duty structure, disbursement of refunds within the stipulated time, time allowed for availment of ITC on invoices, refund of accumulated ITC of compensation cess etc.
- 16) Changes made by CGST (Amendment) Act, 2018, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018 and the corresponding changes in SGST Acts would be notified w.e.f. 01.02.2019.
- 17) Recommended Reduction/Exemption in GST Rates-
 - a) GST rates to be reduced on **Cinema Tickets**
 - Upto Rs. 100 – 18% to **12 %**
 - Above Rs. 100 – 28% to **18%**
 - b) Services supplied by **Basic Savings Bank Deposits (BSBD)** under PM Jan Dhan Yojana to be **exempted**.
 - c) GST Rates on **Air Travel for Religious Pilgrimage** for Non-scheduled /charter operations to attract the same rate as economy class.
- 18) Creation of a centralized **Appellate Authority for Advance Ruling (AAAR)** to deal with cases of conflicting decisions by two or more State Appellate Advance Ruling Authorities on the same issue.
- 19) Amendment to **section 50** of the CSGT Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit. i.e. interest would be leviable only on the amount payable through the electronic cash ledger.
- 20) GST rate reduction on goods which were attracting GST rate of 28% :
 - A. **28% to 18%**
 - Pulleys, transmission shafts and cranks, gear boxes etc., falling under HS Code 8483
 - Monitors and TVs of upto screen size of 32 inches
 - Re-treaded or used pneumatic tyres of rubber;

- Power banks of lithium ion batteries. Lithium ion batteries are already at 18%. This will bring parity in GST rate of power bank and lithium ion battery.
- Digital cameras and video camera recorders
- Video game consoles and other games and sports requisites falling under HS code 9504.

B. 28% to 5%

- Parts and accessories for the carriages for disabled persons

21) GST rate reduction on other goods

A. 18% to 12%

- Cork roughly squared or debugged
- Articles of natural cork
- Agglomerated cork

B. 18% to 5%

- Marble rubble

C. 12% to 5%

- Natural cork
- Walking Stick
- Fly ash Blocks

D. 12% to Nil

- Music Books

E. 5% to Nil

- Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container
- Vegetable provisionally preserved (for example by Sulphur dioxide gas, in brine, in Sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.

22) GST on solar power generating plant and other renewable energy plants

- GST rate of 5% rate has been prescribed on renewable energy devices & parts for their manufacture (bio gas plant/solar power based devices, solar power generating system (SGPS) etc.) [falling under chapter 84, 85 or 94 of the Tariff]. Other goods or services used in these plants attract applicable GST.
- Certain disputes have arisen regarding GST rates where specified goods attracting 5% GST are supplied along with services of construction etc. and other goods for solar power plant.
- To resolve the dispute the Council has recommended that in all such cases, the 70% of the gross value shall be deemed as the value of supply of said goods attracting 5% rate and the remaining portion (30%) of the aggregate value of

such EPC contract shall be deemed as the value of supply of taxable service attracting standard GST rate.

(Note: - The above recommendations of the council will be effective only after the necessary amendments in the GST Acts are carried out.)

RECENT CASE LAWS

1. Whether the applicant is liable to pay GST on the value of building constructed and handed over to the land owner in terms of the Joint Development Agreement?

Applicant	M/S Nforce Infrastructure India Pvt. Ltd
Journal of Publication	KAR ADRG 30/2018
Date of Ruling:	28th November, 2018
Ruling Authority	Authority of Advance Rulings, Karnataka

FACTS
<ul style="list-style-type: none"> The applicant was liable to pay service tax on the taxable value of building constructed and handed over to the land owner at the time of completion of the project. The project is completed in the GST regime. The applicant is liable to pay GST @12% on the aggregate value of the building constructed and handed over to the land owner and the underlying value of the land.
ISSUE
<ul style="list-style-type: none"> Whether the applicant is liable to pay GST on the value of building constructed and handed over to the land owner in terms of the Joint Development Agreement? If there is liability to pay GST, on what value is the GST to be paid since there is no monetary consideration involved? Is the applicant liable to pay service tax up to 30.06.2017 and GST thereafter?
HELD
<ul style="list-style-type: none"> Reference was made to the Notification No. 4/2018-Central Tax(Rate) dated 25.01.2018 which notifies the following classes of registered persons, namely: <ol style="list-style-type: none"> Who supply development rights to a developer in the form of construction service of complex or building; and Who supply construction services of complex or building against consideration in the form of transfer of developmental rights? In the instant case applicant was supplying construction services to the supplier of developmental rights against consideration in the form of transfer of developmental rights. Reference was also made to Section 25 and Section 22 of CGST Act, 2017 which prescribes the procedure of registration and persons liable for registration respectively. Notification No. 11/2017- Central Tax(Rate) dated 28.06.2017 was also referred which prescribes that the value of supply of service and goods in such supply shall be

equivalent to total amount charged less the value of land or undivided share of land and the value of land or undivided share of land will be reduced by one third of the total amount charged for such supply.

- For third question reference was made to Section 142(11) of the CGST/KGST Act, 2017 which specifies that no tax is to be paid under this act to the extent the same was paid under earlier VAT and Service Tax regime.
- The applicant is liable to pay GST on the value of building constructed and handed over the land owner in terms of the Joint Development Agreement.
- The value on which the applicant is liable to GST to be determined of para 2 of notification 11/2017 central tax (rated) 28.06.2017.
- The Applicant is liable to pay service tax / GST proportionate to the services provided before/after 30.06.2017 respectively.

2. Whether the applicant being the land owner is liable to pay GST on premises allotted to him, which he intends to distribute among his family members?

Applicant	Sri Patrick Bernardinz D'sa
Journal of Publication	KAR ADRG 29/2018
Date of Ruling	28th November, 2018
Ruling Authority	Authority of Advance Rulings, Karnataka

FACTS
<ul style="list-style-type: none">• The applicant is a land owner who had entered into an agreement with a developer named as M/S N force Infrastructure India Pvt. Ltd to develop his land.• The applicant contributed only his land and in return gets his share of 50% of total 12 flats constructed and also 50% share out of 4000 sq. of commercial construction.• Therefore, the joint development agreement was signed by the applicant in January 2016 and reported to be completed in January, 2018.
ISSUE
<ul style="list-style-type: none">• Whether the applicant being the land owner is liable to pay GST on premises allotted to him, which he intends to distribute among his family members?
HELD
<ul style="list-style-type: none">• Reference was made to the Notification No. 4/2018-Central Tax(Rate) dated 25.01.2018 which notifies the following classes of registered persons, namely:<ul style="list-style-type: none">a) Who supply development rights to a developer in the form of construction service of complex or building; andb) Who supply construction services of complex or building against consideration in the form of transfer of developmental rights?• Above notification notifies that a person who supply developmental rights shall pay central tax at the time when the developer transfers possession or rights. Reference was also made to Section 25 and Section 22 of CGST Act, 2017 which prescribes the procedure of registration and persons liable for registration respectively.• The applicant being the land owner is liable to pay GST on premises allotted to him because he is a supplier of a taxable service by way of transfer of undivided share of land and hence is liable to register himself and discharge the tax.