

# **GST UPDATE**

## **(February, 2019)**

**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>	<b>01</b>
II.	<b><u>PUNJAB GST NOTIFICATIONS/ORDERS</u></b>	<b>04</b>
III.	<b><u>CENTRAL TAX NOTIFICATIONS</u></b>	<b>08</b>
IV.	<b><u>IGST TAX RATE NOTIFICATIONS</u></b>	<b>10</b>
V.	<b><u>CGST CIRCULARS</u></b>	<b>11</b>



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

### **1. Extension of due date for furnishing of FORM GSTR – 7**

Notification No.08/2019 was issued to extend the due date for filing GSTR- 7 (Return for TDS) for Jan 2019 from 10th Feb 2019 to 28th Feb 2019.

**[Notification No. 08/2019 –Central Tax dated 08-02-2019]**

### **2. Extension of due date for furnishing of FORM GSTR – 3B**

Notification No.09/2019 was issued to extend the due date for filing GSTR-3B for Jan 2019 from 20th Feb to

- (i) 28<sup>th</sup> Feb 2019 for Jammu & Kashmir
- (ii) 22<sup>nd</sup> Feb 2019 for the remaining states

**[Notification No. 09/2019 –Central Tax dated 20-02-2019]**

### **3. Rescinding SI. No. 10D of Notification No. 09/2017-Integrated Tax (Rate) dated 28.06.2017**

Since the definition of Exports and Section 54 of the CGST act have been amended to include the supplies to Nepal and Bhutan under definition of Exports, the Notification No.02/2019 was issued to rescind the exemption entry 10D (the exemption of IGST, for the supplies made to Nepal & Bhutan) of the Notification no. 9/2017 dated 28th Jun 2017.

**[Notification No. 02/2019 –Integrated Tax (Rate) dated 04-02-2019]**

### **4. Amending earlier issued circulars in wake of amendments in the CGST Act, 2017**

Below referred circulars were amended to make the necessary changes in accordance with the amendments in the act:

- **Circular No. 8/8/2017 dated 04.10.2017** “Master circular relevant for the export procedures and refunds” was amended in view of the amendment allowing realization of export proceeds in INR, wherever allowed by the RBI. [2(6) of IGST act].
- **Circular No. 38/12/2018 dated 26.03.2018** “Clarification on issues related to Job Work” was amended in view of the amendment carried for empowering the Commissioner to extend the period for return of inputs and capital goods from the job worker and also the RCM on services received from un-registered job workers. [9(4) and 143 of CGST act.]
- **Circular No. 41/15/2018 dated 13.04.2018** “Procedure for interception of conveyances for inspection of goods in movement .....” was amended in view of the amendment carried out for extending the time limit from 7days to 14 days for owner/transporter to pay tax/penalty for seized goods. [Sec 129 of the CGST act].
- **Circular No. 58/32/2018 dated 04.09.2018** “Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit”

was amended to streamline the modes of recovery. Earlier, it was suggested to make the reversals in table 4B of the GSTR-3B but now the previous suggestion was ruled out and it has been specified that all such payments shall be made through FORM DRC-03.

- **Circular No. 69/43/2018 dated 26.10.2018** “Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16” was amended in view of notifying the “CGST (Amendment) Act, 2018”. Earlier it was mentioned that the amendment is yet to be notified, the same has been removed. [Sec 29 of CGST act.]

**[Circular No. 88/2019, dated 01-02-2019]**

#### **5. Mentioning details of inter-State supplies made to unregistered persons in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1**

- After observing that the majority of tax payers are not reporting details in Table 3.2 of GSTR-3B, the circular has been issued to clarify that the tax payers have to fill the details of supplies to unregistered dealers mandatorily in table 3.2 of GSTR-3B and also in table 7B of GSTR-1.
- It is mentioned that such disclosure is essential for distributing the funds to respective states.
- It is also clarified that the non-compliance would lead to levy of penalties u/s 125 of the act.

