

GST UPDATE

(August, 2019)

Directorate of Training, Excise and Taxation Department, Punjab

ABSTRACT OF GST UPDATE

Sr. No.	Subject	Page No.
I.	<u>GIST OF GST NOTIFICATIONS</u>	01
II.	<u>CENTRAL TAX NOTIFICATIONS</u>	03
III.	<u>ADVANCE RULINGS</u>	13
IV.	<u>COURT ORDERS/ JUDGEMENTS</u>	20

CONTENTS

Sr. No. Subject Page No.

I GIST OF GST NOTIFICATIONS 01

II CENTRAL TAX NOTIFICATIONS

1	36/2019-Central Tax, dt. 20-08-2019	Seeks to extend the date from which the facility of blocking and unblocking of e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 shall be brought into force to 21.11.2019.	03
2	37/2019-Central Tax, dt. 21-08-2019	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of July, 2019.	04
3	38/2019-Central Tax, dt. 31-08-2019	Seeks to waive filing of FORM ITC-04 for F.Y. 2017-18 & 2018-19.	07
4	39/2019-Central Tax, dt. 31-08-2019	Seeks to bring Section 103 of the Finance (No. 2) Act, 2019 in to force.	08
5	40/2019-Central Tax, dt. 31-08-2019	Seeks to extend the last date in certain cases for furnishing GSTR-7 for the month of July, 2019.	09
6	41/2019-Central Tax, dt. 31-08-2019	Seeks to waive the late fees in certain cases for the month of July, 2019 for FORM GSTR-1 and GSTR-6 provided the said returns are furnished by 20.09.2019.	11

III ADVANCE RULINGS

1	Advance Ruling No. KAR ADRG 18/2019 Dated 07/08/2019	Nicotine Polacriliex Lozenge classifiable under heading 38.24	13
2	No. GST-ARA-142/2018-19/B-88 dated 13/08/2019	GST Payable on Contributions from Club members for expending on meetings	13
3	Order number: 16/WBAAR/2019-20 dated 19/08/2019	GST on evacuation & disposal of ash from ash pond of thermal power station	14
4	Advance Ruling No. 17/WBAAR/2019-20 dated 19/08/2019	GST on loading and unloading services of yellow peas at port	14
5	Order number: 18/WBAAR/2019-20 dated 19/08/2019	When mobilization advance for works contract will be treated as supply	15
6	Advance Ruling No. 15/WBAAR/2019-20 dated 19/08/2019	Whether printing of advertising material is a supply of service?	16
7	AAR/GST/PB/007 dated 21/08/2019	Manufacturing of Cattle Feed/ Poultry Feed on job work basis falls under heading 9988	16

Sr. No. Subject

Page No.

8	Order No. 20/WBAAR/2019-20 dated 26/08/2019	18% IGST payable on fertilizer export if dealer opts for Refund	17
9	Order No. 19/WBAAR/2019-20 dated 26/08/2019	HDPE woven tarpaulin not classifiable as textile under GST Tariff Act	18
10	AAR/GST/PB/009 dated 29/08/2019	"Seats for Railway Coaches" fall under Heading 9401 and attract GST at 18%	18

IV COURT ORDERS/JUDGEMENTS

1	Special Civil Application No. 5357 of 2019 dated 07/08/2019	HC slams Sales Tax Dept. for recovering tax in Extortion Manner	20
2	Writ Petition No. 8075 of 2019 dated 14.08.2019	GST authorities cannot refuse to give copies of document seized unless same affects investigation prejudicially	20

(I) GIST OF GST NOTIFICATIONS

1. Blocking of e-way bill generation for non-filers of returns, postponed

Rule 138E of CGST Rules relating to restriction on furnishing of information in Part A of Form GST EWB-01 will now be effective from 21-11-2019 instead of 21-8-2019. Hence, no person (including a consignor, consignee and transporter) will be allowed to furnish information in Part A of Form GST EWB-01 and generate e-way bill if he has not furnished the returns for two consecutive tax periods. (Not. No. 22/2019-Central Tax, 23-4-2019 amended by Not. No. 36/2019-CT, 20-8-2019.)

