

CHANGING FACE OF GST

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A. DUE DATES EXTENSIONS

Sr#	Type of Return	Particulars	Date
1	GSTR-8	Quarterly Return for E Commerce operator	31/01/2019
2	GSTR-9/9A/9C	Annual Return & Audit	30/06/2019
3		ITC Claim from July'17 to March'18	31/03/2019

B. NO LATE FEE

Sr#	Type of Return	Period of Returns	Time Period
1	GSTR-4	July'17 to March'18	22/12/2018 to 31/03/2019
2	GSTR-3B	July'17 to March'18	22/12/2018 to 31/03/2019
3	GSTR-1	July'17 to March'18	22/12/2018 to 31/03/2019

c. REVERSE CHARGE MECHANISM

Sr#	Name of Service	Service Provider	Service Receptient
1	Security services (services provided by way of supply of security personnel) provided to a registered person: Provided that nothing contained in this entry shall apply to, -(i)(a) a Department or Establishment of the Central Government or State Government or Union territory; or (b) local authority; or (c) Governmental agencies; which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under section 51 of the said Act and not for making a taxable supply of goods or services; or (ii) a registered person paying tax under section 10 of the	Any person other than a body corporate	A registered person, located in the taxable territory.”;

	said Act.		
2	Services provided by business facilitator (BF) to a banking company	Business facilitator (BF)	A banking company, located in the taxable territory
3	Services provided by an agent of business correspondent (BC) to business correspondent (BC).	An agent of business correspondent (BC)	A business correspondent, located in the taxable territory.

C. EXEMPTIONS

1. For Certain Services

Sr#	Heading	Name of Service	Tax Rate
1	9965 or 9967	Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to, – (a) a Department or Establishment of the Central Government or State Government or Union territory; or (b) local authority; or (c) Governmental agencies, which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.	Nil
2	9971	Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).	Nil
3	9993	Services provided by rehabilitation professionals recognised under the Rehabilitation Council of India Act, 1992 (34 of 1992) by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by Central Government, State Government or Union territory or an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961).	Nil

2. For Goods

Sr#	Heading	Name of Goods	Tax Rate
1	0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen	Nil
2	0711	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption”;	Nil
3	4904 00 00	Music, printed or in manuscript, whether or not bound or illustrated”;	Nil
4	Any Chapter	Supply of gift items received by the President, Prime Minister, Governor or Chief Minister of any State or Union territory, or any public servant, by way of public auction by the Government, where auction proceeds are to be used for public or charitable cause”.	Nil

D. CHANGE IN TAX RATES FOR GOODS AND SERVICES

Sr#	Heading	Name of Goods	Tax Rate
1	2515 11 00	Marble and travertine, crude or roughly trimmed”;	5%
2	4501	Natural cork, raw or simply prepared”;	5%
3	6602 00 00	Walking-sticks including seat sticks	5%
4	6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks”;	5%
5		Footwear of sale value not exceeding Rs.1000 per pair	5%
6	8714 20	Parts and accessories of carriage for disabled persons”;	5%
7	4502 00 00	Natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)	12%
8	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	12%

9	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork ”;	12%
10	6305 32 00	Flexible intermediate bulk containers”;	12%
11	4012	Retreaded or used pneumatic tyres of rubber; solid or <u>cushion tyres, tyre treads and tyre flaps, of rubber</u> ”;	18%
12	8507	Lithium-ion accumulators (other than battery) including lithium-ion power bank”;	18%
13	9504	Video game consoles and machines, articles of funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment [other than playing cards, ganjifa card, chess board, carom board and other board games of 9504 90 90 like ludo, etc.]”;	18%
14		Transportation of passengers, with or without accompanied baggage, by air, by non-scheduled air transport service or charter operations, engaged by specified organisations in respect of religious pilgrimage facilitated by the Government of India, under bilateral arrangement WITHOUT ITC	5%
15		Service of third party insurance of “goods carriage”	12%
16		Financial and related services other than (i), (ii), (iii), (iv), (v), and (vi) above	18%
17		Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above	18%
18		Services by way of admission to exhibition of cinematograph films where price of admission ticket is above one hundred rupees.	18%
19		Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of following, – (a) Bio-gas plant	18%