**[Circular No. 89/2019, dated 18-02-2019]**

#### **6. Compliance of Rule 46(n) of the CGST Rules, 2017 while issuing invoices in case of inter- State supply**

- After observing that few of the tax payers (majority of banking, insurance and telecom sectors) are not specifying the Place of supply (POS) for the IGST invoices in accordance with Rule 46(n), the circular has been issued to clarify that specifying the POS and name of the state is a mandate.
- It is also clarified that the non-compliance would lead to levy of penalties u/s 122 or 125 of the act.

**[Circular No. 90/2019, dated 18-02-2019]**

#### **7. Clarification regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018**

- In **Circular 46/2017-Customs dated 24<sup>th</sup> Nov 2017**, it was clarified that,
  - “IGST” shall be paid on supplies made during the period for which the goods are in customs bonded ware house and
  - “Customs + IGST” shall be paid at the time of removal from customs bonded warehouse.
- In **Circular 3/2018-IGST dated 25<sup>th</sup> May 2018**, it was clarified that, considering the amendments in the Customs Tariff act,

- There shall not be any tax required to be paid on supplies made during the period for which the goods are in customs bonded ware house and
- “Customs + IGST” shall be paid at the time of removal from customs bonded warehouse.
- This shall be applicable w.e.f. 01<sup>st</sup> Apr 2018.
- Further, the department has noticed that, from Jul’17-Mar’18,
  - Many assessees considered supplies made during the period for which the goods are in customs bonded ware house as Intra state and
  - There was no provision in GSTR-1 for changing POS for such B2B supplies. If the supplier and recipient are in same state, it was considered as Intra-state sale.
- Therefore, the department hereby clarified that, such errors if any, made during the period Jul’17-Mar’18 shall be condoned and considered as proper compliance of the law.
- It would also imply that, if any person missed to pay tax on such supplies, same shall be paid. However, many experts are of the opinion that the tax shall not be liable for the supplies made during the period for which the goods are in bonded warehouse.

**[Circular No. 91/2019, dated 18-02-2019]**

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

PUNJAB GOVT. GAZ. (EXTRA), FEBRUARY 6, 2019 58  
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### **PART III**

#### **GOVERNMENT OF PUNJAB**

DEPARTMENT OF EXCISE AND TAXATION  
(EXCISE AND TAXATION BRANCH-II)

#### **ORDER NO. 1 OF 2019**

The 31st January, 2019

**No. S.O. 7/P.A.5/2017/S.172/2019.**-WHEREAS, sub-section (1) of section 44 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No.5 of 2017) (hereafter in this Order referred to as the said Act) provides that every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year;

AND WHEREAS, for the purpose of furnishing of the annual return electronically for every financial year as referred to in sub-section (1) of section 44 of the said Act, the electronic system to be developed is at the advanced stage and is likely to be made operational by the 31st January, 2019 as a result whereof, the said annual return for the period from the 1st July, 2017 to the 31st March, 2018 could not be furnished by the registered persons, as referred to in the said sub-section (1) and because of that, certain difficulties have arisen in giving effect to the provisions of the said section;

NOW, THEREFORE, in exercise of the powers conferred by section 172 of the said Act, and all other powers enabling him in this behalf, the Governor of Punjab, on recommendations of the Council, is pleased to make the following Order, to remove the difficulties, namely:—

1. (1) This Order may be called the Punjab Goods and Services Tax (Removal of Difficulties) Order, 2019.

(2) This order shall be deemed to have come into force on and with effect from the 11th day of December, 2018.

2. In section 44 of the Punjab Goods and Services Tax Act, 2017, after sub-section (2), the following Explanation shall be inserted, namely:—

“Explanation.- For the purposes of this section, it is hereby declared

that the 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.”.

**M.P. SINGH,**

Additional Chief Secretary-cum-  
Financial Commissioner (Taxation) to  
Government of Punjab,  
Department of Excise and Taxation.