[Notification No. 36/2019 – Central Tax dated 20th August, 2019]

2. Extension in due date of GSTR-3B

Due date for filing monthly return GSTR-3B for the month of July, 2019 has been extended as follows:

S.No	Applicable to	Extended due date
1.	Registered persons whose principal place of business is in the specified districts of Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha and Uttarakhand	20.09.2019
2.	Registered persons whose principal place of business is in the State of Jammu and Kashmir	20.09.2019
3.	All other taxpayers	22.08.2019

[Notification No. 37/2019 – Central Tax dated 21st August, 2019]

3. Filing of FORM ITC-04 not required for F.Y. 2017-18 & 2018-19

- FORM GST ITC-04 is required to fill by a principal manufacturer in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another job worker.
- CBIC has waived off filing of **Form ITC-04** for the period July, 2017 to March, 2019.
- However, the details of all the challans in respect of goods dispatched to a job worker in the period July, 2017 to March, 2019 but not received from a job worker or not supplied from the place of business of the job worker as on the 31st March, 2019, is required to be furnish in serial number 4 of FORM ITC-04 for the quarter April-June, 2019.

[Notification No. 38/2019 – Central Tax dated 31st August, 2019]

4. Section 103 of the Finance (No. 2) Act, 2019

Section 103 of the Finance (No. 2) Act, 2019 provides insertion of sub section (8A) that in section 54 of the Central Goods and Services Tax Act according to which the Government may disburse the refund of the State tax in such manner as may be prescribed.

CBIC has notified 1st day of September, 2019 as the date on which the provisions of section 103 the said Act, shall come into force.

[Notification No. 39/2019 – Central Tax dated 31st August, 2019]

5. Extension in due date of Form GSTR-7

Due date of filing Form GSTR-7 for the month of July, 2019 has been extended to 20.09.2019 in the specified districts of the States – Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha and Uttarakhand.

However, registered persons having principal place of business in the State of Jammu and Kashmir shall furnish Form GSTR-7 for the month of July, 2019, on or before the 20th September, 2019.

[Notification No. 40/2019 – Central Tax dated 31st August, 2019]

6. Late fees for GSTR1 and GSTR-6 waived off

- CBIC has waived off late fee payable under section 47 of the **Central Goods and Services Tax Act, 2017** for Form GSTR-1 and GSTR-6 for the month of July, 2019 provided such returns are furnished on or before the 20th September, 2019:

- √ for the taxpayers having principal place of business is in the State of Jammu and Kashmir, and

- √ for taxpayers in the specified districts of the States – Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha and Uttarakhand.

[Notification No. 41/2019 – Central Tax dated 31st August, 2019]

(II) 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. 36/2019 – Central Tax

New Delhi, the 20th August, 2019

G.S.R.(E)— In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India, Ministry of Finance, Department of Revenue No.22/2019- Central Tax, dated the 23rd April, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 323(E), dated the 23rd April, 2019, namely:-

In the said notification, for the figures, letters and words “21st day of August, 2019” the figures, letters and words “21st day of November, 2019” shall be substituted.

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)
Under Secretary to the Government of India

Note: -The principal notification No.22/2019- Central Tax, dated the 23rd April, 2019 was published in the Gazette of India, Extraordinary, vide number G.S.R. 323(E), dated the 23rd April, 2019 and was subsequently amended by notification No. 25/2019-Central Tax, dated the 21st June, 2019, published in the Gazette of India, Extraordinary, vide number G.S.R. 443(E), dated the 21st June, 2019.

