
KEY UPDATES

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HINESH R. DOSHI & CO. LLP

Chartered Accountants

"Caring beyond imagination"

**Palai Plaza, 9, Kohinoor Road
Dadar (East), Mumbai - 400014.**

+ (91- 22) 66008100 / 8111

Mail to: info@hineshdoshi.com

Website: www.hineshrdoshicollp.com

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KEY HIGHLIGHTS

OMISSION OF SECTION 2(18) - BUSINESS VERTICAL

Definition of **Business vertical has been omitted** from the CGST Act, 2017. Earlier multiple registrations were allowed in same State or Union Territory only for business verticals. Consequently, a person having multiple places of business in a State or Union Territory will be allowed to take separate registration for each of such place of business.

GST REVERSE CHARGE ON UNREGISTERED PURCHASES

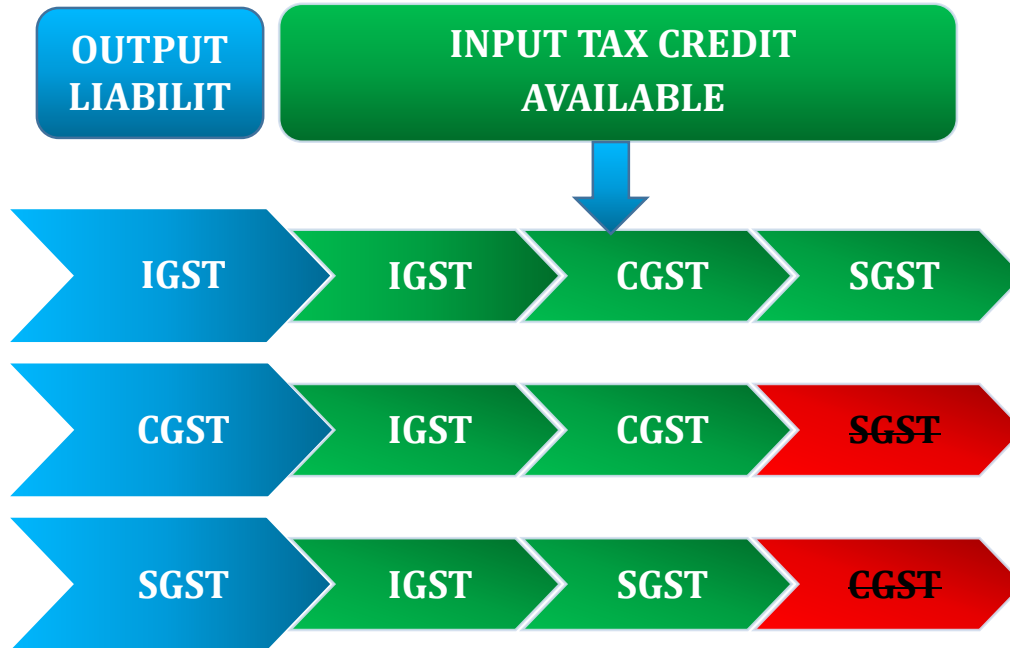
Exemption notification for RCM on Goods/ services received by registered person from unregistered person **rescinded w.e.f. 01.02.2019** for CGST / IGST / SGST / UTGST



- CGST Amendments Act, 2018 has been notified.
- Section 9(4) of CGST Act and section 5(4) of IGST Act has been substituted as below:
The government **may** on the recommendations of the council, **by notification, specify a class of registered persons**, who shall, in respect of supply of **specified categories of goods or services or both** received from an unregistered supplier, **pay the tax on reverse charge** basis as the recipient of such supply of goods or services or both, and all the provisions of this act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.
- The class of registered persons as well as categories of goods / services **have not been specified** or notified yet.
- **Hence NO RCM on unregistered for now!!!**

AMENDED INPUT TAX CREDIT FLOW (AS PER SECTION 49 AND 49A)

- Change in sequence of utilization of ITC



SIGNIFICANT NOTIFICATIONS

Sr. No	Notification No.	Key Update
1.	01/2019 - Central Tax, Dt- 15-01-2019	<p>➤ <u>Deemed Exports - Supply of goods by a registered person against Advance Authorization</u></p> <p>1st Proviso has been added to the same which is as follows-</p> <p>Provided that goods so supplied, when exports have already been made after availing ITC on INPUTS used in manufacture of such exports, shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a chartered accountant is submitted to the jurisdictional commissioner of GST or any other officer authorized by him within 6 months of such supply.</p> <p>Provided further that no such certificate shall be required if ITC has not been availed on inputs used in manufacture of export goods</p> <p>(“Advance Authorization” means an authorization issued by the Director General of Foreign Trade under Chapter 4 of the Foreign Trade Policy 2015-20 for import or domestic procurement of inputs for physical exports.)</p>
2.	02/2019 - Central Tax Dt- 29-01-2019	<p>➤ The CGST Act (Amendments) shall come into force from 1st February, 2019, except the following-</p> <p>a) Section 8 (b)- Amendment to Section 16 (2) (c)</p> <p>b) Section 17- Amendments of Section 39</p> <p>c) Section 18-Insertion of new section 43A; Procedure for furnishing return and availing Input Tax Credit</p> <p>d) Section 20(a) – Amendments to section 49.</p> <p>e) Section 28(b)(i) and 28(c)(i) – Amendment to Section 140</p>

Sr. No	Notification No.	Key Update								
3.	04/2019 - Central Tax, Dt- 29.01.2019	<p>➤ Additions are being made to the List of Officers appointed by Central Board of Indirect Taxes and Customs which is as follows-</p> <p>1. Joint Commissioner of Central Tax (Appeals)</p> <p>➤ The Principal Chief Commissioners of Central Tax or the Chief Commissioners of Central Tax, as the case may be, specified in column (2) of Table I are hereby vested with the territorial jurisdiction over the-</p> <p>2. Additional Commissioners or Joint Commissioners of Central Tax (Appeals) specified in the corresponding entry in column (4) of the said Table I;</p> <table border="1" data-bbox="591 709 1476 1270"> <thead> <tr> <th data-bbox="591 709 662 1224">Sl. No.</th> <th data-bbox="662 709 972 1224">Principal Chief Commissioner/Chief Commissioner of Central Tax</th> <th data-bbox="972 709 1235 1224">Jurisdiction of Principal Chief Commissioner/Chief Commissioner of central tax in terms of Principal Commissioner/Commissioner of Central Tax</th> <th data-bbox="1235 709 1476 1224">Jurisdiction of Principal Chief Commissioner/Chief Commissioner of central tax in terms of Commissioner (Appeals) and Additional Commissioner (Appeals)</th> </tr> </thead> <tbody> <tr> <td data-bbox="591 1224 662 1270">(1)</td> <td data-bbox="662 1224 972 1270">(2)</td> <td data-bbox="972 1224 1235 1270">(3)</td> <td data-bbox="1235 1224 1476 1270">(4)</td> </tr> </tbody> </table> <p>➤ The Commissioners of Central Tax (Appeals) and any officer not below the rank of Joint commissioners (Appeals) specified in column (2) of Table III and the central tax officers subordinate to them are hereby vested with the territorial jurisdiction of the Principal Commissioners of Central Tax or the Commissioners of Central Tax, as the case may be, specified in the corresponding entry in column (3) of the said Table.</p> <p>➤ In table I and III after the “Additional Commissioner” the words “or Joint Commissioner” should be inserted.</p> <p>➤ Table III- Jurisdiction of Commissioner of Central Tax (Appeals) and Additional Commissioner of Central Tax (Appeals)</p>	Sl. 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	Jurisdiction of Principal Chief Commissioner/Chief Commissioner of central tax in terms of Commissioner (Appeals) and Additional Commissioner (Appeals)	(1)	(2)	(3)	(4)
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(1)	(2)	(3)	(4)							

Sr. No	Notification No.	Key Update																	
		Sl. No.	Commissioner of Central Tax (Appeals) and Additional Commissioner of Central Tax (Appeals)	Jurisdiction in terms of Principal Commissioner or Commissioner of Central Tax															
		(1)	(2)	(3)															
4.	05/2019 – Central Tax, Dt- 29.01.2019	<p><u>Composition scheme for eligible registered persons</u></p> <p>➤ An eligible registered person, whose aggregate turnover in the preceding financial year did not exceed 1.50 crore rupees, may opt to pay, in lieu of the central tax payable by him, an amount of tax calculated at the rate specified in rule 7 of the CGST Rules, 2017</p> <p>➤ Rule 7 of CGST Rule, 2017 – Rate of Tax for Composition levy</p> <table border="1" data-bbox="589 909 1479 1518"> <thead> <tr> <th data-bbox="589 909 667 999">Sl. No.</th> <th data-bbox="667 909 1062 999">Category of registered persons</th> <th data-bbox="1062 909 1479 999">Rate of tax</th> </tr> <tr> <td data-bbox="589 999 667 1041">(1)</td> <td data-bbox="667 999 1062 1041">(2)</td> <td data-bbox="1062 999 1479 1041">(3)</td> </tr> </thead> <tbody> <tr> <td data-bbox="589 1041 667 1213">1</td> <td data-bbox="667 1041 1062 1213">Manufacturers, other than manufacturers of such goods as may be notified by the Government</td> <td data-bbox="1062 1041 1479 1213">0.5% of the turnover in the State or Union territory</td> </tr> <tr> <td data-bbox="589 1213 667 1346">2</td> <td data-bbox="667 1213 1062 1346">Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II</td> <td data-bbox="1062 1213 1479 1346">2.5% of the turnover in the State or Union territory</td> </tr> <tr> <td data-bbox="589 1346 667 1518">3</td> <td data-bbox="667 1346 1062 1518">Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter</td> <td data-bbox="1062 1346 1479 1518">0.5% of the turnover of taxable supplies of goods and services in the State or Union territory</td> </tr> </tbody> </table>			Sl. No.	Category of registered persons	Rate of tax	(1)	(2)	(3)	1	Manufacturers, other than manufacturers of such goods as may be notified by the Government	0.5% of the turnover in the State or Union territory	2	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II	2.5% of the turnover in the State or Union territory	3	Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter	0.5% of the turnover of taxable supplies of goods and services in the State or Union territory
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5.	06/2019 – Central Tax, Dt- 29-01-2019 and 03/2019 – Integrated Tax, Dt-29-01-2019	<p>➤ <u>Limit for registration for e-Commerce operator from Jammu and Kashmir reduced from 20 lakhs to 10 lakhs</u></p> <p>The persons making supplies of services, other than supplies specified under section 9(5) of the said Act through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year, as the category of</p>																	

