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## KEY UPDATES

JUNE, 2019

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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](mailto:info@hineshdoshi.com)  
Website: [www.hineshrdoshicollp.com](http://www.hineshrdoshicollp.com)

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## SIGNIFICANT NOTIFICATIONS

| Sr. No | Notification No.                           | Key Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | 25/2019 -<br>Central Tax,<br>Dt-21.06-2019 | <p>➤ <b><u>Facility of blocking and unblocking on e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017</u></b></p> <p>E-way bill generation will be barred if the supplier or the recipient of the consignment has not furnished GSTR-3B or GSTR 1</p> <p><b>For Composition Taxpayers</b> - two consecutive tax periods<br/><b>For Normal Taxpayers</b> - two consecutive months</p> <p>The facility of blocking and unblocking on E-Way bill facility as per the provisions of Rule 138E of CGST Rules, 2017 has been extended and shall be brought into force to <b>21st August, 2019</b>.</p> |
| 2.     | 26/2019 -<br>Central Tax,<br>Dt-28.06.2019 | <p>➤ <b><u>Extension of time limit for furnishing form GSTR-7 for the month from October, 2018 to July, 2019</u></b></p> <p>The due date to file return in <b>FORM GSTR-7</b> (Return for TDS) for the months from October, 2018 to July, 2019 has been extended to <b>31st August, 2019</b>.</p>                                                                                                                                                                                                                                                                                                                      |
| 3.     | 27/2019 -<br>Central Tax,<br>Dt-28.06.2019 | <p>➤ <b><u>Notifying due date for filing GSTR-1 for taxpayer having turnover up to Rs. 1.5 Crores filing quarterly</u></b></p> <p>The due date for filing form GSTR-1 for the quarter July, 19 to September, 19 is <b>31st October, 2019</b>.</p>                                                                                                                                                                                                                                                                                                                                                                      |
| 4.     | 28/2019 -<br>Central Tax,<br>Dt-28.06.2019 | <p>➤ <b><u>Notifying due date for filing GSTR-1 for taxpayer having turnover more than Rs. 1.5 Crores</u></b></p> <p>The due date for filing form GSTR-1 for monthly filing has been set as <b>11th day of the succeeding month</b> for the period July, 2019 to September, 2019.</p>                                                                                                                                                                                                                                                                                                                                  |
| 5.     | 29/2019 -<br>Central Tax,<br>Dt-28.06.2019 | <p>➤ <b><u>Notifying due date for filing GSTR-3B</u></b></p> <p>The due date for filing form GSTR-3B for monthly filing has been set as <b>20th day of the succeeding month</b> for the period July, 2019 to September, 19.</p>                                                                                                                                                                                                                                                                                                                                                                                        |

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| 6. | 30/2019 -<br>Central Tax,<br>Dt-28.06.2019                                                                                                                                                                                                                                                                                                                    | <p>➤ <b><u>Exemption from annual return and audit to persons providing OIDAR services</u></b></p> <p>Suppliers, registered under Section 24, supplying OIDAR (i.e. Online Information and Database Access or Retrieval services) services to unregistered recipients are exempted from filing Form GSTR-9 under Section 44(1) and Form GSTR-9C under Section 44(2) read with applicable rules.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 7. | 32/2019 -<br>Central Tax,<br>Dt-28.06.2019                                                                                                                                                                                                                                                                                                                    | <p>➤ <b><u>Extension of time limit for furnishing form GST ITC-04 for the period July, 2017 to June, 2019</u></b></p> <p>The due date to file <b>FORM GST ITC-04</b> (Details of goods/capital goods sent to Job worker and received back) for the period July, 2017 to June, 2019 has been extended to <b>31st August, 2019</b>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 8. | <p>11 /2019 -<br/>Central Tax<br/>(Rate),<br/>Dt-29.06.2019;</p> <p>10/2019 -<br/>Integrated Tax<br/>(Rate),<br/>Dt- 29.06.2019;</p> <p>11/2019 -<br/>Integrated Tax<br/>(Rate),<br/>Dt- 29.06.2019;</p> <p>11/2019 -<br/>Union Territory<br/>Tax (Rate),<br/>Dt-29.06.2019</p> <p>and</p> <p>1/2019-<br/>Compensation<br/>Cess (Rate),<br/>Dt-29.06.2019</p> | <p>➤ <b><u>Refund in certain cases as per section 55 of CGST Act, 2017</u></b></p> <p>The <b>retail outlets</b> established in the <b>departure area of an international airport</b>, beyond the immigration counters, <b>making tax free supply of goods to an outgoing international tourist</b>, as class of persons who <b>shall be entitled to claim refund of applicable GST</b> paid on inward supply of such goods, subject to the conditions specified in rule 95A of the CGST Rules, 2017. The same <b>shall come into force from 1<sup>st</sup> July, 2019</b>.</p> <p><b><u>Explanation:</u></b></p> <p><i>For the purposes of this notification, the expression “<b>outgoing international tourist</b>” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.</i></p> |

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| 9.                                                                                                                                                                                                                                 | 11/2019 –<br>Integrated Tax<br>(Rate),<br>Dt- 29.06.2019; | <p>➤ <b><u>Exemption of any supply of goods by a retail outlet established in the departure area of an International Airport.</u></b></p> <p><b>Any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an <u>outgoing international tourist</u> shall be exempted</b> from the whole of the Integrated Tax leviable thereon under <b>section 5 of IGST, 2017.</b></p> <p><b><u>Explanation:</u></b></p> <p><i>For the purposes of this notification, the expression “<b>outgoing international tourist</b>” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.</i></p> |
| <p align="center"><b>For detailed Notifications kindly follow below link–</b><br/> <a href="http://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017">http://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017</a></p> |                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## SUMMARY OF CGST (AMENDMENT) RULES, 2019

As per Notification No. 31/2019 – Central Tax Dt. 28<sup>th</sup> June, 2019 and Notification No. 31/2019 – State Tax dt. 28<sup>th</sup> June, 2019, the CGST (Amendments) Rules, 2019 shall come into force on the date of their publication in the Official Gazette.

| Rule No. | Description                                   | CGST Rules, 2017 | CGST (Amendment) Rules, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------|-----------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10A      | Furnishing of Bank Account Details.           | -                | <p>The new sub rule has been inserted which is as follows-</p> <p>After a certificate of registration in <b>FORM GST REG-06</b> has been made available on the common portal and a GSTN has been assigned, <b>the registered person, except</b> those who have been granted registration under <b>rule 12 (i.e. Registration granted to persons required to deduct TDS and TCS)</b> or, as the case may be <b>rule 16 (Suo moto registration)</b>, within 45 days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, <b>whichever is earlier</b>, furnish information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision.</p> |
| 21       | Registration to be cancelled in certain cases | -                | <p>Addition sub clause has been inserted which is as follows-</p> <p>(d) Violates the provision of rule 10A.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| 32A   | Value of supply in cases where Kerala Flood Cess is applicable                       | -                                                                                                                                                                                                                                            | <p>The new sub rule has been inserted which is as follows-</p> <p>The value of supply of goods or services or both on which <b>Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019</b> shall be deemed to be the value determined in terms of Section 15 of the Act, but shall not include the said cess.</p> |
| 46    | Tax Invoice                                                                          | -                                                                                                                                                                                                                                            | <p>Additional proviso has been inserted in rule 46, which is as follows-</p> <p><b>Quick Response (QR) code</b> shall have to be added in <b>Tax invoice</b>.</p> <p><u><b>Effective date for such amendment has yet to be notified.</b></u></p>                                                                                       |
| 49    | Bill of Supply                                                                       | -                                                                                                                                                                                                                                            | <p>Additional proviso has been inserted to Rule 49, which is as follows-</p> <p><b>Quick Response (QR) code</b> shall have to be added in <b>Bill of Supply</b>.</p> <p><u><b>Effective date for such amendment has yet to be notified.</b></u></p>                                                                                    |
| 66(2) | Form and manner of submission of return by a person required to deduct tax at source | The details furnished by the deductor under sub-rule (1) shall be made available electronically to each of the <b>suppliers in Part C of FORM GSTR-2A and FORM-GSTR-4A on the common portal after the due date of filing of FORM GSTR-7.</b> | The details furnished by the deductor under sub-rule (1) shall be made available electronically to each of the deductees on the common portal after the filing of <b>FORM GSTR-7</b> for claiming the amount of tax deducted in his electronic cash ledger after validation.                                                           |

