

The background of the entire page is a photograph of a desk. In the foreground, there are several books with reddish-brown covers. One book is open, and a blue pen lies on its pages. The lighting is soft, creating a professional and academic atmosphere.

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1

Non-Rate Related Amendments

Notification No. 42/2019-Central Tax dated 24th September 2019

Central Government vide this notification **appoints 24th September 2019** as the date on which Rule 10,11,12 and 26 of Central Goods and Services Tax (Fourth Amendment) Rules, 2019 shall come into force.

COMMENT

Central Goods and Services Tax (Fourth Amendment) Rules, 2019 has been notified vide **Notification No. 31/2019-Central tax dated 28th June 2019**.

CENTRAL GOODS AND SERVICES TAX (FOURTH AMENDMENT) RULES, 2019 MADE AMENDMENT IN RULES 21, 46, 49, 66, 67, 87, 91, 92, 94, 128, 129, 132, 133, 138, 138E, FORM GST REG-01, FORM GST REG-07, FORM GST REG-12, FORM GSTR-9 & FORM GST RFD-05; SUBSTITUTION OF FORM GSTR-4 & FORM GST DRC-03 AND INSERTION OF RULES 10A, 32A, 95A, FORM GST PMT-09 & FORM GST RFD-10B



Notification No. 43/2019-Central Tax and Notification No. 18/2019-Central Tax (Rate) dated 30th September 2019

Central Government vide Notification No. 43/2019-Central Tax amended Notification **No. 14/2019-Central tax dated 7th march 2019** and

Central Government vide Notification No. 18/2019-Central Tax(Rate) amended **Notification No. 2/2019-Central tax Rate dated 7th March 2019**

so as to exclude manufacturers of aerated water from availing the benefit of Composition Scheme.

Due date of furnishing FORM GSTR 3B (Notification No. 44/2019 – Central Tax dated 09.10.2019)

Central Government vide this notification prescribes the due date for furnishing the return **in FORM GSTR-3B** and payment of taxes, interest, etc., by a registered person for the months of October 2019 to March 2020 has been specified as the 20th day of the month succeeding such month

COMMENT

Since the implementation of new returns is deferred, there was a requirement to further notify the due dates for filing of returns and payment of taxes in Form GSTR-3B.

Due date of furnishing FORM GSTR 1(Notification No. 45/2019 & 46/2019 – Central Tax dated 09.10.2019)

Central Government vide this notification prescribes the due date for furnishing the return **in FORM GSTR-1** as follows:-

- 1) By a registered person having an aggregate turnover of **more than 1.5 crore rupees** in the preceding financial year or the current financial year for the months of October 2019 to March 2020 has been notified as **11th day** of the month succeeding such month.
- 2) By a registered person having an aggregate turnover of **up to 1.5 crore rupees** in the preceding/current financial year

| S.No. | Quarter | Due date |
|-------|------------------------|----------------|
| 1 | Oct 2019 to Dec 2019 | 31st Jan, 2020 |
| 2 | Jan 2020 to march 2020 | 30th Apr, 2020 |

Relaxation in filing of annual returns (*Notification No. 47/2019 Central Tax dated 09.10.2019*)

As per section 44(1) of CGST Act, 2017 every registered person (without any turnover limit), other than certain specified persons, is required to file an annual return (GSTR 9) for FY 17-18 on or before 31st December 2018 which is extended to 30th November 2019 by Order No 7/2019 Central Tax dated 26.08.2019.

Central Government vide this notification provides that the registered persons:

1. Whose aggregate turnover in a financial year does not exceeds Rs.2 Crore **and**
 2. Who has not furnished the annual return
- will have an **option** to file annual return for the financial years 2017-18 and 2018-19. Though, the said returns **shall be deemed to be furnished on the due date if it has not been furnished before the due date.**

COMMENT

The option given to persons having aggregate turnover up to Rs. 2 crores is a welcome move considering the preparedness of the industry and the technical glitches of the portal. However, the deeming fiction created in the notification seems to be for the purpose of ascertaining the time lines for the issue of orders under section 73 and 74 of the CGST Act 2017.