*1704/2-2019/Pb. Govt. Press, S.A.S. Nagar*

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**PART III**

**GOVERNMENT OF PUNJAB**

DEPARTMENT OF EXCISE AND TAXATION

(EXCISE AND TAXATION-II BRANCH)

**NOTIFICATION**

The 12th February, 2019

**No. G.S.R.8/P.A.5/2017/S.164/Amd.(26)/2019.-** In exercise of the powers conferred by section 164 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No.5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on the recommendations of the council, is pleased to make the following rules further to amend the Punjab Goods and Services Tax Rules, 2017, namely:-

**RULES**

1. (1) These rules may be called the Punjab Goods and Services Tax (Amendment) Rules, 2019.  
(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.
2. In the Punjab Goods and Services Tax Rules, 2017, for rule 109A, the following rule shall be substituted, namely:-

**"109A. Appointment of Appellate Authority.-"**(1) Any person aggrieved by any decision or order passed under this Act or the Central Goods and Services Tax Act, or the Union Territory Goods and Services Tax Act may appeal to –

- (a) the Additional Commissioner where such decision or order is passed by the Joint Commissioner;
- (b) the Joint Commissioner (Appeals) where such decision or order is passed by the Deputy Commissioner of State Tax;
- (c) the Deputy Commissioner (Appeals) where such decision or order is passed by Assistant Commissioner of State Tax or State Tax Officer;

within three months from the date on which the said decision or order is communicated to such person.

(2) An officer directed under sub-section (2) of section 107 to appeal against any decision or order passed under this Act, or the Centre Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, may appeal to –

- (a) the Additional Commissioner where such decision or order is passed by the Joint Commissioner;
- (b) the Joint Commissioner (Appeals) where such decision or order is passed by the Deputy Commissioner of State Tax;
- (c) the Deputy Commissioner (Appeals) where such decision or order is passed by Assistant Commissioner of State Tax or State Tax Officer;

within six months from the date of communication of the said decision or order."

**M.P. SINGH,**  
Additional Chief Secretary-cum-  
Financial Commissioner (Taxation) to  
Government of Punjab,  
Department of Excise and Taxation.

### **(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. 8/2019 – Central Tax**

**New Delhi, the 8<sup>th</sup> February, 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 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 month of January, 2019 till the 28<sup>th</sup> day of February, 2019.

[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. 09/2019 – Central Tax**

**New Delhi, the 20<sup>th</sup> February, 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 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 sixth 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 January, 2019 shall be furnished electronically through the common portal, on or before the 22<sup>nd</sup> February, 2019:

Provided also that the return in **FORM GSTR-3B** of the said rules for the month of January, 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 28<sup>th</sup> February, 2019.”.

[F.No.20/06/16/2018-GST (Pt. II)]

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

Note: - The principal notification number 34/2018 –Central Tax, dated the 10th August, 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. 70/2018, dated the 31<sup>st</sup> December, 2018, published in the Gazette of India, Extraordinary, vide number 1247 G.S.R. (E), dated the 31<sup>st</sup> December, 2018.

## **(IV) IGST TAX RATE NOTIFICATIONS**

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India  
Ministry of Finance  
(Department of Revenue)

Notification No. 2/2019- **Integrated Tax (Rate)**

New Delhi, the 4<sup>th</sup> February, 2019

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, 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.9/2017- Integrated Tax (Rate), dated the 28<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 684 (E), dated the 28<sup>th</sup> June, 2017, namely:-

In the said notification, in the Table, serial number 10D and the entries relating thereto, shall be omitted.

[F. No.354/221/2017 -TRU]

(Gunjan Kumar Verma)  
Under Secretary to the Government of India

Note: -The principal notification No. 9/2017 - Integrated Tax (Rate), dated the 28<sup>th</sup> June, 2017 was published in the Gazette of India, Extraordinary, vide number G.S.R. 684 (E), dated the 28<sup>th</sup> June, 2017 and was last amended by notification No. 29/2018 – Integrated Tax (Rate), dated the 31<sup>st</sup> December, 2018 vide number G.S.R. 1276(E), dated the 31<sup>st</sup> December, 2018.