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| 67(2) | <b>Form and manner of submission of statement of supplies through an ecommerce operator</b> | The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in <b>Part C of FORM GSTR-2A on the common portal after the due date of filing of FORM GSTR-8.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers on the common portal after of filing of <b>FORM GSTR-8</b> for claiming the amount of tax collected in his electronic cash ledger after validation. |
| 87(2) | <b>Electronic Cash Ledger</b>                                                               | <p><b>87(2)</b> Any person, or a person on his behalf, shall generate a challan in FORM GST PMT-06 on the common portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount:</p> <p>Provided that the challan in FORM GST PMT-06 generated at the common portal shall be valid for a period of fifteen days.</p> <p>Provided further that a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) may also do so through the Board's payment system namely, Electronic Accounting System in Excise and Service Tax from the date to be notified by the Board.</p> | The 2 <sup>nd</sup> proviso to rule 87(2) has been <b>omitted</b> .                                                                                                                                                                                                          |
| 87(9) | <b>Electronic Cash Ledger</b>                                                               | Any <b>amount deducted</b> under <b>section 51 or section 52</b> and claimed in <b>FORM GSTR-02</b> by the registered taxable person from whom the said amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Any <b>amount deducted</b> under <b>section 51 or section 52</b> and claimed by the registered taxable person from whom the said amount                                                                                                                                      |



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|               |                                    | was deducted or, as the case may be, collected shall be credited to his electronic cash ledger in accordance with the provisions of rule 87.                                                                                                                                                                                       | was deducted or, as the case may be, collected shall be credited to his electronic cash ledger.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>87(13)</b> | <b>Electronic Cash Ledger</b>      | -                                                                                                                                                                                                                                                                                                                                  | The new sub rule has been inserted which is as follows-<br><br>A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in <b>FORM GST PMT-09</b> (i.e. Transfer of amount from one account head to another in electronic cash ledger). |
| <b>91(3)</b>  | <b>Grant of provisional refund</b> | The proper officer shall issue a <b>payment advice</b> in <b>FORM GST RFD-05</b> for the amount sanctioned 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.                                    | The proper officer shall issue a <b>payment order</b> in <b>FORM GST RFD-05</b> 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.                                                                                                                                                  |
| <b>92</b>     | <b>Order sanctioning refund</b>    | 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) (i.e. Refund of tax), he shall make an order in <b>FORM GST RFD-06</b> and issue a <b>payment advice</b> in <b>FORM GST RFD-05</b> for the amount of refund and the same shall | 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) (i.e. Refund of tax), he shall make an order in <b>FORM GST RFD-06</b> and issue a <b>payment order</b> in <b>FORM GST RFD-05</b> for the amount of refund and the                                                                                                                                             |

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|               |                                                                                                | 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.                                                                                                                                                                                                                                                                                                                                                                  | same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the on the basis of a <b>consolidated payment advice</b> .                                                                                                                                                                                                                                                                                                                       |
| <b>92(4A)</b> | <b>Order sanctioning refund</b>                                                                | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The new sub rule has been inserted which is as follows-<br><br>The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (4) of Section 92(4A).                                                                                                                                                                                                                                                                                                                             |
| <b>94</b>     | <b>Order sanctioning interest on delayed refunds</b>                                           | Where any interest is due and payable to the applicant under section 56, the proper officer shall make an order along with a <b>payment advice</b> in <b>FORM GST RFD-05</b> , specifying therein the amount of refund which is delayed, the period of delay for which interest is payable and the amount of interest payable, and such amount of interest 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. | Where any interest is due and payable to the applicant under section 56, the proper officer shall make an order along with a <b>payment order</b> in <b>FORM GST RFD-05</b> , specifying therein the amount of refund which is delayed, the period of delay for which interest is payable and the amount of interest payable, and such amount of interest 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. |
| <b>95A</b>    | <b>Refund of taxes to the retail outlets established in departure area of an international</b> | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The new sub rule has been inserted which is as follows-<br><br>1. Retail outlet established in departure area of an international airport, beyond the immigration                                                                                                                                                                                                                                                                                                                                                                 |

|  |                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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|  | <p><b>Airport beyond immigration counters making tax free supply to an outgoing international tourist.</b></p> |  | <p>counters, supplying indigenous goods to an outgoing international tourist who is leaving India shall be eligible to claim refund of tax paid by it on inward supply of such goods.</p> <p>2. Retail outlet claiming refund of the taxes paid on his inward supplies, shall furnish the application for refund claim in FORM GST RFD-10B on a monthly or quarterly basis, as the case may be, through the common portal either directly or through a Facilitation Centre notified by the Commissioner.</p> <p>3. The self-certified compiled information of invoices issued for the supply made during the month or the quarter, as the case may be, along with concerned purchase invoice shall be submitted along with the refund application.</p> <p>4. The refund of tax paid by the said retail outlet shall be available if-</p> <p>a) The inward supplies of goods were received by the said retail outlet from a registered person against a tax invoice;</p> <p>b) The said goods were supplied by the said retail outlet to an outgoing international tourist</p> |
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|               |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>against foreign exchange without charging any tax;</p> <p>c) Name and Goods and Services Tax Identification Number of the retail outlet is mentioned in the tax invoice for the inward supply; and</p> <p>d) Such other restrictions or conditions, as may be specified, are satisfied.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>128(1)</b> | <b>Examination of application by the Standing Committee and Screening Committee</b> | The Standing Committee shall, within a period of two months from the date of the <b>receipt of a written application</b> , in such form and manner as may be specified by it, from an interested party or from a Commissioner or any other person, examine the accuracy and adequacy of the evidence provided in the application to determine whether there is prima-facie evidence to support the claim of the applicant that the benefit of reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has not been passed on to the recipient by way of commensurate reduction in prices | The Standing Committee shall, within a period of two months from the date of the <b>within such extended period not exceeding a further period of one month for reasons to be recorded in writing as may be allowed by the Authority</b> , in such form and manner as may be specified by it, from an interested party or from a Commissioner or any other person, examine the accuracy and adequacy of the evidence provided in the application to determine whether there is prima-facie evidence to support the claim of the applicant that the benefit of reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit has not been passed on to the recipient by way of commensurate reduction in prices. |
| <b>128(2)</b> | <b>Examination of application by</b>                                                | <b>All applications from interested parties on issues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>All applications from interested parties on</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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|               | <b>the Standing Committee and Screening Committee</b> | <b>of local nature</b> shall first be examined by <b>the State level Screening Committee and the Screening Committee shall</b> , upon being satisfied that the supplier has contravened the provisions of section 171, forward the application with its recommendations to the Standing Committee for further action.                                                                                                                                          | <b>issues of local nature or those forwarded by the Standing Committee</b> shall first be examined by <b>the State level Screening Committee and the Screening Committee shall, within two months from the date of receipt of a written application, or within such extended period not exceeding a further period of one month for reasons to be recorded in writing as may be allowed by the Authority</b> , upon being satisfied that the supplier has contravened the provisions of section 171, forward the application with its recommendations to the Standing Committee for further action. |
| <b>129(6)</b> | <b>Initiation and conduct of proceedings</b>          | The Director General of Safeguards shall complete the investigation within a period of <b>three months</b> of the receipt of the reference from the Standing Committee or within such extended period not exceeding a further period of three months for reasons to be recorded in writing as allowed by the Standing Committee and, upon completion of the investigation, furnish to the Authority, a report of its findings along with the relevant records. | The Director General of Safeguards shall complete the investigation within a period of <b>Six months</b> of the receipt of the reference from the Standing Committee or within such extended period not exceeding a further period of three months for reasons to be recorded in writing as allowed by the Standing Committee and, upon completion of the investigation, furnish to the Authority, a report of its findings along with the relevant records.                                                                                                                                        |
| <b>132(1)</b> | <b>Power to summon persons to give evidence</b>       | <b>The Director General of Anti -Profiteering</b> , or an officer authorised by him in this behalf, shall be deemed to                                                                                                                                                                                                                                                                                                                                         | <b>The Authority</b> , or an officer authorised by him in this behalf, shall be deemed to be the proper officer to exercise                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                  |                               |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                     |
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|                  | <b>and produce documents</b>  | be the proper officer to exercise the power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing under section 70 and shall have power in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908.                             | the power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing under section 70 and shall have power in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908.                                                             |
| <b>133(1)</b>    | <b>Order of the Authority</b> | The Authority shall, within a period of <b>three</b> months from the date of the receipt of the report from the Director General of Safeguards determine whether a registered person has passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices. | The Authority shall, within a period of <b>Six</b> months from the date of the receipt of the report from the Director General of Safeguards determine whether a registered person has passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices. |
| <b>133(2A)</b>   | <b>Order of the Authority</b> | -                                                                                                                                                                                                                                                                                                                                                                                     | The new sub rule has been inserted which is as follows-<br><br>The Authority may seek the clarification, if any, from the <b>Director General of Anti Profiteering</b> on the report submitted under rule 129(6) during the process of determination under rule 133(1)                                                                                                              |
| <b>133(3)(c)</b> | <b>Order of the Authority</b> | The deposit of an amount equivalent to fifty per cent. of the amount determined under the above clause [along with interest at the rate of                                                                                                                                                                                                                                            | The deposit of an amount equivalent to fifty per cent. of the amount determined under the above clause [along with interest at the                                                                                                                                                                                                                                                  |