		<p>(b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Ocean waves/tidal waves energy devices/plants</p> <p>Explanation:- This entry shall be read in conjunction with serial number 234 of Schedule I of the notification No. 1/20 17- Union Territory Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated 28th June, 2017 vide GSR number 710(E) dated 28th June, 2017.</p>	
20	8424	Sprinklers, Drip irrigation system including laterals	12%

E. PROCEDURES

1. The Central Government exempts the intra-State supply of gold falling in heading 7108 when supplied by Nominated Agency under the Scheme “Export Against Supply by nominated Agency” subject to following conditions
 - a. the Nominated Agency and the recipient shall follow the conditions and observe the procedures as specified in the Foreign Trade Policy
 - b. the recipient shall export the jewellery made out of such gold within a period of 90 (ninety) days from the date of supply of gold to such recipient and shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) alongwith the invoice for exports to the Nominated Agency within a period of 120 (one hundred and twenty) days from the date of supply by the Nominated Agency
 - c. wherever such proof of export is not produced within the period mentioned in condition (ii), the Nominated Agency shall pay the amount of Union territory tax payable on the quantity of gold not exported, along with interest from the date when the said tax on such supply was payable, but for the exemption.

2. Determination of place of supply in case of inter state supply using following illustrations

a. Services offered by , interior decorators, surveyors, engineers and other related experts, lodging accommodation by a hotel, inn, guest house, homestay, club or campsite, by whatever name called, and including a houseboat or any other vessel, accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business function and any other ancillary services

Illustration 1: A hotel chain X charges a consolidated sum of Rs.30,000/- for stay in its two establishments in Delhi and Agra, where the stay in Delhi is for 2 nights and the stay in Agra is for 1 night. The place of supply in this case is both in the Union territory of Delhi and in the State of Uttar Pradesh and the service shall be deemed to have been provided in the Union territory of Delhi and in the State of Uttar Pradesh in the ratio 2:1 respectively. The value of services provided will thus be apportioned as Rs.20,000/- in the Union territory of Delhi and Rs.10,000/- in the State of Uttar Pradesh .

Illustration 2: There is a piece of land of area 20,000 square feet which is partly in State S1 say 12,000 square feet and partly in State S2, say 8000 square feet. Site preparation work has been entrusted to T. The ratio of land in the two states works out to 12:8 or 3:2 (simplified). The place of supply is in both S1 and S2. The service shall be deemed to have been provided in the ratio of 12:8 or 3:2

(simplified) in the States S1 and S2 respectively. The value of the service shall be accordingly apportioned between the States.

Illustration 3: A company C provides the service of 24 hours accommodation in a houseboat, which is situated both in Kerala and Karnataka inasmuch as the guests board the house boat in Kerala and stay there for 22 hours but it also moves into Karnataka for 2 hours (as declared by the service provider). The place of supply of this service is in the States of Kerala and Karnataka. The service shall be deemed to have been provided in the ratio of 22:2 or 11:1 (simplified) in the states of Kerala and Karnataka, respectively. The value of the service shall be accordingly apportioned between the States.

b. Services provided by way of organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, including supply of services in relation to a conference, fair exhibition, celebration or similar events; any such events or assigning of sponsorship to such events

Illustration : An event management company E has to organise some promotional events in States S1 and S2 for a recipient R. 3 events are to be organised in S1 and 2 in S2. They charge a consolidated amount of Rs.10,00,000 from R. The place of supply of this service is in both the States S1 and S2. Say the proportion arrived at by the application of generally accepted accounting principles is 3:2. The service shall be deemed to have been provided in the ratio 3:2 in S1 and S2 respectively. The value of services provided will thus be apportioned as Rs. 6,00,000/- in S1 and Rs. 4,00,000/- in S2 .

c. supply of services relating to a leased circuit

Illustration 1: A company T installs a leased circuit between the Delhi and Mumbai offices of a company C. The starting point of this circuit is in Delhi and the end point of the circuit is in Mumbai. Hence one point of this circuit is in Delhi and another in Maharashtra. The place of supply of this service is in the Union territory of Delhi and the State of Maharashtra. The service shall be deemed to have been provided in the ratio of 1:1 in the Union territory of Delhi and the State of Maharashtra, respectively.