[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. 37/2019 – Central Tax

New Delhi, the 21st August, 2019

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 amendments in notification of the Government of India in the Ministry of Finance (Department of Revenue), No.29/2019 – Central Tax, dated the 28th June, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.455(E), dated the 28th June, 2019, namely:—

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

“Provided that the return in **FORM GSTR-3B** of the said rules for the month of July, 2019 shall be furnished electronically through the common portal, on or before the 22nd August, 2019:

Provided further that the return in **FORM GSTR-3B** of the said rules for the month of July, 2019 for registered persons whose principal place of business is in the district mentioned in column (3) of the Table below, of the State as mentioned in column (2) of the said Table, shall be furnished electronically through the common portal, on or before the 20th September, 2019:

TABLE

Sl. No.	Name of State	Name of District
(1)	(2)	(3)
1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran
2.	Gujarat	Vadodara
3.	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udipi, Uttara Kannada, Vijayapura, Yadgir
4.	Kerala	Idukki, Malappuram, Wayanad, Kozhikode
5.	Maharashtra	Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar
6.	Odisha	Balangir, Sonepur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur
7.	Uttarakhand	Uttarkashi and Chamoli

Provided also that the return in **FORM GSTR-3B** of the said rules for the month of July, 2019 for registered persons whose principal place of business is in the State of Jammu and Kashmir shall be furnished electronically through the common portal, on or before the 20th September, 2019.”.

2. This notification shall come into force with effect from the 20th day of August, 2019.

[F.No.20/06/08/2019-GST]

(Ruchi Bisht)
Under Secretary to the Government of India

Note: - The principal notification No. 29/2019- Central Tax, dated the 28th June, 2019 was published in the Gazette of India, Extraordinary, vide number G.S.R. 455(E), dated the 28th June, 2019.

[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. 38/2019 – Central Tax

New Delhi, the 31st August, 2019

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) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies the registered persons required to furnish the details of challans in **FORM ITC-04** under sub-rule (3) of rule 45 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), read with section 143 of the said Act, as the class of registered persons who shall follow the special procedure such that the said persons shall not be required to furnish **FORM ITC-04** under sub-rule (3) of rule 45 of the said rules for the period July, 2017 to March, 2019:

Provided that the said persons shall furnish the details of all the challans in respect of goods dispatched to a job worker in the period July, 2017 to March, 2019 but not received from a job worker or not supplied from the place of business of the job worker as on the 31st March, 2019, in serial number 4 of **FORM ITC-04** for the quarter April-June, 2019.

[F. No. 20/06/09/2019-GST]

(Ruchi Bisht)
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. 39/2019 – Central Tax

New Delhi, the 31st August, 2019

G.S.R.(E).— In exercise of the powers conferred by sub-section (2) of section 1 of the Finance (No. 2) Act, 2019 (23 of 2019), the Central Government hereby appoints the 1st day of September, 2019, as the date on which the provisions of section 103 of the said Act, shall come into force.

[F. No. 20/06/12/2018-GST]

(Ruchi Bisht)
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. 40/2019 – Central Tax

New Delhi, the 31st August, 2019

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 makes the following amendments in the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 26/2019-Central Tax, dated the 28th June, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 452(E), dated the 28th June, 2019, namely: -

In the said notification, after the portion beginning with the words “except as respects things done” and ending with the words, figures and letters “for the months of October, 2018 to July, 2019 till the 31st day of August, 2019”, the following provisos shall be inserted, namely: –

“Provided that 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 month of July, 2019, whose principal place of business is in the district mentioned in column (3) of the Table below, of the State as mentioned in column (2) of the said Table, shall be furnished electronically through the common portal, on or before the 20th September, 2019:–

Table

Sl. No.	Name of State	Name of District
(1)	(2)	(3)

1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.
2	Gujarat	Vadodara.
3	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir.
4	Kerala	Idukki, Malappuram, Wayanad, Kozhikode.
5	Maharashtra	Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar.
6.	Odisha	Balangir, Sonapur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur.
7	Uttarakhand	Uttarkashi and Chamoli:

Provided further that 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 month of July, 2019, whose principal place of business is in the State of Jammu and Kashmir shall be furnished electronically through the common portal, on or before the 20th September, 2019.”.

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)

Under Secretary to the Government of India

Note: - The principal notification No. 26/2019- Central Tax, dated the 28th June, 2019 was published in the Gazette of India, Extraordinary, vide number G.S.R. 452(E), dated the 28th June, 2019.