Waiver of late filing fee (*Notification No. 48/2019 Central Tax dated 09.10.2019*)

Central Government vide this notification waives of late fee payable for delay in filing of the following returns for registered persons whose principal place of business is in the **State of Jammu and Kashmir**:

COMMENT

The waiver of the late fee is only if the said statement/form is filed within the date mentioned in the notification. If not filed within such date then the late fee as prescribed would be applicable.

| S.No. | Class of Persons | FORM | Period | Condition: To be filed by |
|-------|--|---------------------|-----------------------|---------------------------|
| 1 | Whose aggregate turnover more than Rs. 1.5 crores in the preceding or current FY | GSTR-1 | July 2019 to Aug 2019 | 11th Oct 2019 |
| 2 | All | GSTR-3B | July 2019 to Aug 2019 | 20th Oct 2019 |
| 3 | All | GSTR-7 (TDS return) | July 2019 to Aug 2019 | 10th Oct 2019 |

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 21A- Suspension of registration

Extract of Rule 21A(3)

A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39

Insertion of Explanation After Rule 21A(3)

“Explanation.-For the purposes of this sub-rule, the expression “shall not make any taxable supply” shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.”

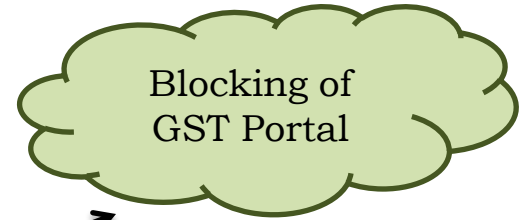
Insertion of Sub Rule (5) after Sub Rule (4)

“Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.”

COMMENT

- ❖ Section 31(3)(a) i.e. issue of revised invoice for any invoice issued from suspension till the date of revocation can be issued by such person, and
- ❖ Section 40 i.e. declaration of supplies from the suspension of registration till the revocation of cancellation, in first return, would be applicable to such person.

Impact of Amendment in Rule 21A of CGST Rules 2017



*This clarification and amendment is done to address the **practical difficulties** in cases where the registration has been suspended.*

This explanation being clarificatory in nature would be deemed to have force from the time the said rule is in existence.

Further, in case the registration is not cancelled, such person can issue revised invoices and pay taxes (in the first return filed after such suspension) for the taxable supplies made from the period of suspension of registration.

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 36 –Credit eligibility in case where supplier has not furnished details of supplies

Insertion of Sub Rule (4) after Sub Rule (3)

“Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which **have not been uploaded by the suppliers** under sub-section (1) of section 37, shall not exceed 20 per cent. of the **eligible credit available** in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.”.

COMMENT

The amendment provides that ITC on unmatched invoices are not completely barred but restricted to 20% of the matched ITC.

EXAMPLE

| Month | Eligible ITC as per Books | Total ITC as per GSTR 2A | Eligible ITC as per GSTR 2A | Available ITC | Remarks |
|------------|---------------------------|---|-----------------------------|-----------------|--|
| Oct 2019 | 100,000 | 100,000 | 100,000 | 100,000 | Ideal Scenario |
| Nov 2019 | 100,000 | 80000 | 80,000 | 96,000 | Max. ITC: GSTR 2A + 20% of Eligible ITC |
| Dec 2019 | 80,000 | 100,000 | 60,000 | 72,000 | |
| Jan 2020 | 100,000 | 100,000 | 80,000 | 96,000 | |
| Feb 2020 | 100,000 | 75000 + Entry of Rs. 10000 of Nov 19 made by supplier in Feb 2020 | 75,000 | 90,000 + 10,000 | ITC of Previous month subject to limit of 20% of Eligible ITC |
| March 2020 | 100,000 | 80000 | 80,000 | 96000 + 5000 | Max. ITC: GSTR 2A + 20% of Eligible ITC and ITC reversed earlier due to non- payment within 180 days |

POINT TO BE NOTED

There is serious doubt on the Legal validity of the aforesaid conditions/restriction due to fact that there is no provision that enables this restriction/ condition. The matching report in GSTR-2A also lacks proper legal backing and is very dynamic.

Besides the legal infirmities, the rule is not clear on the periodicity of the matching, level of accuracy of the matching details etc., Therefore until clarified further one may do this year to year. Further, there are practical difficulties in implementing this rule. Though the objective of the rule is to curb the revenue leakage, the implementation can be made only after the new returns are made operative.



Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 61 – Form GSTR-3B – return u/s 39(1) with retrospective effect from 1st July 2017

Insertion of Sub Rule (5) with effect from the 1st July, 2017

“(5) Where the time limit for furnishing of details in FORM GSTR-1 under section 37 or in FORM GSTR-2 under section 38 has been extended, the return specified in sub-section (1) of section 39 shall, in such manner and subject to such conditions as the Commissioner may, by notification, specify, be furnished in FORM GSTR-3B electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that where a return in FORM GSTR-3B is required to be furnished by a person referred to in sub-rule (1) then such person shall not be required to furnish the return in FORM GSTR-3.”;

(b) sub-rule (6) shall be omitted with effect from the 1st July, 2017.

COMMENT

The present amendment is made to overcome the judgment of *Gujarat HC in case of AAP and Co., 2019 (26) G.S.T.L. 481 (Guj.)* wherein it was held that Form GSTR-3B is not a return u/s 39(1) and thereby the time limit for availing ITC would not depend on the due date of furnishing such form.

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 83A- Examination of Goods and Services Tax Practitioners

in sub-rule (6), for clause (i), the following clause shall be **substituted**, namely:-

“(i) Every person referred to in clause (b) of sub-rule (1) of rule 83 and who is enrolled as a goods and services tax practitioner under sub-rule (2) of the said rule is required to pass the examination within the period as specified in the second proviso of sub-rule (3) of the said rule.”

COMMENT

Time limit given for passing of examination prescribed in this regard for a person who has enrolled as a sales tax practitioner or tax return preparer under the existing law for not less than 5 years, is now amended to be aligned with the time limit specified under rule 83(3) i.e. within 30 months from the appointed date.

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 91- Grant of Provisional Refund

in sub-rule (3), after the words “application for refund” the words “on the basis of a consolidated payment advice:” shall be inserted.

Insertion of sub rule (4) after Rule 91(3)

“(4) The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (3).”

COMMENT

Since the disbursement of refund is now based on a consolidated payment advice, that too by a single disbursement authority i.e. the Central Government in full, consequent changes have been made in Rule 91.

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 97- Consumer Welfare Fund

Insertion of Rule 7A after Rule 91(7) with effect from the 1st July, 2017

“(7A) The Committee shall make available to the Board 50 per cent. of the amount credited to the Fund each year, for publicity or consumer awareness on Goods and Services Tax, provided the availability of funds for consumer welfare activities of the Department of Consumer Affairs is not less than twenty-five crore rupees per annum.”

Sub Rule 8 shall be omitted w.e.f. 1st July 2017

COMMENT

Now it has been made mandatory for the Committee to make available 50% of the fund amount (subject to condition that atleast Rs. 25 crores is available for consumer welfare activities) for the publicity and awareness relating to GST. This should help the Government to spend on public awareness programs, advertisements, etc. to make the public aware about aspects relating to GST which should lead to increased awareness and compliance.



Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 117- Transitional returns

- (a) in sub-rule (1A) for the figures, letters and word “31st March, 2019”, the figures, letters and word “31st December, 2019” shall be substituted.
- (b) in sub-rule (4), in clause (b), in sub-clause (iii), in the proviso for the figures, letters and word “30th April, 2019”, the figures, letters and word “31st January, 2020” , shall be substituted.

COMMENT

Rule 117(1A) has been amended to extend the availment of transitional credits through Form GST TRAN – I from 31st March 2019 to 31st December, 2019 in cases where registered persons could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council has made a recommendation for such extension. In such cases the due date for filing Form GST TRAN – 2 has been extended to 31st January, 2020.

Who shall avail the benefit of this amendment ?



This amendment has been made to enable only those registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal and in respect of whom the Council has made a recommendation for such extension.

Amendments to CGST Rules, 2017 (Notification No. 49/2019 Central Tax dated 09.10.2019)

Rule 142- Notice and order for demand of amounts payable under the Act

Insertion of Rule 1A and 2A in Rule 142 of CGST Rules 2017

“(1A) The proper officer shall, before service of notice to the person chargeable with tax, interest and penalty, under sub-section (1) of Section 73 or sub-section (1) of Section 74, as the case may be, shall communicate the details of any tax, interest and penalty as ascertained by the said officer, in Part A of **FORM GST DRC-01A.**”

“(2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in Part B of FORM GST DRC-01A.”

New sub-rule (1A) has been inserted in rule 142 to prescribe a procedure for issuing a communication by the officer in Part A of Form GST DRC-01A, giving details of tax, interest and penalty, **before service of notice u/s 73(1) or 74(1)**. Such person on receipt of the said communication may choose to pay the proposed dues or make a partial payment or file a submission in Part B of Form GST DRC-01A. SCN would be issued after the said process is completed, which will provide a stage to consider the submissions made by the assessee before issuance of SCN.