Sr. No	Notification No.	Key Update
		<p>persons exempted from obtaining registration under the said Act:</p> <p>Provided that the aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of ten lakh rupees in case of “special category States” as specified in Section 22(1) of CGST Act, read with explanation-</p> <p>The expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution. (which shall also include the state of Jammu & Kashmir).</p>
6.	07/2019 – Central Tax, Dt-31-01-2019	<p>➤ Due date of GSTR 7 (return for TDS) for the months of October, 2018 to December, 2018 extended till 28th February, 2019.</p>
7.	01/2019 – Central Tax (Rate), Dt-29-01-2019, 01/2019 – Integrated Tax (Rate), Dt-29-11-2019 and 01/2019 – Union Territory Tax (Rate), Dt-20-01-2019	<p><u>Reverse Charge On Supplies Procured from Unregistered Persons-</u></p> <p>➤ Registered person was liable to pay GST under Reverse Charge Mechanism (‘RCM’) on procurement of goods or services from unregistered suppliers.</p> <p>➤ This provision was kept in abeyance w.e.f. 13.10.2017 for period up to 30.09.2019 and such abeyance is now revoked.</p> <p>➤ Post amendment, liability to pay GST under RCM will arise only for specified class of registered person procuring specified goods or services from unregistered persons.</p> <p>➤ <u>Government is yet to specify such class of registered person as well as the goods or services.</u></p>
8.	01/2019 – Integrated Tax, Dt-29-01-2019	<p>➤ Provision of Integrated Goods and Services Tax (Amendment) Act, 2018 shall come into force from 1st February, 2019.</p>
9.	02/2019 – Integrated Tax, Dt-29-01-2019	<p>➤ The job workers engaged in making inter-State supply of services to a registered person as the category of persons exempted from obtaining registration under the said Act:</p> <p>Provided that nothing contained in this notification shall apply to a job-worker –</p>

Sr. No	Notification No.	Key Update
		Who is involved in making supply of services in relation to the goods mentioned against serial number 5 in the Annexure to rule 138 of the CGST Rules, 2017
10.	1/2019 - Union Territory Tax, Dt-29-01-2019	➤ Provision of Union Territory Goods and Service Tax (Amendment) Act, 2018 shall come into force from 1st February, 2019.
11.	1/2019 - Goods and Services Tax Compensation, Dt-29-01-2019	➤ Provision of Goods and Service Tax (Compensation to States) (Amendment) Act, 2018 shall come into force from 1st February, 2019.

SUMMARY OF CGST (AMENDMENT) RULES, 2019

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
3	Composition Rules	Chapter II- Composition Rules	The Chapter II of CGST Rules, 2017 shall be named as Composition Levy .
7	Rate of tax of composition Levy	Any other registered supplier eligible for composition levy under section 10 shall pay tax @ 0.5% of the turnover of taxable supplies of goods in the State or Union territory.	Any other registered supplier eligible for composition levy under section 10 shall pay tax @ 0.5% of the turnover of taxable supplies of goods and services in the State or Union territory.
8(1)	Application for registration	<p>Proviso for the said rule</p> <ol style="list-style-type: none"> 1. Provided that a person having a unit(s) in a SEZ or being a SEZ developer shall make a separate application for registration as a business vertical distinct from his other units located outside the SEZ: 2. Provided further that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor. 	<p>In the said rules</p> <ul style="list-style-type: none"> • The 1st proviso shall be omitted • In the 2nd proviso- Provided that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor. <p>Keynote: <i>Removal of definition of Business Vertical shall not require specific provision for registration of SEZ.</i></p>
11	Separate registration for multiple business verticals within a State or Union territory	Separate registration for multiple business verticals within a State or Union territory	<p>Separate registration for multiple places of business within a State or a Union territory-</p> <p>(1) Any person having multiple places of business within a State or a Union territory, requiring a separate registration for any such place of business under section 25(2) shall be granted separate</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>registration in respect of each such place of business subject to the following conditions, namely:-</p> <p>a) such person has more than one place of business as defined in section 2(85);</p> <p>b) such person shall not pay tax under section 10 for any of his places of business if he is paying tax under section 9 for any other place of business;</p> <p>c) all separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person and issue a tax invoice or a bill of supply, as the case may be, for such supply.</p> <p><i>Explanation-</i></p> <p>1. For the purposes of clause (b), it is hereby clarified that where any place of business of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other registered places of business of the said person shall become ineligible to pay tax under the said section.</p> <p>2. A registered person opting to obtain separate registration for a place of business shall submit a</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>separate application in FORM GST REG-01 in respect of such place of business.</p> <p>3. The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, mutatis mutandis, apply to an application submitted under this rule”.</p> <p>Keynote: <i>Consequently, Business Vertical is not defined under CGST Act, 2017. Definition has no meaning after amending Section 25(2) for allowing separate registrations for multiple businesses in a single state.</i></p>
21A	Suspension of Registration	-	<p>Insertion of new rule-</p> <p>(1) Where a registered person has applied for cancellation of registration under rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under rule 22.</p> <p>(2) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, after affording the said person a reasonable</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>opportunity of being heard, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under rule 22.</p> <p>(3) A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.</p> <p>(4) The suspension of registration under sub-rule (1) or sub-rule (2) shall be deemed to be revoked upon completion of the proceedings by the proper officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.</p>
41A	Transfer of credit on obtaining separate registration for multiple places of business within a State or Union territory	-	<p>Insertion of new rule-</p> <p>(1) A registered person who has obtained separate registration for multiple places of business in accordance with the provisions of rule 11 and who intends to transfer, either wholly or partly, the unutilized input tax credit lying in his electronic credit ledger to any or all of the newly registered place of business, shall furnish within a period of thirty</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>days from obtaining such separate registrations, the details in FORM GST ITC-02A electronically on the common portal, either directly or through a Facilitation Centre notified in this behalf by the Commissioner:</p> <p>Provided that the input tax credit shall be transferred to the newly registered entities in the ratio of the value of assets held by them at the time of registration.</p> <p><i>Explanation.-</i> For the purposes of this sub-rule, it is hereby clarified that the 'value of assets' means the value of the entire assets of the business whether or not input tax credit has been availed thereon.</p> <p>(2) The newly registered person (transferee) shall, on the common portal, accept the details so furnished by the registered person (transferor) and, upon such acceptance, the unutilized ITC specified in FORM GST ITC-02A shall be credited to his electronic credit ledger.</p> <p>Keynote: <i>Onetime transition provision to transfer credit to separately registered business in the same State / UT.</i></p>
53(1)	Revised Tax invoice and credit and debit notes	A revised tax invoice referred to in section 31 and credit or debit notes referred to in	A revised tax invoice referred to in section 31 and credit or debit notes referred to in

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
		<p>section 34 shall contain the following particulars, namely-</p> <ul style="list-style-type: none"> a) the word “Revised Invoice”, wherever applicable, indicated prominently; b) name, address and Goods and Services Tax Identification Number of the supplier; c) nature of the document; d) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year; e) date of issue of the document; f) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient; g) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered; 	<p>section 34 shall contain the following particulars, namely-</p> <ul style="list-style-type: none"> a) the word “Revised Invoice”, wherever applicable, indicated prominently; b) name, address and Goods and Services Tax Identification Number of the supplier; e) nature of the document; d) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year; e) date of issue of the document; f) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient; g) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
		<p>h) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;</p> <p>i) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and</p> <p>j) Signature or digital signature of the supplier or his authorized representative.</p>	<p>h) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;</p> <p>i) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and</p> <p>j) Signature or digital signature of the supplier or his authorized representative.</p>
53(1A)	Revised Tax invoice and credit and debit notes	-	<p>Insertion of new Sub-rule (1A)-</p> <p>A credit or debit note referred to in section 34 shall contain the following particulars, namely-</p> <p>a) name, address and Goods and Services Tax Identification Number of the supplier;</p> <p>b) nature of the document;</p> <p>c) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolized as “-” and “/” respectively, and any combination thereof, unique for a financial year;</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>d) date of issue of the document;</p> <p>e) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;</p> <p>f) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;</p> <p>g) serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply;</p> <p>h) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and</p> <p>i) signature or digital signature of the supplier or his authorized representative.</p>
83	Provisions relating to GST Practitioners	<p>1. An application in FORM GST PCT-01 may be made electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner for enrolment as GST practitioner who satisfies the following conditions-</p>	<p>1. The conditions have been amended which is as follows-</p> <p>That he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Indirect Tax, Department of Revenue, Government of India, who,</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
		<ul style="list-style-type: none"> • That he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than two years <p>3. The enrolment made as a sales tax practitioner or tax return preparer under the existing law shall be valid until it is cancelled.</p> <p>Provided further that no person to whom the provisions of clause (b) of sub-rule (1) apply shall be eligible to remain enrolled unless he passes the said examination within a period of eighteen months from the appointed date.</p>	<p>during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than two years</p> <p>3. The enrolment made as a sales tax practitioner or tax return preparer under the existing law shall be valid until it is cancelled.</p> <p>Provided further that no person to whom the provisions of clause (b) of sub-rule (1) apply shall be eligible to remain enrolled unless he passes the said examination within a period of thirty months from the appointed date.</p> <p>8. Sub-rule 8 shall be substituted as follows-</p> <p>A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorized by him to-</p> <ol style="list-style-type: none"> a. furnish the details of outward and inward supplies; b. Furnish monthly, quarterly, annual or final return; c. make deposit for credit into the electronic cash ledger; d. file a claim for refund;

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
			<p>e. file an application for amendment or cancellation of registration;</p> <p>f. furnish information for generation of e-way bill;</p> <p>g. furnish details of challan in FORM GST ITC-04;</p> <p>h. file an application for amendment or cancellation of enrolment under rule 58; and</p> <p>i. file an intimation to pay tax under the composition scheme or withdraw from the said scheme:</p> <p>Provided that where any application relating to a claim for refund or an application for amendment or cancellation of registration or where an intimation to pay tax under composition scheme or to withdraw from such scheme has been submitted by the goods and services tax practitioner authorized by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the common portal and such application shall not be further proceeded with until the registered person gives his consent to the same.</p>