## **(V) CGST CIRCULARS**

**Circular No. 88/07/2019-GST**

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

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New Delhi, Dated the 1<sup>st</sup> February, 2019

To,

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

Madam/Sir,

### **Subject: Changes in Circulars issued earlier under the CGST Act, 2017 – Reg.**

The CGST (Amendment) Act, 2018, SGST Amendment Acts of the respective States, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and the GST (Compensation to States) (Amendment) Act, 2018 (hereafter referred to as the GST Amendment Acts) have been brought in force with effect from 01.02.2019.

2. Consequent to the GST Amendment Acts, the following circulars issued earlier under the CGST Act, 2017 are hereby amended with effect from 01.02.2019, to the extent detailed in the succeeding paragraphs.

#### **3. Circular No. 8/8/2017 dated 04.10.2017**

The circular is revised in view of the amendment carried out in section 2(6) of the IGST Act, 2017 vide section 2 of the IGST (Amendment) Act, 2018 allowing realization of export proceeds in INR, wherever allowed by the RBI. Accordingly, the original and the amended relevant para of the circular are detailed hereunder.

##### **3.1 Original Para 2(k)**

**Realization of export proceeds in Indian Rupee:** Attention is invited to para A (v) Part- I of RBI Master Circular No. 14/2015-16 dated 01<sup>st</sup> July, 2015 (updated as on 05th November, 2015), which states that “*there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act, 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely*

*convertible currency. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan”.*

Accordingly, it is clarified that the acceptance of LUT for supplies of goods to countries outside India Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with the applicable RBI guidelines. It may also be noted that the supply of services to SEZ developer or SEZ unit under LUT will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.

### **3.2 Amended Para 2(k)**

**Realization of export proceeds in Indian Rupee:** Attention is invited to para A (v) Part- I of RBI Master Circular No. 14/2015-16 dated 01<sup>st</sup>July, 2015 (updated as on 05th November, 2015), which states that *“there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act, 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan”.* Further, attention is invited to the amendment to section 2(6) of the IGST Act, 2017 which allows realization of export proceeds of services in INR, wherever allowed by the RBI.

Accordingly, it is clarified that the acceptance of LUT for supplies of goods or services to countries outside India or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with the applicable RBI guidelines.

### **4 Circular No. 38/12/2018 dated 26.03.2018**

This circular is revised in view of the amendment carried out in section 143 of the CGST Act, 2017 vide section 29 of the CGST (Amendment) Act, 2018 empowering the Commissioner to extend the period for return of inputs and capital goods from the job

worker. Further on account of amendment carried out in section 9(4) of the CGST Act, 2017 vide section 4 of the CGST (Amendment) Act, 2018 done in relation to reverse charge, certain amendments to the Circular are required. Accordingly, the original and the amended relevant para of the circular are detailed hereunder.

**4.1 Original Para 2.**

As per clause (68) of section 2 of the CGST Act, 2017..... Subsequently, on completion of the job work (by the last job worker), the principal shall either bring back the goods to his place of business or supply (including export) the same directly from the place of business/premises of the job worker within one year in case of inputs or within three years in case of capital goods (except moulds and dies, jigs and fixtures or tools).

**4.2 Amended Para 2.**

As per clause (68) of section 2 of the CGST Act, 2017, “job work” means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly. The registered person on whose goods (inputs or capital goods) job work is performed is called the “Principal” for the purposes of section 143 of the CGST Act. The said section which encapsulates the provisions related to job work, provides that the registered principal may, without payment of tax, send inputs or capital goods to a job worker for job work and, if required, from there subsequently to another job worker and so on. Subsequently, on completion of the job work (by the last job worker), the principal shall either bring back the goods to his place of business or supply (including export) the same directly from the place of business/premises of the job worker within the time specified under section 143.

