



ANALYSIS OF RECENT NOTIFICATIONS AND ORDERS

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Major decisions were taken / recommendations were made by the GST Council in its 31th GST Council meeting dated 22nd December, 2018 at New Delhi under the Chairmanship of Shri Arun Jaitley, the Union Finance Minister and the Minister of Corporate Affairs in the Cabinet of India. The decisions were published vide press release.

Following this, 13 (thirteen) Central Tax notifications, 7 (seven) Central Tax (Rate) notifications, 13 (thirteen) Circulars and 3 (three) Removal of Difficulty Orders have been issued. However, 1(one) Order was issue in the second week of December, 2018 which has also been included for the analysis.

In this article, an endeavour has been made to analyse the above state Notifications (Rate and Non-rate) and Removal of Difficulty Orders.

1. Synopsis of recent notifications [Central Tax (Rate)]:

Notification No. 24/2018 – Central Tax (Rate), dated 31.12.2018 to Notification No. 30/2018 – Central Tax (Rate), dated 31.12.2018, 07 (seven) CT-Rate notifications have been issued in recent past, which are analysed below:

A. Notification No. 24/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the CGST Act, 2017 has **made** the following **amendments** in notification no. 1/2017 – Central Tax (Rate), dated 28th June, 2017, as amended, **to change rate of tax**, discussed as follows:

- a. **“Sub-section (5) of section 15”** shall be **inserted** in the opening paragraph, and after insertion, to be read as “.....sub-section (1) of section 9 and **sub-section (5) of section 15** of the Central Goods and Services Tax Act, 2017.....”
- b. **Change in rate of tax:**

in Schedule I – 2.5%

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	Central Tax rate	
			prior to 01.01.2019	w. e. f 01.01.2019
(1)	(2)	(3)	(4)	(5)
123A	2515 11 00 [2515 12 20, 2515 12 90]	Marble and travertine, crude or roughly trimmed; [Marble and travertine, other than blocks]	- 9%	2.5%
198A	4501	Natural cork, raw and simply prepared	-	2.5%
198AA	4601, 4602	Manufactures of straw, of esparto or of other plaiting materials; basket ware and wickerwork	2.5%	2.5%

224	63 [other than 6309] 63 [other than 6305 32 00, 6309]	Other made up textile articles, sets, of sale value not exceeding Rs. 1000 per piece	2.5%	2.5%
225	64	Footwear having a retail sale price not exceeding Rs.500 per pair, provided that such retail sale price is indelibly marked or embossed on the footwear itself. Footwear of sale value not exceeding Rs. 1000 per pair	2.5%	2.5%
225A	6602 00 00	Walking-sticks including seat sticks	-	2.5%
225B	6815	Fly ash bricks or fly ash aggregate with 90 percent or more fly ash content	2.5%	2.5%
234	84, 85 or 94	Following renewable energy devices & parts for their manufacture (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOGEG) (e) Waste to energy plants / devices (f) Solar lantern / solar lamp (g) Ocean waves/tidal waves energy devices/plants (h) Photo voltaic cells, whether or not assembled in modules or made up into panels. "Explanation: If the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 [G.S.R. 690(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy per cent. of the gross consideration charged for all such supplies, and the remaining thirty per cent. of the gross consideration charged shall be deemed as value of the said taxable service."	2.5%	2.5%
243A	8714 20	Parts and accessories of carriage for disabled persons	-	2.5%
243AA	88 or Any other chapter	Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules, raw material and consumables required for launch vehicles and satellites and payloads	2.5%	2.5%
c. in Schedule II – 6%				
101A	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	-	6%

		stoppers)		
101B	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	-	6%
101C	4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork	-	6%
102	4501	Natural cork, raw or simply prepared	6%	-
106	4702	Chemical wood pulp, dissolving grades	6%	-
171A	6305 32 00	Flexible intermediate bulk containers	-	6%
171AA	6501	Textile caps	6%	6%
173	6602	Walking sticks, seat sticks, whips, riding-crops and the like	6%	6%
177	6815	fly ash blocks	6%	-