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019																
85(3)	Electronic Liability Ledger	Subject to the provisions of section 49 , payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger maintained as per rule 86 or the electronic cash ledger maintained as per rule 87 and the electronic liability register shall be credited accordingly.	Subject to the provisions of section 49, section 49A and section 49B payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger maintained as per rule 86 or the electronic cash ledger maintained as per rule 87 and the electronic liability register shall be credited accordingly.																
86(2)	Electronic Credit Ledger	The electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with the provisions of section 49 .	The electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with the provisions of section 49, section 49A and section 49B .																
<p>Change in sequence of Utilization of ITC</p> <p>Post amendment, manner of utilization of ITC is as under.</p> <table border="1"> <thead> <tr> <th>Sr. no</th> <th>IGST Liability</th> <th>CGST Liability</th> <th>SGST Liability</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>IGST Credit</td> <td>IGST credit*</td> <td>IGST credit*</td> </tr> <tr> <td>2.</td> <td>CGST Credit</td> <td>CGST credit</td> <td>SGST credit</td> </tr> <tr> <td>3.</td> <td>SGST / UTGST credit</td> <td>SGST credit cannot be used</td> <td>CGST credit cannot be used</td> </tr> </tbody> </table> <p>*IGST credit is to be utilized 1st against all liabilities.</p>				Sr. no	IGST Liability	CGST Liability	SGST Liability	1.	IGST Credit	IGST credit*	IGST credit*	2.	CGST Credit	CGST credit	SGST credit	3.	SGST / UTGST credit	SGST credit cannot be used	CGST credit cannot be used
Sr. no	IGST Liability	CGST Liability	SGST Liability																
1.	IGST Credit	IGST credit*	IGST credit*																
2.	CGST Credit	CGST credit	SGST credit																
3.	SGST / UTGST credit	SGST credit cannot be used	CGST credit cannot be used																
89(2)(f)	Application for refund of tax, interest, penalty, fees or any other amount	The application under section 82(1) of CGST rules, 2017 shall be accompanied by any of the following documentary evidences in Annexure 1 in Form GST RFD-01 , as applicable, to establish that a refund is due to the applicant, namely- (f) A declaration to the effect that the SEZ unit or the SEZ developer has not availed the ITC of the tax paid by the supplier of goods or services or both, in a case	Clause (f) of rule 89(2) has been amended as follows- A declaration to the effect that tax has not been collected from the SEZ unit or the SEZ developer , in a case where the refund is on account of supply of goods or services or both made to a SEZ unit or a SEZ developer;																

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019
		where the refund is on account of supply of goods or services made to a SEZ unit or a SEZ developer.	
91(2)	Grant of Provisional refund	The proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of section 54(6), shall make an order in FORM GST RFD-04 , sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of the acknowledgement of rule 90(1) or (2).	1 st proviso has been added to the same- Provided that the order issued in FORM GST RFD-04 shall not be required to be revalidated by the proper officer.
91(3)	Grant of Provisional refund	The proper officer shall issue a payment advice in FORM GST RFD-05 for the amount sanctioned under sub-rule (2) and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.	1 st proviso has been added to the same- Provided that the payment advice in FORM GST RFD-05 shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.
92(4)	Order sanctioning refund	Where the proper officer is satisfied that the amount refundable under sub-rule (1) or sub-rule (2) is payable to the applicant under section 54(8), he shall make an order in FORM GST RFD-06 and issue a payment advice in FORM GST RFD-05 for the amount of refund and the same shall be electronically credited to any of the bank accounts of	1 st proviso has been added to the same which is as follows- Provided that the order issued in FORM GST RFD-06 shall not be required to be revalidated by the proper officer: Provided further that the payment advice in FORM GST RFD-05 shall be required to be

Rule No.	Description	CGST Rules, 2017	CGST (Amendment) Rules, 2019															
		the applicant mentioned in his registration particulars and as specified in the application for refund.	revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.															
96A(b)	Refund of Integrated tax paid on export of goods and services under bond or Letter of Undertaking	<p>Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under section 50(1) within a period of-</p> <p>Fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.</p>	<p>In the said rule the amendment is been made as follows-</p> <p>Fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India.</p>															
The following forms are Inserted and amended-																		
<table border="1"> <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>FORM GST ITC-02A (New)</td> <td>Declaration for transfer of ITC pursuant to registration under section 25(2)</td> </tr> <tr> <td>2.</td> <td>FORM GST PCT-05 (Amended)</td> <td>Authorization / withdrawal of authorization for Goods and Services Tax Practitioner</td> </tr> <tr> <td>3.</td> <td>FORM GSTR -4 (Amended)</td> <td>Quarterly return for registered person opting for composition levy</td> </tr> <tr> <td>4.</td> <td>FORM GST RFD-01A (Amended)</td> <td>Application for Refund (Manual)</td> </tr> </tbody> </table>				Sr.No.	Name of the Form	Purpose of the Form	1.	FORM GST ITC-02A (New)	Declaration for transfer of ITC pursuant to registration under section 25(2)	2.	FORM GST PCT-05 (Amended)	Authorization / withdrawal of authorization for Goods and Services Tax Practitioner	3.	FORM GSTR -4 (Amended)	Quarterly return for registered person opting for composition levy	4.	FORM GST RFD-01A (Amended)	Application for Refund (Manual)
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Rule No.	Description		CGST Rules, 2017	CGST (Amendment) Rules, 2019
	5.	FORM GST APL-01(Amended)	APL-	Appeal to Appellate Authority
	6.	FORM GST APL-05 (Amended)	APL-05	Appeal to the Appellate Tribunal

SIGNIFICANT CIRCULARS & ORDERS

Sr. No.	Circular/ Order No.	Key Update								
1.	82/2019- Central Tax, Dt- 01 -01-2019 and 01T/2019- MGST Trade Circular Dt -01-01-2019	<p><u>Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs)</u></p> <ul style="list-style-type: none"> ➤ According to provisions of the IIM Act, all the IIMs listed in the schedule to the IIM Act are “institutions of national importance”. Therefore, with effect from 31st January, 2018, all the IIMs are “educational institutions” as defined under notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. ➤ For the period from 31st January, 2018 to 31st December, 2018, two exemptions, i.e. <ol style="list-style-type: none"> 1. Services provided by an educational institution to its students, faculty and staff; and 2. Services provided by the Indian Institutes of Management, to their students, by way of the following educational are available to the IIMs. ➤ The legal position in such situation has been clarified in many cases that if there are two or more exemption notifications available to an assessee, the assessee can claim the one that is more beneficial to him. Therefore, from 31st January, 2018 to 31st December, 2018, IIMs can avail exemption either for services provided by an educational institution to its students or faculty and staff and Services provided by the Indian Institutes of Management. <p style="text-align: center;">Following summary table may be referred to while determining eligibility of various programs conducted by Indian Institutes of Managements for exemption from GST:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr. No</th> <th style="text-align: center;">Period</th> <th style="text-align: center;">Programmes offered by IIM</th> <th style="text-align: center;">Whether exempt from GST</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">1st July, 2017 to 30th January, 2018</td> <td style="text-align: center;">I. Two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the</td> <td style="text-align: center;">Exempt from GST</td> </tr> </tbody> </table>	Sr. No	Period	Programmes offered by IIM	Whether exempt from GST	1.	1st July, 2017 to 30th January, 2018	I. Two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the	Exempt from GST
Sr. No	Period	Programmes offered by IIM	Whether exempt from GST							
1.	1st July, 2017 to 30th January, 2018	I. Two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the	Exempt from GST							

			2.	<p>Indian Institute of Management,</p> <p>II. Fellow programme in Management,</p> <p>III. Five years integrated programme in Management.</p>	
				<p>I. One- year Post Graduate Programs for Executives,</p> <p>II. Any programs other than those mentioned at Sl. No. 67 of notification No. 12/2017- Central Tax (Rate), dated 28.06.2017.</p> <p>III. All short duration executive development programs or need based specially designed programs (less than one year).</p>	Not exempt from GST
			3.	<p>31st January, 2018 onwards</p> <p>All long duration programs (one year or more) conferring degree/diploma as recommended by Board of Governors as per the power vested in them under the IIM Act, 2017 including one- year Post Graduate Programs for Executives.</p>	Exempt from GST
				<p>All short duration executive development programs or need based specially designed programs (less than one year) which are not a qualification recognized by law.</p>	Not exempt from GST
2.	<p>83/2019- Central Tax, Dt- 01 -01-2019</p> <p>and</p> <p>02T/2019- MGST Trade Circular Dt -01-01-2019</p>	➤	<p><u>Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC)</u></p> <p>It is clarified that the services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act, 1958 and ADB Act. The exemption will be available only to the services provided by ADB and IFC and not to any entity appointed by or working on behalf of ADB or IFC.</p>		

<p>3.</p>	<p>84/2019- Central Tax, Dt- 01 -01-2019</p> <p>and</p> <p>03T/2019- MGST Trade Circular Dt -01-01-2019</p>	<p>➤ <u>Clarification on issue of classification of service of printing of pictures covered under 998386</u></p> <p>According to Explanatory Notes to the scheme of classification of services, the service code “998386 Photographic and video graphic processing services”, includes-</p> <ul style="list-style-type: none"> • Developing of negatives and the printing of pictures for others according to customer specifications such as enlargement of negatives or slides, black and white processing; • Color printing of images from film or digital media; • Slide and negative duplicates, reprints, etc. <p>Further, according to explanatory notes, the service code 998912 “Printing and reproduction services of recorded media, on a fee or contract basis” clearly excludes,</p> <ul style="list-style-type: none"> • Color printing of images from film or digital media, cf. 998386, • Audio and video production services, cf. 999613” <p>It is clarified that service of “printing of pictures” falls under service code “998386: Photographic and video graphic processing services” and attracts GST @ 18%</p>
<p>4.</p>	<p>85/2019- Central Tax, Dt- 01 -01-2019</p> <p>and</p> <p>04T/2019- MGST Trade Circular Dt -01-01-2019</p>	<p><u>Clarification on GST rate applicable on supply of food and beverage services by educational institution</u></p> <p>➤ Supply of all services by an educational institution to its students, faculty and staff is exempt under services provided by an educational institution to its students, faculty and staff.</p> <p>➤ Such services include supply of food and beverages by an educational institution to its students, faculty and staff.</p> <p>➤ Accordingly, it is clarified that supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself, is exempt under services provided by an educational institution to its students, faculty and staff.</p> <p>➤ However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.</p>

5.	<p>86/2019-Central Tax, Dt- 01 -01-2019</p> <p>and</p> <p>05T/2019-MGST Trade Circular Dt -01-01-2019</p>	<p><u>GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company</u></p> <ul style="list-style-type: none"> ➤ 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. On the other hand, banks (and not BCs) are permitted to collect reasonable service charges from the customers for such service in a transparent manner. ➤ Hence, 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. ➤ The Banking Company 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. <p>Also, clarification on scope of services has been provided for claiming exemption and services provided by the following persons:-</p> <ol style="list-style-type: none"> a) Business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; b) Any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or c) Business facilitator or a business correspondent to an insurance company in a rural area. <ul style="list-style-type: none"> ➤ It is clarified that services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971 and that such 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. Therefore, classification adopted by the bank in terms of RBI guidelines in this regard should be accepted.
6.	<p>87/2019-Central Tax, Dt- 01 -01-2019</p>	<p><u>CGST Amendment Act, 2018 - Clarification regarding Section 140(1) of CGST Act, 2017.</u></p> <ul style="list-style-type: none"> ➤ CENVAT credit of service tax paid under section 66B of the Finance Act, 1994 was available as transitional credit under section 140(1) of the CGST Act and that legal position has not changed due to amendment of section 140(1).