**4.3 Original Para 3.**

It may be noted ..... Moreover, if the time frame of one year / three years for bringing back or further supplying the inputs / capital goods is not adhered to, the activity of sending the goods for job work shall be deemed to be a supply by the principal on the day when the said inputs / capital goods were sent out by him. Thus, essentially, sending goods for job work is not a supply as such, but it acquires the character of supply only when the inputs/capital goods sent for job work are neither received back by the principal nor supplied further by the principal from the place of business / premises of the job worker within one/three years of being sent out. .... cast on the principal.

**4.4 Amended Para 3.**

It may be noted that the responsibility of keeping proper accounts of the inputs and capital goods sent for job work lies with the principal. Moreover, if the time frame specified

## **Circular No. 88/07/2019-GST**

under section 143 for bringing back or further supplying the inputs / capital goods is not adhered to, the activity of sending the goods for job work shall be deemed to be a supply by the principal on the day when the said inputs / capital goods were sent out by him. Thus, essentially, sending goods for job work is not a supply as such, but it acquires the character of supply only when the inputs/capital goods sent for job work are neither received back by the principal nor supplied further by the principal from the place of business / premises of the job worker within the specified time period (under section 143) of being sent out. It may be noted that the responsibility for sending the goods for job work as well as bringing them back or supplying them has been cast on the principal.

### **4.5 Original Para 6.1**

Doubts have been raised ..... It may be noted that the job worker is required to obtain registration only if his aggregate turnover, to be computed on all India basis, in a financial year exceeds the specified threshold limit (i.e. Rs 20 lakhs or Rs. 10 lakhs in case of special category States except Jammu & Kashmir) in case both the principal and the job worker are located in the same State. ....However, exemption from registration has been granted in case the aggregate turnover of the inter-State supply of taxable services does not exceed Rs 20 lakhs or Rs. 10 lakhs in case of special category States except Jammu & Kashmir in a financial year vide notification No. 10/2017 – Integrated Tax dated 13.10.2017. Therefore, ..... States.

### **4.6 Amended Para 6.1**

Doubts have been raised about the requirement of obtaining registration by job workers when they are located in the same State where the principal is located or when they are located in a State different from that of the principal. It may be noted that the job worker is required to obtain registration only if his aggregate turnover, to be computed on all India basis, in a financial year exceeds the specified threshold limit as specified in sub-section (1) of section 22 of the said Act, read with clause (iii) of the Explanation to the said section in case both the principal and the job worker are located in the same State. Where the principal and the job worker are located in different States, the requirement for registration flows from clause (i) of section 24 of the CGST Act which provides for compulsory registration of suppliers making any inter-State supply of services. However, exemption from registration has been granted in case the aggregate turnover of the inter-State supply of taxable services does not exceed the specified threshold limit as specified in sub-section (1) of section 22 of the said Act, read with clause (iii) of the Explanation to the said section in a financial year vide notification No. 10/2017 – Integrated Tax dated 13.10.2017 as amended vide

notification No 3/2019- Integrated Tax, dated 29.01.19. Therefore, it is clarified that a job worker is required to obtain registration only in cases where his aggregate turnover, to be computed on all India basis, in a financial year exceeds the threshold limit regardless of whether the principal and the job worker are located in the same State or in different States.

**4.7 Original Para 9.4.(i)**

**(i) Supply of job work services:** The job worker, .....not been included in the price for such supply. Accordingly, it is clarified that the value of such moulds and dies, jigs and fixtures or tools may not be included in the value of job work services provided its value has been factored in the price for the supply of such services by the job worker. It may be noted that if the job worker is not registered, GST would be payable by the principal on reverse charge basis in terms of the provisions contained in section 9(4) of the CGST Act. However, the said provision has been kept in abeyance for the time being.