d. **in Schedule III – 9%**

121A	4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber.	-	9%
121B	4013	Inner tubes of rubber [other than of a kind used on/in bicycles, cycle-rickshaws and three wheeled powered cycle rickshaws; and Rear Tractor tyre tubes]	9%	9%
142	4502	Natural cork, debacked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp edged blanks for corks or stoppers)	9%	-
143	4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	9%	-
144	4804	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork	9%	-
369A	8483	Crank shaft for sewing machine, bearing housings; plain shaft bearings; gears and gearing; ball or roller screws Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints)	9%	9%
376AAA	8507	Lithium-ion accumulators (other than battery) including lithium-ion power bank	-	9%
383	8525	Closed-circuit television (CCTV), transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras digital cameras and video camera recorders [other than two-way radio (Walkie talkie) used by defence, police and paramilitary	9%	9%

		forces etc]		
383C	8528	Television set (including LCD or LED television) of screen size not exceeding 68 cm 32 inches	9%	9&%
384	8528	Computer monitors not exceeding 20 inches , 32 inches Set top Box for Television (TV)	9%	9%
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 [other than playing cards, ganjifa card, chess board, carom board and other board games of 9504 90 90 like ludo, etc.]	-	9%
440B	9505	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes	9%	9%

e.

in Schedule IV – 14%

47	4012	Retreaded or used tyres and flaps	14%	-
135	8483	Transmission shafts (including cam shafts and crank shafts) and cranks (excluding crankshaft for sewing machine); gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints)	14%	-
139	8507			
151	8525	Digital cameras and video camera recorders [other than CCTV]	14%	-
154	8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receiver or sound or video recording or reproducing apparatus [other than computer monitors not exceeding 20 inches 32 inches][and set top box for television]	14%	14%
174.	8714	Parts and accessories of vehicles of headings 8711 and 8713	14%	14%
215	9504	Video games consoles and Machines, article and accessories for billiards [9504 20-00], other games operated by coins, banknotes, i.e., casino games [9504 20-00] and others [other than board games of 9504 90 90]	14%	

B. Notification No. 25/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (1) of section 11 of the CGST Act, 2017 has **made** the following **amendments** in notification

no. 2/2017 – Central Tax (Rate), dated 28th June, 2017, as amended, to exempt intra-State supply of certain goods from the whole of central tax leviable thereon, discussed as follows:

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	Central Tax rate	
			prior to 01.01.2019	w. e. f 01.01.2019
(1)	(2)	(3)	(4)	(5)
43A	0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen	2.5%	NIL
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	2.5%	NIL
121A	4904 00 00	Music, printed or in manuscript, whether or not bound or illustrated	-	NIL
153	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

C. Notification No. 26/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on being satisfied that it is necessary in the public interest to do so, on the recommendations of the Council, exercising the powers conferred by sub-section (1) of section 11 of the CGST Act, 2017, to exempt intra-State supply of gold falling in heading 7108 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when supplied by Nominated Agency under the scheme for “Export Against Supply by Nominated Agency” from whole of the central tax leviable thereon, subject to the following conditions, discussed as follows:

- i. the Nominated Agency and the recipient shall follow the conditions and observe the procedures as specified in the Foreign Trade Policy read with Handbook of Procedures;
- ii. 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) along with 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;
- iii. wherever such proof of export is not produced within the period mentioned in condition (ii), the Nominated Agency shall pay the amount of central 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.

Explanation:

“Foreign Trade Policy”, “Handbook of Procedures”, “Nominated Agency” and “Heading” carry the meaning as stated in the explanation for the purpose of this notification.

D. Notification No. 27/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section

(1) of section 16 of the CGST Act, 2017, makes following **amendments** in **Notification No. 11/2017 – Central Tax (Rate), dated 28th June, 2017**, discussed as follows:

1. In the said notification, -

i. In the Table, -

a) against serial number 3, in the column (3), in **item (xii)**, after “(xi) above”, shall **insert** “and serial number 38 below” , to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
3	Heading 9954 (Construction services)	(xii) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii), (viii),(ix), (x)and (xi) above and serial number 38 below .	9	-

b) against serial number 7, in the column (3), in **item (i)**, in Explanation 1, the words “school, college” shall be **omitted**, to be read as:

Explanation 1.- This item includes such supply at a canteen, mess, cafeteria or dining space of an institution such as a ~~school, college~~, hospital, industrial unit, office, by such institution or by any other person based on a contractual agreement with such institution for such supply, provided that such supply is not event based or occasional.

c) against serial number 8, after item (iv) in the column (3), the following shall be **inserted**, to be read as:

A.

