

In brief

- Amending the CGST Rules 2017 to restore Rule 96(10) i.e. refund of IGST paid on exports out of India.
- Exporters who have received capital goods under the EPCG scheme are allowed to claim the refund of the IGST paid on exports.
- Extension of due date for filing Form GSTR-3B, ITC 04 and final return in certain cases for specified period

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CGST ACT, 2017**Central Tax Notifications:***Notification No. 53 and 54 /2018-Central Tax, Dated: 09-10-2018*

These notifications restore Rule 96(10) and Rule 89(4B) to the position that existed before the amendment carried out in these Rules by previous notifications and allow exporters who have received capital goods under the EPCG scheme to claim refund of IGST paid on exports.

Rule 96(10) restricts exporters from availing the facility of claiming refund of IGST paid on exports in certain scenarios. It was intended that exporters availing benefit of certain notifications would not be eligible to avail the facility of such refund.

Exporters who are importing goods in terms of notification Nos. 78/2017-Customs and 79/2017-Customs both dated 13th October 2017 would not be eligible for refund of IGST paid on exports as provided in the said sub-rule. However, exporters who are receiving capital goods under the EPCG scheme, either through import in terms of Notification No. 79/2017-Customs dated 13th October 2017 or through domestic procurement in terms of Notification No. 48/2017-Central Tax dated 18th O

ctober 2017, will continue to be eligible to claim refund of IGST paid on exports and would not be hit by the restrictions provided in the said sub-rule.

Notification No. 55/2018-Central Tax, Dated: 21-10-2018

This notification seeks to extend time limit for furnishing FORM GSTR 3B for each of the month of September 2018 till 25th October for all taxpayers.

In brief

- Exemption to certain offices under Ministry of Defense from TDS.
- Exemption of supply from PSU to PSU from applicability of provisions relating to TDS.
- Extension of time limit for filing GSTR 7.
- Extension of time limit for completing migration procedure
- Extension of time limit for filing GSTR 3B and GSTR 1 by newly migrated Taxpayers
- Exemption of supplies made by Government Departments and PSUs to other Government Departments and PSUs from TDS
- 14th Amendments to CGST Rules 2017 notified

Notification No. 57/2018-Central Tax, Dated: 23-10-2018

This notification seeks to exempt authorities under Ministry of Defense from TDS compliance excepting 30 Principal Controller / Controller offices specified in this Notification.

Notification No. 66/2018-Central Tax, Dated: 29-11-2018

This notification seeks to extend the due date for filing of FORM GSTR – 7 for the months of October 2018 to December 2018 till 31st January 2019.

Notification No. 67/2018-Central Tax, Dated: 31-12-2018

Seeks to extend the time period specified in notification No. 31/2018-CT dated 6th August 2018 for availing the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process up to 31st January 2019.

Notification No. 68, 69 and 70/2018-Central Tax, Dated: 31-12-2018

These notifications extend the due date for furnishing GSTR 3B by newly migrated taxpayers for the period from July 2017 to February 2019 up to 31st March 2019.

Notification No. 71 /2018-Central Tax, Dated: 31-12-2018

This notification extends the due date for furnishing Quarterly GSTR 1 by newly migrated taxpayers for the period from July 2017 to December 2018 up to 31st March 2019.

Notification No. 72/2018-Central Tax, Dated: 31-12-2018

This notification extends the due date for furnishing Monthly GSTR 1 by newly migrated taxpayers for the period from July 2017 to February 2018 up to 31st March 2019.

Notification No. 73/2018-Central Tax, Dated: 31-12-2018

This notification exempts supplies made by Government Departments and PSUs to other Government Departments and vice-versa from TDS.

Notification No. 74/2018-Central Tax, Dated: 31-12-2018

Seeks to make 14th amendment to the CGST Rules, 2017

Amendments	Particulars
New Sub Rule (1A) has been inserted after Rule 12(1) of CGST 2017	Rule 12 of CGST Rules 2017 is pertaining to Registration of Persons required to deduct TDS/ TCS. Now name of the state in Part A and Part B can be different for such E Commerce Operator on which provision of Section 52 (Tax Collection at Source) is applicable.