COMMENT

This would enable the assessee a chance to make payment or initial submissions before the issuance of notice under the Act. This will also require the officer to communicate the details and the amounts to be paid on the portal, before pushing the assessee to make payment towards the proposed liability. This form is for the intimation by the department and also the reply of the tax payer.

2

Rate Related Amendments

Notification No. 14/2019-Central Tax (Rate), Notification No. 14/2019-Union Territory Tax (Rate) and Notification No. 14/2019-Integrated Tax (Rate) dated 30th September 2019

Following entries have been **Newly Inserted** by amending Notification 1/2017-Central tax (Rate) dated 28th June 2016.

| Particulars | New GST Rate |
|---|--------------|
| Marine Fuel 0.5% | 5% |
| Wet grinder consisting of stone as a grinder | 5% |
| Woven and Non- Woven Bags and sacks of Polyethylene Polypropylene strips, whether laminated or not. | 12% |
| Parts of railway or tramway locomotives, wagons, coaches, etc., classified under tariff heading 8601 to 8608. | 12% |
| Caffeinated Beverages | 28% |

Notification No. 15/2019-Central Tax (Rate), Notification No. 15/2019-Union Territory Tax (Rate) and Notification No. 15/2019-Integrated Tax (Rate) dated 30th September 2019

Central Government vide these notifications **exempted** Dried Tamarind & plates and cups made of all kind of leaves or flower or bark.

Notification No. 16/2019-Central Tax (Rate) dated 30th September 2019

Government has **extended concessional GST rate benefit of 5%** to petroleum or coal bed methane operations undertaken under specified contracts under the Hydrocarbon Exploration Licensing Policy (HELP) or Open Acreage Licensing Policy (OALP).

Notification No. 17/2019-Central Tax (Rate) and Notification No. 17/2019- Union Territory Tax (Rate) and Notification No. 17/2019- Integrated Tax (Rate) dated 30th September 2019

Government vide these notifications **exempted** Supplies of Silver and Platinum by nominated agencies to registered persons under the Scheme for “Export against Supply by Nominated Agency” as prescribed under Notification No. 26/2018 - Central Tax (Rate), dated 31-12-2018.

Notification No. 19/2019-Central Tax (Rate) and Notification No. 19/2019-Union Territory Tax (Rate) and Notification No. 18/2019-Integrated Tax (Rate)

All goods supplied to Food & Agricultural Organization of the United Nations (FAO) for execution of specified projects vide aforesaid notifications has been **exempted** by Central Government respectively.

Notification No. 20/2019-Central Tax (Rate), Notification No. 20/2019-Union Territory Tax (Rate) and Notification No. 19/2019-Integrated Tax (Rate)

| S.No. | Particulars | Rate | Condition |
|-------|---|------|--|
| 1 | 'Hotel accommodation' having value of supply of a unit of accommodation above Rs. 1,000 but less than or equal to Rs.7,500 per unit per day or equivalent | 12% | - |
| 2 | Restaurant services other than at 'Specified premises'. | 5% | ITC charged on goods and services used in supplying the service has not been taken |
| 3 | Outdoor Catering or Composite supply of 'outdoor catering' together with renting of premises or supply of 'outdoor catering', at premises other than 'specified premises' provided by any person except- (a) suppliers providing 'hotel accommodation' at 'specified premises', or suppliers located in 'specified premises' | 5% | ITC charged on goods and services used in supplying the service has not been taken |

| S.No. | Particulars | Rate | Condition |
|-------|--|------|-----------|
| 4 | Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both | 12% | - |
| 5 | Services by way of job work in relation to diamonds falling under chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975) | 1.5% | - |
| 6 | Services by way of job work in relation to bus body building | 18% | |

Note: Specified Premises means premises providing hotel accommodation services having declared tariff of any unit of accommodation above Rs. 7,500 per unit per day or equivalent

Notification No. 21/2019-Central Tax (Rate), Notification No. 21/2019-Union Territory Tax (Rate) and Notification No. 20/2019-Integrated Tax (Rate)