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
8	Heading 9964 (Passenger transport services)	(iva) 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.	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken. [Please refer to clause (iv) of paragraph 4 relating to Explanation]

Clause (iv) of paragraph 4 relating to **Explanation** is as follows:

Wherever a **rate** has been **prescribed** in this notification **subject** to the **condition** that **credit of input tax charged** on goods or services **used in supplying the service** has **not been taken**, it shall mean that,-

- credit of input tax** charged on goods or services used **exclusively** in supplying such service has **not been taken**; and
- credit of input tax** charged on goods or services **used partly** for supplying **such service** and **partly** for effecting **other supplies** eligible for input tax credits, is **reversed** as if supply of such service is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made there under.

- B. In column (3), in item (vii), after the brackets and figures “(iv),”, the brackets and figures “(iva),” shall be **inserted**; to be read as follows:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
8	Heading 9964 (Passenger transport services)	(vii) Passenger transport services other than (i), (ii) (iii), (iv), (iva), (v) and (vi) above.	9	-

- d) against serial number 15, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be **substituted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
15	Heading 9971 (Financial and related services)	(vi) Financial and related services other than (i), (ii), (iii), (iv), and (v) above.	9	-
		(vi) Service of third party insurance of “goods carriage”	6	-
		(vii) Financial and related services other than (i), (ii), (iii), (iv), (v), and (vi) above	9	-

- e) against serial number 17, for item (viii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be **substituted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
17	Heading 9973 (Leasing or rental services, with or without operator)	(viiia) Leasing or renting of goods	Same rate of central tax as applicable on supply of like goods involving transfer of title in goods	-
		(viii) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v), (vi), (vii), and (viiia) above.	9	-

- f) against serial number 21, in column (3), in item (ii), after the brackets, figures and word “(i) above”, the words and number “and serial number 38 below” shall be **inserted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
21	Heading 9983 (Other professional, technical and business services)	(ii) Other professional, technical and business services other than (i) above and serial number 38 below.	9	-

- g) against serial number 25, in column (3), in item (ii), after the brackets, figures and word “(i) above”, the words and number “and serial number 38 below” shall be **inserted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
25	Heading 9987	(ii) Maintenance, repair and installation (except construction) services, other than (i) above and serial number 38 below.	9	-

h) against serial number 34,-

A. against item (ii) in column (3), for the entry in column (4), the entry "6" shall be **substituted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
34	Heading 9996 (Recreational, cultural and sporting services)	(ii) Services by way of admission exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.	9 6	-

B. after item (ii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be **inserted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
34	Heading 9996 (Recreational, cultural and sporting services)	(iia) Services by way of admission exhibition of cinematograph films where price of admission ticket is above one hundred rupees.	9	-

C. in item (iia), the words "exhibition of cinematograph films," shall be **omitted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
34	Heading 9996 (Recreational, cultural and sporting services)	(iia) Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, casinos, race club, any sporting event such as Indian Premier League and the like.	14	-

D. in column (3), in item (vi), after the brackets and figures "(ii),", the brackets and figures "(iia),", shall be **inserted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
34	Heading 9996 (Recreational, cultural and sporting services)	(vi) Recreational, cultural and sporting services other than (i), (ii), (iia), (iii), (iia), ¹ (iv) and (v) above.	14	-

- i) after serial number 37 in column (1) and the entries relating thereto in column (2), (3), (4) and (5) the following serial number and entries shall be **inserted**, to be read as:

Sl. No	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
38	9954 or 9983 or 9987	<p>Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of following, -</p> <p>a) Bio-gas plant b) Solar power based devises c) Solar power generating system d) Wind mills, Wind Operated Electricity Generator (WOG) e) Waste to energy plants / devices f) Ocean waves/ tidal waves energy devices/ plants</p> <p><i>Explanation:-</i> This entry shall be read in conjunction with serial number 234 of Schedule I of the notification No. 1/2017 – Central Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated 28th June, 2017 vide GSR number 673 (E) dated 28th June, 2017.</p>	9	-

- ii) In paragraph 4 relating to Explanation, after clause (x), the **following clauses shall be inserted**, to be read as:

4. *Explanation.* - For the purposes of this notification,-

- i.
- ii.
- ix.
- x.
- xi. "specified organisation" shall mean, -
 - a) Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking; or
 - b) 'Committee' or 'State Committee' as defined in section 2 of the Haj Committee Act, 2002 (35 of 2002).
- xii. "goods carriage" has the same meaning as assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).