|               |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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|               |                               | <p>18% from the date of collection of the higher amount till the date of deposit of such amount in the Fund constituted under section 57 and the remaining <b>50% of the amount in the Fund constituted under section 57 of the GST Act, 2017 of the concerned State, where the eligible person does not claim return of the amount or is not identifiable;</b></p> <p><i>Explanation: For the purpose of this sub-rule, the expression, "concerned State" means the State in respect of which the Authority passes an order.</i></p> | <p>rate of 18% from the date of collection of the higher amount till the date of deposit of such amount in the Fund constituted under section 57 and the remaining <b>50% of the amount in the Fund constituted under section 57 of the GST Act, 2017 of the concerned State, where the eligible person does not claim return of the amount or is not identifiable along with interest at the rate of 18% From the date of collection of the higher amount till the date of deposit of such amount.</b></p> <p><i>Explanation: For the purpose of this sub-rule, the expression, "concerned State" means the State in respect of which the Authority passes an order.</i></p> |
| <b>133(5)</b> | <b>Order of the Authority</b> | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>a) Notwithstanding anything contained in 133(4), where upon receipt of the report of the Director General of Anti-profiteering referred to in rule 129(6), the Authority has reasons to believe that there has been contravention of the provisions of section 171 in respect of goods or services or both other than those covered in the said report, it may, for reasons to be recorded in writing, within the time limit specified in sub-rule (1), direct the Director General of Anti-profiteering to cause</p>                                                                                                                                                      |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                            |                                                                                                                                                       | <p>investigation or inquiry with regard to such other goods or services or both, in accordance with the provisions of the Act and these rules.</p> <p>b) The investigation or enquiry under clause (a) shall be deemed to be a new investigation or enquiry and all the provisions of rule 129 shall mutatis mutandis apply to such investigation or enquiry.</p> |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
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| <b>138(10)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Information to be furnished prior to commencement of movement of goods and generation of e-way bill</b> | -                                                                                                                                                     | <p>The new sub rule has been inserted which is as follows-</p> <p>Provided also that the <b>validity of the e-way bill</b> may be extended <b>within 8 hours</b> from the time of its expiry.</p>                                                                                                                                                                 |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
| <p>The following forms are Inserted / amended-</p> <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><b>GST REG-07</b></td> <td>Application for Registration as Tax Deductor at source (u/s 51) or Tax Collector at source (u/s 52)</td> </tr> <tr> <td>2.</td> <td><b>GST REG-12</b></td> <td>Order of Grant of Temporary Registration / Suo Moto Registration.</td> </tr> <tr> <td>3.</td> <td><b>GSTR-4</b></td> <td>Return for financial year of registered person who has opted for composition levy or availing benefit of notification No. 02/2019- Central Tax (Rate)</td> </tr> <tr> <td>4.</td> <td><b>GSTR-9</b></td> <td>Annual Return</td> </tr> <tr> <td>5.</td> <td><b>GST PMT -09 (new)</b></td> <td>Transfer of amount from one account head to another in electronic cash ledger</td> </tr> </tbody> </table> |                                                                                                            |                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                   | Sr. No. | Name of the Form | Purpose of the Form | 1. | <b>GST REG-07</b> | Application for Registration as Tax Deductor at source (u/s 51) or Tax Collector at source (u/s 52) | 2. | <b>GST REG-12</b> | Order of Grant of Temporary Registration / Suo Moto Registration. | 3. | <b>GSTR-4</b> | Return for financial year of registered person who has opted for composition levy or availing benefit of notification No. 02/2019- Central Tax (Rate) | 4. | <b>GSTR-9</b> | Annual Return | 5. | <b>GST PMT -09 (new)</b> | Transfer of amount from one account head to another in electronic cash ledger |
| Sr. No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Name of the Form                                                                                           | Purpose of the Form                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                   |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
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| 2.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>GST REG-12</b>                                                                                          | Order of Grant of Temporary Registration / Suo Moto Registration.                                                                                     |                                                                                                                                                                                                                                                                                                                                                                   |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
| 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>GSTR-4</b>                                                                                              | Return for financial year of registered person who has opted for composition levy or availing benefit of notification No. 02/2019- Central Tax (Rate) |                                                                                                                                                                                                                                                                                                                                                                   |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
| 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>GSTR-9</b>                                                                                              | Annual Return                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                   |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |
| 5.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>GST PMT -09 (new)</b>                                                                                   | Transfer of amount from one account head to another in electronic cash ledger                                                                         |                                                                                                                                                                                                                                                                                                                                                                   |         |                  |                     |    |                   |                                                                                                     |    |                   |                                                                   |    |               |                                                                                                                                                       |    |               |               |    |                          |                                                                               |



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|--|----|-------------------------------|--------------------------------------------------------------------------------------------------|
|  | 6. | <b>GST RFD-10 B<br/>(new)</b> | Application for refund by Duty Free Shops / Duty Paid Shops (Retail outlets)                     |
|  | 7. | <b>GST DRC- 03</b>            | Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement. |