[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. 41/2019 – Central Tax

New Delhi, the 31st August, 2019

G.S.R. (E).- In exercise of the powers conferred by section 128 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 waives the amount of late fee payable under section 47 of the said Act, by the following class of taxpayers: –

- (i) the registered persons whose principal place of business is in the district mentioned in column (3) of the Table below, of the State as mentioned in column (2) of the said Table, having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, who have furnished, electronically through the common portal, details of outward supplies in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017, for the month of July, 2019, on or before the 20th September, 2019;
- (ii) the registered persons whose principal place of business is in the State of Jammu and Kashmir, having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, who have furnished, electronically through the common portal, details of outward supplies in **FORM GSTR-1** of the Central Goods and Services Tax Rules, 2017, for the month of July, 2019, on or before the 20th September, 2019;
- (iii) the Input Service Distributors whose principal place of business is in the district mentioned in column (3) of the above said Table, of the State as mentioned in column (2) of the said Table, who have furnished, electronically through the common portal, return in **FORM GSTR-6** of the Central Goods and Services Tax Rules, 2017, for the month of July, 2019, on or before the 20th September, 2019;
- (iv) the Input Service Distributors whose principal place of business is in the State of Jammu and Kashmir, who have furnished, electronically through the common portal,

return in **FORM GSTR-6** of the Central Goods and Services Tax Rules, 2017, for the month of July, 2019, on or before the 20th September, 2019.

Table

Sl. No.	Name of State	Name of District
(1)	(2)	(3)
1.	Bihar	Araria, Kishanganj, Madhubani, East Champaran, Sitamarhi, Sheohar, Supaul, Darbhanga, Muzaffarpur, Saharsa, Katihar, Purnia, West Champaran.
2.	Gujarat	Vadodara.
3.	Karnataka	Bagalkot, Ballari, Belagavi, Chamarajanagar, Chikkamagalur, Dakshina Kannada, Davanagere, Dharwad, Gadag, Hassan, Haveri, Kalaburagi, Kodagu, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Udupi, Uttara Kannada, Vijayapura, Yadgir.
4.	Kerala	Idukki, Malappuram, Wayanad, Kozhikode.
5.	Maharashtra	Kolhapur, Sangli, Satara, Ratnagiri, Sindhudurg, Palghar, Nashik, Ahmednagar.
6.	Odisha	Balangir, Sonapur, Kalahandi, Nuapada, Koraput, Malkangiri, Rayagada, Nawarangpur.
7.	Uttarakhand	Uttarkashi and Chamoli

[F. No. 20/06/07/2019-GST]

(Ruchi Bisht)
Under Secretary to the Government of India

(III) ADVANCE RULINGS

1. Nicotine Polacriliex Lozenge classifiable under heading 38.24

Case Name : **In re M/s Strides Emerging Markets Limited (GST AAR Karnataka)**

Appeal Number : Advance Ruling No. KAR ADRG 18/2019

Date of Judgement/Order : 07/08/2019

The Applicant has developed a new product "Narcotic Chewing Tablet" (NCT) which is used to wean off the withdrawal symptoms associated from the narcotic consumption cessation. The applicant further requested, vide their letter dated 28.05.2018, to consider "Narcotic Chewable Tablet" as "Nicotine Polacriliex Lozenge" in their application. In view of the above, the applicant has sought advance ruling in respect of the following question:

*What is the appropriate classification of Nicotine Polacriliex Lozenge (hereinafter referred to as "PICT") manufactured by the Company and rate of tax applicable thereupon under **Notification 01/2017-Central Tax (Rate), dated 28-06-2017.***

RULING

The instant product, Nicotine Polacriliex Lozenge, is rightly classifiable under the heading 38.24. Accordingly the product is covered under Serial number 97 of Schedule III to **Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017** and attracts GST at the rate of 18% (9% COST, 9% SGST).

2. GST Payable on Contributions from Club members for expending on meetings

Case Name : **In re Rotary Club of Mumbai Nariman Point (GST AAR Maharashtra)**

Appeal Number : No. GST-ARA-142/2018-19/B-88

Date of Judgement/Order : 13/08/2019

Question 1:- Whether contributions from the members in the Administration Account, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply?

Answer:- **Answered in the affirmative.**

Question 2:- If answer to question no. 1 is affirmative, whether it will be classified as supply of goods or services?