Amendments	Particulars
Removal of words from Rule 45(3)	Earlier, a Principal are filling ITC-04 with the below details of goods - dispatched to a job worker or received from a job worker or sent from one job worker to another. After these changes, a principal is not requiring to give the details of goods sent from one job worker to another in the GST ITC-04.
In case of Electronic Invoice - No requirement of any Signature or Digital Signature	Signature or Digital Signature is not required in case of Electronic Invoice. This relaxation has been inserted for Tax Invoice (Rule 46), Bill of Supply(Rule 49) and Tax Invoice in Special Case (Rule 54) by Banking/NBFC Company etc. (Sub Rule 2 of Rule 54) by passenger transportation service (Sub Rule 4 of Rule 54)
Amendment in Rule 96, sub-rule (1), clause (a)	Rule 96(1) talks about the refund in case of Export of Goods made on payment of IGST (not exported through LUT route). Now As per explanation (a) to Rule 96(1) date of application will be deemed when the person in charge of the conveyance carrying the export goods duly files a departure manifest (<i>inserted now</i>)/ an export manifest/ an export report covering the number and the date of shipping bills or bills of export.
Insertions in Rule 101, sub-rule (1)	Rule 101(1) was pertaining to Department Audit u/s 65 of CGST Act. Earlier, Rule 101(1) stated that the period of audit to be conducted under Section 65(1) will be a Financial Year (FY) or multiples thereof. Now, part of the FY is also added. Therefore, Department can now conduct the Audit for part of FY as well.
Insertion of new Rule 109B- Notice to person and order of revisional authority in case of revision	By virtue of new Rule 109B which deals with Notice and Order in case of Revisionary adverse revision by the revisional authority require: <ul style="list-style-type: none"> • Notice in RVN-01 • Opportunity of being heard • Summary Order in APL-04
Rule 138E inserted after Rule 138D from a date to be notified later	138E- Restriction on furnishing of information in PART A of FORM GST EWB-01 - Restriction has been imposed for generation of E Way Bill to defaulter of return

In brief

- Waiver of late fees in case of GSTR 1, GSTR 3B, and GSTR 4
- Extension of time limit for filing ITC 04

Amendments	Particulars
Insertion of the words 'or sub-section (12) of Section 75' in Rule 142, in sub-rule (5), after the words Section 74	Rule 142 prescribes the provision for Notice and Order for Demand of Amounts Payable under the Act. As per sub-rule 5 - A summary of the order issued under certain Sections (like 74/76/129/130 etc.) will be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty etc. Now after this amendment, DRC-07 will be uploaded also in case of notice issued under Section 75(12).
FORM GST RFD-01 and 01A have been revised	Forms GST RFD -01 and 01A have been revised
FORM GSTR 9, 9A and 9C have been revised	Form GSTR 9 Annual Return for Regular Registered Person, Form GSTR 9A Annual return for Composition Levy and Form 9C GST Reconciliation Statements & Certification have been revised.
<ul style="list-style-type: none">• FORM GST APL-03, shall be inserted after FORM GST RVN-01• FORM GST APL-04 has been revised	As per new Rule 109B inserted vide this notification format of APL-03 and APL-04 have been specified

Notification No. 75,76,77/2018-Central Tax, Dated: 31-12-2018

This notification waives the amount of late fees leviable on account of delayed furnishing of FORM GSTR-1, GSTR-3B and FORM GSTR-4 or the period July 2017 to September 2018 provided the said details are furnished between the period from 22nd December, 2018 to 31st March 2019.

Notifications No. 78/2018-Central Tax, Dated: 31-12-2018

This notification extends the time limit for furnishing the declaration in FORM GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker, during the period from July 2017 to December 2018 till the 31st March 2019.

Notifications No. 79/2018-Central Tax, Dated: 31-12-2018

This notification seeks to amend notification No. 2/2017 - Central Taxes dated 19th June 2017 defining jurisdictional power of certain GST authorities

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In brief

- Reductions in GST rates certain goods in line with recommendations of 31st Meeting of GST Council

Central Tax (Rate) Notifications:

Notifications No. 24/2018-Central Tax (Rate), Dated: 31-12-2018

This notification seeks to further amend notification No. 1/2017-Central Tax (Rate) dated 8th June 2017 to change GST rates w.e.f. 1st January 2019 on goods as per recommendations of the GST Council in its 31st meeting.

a) in Schedule I – 2.5%, -

i) Sr. No. 23 and 24 – omitted

These items related to vegetables (cooked/ uncooked/ frozen) have been included in the list of exempt items.

ii) Insertions:

123A	2515 11 00	Marble and travertine, crude or roughly trimmed;
198A	4501	Natural cork, raw or simply prepared
225A	6602 00 00	Walking-sticks including seat sticks
225B	6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks;
243A	8714 20	Parts and accessories of carriage for disabled persons;

iii) Footwear having a retail sale price not exceeding Rs.1,000 has been substituted for Rs.500 in Sr. No.225.

iv) Explanation added to entry No. 234 related to **renewable energy devices & parts for their manufacture.**

b) in Schedule II – 6%, -

i) Insertions:

101A	4502 00 00	Natural cork, debarked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)
101B	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom
101C	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork ;
171A	6305 32 00	Flexible intermediate bulk containers;

ii) Omitted –

Sr. Nos. 102, 126 and 177 along with entries thereto

In brief

- Exemption of certain goods and Services in as recommended in 31st Meeting of GST Council

c) in Schedule III – 9%, -

i) Insertions:

121A	4012	Re-treaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber;
376AAA	8507	Lithium-ion accumulators (other than battery) including lithium-ion power bank;
440A	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

ii) Omitted –

Sr. Nos. 142, 143, 144 along with entries thereto

d) in Schedule IV – 14%, -

i) Insertions:

174	8714	Parts and accessories of vehicles of heading 8711
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ii) Omitted –

Sr. Nos. 47, 135, 151 and 215 along with entries thereto

Notifications No. 25/2018-Central Tax (Rate), Dated: 31-12-2018

This Notification seeks to exempt GST on goods w.e.f. 1st January 2019 as per recommendations of the GST Council in its 31st meeting.

i) Insertions: :

43A	0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen
43B	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”;
“121A	4904 00 00	Music, printed or in manuscript, whether or not bound or illustrated”;
153	Any Chap ter	Supply of gift items received by the President, Prime Minister, Governor or Chief Minister of any State or UT, or any public servant, by way of public auction by the Government, where auction proceeds are to be used for public or charitable cause”.

In brief

- GST rates on various services notified
- Exemption of specified Services in line with recommendations in 31st Meeting of GST Council
- More services including Security services covered under RCM

Notifications No. 27/2018-Central Tax (Rate), Dated: 31-12-2018

This notification seeks to notify CGST rates of various services w.e.f. 1st January 2019 as recommended by GST Council in its 31st meeting held on 22nd December 2018, major one being:

- i) GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%
- ii) Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in Economy class (i.e. 5% with Input Tax Credit **(ITC)** of input services).
- iii) GST will be charged on leasing or renting of goods at same rate as applicable on supply of like goods involving transfer of title in goods
- iv) GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets up to Rs. 100 from 18% to 12%.

Notifications No. 28/2018-Central Tax (Rate), Dated: 31-12-2018

This notification seeks to notify exemption of certain services from payment of Central tax w.e.f. 1st January 2019:

- i) Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to specified government department and agencies which have taken registration, only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.
- ii) Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).
- iii) Services provided by recognised rehabilitation professionals by way of rehabilitation, therapy or counseling and such other activity as covered by the said Act at specified institutions.

Notifications No. 29/2018-Central Tax (Rate), Dated: 31-12-2018

This Notification seeks to specify certain services to be taxed under RCM (Reverse Charge Mechanism) as recommended by GST Council in its 31st meeting held on 22nd December 2018.

Following services brought under RCM mechanism:

- i) Services provided by business facilitator (BF) to a banking company
- ii) Services provided by an agent of business correspondent (BC) to business correspondent (BC)
- iii) Security services (services provided by way of supply of security personnel) provided to a registered person, except those to Government/ agencies which are registered only for TDS purposes

In brief

- Adds an explanation to transport of goods in containers by rail by any person other than Indian Railways
- Time period to avail ITC and amendment to detail pertaining to 2017-18 extended up to the due date of furnishing details for the month of March 2019.
- Due date for furnishing GSTR 9, GSTR 9A and GSTR 9C extended up to 30th June 2019.
- Clarifications regarding refund of Compensation Cess
- SOP for processing of Applications for Cancellation of Registration

Notifications No. 30/2018-Central Tax (Rate), Dated: 31-12-2018

This Notification seeks to add an explanation to transport of goods in containers by rail by any person other than Indian Railways.

It states that nothing contained in this item shall apply to supply of a service other than by way of transport of goods from a place in India to another place in India.

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Central Tax: Orders:

Order No. 2/2018 - Central Tax, Dated: 31-12-2018

This order extends the due date for availing ITC on the invoices or debit notes relating to such invoices issued during the FY 2017-18 and for rectification of errors and omissions for the same period till the due date of furnishing of details for the month of March 2019.

Order No. 3/2018 - Central Tax, Dated: 31-12-2018

This order extends the due date for furnishing of annual returns in FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C for the FY 2017-2018 till 30th June 2019.

Order No. 4/2018 - Central Tax, Dated: 31-12-2018

This order extends the due date for furnishing the statement in FORM GSTR-8 by e-commerce companies for the months of October to December 2018 till 31st January 2019.

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Central Tax : Circulars

Circular No. 68/2018-GST / Dated: 05-10-2018

The circular clarifies that UN and specified international organizations, foreign diplomatic missions or consular posts in India, or diplomatic agents or career consular officers posted therein, having being specified under Section 55 of the CGST Act, 2017, are entitled to refund of Compensation Cess payable on intra-State and inter-State supply of goods or services or both received by them subject to the same conditions and restrictions, *mutatis mutandis*, as prescribed in Notification No. 16/2017-Central Tax(Rate) dated 28th June 2017.