## SIGNIFICANT CIRCULARS AND ORDERS

| Sr. No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Circular / Order No.                                                                                                                                                                                                                                                                                                                                                                             | Key Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 102/21/2019-Central Tax, Dt- 28-06-2019                                                                                                                                                                                                                                                                                                                                                          | <p><b><u>Clarification regarding applicability of GST on additional / penal interest.</u></b></p> <ul style="list-style-type: none"> <li>➤ Doubts have been raised regarding the applicability of GST on additional / penal interest on the overdue loan i.e. whether it would be exempt from GST in terms of Sl. No. 27 of notification No. 12/2017-Central Tax (Rate) dated 28th June 2017 or such penal interest would be treated as consideration for liquidated damages.</li> <li>➤ Generally, following two transaction options involving EMI are prevalent in the trade:-</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #D9E1F2;"> <th style="width: 50%; text-align: center;">Cases</th> <th style="width: 50%; text-align: center;">Applicability of GST</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. However, X gives Y an option to pay in installments, Rs 11,000/- every month before 10th day of the following month, over next four months (Rs 11,000/- *4 = Rs. 44,000/-). Further, as per the contract, if there is any delay in payment by Y beyond the scheduled date, Y would be liable to pay additional/penal interest of Rs. 500/- per month for the delay. In some instances, X is charging Y Rs. 40,000/- for the mobile and is separately issuing another invoice for providing the services of extending loans to Y, the consideration for which is the interest of 2.5% per month and an additional/penal interest amounting to Rs. 500/- per month for each delay in payment.</td> <td style="padding: 5px;">As per the provisions of sub-clause (d) of sub-section (2) of section 15 of the CGST Act, the amount of penal interest is to be included in the value of supply. The transaction between X and Y is for supply of taxable goods i.e. mobile phone. Accordingly, the penal interest would be taxable as it would be included in the value of the mobile, irrespective of the manner of invoicing.</td> </tr> <tr> <td style="padding: 5px;">X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. Y has the option to avail a loan at interest of 2.5% per month for purchasing the</td> <td style="padding: 5px;">The additional/penal interest is charged for transaction between Y and M/s ABC Ltd., and the same is getting covered under Sl. No. 27 of notification No.</td> </tr> </tbody> </table> | Cases | Applicability of GST | X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. However, X gives Y an option to pay in installments, Rs 11,000/- every month before 10th day of the following month, over next four months (Rs 11,000/- *4 = Rs. 44,000/-). Further, as per the contract, if there is any delay in payment by Y beyond the scheduled date, Y would be liable to pay additional/penal interest of Rs. 500/- per month for the delay. 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|                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>mobile from M/s ABC Ltd. The terms of the loan from M/s ABC Ltd. allows Y a period of four months to repay the loan and additional/penal interest of 1.25% per month for any delay in payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>12/2017- Central Tax (Rate) dated 28.06.2017. Accordingly, in this case the 'penal interest' charged thereon on the transaction between Y and M/s ABC Ltd. would not be subject to GST. The value of supply of mobile by X to Y would be Rs. 40,000/- for the purpose of levy of GST.</p> |               |                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                       |  |
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| <p>2.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>103/22/2019-<br/>Central Tax,<br/>Dt- 28-06-2019</b></p>                                                                                                                                                                                                                                                                                                                                                                                                            | <p>➤ It is further clarified that <b>any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest</b> as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.</p> <p>➤ <b><u>Clarification regarding determination of place of supply in certain cases.</u></b></p> <table border="1" data-bbox="544 888 1485 1932"> <thead> <tr> <th data-bbox="544 888 1015 930">Issue</th> <th data-bbox="1015 888 1485 930">Clarification</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 930 1015 1524"> <p>Various <b>services are being provided by the port authorities to its clients in relation to cargo handling.</b> Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.</p> </td> <td data-bbox="1015 930 1485 1524"> <p>It is hereby clarified that <b>such services are ancillary to or related to cargo handling services and are not related to Immovable property.</b> Accordingly, <b>the place of supply of such services will be determined as per the provisions contained in Section 12(2) or Section 13(2) of the IGST Act (i.e. on forward charge basis),</b> as the case may be, depending upon the terms of the contract between the supplier and recipient of such services.</p> </td> </tr> <tr> <td data-bbox="544 1524 1015 1932"> <p>Doubts have been raised about the <b>place of supply in case of supply of various services on unpolished diamonds such as cutting and polishing activity which have been temporarily imported into India and are not put to any use in India.</b></p> </td> <td data-bbox="1015 1524 1485 1932"> <p>In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India and not put to any use in India, other than that which is required for such repairs or treatment or process, <b>the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the</b></p> </td> </tr> </tbody> </table> | Issue                                                                                                                                                                                                                                                                                        | Clarification | <p>Various <b>services are being provided by the port authorities to its clients in relation to cargo handling.</b> Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.</p> | <p>It is hereby clarified that <b>such services are ancillary to or related to cargo handling services and are not related to Immovable property.</b> Accordingly, <b>the place of supply of such services will be determined as per the provisions contained in Section 12(2) or Section 13(2) of the IGST Act (i.e. on forward charge basis),</b> as the case may be, depending upon the terms of the contract between the supplier and recipient of such services.</p> | <p>Doubts have been raised about the <b>place of supply in case of supply of various services on unpolished diamonds such as cutting and polishing activity which have been temporarily imported into India and are not put to any use in India.</b></p> | <p>In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India and not put to any use in India, other than that which is required for such repairs or treatment or process, <b>the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the</b></p> |  |
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|    |                                                | IGST Act. (i.e., the location of the recipient of services).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. | 104/23/2019-<br>Central Tax,<br>Dt-28-06-2019  | <p><b><u>Processing of refund applications in FORM GST RFD-01A submitted by taxpayers wrongly mapped on the common portal</u></b></p> <ul style="list-style-type: none"> <li>➤ The Circular intends to clarify doubts in respect of <b>processing of a refund application by a jurisdictional tax authority</b> (either Centre or State) to whom the application has been electronically transferred by the common portal in cases <b>where the said tax authority is not the one to which the taxpayer has been administratively assigned.</b></li> <li>➤ It is clarified that in such cases, <b>where reassignment of refund applications to the correct jurisdictional tax authority is not possible on the common portal, the processing of the refund claim should not be held up and it should be processed by the tax authority to whom the refund application has been electronically transferred by the common portal.</b> After the processing of the refund application is complete, the refund processing authority may inform the common portal about the incorrect mapping with a request to update it suitably on the common portal so that all subsequent refund applications are transferred to the correct jurisdictional tax authority.</li> </ul>                                                                                                                                        |
| 4. | 105/24/2019-<br>Central Tax, Dt-<br>28.06.2019 | <p><b><u>Clarification on various doubts related to treatment of secondary or post-sales discounts under GST - reg.</u></b></p> <ul style="list-style-type: none"> <li>➤ If the <b>post-sale discount is given by the supplier of goods to the dealer without any further obligation or action required at the dealer's end,</b> then the post sales discount given by the said supplier <b>will be related to the original supply of goods and it would not be included in the value of supply,</b> in the hands of supplier of goods, subject to the fulfilment of provisions of sub-section (3) of section 15 of the CGST Act.</li> <li>➤ If the <b>additional discount given by the supplier of goods to the dealer is the post-sale incentive requiring the dealer to do some act like undertaking special sales drive, advertisement campaign, exhibition etc.,</b> then such transaction would be a separate transaction and the additional discount will be the <b>consideration for undertaking such activity</b> and therefore would be in relation to supply of service by dealer to the supplier of goods. <b>The dealer, being supplier of services, would be required to charge applicable GST on the value of such additional discount and the supplier of goods, being recipient of services, will be eligible to claim input tax credit of the GST so charged by the dealer.</b></li> </ul> |