[Notification no. 11/2017 – Central Tax (Rate), dated 28th June, 2017 seeks to notify the exemptions on supply of services under CGST Act]

E. Notification No. 28/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (1) of section 11 of the CGST Act, 2017, has **made** the following further **amendments** in **notification no. 12/2017 – Central Tax (Rate)**, dated 28th June, 2017,

- i. in the Table, -

- a) after serial number 21A and the entries relating thereto, the following serial number and entries shall be **inserted**, to be read as:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
21B	Heading 9965 or Heading 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) Government agencies, Which has taken registration under the Central Goods and Services 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	Nil

- b) After serial number 27 and the entries relating thereto, the following serial number and entries shall be **inserted**, to be read as:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
27A	Heading 9971	Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)	Nil	Nil

- c) Against serial number 34A, in the entry in column (3), after the letters and words "PSUs from the", the words "banking companies and" shall be **inserted**, to be read as:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
34A	Heading 9971	Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.	Nil	Nil

d) Against serial number 66, for the entity in column (2), the following entry shall be **substituted**, to be read as:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
66	Heading 9992 or Heading 9963	Services provided - (a) (b)	Nil	Nil

e) Serial number 67 and the entries relating thereto, shall be **omitted**, to be read as:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
66	Heading 9992	Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme:- (a) two year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management; fellow programme in Management; five year integrated programme in Management.	Nil	Nil

f) after serial number 74 and the entities relating thereto, the following serial number and entries shall be **inserted**, namely:-

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
74A	Heading 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	Nil

ii. in paragraph 2, after clause (za), the following clause shall be **inserted**, namely: -

2. Definitions. - For the purposes of this notification, unless the context otherwise requires, -
 (zaa) “financial institution” has the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934).

[Notification no. 12/2017 – Central Tax (Rate), dated 28th June, 2017 seeks to notify the exemptions on supply of services under CGST Act]

F. Notification No. 29/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (3) of section 9 of the CGST Act, 2017, has **made** the following further **amendments** in **notification no. 13/2017 – Central Tax (Rate)**, dated 28th June, 2017,

In the said notification, -

- (i) In the table, -
 a) Against serial number 1, in the entry in column (2), after item (g), the following proviso shall be **inserted**, namely: -

Sl. No	Category of supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
1	Supply of Services by a goods transport agency (GTA) in respect of transportation of goods by road to- (a)..... (g) any casual taxable person Provided that nothing contained in this entry shall apply to services provided by a goods transport agency, by way of transport of goods in a goods carriage by road, 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.	Goods Transport Agency (GTA)	(a)..... (g) any casual taxable person; Located in the taxable territory.

- b) After serial number 11 and the entries relating thereto, the following serial numbers and entries shall be **inserted**, namely: -

Sl. No	Category of supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
12	Services provided by business facilitator (BF) to a banking company	Business facilitator (BF)	A banking company, located in the taxable territory
13	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.
14	Security services (services provided	Any person other	A registered person,

<p>by way of supply of security personnel) provided to a registered person:</p> <p>Provided that nothing contained in this entry shall apply to, -</p> <p>(i)(a) a Department or Establishment of the Central Government or State Government or Union territory; or</p> <p>(b) local authority; or</p> <p>(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</p> <p>(ii) a registered person paying tax under section 10 of the said Act.</p>	<p>than a body corporate</p>	<p>located in the taxable territory</p>
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(ii) in the Explanation, after clause (g), the following clause shall be **inserted**, to be read as;

Explanation. – For purpose of this notification. –

- (a)
- i.
- ii. Provisions of this notification, in so far as they apply to the Central Government and State Governments, shall also apply to the Parliament and State Legislatures.

[Notification no. 13/2017 – Central Tax (Rate), dated 28th June, 2017 seeks to *notify the categories of services on which tax will be payable under reverse charge mechanism under CGST Act*]

G. Notification No. 30/2018 – Central Tax (Rate) dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section (3) of section 11 of the CGST Act, 2017, for the purpose of clarifying the scope and applicability of the **notification no. 11/2017 – Central Tax (Rate)**, dated 28th June, 2017, hereby **inserts** the following **Explanation** in the said notification, in the table, against serial number 9, in column (3), in item (vi), to be read as:

In the said notification, -

Sl. No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
9	Heading 9965 (Goods transport services)	(vi) Multimodal transportation of goods. Explanation- <i>Explanation1.</i> (a) “multimodal transportation” means carriage of goods, by at least two different modes of transport from the place of acceptance of goods to the place of delivery of goods by a multimodal transporter;	6	-