		<ul style="list-style-type: none"> ➤ Thus, expression "eligible duties" in section 140(1) which are allowed to be transitioned would cover within its fold the duties which are listed as "eligible duties" at Sr. no. (i) to (vii) of explanation 1, and "eligible duties and taxes" at sr. no. (i) to (viii) of explanation 2 to section 140, since the expression "eligible duties and taxes" has not been used elsewhere in the Act. ➤ The expression "eligible duties" under section 140(1) does not in any way refer to the condition regarding goods in stock as referred to in Explanation 1 to section 140 or to the condition regarding inputs and input services in transit, as referred to in Explanation 2 to section 140. ➤ No transition of credit of cesses, (including cess which is collected as additional duty of customs under section 3(1) of the Customs Tariff Act, 1975), would be allowed in terms of Explanation 3 to section 140, inserted vide section 28(d) of CGST Amendment Act, 2018 which shall become effective from the date the same is notified giving it retrospective effect.
7.	1/2019-Central Tax, Dt- 31 -01-2019	<p><u>Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117(1A) of the CGST Rules, 2017 in certain cases.</u></p> <p>The Commissioner hereby extends the period for submitting the declaration in FORM GST TRAN-1 till 31st March, 2019, for the class of registered persons who could not submit the said declaration by the <u>due date on account of technical difficulties on the common portal</u> and whose cases have been recommended by the Council.</p>
<p>FOR DETAILED NOTIFICATIONS KINDLY FOLLOW BELOW LINK– http://www.cbic.gov.in/hdocs-cbec/gst/central-tax-notfns-2017</p>		

SUMMARY OF RELEVANT AMENDMENTS - CENTRAL GOODS AND SERVICES TAX (AMENDMENT) ACT, 2018

GST legislation has been amended vide the **CGST (Amendment) Act, 2018** and **IGST (Amendment) Act, 2018**. It was enacted on 30.08.2018 and was to be effective from the date to be notified. Major amendments are made effective from 01.02.2019 vide notification no. 2/2019 – Central Tax dated 29.01.2019 and 1/2019 – Integrated Tax dated 29.01.2019 respectively.

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
2(4)	Change of name of Central Board of Excise and Custom	“adjudicating authority” means any authority, appointed or authorized to pass any order or decision under this Act, but does not include the Central Board of Excise and Customs , the Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, the Appellate Authority and the Appellate Tribunal.	<p>Words ‘Central Board of Excise and Customs’ shall be replaced with ‘Central Board of Indirect Taxes and Customs’</p> <p>Keynote: <i>It has been carried out to give effect of the change in name of ‘Central Board of Excise and Customs’ to ‘Central Board of Indirect Taxes and Custom’.</i></p> <p>Words ‘the Appellate Authority and the Appellate Tribunal’ shall be replaced with ‘the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of Section 171’.</p> <p>Keynote: <i>Authority for anti-profiteering established under Section 171 shall not be treated as adjudicating authority.</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
2(17)(h)	Service provided by a Race Club	Services provided by a race club by way of totalisator or a license to book maker in such club were construed as business.	Activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club Keynote: <i>It can be observed that the scope of the services provided by a race club has been widened. The list of services which was earlier exhaustive (limited) has been amended and made inclusive (wide).</i>
2(18)	Omission of definition of Business Vertical	“business vertical”, ‘means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.’	The same has been omitted Keynote: <i>Consequently, Business Vertical is not defined under CGST Act, 2017. Definition has no meaning after amending Section 25(2) for allowing separate registrations for multiple businesses in a single state. Rules governing such registration shall be introduced.</i>
2(102)	Services by way of facilitating or arranging transactions in securities	Service means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.	Explanation to Section inserted as per the amendment: <i>‘Explanation – For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities.’</i> Keynote: <i>Services by way of Facilitating or arranging transaction in security have been brought under ambit of GST as the same amounts to service.</i>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
7(1)(d)	Omission of Supply of Goods and Services referred in Schedule II	The expression “ supply ” includes <i>‘the activities to be treated as supply of goods or supply of services as referred to in Schedule II.’</i>	The same has been omitted. Keynote: <i>Clause (d) of sub section 1 has been omitted because activities specified in Schedule II are only to determine the supply as either goods or services. It does not expand the meaning of supply.</i>
7(1)	Addition of new sub section (1A) in definition of Supply	-	Where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II. Keynote: <i>Subsection 1A has been inserted wherein it is clarified that activity specified in Schedule II are only for the purpose of considering the supply as goods or services. It does not expand the meaning of supply.</i>
9(4)	RCM for supplies received from unregistered persons	The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall , in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
			<p>relation to such supply of goods or services or both.</p> <p>Keynote: Only a class of registered persons, as notified by the Government, receiving supplies from an unregistered dealer may require to pay tax under Reverse Charge Mechanism.</p>
10(1)	Changes related to Composition Scheme	<p>A registered person, whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees, may opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, but not exceeding:</p> <p>(a) 1% of the turnover in State or turnover in Union territory in case of a manufacturer,</p> <p>(b) 2.5% of the turnover in State or turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and</p> <p>(c) 0.5% of the turnover in State or turnover in Union territory in case of other suppliers,</p> <p>Provided that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding one crore rupees, as may be</p>	<p>Proviso to Section 10 amended as below: “Provided that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding “one crore and fifty lakh rupees”, as may be recommended by the Council.”</p> <p>2nd proviso to Section 10 has been inserted: “Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services of value not exceeding 10% of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.”</p> <p>Keynote: <i>Authority to increase turnover limit has been raised to Rs. 1.5 Cr from the previous Rs. 1 Cr.</i></p> <p><i>Registered person can avail of the benefit of composition scheme, if aggregate value of services does not exceed 10% of aggregate turnover of State /</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		recommended by the Council.	<i>UT or Rs.5 lakhs whichever is higher.</i>
12(2)	Time of Supply of goods	<p>The time of supply of goods shall be the earlier of the following dates, namely:—</p> <p>a) The date of issue of invoice by the supplier or the last date on which he is required, under sub-section (1) of Section 31 to issue the invoice with respect to the supply; or</p> <p>b) The date on which the supplier receives the payment with respect to the supply:</p>	The words, brackets and figure ' Sub section (1) of ' is omitted.
13(2)	Time of supply of services	<p>1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.</p> <p>2) The time of supply of services shall be the earliest of the following dates, namely:—</p> <p>a) The date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or</p> <p>b) The date of provision of service, if the invoice is not issued within the</p>	The words, brackets and figure " sub-section (2) of " occurring at both the places, shall be omitted.

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		<p>period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier;</p>	
16(2)	<p>Eligibility and conditions for taking Input Tax Credit for Services</p>	<p>No registered person shall be entitled to the credit of any ITC of any supply of goods and services or both to him unless:-</p> <p>a) He is in possession of the Tax Invoice or debit note issued by the registered supplier</p> <p>b) He has received the goods or services or both</p> <p>Explanation:-</p> <p>For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;</p>	<p>Explanation to Section has been amended:</p> <p>“Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services--</p> <p>i) Where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;</p> <p>ii) Where the services are provided by the supplier to any person on the direction of and on account of such registered person.”</p>
17(3)	<p>Exempt Supply as per Section 17</p>	<p>The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and,</p>	<p>Explanation to Section has been inserted:</p> <p>‘Explanation - For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		subject to clause (b) of paragraph 5 of Schedule II, sale of building.	<p>Schedule III, except those specified in paragraph 5 of the said schedule.'</p> <p>Keynote: <i>Activities specified in Schedule III will not form part of Exempt Supply as per Section 17(2) except sale of land and sale of building (subject to clause 'b' of paragraph 5 of Schedule II).</i></p>
17(5)	Blocked Credit	<p>Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following, namely:—</p> <p>a) Motor vehicles and other conveyances except when they are used—</p> <p>(i) For making the following taxable supplies, namely:—</p> <p>A. Further supply of such vehicles or conveyances; or</p> <p>B. Transportation of passengers; or</p> <p>C. Imparting training on driving, flying, navigating such vehicles or conveyances;</p> <p>(ii) For transportation of goods;</p> <p>b) The following supply of goods or services or both—</p>	<p>Clause (a) and (b) shall be substituted as follows:-</p> <p>a) Motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—</p> <p>A. Further supply of such motor vehicles; or</p> <p>B. Transportation of passengers; or</p> <p>C. Imparting training on driving such motor vehicles;</p> <p>(aa) Vessels and aircraft except when they are used--</p> <p>(i) For making the following taxable supplies, namely:—</p> <p>(A) Further supply of such vessels or aircraft; or</p> <p>(B) Transportation of passengers; or</p> <p>(C) Imparting training on navigating such vessels; or</p> <p>(D) Imparting training on flying such aircraft;</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		<p>(i) Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;</p> <p>(ii) Membership of a club, health and fitness centre;</p> <p>(iii) Rent-a-cab, life insurance and health insurance except where—</p> <p>A. The Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or</p> <p>B. Such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods</p>	<p>(ii) For transportation of goods;</p> <p>(ab) Services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa): Provided that the input tax credit in respect of such services shall be available—</p> <p>(i) Where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;</p> <p>(ii) Where received by a taxable person engaged—</p> <p>(I) In the manufacture of such motor vehicles, vessels or aircraft; or</p> <p>(II) In the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;</p> <p>(b) The following supply of goods or services or both—</p> <p>(i) Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		<p>or services or both or as part of a taxable composite or mixed supply; and</p> <p>(iv) Travel benefits extended to employees on vacation such as leave or home travel concession;</p>	<p>Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;</p> <p>(ii) Membership of a club, health and fitness Centre; and</p> <p>(iii) Travel benefits extended to employees on vacation such as leave or home travel concession:</p> <p>Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.”</p> <p>Keynote: <i>Block Credit in terms of Motor Vehicles is applicable only for vehicles having capacity of not more than 13 persons (including driver). Further, ITC of repairs, maintenance and insurance on such vehicles is also not available unless same category of services are provided by the recipient.</i></p> <p><i>Further, minor changes have been made in the list of block credits.</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
20	Manner of Distribution of credit by Input Service Distributor	The term “turnover”, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entries 51 and 54 of List II of the said Schedule.	The term “turnover”, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entry 84 and 92A (newspaper) of List I of the Seventh Schedule to the Constitution and entries 51 and 54 of List II of the said Schedule.
22(1)	Persons liable for Registration	<p>Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees:</p> <p>Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.</p>	<p>Additions have been made to the proviso of sec 22 which is as follows:</p> <p>“Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.”;</p> <p>Keynote: <i>Relaxation in registration limits for special category states if requested by that particular state on recommendation of the Council from Rs.10 Lakh to Rs.20 Lakh.</i></p>
22	Special Category States	The expression “special category States” shall mean the States as specified in sub-clause (g)	Following states are added in the list of Special Category States which are as follows: <ul style="list-style-type: none"> - Arunachal Pradesh - Assam