|    |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                               | <ul style="list-style-type: none"> <li>➤ It is further clarified that <b>if the additional discount is given by the supplier of goods to the dealer to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by dealer to the customer.</b> This additional discount as consideration, payable by any person (supplier of goods in this case) <b>would be liable to be added to the consideration payable by the customer, for the purpose of arriving value of supply, in the hands of the dealer,</b> under section 15 of the CGST Act. <b>The customer, if registered, would be eligible to claim ITC of the tax charged by the dealer only to the extent of the tax paid by the said customer to the dealer.</b></li> <li>➤ In cases where <b>post-sales discount granted by the supplier of goods is not permitted to be excluded from the value of supply</b> in the hands of the said supplier not being in accordance with the provisions contained in section 15(3) of CGST Act, the supplier can issue financial / commercial credit notes in such cases but he will not be eligible to reduce his original tax liability. <b>It is further clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods as long as the dealer pays the value of supply adjusted with the amount of post sales discount plus the amount of original tax charged by the supplier.</b></li> </ul> |
| 5. | 106/25/2019-<br>Central Tax,<br>Dt-29.06.2019 | <p><b><u>Refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange - reg.</u></b></p> <ul style="list-style-type: none"> <li>➤ <b>The scheme shall be effective from 01.07.2019 and would be applicable in respect of all supplies made to eligible passengers after the said date.</b> In other words, retail outlets would be eligible to claim refund of taxes paid on inward supplies of indigenous goods received by them even prior to 01.07.2019</li> <li>➤ The Circular intends to clarify the conditions, manner and procedure for filing and processing of refund claims by retail outlets established at departure area of international airport beyond immigration counters.</li> <li>➤ <b>The retail outlets shall be entitled to claim refund of all applicable Central tax, Integrated tax, Union territory tax and Compensation cess paid by them on inward supplies of indigenous goods received by them for the purposes of subsequent supply of goods to outgoing international tourists against foreign exchange.</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

- The retail outlets applying for refund shall be registered under the provisions of section 22 of the CGST Act read with the rules made thereunder and shall have a valid GSTIN.
- Procedure for applying for refunds:-
  - The records with respect to duty paid indigenous goods being brought to the retail outlets and their supplies to eligible passengers shall be maintained as per **Annexure A** in electronic form. The data shall be kept updated, accurate and complete at all times.
  - **Invoice based refund** - It is clarified that the **refund to be granted to retail outlets is not on account of the accumulated ITC but is refund based on the invoices of the inward supplies of indigenous goods received by them.** It is also clarified that no refund of tax paid on input services, if any, will be granted to the retail outlets.
  - Any supply made to an eligible passenger by the retail outlets without payment of taxes by such retail outlets shall require the following documents / declarations:
    - a) Details of Passport
    - b) Details of Boarding Pass
    - c) A passenger declaration as per Annexure B
    - d) A copy of invoice clearly evidencing that no tax was charged from the eligible passenger
  - **Manual filing of refund claims** - The retail outlets are required to apply for refund either monthly or quarterly. Till the time the online utility for filing the refund claim is made available on the common portal, these retail outlets **shall apply for refund by filing an application in FORM GST RFD-10B manually to the jurisdictional proper officer.**
  - Upon receipt of the complete application in FORM GST RFD-10B, an acknowledgement shall be issued manually by the proper officer within 15 days of the receipt of application in FORM GST RFD-02. In case of any deficiencies or any additional information is required, the same shall be communicated to the retail outlets by issuing a deficiency memo manually in FORM GST RFD-03 by the proper officer **within 15 days of the receipt of the refund application.**
  - **The proper officer shall issue the refund order manually in FORM GST RFD-06 along with the manual payment advice in FORM GST RFD-05 for each head.**

|                                                                                                                                                                                                                                                     |                                          |                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.                                                                                                                                                                                                                                                  | 6/2019-<br>Central Tax,<br>Dt-28.06.2019 | <p>➤ <u>Seeks to extend the due date for furnishing FORM GSTR-9, FORM GSTR-9A and FORM GSTR-9C under section 44 of the Central Goods and Services Tax Act, 2017.</u></p> <p>The due date for furnishing FORM GSTR-9, FORM GSTR-9A and FORM GSTR-9C has been extended from 30th June, 2019 to 31st August, 2019.</p> |
| <p style="text-align: center;"><b>For detailed Notifications kindly follow below link-</b><br/><b><a href="http://www.cbic.gov.in/hdocs-cbec/gst/central-tax-notfns-2017">http://www.cbic.gov.in/hdocs-cbec/gst/central-tax-notfns-2017</a></b></p> |                                          |                                                                                                                                                                                                                                                                                                                     |

### Recommendations made during 35<sup>th</sup> Meeting of the GST Council

➤ **In the meeting held today, that is 21st June, 2019, the Council has recommended following GST rate related changes on supply of goods and services.**

**1. Electric Vehicles:**

On issues relating to GST concessions on electric vehicle, charger and hiring of electric vehicle, the Council recommended that the issue be examined in detail by the Fitment Committee and brought before the Council in the next meeting.

**2. Solar Power Generating Systems and Wind Turbines**

In terms of order of the Hon'ble High Court of Delhi, GST Council directed that the issue related to valuation of goods and services in a solar power generating system and wind turbine be placed before next Fitment Committee. The recommendations of the Fitment Committee would be placed before the next GST Council meeting.

**3. Lottery**

Group of Ministers (GOM) on Lottery submitted report to the Council. After deliberations on the various issues on rate of lottery, the Council recommended that certain issues relating to taxation (rates and destination principle) would require legal opinion of Learned Attorney General.



- **In order to give ample opportunity to taxpayers as well as the system to adapt, the new return system to be introduced in a phased manner, as described below:**

Summary of new tax returns scheme to be introduced is as below:

| Applicable to Whom?                                               | Period                          | Old Returns      | New Returns                                          |
|-------------------------------------------------------------------|---------------------------------|------------------|------------------------------------------------------|
| All Tax payers                                                    | July, 2019 to September, 2019   | GSTR 1 & GSTR 3B | GST ANX 1 & GST ANX 2 (Optional)                     |
| Aggregate Turnover of more than Rs. 5 crores during previous year | October, 2019                   | GSTR 3B          | GST ANX 1<br>GST ANX 2 (Only for view)               |
|                                                                   | November, 2019                  | GSTR 3B          | GST ANX 1<br>GST ANX 2 (Only for view)               |
|                                                                   | December, 2019                  | -                | GST ANX 1<br>GST ANX 2 (Only for view)<br>GST RET 01 |
| Aggregate Turnover of less than Rs. 5 crores during previous year | October, 2019                   | -                | GST PMT 08                                           |
|                                                                   | November, 2019                  | -                | GST PMT 08                                           |
|                                                                   | December, 2019                  | -                | GST PMT 08                                           |
|                                                                   | October, 2019 to December, 2019 | -                | GST ANX 1<br>GST RET 01<br>GST ANX 2 (Only for view) |

Form GST ANX 1 (earlier form GSTR 1) – For outward supply

Form GST ANX 2 (earlier form GSTR 2A) – Only for viewing input tax credit

Form GST RET 01 / PMT 08 (earlier form GSTR 3B) – For payment of GST liability

- On account of difficulties being faced by taxpayers in furnishing the annual returns in **FORM GSTR-9, FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C**, the due date for furnishing these returns/reconciliation statements **to be extended till 31.08.2019.**
- Last date for filing of intimation, in **FORM GST CMP-02**(i.e. Intimation to pay tax under section 10 (Composition Levy), for availing the option of payment of tax under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019, **to be extended from 30.04.2019 to 31.07.2019.**

