

GST Update

Weekly Update
11.08.2018

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 04.08.2018. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

- 4 Central Tax Notification issued under CGST Act .
- 1 Central Tax Rate notification issued exempting payment of GST u/s 9(4) till 30.09.2019. Similar Notifications issued under IGST/UTGST Act also.
- Four CBIC Circulars issued

Special migration procedure for taxpayers who received provisional IDs but could not complete the migration process.

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-31-2018-central tax-English.pdf;jsessionid=1A4F6318B6AA85773FAAF596CA7C893E>

- Notification 31/2018-Central Tax dated 06.08.2018.
- Specifies procedure to be followed by persons who had received provisional ID's by 31.12.2017, but could not complete the migration process.
- Such persons should furnish necessary details only by 31.08.2018.
- Thereafter on receipt of an e-mail from the GSTN, such taxpayers should apply for registration by logging onto <https://www.gst.gov.in> and filling up **GST REG-01**

Special migration procedure for taxpayers who received provisional IDs but could not complete the migration process.

- After due approval of the application by the proper officer, such taxpayers will receive an email from GSTN mentioning the Application Reference Number (ARN), a new GSTIN and a new access token.
- Upon receipt, such taxpayers are required to furnish the following details to GSTN by email, on or before the 30th September, 2018, to migration@gstn.org.in :-
 - (a) New GSTIN;
 - (b) Access Token for new GSTIN;
 - (c) ARN of new application;
 - (d) Old GSTIN (PID).

Special migration procedure for taxpayers who received provisional IDs but could not complete the migration process.

- Upon receipt of the above information from such taxpayers, GSTN shall complete the process of mapping the new GSTIN to the old GSTIN and inform such taxpayers.
- Such taxpayers are required to log onto the common portal www.gstn.gov.in using the old GSTIN as “First Time Login” for generation of the Registration Certificate.
- Such taxpayers shall be deemed to have been registered with effect from the 1st July, 2017.

Due dates for furnishing of FORM GSTR-1 for those with aggregate turnover > Rs. 1.5 crores for July, 2018 to March, 2019.

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-32-2018-central tax-English.pdf>

Notfn 32/2018-Central Tax dt 10.08.2018 issued.

Notfn extends the time limit for furnishing the details of outward supplies in FORM GSTR-1 of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from July, 2018 to March, 2019 till the **eleventh day of the month succeeding such month.**

Due dates for furnishing of FORM GSTR-1 for those with aggregate turnover upto Rs. 1.5 crores for July, 2018 to March, 2019.

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-33-2018-central tax-English.pdf>

- Notfn 33/2018-Central Tax dt 10.08.2018 issued.
- Notfn specifies the time limit for furnishing the details of outward supplies in FORM GSTR-1 of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year, as under.
- July - September, 2018 – by the 31st October 2018
- October - December, 2018 – by the 31st of January 2019
- January - March, 2019 – by the 30th of April 2019

Due dates for furnishing of FORM GSTR-3B

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-34-2018-central tax-English.pdf;jsessionid=B69DB50ED8F1DA0D8C6A4B902C6556A9>

- Notfn 34/2018-Central Tax dt 10.08.2018 issued.
- Notfn specifies that the return in FORM GSTR-3B of the said rules for each of the months from **July, 2018 to March, 2019** shall be furnished electronically through the common portal, on or before the **twentieth day of the month succeeding such month.**
- Tax/interest/penalty/any other amount payable liability to be discharged, not later than the last date, i.e. 20th day of the succeeding month.

Payment of tax under section 9(4) of the CGST Act, 2017 exempt till 30.09.2019

<http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-22-2018-cgst-rate-english.pdf;jsessionid=1DE0A857ADE206E1A7469C1E04D37D4F>

- Notfn 22/2018-Central Tax (Rate) dt 06.08.2018 issued.
- Notfn exempts payment of tax by registered persons for supplies received from unregistered persons u/s 9(4) of CGST Act, 2017, till 31st September 2019.
- Earlier this exemption was till 31st September, 2018.

Clarification regarding applicability of GST on various goods and services

- http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.52.pdf
- Circular No.52/26/2018-GST dt 09.08.2018 issued. Clarifies GST Rate on the following goods
- **Applicability of GST on Fortified Toned Milk**
 - Toned milk fortified (with vitamins 'A' and 'D') attracts NIL rate of GST under HSN Code 0401
- **Applicable GST rate on refined beet and cane sugar.**
 - It is clarified that beet and cane sugar, including refined beet and cane sugar, will fall under heading 1701 and attract 5% GST rate.

