

# **GST UPDATE**

## **(November, 2018)**

**Directorate of Training, Excise and Taxation Department, Punjab**

## **ABSTRACT OF GST UPDATE**

<b>Sr. No.</b>	<b>Subject</b>	<b>Page No.</b>
I.	<b><u>GIST OF GST NOTIFICATIONS</u></b>	01
II.	<b><u>PUNJAB GST NOTIFICATIONS/ORDERS</u></b>	03
III.	<b><u>CENTRAL TAX NOTIFICATIONS</u></b>	04
IV.	<b><u>CGST CIRCULARS</u></b>	10

# CONTENTS

Sr. No.      Subject Page No.

**I                    GIST OF GST NOTIFICATIONS 01**

**II                   PUNJAB GST NOTIFICATIONS/ORDERS**

1	Order No. GST-I/2018/3-State, dated the 9th November,2018	Extension of time limit to furnish details in Form GST ITC-04	03
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**III                  CENTRAL TAX NOTIFICATIONS**

1	61/2018-Central Tax, dt. 05-11-2018	Seeks to exempt supply from PSU to PSU from applicability of provisions relating to TDS.	04
2	62/2018-Central Tax, dt. 29-11-2018	Seeks to extend the last date for filing of FORM GSTR-3B for taxpayers in Srikakulam district of Andhra Pradesh and 11 districts of Tamil Nadu.	05
3	63/2018-Central Tax, dt. 29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores for taxpayers in Srikakulam district in Andhra Pradesh and 11 districts of Tamil Nadu.	06
4	64/2018-Central Tax, dt. 29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores for the quarter from July, 2018 to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.	07
5	65/2018-Central Tax, dt. 29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 4 for the quarter July to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.	08
6	66/2018-Central Tax, dt. 29-11-2018	Seeks to extend the due date for filing of FORM GSTR – 7 for the months of October, 2018 to December, 2018	09

**IV                  CGST CIRCULARS**

1	73/2018, dt. 05-11-2018	Scope of principal and agent relationship under Schedule I of CGST Act, 2017 in the context of del-credre agent.	10
2	74/2018, dt. 05-11-2018	Circular clarifying collection of tax at source by Tea Board of India.	14

## **(I) GIST OF GST NOTIFICATIONS**

### **1. TDS provisions under GST –Exemption to supplies from one PSU to another PSU**

Provisions relating to Tax Deduction as Source (TDS) would not be applicable in respect of supply of goods or services or both from a public sector undertaking to another public sector undertaking. This exemption as provided through Notification No. 50/2018-Central Tax has been extended to such supplies with effect from 1-10-2018, the date when TDS provisions came into effect in the GST regime.

**[Notification No. 61/2018 –Central Tax dated 05-11-2018]**

### **2. Extension of due date for filing of FORM GSTR-3B**

CBIC has extended the last date for filing of FORM GSTR-3B for taxpayers in Srikakulam district of Andhra Pradesh and 11 districts of Tamil Nadu.

**[Notification No. 62/2018 –Central Tax dated 29-11-2018]**

### **3. Extension of due date for filing of FORM GSTR-1 for taxpayers having aggregate turnover above Rs 1.5 crores**

CBIC has extended the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores for taxpayers in Srikakulam district in Andhra Pradesh and 11 districts of Tamil Nadu.

**[Notification No. 63/2018 –Central Tax dated 29-11-2018]**

### **4. Extension of due date for filing of FORM GSTR-1 for taxpayers having aggregate turnover up to Rs 1.5 crores**

CBIC has extended the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores for the quarter from July, 2018 to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.

**[Notification No. 64/2018 –Central Tax dated 29-11-2018]**

### **5. Extension of due date for filing of FORM GSTR-4**

CBIC has extended the due date for filing of FORM GSTR - 4 for the quarter July to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.

**[Notification No. 65/2018 –Central Tax dated 29-11-2018]**

### **6. CBIC extended due date for filing Form GSTR-7 till 31 January 2019**

CBIC has extended time limit for furnishing return by a registered person required to deduct tax at source under provisions of section 51 of said Act in FORM GSTR – 7 of Central Goods and Services Tax Rules, 2017 under sub -section (3) of section 39 of

the said Act read with rule 66 of the Central Goods and Services Tax Rules, 2017 for the months of October, 2018 to December, 2018 till the 31 day of January, 2019.