		<p>(b) "mode of transport" means carriage of goods by road, air, rail, inland waterways or sea;</p> <p>(c) "multimodal transporter" means a person who,-</p> <p>(A) enters into a contract under which he undertakes to perform multimodal transportation against freight; and</p> <p>(B) acts as principal, and not as an agent either of the consignor, or consignee or of the carrier participating in the multimodal transportation and who assumes responsibility for the performance of the said contract.</p> <p><i>Explanation 2.</i> - 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.</p>		
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[Notification No. 24/2018 – Central Tax (Rate), dated 31.12.2018 to Notification No. 30/2018 – Central Tax (Rate), dated 31.12.2018 have come into force on the 1st day of January, 2019].

2. Analysis of recent notifications (non-Rate):

Notification No. 67/2018 – Central Tax, dated 31.12.2018 to Notification No. 79/2018 – Central Tax, dated 31.12.2018, 13 (thirteen) non-rate notifications have been issued in recent past, which are analysed below:

A. Notification No. 67/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 148 of the CGST Act, 2017 has **made** the following **amendments** in notification no. 31/2018 – Central Tax, dated 6th August, 2018 **to extend the time limit**, stated as follows:

- i. **persons who didn't file complete FORM GST REG – 26 but received only a Provisional Identification Number (PIN) till 31st December, 2017, may now furnish the stipulated details to the jurisdictional nodal officer on or before 31st January, 2019 instead of 31st August, 2018, as notified earlier;**
- ii. **upon compliance of certain procedures, such taxpayers are required to furnish the stipulated details to GSTN by e-mail, on or before the 28th February, 2019 instead of 30th September, 2018.**

Observation: Seeks to extend the opportunity to the persons who couldn't complete the registration process yet.

B. Notification No. 68/2018 – Central Tax dated 31st December, 2018 and Notification No. 69/2018 – Central Tax dated 31st December, 2018 and Notification No. 70/2018 – Central Tax dated 31st December, 2018:

The **Commissioner**, on the recommendations of the Council, exercising the powers conferred by section 168 of the CGST Act, 2018, has **made** the following further **amendments to the following notifications, to extend the time limit**, stated as follows:

- i. **amendments to notification no. 21/2017 – Central Tax, dated 8th August, 2017, notification no. 35/2017 – Central Tax, dated 15th September, 2017, notification no. 56/2017 – Central Tax, dated 15th November, 2017, notification no. 16/2018 – Central Tax dated 23rd March, 2018 and notification no. 34/2018 – Central Tax, dated 10th August, 2018 to increase the tax periods of filing FORM GSTR-3B within an extended due date;**
- ii. **filing of FORM GSTR-3B for the period July, 2017 to February, 2019 instead of July, 2017 to November, 2018 on or before 31st March, 2019 instead of 31st December, 2018.**

Observation: Consequent upon extension of time limit for completion of registration, this notification seeks to **extend the time limit and due date** for filing of **FORM GSTR - 3B** for newly migrated (obtaining GSTIN vide notification No. 31/2018-Central Tax, dated 06.08.2018) taxpayers (consequential measure).

C. Notification No. 71/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 148 of the CGST Act, 2017 has **made** the following further **amendments** in notification no. 43/2018 – Central Tax, dated 10th September, 2018 **to extend the time limit**, stated as follows:

- i. **furnishing of FORM GSTR-1** for the **quarters July, 2017 to December, 2018** instead of July, 2017 to September, 2018 **on or before 31st March, 2019** instead of 31st December, 2018.

Observation: Registered persons with an **aggregate turnover up to 1.5 crore rupees**, in the preceding financial year or the current financial year, who have **obtained Goods and Services Tax Identification Number (GSTIN)** in terms of **Noft. No. 31/2018 – Central Tax, dated 6th August, 2018**, may file **details of outward supply** of goods or services or both, in **FORM GSTR-1** for the quarters within the due date, as stipulated above.

D. Notification No. 72/2018 – Central Tax dated 31st December, 2018:

The **Commissioner**, on the recommendations of the Council, exercising the powers conferred by the second proviso to sub-section (1) of section 37 read with section 168 of the CGST Act, 2018, has **made** the following further **amendments to the following notification**, **to extend the time limit**, stated as follows:

- i. **furnishing of FORM GSTR-1** for the **months July, 2017 to February, 2019** instead of July, 2017 to November, 2018 **till 31st March, 2019** instead of 31st December, 2018.