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		of clause (4) of article 279A of the Constitution.	<ul style="list-style-type: none"> - Himachal Pradesh - Meghalaya - Sikkim - Uttarakhand
24 (x)	Compulsory registration criteria for Electronic Commerce Operator and collection of tax at source	Compulsory Registration is required for- Every electronic commerce operator;	<p>Additions are made to Clause(x) of sec 24 and is made more specific by adding the words which is as follows-</p> <p>Every electronic commerce operator who is required to collect tax at source under section 52.</p> <p>Keynote: <i>Only those electronic commerce operators who are required to collect tax under Section 52 will be made liable to compulsorily register under GST.</i></p>
25(1)	Procedure for registration for Special Economic Zone	<p>Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within 30 days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed</p> <p>Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.</p>	<p>2nd proviso has been inserted as below:</p> <p>"Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory."</p> <p>Keynote: <i>Persons having unit in Special Economic Zones or Are Special Economic Developers are required to register separately</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
			<i>as a distinct place of business other than that of business which are located outside SEZ.</i>
25(2)	Single Registration in a State or Union territory	<p>A person seeking registration under this Act shall be granted a single registration in a State or Union territory:</p> <p>Provided that a person having multiple business verticals in a State or Union territory may be granted a separate registration for each business vertical, subject to such conditions as may be prescribed.</p>	<p>Following proviso shall be substituted-</p> <p>Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.</p> <p>Keynote: <i>Every person having different businesses in a state or Union territory will be granted a separate registration for any place of business subject to conditions as may be prescribed. Rules governing such registration shall be introduced.</i></p>
29(1)	Provisions relating to cancellation of registration	<p>The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,-</p> <p>a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or</p> <p>b) a person paying tax under section 10 has not furnished returns for three consecutive tax periods; or</p>	<p>Provision has been added after clause(c) which is as follows:</p> <p>“Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.”</p> <p>Keynote: <i>During the period of pending cancellation proceedings, the registration shall be suspended for that person for</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		c) any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or	<i>that period in such manner as may be prescribed.</i>
29(2)	Provisions relating to cancellation of registration	The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where- Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.	2 nd proviso has been inserted in section 29(2) which is as below- “Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.” Keynote: <i>During the period of pending cancellation proceedings, the registration shall be suspended for that person for that period in such manner as may be prescribed.</i>
34(1)	Credit Notes	Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient a credit note	For the words “ Where a tax invoice has ”, the words “ Where one or more tax invoices have ” shall be substituted. And for the words “ a credit note ”, the words “ one or more credit notes for supplies made in a financial year ” shall be substituted. Keynote: <i>Multiple credit notes for a single invoice and a single</i>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		containing such particulars as may be prescribed.	<i>credit note for multiple invoices can be issued.</i>
34(3)	Debit Notes	Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as may be prescribed.	For the words “ Where a tax invoice has ”, the words “ Where one or more tax invoices have ” shall be substituted. And for the words “ a debit note ”, the words “ one or more debit notes for supplies made in a financial year ” shall be substituted. Keynote: <i>Multiple debit notes for a single invoice and a single debit note for multiple invoices can be issued.</i>
35	Accounts and other records	Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of— (a) Production or manufacture of goods; (b) Inward and outward supply of goods or services or both; (c) Stock of goods; (d) Input tax credit availed; (e) Output tax payable and paid; and (f) Such other particulars as may be prescribed: Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to	New provision has been added which is as follows- Provided that nothing contained in this sub-section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force. Keynote: <i>Any department of Central / State Government / local authority need not undergo GST audit.</i>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		<p>each place of business shall be kept at such places of business:</p> <p>Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.</p>	
<p>39(1) (Effective date of amendment yet to be notified)</p>	<p>Furnishing of Returns</p>	<p>Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.</p>	<p>For the words “in such form and manner as may be prescribed”, the words “in such form, manner and within such time as may be prescribed” shall be substituted.</p> <p>And the words “on or before the twentieth day of the month succeeding such calendar month or part thereof” shall be omitted.</p> <p>New proviso has been added- “Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall furnish return for every quarter or part thereof, subject to such conditions and safeguards as may be specified therein.”</p>
<p>39(7) (Effective date of amendment yet to be notified)</p>	<p>Furnishing of returns</p>	<p>Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which</p>	<p>New proviso has been added- “Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		he is required to furnish such return.	per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.”
39(9) (Effective date of amendment yet to be notified)	Furnishing of Returns	Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed , subject to payment of interest under this Act: Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year , or the actual date of furnishing of relevant annual return, whichever is earlier.	For the words " in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed ", the words " in such form and manner as may be prescribed " shall be substituted; In the proviso, for the words " the end of the financial year ", the words " the end of the financial year to which such details pertain " shall be substituted.

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
43A (Effective date of amendment yet to be notified)	Procedure for furnishing return and availing Input Tax Credit	-	Insertion of new section 43A 1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers. 2) Notwithstanding anything contained in section 41, section 42 or section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed. 3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed. 4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, not exceeding twenty per cent. of the input tax credit available, on the basis of details

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
			<p>furnished by the suppliers under the said sub-section.</p> <p>5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.</p> <p>6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or sub-section (4) but return thereof has not been furnished.</p> <p>7) For the purposes of sub-section (6), the recovery shall be made in such manner as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.</p> <p>8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which can be furnished under sub-section (3) by a registered person,—</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
			<p>(i) Within six months of taking registration;</p> <p>(ii) Who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount shall be such as may be prescribed.</p> <p>Keynote: <i>Section 43A prescribes new procedure for furnishing return and availing input tax credit (ITC).</i></p> <p><i>The recipient can claim credit of inward supply only up to 20% of ITC available, if the supplier has not declared the outward supply.</i></p> <p><i>The supplier and recipient would become jointly and severally liable to pay the tax or to reverse the ITC availed in certain situations.</i></p> <p><i>Separate controls are proposed on disclosure of outward supplies by new registrants and persons who have defaulted in payment of tax for more than two months.</i></p>
48	Goods and Service Tax Practitioner	A registered person may authorize an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies U/S 38 and the return U/S 39 or section 44 or section 45 in	Add words “ and to perform such other function ”. <p>Keynote: <i>Widening scope of Goods and Service Tax Practitioner.</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		such manner as may be prescribed.	
49 (5)	Payment of tax, interest, penalty and other amounts	<p>The amount of input tax credit available in the electronic credit ledger of the registered person on account of-</p> <p>...</p> <p>...</p> <p>...</p> <p>c) The State tax shall first be utilized towards payment of State tax and the amount remaining, if any, may be utilized towards payment of integrated tax;</p> <p>d) The Union territory tax shall first be utilized towards payment of Union territory tax and the amount remaining, if any, may be utilized towards payment of integrated tax;</p>	<p>c) The State tax shall first be utilized towards payment of State tax and the amount remaining, if any, may be utilized towards payment of integrated tax; Provided that the input tax credit on account of State tax shall be utilized towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;</p> <p>d) The Union territory tax shall first be utilized towards payment of Union territory tax and the amount remaining, if any, may be utilized towards payment of integrated tax; Provided that the input tax credit on account of Union territory tax shall be utilized towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax.</p> <p>Keynote: <i>Utilization of SGST and UTGST credit against IGST possible only when CGST balance in Nil.</i></p>
49A	Utilization of input tax credit subject	-	Notwithstanding anything contained in section 49, the input tax credit on account

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
	to certain conditions		of central tax, State tax or Union territory tax shall be utilized towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilized fully towards such payment.
49B	Order of utilization of input tax credit	-	Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilization of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.
52(9)	Collection of tax at source	Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.	Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37 or section 39, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.
54(8)		Notwithstanding anything contained in sub-section (5), the refundable amount shall,	In sub-section (8), in clause (a), for the words “ zero-rated supplies ”, the words