## RECENT CASE LAWS

### 1. Exemption for the service for testing of feed and feed materials

|                        |                                                                |
|------------------------|----------------------------------------------------------------|
| Applicant              | <b>Animal Feed Analytical and Quality Assurance Laboratory</b> |
| Journal of Publication | [2019]103 taxmann.com 381 (AAR - TAMILNADU)                    |
| Date of Ruling         | 21 <sup>st</sup> January, 2019.                                |
| Ruling Authority       | <b>Authority of Advance Ruling – Tamil Nadu</b>                |

#### FACTS

- The applicant is engaged in the business of testing of the raw materials finished animal feeds and feed supplements for its nutrient profile, contaminants, adulterant, mycotoxins, and other contents.
- The applicant has informed that testing of feed and feed raw materials is a part of rearing of all life forms. The activities undertaken by the applicant are testing the chemical/physiological composition of the samples of animal feed. They have also stated that testing of feed and provides sufficient data on nutritional value which decides its feeding value adulterants contaminants present in those materials. This is required for proper and healthy rearing of animals and thus to obtain quality products for human beings and animals.
- Applicant is also receiving samples of various goods such as ‘Sunflower de-oiled cake’ Layer Mash, Soybean Meal, Jowar Chick Peas Cattle Feed, De-oiled groundnut cake, etc. The invoices are raised on various poultry farms, animal feed firms etc.
- As per classification Heading No. 9986 support services to agriculture, hunting forestry, mining and utilities and Service Code 998612 covers the Animal Husbandry services.
- The applicant for charging 18% on all samples submitted for technical analysis.

#### ISSUE

- The applicant stated that Sl No. 54(a) Heading 9986 of Notification No 12/2017 Central Tax Rate Dated 28/06/2017 exempts services related to cultivation of plants and rearing of all life forms of animals (except the rearing of horse) for food fiber, or raw material or other similar products.
- In the view of the aforesaid, the applicant has requested for Advance Ruling to clarify whether their services related to rearing all life forms of animals by way of testing include testing of animal feed ingredients and feed supplements used to make feed are covered under Sl No. 54 of exemption Notification No. 12/2017 CT (R)

### **HELD**

- Chapter 9986 covers only the genre of support services of animal husbandry like sheep shearing care and management of heard pet training and grooming. These do not cover the services provided by the applicant, which is a mere testing service.
- It was held that services provided by the applicant is not eligible for exemption under Notification No. 12/2017 dated 28/06/2017.
- The services provided by the applicant fall under heading 998346 Technical Testing and Analysis which is not applicable for exemption.

**2. The rate of tax applicable on which diesel engines and gear boxes for fishing vessel is taxable**

|                        |                                           |
|------------------------|-------------------------------------------|
| Applicant              | <b>M/s TECHNO TRADING AND SERVICES</b>    |
| Journal of Publication | KER/34/2019                               |
| Date of Ruling         | 1st March, 2019.                          |
| Ruling Authority       | <b>Authority of Advance Ruling Kerala</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• The applicant is an authorized dealer of Marine Engines and Marine Gear Box used for fishing boats.</li> <li>• These parts are used in fishing vessels, factory ships and other vessels for preserving fishery products</li> <li>• As per Notification No. 1/2017 Central Tax (Rate), dated 28.06.2017,               <ul style="list-style-type: none"> <li>a) Marine Diesel Engine falling under TSH 8408 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14% CGST + 14% SGST) as per Serial No.115 of Schedule IV.</li> <li>b) Gear Box falling under TSH 8483 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14% CGST + 14% SGST) as per Serial No.135 of Schedule IV.</li> </ul> </li> <li>• Instead of attracting 28% under TSH 8408 and TSH 8483 of Customs Tariff Act 1975, the engines and gear box shall attract 5% taxable rate as they are considered as part of fishing vessel and specifically included in it.</li> </ul> |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <ul style="list-style-type: none"> <li>• The applicant requests a ruling on applicability of tax rate under this notification including for usage of fishing vessels, factory ships and other vessels for preserving fishery products.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>• Diesel engines supplied for use in goods falling under heading 8901 8902 8904 8905 8906 8907 will be deemed to be parts of the vessel/ goods and thereby taxable at rate of 5 %. If it is used for some other purpose, the tax rate would be 28 per cent.</li> <li>• Accordingly, diesel engines and gear boxes supplied for use in goods falling under heading 8901 8902 8904 8905 8906 8907 will be deemed to be parts of the vessel/ goods falling under 5% taxable rate.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

- Gear Boxes falling under TSH 8483 when supplied for use in vessel/goods falling under heading 8901 8902 8904 8905 8906 8907 will be deemed to be parts of such goods and thereby taxable at rate of 5 percent.
- If it is used for some other purpose, the tax rate would be 28 per cent.

### 3. E-way bill not matching. petitioner filed appeal against impugned order.

|                               |                                 |
|-------------------------------|---------------------------------|
| <b>Applicant</b>              | M/s Sri Sai Balaji Diggers      |
| <b>Journal of Publication</b> | 104 taxmann.com 428 (Karnataka) |
| <b>Date of Ruling</b>         | 21st March, 2019.               |
| <b>Ruling Authority</b>       | High Court of Karnataka         |

#### FACTS

- The petitioner was engaged in the business of providing earth moving services.
- An e-way bill was generated by the petitioner and an excavator was transported by a vehicle. It was noticed that the e-way bill was not matching and an order of detention under Section 129(1) of the Act and thereafter notice under Section 129(3) was issued by Competent Authority wherein, the petitioner was directed to pay the penalty amount of Rs.5,76,000/-. Subsequently, an order was passed quantifying the tax/penalty amount of Rs.5,18,400/-.

#### ISSUE

- The petitioner has preferred an appeal against the said order passed by Competent Authority before the Appellate Authority and paid 10% of the disputed penalty/ tax and requested the Competent Authority to release the vehicle on the ground that an appeal had been filed.

#### HELD

- The petitioner is at liberty to do the daily inspection and maintenance of the excavator and conveyance detained by the Competent Authority but cannot take it back with him. The petitioner simultaneously initiated proceedings against the said authority and hence filed a writ petition as the seizure of excavator would result in cancellation of the work orders for not carrying out the work within the prescribed time.
- Without going into the merits or demerits of the case, the Court finds it appropriate to direct the Appellate Authority to dispose of the appeal in accordance with law after hearing the parties, in an expedite manner, in any event, preferably within a period of two weeks from the date of order and hence the writ petition stands disposed off.
- It is needless to mention that the petitioner is at liberty to do daily inspection and maintenance of the excavator and conveyance detained by the respondent till the release of the same.

4. [Tax rate to be charged by applicant to main contractor would be at rate of 12 per cent for railway contract.](#)