Observation: Registered persons with an **aggregate turnover of more than 1.5 crore rupees**, in the preceding financial year or the current financial year, who have **obtained Goods and Services Tax Identification Number (GSTIN)** in terms of **Noft. No. 31/2018 – Central Tax, dated 6th August, 2018**, may file **details of outward supply** of goods or services or both, in **FORM GSTR-1** for the tax periods within the due date, as stipulated above.

E. Notification No. 73/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by sub-section 3 of section 1 read with section 51 of the CGST Act, 2017, has **made** the following further **amendment** in notification no. 50/2018 – Central Tax, dated 13th September, 2018 **to insert a proviso, to seek to exempt supplies made by Government Departments and PSUs to other Government Departments and vice-versa from TDS.**

Observation: By virtue of this Notification, there **shall be no deduction of tax (GST)** from the payment made or credited to the supplier, **for supply of goods or services or both**, when **transactions take place** between persons stated below:

- (a) a department or an establishment of the Central Government or State Government; or
- (b) local authority; or
- (c) government agencies; or
- (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council.

Alert:

The Central Government, vide Notf. No. 61/2018 – Central Tax dated 5th November, 2018 has stipulated that **deduction of tax (GST) u/s 51** of the CGST Act, 2017 is **not required** in case of supply of goods or services or both, when supplied **from one public sector undertaking to another public sector undertaking w.e.f 1st October, 2018.**

F. Notification No. 74/2018 – Central Tax dated 31st December, 2018:

The Central Government, exercising powers conferred by section 164 of the CGST Act, 2017 has made further amendment to the Central Goods and Services Tax Rules, 2017. Brief discussion of **key points** are given below:

- i. Sub-rule (1A) inserted, in rule 12, to allow a person to **mention the name of the State or Union Territory** where he **does not have a physical presence**, in **PART A** of the application in **FORM GST REG-07** and mention the name of the State or Union Territory in **PART B** in which the principal place of business is located, may be different from the place mentioned in **PART A**, while applying for registration to collect tax in accordance with provisions of section 52 of the CGST Act, 2017.
- ii. Sub-rule (3) of rule 45, has been amended to omit the words “or sent from one job worker to another”. Amended sub-rule (3) would read as “The details of challans in respect of goods despatched to a job worker or received from a job worker ~~or sent from one job worker to another~~ during a quarter shall be included in **FORM GST-04** furnished for that period on or before twenty fifth day of the month succeeding the said quarter”. **Effectively goods cannot be sent from one job worker to another job worker through FORM GST-04.**
- iii. **Proviso** inserted in rule 46, rule 49, sub-rule (2) of rule 54 and sub-rule (4) of rule 54 to state that **signature or digital signature** of the supplier or his authorised representative **shall not** be required in the case of **issuance of an electronic invoice, electronic bill of supply, electronic ISD invoice or CN, tax invoice by insurer or a banking company or a financial institution or a NBFC or GTA for transportation of goods or invoice including ticket for passenger transportation service** when the respectively they are **issued in accordance with provisions of the Information Technology Act, 2000** (21 of 2000).
- iv. Rule 109B has been inserted to state that where the **Revisional Authority** decides to **pass an order in revision** under **section 108** which is likely to **affect** the person **adversely**, the Revisional Authority shall **serve** on him a **notice** in **FORM GST RVN-01** and shall give him a reasonable opportunity of being heard.
- v. The **Revisional Authority** shall, along with its order under sub-section (1) of section 108, issue a **summary** of the **order** in **FORM GST APL-04** clearly **indicating** the **final amount of demand confirmed**.
- vi. **Explanation 1, in sub-rule (1), in rule 138** has been **substituted**. Effect of the substitution may be explained as – Notification No. 32/2017 – Central Tax dated 15.09.2017 has been substituted by Notification No. 56/2018 – Central Tax, dated 23.10.2018. **Casual taxable persons** either making **inter-State taxable supplies of ‘handicraft goods’** or making **supply of products specified** in Table in Noft. No 56/2018 – CT, dated 23.10.2018 **made** by the **craftsmen predominantly by hand even though some machinery** may also be **used** in the **process**, are **exempted** from taking registration.
- vii. **Rule 138E** has been inserted to **impose restriction** on furnishing of information in **PART A** of **GST EWB-01**. Restriction in short is given below:
E-waybill (PART A of FORM GST EWB-01) cannot be generated, either, for a **taxable person** who is **paying tax under composition scheme** (section 10 of the CGST Act, 2017) who has **not furnished returns** for **two consecutive tax periods** or any **other taxable person** who has **not furnished the returns** for a **consecutive period of two months**. [In short, **e-waybill cannot be generated**, in case of **consecutive non filing of returns** for **two consecutive quarters or months**]
- viii. **FORM-GST-RFD-01** has been substituted (application for refund).
- ix. **FORM GSTR – 9 (Annual Return)** has been substituted. Few **key changes** are as follows:
 - a. Heading in **Pt. II** of the **‘FORM’** from “Details of Outward and inward **supplies declared** during the financial year” to “Details of outward and inward **supplies made** during the financial year”;
 - b. **Point no 5** of the **‘FORM’** from “Details of Outward supplies on which **tax is not payable as declared in returns filed** during the financial year” to “Details of Outward supplies made during the financial year **on which tax is not payable**”;
 - c. **Input tax credit (ITC) cannot be claimed** through **FORM GSTR – 9**;
- x. Detailed analysis of changes made in “**FORM GSTR-9**”, “**FORM GSTR-9A**” and “**FORM GSTR-9C**” will be separately communicated.