Illustration 2: A company T installs a leased circuit between the Chennai, Bengaluru and Mysuru offices of a company C. The starting point of this circuit is in Chennai and the end point of the circuit is in Mysuru. The circuit also connects Bengaluru. Hence one point of this circuit is in Tamil Nadu and two points in Karnataka. The place of supply of this service is in the States of Tamil Nadu and Karnataka. The service shall be deemed to have been provided in the ratio of 1:2 in the States of Tamil Nadu and Karnataka, respectively.

Illustration 3: A company T installs a leased circuit between the Kolkata, Patna and Guwahati offices of a company C. There are 3 points in this circuit in Kolkata, Patna and Guwahati. One point each of this circuit is, therefore, in West Bengal, Bihar and Assam. The place of supply of this service is in the States of West Bengal, Bihar and Assam. The service shall be deemed to have been provided in the ratio of 1:1:1 in the States of West Bengal, Bihar and Assam, respectively.

d. services supplied in respect of goods which are required to be made physically available

Illustration-1: A company C which is located in Kolkata is providing the services of testing of a dredging machine and the testing service on the machine is carried out in Orissa and Andhra Pradesh. The place of supply is in Orissa and Andhra Pradesh and the value of the service in Orissa and Andhra Pradesh will be ascertained by dividing the value of the service equally between these two States.

Illustration-2: A company C which is located in Delhi is providing the service of servicing of two cars belonging to Mr. X. One car is of manufacturer J and is located in Delhi and is serviced by its Delhi workshop. The other car is of manufacturer A and is located in Gurugram and is serviced by its Gurugram workshop . The value of service attributable to the Union Territory of Delhi and the State of Haryana respectively shall be calculated by applying the ratio of the invoice value of car J and the invoice value of car A, to the total value of the service.

Illustration-3: A makeup artist M has to provide make up services to an actor A. A is shooting some scenes in Mumbai and some scenes in Goa. M provides the makeup services in Mumbai and Goa. The services are provided in Maharashtra and Goa and the value of the service in Maharashtra and Goa will be ascertained by applying the generally accepted accounting principles.

3. REFUND CLARIFICATIONS

- a. [Physical submission of refund claims with jurisdictional proper officer:](#)
- b. [Calculation of refund amount for claims of refund of accumulated Input Tax Credit \(ITC\) on account of inverted duty structure:](#)
- c. [Refund applications that have been generated on the portal but not physically received in the jurisdictional tax offices:](#)
- d. [Issues related to refund of accumulated Input Tax Credit of Compensation Cess:](#)
- e. [Non-consideration of ITC of GST paid on invoices of earlier tax period availed in subsequent tax period:](#)
- f. [Misinterpretation of the meaning of the term “inputs”:](#)
- g. [Refund of accumulated ITC of input services and capital goods arising on account of inverted duty structure:](#)

4. EXPORT OF SERVICES VALUATION ON PRORATA BASIS

Issue	Clarification
In case an exporter of services outsources a portion of the services contract to another person	<i>Illustration:</i> ABC Ltd. India has received an order for supply of services amounting to \$ 5,00,000/- to a US based client. ABC Ltd. India is unable to supply the entire services from India and asks XYZ Ltd. Mexico (who is not merely an establishment of a distinct person viz. ABC Ltd. India, in accordance with the Explanation 1 in Section 8 of the IGST

<p>located outside India, what would be the tax treatment of the said portion of the contract at the hands of the exporter? There may be instances where the full consideration for the outsourced services is not received by the exporter in India.</p>	<p>Act) to supply a part of the services (say 40% of the total contract value). ABC Ltd. India shall be the exporter of services for the entire value if the invoice for the entire amount is raised by ABC Ltd. India. The services provided by XYZ Ltd. Mexico to the US based client shall be import of services by ABC Ltd. India and it would be liable to pay integrated tax on the same under reverse charge and also be eligible to take input tax credit of the integrated tax so paid. Further, if the provisions contained in section 2(6) of the IGST Act are not fulfilled with respect to the realization of convertible foreign exchange, say only 60% of the consideration is received in India and the remaining amount is directly paid by the US based client to XYZ Ltd. Mexico, even in such a scenario, 100% of the total contract value shall be taken as consideration for the export of services by ABC Ltd. India provided integrated tax on import of services has been paid on the part of the services provided by XYZ Ltd Mexico directly to the US based client and RBI (by general instruction or by specific approval) has allowed that a part of the consideration for such exports can be retained outside India. In other words, in such cases, the export benefit will be available for the total realization of convertible foreign exchange by ABC Ltd. India and XYZ Ltd. Mexico.</p>
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5. Denial of composition option by tax authorities and effective date THEREOF