Answer:- **It will be classified as supply of services**

Question 3:- Whether the applicant would be a Taxable Person under the provisions of the Act?

Answer:- **Answered in the affirmative, subject to provisions of Section 22 of the GST Act.**

Question 4:- If answer to question no.3 is affirmative, who shall be person responsible under GST, as office bearers keep on changing every year?

Answer:- **The applicant is liable to pay GST and not the office bearers.**

Question 5:- Whether the said collection of funds under common pool and spending back on the same said contributors, would entail 'supply' as defined in the law.

Answer :- **Answered in the affirmative.**

Question 6:- If answer to Question no.5 is affirmative, whether the same would be supply of goods or services?

Answer:- **It will be classified as supply of services**

3. GST on evacuation & disposal of ash from ash pond of thermal power station

Case Name : **In re Novel Engineering & Technical Works Private Limited (GST AAR West Bengal)**

Appeal Number : Order number: 16/WBAAR/2019-20

Date of Judgement/Order : 19/08/2019

Whether evacuation and disposal of ash from ash pond of a thermal power station is an exempted supply?

Scrutiny of the work as described in para 2.2 reveals that the work involves earthwork, excavation, sloping and earthmoving services involving making of embankments or cuttings for laying down pathways to access the ash ponds, and other excavating and earthmoving work services. Transportation of the excavated earth and ash is ancillary to the principal supply of excavation and earthmoving service (SAC 995433). Evacuation and disposal of settled ash by mechanical means from the ash ponds is, therefore, a composite supply of services. Supply of goods, if any, is incidental to the main supply, and does not constitute any significant percentage.

Unless an activity is directly concerned with a matter listed in the Eleventh Schedule, the State Government entrusts the Panchayat by specific order a work that advances the cause of economic development and social justice. In the discharge of its functions, the Zilla Parishad shall, therefore, be guided by such instructions or directions as the State Government may give from time to time under section 212 of the 1973 Act. The State Government issued one such order (No. 2071/PN/0/1/2M-3/2000 dated 27/05/2005), allowing PMZP to undertake evacuation and disposal of the settled ash from the ash ponds of KTPS to ensure uninterrupted power generation, protection of environment and augmentation of the local fund. Having been issued under section 212 of the 1973 Act, execution of the above work is an activity in relation to the functions entrusted to a Panchayat under Art 243G of the Constitution.

RULING

The Applicant's supply to Purba Medinipur Zilla Parishad, as described in para 2.2, is a composite supply classifiable under SAC 995433. It is exempt under SI No. 3A of **Notification No. 12/2017 — Central Tax (Rate) dated 28/06/2017** (corresponding State Notification No. 1136 — FT dated 28/06/2017), as amended from time to time. This Ruling is valid subject to the provisions under Section 103 until and unless declared void under Section 104(1) of the GST Act.

4. GST on loading and unloading services of yellow peas at port

Case Name : **In re TP Roy Chowdhury & Company Pvt Ltd. (GST AAR West Bengal)**

Appeal Number : Advance Ruling No. 17/WBAAR/2019-20
Date of Judgement/Order : 19/08/2019

Whether service of loading and unloading of yellow peas at the port is exempted supply?

The Applicant renders the service of loading, unloading etc. after the cargo of yellow peas, imported from a foreign land, reaches the port of entry. The produce has been procured from the farmers in the foreign land and exported to India. Clearly, it is, whether processed in a mill, no longer in the domain of the primary market or at the farmer's hand. Exemption under SI No. 54(e) of the Exemption Notification, therefore, is not applicable to the Applicant's services.

5. When mobilization advance for works contract will be treated as supply

Case Name : **In re Siemens Ltd (GST AAR West Bengal)**
Appeal Number : Order number: 18/WBAAR/2019-20
Date of Judgement/Order : 19/08/2019

Whether mobilization advance for works contract is supply on the date on which it stands credited on the supplier's account?