**4.8 Amended Para: 9.4.(i)**

**(i) Supply of job work services** :The job worker, as a supplier of services, is liable to pay GST if he is liable to be registered. He shall issue an invoice at the time of supply of the services as determined in terms of section 13 read with section 31 of the CGST Act. The value of services would be determined in terms of section 15 of the CGST Act and would include not only the service charges but also the value of any goods or services used by him for supplying the job work services, if recovered from the principal. Doubts have been raised whether the value of moulds and dies, jigs and fixtures or tools which have been provided by the principal to the job worker and have been used by the latter for providing job work services would be included in the value of job work services. In this regard, attention is invited to section 15 of the CGST Act which lays down the principles for determining the value of any supply under GST. Importantly, clause (b) of sub-section (2) of section 15 of the CGST Act provides that any amount that the supplier is liable to pay in relation to the supply but which has been incurred by the recipient will form part of the valuation for that particular supply, provided it has not been included in the price for such supply. Accordingly, it is clarified that the value of such moulds and dies, jigs and fixtures or tools may not be included in the value of job work services provided its value has been factored in the price for the supply of such services by the job worker.

**4.9 Original Para 9.6**

Thus, if the ..... If such goods are returned by the job worker after the stipulated time period, the same would be treated as a supply by the job worker to the principal and the job worker would be liable to pay GST if he is liable for registration in

## **Circular No. 88/07/2019-GST**

accordance with the provisions contained in the CGST Act read with the rules made thereunder. It may be noted that if the job worker is not registered, GST would be payable by the principal on reverse charge basis in terms of the provisions contained in section 9(4) of the CGST Act. However, the said provision has been kept in abeyance for the time being. Further, there is no requirement of either returning back or supplying the goods from the job worker's place of business/premises as far as moulds and dies, jigs and fixtures, or tools are concerned.

### **4.10 Amended Para 9.6**

Thus, if the inputs or capital goods are neither returned nor supplied from the job worker's place of business / premises within the specified time period, the principal would issue an invoice for the same and declare such supplies in his return for that particular month in which the time period of one year / three years has expired. The date of supply shall be the date on which such inputs or capital goods were initially sent to the job worker and interest for the intervening period shall also be payable on the tax. If such goods are returned by the job worker after the stipulated time period, the same would be treated as a supply by the job worker to the principal and the job worker would be liable to pay GST if he is liable for registration in accordance with the provisions contained in the CGST Act read with the rules made thereunder. Further, there is no requirement of either returning back or supplying the goods from the job worker's place of business/premises as far as moulds and dies, jigs and fixtures, or tools are concerned.

## **5 Circular No. 41/15/2018 dated 13.04.2018**

This circular is revised in view of the amendment carried out in section 129 of the CGST Act, 2017 vide section 27 of the CGST (Amendment) Act, 2018 allowing 14 days for owner/transporter to pay tax/penalty for seized goods. Accordingly, the original and the amended relevant para of the circular are detailed hereunder.

### **5.1 Original Para 2(k)**

In case the proposed tax and penalty are not paid within seven days from the date of the issue of the order of detention in **FORM GST MOV-06**, the action under section 130 of the CGST Act shall be initiated by serving a notice in **FORM GST MOV-10**, proposing confiscation of the goods and conveyance and imposition of penalty.

### **5.2 Amended Para 2(k)**

In case the proposed tax and penalty are not paid within fourteen days from the date of the issue of the order of detention in **FORM GST MOV-06**, the action under section 130

of the CGST Act shall be initiated by serving a notice in **FORM GST MOV-10**, proposing confiscation of the goods and conveyance and imposition of penalty.

**5.3** Further, **FORM GST MOV-08** and **FORM GST MOV-09**, annexed to the circular are revised as below:

**FORM GST MOV-08** (para 4)

And if all taxes, interest, penalty, fine and other lawful charges demanded by the proper officer are duly paid within fourteen days of the date of detention being made in writing by the said proper officer, this obligation shall be void.