Clarification regarding applicability of GST on various goods and services

- http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.52.pdf
- **Applicable GST rate on treated (modified) tamarind kernel powder and plain (unmodified) tamarind kernel powder.**
 - As both plain (unmodified) tamarind kernel powder and treated (modified) tamarind kernel powder fall under chapter 13, it is hereby clarified that both attract 5% GST in terms of the said notification.
- **Applicability of GST on supply of safe drinking water for public purpose:**
 - Accordingly, supply of water, other than those excluded from S. No. 99 of notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, would attract GST at “NIL” rate. Therefore, it is clarified that supply of drinking water for public purposes, if it is not supplied in a sealed container, is exempt from GST

Clarification regarding applicability of GST on various goods and services

- http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.52.pdf
- **GST rate on Human Blood Plasma.**
 - Normal human plasma is specifically mentioned at S. No. 186 of List I under S. No.180 of Schedule I of the notification No. 1/2017-Central Tax (Rate) dated 28th June, 2017, and attracts 5% GST. Other items falling under HS Code 3002 (including plasma products) would attract 12% GST under S. No. 61 of Schedule II of the said notification, not specifically covered in the said List I.
 - Thus, a harmonious reading of the two entries would mean that normal human plasma would attract 5% GST rate under List I (S. No. 186), whereas plasma products would attract 12% GST rate, if otherwise not specifically covered under the said List.

Clarification regarding applicability of GST on various goods and services

- **Appropriate classification of baby wipes, facial tissues and other similar products.**
 - Wipes of various kinds are classifiable under heading 3307 or 3401 depending upon their constituents. Therefore, if the baby wipes are impregnated with perfumes or cosmetics, then the same would fall under HS code 3307 and would attract 18% GST rate. Similarly, if they are coated with soap or detergent, then it would fall under HS code 3401 and would attract 18% GST.
- **Classification and applicable GST rate on real zari Kasab (thread)**
 - It is clarified that imitation zari thread or yarn known as “Kasab” or by any other name in trade parlance, would attract a uniform GST rate of 12% under tariff heading 5605.

Clarification regarding applicability of GST on various goods and services

- **Applicability of GST on marine engine.**
 - it is clarified that the supplies of marine engine for fishing vessel (being a part of the fishing vessel), falling under tariff item 8408 10 93 attracts 5% GST.
- **Applicable GST rate on cotton quilts under tariff heading 9404-
Scope of the term “Cotton Quilt”.**
 - Cotton quilts falling under tariff heading 9404 attract a GST rate of 5% if the sale value of such cotton quilts does not exceed Rs. 1000 per piece. However, such cotton quilts, with sale value exceeding Rs.1000 per piece attract a GST rate of 12%.
 - The essential character of the cotton quilt is imparted by the filling material. Therefore, a quilt filled with cotton constitutes a cotton quilt, irrespective of the material of the cover of the quilt. The GST rate would accordingly apply.

Clarification regarding applicability of GST on various goods and services

- **Applicable GST rate for bus body building activity:**
 - Thus, fabrication of buses may involve the following two situations:
 - a) Bus body builder builds a bus, working on the chassis owned by him and supplies the built-up bus to the customer, and charges the customer for the value of the bus.
 - b) Bus body builder builds body on chassis provided by the principal for body building, and charges fabrication charges (including certain material that was consumed during the process of job-work).
 - It is clarified that in case as mentioned at Para (a) above, the supply made is that of bus, and accordingly supply would attract GST @28%. In the case as mentioned at Para (b) above, fabrication of body on chassis provided by the principal (not on account of body builder), the supply would merit classification as service, and 18% GST as applicable will be charged accordingly.

Clarification regarding applicability of GST on various goods and services

- **Applicable GST rate on Disc Brake Pad:**
 - It is clear, in view of the HSN Explanatory Notes that the said goods, namely “Disc Brake pad” for automobiles, are appropriately classifiable under heading 8708 of the Customs Tariff Act, 1975 and would attract 28% GST

Applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular No.53.pdf;jsessionid=6AE406D6F794320780EB48210D260915>.
- GST on petroleum gases, which are supplied by oil refineries to them on a continuous basis through dedicated pipelines, while a portion of the raw material is retained by these manufacturers (recipient of supply), and the remaining quantity is returned to the oil refineries.
- In this regard, an issue has arisen as to whether in this transaction GST would be leviable on the whole quantity of the principal raw materials supplied by the oil refinery or on the net quantity retained by the manufacturers of petrochemical and chemical products.

• Applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products (Contd)

- It is clarified that, GST will be payable by the refinery only on the net quantity of petroleum gases retained by the recipient manufacturer for the manufacture of petrochemical and chemical products. Though, the refinery would be liable to pay GST on such returned quantity of petroleum gases, when the same is supplied by it to any other person. It is reiterated that this clarification would be applicable mutatis mutandis on other cases involving supply of goods, where feed stock is retained by the recipient and remaining residual material is returned back to the supplier. The net billing is done on the amount retained by the recipient.
- **This clarification is issued in the context of the GST only and past issues, if any, will be dealt in accordance with the law prevailing at the material time.**

• Clarification on GST rate on fertilizers

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular No.54.pdf;jsessionid=A77A4E532BF109D801FA22CF20C2B5A0>
- **Circular No. 54/28/2018-GST dated 09.08.2018 issued.**
- Fertilizers falling under heading 3102, 3103, 3104 and 3105, other than those which are clearly not to be used as fertilizers, attract 5% GST. However, the fertilizers items falling under the above mentioned headings, which are clearly not to be used as fertilizer attract 18% GST. The intention has been to provide concessional rate of GST to the fertilizers which are used directly as fertilizers or which are used in the manufacturing of complex fertilizers which are further used as soil or crop fertilizers. The phrase “other than clearly to be used as fertilizers” would not cover such fertilizers that are used for making complex fertilizers for use as soil or crop fertilizers.
- **Thus, it is clarified that the fertilizers supplied for direct use as fertilizers, or supplied for use in the manufacturing of other complex fertilizers for agricultural use (soil or crop fertilizers), will attract 5% IGST.**

- Circular No.55/292018-GST dated 10.08.2018 issued.
- Whether GST is payable on vocational training provided by private ITI in designated trades and in other than designated trades.
 - Services provided by private ITI's in respect of designated trades (under the apprenticeship act, 1961). As a corollary services provided by such ITI's in respect of other designated trades will not be exempt.
- Whether GST is payable on service provided by private ITI's for conduct of examination against consideration in the form of entrance fees and also on services related to admission to or conduct of examination.
 - For designated trades – it will be exempt
 - For non-designated trades – it will not be exempt

- **Services provided by Government ITI's**
 - Services provided by a Government ITI to an individual trainees or students is exempt under s.no.6 of notification 12/2017-CT(R) dated 28.06.2017 as these are in the nature of services provided by the Central or State Government to individuals. Such exemption would cover both – vocational training and examinations conducted by these Government ITI's.

- **GST Portal Updates**

- **Form GST APL-04 (Proceedings & Order of First Appeal)**
- All the Appeals submitted by the Appellant's (Taxpayer/ Tax Department) will land on the First Appellate Authority's Dashboard.
- The First Appellate Authority after verifying the form of Appeal can now fix a date of hearing for the Appeal and if needed, adjourn the hearing of the appeal, for reasons to be recorded in writing.
- The First Appellate Authority can now, pass order, confirming, modifying or annulling the decision or order appealed against.
(refer Rule 113(1) of the CGST Rules 2017)

- **Form GST APL-03 (Internal Review Cell)**
- Internal Review Cell has the function to review all orders like Adjudication Orders, First Appeal Order (except Supreme Court orders) to verify if they are adverse to the interest of revenue.
- If any such adverse order is noticed, the Internal Review Cell has to submit a proposal to file appeal against such orders with ground for such an appeal or with grounds of revision in case of revision.
- Internal Review Cell can now submit its proposal to the Commissioner on the GST Portal.

- **Form GST APL-03 (Internal Review Cell)**
- The Commissioner may on his own motion, or upon information received by Internal Review Cell or from Commissioner of State/UT/Centre, examine any proceeding/ order, and if he considers that any decision/ order passed is erroneous in so far as it is prejudicial to the interest of the revenue and is illegal or improper, he may, direct any officer to file an appeal with the appropriate authority against that order or if that order is an adjudicating order, revise such adjudicating order if the period of first appeal expired and if it is within three years of such adjudicating order.
- Commissioner has now option on the GST Portal to **Revise the order** or **Drop the proposal** sent by Internal Review Cell. Facility to **Direct to File Appeal** or **Direct for Revision** on the GST Portal will be provided soon.

- **Issue of Notice u/s 73 or 74**
- Tax officials of Modal-2 State has been provided with facility for issuance of show cause notice for determination of tax liability of a person, under section 73 and 74 of the GST Act 2017.

- **Form GST ASMT-13 (Assessment of Non-filers of Returns – Only for GSTR-3B Defaulters)**
- A facility has been provided to tax officials to issue assessment order under section 62, against the non-filers of Form GSTR-3B Return.
- Tax officials can now view list of non-filers, initiate proceeding against the non-filer, record communication and references related to the case and issue assessment order under section 62 or drop proceedings.
- (Non-filer of return are those taxpayer who have not filled a valid return within 15 days of issuance of notice under Section 46 in Form GSTR-3A)
- (refer Section 62(1) of the CGST Act, 2017 & Rule 100(1) of the CGST Rules 2017)

Any ISSUES/ queries?

- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - <https://selfservice.gstsystem.in/> - Grievance redressal portal
 - Help Desk Number: 0120-4888999

Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- https://twitter.com/NACIN_OFFICIAL

THANK YOU