After the GST comes into force, the works contract is no longer divisible into a contract for the supply of goods and a service contract. It is a service contract and the entire unadjusted mobilisation advance as on 01/07/2017, according to the Contract, applies towards payment of consideration for the works contract service. As discussed in para 3.3 above, 'consideration' includes any payment for the inducement of a supply. Mobilisation advance is meant specifically for inducing the contractor to spend for provisioning the works contract service. The contract provides a mechanism in the form of a bank guarantee that ensures that the advance is not diverted or misappropriated. Its application as payment for inducing the supply is, therefore, direct and unambiguous. It is, therefore, 'consideration,' whether or not in the form of a deposit, for the supply of the works contract service. The Contract makes it amply clear that the entire amount is applied as consideration for provisioning works contract service.

The Applicant's reference to the decisions of the Tribunal in Thermax Instrumentation Ltd (supra) and GB Engineering Enterprises Pvt Ltd (supra) is misplaced in this context. The relevance of these decisions in the legal framework of the Finance Act, 1994 is discussed in para 3.6 and need not be repeated. They are not relevant under the GST regime, as the valuation of works contract no longer requires a rule separate from other services. The Contract, therefore, is to be valued as provided under section 15(1) of the GST Act, which does not restrict in any way the scope of time of supply, as provided under section 13(2) of the GST Act. Moreover, 'consideration' under the GST Act has a wider scope and includes deposits if applied as consideration. In that context, whether the mobilisation advance is earnest money or not is of little relevance.

The Applicant is, therefore, deemed to have supplied works contract service to KMRCL on 01/07/2017 to the extent covered by the lump-sum that stood credited to

its account on that date as mobilisation advance. As the supply to the extent of the above amount is

deemed to have been made on 01/07/2017 and tax is leviable thereon accordingly, the value of the supply of works contract service in the subsequent invoices as and when raised should, therefore, be reduced to the extent of the advance adjusted in such invoices. To avoid double taxation, the GST should, therefore, be charged on the net amount that remains after such adjustment.

6. Whether printing of advertising material is a supply of service?

Case Name : **In re Macro Media Digital Imaging Pvt Ltd. (GST AAR West Bangal)**

Appeal Number : Advance Ruling No. 15/WBAAR/2019-20

Date of Judgement/Order : 19/08/2019

The Applicant prints billboards, building wraps, fleet graphics, window graphics, trade show graphics, office branding, in-store branding, banners, signage graphics etc., commonly known as trade advertising material, classified under heading 4911 of the Tariff Act. The recipient provides on a digital media the content in the form of image/text/trade monogram and retains usage right on such intangible inputs. The Applicant loads the content in a digital image printer, prints the image on the PVC material, and supplies the printed material. The goods so supplied have no utility other than displaying the printed content. Service of printing, therefore, is the predominant element of the composite supplies the Applicant is making.

Services by way of printing of the goods falling under Chapter 48 and 49 are classifiable under SAC 9989 and taxable under SI No. 27(i) of **Notification No. 11/2017 – CT (Rate) dated 28/06/2017** (corresponding State Notification No. 1135 — FT dated 28/06/2017). The Applicant, being a printer of trade advertising material classifiable under heading 4911 of the Tariff Act, is making a composite supply, where the service of printing classifiable as above, is the principal supply. The goods supplied, having no use other than displaying the printed matter, is ancillary to the principal supply of printing.

The Applicant has referred to several judgements of the apex court and the tribunal. They are all related to the question of classifying the goods being supplied, whether they are to be classified under Chapter 39 or 49 of the Tariff Act. This Authority does not dispute that the goods supplied are classifiable under Chapter 49. But such supplies are ancillary to the principal supply of printing service.

The Applicant is making a composite supply, where the service of printing is the principal supply. The goods supplied, having no use other than displaying the printed matter, is ancillary to the principal supply of printing.