G. Notification No. 75/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 128 of the CGST Act, 2017 has **made** the following **amendments** in notification no. 4/2018 – Central Tax, dated 23rd January, 2018 **to waive the late fees**, details stated as follows:

- i. **Late fee payable u/s 47** of the CGST Act, 2017 **waived** for furnishing the details of **outward supplies** for a certain period in **FORM GSTR-1** within a stipulated time.

Observation:

Late fee payable u/s 47 of the CGST Act, 2017 **stands waived for registered persons** who **failed to furnish** the details of outward supplies in **FORM GSTR-1** for the months / quarter from **July, 2017 to September, 2018** by the due dates but **furnishes the details** between **22nd December, 2018 to 31st March, 2019**.

H. Notification No. 76/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 128 of the CGST Act, 2017 has **made** the following **amendments** in notification no. 4/2018 – Central Tax, dated 23rd January, 2018 **to waive the late fees**, details stated as follows:

- i. **Late fee payable u/s 47** of the CGST Act, 2017 **waived** for filing the return in **FORM GSTR-3B**.

Observation:			
Sl. No	Notification No. & Date	Period	Remarks 1
1	28/2017 dt. 01.09.2017	July, 2017	waives late fees
2	50/2017 dt. 24.10.2017	August & September, 2017	waives late fees
3	64/2017 dt. 15.11.2017	October, 2017 onwards	i. waives late fees payable u/s 47 of the CGST Act, 2017 in excess of Rs. 25/day ii. when central tax payable in any return is nil, full waiver of late fees.
4	76/2018 dt. 31.12.2018	July, 2017 onwards	i. supersedes the above notifications; ii. late fee payable u/s 47 shall stand waived for the registered persons who have failed to file return in FORM GSTR-3B but file for the period July, 2018 to September, 2018 between the period 22nd December, 2018 to 31st March, 2019 .

I. Notification No. 77/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 128 of the CGST Act, 2017 has **made** the following **amendments** in notification no. 73/2018 – Central Tax, dated 29th December, 2017 **to waive the late fees**, details stated as follows:

- i. **Late fee payable u/s 47** of the CGST Act, 2017 **waived** for filing the return in **FORM GSTR-4** for a certain period within a stipulated time.

Observation:

Late fee payable u/s 47 of the CGST Act, 2017 **stands waived for registered persons** who **failed to furnish** the return in **FORM GSTR-4** for the quarters from **July, 2017 to September, 2018** by the due dates but **furnishes the said returns** between **22nd December, 2018 to 31st March, 2019**.

J. Notification No. 78/2018 – Central Tax dated 31st December, 2018:

The **Commissioner** has **extended 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**.

K. Notification No. 79/2018 – Central Tax dated 31st December, 2018:

The **Board**, vide above notification, has imposed, the central tax officer specified in **column (3) of Table-I** of the **Notf. No. 2/2017-Central Tax, dated 19.06.2017** and the officers subordinate to him, powers to exercise u/s 73,74, 75 and 76 of Chapter XV (Demand and Recovery) of the CGST Act, 2017, **throughout the territorial jurisdiction of the central tax officer specified in column (2)** of the said Table, in respect of those cases as may be assigned by the Board.