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		<p>instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—</p> <p>(a) Refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies;</p>	<p>"export" and "exports" shall respectively be substituted.</p> <p>Keynote: <i>No refund of taxes shall be allowed to supplier to SEZ Unit. It will restrict unjust enrichment on supplies made to SEZ Units.</i></p>
54	Explanation - Relevant Date in respect of export	<p>For Services exported out of India—</p> <p>(i) Receipt of payment in convertible foreign exchange, where the supply of services had been completed prior to the receipt of such payment; or</p>	<p>After the words 'convertible foreign exchange', 'in Indian rupees wherever permitted by the RBI' shall be inserted.</p>
54	Explanation - Time period for claiming refund of unutilized input tax credit under Section 54(3) Clause 'e'	<p>In the case of refund of unutilized input tax credit under sub-section (3), the end of the financial year in which such claim for refund arises.</p>	<p>In the case of refund of unutilized input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises.</p> <p>Keynote: <i>The due date to file an application for refund arising due to inverted tax rates is the return to be filed under Section 39 for the period for which refund is being processed.</i></p>
79(4)	Explanation to section 79(4) inserted	<p>Where the amount recovered under sub-section (3) is less than the amount due to the Central Government and State</p>	<p>Explanation inserted:</p> <p>Explanation - For the purposes of this section, the word person shall include</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		Government, the amount to be credited to the account of the respective Governments shall be in proportion to the amount due to each such Government.	“ distinct persons ” as referred to in sub-section (4) or, as the case may be, sub-section (5) of section 25.
107	Ceiling on amount of tax in dispute	<p>No appeal shall be filed under sub-section (1), unless the appellant has paid—</p> <p>(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and</p> <p>(b) A sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, in relation to which the appeal has been filed.</p>	<p>After the words “arising from the said order,” the words “subject to a maximum of twenty-five crore rupees,” be inserted.</p> <p>Keynote: <i>The amount of tax to be deposited in order to file an appeal with Appellate Authority is restricted to Rs. 25 Crores.</i></p>
112(8)(b)	Ceiling on amount of tax in dispute	<p>No appeal shall be filed under sub-section (1), unless the appellant has paid—</p> <p>(a) In full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and</p> <p>(b) A sum equal to twenty per cent. of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said</p>	<p>After the words “arising from the said order,” the words “subject to a maximum of fifty crore rupees,” shall be inserted.</p> <p>Keynote: <i>The amount of tax to be deposited in order to file an appeal with Appellate Tribunal is restricted to Rs. 50 Crores.</i></p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
		order, in relation to which the appeal has been filed	
129(6)	Change in time duration	<p>Where the person transporting any goods or the owner of the goods fails to pay the amount of tax and penalty as provided in sub-section (1) within <i>seven</i> days of such detention or seizure, further proceedings shall be initiated in accordance with the provisions of section 130:</p> <p>Provided that where the detained or seized goods are perishable or hazardous in Nature or are likely to depreciate in value with passage of time, the said period of <i>seven</i> days may be reduced by the proper officer.</p>	For the words “ seven days ”, the words “ fourteen days ” shall be substituted.
140(1) (Effective date of amendment yet to be notified)	CENVAT credit eligibility	A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed.	<p>After the letters and word “CENVAT credit”, the words “of eligible duties” shall be inserted and shall always be deemed to have been inserted;</p> <p>[For the purposes of sub-sections (1)(3), (4) and (6), the expression “eligible duties” means-</p> <p>For removal of doubts, it is hereby clarified that the expression “eligible duties and taxes” excludes any cess which has not been specified in Explanation 1 or Explanation 2 and any cess which is collected as</p>

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
			<p>additional duty of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975.</p> <p>Keynote: ITC of any cess paid cannot be availed as CENVAT Credit through TRAN – 1.</p>
143(1)(b)	Job work procedure	Supply such inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be:	<p>2nd proviso shall be inserted:</p> <p>Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.</p>
Schedule I	Activities treated as supply even made without consideration	Import of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.	<p>Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.</p> <p>Keynote: The word taxable has been removed and hence, any person receiving services from place outside India has to pay tax under RCM.</p>
Schedule II	Change in heading	Activities to be treated as supply of goods or services.	Activities <u>or transactions</u> to be treated as supply of goods or services.
Schedule III	Activities and transactions which shall be treated	-	7. Supply of goods from a place in the nontaxable territory to another place in the non-taxable

Section No.	Description	CGST Act, 2017	CGST (Amendment) Act, 2018
	<p>neither as a supply of goods nor a supply of services</p>		<p>territory without such goods entering into India.</p> <p>8. (a) Supply of warehoused goods to any person before clearance for home consumption;</p> <p>(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home Consumption.</p> <p>Explanation 2 - For the purposes of paragraph 8, the expression "Warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962.</p>

SUMMARY OF RELEVANT AMENDMENTS - INTEGRATED GOODS AND SERVICES TAX (AMENDMENT) ACT, 2018

Section No.	Description	IGST Act, 2017	IGST (Amendment) Act, 2018
2 (6)(iv)	Export of service	<p>Export of services means the supply of any service when –</p> <p>...</p> <p>...</p> <p>...</p> <p>(iv) the payment for such service has been received by the supplier of service in convertible foreign exchange.</p>	<p>The payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupee wherever permitted by the RBI</p> <p>Keynote: <i>The supplier of export services can receive payment in Indian currency (i.e. INR) if permitted by RBI.</i></p>
5(4)	RCM for supplies received from unregistered persons	<p>The integrated tax in respect of the supply of taxable goods or services or both by A supplier, who is not registered, to a registered person shall be paid by such person on Reverse charge basis as the recipient and all the provisions of this Act shall apply to such Recipient as if he is the person liable for paying the tax in relation to the supply of such Goods or services or both.</p>	<p>The government may, on the recommendations of the council, by notification, specify a class of registered persons who shall, in respect of supply of Specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.</p> <p>Keynote: <i>Only a class of registered persons, as notified by the Government, receiving supplies from an unregistered dealer may</i></p>

Section No.	Description	IGST Act, 2017	IGST (Amendment) Act, 2018
			<i>require to pay tax under Reverse Charge Mechanism.</i>
8(2) Explanation 1	Intra-state supply	For the purposes of this Act, where a person has,- (iii) an establishment in a state or union territory and any other establishment being a <i>business vertical</i> registered within that state or union territory, then such establishments shall be treated as establishments of distinct persons.	The words ' <i>business vertical</i> ' have been omitted.
12(8)	Place of supply Proviso inserted	-	Proviso inserted to subsection 8 - Provided that where the transportation of goods is to a place outside India, The place of supply shall be the place of destination of such goods.
13(3)(a)	Place of supply 2nd proviso substituted	Provided further that nothing contained in this clause shall apply in the case Of services supplied in respect of goods which are temporarily imported into India for <i>repairs</i> and are exported after repairs without being put to any other use in India, than that which is required for such repairs.	Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process .

Section No.	Description	IGST Act, 2017	IGST (Amendment) Act, 2018
20	Application of provisions of CGST Act	-	4 th proviso inserted as below: Provided also that where the appeal is to be filed before the appellate authority or the appellate tribunal, the maximum amount payable shall be Fifty crore rupees and One hundred crore rupees respectively.

RECENT CASE LAWS

1. The importer should pay GST under RCM on ocean freight in case of CIF basis contract, when service provider and service recipient both are outside the territory of India.

Applicant	M/s Bahl Paper Mills Ltd
Journal of Publication	03/2018-19
Date of Ruling:	4 th May, 2018
Ruling Authority	AAR Uttarakhand

FACTS
<ul style="list-style-type: none"> The applicant is one of the leading Industrial Packing Papers Manufacturer Company, specializing in manufacturing a wide spectrum of eco-friendly grade paper such as Duplex board, M G Poster paper and Kraft paper in wide range of varieties.
ISSUE
<ul style="list-style-type: none"> Whether under Reverse Charge Mechanism, IGST should be paid by the importer on ocean freight in case of CIF basis contract, when service provider and service recipient both are outside the territory of India? If yes then, what will be the supporting document for importer under RCM to take the credit of IGST paid on ocean freight under CIF basis contract? Whether credit will be available in GST of office fixtures & furniture, A.C. plant & sanitary fittings on' newly constructed building on its own account for furtherance of business and accounting entry is capitalized in books of account.
HELD
<ul style="list-style-type: none"> In this regard it is observed that vide notification no. 08/2017 Integrated Tax (Rate) dated 28.6.2017 and, notification no. 10/2017- Integrated Tax (Rate) dated 28.6.2017 an importer is required to pay IGST on the ocean freight. Therefore, as on date even if the importer has already paid IGST on CIF value of imported goods, he is still required to pay IGST on ocean freight. Authority also observed that the applicant has submitted a copy of Special Civil Application No. 726 of 2018 filed by Mohit Minerals (P) Ltd. before Hon'ble High Court of Gujarat in this regard. Authority observes that mere filing of an application before the Hon'ble High Court does not render a notification issued by the Central Government ultra vires until or unless the same is turned down by the competent court. Credit of IGST paid can be taken on the basis of invoice/challan issued.

- As per explanation to the Section 17 of CGST Act, 2017 credit is not available in respect- of land, building or any other- civil structure. Therefore, in view of the aforesaid provisions of law, Cenvat Credit of GST paid in relation with building or any other civil structure is not available and since sanitary fittings are integral part of building or any other civil structure, Cenvat credit of GST paid on such sanitary fittings is not available.
- However, credit of GST is available on office fixtures & furniture, A.C. plant. To further strengthen the view, the authority rely on the CBIC Board Circular No. 943/04/2011-CX dated 29th April 2011 wherein it was clarified that the goods such as furniture and stationery used in an office within the factory are goods used in the factory and are used in relation to the manufacturing business and hence the credit of the same is allowed.
- Further the Hon'ble CESTAT, principal Bench, New Delhi in the case of M/s Bal Krishna Industries Ltd Vs CC-E, Jaipur-I vide its Final Order No. A/ 53217-5321812015 dated 09.10.2015 reported in 2016 (335) ELT 559 (Tri-Delhi) has held that the credit on duty paid on air conditioners installed in the office of factory is admissible.
- Therefore, the credit of input tax charged on the supply of fixtures & furniture and A.C. plant is admissible under -CGST/SGST Act. 2017, provided that the registered person has not claimed depreciation on the tax component of the cost of the capital goods and plant and machinery under the provisions of the Income-Tax Act 1961.

2. Non-applicability of GST on Reimbursement of salary on behalf of foreign entity.

Applicant	DRS Marine Service Pvt. Ltd
Journal of Publication	ARA-34/2018-19/B
Date of Ruling	24th August, 2018
Ruling Authority	Authority of Advance Rulings, Maharashtra

FACTS
<ul style="list-style-type: none">• The applicant is crew recruitment and placement agency, which helps in selecting and recruiting the shipping personnel on behalf of foreign ship owner and have been charging administration fees for the same and paying GST on the Admin charges so received.• The applicant would receive total salary form the principal and such salary would be disbursed to the employees and for such activity applicant would be charging service charges for the said services and would be discharging their GST liability.• Accordingly, the applicant is of the intention that as the above said activity of disbursement of salary without deduction of any charges from salary is made as a pure agent therefore such disbursal of salary would not be taxable under GST in view of provisions of Rule 33 of CGST Rules, 2017.
ISSUE
<ul style="list-style-type: none">• Whether GST is applicable on Reimbursement of salary on behalf of foreign entity?
HELD
<ul style="list-style-type: none">• After reading the facts of the case and giving reference to Rule 33 of the CGST rules, 2017 the Authority in his rulings find that the applicant is acting as a pure agent of the foreign ship owner as the entire amount received by applicant as crew's salary will be disbursed to the crew and no amounts from the said receipt will be used by the applicant for his own interest. In fact, for performing as a pure agent they will be receiving compensation separately in the form of fixed fees to be charges as service charges.• In this view AAR concluded that the applicant will not be liable to pay GST on salary amount received from the foreign ship owner and disbursed to the crew.

3. Activities performed by employees at the corporate office for the units located in other states as well (i.e. Distinct Person) shall be treated as a supply.