Certain services exempted vide Notification No. 21/2019-Central Tax (Rate), Notification No. 21/2019-Union Territory Tax (Rate) and Notification No. 20/2019-Integrated Tax (Rate):-

| S.No. | Particulars | Rate | Condition |
|-------|--|------|--|
| 1 | Services provided by and to Federation International de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India. | NIL | Provided that Director (Sports), Ministry of Youth Affairs and Sports certifies that the services are directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 |

| S.No. | Particulars | Rate | Condition |
|-------|---|------|-----------|
| 2 | Services by way of storage or warehousing of cereals, pulses, fruits, nuts and vegetables, | NIL | - |
| | spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea. | NIL | - |
| 3 | Services of life insurance provided or agreed to be provided by the Central Armed Police Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the Group Insurance Schemes of the concerned Central Armed Police Force | NIL | - |
| 4 | Services by way of right to admission to the events organized under FIFA U-17 Women's World Cup 2020 | NIL | - |

Notification No. 22/2019-Central Tax (Rate) dated 30th September 2019

Two new services notified under reverse charge mechanism which are:

Services provided by way of *renting of a motor vehicle* provided to a body corporate by any person other than a body corporate, paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business.

Services of *lending of securities* under Securities Lending Scheme, 1997 of the Exchange Board of India to Borrower (a person who borrows the securities under the Scheme through an approved intermediary of SEBI) by Lender (a person who deposits the securities registered in his name or in the name of any other person duly authorized on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI).

Notification No. 23/2019-Central Tax (Rate) dated 30th September 2019

Government has notified that special procedure prescribed for payment of taxes in case of supply of development right services shall not be applicable and will be rescinded for development right services supplied on or after April 1, 2019.

COMMENT

Central government vide this notification amended notification No. 4/2018 - Central Tax (Rate), dated the 25th January, 2018. In this notification Central Government defined time of supply of services between the person who supplies development rights to a developer, builder, construction company or any other registered person against consideration, wholly or partly, in the form of construction service of complex, building or civil structure; and (b) registered persons who supply construction service of complex, building or civil structure to supplier of development rights against consideration, wholly or partly, in the form of transfer of development rights.



COMMENT

The liability to pay central tax at the time of supply of services by the said developer, builder, construction company or any other registered person, as the case may be, transfers possession or the right in the constructed complex, building or civil structure, to the person supplying the development rights by entering into a conveyance deed or similar instrument has been now rescinded by the government.

Notification No. 24/2019-Central Tax (Rate) dated 30th September 2019

Reverse charge will be applicable on the goods 'Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975) supplied by unregistered supplier to promoter without any condition or limit.

COMMENT

Government has widened the applicability of reverse charge on cement supplied by unregistered supplier to promoters.

Notification No. 04/2019- Integrated Tax dated 30th September 2019

Government has notified place of supply for research and development services related to pharmaceutical sector.

The place of supply for supply for research and development services related to pharmaceutical sector shall be the place of effective use and enjoyment of a service, i.e., recipient of services.

The place of supply of services shall be the location of the recipient of services subject to fulfillment of the conditions that:

- 1) They are provided as per a contract between the service provider located in taxable territory, service recipient located in non- taxable territory,
- 2) The payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India] and
- 3) The supplier of service and the recipient of service are not merely establishments of a distinct person.

Notification No.3/2019-Compensation Cess (Rate) dated 30th September 2019

Government has notified that no refund of unutilized input tax credit of compensation cess shall be allowed for tobacco and manufactured tobacco substitutes, where compensation cess credit has been accumulated on account of inverted duty structure i.e. GST on inputs being higher than the rate of compensation cess on the output supplies of such goods (other than nil rated or fully exempt supplies).

3

Clarifications issued vide Circulars

Clarification related to supply of grant of alcoholic liquor license Circular No. 121/40/2019 dated 11th October 2019

GST on license fee charged by the States for grant of Liquor licences

GST Council in its 26th meeting held on 10.03.2018, recommended that GST was not leviable on license fee and application fee, by whatever name it is called, payable for alcoholic liquor for human consumption and that this would apply mutatis mutandis to the demand raised by Service Tax/Excise authorities on license fee for alcoholic liquor for human consumption in the pre GST era, i.e. for the period from 01-04-2016 to 30-06-2017.

Clause No. 117 of Finance (No. 2) Act, 2019 was inserted to provide exemption from service tax.

By Notification No. 25/2019-CT(R), such supply has been notified as neither supply of goods nor supply of services in GST.

This exemption / exclusion is specific and it is clarified that it has no applicability or precedence value in relation to grant of other licenses and privileges for a fee in other situations.