7. Manufacturing of Cattle Feed/ Poultry Feed on job work basis falls under heading 9988

Legal name: Gupta Steel Udyog

Order No. : AAR/GST/PB/007

Date of Judgement/Order: 21/08/2019

BRIEF FACTS OF THE CASE

M/s Gupta Steel Udyog, Opposite Gagan Feeds, Khanna-141401 are holding GST Registration No. 03AAJFG0841N1ZF. They are engaged in manufacturing of Cattle Feed and Poultry Feed on Job Work basis. The total raw material viz. Rice bran, Grains, Cakes, Molasses, De-Oiled Cakes etc. to be used in the manufacture of Cattle/Poultry Feed on job work, is supplied by the Principal Manufacturer. While most of the raw material are taxable in GST, the final products produced after job work i.e; Cattle Feed / Poultry Feed are exempted / Tax Free. The applicant receives job works charges for the above service rendered by him to the Principals.

QUESTION(S) ON WHICH ADVANCE RULING IS SOUGHT

Whether GST is applicable on the job work charges charged for manufacturing of Cattle Feed / Poultry Feed on job work basis.

RULING

The activity of manufacturing of Cattle Feed/Poultry Feed by th applicant on job work basis is not "Support services to agriculture, forestry, fishing, animal husbandry". The activity of manufacturing of Cattle Feed/ Poultry Feed by the applicant on job work basis falls under heading 9988 and attracts GST @5% (CGST 2.5% + SGST 2.5%).

8. 18% IGST payable on fertilizer export if dealer opts for Refund

Case Name : **In re Sai Fertilizers Pvt Ltd (GST AAR West Bengal)**

Appeal Number : Order No. 20/WBAAR/2019-20

Date of Judgement/Order : 26/08/2019

The Applicant is stated to be a manufacturer of chemical fertiliser, namely 'single super phosphate'(hereinafter called SSP), classified under HSN 3103. SSP is used both in agriculture and industry. The Applicant intends to export SSP and pay IGST at the applicable rate in terms of section 16(3Xb) of the IGST Act. It seeks a ruling on what the applicable rate of IGST should be in terms of **Notification No. 11/2017-IT (Rate) dated 28/06/2017**, as amended from time to time (hereinafter the Rate Notification), in the light of **Circular No. 54/28/2018-GST dated 09/08/2018**.

The Applicant, while exporting' single super phosphate', shall pay IGST @ 18% under SI No. 43 of Schedule III of **Notification No. 11/2017 – IT (Rate) dated 28/06/2017**, as amended from time to time, if it opts for refund in terms of section 16(3)(b) of the IGST Act.

9. HDPE woven tarpaulin not classifiable as textile under GST Tariff Act

Case Name : **In re East Hooghly Agro Plantatron Pvt. Ltd. (GST AAR West Bengal)**

Appeal Number : Order No. 19/WBAAR/2019-20

Date of Judgement/Order : 26/08/2019

The HDPE fabric coated/covered with LDPE or LLDPE melt, used for manufacturing the tarpaulin, is not textile material classifiable under Heading 5903. Tarpaulin made from such fabrics of the variety the Applicant supplies, therefore, is not tarpaulin made from textile material, and not to be classified under Heading 6306. The fabric being no textile material, the question of classifying the tarpaulin made from it as a made-up textile article under Heading 6301 does not arise.

10. "Seats for Railway Coaches" fall under Heading 9401 and attract GST at 18%

Legal name: Sulej Coach Products Pvt Ltd.

Order No. : AAR/GST/PB/009

Date of Judgement/Order: 29/08/2019

BRIEF FACTS OF THE CASE

M/s Sulej Coach Products Pvt Ltd., 6th Km Stone, Kapurthala Road, Jalandhar (Punjab) are exporter of "Engineering Goods, Automotive Components, Railway Seats, Bus Seats, sports Goods Parts thereof etc" and holding GST Registration No- 03AADCS2 84 SKIZD'.