Applicant	M/s Columbia Asia Hospitals Pvt. Ltd
Journal of Publication	KAR/AAAR/05/2018-19
Date of Ruling:	12 th December, 2018
Ruling Authority	Appellate Authority of Advance Rulings, Karnataka

FACTS
<ul style="list-style-type: none">• The applicant has a corporate office located in Karnataka and some activities are carried out by employees stationed at the corporate office the benefits of which flow across the units located in other states.• The cost of services such as rent paid, telephone services, business consultancy services are attributed to all the registered (distinct) persons located in different states in proportion to their respective turnover.• The cost of services rendered by the employees at the corporate office is not attributed to other units located in different states.
ISSUE
<ul style="list-style-type: none">• Whether the activities performed by employees at the corporate office for the units located in other states as well (i.e. Distinct Person) shall be treated as a supply or not?
HELD
<ul style="list-style-type: none">• View of the appellant that the employer-employee relation exist between the employee and the entire organization as a whole and not its various units located in different states (i.e. distinct person) and hence the services rendered by the employees stationed at the corporate office the benefits of which extends to other units shall not be treated as a supply as per entry 1 of schedule III of CGST Act, 2017, does not hold true.• The above entry is to be viewed as per GST provision and hence the employee-employer relationship is to be construed separately for every distinct person.• Therefore, the benefits of services rendered by employees stationed at corporate office extended to all other units and such activity is to be treated as a supply in the terms of entry 2 of Schedule I read with section 7 of CGST Act.

4. ITC of IGST paid under 'bill to ship to' model is admissible.

Applicant	M/S Umax Packaging (A unit of Uma Polymers Limited)
Journal of Publication	RAJ/AAR/2018-19/23
Date of Ruling	02 nd November, 2018
Ruling Authority	Authority of Advance Rulings, Karnataka

FACTS
<ul style="list-style-type: none">• The applicant is engaged in manufacture of plastic pouches in Jodhpur. The applicant proposes to purchase goods from M/s Uma Polymers Limited, Guwahati and further supplies the said goods to M/s Pratap Snacks Ltd, Guwahati.• The applicant is acting as a third party directing M/s Uma Polymers, Guwahati to dispatch goods directly to M/s Pratap Snacks Ltd, Guwahati.• M/s Uma Polymers Ltd, Guwahati delivers the goods to M/s Pratap Snacks Ltd, Guwahati and charges CGST and SGST to M/s Pratap Snacks Ltd, Guwahati. The bill is raised by M/s Uma Polymers, Guwahati to the applicant and Ship the goods to the M/s Pratap Snacks Ltd, Guwahati.
ISSUE
<ul style="list-style-type: none">• Whether ITC of IGST paid on “Bill to ship to” model admissible to the applicant and whether ITC of IGST availed by them can be recovered subsequently, if it is concluded by revenue authorities that M/s Uma Polymers Ltd was liable to charge CGST & SGST instead of IGST?
HELD
<ul style="list-style-type: none">• As per Sec 10(1)(b) of IGST Act, where the goods are delivered by the supplier to a recipient on the direction of a third person whether acting as an agent or otherwise, it shall be deemed that the said third person has received the goods and place of supply shall be the principal place of business of such person.• So in the instant case, M/s Umax Packing, Jodhpur is acting as a third person directing M/s Uma Polymers to dispatch goods directly to M/s Pratap Snacks Ltd, Guwahati. M/s Uma Polymers would accordingly ‘bill to’ the applicant and ‘ship to’ M/s Pratap Snacks Ltd, Guwahati.• Further as per sec 16 of CGST Act, 2017, Every registered person subject to certain condition and restriction as prescribed u/s 49 be entitled to take ITC on any supply of goods or Services or both which are used or intended to be used.• As per the cited provisions, it is deemed that the applicant has received the goods from M/s Uma Polymers Ltd, Guwahati and thereafter dispatched the said goods to M/s Pratap Snacks Ltd, Guwahati.

- Thus it was concluded that M/s Uma Polymers Ltd, Guwahati can charge IGST from applicant, against which the applicant i.e. M/s Umax Packing, Jodhpur are eligible to claim full ITC as per the relevant provisions of Sec 16 & Sec 17 of chapter V of CGST Act, 2017.

5. The money paid by the customer to the driver of the cab for the services of the trip is liable to GST.

Applicant	Opta Cabs Private Limited
Journal of Publication	KAR ADRG 14 / 2018
Date of Ruling	27 th July 2018
Ruling Authority	Authority of Advance Rulings, Karnataka

FACTS
<ul style="list-style-type: none">• The applicant is in the business of Taxi aggregation service and Taxi service.• The applicant is not collecting any charges including trip commission but only collects monthly services/usage charges for usage of IT services.• The billing is done in the name of taxi driver and customers pay directly to the driver whose turnover does not exceed the prescribed limit.• It is contended that taxes applicable would be payable by the drivers and users and not to be collected and paid by him as the amount is not routed through him.
ISSUE
<ul style="list-style-type: none">• Whether the money paid by the customer to the driver of the cab for the services of the trip is liable to GST?
HELD
<ul style="list-style-type: none">• As per Sec 9(5) of CGST Act, 2017 read with Notification no 17/2017 services by way of transportation of passengers by radio taxi, motor cab, maxi cab and motor cycle the tax on intra state supplies on which shall be paid by the electronic commerce operator.• Hence, the services of transportation of passengers is supplied to the consumer through the applicant and hence he is liable to tax on the amounts billed by him on behalf of the taxi operator.

6. Support services provided in Goa to a registered person in Maharashtra is governed u/s 12(7)(i) of the IGST Act, 2017.

Applicant	M/s. Grasshopper Production
Journal of Publication	GOA/GAAR/3
Date of Ruling	03/08/2018
Ruling Authority	Authority For Advance Ruling, Goa

FACTS
<ul style="list-style-type: none">• The applicant is in the business of providing event management to its clients in the film shooting industry and providing locations for such shootings. The services include arranging locations for film shooting, transport and conveyance, restaurant food service, hotel accommodation, manpower requirements, etc.• The applicant is providing services to Gallani Entertainment, Mumbai who is registered in Maharashtra.
ISSUE
<ul style="list-style-type: none">• Whether the event management support services provided in Maharashtra is governed u/s 12(7)(i) of IGST Act, 2017?
HELD
<ul style="list-style-type: none">• The place of supply of such services when provided to a registered person shall be the location of such person and when provided to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, shall be the location of the recipient.• Since M/s Gaalani Enterprises is a registered dealer in Maharashtra, the place of supply is Maharashtra and IGST @ 18% will be chargeable as per Section 12(7)(i) of IGST Act.

7. Conducting survey of Indian market for foreign group Co. is “Market Research Service” not “Support Service”.

Applicant	Asahi Kasei India Private Limited
Journal of Publication	GST-ARA- 35/2018-19/B- 108
Date of Ruling	7 th September, 2018
Ruling Authority	Authority for Advance Ruling, Maharashtra

FACTS
<ul style="list-style-type: none"> • The applicant is an Indian company having its office at Mumbai. The company provides sales promotion and marketing support to Asahi Kasei group. • Asahi Kasei group deals in fibers and textiles, petrochemicals, pharmaceuticals, polymers, electronic devices, home products, construction materials, health care etc. • For providing services, the applicant has entered into ‘Services Agreement’ with Asahi Japan (Flagship company of Asahi Kasei group) (herein after referred to as “Party A”) and a ‘Marketing Services Agreement’ with various group companies. • The scope of work in the Service Agreement is as follows: <ul style="list-style-type: none"> ○ Conduct research on the matters related to functions of holding company such as corporate accounting, corporate finance, corporate personnel and labor relations, corporate research and development, market surveys and corporate intellectual property and provide the same to Party A. ○ Assisting AM in the adaptation and implementation of AM's advertising policy. ○ Provide economic, industrial and technical information on the products falling under the category of the Products and their markets, trends and outlook together with similar information concerning such other industries in the territory. ○ Providing necessary assistance in liasoning and coordinating activities for the representatives of Party A • The scope of work in the Marketing Service Agreement is as follows: <ul style="list-style-type: none"> ○ Conducting market surveys and providing the AM with the information on Indian market trends and features so as to assist in determining the nature and scope of the Indian market potential. ○ Assisting AM in the adaptation and implementation of AM's advertising policy. ○ Assisting the AM in conducting sales prospection through participation in

industry events such as scientific gatherings, exhibitions, trade shows and the like.

- Liaising with Customers and potential Customers and to collect their product development plans and strategy and "road-maps", as well as their product specifications, and reporting to AM abroad.
- Providing any feedback to AM that would help improve AM's marketing; Facilitating AM in arrangement of discussions and provision of interpretation services and cross culture advice (The Applicant nor any of its representatives shall have any authority to conduct negotiations on behalf of AM).
- Connecting customers with AM representatives for the purpose of obtaining orders and establishing and maintaining close commercial relationships between AM and customers.
- Providing staff of AM or its customers visiting the territory with such assistance as may be reasonably requested by AM, including but not limited to providing information, guide, escort and interpreting services during Customers visits [the premises of AKL applicant will not be the premises of AM and the same shall not be made available to employees or other personnel of AM who may visit India].
- Providing information on products and its functioning or similar such services to AM's customers and notifying AM of any Customer complaints.
- Monitoring regulatory developments (including, where possible, establishing and maintaining contact with regulatory agencies) and reporting on these to AM.
- Any other assistance in the context of the above, regarding AM's marketing activities that may be reasonably requested by AM after the Effective Date in writing to Applicant.

ISSUE

- Whether the service supplied by the Applicant under the Service Agreement dated 1 March, 2013 constitute a supply of "Support services" allying under HSN code 9985 or "Intermediary service" classifiable under HSN code 9961/9962?
- Whether the service supplied by the Applicant under the Marketing Services Agreement dated 1 December 2012 constitute a supply of "Support services" falling under HSN code 9985 or "Intermediary service" classifiable under HSN code 9961 / 9962?
- Whether the services provided by the Applicant is an export of services as defined under Section 2(6) of the Integra ted Goods and Services Tax Act 2017?

