

## *News Alert*

*02nd January 2019*

## *Notifications*

### **Notification No. 74/2018-CGST**

1. No person shall be allowed to furnish information in Part A of GST EWB-01 where the supplier or recipient has not furnished the return for two consecutive tax periods.
2. Refund Application form RFD-01, Annual return form 9 and Audit report form 9C Forms have been amended as per changes recommended in 31<sup>st</sup> Council meeting (New format has been attached).

### **Notification No. 73/2018-CGST**

TDS provisions shall not apply on supplies made by Government Departments and PSUs to other Government Departments

### **Notification No. 72/2018-CGST**

Time limit for furnishing details of outward supplies in Form GSTR-01 for the period July 2017 to Feb 2019 is extended till 31<sup>st</sup> March 2019 for taxpayers having aggregate turnover above 1.5 Crores.

### **Notification No. 71/2018-CGST**

Due date of filing Form GSTR-01 for the period July'17 to Dec'18 is extended till 31<sup>st</sup> March 2019 for taxpayers having aggregate turnover up to 1.5 Crores.

### **Notification No. 68, 69 & 70/2018-CGST**

Due date for filing GSTR-3B for the period July 2017 to February 2019 is extended till 31<sup>st</sup> March 2019.

### **Notification No. 30/2018-CGST (Rate)**

The scope of Multimodal transport which attracts GST @12% is restricted to only transportation of goods from a place in India to another place in India (i.e., within India).

### **Notification No. 29/2018-CGST (Rate)**

RCM shall not be applicable on Transportation of Goods by GTA in Goods Carriage to Department of CG or SG, Local authority or governmental agencies, provided, the above Service receivers are only registered for purpose of deducting TDS and not for making taxable supply of Goods or services.

#### **New addition to List of services covered in RCM:**

<b>S.No.</b>	<b>Service</b>	<b>Service provider</b>	<b>Service receiver</b>
1.	Business facilitator to Banking company	Business facilitator	Banking company located in taxable territory
2.	Agent of business correspondent to Business correspondent	Agent of Business correspondent	Business correspondent
3.	Security services (supply of Security personnel)	Person other than Body corporate	Registered person located in taxable territory.

#### **RCM on Security service is not applicable to:**

1. Department of CG or SG, Local authority or governmental agencies, who are only registered for purpose of deducting TDS and not for making taxable supply of Goods or services.
2. Person registered as composition dealer under section 10.

### **Notification No. 28/2018-CGST (Rate)**

#### **New Addition to services exempted from GST:**

1. Transportation of Goods by GTA in Goods Carriage to Department of CG or SG, Local authority or governmental agencies, provided the above Service receiver are only registered for purpose of deducting TDS and not for making taxable supply of Goods or services.
2. Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).
3. Services provided by Rehabilitation professional recognized under Rehabilitation Council of India Act, 1992.

### Notification No. 27/2018-CGST (Rate)

Change in rate of tax for major services effective from 01<sup>st</sup> January 2019.

S.No	Service	Old rate	New rate
1.	Third party Insurance of Goods carriage	18%	12%
2.	Cinema Tickets whose value exceeds Rs.100	28%	18%
3.	Service by way of construction or engineering or installation or other technical services, provided in relation of setting up of following, - (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants / devices (f) Ocean waves/tidal waves energy devices/plants	Rate of tax for goods (5%)	18%

### Notification No. 24/2018-CGST (Rate)

**Change in rate of Tax for goods:**

HSN	Description	Erstwhile Rate	Amended Rate
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	28	18
8528	Monitors and TV up to screen size of 32 inches	28	18
4012	Re-treaded or used pneumatic tyres of rubber	28	18
8507	Power banks of Lithium Ion Batteries	28	18
8525	Digital Camera and Video camera recorders	28	18
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	28	18

HSN	Description	Erstwhile Rate	Amended Rate
4502	Natural cork, de-backed or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip (including sharp-edged blanks for corks or stoppers)	18	12
4503	Articles of natural cork such as Corks and Stoppers, Shuttlecock cork bottom	18	12
4504	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork	18	12
4501	Natural Cork, Raw or Simply prepared	12	5
6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks”;	12	5

### Notification 4/2018 IGST

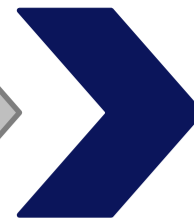
#### *Amendment in Integrated Goods and service tax rule, 2017*

Where Recipient of service is located in India and services are provided in India:

Rule	S.NO	NATURE OF SERVICE	CONDITION	PLACE OF SUPPLY
5	1	<p>Organisation of cultural, artistic, sporting, scientific, educational or entertainment event including fair, conference, exhibition.</p> <p>Ancillary services in relation to above or assigning of sponsorship to such events</p>	<p>Located in more than one state and Consolidated Amount are charged from unregistered person:</p> <p>i) Agreement available for determining proportion of value of services.</p>	<p>Proportion in which the value is determined for each state.</p>
			<p>ii) No agreement</p>	<p>Generally accepted accounting principles (Eg: ratios, No. of event in a state etc)</p>
6	2.	Leased Circuits	<p>Installed in more than one state – Consolidated amount charged.</p> <p>i) Agreement available for determining proportion of value of services.</p>	<p>Proportion in which the value is determined for each state.</p>
			<p>ii) No agreement</p>	<p>In proportion of No. of circuit points lying in each state.</p>

Where Recipient of service is located outside India and services are provided in India:

Rule	S.NO	NATURE OF SERVICE	CONDITION	PLACE OF SUPPLY
3 & 8	1	Lodging Accommodation by a hotel, inn, guest house, club or campsite and services ancillary to such services.	Located in more than one state	In proportion to number of nights stayed in such property
	2.	Accommodation in Immovable property for organising any marriage or reception etc;  Lodging Accommodation by a hotel, inn, guest house, club or campsite and services ancillary to such services.	Located in more than one state  Single property is located in more than one state	In proportion to area of immovable property lying in each state
	3.	Lodging accommodation by a house boat or any vessel and services ancillary to such services.	Located in more than one state	In proportion to time spent by boat or vessel in such state – Determined based on the declaration made by service provider.
7	4.	Where are Goods are to be made physically available for providing service  Where Physical presence of service recipient is required for providing service	Service supplied in more than one state  i) Agreement available for determining proportion of value of services.	Proportion in which the value is determined for each state.
			ii) No agreement	Same goods – Equally dividing the value for each state  Different goods – Ratio of Invoice value of goods located in each state to the value of service performed in each state.  Service to individuals – Generally accepted accounting principles
9	5.	Organisation of cultural, artistic, sporting, scientific, educational or entertainment event including fair, conference, exhibition.  Ancillary services in relation to above or assigning of sponsorship to such events	Located in more than one state and Consolidated Amount are charged	Same as Rule 5



### **Circular No. 85/2018**

Supply of services by an education institution including supply of food and beverage to its students, faculty and staff is exempt and supply of food and beverage by any other person other than educational institution is taxable at the rate of 5%.

### **Circular No. 84/2018**

Service of “Printing of pictures” falls under the service code “998386: Photographic and video graphic processing services” attracting GST at 18%

### **Circular No. 80/2018**

1. LPG supplied in bulk either by a refiner to an OMC or by one OMC to another for bottling and further supply for domestic use attracts GST at 5% with effect from 25.1.2018.
2. Irrespective of whether the garment is packed into lengths of different sizes it will attract fabric at 5%. Provided that if the value of the good is up to 1000 per piece it will attract GST at 5% where as if the value is exceed 1000 per piece then GST will be attracted at 12%.
3. Where no transfer in title in goods are involved during interstate movement of cranes, rigs, tools & spares and other machinery for supply of service on own account, it would not be liable to GST.

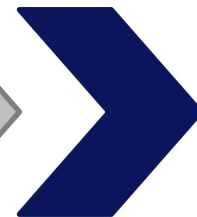
### **Circular No. 78/2018**

Where an exporter of services located inside India outsources a portion or complete service from outside India to a recipient located outside India then such outsourced services shall be treated as import. Further, the total value of services as agreed in the contract by the service provider and the recipient to provide such services shall be treated as export and even if the full consideration is not received in convertible foreign exchange still such supplies shall be treated as export

### **Circular No. 76/2018**

The consignor or the consignee as mentioned in the invoice or any other specific document accompanying the goods while in transit shall be the owner of such goods but if the goods are not accompanied with any such documents then a proper officer shall determine the ownership of such goods.

*Orders*



**Order No. 4/2018**

Due date for declaring in ITC-01 in case of technical glitches is extended till 31<sup>st</sup> January 2019

## ABOUT DAA

DAA Consulting is a management consulting entity founded in the year 2010 by D Arvind who earlier worked in Big Four Firms as partner and Tax & Legal head in a large MNC prior to Big Four.

DAA specialises in GST, Customs, Foreign Trade Policy, SVB, Corporate Governance & Corporate Financial Advisory services including FEMA.

We operate out of Mumbai, Chennai, Bangalore, Coimbatore, Hyderabad, Nasik, Delhi and Pune.

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