The taxpayer has sought withdrawal from the composition scheme, the effective date shall be the date indicated by him in his intimation/application filed in **FORM GST CMP-04** but such date may not be prior to the commencement of the financial year in which such intimation/application for withdrawal is being filed. If at any stage it is found that he has contravened any of the provisions of the CGST Act or the CGST Rules, action may be initiated for recovery of tax, interest and penalty. In case of denial of option by the tax authorities, the effective date of such denial shall be from a date, including any retrospective date as may be determined by tax authorities

6. Clarification on certain issues

Sl. No	Issue	Clarification
1.	Whether the supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap by Government departments are taxable under GST?	<p>1.If Receipt is Registered dealer then receipt has to pay GST as Reverse Charge Basis</p> <p>2.If receipt is unregistered dealer then Government Department has to pay GST</p>
2	Whether penalty in accordance with section 73 (11) of the CGST Act should be levied in cases where the return in FORM GSTR-3B has been filed after the due date of filing such return?	<p>1. As per the provisions of section 73(11) of the GST Act, penalty is payable in case self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.</p> <p>2. It may be noted that a show cause notice (SCN for short) is required to be issued to a person where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised for any reason under the provisions of section 73(1) of the GST Act. The provisions of section 73(11) of the GST Act can be invoked only when the provisions of section 73 are invoked.</p> <p>3. The provisions of section 73 of the GST Act are generally not invoked in case of delayed filing of the return in FORM GSTR-3B because tax along with applicable interest has already been paid but after the due date for payment of such tax. It is accordingly clarified that penalty under the provisions of section 73(11) of the OGST Act is not payable in such cases. It is further clarified that since the tax has been paid late in contravention of the provisions of the OGST Act, a general penalty under section 125 of the CGST Act may be imposed after following the due process of law.</p>

3	<p>In case a debit note is to be issued under section 142(2)(a) of the CGST Act or a credit note under section 142(2)(b) of the CGST Act, what will be the tax rate applicable – the rate in the pre-GST regime or the rate applicable under GST?</p>	<p>1. A supplementary invoice or debit/credit note may be issued which shall be deemed to have been issued in respect of an outward supply made under the CGST Act in case of revision of prices after appointed date i.e. 01/07/2017</p> <p>2. A supplementary invoice or debit/credit note may be issued which shall be deemed to have been issued in respect of an outward supply made under the CGST Act in case of revision of prices after appointed date i.e. 01/07/2017 FOR THE SUPPLY OF BEFORE APPOINTED DATE</p>
4	<p>Applicability of the provisions of section 51 of the CGST Act (TDS)</p>	<p>The provisions of section 51 of the CGST Act are applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or local authority or established by any Government in which fifty one per cent. or more participation by way of equity or control is with the Government.</p>
5	<p>What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?</p>	<p>Taxable value for the purposes of GST shall include the TCS amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.</p>
6	<p>Who will be considered as the “owner of the goods” for the purposes of section 129(1) of the CGST Act?</p>	<p>It is hereby clarified that if the invoice or any other specified document is accompanying the consignment of goods, then either the consignor or the consignee should be deemed to be the owner. If the invoice or any other specified document is not accompanying the consignment of goods, then in such cases, the proper officer should determine who should be declared as the owner of the goods.</p>

F. NEWLY MIGRATED TAXPAYERS

- a. Filing of GSTR-1 and GSTR-3B for the period July'2017 to September'2019 Returns for newly migrated supplies extended upto 31/03/2019
- b. Procedure to complete migration to GST extended upto 31/03/2019.