**[Notification No. 66/2018 –Central Tax dated 29-11-2018]**

**7. Valuation–Interest on loan/credit by Del-credere agent when includible**

CBIC has clarified that when del-credere agent (DCA) is not an agent of supplier, temporary short-term transaction-based loan provided by DCA to buyer is an independent supply of service by DCA to recipient on principal to principal basis and will not form part of value of supply of goods. Credit by DCA to recipient is not a separate supply, if DCA acts as an agent for principal. In such cases, value of interest charged for such credit is includible in value of supply of goods by DCA to recipient. Reiterating earlier Circular No. 57/31/2018-GST, dated 4-9-2018, it notes that where the invoice for supply of goods is issued by the DCA in his own name, the DCA would fall under ambit of agent.

**[Circular No. 73/47/2018-GST, dated 05-11-2018]**

**8. Tea Board required to collect TCS from tea producers and auctioneers**

Tea Board of India is required to collect TCS from sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and from auctioneers of the tea on the net value of supply of Services (i.e. brokerage). Tea Board being the operator of the electronic auction system for trading of tea across the country including for collection and settlement of payments, falls under the category of electronic commerce operator liable to collect tax at source (TCS) under GST law.

**[Circular No. 74/48/2018-GST, dated 05-11-2018]**

## **(II) PUNJAB GST NOTIFICATIONS/ORDERS**

Regd. No. NW/CH-22

Regd. No. CHD/0092/2018-2020



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## **EXTRAORDINARY**

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**GOVERNMENT OF PUNJAB**

DEPARTMENT OF EXCISE AND TAXATION

Bhupindra Road, Patiala, Punjab.

**ORDER**

The 9th November, 2018

**No. GST-I/2018/3-State.**-In pursuance of section 168 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No.5 of 2017) and sub-rule (3) of rule 45 of the Punjab Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), and in supersession of the notification of the Government of Punjab, Department of Excise and Taxation, Notification No. PA/ETC/2018/172, dated the 07th September, 2018, published in the Punjab Government Extraordinary Gazette, dated the 09th October, 2018, except as respects things done or omitted to be done before such supersession, I, hereby extend the time limit for furnishing the declaration in **FORM GST ITC-04** of the said rules, in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another, during the period from July, 2017 to September, 2018 till the 31st day of December, 2018.

Sd/-

**VIVEK PRATAP SINGH**  
COMMISSIONER OF STATE TAX

1642/11-2018/Pb. Govt. Press, S.A.S. Nagar

( 13381 )

### **(III) CENTRAL TAX NOTIFICATIONS**

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India  
Ministry of Finance  
(Department of Revenue)  
Central Board of Indirect Taxes and Customs  
Notification No. 61/2018 – Central Tax**

New Delhi, the 5<sup>th</sup> November, 2018

**G.S.R. ....(E).**— In exercise of the powers conferred by sub-section (3) of section 1, read with section 51 of the Central Goods and Services Tax Act, 2017 (12 of 2017), hereafter in this notification referred to as the said Act, the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 50/2018-Central Tax, dated the 13<sup>th</sup> September, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R 868(E), dated the 13<sup>th</sup> September, 2018, namely:—

In the said notification, after the proviso, the following proviso shall be inserted, namely:-

“Provided further that nothing in this notification shall apply to the supply of goods or services or both from a public sector undertaking to another public sector undertaking, whether or not a distinct person, with effect from the 1<sup>st</sup> day of October, 2018.” .