The applicant states that earlier Central Excise Duty under the Central Excise Act, was being paid at full rate of central excise duty i.e. @ 12.5% on Railway seats under HSN Code No. 9401. Now, with effect from 01-07-2017 under the GST Law, they have doubt on the applicability of GST rate on the supply of Railway seats to M/s Rail Coach Factory (M/s RCF in short) for the reason that as per the version of M/s Rail Coach Factory, the rate of GST on the supply of railway seats is @ 5% whereas, as per the applicant the rate of GST applicable on 'Railway Seats' is 18%. The applicant has further submitted that as per their understanding the GST Rate on railway seats are as under: -

Description	HS Code	GST Rate	Remarks
Railway Seats	9401	18%	As per M/s RCF, the Rate is 5% under GST HS Code 8607
Parts of Railway Seats	9401	18%	

QUESTION(S) ON WHICH ADVANCE RULING IS SOUGHT

Classification and GST Rate on 'Railway Seat & Parts Thereof' exclusively used by Railways (i.e. M/s RCF)

RULING

The product 'Seats for Railway Coaches" manufactured by M/s Sutlej Coach Products Pvt Ltd. for M/s Rail Coach Factory fall under Heading 9401 and attract GST at 18%.

(IV) COURT ORDERS/ JUDGEMENTS

1. HC slams Sales Tax Dept. for recovering tax in Extortion Manner

Case Name : **Micromax Informatics Limited Vs. State Of Gujarat (Gujarat High Court)**

Appeal Number : Special Civil Application No. 5357 of 2019

Date of Judgement/Order : 07/08/2019

Having heard the learned counsel appearing for the parties and having gone through the materials on record, we are of the view that the action on the part of the concerned authorities could be termed as absolutely high-handed and arbitrary. The facts of this case speak for themselves. In the course of the hearing of this matter, the Officer assisting the learned AGP went to the extent of even making a statement that the amount of Rs.1,49,27,723/ is not to be recovered from the writ applicant. He conceded to the fact that while determining this amount, there is an error. He also conceded to the fact that amount of Rs.75 lakh and odd out of Rs.1,49,27,723/ is only to be taxed. **This is not the way and the manner to recover tax. The department should not get so much desperate for the revenue. The revenue is to be collected in accordance with law. The action at the end of the authorities in the present case is nothing short of extortion.**

In such circumstances referred to above, we direct the respondents to refund the amount of Rs.1,49,27,723/ [Rupees One Crore Forty Nine Lakh Twenty Seven Thousand Seven Hundred and Twenty Three only] with interest at the rate of 6% p.a. from the date of 15/02/2019.

2. GST authorities cannot refuse to give copies of document seized unless same affects investigation prejudicially

Case Name : **High Ground Enterprises Ltd Vs UOI (Bombay High Court)**

Appeal Number : Writ Petition No. 8075 of 2019

Date of Judgement/Order : 14.08.2019

Petitioner has sought to question the refusal by the Officers of the DGGI, Mumbai to supply documents to the Petitioner seized by the officers and also sought a direction to the Respondents to hand over copies of the documents seized in January 2019. Petitioner, in the meanwhile, received notices from the BSE and the NSE in connection with the non-submission of financial results – Since the documents were not given to the Petitioner and the Petitioner is facing coercive action from the Stock Exchange, the Petitioner has filed the present petition seeking direction to the respondent authorities to hand over the copies of the documents seized – Petitioner clarifies that they seek copies of the documents seized by the respondent authorities and not the originals thereof.

Hon'ble Bombay High Court Held- Scheme of Section 67 of the CGST Act, 2017 , more particularly sub-section (5) thereof, suggests that as far as copies of the documents so seized, a person from whose custody such documents have been seized will have right to get the copies thereof – This right is qualified with a contingency where giving such copies will prejudicially affect the investigation – The

legislative intent as far as the documents and books which are seized under section 67(2), is clear – The originals of documents or books so seized must be kept by the officer only for a period as may be necessary for an inquiry.

There must be cogent reasons to withhold giving of copies to the person – A mere statement that it will prejudicially affect the investigation would be only chanting the language of the section. Legislative intent is clear that the documents or books seized must not be kept in the custody of the officer for more than the period necessary for its examination and copies thereof need to be given to the person from whose custody the said documents or books are seized – documents were seized in January 2019, and the petition is being heard in the middle of August 2019, prejudice to the Petitioner has been demonstrated – refusal by the respondent-authorities to give copies of the documents to the Petitioner which are seized under Panchanama dated 9/10 January 2019 is not justifiable.

Hon'ble High Court issued a mandamus to the respondent- authorities to furnish copies of the documents seized under Panchanama dated 9/10 January 2019 within two weeks.