AAR Ruling

AAR observed the following and ruled that:

- The services provided by the applicant in the nature of research on the matter related to functioning of the holding of company such as - corporate accounting, corporate finance, corporate personnel and labor relations, corporate research and development, quality assurance and corporate intellectual property and provide the same to Party A with its report thereon would fall under the service code tariff **99859** as “**Other Support Services**” nowhere else classified.
- The services provided by the applicant in the nature of Information on Market in the territory which includes - Economic, industrial and technical information on the products falling under the category of the products and their markets, trends and outlook together with similar information concerning such other industries in the territory, to provide necessary assistance in business activities (including interpreting) to such representatives, to undertake market surveys of the products in the territory and report the results thereof to party and ancillary services to all above services, including, but not limited to, those services with regard to finance, accounting, and patent and legal matters would fall under service code tariff **99837** with service description “**Market Research Services**”.
- The services supplied by the applicant under the Marketing Services Agreement would fall under Group **99837** as “**Market Research Services**”.
- The services provided by the Applicant under “**Marketing Services Agreement**” is an export of taxable services as defined under Section 2(6) of the Integrated Goods and Services Tax Act 2017.

8. Services provided by a prospective contractor contract as a single contract for Engineering Procurement and Construction of Solar Power plant constitute as composite supply in the nature of Works Contract.

Applicant	Dinesh Kumar Agrawal
Journal of Publication	GST-ARA- 3/2018-19/C- 937
Date of Ruling	7 th March, 2018
Ruling Authority	Authority for Advance Ruling, Maharashtra

FACTS
<ul style="list-style-type: none"> • The applicant is a prospective contractor undertaking different works for supply of goods and services. Scope of works usually include procurement and supply of goods, transportation of goods from vendor, assembly and erection and commissioning. • The applicant is not a Goods Transport Agent (GTA) as it does not issue any consignment note to the customer. • The applicant has submitted two documents namely, <ul style="list-style-type: none"> ○ Bid document of Power Grid Corporation of India Ltd (PGCIL). This bid document is a standard bid document used by PGCIL for all procurement such as setting up of transmission lines or substations or transformers. ○ Proposed EPC contract for Solar Power Plant • One of the clause of sample EPC contract states that the contractor shall supply the following in relation to the Project: <ul style="list-style-type: none"> ○ Basic and detailed engineering diagram, designs, etc. of the project and equipment; ○ Procurement of equipment and inspection thereof at the vendor's site ○ Transportation of equipment from vendors site to the project site including transit insurance; ○ Landing, unloading and storage of the equipment; ○ Assembly and erection of equipment including civil works required for such erection; ○ Test and commissioning of the project ○ Maintenance • The Contractor shall at its own risk and expense, be fully responsible for loading, transportation, delivery to the Project Site and unloading of the Equipment. The cost of transit insurance, if any, should be borne by the contractor

ISSUE

- Dinesh Kumar Agrawal, the applicant, seeking an advance ruling in respect of the following questions

Question No.	Question
1	Whether Standalone Contract of transportation merits classification under Service code 9965 and whether same is exempt under Entry No. 18 of Notification No. 12/ 2017-Central Tax (Rate) dated 28 June 2017?
2	Whether Composite supply of transportation and insurance merits classification under Service code 9965 and whether same is exempt under Entry No. 18 of Notification No.12/ 2017-Central Tax (Rate) dated 28 June 2017?
3	Whether composite supply of 'loading of goods at the premises of the supplier, transportation in own/hired trucks to the project site, unloading and handling of goods at project site and in-transit insurance' merits classification under Service code 9965 and whether same is exempt under Entry No. 18 of Notification No. 12/ 2017-Central Tax (Rate) dated 28 June 2017?
4	Whether supply of services namely 'loading of goods at the premises of the supplier, transportation in own/ hired trucks to the project site, unloading and handling of goods at project site and in-transit insurance' under Service Contract (under Split Contract) merits classification under Service code 9965 and whether same is exempt under Entry No. 18 of Notification No. 12/ 2017-Central Tax (Rate) dated 28 June 2017?
5	Whether supply of services namely 'loading of goods at the premises of the supplier, transportation in own/hired trucks to the project site, unloading and handling of goods at project site and in-transit insurance' under EPC Contract merits classification under Service code 9965 and whether same is exempt under Entry No. 18 of Notification No. 12/ 2017- Central Tax (Rate) dated 28 June 2017?

AAR Ruling

AAR observed the following and ruled that:

- The intent of the contractor at the time of erecting and operationalizing a structure/plant is to establish it as an immovable property and thus the same is to be treated as an immovable property even if later due to some exigency it is required to be dismantled or removed.
- Also, the contract is a single contract and the same is for Engineering Procurement and construction of Solar Power plant which constitute composite supply in the nature of Works Contract. Thus impugned Supplies constitute Works Contract as defined under section 2(119) of the CGST Act, 2017.
- **Thus, all the questions on which the applicant is seeking clarity will be irrelevant and all the services will be taxable as single works contract services.**

9.KKC as available in the Electronic Credit Ledger is an inadmissible input tax credit.

Applicant	Kansai Nerolac Paints Limited
Journal of Publication	MAH/AAAR/SS-RJ/03/2018-19
Date of Ruling	3 rd August, 2018
Ruling Authority	Appellate Authority for Advance Ruling, Maharashtra

FACTS
<ul style="list-style-type: none">• The applicant had a centralized registration and a registration as ISD in order to distribute the eligible the eligible CENVAT Credit.• The applicant could not utilize the KKC credit at head office against it's factories as KKC could be utilized only against KKC liability.• The KKC credit remained utilized due to the same.• This credit was subsequently transferred to the Electronic Credit Ledger in accordance with the transitional provision of Section 140(1).
ISSUE
<ul style="list-style-type: none">• Whether KKC as available in the Electronic Credit Ledger is an admissible input tax credit?
HELD
<ul style="list-style-type: none">• In erstwhile Service Tax regime, a similar issue was decided by Hon'ble High Court of Delhi in case of Cellular Operators Association of India Vs. Union of India (W.P. (Civil) No. 7837 of 2016 dated 15.02.2018).• It was held in the above case that the cross utilization of un-utilized EC and SHE against excise duty and service tax is not permitted as there was no provision to allow the same.• It was specifically stated in the above case that EC and SHE are cesses and cannot be treated as duties i.e., excise duty or service tax in the above case since cesses and duties are separate levies.• It was held that the accumulated credit by way of KKC as appeared in the return of ISD which is carried forward in the electronic credit ledger shall not be allowed to be taken as admissible input tax credit.

10. “Outdoor catering” service covered under HSN 9963 attracting tax @18%.

Applicant	M/s. Rashmi Hospitality Services Private Limited
Journal of Publication	GUJ/GAAR/R/2018/8
Date of Ruling	21.3.2018
Ruling Authority	Authority For Advance Ruling, Gujarat

FACTS

- The applicant is having business of caterers and supply food, beverages and other eatables (non-alcoholic drinks) and complete services at various places of their customers who have in house canteens at their factories.
- The applicant charges GST @18% classifying their services under heading 9963 as outdoor catering.
- Applicant provides catering services to the staff and premise for services
- Contract between the applicant and client states that the canteen space and all equipment's have been provided by the client to the applicant and the applicant is only providing services pertaining to food, edible preparation service.
- The customer asked the applicant to charge GST @12% on the services supplied.

ISSUE

- Whether rate of tax on their supplies made to the recipient would be 12% or 18%?

HELD

- In erstwhile Service Tax regime, a similar issue was decided by Hon'ble High Court of Allahabad in case of Indian Coffee Workers' Co-op. Society Ltd. Vs. CCE % ST, Allahabad [2014 (34) S.T.R. 546 (All.)]
- It was held in the above case that the supply made is to the entity and not the employees consuming the food, edibles and beverages.
- The expression “outdoor catering” has not been defined under the CGST Act, 2017 / GST Act, 2017 or the notifications issued there under.
- It was held that the services by the applicant is covered under Sr. 7(v) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended, issued under the Central Goods and Services Tax Act, 2017 and Notification No. 11/2017-State Tax (Rate) dated 30.06.2017, as amended, issued under the Gujarat Goods and Services Tax Act, 2017, attracting Goods and Service Tax @18% (CGST 9% +SGST 9%).

11. Activity for processing of coal into electricity does not qualify as job work and it shall be considered as supply of goods or services.

Applicant	JSW Energy Limited
Journal of Publication	GST-ARA-05/2017/B- 08 Mumbai
Date of Ruling	05 th March, 2018
Ruling Authority	Appellate Authority For Advance Ruling, Mumbai

FACTS

- The applicant was engaged in the business of power generation.
- JSL was engaged in the manufacture and supply of steel. JSL required power on a continuous and dedicated basis, for manufacturing steel at its steel plant. For the said purpose, JSL and JEL proposed to enter into a Job Work Agreement pertaining to Unit III and Unit IV of the power plant. By virtue of the arrangement, JSL would be construed as Principal and JEL would be working as Job Worker.
- In terms of the proposed agreement, JSL would supply coal or any other inputs to JEL on a free-of-cost basis. On receipt of the same, JEL would undertake certain processes to convert the said inputs into power.

ISSUE

- The appellant had approached the Advance Ruling Authority (AAR) for determination of the applicability of GST on:
 - Supply of coal or any other inputs on a job work basis by JSL to JEL.
 - Supply of power by JEL to JSL.
 - Job work charges payable to JEL by JSL

HELD

- The definition of 'Job Work' under CGST/MGST Act means any treatment or process undertaken by a person on goods belonging to another registered person. From the above definition, it is clear that job work involves (i) two persons, (ii) goods and (iii) process treatment on the goods. Also, the procedure for job work is prescribed under section 143 of CGST Act and rule 45 of the CGST Rules. [Para 45]
- In the instant matter, the appellant have not submitted the following:
 - The agreement or proposed agreement between JSL and JEL for the process of job work to understand about the quantity and value of the inputs being supplied by the principal and the amount and quantity of the inputs/material being used by the job worker to the inputs supplied by the principal to carry out the job work process.

- The detail manufacturing process of JEL for production of Electricity mentioning the name, quantity and value of the inputs.
- The procedure/process for accounting for the Inputs received from JSL by JEL and correlation thereof with the goods supplied after job work.
- Though it is not possible to ascertain the quantity and value of the material being utilized by the job worker in the conversion of coal provided by the principal into electricity accurately. Accordingly, it is seen that the process cannot be considered as Job work following the ratio of the judgment of the Supreme Court in *Prestige Engineering (India) v. Collector of C. Ex. 1994 taxmann.com 232*.
- In light of above, it is concluded that the activity undertaken by JEL to convert Coal, to be supplied by JSL, in electricity is not covered under the definition of Job work in terms of the CGST Act. Since goods supplied by JSL will be utilized by JEL in manufacture of new commodity i.e. electricity (though attracting NIL rate of duty), the process is manufacture and the same will be considered as supply of goods and not service.