[F. No. CBEC/20/06/16/2018-GST]

(Dr. Sreeparvathy S.L.)  
Under Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R 868 (E), dated the 13<sup>th</sup> September, 2018 and subsequently amended vide notification No. 57/2018-Central Tax, dated the 23<sup>rd</sup> October, 2018, published vide number G.S.R 1057(E), dated the 23<sup>rd</sup> October, 2018.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**Notification No. 62/2018 – Central Tax**

**New Delhi, the 29<sup>th</sup> November, 2018**

G.S.R.....(E).– In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the said rules), the Commissioner, on the recommendations of the Council, hereby makes the following further amendments in notification number 34/2018 – Central Tax, dated the 10<sup>th</sup> August, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.761(E), dated the 10<sup>th</sup> August, 2018, namely:–

In the said notification, in the first paragraph, after the fourth proviso, the following provisos shall be inserted, namely: –

“Provided also that the return in **FORM GSTR-3B** of the said rules for the month of September, 2018 and October, 2018 for registered persons whose principal place of business is in Srikakulam district in the State of Andhra Pradesh shall be furnished electronically through the common portal, on or before the 30<sup>th</sup> November, 2018:

Provided also that the return in **FORM GSTR-3B** of the said rules for the month of October, 2018 for registered persons whose principal place of business is in Cuddalore, Thiruvarur, Pudukottai, Dindigul, Nagapatinam, Theni, Thanjavur, Sivagangai, Tiruchirappalli, Karur and Ramanathapuram in the State of Tamil Nadu shall be furnished electronically through the common portal, on or before the 20<sup>th</sup> December, 2018.”.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal notification number 34/2018 was published in the Gazette of India, vide number G.S.R. 761(E), dated the 10<sup>th</sup> August, 2018 and was last amended by notification no. 55/2018, dated the 21<sup>st</sup> October, 2018, published in the Gazette of India, Extraordinary, vide number G.S.R. 1050(E), dated the 22<sup>nd</sup> October, 2018.



[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**Notification No. 63/2018 – Central Tax**

New Delhi, the 29<sup>th</sup> November, 2018

G.S.R.....(E).– In exercise of the powers conferred by the second proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 44/2018- Central Tax, dated the 10<sup>th</sup> September, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (i) vide number G.S.R. 855(E), dated the 10<sup>th</sup> September, 2018, namely:–

In the said notification, in the first paragraph, after the first proviso, the following provisos shall be inserted, namely:

–

“Provided further that the details of outward supply of goods or services or both in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017 for the month of September, 2018 for registered persons whose principal place of business is in Srikakulam district in the State of Andhra Pradesh shall be furnished electronically through the common portal, on or before the 30<sup>th</sup> November, 2018:

Provided also that the details of outward supply of goods or services or both in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017 for the month of October, 2018 for registered persons whose principal place of business is in Srikakulam district in the State of Andhra Pradesh shall be furnished electronically through the common portal, on or before the 30<sup>th</sup> November, 2018:

Provided also that the details of outward supply of goods or services or both in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017 for the month of October, 2018 for registered persons whose principal place of business is in Cuddalore, Thiruvarur, Pudukottai, Dindigul, Nagapatinam, Theni, Thanjavur, Sivagangai, Tiruchirappalli, Karur and Ramanathapuram in the State of Tamil Nadu shall be furnished electronically through the common portal, on or before the 20<sup>th</sup> December, 2018.”.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal notification no. 44/2018, dated the 10<sup>th</sup> September, 2018 was published in the Gazette of India, Extraordinary, vide number G.S.R. 855(E), dated the 10<sup>th</sup> September, 2018.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**Notification No. 64/2018 – Central Tax**

**New Delhi, the 29<sup>th</sup> November, 2018**

G.S.R.....(E).– In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 43/2018- Central Tax, dated the 10<sup>th</sup> September, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 854(E), dated the 10<sup>th</sup> September, 2018, namely:–

In the said notification, in paragraph 2, after the second proviso, the following proviso shall be inserted, namely: –

“Provided further that the details of outward supply of goods or services or both in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017 for the quarter from July, 2018 to September, 2018 for registered persons whose principal place of business is in Srikakulam district in the State of Andhra Pradesh shall be furnished electronically through the common portal, on or before the 30<sup>th</sup> November, 2018.”.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S.L.)