|                               |                                      |
|-------------------------------|--------------------------------------|
| <b>Applicant</b>              | <b>Mrs. S. Sujatha, J.</b>           |
| <b>Journal of Publication</b> | [2019] 73GST 221/104 taxmann.com 426 |
| <b>Date of Ruling:</b>        | 28 <sup>th</sup> March, 2019         |
| <b>Ruling Authority</b>       | <b>High Court of Karnataka</b>       |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The assessee was not allowed to upload the declaration in form GST TRAN-1 due to technical glitches in the GST common portal.</li> <li>It filed a writ petition of mandamus or direction, directing the Competent Authority to entertain the physical copy of Form GST TRAN - 1 sent to New Delhi office on 22-12-2017 and credit be given to its electronic ledger in respect of CGST input credit of an amount of Rs. 3.90 crores and SGST input credit of an amount of Rs. 36.28 lakhs or in the alternative direct the Competent Authority to open the Electronic Ledger and enable it to file Form GST TRAN-1 online for entering the credit as on 1-7-2017 in respect of CGST input credit of the aforesaid amount.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>Whether assessee was to be directed to approach Nodal Officer for State of Karnataka, who would address grievance of assessee in an expedite manner?</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>It is significant to note that by virtue of the amendment to Rule 117 of the Central Goods and Services Tax Rules, 2017, by inserting sub-rule 1(a) with effect from 10.09.2018, the time period specified for uploading the Form in Tran - 1 has been extended up to 31.03.2019, if it is relating to the technical difficulties. In terms of the Circular No.39/13/2018-GST, dated 03.04.2018 issued by the Government of India, Ministry of Finance (Department of Revenue) Central Board of Excise &amp; Customs, New Delhi, an IT Grievance Redressal Mechanism has been set up to address the grievance of taxpayers due to technical glitches on GST Portal.</li> <li>The petitioner is entitled to upload the Form Tran - 1 by 31.03.2019, if the registered person could not submit the declaration by the due date on account of technical difficulties on the common portal. The petitioner is required to approach the Nodal Officer who is empowered to redress the grievance of the petitioner relating to the technical glitches on GST Portal in terms of the Circular dated 03.04.2018.</li> <li>Hence, the petitioner shall appear before the Nodal Officer for the State of Karnataka appointed under the Circular dated 03.04.2018 referred to above by 29.03.2019. The Nodal Officer shall address the grievances of the petitioner in accordance with law in an expedite manner.</li> </ul> |

5. [GST should be charged on total freight amount inclusive of cost of diesel so provided by service recipient company.](#)

|                               |                                                |
|-------------------------------|------------------------------------------------|
| <b>Applicant</b>              | <b>Shambhu Traders</b>                         |
| <b>Journal of Publication</b> | [2019] 73GST 245/103 taxmann.com 375           |
| <b>Date of Ruling</b>         | 15 <sup>th</sup> February, 2019                |
| <b>Ruling Authority</b>       | <b>Authority for Advance Ruling, Rajasthan</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <ul style="list-style-type: none"> <li>The applicant is engaged in the business of selling used lead acid batteries to various manufacturers. It is registered with the jurisdictional authorities under the Rajasthan Goods and Service Tax Act, 2017 and is operating under the Margin Scheme notified under rule 32(5) of the Central Goods and Service Tax Rules, 2017.</li> <li>The applicant purchases these used lead acid batteries from unregistered suppliers in small quantity (50 to 100 kg approximately). The unregistered suppliers may be located in the same State as the dealers or even a different State.</li> <li>On purchase of used lead acid batteries from unregistered suppliers, the applicant subsequently sells them to various manufacturers and charges GST on the difference between the sale price and purchase price of lead acid batteries in accordance with rule 32(5) of the CGST Rules.</li> </ul>                                          |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>Whether the used lead acid batteries qualify as 'second-hand goods' and thus covered under the Margin Scheme notified under rule 32(5) of the CGST Rules, 2017?</li> <li>Whether when the applicant is selling goods under the Margin Scheme notified under rule 32(5) of the CGST Rules, 2017, the Tax on Outward Supply under the Margin Scheme would be qualified under which of the following heading in GSTR-3B in following cases:-             <ol style="list-style-type: none"> <li>When applicant selling the goods within the state?</li> <li>When applicant selling the goods outside the state?</li> </ol> </li> <li>When applicant is operating under the Margin Scheme notified under rule 32(5) of the CGST Rules, 2017 by selling the used lead acid batteries to manufacturers and whether the goods when sold outside the state or when sold within the state of Rajasthan qualifies under the Margin Scheme?</li> </ul> |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <ul style="list-style-type: none"> <li>The used lead acid batteries qualify to be second-hand goods. Accordingly, the Applicant dealer is entitled to operate under the Margin Scheme in respect of the used lead acid batteries.</li> <li>The query raised by the applicant is not specified in Section 97(2) of CGST Act/RGST Act, 2017, therefore, no advance ruling is given.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



- The Rule 32(5) of the CGST Rules, 2017 which provides for Margin Scheme in case of intra-State supplies shall also be applicable in case of inter-State supplies. The Applicant is entitled to make inter-State supplies of used lead acid batteries while operating under the Margin Scheme.

6. [GST paid on cars provided to different customers on lease rent will be available as Input Tax Credit \(ITC\).](#)

|                               |                                             |
|-------------------------------|---------------------------------------------|
| <b>Applicant</b>              | <b>Polycab Wires</b>                        |
| <b>Journal of Publication</b> | [2019] 73 GST 226/104 taxmann.com 36        |
| <b>Date of Ruling</b>         | 2 <sup>nd</sup> March, 2019                 |
| <b>Ruling Authority</b>       | <b>Authority for Advance Ruling, Kerala</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The applicant is a dealer in electrical goods, had supplied electrical items to Kerala State Electricity Board [KSEB] through its distributors spread across the State in connection with reinstating connectivity in the flood ridden areas as part of the mission reconnect free of cost.</li> <li>To this supply to KSEB, the applicant had distributed electrical items like switches, fan, cables, etc. to flood affected people under CSR expenses on free basis without collecting any money.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>Whether distributor would be entitled for input tax credit on goods supplied to KSEB on instructions from applicant?</li> <li>Whether distributor would be entitled for input tax credit on goods supplied to KSEB on instructions from applicant?</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <ul style="list-style-type: none"> <li>The applicant to provide goods at free of cost to Kerala State Electricity Board for flood renovation work, he instructed its distributors to provide the goods. The distributors billed the goods to Kerala State Electricity Board and paid GST to Government- In the invoice so issued, the distributor had valued the goods for the purpose of tax and value was shown as discount. In this supply, since the consideration is not wholly in money. Rule 27 of the CGST/KSGST Rules would apply for valuation. After the goods are supplied to Kerala State Electricity Board, distributor would raise claim to the applicant who will reimburse the value to the distributor. The distributor would be entitled for input tax credit on the goods supplied to Kerala State Electricity Board on instructions from the applicant.</li> <li>The applicant distributed electrical items like, switches, fan, cables etc. to flood affected people under CSR expenses on free basis without collecting any money. For these transactions input tax credit will not be available as per Sec.17 (5)(h) of the KSGST and CGST Act.</li> </ul> |

**7. The applicant importer and exporter trader did not have any separate GST registration in the state where the port is located and charged IGST from its Mumbai head office to its customers.**

|                               |                                                  |
|-------------------------------|--------------------------------------------------|
| <b>Applicant</b>              | <b>Aarel Import Export Private Limited</b>       |
| <b>Journal of Publication</b> | GST/ARA/114/2018-19/B-42                         |
| <b>Date of Ruling:</b>        | 24 <sup>th</sup> April, 2019                     |
| <b>Ruling Authority</b>       | <b>Authority for Advance Ruling, Maharashtra</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The applicant company was an importer and exporter of products, having its Head Office at Mumbai. The applicant wished to import the coke (processed product from coking coal) either lam coke or nut coke from Indonesia at Paradip Port in the State of Odisha. It would be storing goods at rented Customs warehouse (Ex-bond) at Paradip Port. It did not have any POB/establishment or place of operation in State of Odisha. Therefore, it clear the goods from that warehouse in the name of its Mumbai office using Maharashtra GSTIN. The importation would be completed on payment of custom duties, if any and IGST in the name of Mumbai office.</li> <li>The applicant wished to sell the goods directly from Paradip Port warehouse (EX-BOND) to the customers in Odisha and accordingly charge IGST to its customers by raising bills from their Mumbai office and not form Odisha. The applicant did not have any warehouse or storage facility in the State of Odisha, other than the Paradip Port Customs Warehouse.</li> </ul> |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>The applicant sought the advance ruling on questions that whether the procedure to raise the invoice from Mumbai Office for imports received at Paradip Port, Odisha where the applicant did not have any separate GST Registration and Charge IGST from Mumbai to Customers was correct?</li> <li>Whether the applicant had to take separate registration in the State of Odisha for the above mentioned transactions and if the applicant did not need separate registration in Odisha, can the applicant do the transaction on Mumbai Office GSTIN, then in case of issuance of e way bill was it correct to mention the GSTIN of Mumbai and Dispatch place as Paradip Port?</li> </ul>                                                                                                                                                                                                                                                                                                                                                        |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>In the present case the place of supply is the location of the importer who is situated in the State of Maharashtra and hence the applicant will be clearing the goods by paying IGST using GSTIN issued to them in Mumbai, Maharashtra. Since the applicant has no establishment or place of operation or any godown or GSTIN in the State of Odisha, Paradip Port i.e. at the port of import, the place of supply shall be the place from where the applicant makes a taxable supply of goods which, in this case is the Mumbai Head Office,</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

thus, the applicant can clear the goods on the basis of invoices issued by the Mumbai Head Office and therefore they need not take separate registration in the State of Odisha.