**FORM GST MOV-09** (para 10)

You are hereby directed to make the payment forthwith/not later than fourteen days from the date of the issue of the order of detention in **FORM GST MOV-06**, failing which action under section 130 of the Central/State Goods and Services Tax Act /section 21 of the Union Territory Goods and Services Tax Act or section 20 of the Integrated Goods and Services Act shall be initiated

**6. Circular No. 58/32/2018 dated 04.09.2018**

This circular is revised in order to streamline the modes of recovery. Accordingly, the original and the amended relevant para of the circular are detailed hereunder.

**6.1 Original Para 3.**

Currently, the functionality to record this liability in the electronic liability register is not available on the common portal. Therefore, it is clarified that as an alternative method, taxpayers may reverse the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of **FORM GSTR-3B**. The applicable interest and penalty shall apply on all such reversals **which** shall be paid through entry in column 9 of Table 6.1 of **FORM GST-3B**.

**6.2 Amended Para 3.**

It may be noted that all such liabilities may be discharged by the taxpayers, either voluntarily in **FORM GST DRC-03** or may be recovered vide order uploaded in **FORM GST DRC-07**, and payment against the said order shall be made in **FORM GST DRC-03**. It is further clarified that the alternative method of reversing the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of **FORM GSTR-3B** would no longer be available to taxpayers. The applicable interest and penalty shall apply in respect of all such amounts, which shall also be paid in **FORM GST DRC-03**.

**7. Circular No. 69/43/2018 dated 26.10.2018**

The circular is revised in view of the amendment carried out in section 29 of the CGST Act, 2017 vide section 14 of the CGST (Amendment) Act, 2018 allowing suspension of registration. Accordingly, the original and the amended relevant para of the circular are detailed hereunder.

**7.1 Original Para 11.**

It is pertinent to mention here that section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for “Suspension” of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation. Although the provisions of CGST (Amendment) Act, 2018 have not yet been brought into force, it will be prudent for the field formations may not to issue notices for non-filing of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act. However, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

**7.2 Amended Para 11.**

It is pertinent to mention here that section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for “Suspension” of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation. Accordingly, the field formations may not issue notices for non-filing of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act. Further, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

**8.** It is requested that suitable trade notices may be issued to publicize the contents of this circular.

**9.** Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)  
Pr. Commissioner (GST)

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

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New Delhi, Dated the 18<sup>th</sup> February, 2019

To,

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

The Principal Director Generals / Director Generals (All)

Madam/Sir,

**Subject: Mentioning details of inter-State supplies made to unregistered persons in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1 – Reg.**

A registered supplier is required to mention the details of inter -State supplies made to unregistered persons, composition taxable persons and UIN holders in Table 3.2 of **FORM GSTR-3B**. Further, the details of all inter-State supplies made to unregistered persons where the invoice value is up to Rs 2.5 lakhs (rate-wise) are required to be reported in Table 7B of **FORM GSTR-1**.

2. It has been brought to the notice of the Board that a number of registered persons have not reported the details of inter-State supplies made to unregistered persons in Table 3.2 of **FORM GSTR-3B**. However, the said details have been mentioned in Table 7B of **FORM GSTR-1**. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017(CGST Act for short), hereby issues the following instructions.

3. It is pertinent to mention that apportionment of IGST collected on inter–State supplies made to unregistered persons in the State where such supply takes place is based on the

**Circular No. 89/08/2019-GST**

information reported in Table 3.2 of **FORM GSTR-3B** by the registered person. As such, non-mentioning of the said information results in –

- (i) non-apportionment of the due amount of IGST to the State where such supply takes place; and
- (ii) a mis-match in the quantum of goods or services or both actually supplied in a State and the amount of integrated tax apportioned between the Centre and that State, and consequent non-compliance of sub-section (2) of section 17 of the Integrated Goods and Services Tax Act, 2017.