Under Secretary to the Government of India

Note:- The principal notification no. 43/2018, dated the 10<sup>th</sup> September, 2018 was published in the Gazette of India, Extraordinary, vide number G.S.R. 854(E), dated the 10<sup>th</sup> September, 2018.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**Notification No. 65/2018 – Central Tax**

**New Delhi, the 29<sup>th</sup> November, 2018**

G.S.R. ....(E).—In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Commissioner hereby extends the time limit for furnishing the return in **FORM GSTR-4** of the Central Goods and Services Tax Rules, 2017 for the quarter July to September, 2018 under sub-section (2) of section 39 of the said Act read with rule 62 of the Central Goods and Services Tax Rules, 2017 by a registered person paying tax under the provisions of section 10 of the said Act whose principal place of business is in Srikakulam district in the State of Andhra Pradesh, till the 30<sup>th</sup> day of November, 2018.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S.L.)  
Under Secretary to the Government of India

[[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**Notification No. 66/2018 – Central Tax**

**New Delhi, the 29<sup>th</sup> November, 2018**

G.S.R. ....(E).—In exercise of the powers conferred by sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Commissioner hereby extends the time limit for furnishing the return by a registered person required to deduct tax at source under the provisions of section 51 of the said Act in **FORM GSTR-7** of the Central Goods and Services Tax Rules, 2017 under sub-section (3) of section 39 of the said Act read with rule 66 of the Central Goods and Services Tax Rules, 2017 for the months of October, 2018 to December, 2018 till the 31<sup>st</sup> day of January, 2019.

[F. No. 20/06/17/2018-GST (Pt. I)]

(Dr. Sreeparvathy S.L.)  
Under Secretary to the Government of India

## **(IV) CGST CIRCULARS**

**Circular No. 73/47/2018-GST**

**F. No. 20/16/04/2018- GST  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs  
GST Policy Wing**

New Delhi, Dated the 5<sup>th</sup> November, 2018

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Scope of principal and agent relationship under Schedule I of CGST Act, 2017  
in the context of del-credere agent - Reg.**

Post issuance of circular No. 57/31/2018-GST dated 4<sup>th</sup> September, 2018 from F. No. CBEC/20/16/4/2018-GST, various representations have been received from the trade and industry, as well as from the field formations regarding the scope and ambit of principal agent relationship under GST in the context of del-credere agent (hereinafter referred to as “DCA”). In order to clarify these issues and to ensure uniformity of implementation across field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”) hereby clarifies the issues in succeeding paras.

2. In commercial trade parlance, a DCA is a selling agent who is engaged by a principal to assist in supply of goods or services by contacting potential buyers on behalf of the principal. The factor that differentiates a DCA from other agents is that the DCA guarantees the payment to the supplier. In such scenarios where the buyer fails to make payment to the principal by the due date, DCA makes the payment to the principal on behalf of the buyer (effectively providing an insurance against default by the buyer), and for this reason the commission paid to the DCA may be relatively higher than that paid to a normal agent. In order to guarantee timely payment to the supplier, the DCA can resort to various methods including extending short-term transaction-based loans to the buyer or paying the supplier himself and recovering the amount from the buyer with some interest at a later date. This loan

**Circular No. 73/47/2018-GST**

is to be repaid by the buyer along with an interest to the DCA at a rate mutually agreed between DCA and buyer. Concerns have been expressed regarding the valuation of supplies from Principal to recipient where the payment for such supply is being discharged by the recipient through the loan provided by DCA or by the DCA himself. Issues arising out of such loan arrangement have been examined and the clarifications on the same are as below:

<b>Sl. No.</b>	<b>Issue</b>	<b>Clarification</b>
1	Whether a DCA falls under the ambit of agent under Para 3 of Schedule I of the CGST Act?	<p>As already clarified <i>vide</i> circular No. 57/31/2018-GST dated 4<sup>th</sup> September, 2018, whether or not the DCA will fall under the ambit of agent under Para 3 of Schedule I of the CGST Act depends on the following possible scenarios:</p> <ul style="list-style-type: none"> <li>• In case where the invoice for supply of goods is issued by the supplier to the customer, either himself or through DCA, the DCA does not fall under the ambit of agent.</li> <li>• In case where the invoice for supply of goods is issued by the DCA in his own name, the DCA would fall under the ambit of agent.</li> </ul>
2	Whether the temporary short-term transaction based loan extended by the DCA to the recipient (buyer), for which interest is charged by the DCA, is to be included in the value of goods being supplied by the supplier (principal) where DCA is not an agent under Para 3 of Schedule I of the CGST Act?	<p>In such a scenario following activities are taking place:</p> <ol style="list-style-type: none"> <li>1. Supply of goods from supplier (principal) to recipient;</li> <li>2. Supply of agency services from DCA to the supplier or the recipient or both;</li> <li>3. Supply of extension of loan services by the DCA to the recipient.</li> </ol> <p>It is clarified that in cases where the DCA is not an agent under Para 3 of Schedule I of the</p>