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What shall be the status of GST on license fee charged by the States for grant of Liquor licences for the period 1.7.2017 to 30.09.2019

Clarification regarding taxability of supply of securities under Securities Lending Scheme, 1997 Circular No. 119/38/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 119/38/2019-GST dated October 11, 2019, clarified that on supply of lending of securities for the period from 01.07.2017 to 30.09.2019, GST is payable under forward charge by the lender.

However, with effect from October 1, 2019, the borrower of securities shall be liable to pay GST under reverse charge mechanism (RCM).

The nature of GST to be paid shall be **IGST** under RCM at rate of **18%**.

Clarifications regarding place of supply of software/design services related to ESDM industry Circular No. 118/37/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 118/37/2019-GST dated October 11, 2019, clarified that **place of supply** for software/design services in respect of Electronics Semi-conductor and Design Manufacturing (ESDM) industry supplied by supplier in taxable territory to service recipient in non-taxable territory by using sample prototype hardware/test kits in a composite supply, where such testing is an ancillary supply, is the *location of service recipient*.

GST exemption available on DG Shipping approved maritime courses Circular No. 117/36/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 117/36/2019-GST dated October 11, 2019, clarified that Maritime Training Institutes of India are educational institutions under GST Law and the approved courses conducted by them are exempt from levy of GST subject to fulfillment of condition that services by way of education are provided as part of a curriculum for obtaining a qualification/degree recognized by law..

CBIC clarifies GST implications on displaying name of the donor in premises of charitable organizations Circular No. 116/35/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 116/35/2019-GST dated October 11, 2019, clarified that GST is not leviable when

1. The gift or donation is made to a charitable organization
2. Where the payment has the character of gift or donation and
3. The purpose is charitable and not commercial.

COMMENT

The above clarification shall apply to all types of donations including those by Educational Institution, Charitable Hospital etc.

This clarification shall serve respite to many charitable organization who take donations against specific performance of work and where grantor has merely humanitarian interest.

GST leviable on passenger service fee (PSF) and user development fess (UDF) Circular No. 115/34/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 115/34/2019-GST dated October 11, 2019, clarified:-

1. Airport operators shall pay GST on the passenger service fee (PSF) and user development fee (UDF) collected by them from the passengers through the airlines.
2. Airlines only act as a pure agent and would not be liable to pay GST on PSF and UDF charges collected by them. Also, the airline shall not take ITC of GST payable or paid on PSF and UDF.
3. The registered passengers, who are the ultimate recipient of the airport services, may take ITC of GST paid on PSF and UDF on the basis of pure agent's invoice issued by the airline to them.

Clarification on scope of support services of exploration, mining or drilling of petroleum crude or natural gas Circular No. 114/33/2019-Central Tax Dated 11.10.2019

CBIC vide Circular No. 114/33/2019-GST dated October 11, 2019, clarified that scope of 'services of exploration, mining or drilling of petroleum crude or natural gas or both' is governed by SAC 998621 and 998622.

Further, scope of 'other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both' is governed by SAC 998341 and 998343.

998621: Support services to oil and gas extraction

998622: Support services to other mining n.e.c.

998341: Geological and geophysical consulting services

998343: Mineral exploration and evaluation

Clarifications issued by CBIC for GST rates & classification of certain goods Circular No. 113/2019-Central Tax Dated 11.10.2019

Leguminous vegetables

Mere Dried leguminous vegetables are classified under HS code 0713. Dried leguminous vegetable when mixed with other ingredients (oil, salt etc) or sold as namkeens, then it would be classified under CTH 2106

Mechanical Sprayer

S. No. 195B of the Schedule II to notification No. 1/2017-CT covers “mechanical sprayers” of all types whether or not hand operated (like hand operated, power operated, battery operated, foot sprayer, rocker etc.)

Imported stores by the Indian Navy

Imported stores for use in navy ships are entitled to exemption from GST

Goods imported under lease

The expression “taken on lease/imported under lease”(in S. No. 557A and 557B respectively of notification No. 50/2017-Customs dated 30.06.2017) covers imports under an arrangement so as to supply services covered by item 1(b) or 5(f) of Schedule II of the CGST Act, 2017 to avoid double taxation.

Parts of solar water heater

Parts including Solar Evacuated Tube falling under chapter 84, 85 and 94 for the manufacture of solar water heater and system will attract 5% GST.

Medical device parts / accessory

12% IGST would be applicable on the parts and accessories suitable for use solely or principally with a medical device falling under heading 9018, 9019, 9021 or 9022