- Now coming to the second question raised by the applicant, mentioned above in view of the discussions made in respect of question no. 1, find that since, as an importer the place of supply for the applicant in this case the applicant in this case will be Mumbai, Maharashtra and the goods also will be cleared on the name of the Mumbai registered address while paying IGST at the time of Customs, it would follow that they can do the further transaction mentioning the GSTIN of their Mumbai Office. As a corollary, they can do the transaction on Mumbai Head Office GSTIN and can mention the GSTIN of Mumbai Head Office in the E-way Bill and dispatch place, as Customs Warehouse, Odisha, Paradip Port.

8. [GST paid on purchase of motor vehicles for supplying rent-a-cab service is not admissible for credit in terms of section 17\(5\)\(b\)\(i\)](#)

|                               |                                                |
|-------------------------------|------------------------------------------------|
| <b>Applicant</b>              | <b>Mohana Ghosh</b>                            |
| <b>Journal of Publication</b> | ORDER NO. 06/WBAAR/2019-20                     |
| <b>Date of Ruling</b>         | 10 <sup>th</sup> June, 2019                    |
| <b>Ruling Authority</b>       | <b>Authority if Advance Ruling West Bengal</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <ul style="list-style-type: none"><li>The applicant was supplying cabs on a rental basis. It submitted that people take the car on rent for the transportation of passengers. Rent-a-Cab was, therefore, essentially associated with the transportation of passengers. GST paid on the purchase of motor vehicles for supplying rent-a-cab service should, therefore, be admissible in terms of section 17(5)(a)(B).</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"><li>Whether GST paid on purchase of motor vehicles for supplying rent-a-cab service is admissible for credit?</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"><li>Rent-a-cab is not defined in the GST Act. Nature of the applicant's service is, therefore, derived from what is stated in the application and what can be ascertained from the invoices.</li><li>The applicant provides cab rental service inter alia to institutions like West Bengal Postal Service.</li><li>The recipient has to pay the applicant a certain amount per month as consideration irrespective of what distance the cab travels in a particular month. Additional amount has to be paid if the cab is retained for extra hours or requisitioned on holidays.</li><li>For the purpose of covering the cost of fuel, the distance travelled needs to be brought into play, but only if it crosses a certain threshold. It is, therefore, clear from the above discussion that the nature of the service the applicant provides is classifiable under SAC 9966 as renting of a motor vehicle.</li><li>Credit of GST paid on purchase of motor vehicles or other inputs for the supply of the applicant's service is not, therefore, admissible in terms of section 17(5)(b)(i).</li></ul> |

9. Importer needs to pay GST on Ocean Freight even if import as CIF and freight value is included in the intrinsic CIF value.

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| <b>Applicant</b>              | <b>E-DP Marketing (P.) Ltd</b>                    |
| <b>Journal of Publication</b> | ORDER NO. 06/MPAAR/2019-20                        |
| <b>Date of Ruling</b>         | 02.05.2019                                        |
| <b>Ruling Authority</b>       | <b>Advance Ruling Authority of Madhya Pradesh</b> |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <ul style="list-style-type: none"> <li>• The applicant intends to import crude soyabean oil on CIF basis (Cost + Insurance + Freight) which includes the component of ocean freight in the price of imported goods.</li> <li>• The applicants are required to authorize the seller who is a person located in non-taxable territory for transporting the goods by a vessel from supplier's place up to the place in Indian Custom Territory.</li> <li>• Ocean Freight will not be paid by the applicant because, the seller is supposed collect the ocean freight while deciding the price of the goods payable by the applicant.</li> <li>• The payment of ocean freight would be made by the seller located outside India.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>• In case of such imports the seller being located in non-taxable territory, the ocean freight is collected by the seller from the importer located in the taxable territory. However, as per Notification 10/2017-Integrated Tax (Rate), dtd.28.06.2017, the 'Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India' have been put under Reverse Charge Mechanism.</li> <li>• Further, in terms of Notification No.8/2017-Integrated Tax (Rate), dtd.28.06.2017:<br/><br/>Where the value of taxable service provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India is not available with the person liable for paying integrated tax, the same shall be deemed to 10% of the CIF value (sum of cost, insurance and freight) of imported goods.'</li> </ul> |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <ul style="list-style-type: none"> <li>• In view of the above two notifications the court do not find any ambiguity, whatsoever, regarding payment of IGST on ocean freight. As per existing law, IGST on ocean freight has to be paid by the importer under reverse charge mechanism, irrespective of the fact that such freight charges are included in the intrinsic CIF value.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## 10. CGST and SGST to be charged even if receipt of services is located out of India.

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|-------------------------------|----------------------------------|
| <b>Applicant</b>              | Bilcare Ltd                      |
| <b>Journal of Publication</b> | GST-ARA-117/2018-19/B-45         |
| <b>Date of Ruling</b>         | 26th April 2019                  |
| <b>Ruling Authority</b>       | Advance Ruling (AAR) Maharashtra |

| <b>FACTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <ul style="list-style-type: none"><li>• Applicant is an innovation-led packaging solutions provider that partners with the pharmaceutical industry to improve patient healthcare outcomes.</li><li>• They deliver effective and affordable solutions that enhance the speed and quality of drug discovery and help build and protect brands by ensuring the delivery of genuine medicines to patients and is engaged in providing of various types of services to its foreign clients.</li><li>• Foreign clients can be Pharmaceutical companies or a CRO's.</li><li>• The nature of service provided by the applicant includes storage and distribution service which further include receipt, storage, distribution, return and destruction of IPs.</li></ul>                                                                                                                                                                                                                                                                                                                     |
| <b>ISSUE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <ul style="list-style-type: none"><li>• Whether various services provided to foreign clients (situated outside India) by the applicant for which the place of supply is in the taxable territory shall be liable to IGST or CGST and SGST for the purpose of levy of GST.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>HELD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"><li>• In the present case as the location of the recipient is outside India. The services supplied are in respect of goods which are made physically available by the recipient of the services to the supplier of the services for the services to be performed.</li><li>• Therefore, with respect to the above the provisions of the Subsection (3) (a) of Section 13 of IGST Act 2017 are applicable for the supply in the instant case.</li><li>• Since the "place of supply" is in taxable territory it is clear that the provisions of the Section 2(6) of IGST Act are not fulfilled in this case and therefore their supply cannot be considered as Export of Services under GST law whereas "place of supply" and "service provider" are in same state, CGST &amp; SGST are payable for this transaction.</li><li>• As per above discussion, the services are liable to CGST and SGST as the location of 'supplier of service' and the 'place of supply' is in the same state, in terms of Section 13(3)(a) of IGST Act, 2017.</li></ul> |