**Circular No. 73/47/2018-GST**

		<p>CGST Act, the temporary short-term transaction based loan being provided by DCA to the buyer is a supply of service by the DCA to the recipient on Principal to Principal basis and is an independent supply.</p> <p>Therefore, the interest being charged by the DCA would not form part of the value of supply of goods supplied (to the buyer) by the supplier. It may be noted that vide notification No. 12/2017-Central Tax (Rate) dated 28<sup>th</sup> June, 2017 (S. No. 27), services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) has been exempted.</p>
3.	<p>Where DCA is an agent under Para 3 of Schedule I of the CGST Act and makes payment to the principal on behalf of the buyer and charges interest to the buyer for delayed payment along with the value of goods being supplied, whether the interest will form a part of the value of supply of goods also or not?</p>	<p>In such a scenario following activities are taking place:</p> <ol style="list-style-type: none"> <li>1. Supply of goods by the supplier (principal) to the DCA;</li> <li>2. Further supply of goods by the DCA to the recipient;</li> <li>3. Supply of agency services by the DCA to the supplier or the recipient or both;</li> <li>4. Extension of credit by the DCA to the recipient.</li> </ol> <p>It is clarified that in cases where the DCA is an agent under Para 3 of Schedule I of the CGST Act, the temporary short-term transaction based credit being provided by DCA to the</p>

**Circular No. 73/47/2018-GST**

	<p>buyer no longer retains its character of an independent supply and is subsumed in the supply of the goods by the DCA to the recipient. It is emphasised that the activity of extension of credit by the DCA to the recipient would not be considered as a separate supply as it is in the context of the supply of goods made by the DCA to the recipient.</p> <p>It is further clarified that the value of the interest charged for such credit would be required to be included in the value of supply of goods by DCA to the recipient as per clause (d) of sub-section (2) of section 15 of the CGST Act.</p>
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3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)  
Commissioner (GST)



**F. No. 20/16/04/2018- GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**

New Delhi, Dated the 5<sup>th</sup> November, 2018

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Collection of tax at source by Tea Board of India – Reg.**

Tea Board of India (hereinafter referred to as the, “Tea Board”), being the operator of the electronic auction system for trading of tea across the country including for collection and settlement of payments, admittedly falls under the category of electronic commerce operator liable to collect Tax at Source (hereinafter referred to as, “TCS”) in accordance with the provisions of section 52 of the Central Goods and Service Tax Act, 2017 (hereinafter referred to as, “the CGST Act”).

2. The participants in the said auction are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.

3. It has been represented that the buyers in the said auction make payment of a consolidated amount to an escrow Account maintained by the Tea Board. The said consolidated amount is towards the value of the tea, the selling and buying brokerages charged by the auctioneers and also the amount charged by the Tea Board from sellers, auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage). Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

**Circular No. 74/48/2018-GST**

4. A representation has been received from Tea Board, seeking clarification whether they should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both.
5. The matter has been examined. In exercise of the powers conferred under sub-section (1) of section 168 of the CGST Act, for the purpose of uniformity in the implementation of the Act, it is hereby clarified, that TCS at the notified rate, in terms of section 52 of the CGST Act, shall be collected by Tea Board respectively from the -
  - (i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
  - (ii) auctioneers on the net value of supply of services (i.e. brokerage).
6. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
7. Difficulties faced, if any, in implementation of the above instructions may please be brought to the notice of the Board.
8. Hindi version would follow.

(Upender Gupta)  
Commissioner (GST)