3. Analysis of recent Orders:

The Central Government, on recommendations of the Council, has issued **04 (four) Orders** in recent past, **to remove the difficulties**, which are analysed below:

A. Order No. 1/2018 – Central Tax dated 11th December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 172 of the CGST Act, 2017 has issued the Order **to extend the time limit of Annual Return**, stated as follows:

- iii. This Order may be called the **CGST (Removal of Difficulties) Order, 2018;**
- iv. **Annual Return**, for the period from the **1st July, 2017** to the **31st March, 2018** shall be furnished **on or before the 31st March, 2019.**

Observation: Explanation inserted in section 44, after sub-section (2) of the CGST Act, 2017. Annual Return is stipulated in section 44 of the CGST Act, 2017

B. Order No. 02/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 172 of the CGST Act, 2017 has issued the Order **to extend the time limit** to avail of **benefit of input tax credit (ITC)**, stated as follows:

- i. This Order may be called the **CGST (Second Removal of Difficulties) Order, 2018;**
- ii. The registered person shall be **entitled** to take **input tax credit** after the **due date** of furnishing of the **return** under **section 39** for the month of **September, 2018** till the **due date** of furnishing of the **return** under the said section **for the month of March, 2019** in respect of any invoice or invoice relating to such debit note for supply of goods or services or both **made during the financial year 2017-18**, the details of which have been **uploaded by the supplier** under **sub-section (1) of section 37** till the **due date** for **furnishing** the details under **sub-section (1)** of the said section for the **month of March, 2019.**

Observation:

- i. Proviso shall be inserted in sub-section (4) of section 16 of the CGST Act, 2017. Section 16 of the CGST Act, 2017 stipulates eligibility and conditions for taking input tax credit.
- ii. The condition laid down for availing of benefit of input tax credit (ITC), on missed out invoice(s) or debit note(s), is to upload details of outward suppliers by the suppliers under sub-section (1) of section 37 of the Act.
- iii. Hence, a through **checking of books of accounts** to identify missed out credit is now required. Additionally **month wise reconciliation** is required between **FORM GSTR-2A** and **FORM GSTR-3B.**

- iii. Further that the rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September, 2018 till the due date for furnishing the details under sub-section (1) for the month of March, 2019 or for the quarter January, 2019 to March, 2019.

Observation:

- i. Second proviso shall be inserted in sub-section (3) of section 37 of the CGST Act, 2017. Section 37 stipulates furnishing details of outward supplies.

C. Order No. 03/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 172 of the CGST Act, 2017 has issued the Order **to extend the time limit of Annual Return**, stated as follows:

- i. This Order may be called the **CGST (Third Removal of Difficulties) Order, 2018;**
- ii. **Annual Return**, for the period from the **1st July, 2017** to the **31st March, 2018** shall be furnished **on or before the 30th June, 2019.**

Observation:

- i. Due date of furnishing of 'Annual Return' has been extended till 30th June, 2019.

D. Order No. 04/2018 – Central Tax dated 31st December, 2018:

The **Central Government**, on the recommendations of the Council, exercising the powers conferred by section 172 of the CGST Act, 2017 has issued the Order **to extend the time limit of furnishing statement** under sub-section (4) of section 52 of the CGST Act, 2017, stated as follows:

- ii. This Order may be called the **CGST (Fourth Removal of Difficulties) Order, 2018;**
- iii. **Due date** for furnishing the **statement** under sub-section (4) of section 52 of the CGST Act, 2017 for the months of **October, November and December, 2018** shall be the **31st January, 2019.**

Observation:

- i. An explanation shall be inserted in sub-section (4) of section 52 of the CGST Act, 2017 (herein after stated as Act).
- ii. Every electronic commerce operator, not being an agent, shall collect tax (GST) at source at the prescribed rate in accordance with sub-section (1) of section 52 of the Act, shall furnish a statement, electronically, in accordance with sub-section (4) of section 52 of the Act, containing requisite details, in prescribed form within ten days after the end of each month.
- iii. Extension of due date, for furnishing statement, would result into working capital blockage for the taxpayers (suppliers). Pending furnishing the statement, the amount collected would not appear into electronic cash ledger of the supplier for utilisation.

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