Circular No. 69/2018-GST / Dated: 26-10-2018

This circular lays the Standard Operating Procedure (SOP) for Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16

In brief

- Issues related to refund clarified
- Procedure for return of time expired drugs specified
- Procedure of TCS by Tea Board of India defined

Circular No. 70/2018-GST / Dated: 26-10-2018

This circular clarifies certain issues related to refund

- a) Status of refund claim after issuance of deficiency memo and re-credit of electronic credit ledger:
- b) Allowing exporters who have received capital goods under EPCG to claim refund of IGST paid on exports

Circular No. 71/2018-GST / Dated: 26-10-2018

This circular clarifies issues pertaining to registration as a casual taxable person & recovery of excess ITC distributed by an Input Service distributor.

Circular No. 72/2018-GST / Dated: 26-10-2018

This circular clarifies the procedure in respect of return of time expired drugs or medicines:

The retailer/ wholesaler can follow either of the below mentioned procedures for the return of the time expired goods:

- a) Return of time expired goods to be treated as fresh supply
- b) Return of time expired goods by issuing Credit Note

Circular No. 73/2018-GST / Dated: 05-1-2018

This circular clarifies scope of principal and agent relationship under Schedule I of CGST Act, 2017 in the context of del-credre agent

Circular No. 74/2018-GST / Dated: 05-11-2018

This circular clarifies collection of tax at source by Tea Board of India.

TCS at the notified rate, in terms of section 52 of the CGST Act, shall be collected by Tea Board respectively from the -

- c) Sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
- d) Auctioneers on the net value of supply of services (i.e. brokerage).

Circular No. 75/2018-GST / Dated: 27-12-2018

This circular clarifies Guidelines for processing of applications for financial assistance under the Central Sector Scheme named 'Seva Bhoj Yojna' of the Ministry of Culture

Circular No. 76/2018-GST / Dated: 31-12-2018

This circular clarifies certain issues as follows-

In brief

- In respect supply of specified used goods by the government department

Sr. No.	Issue	Clarification
i	Applicability of GST to the supply of used vehicles seized and confiscated goods, old and used goods, waste and scrap by Govt. department.	The respective Government departments shall be liable to get registered and pay GST supply of used vehicles, seized and confiscated goods, old and used goods, waste and scrap made by them to an unregistered person .
ii	Penalty in cases where the return in FORM GSTR-3B has been filed after the due date of filing such return	Penalty under the provisions of Section 73(11) of the CGST Act is not payable in such cases
iii	Rate of GST applicable on debit note or a credit note issued in case of revision of prices of any goods or services or both on or after the appointed day (i.e., 1 st July 2017)	The rate as per the provisions of the GST Acts (both CGST and SGST or IGST) would be applicable.
iv	Applicability of the provisions of Section 51 of the CGST Act (TDS) in the context of notification No. 50/2018-Central Tax dated 13 th September 2018.	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 established by any Government in which 51% or more participation by way of equity or control is with the Government.
v	Correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961	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.

In brief

- Issues related to export of service, where a part/whole of exported service is outsourced to a party outside India clarified
- GST rates & classification of certain goods clarified
- GST rate for Sprinkler and Drip irrigation System including laterals clarified.

Circular No. 77/2018-GST / Dated: 31-12-2018

This circular specifies denial of composition option by tax authorities and effective date thereof.

Circular No. 78/2018-GST / Dated: 31-12-2018

This circular clarifies on export of services under GST

In case an exporter of services outsources a portion of the services contract to another person located outside India, then he would be liable to pay IGST on the outsourced service as if it were import of service for export and he is allowed to claim ITC of such tax paid.

Circular No. 79/2018-GST / Dated: 31-12-2018

This circular clarifies certain refund related issues

Circular No. 80/2018-GST / Dated: 31-12-2018

This circular clarifies GST rates & classification of certain goods

Circular No. 81/2018-GST / Dated: 31-12-2018

This circular seeks to clarify GST rate for Sprinkler and Drip irrigation System including laterals.

Also refer to **CNK GST Alert - Recommendations by the 31st and 32nd GST Council Meeting**

<http://cnkindia.com/uploads/attachments/IT/GSTAlertRecommend3132GSTCouncilMeeting.pdf>

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Key Take Away

- Process and conditions for Refund of Tax paid on Export of Goods and services or both with payment of tax has been rationalized. By amending Rule 96(10) of CGST Rules, 2017.
- Detailed SOP for processing of Application for Cancellation of Registration has been specified
- Revision of FORMs REF 01 and REF 01A.
- Security services have been included in the list of services liable to RCM in certain cases
- GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets upto Rs. 100 from 18% to 12%.
- Waiver of late fees on late filing of GSTR 3B and GSTR 1 in specified cases
- Forms GSTR9, GSTR 9A have been revised. Due date for furnishing of Annual Returns in Form GSTR 9, Form GSTR-9A and reconciliation statement in FORM GSTR-9C for the FY 2017-2018 extended till 30th June 2019.

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