4. Accordingly, it is instructed that the registered persons making inter-State supplies to unregistered persons shall report the details of such supplies along with the place of supply in Table 3.2 of **FORM GSTR-3B** and Table 7B of **FORM GSTR-1** as mandated by the law. Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of section 125 of the CGST Act.

5. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

6. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

(Upender Gupta)  
Pr. Commissioner (GST)

F. No. CBEC-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 18<sup>th</sup> February, 2019

To,

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

The Principal Director Generals / Director Generals (All)

Madam/Sir,

**Subject: Compliance of rule 46(n) of the CGST Rules, 2017 while issuing invoices in case of inter- State supply – Reg.**

A registered person supplying taxable goods or services or both is required to issue a tax invoice as per the provisions contained in section 31 of the Central Goods and Services Tax Act, 2017 (CGST Act for short). Rule 46 of the Central Goods and Services Tax Rules, 2017 (CGST Rules for short) specifies the particulars which are required to be mentioned in a tax invoice.

2. It has been brought to the notice of the Board that a number of registered persons (especially in the banking, insurance and telecom sectors, etc.) are not mentioning the place of supply along with the name of the State in case of a supply made in the course of inter-State trade or commerce in contravention of rule 46(n) of the CGST Rules which mandates that the said details must be mentioned in a tax invoice. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017, hereby issues the following instructions.

3. After introduction of GST, which is a destination-based consumption tax, it is essential to ensure that the tax paid by a registered person accrues to the State in which the consumption of goods or services or both takes place. In case of inter-State supply of goods

**Circular No. 90/09/2019-GST**

or services or both, this is ensured by capturing the details of the place of supply along with the name of the State in the tax invoice.

4. It is therefore, instructed that all registered persons making supply of goods or services or both in the course of inter-State trade or commerce shall specify the place of supply along with the name of the State in the tax invoice. The provisions of sections 10 and 12 of the Integrated Goods and Services Tax Act, 2017 may be referred to in order to determine the place of supply in case of supply of goods and services respectively. Contravention of any of the provisions of the Act or the rules made there under attracts penal action under the provisions of sections 122 or 125 of the CGST Act.

5. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

6. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)  
Pr. Commissioner (GST)

**F. No. CBEC-20/16/04/2018 - GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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New Delhi, Dated the 18<sup>th</sup> February, 2019

To,

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

The Principal Director Generals / Director Generals (All)

Madam/Sir,

**Subject: Clarification regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018 – Reg.**

Attention is invited to Circular No. 3/1/2018-IGST dated 25.05.2018 whereby applicability of integrated tax on goods transferred/sold while being deposited in a warehouse (hereinafter referred to as the “warehoused goods”) was clarified. In the said circular, it was enunciated that from 1<sup>st</sup> of April, 2018 the supply of warehoused goods before their clearance from the warehouse would not be subject to the levy of integrated tax.

2. It has been brought to notice of the Board that during the period from 1<sup>st</sup> of July, 2017 to 31<sup>st</sup> of March, 2018 (hereinafter referred to as the “said period”), the common portal did not have the facility to enable the taxpayer to report payment of integrated tax, in the details required to be submitted in **FORM GSTR-1**, for such supplies especially where the supplier and the recipient were located in the same State or Union territory. Hence taxpayers making such supplies have reported such supplies as intra-State supplies and discharged central tax and state tax instead of integrated tax accordingly. Now, representations have been received from trade to clarify the same.

**Circular No. 91/10/2019-GST**

3. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017, hereby issues the following instructions.

4. Supply of warehoused goods while deposited in custom bonded warehouses had the character of inter-State supply as per the provisions of Integrated Goods and Services tax Act, 2017. But, due to non-availability of the facility on the common portal, suppliers have reported such supplies as intra-State supplies and discharged central tax and state tax on such supplies instead of integrated tax. In view of revenue neutral position of such tax payment and that facility to correctly report the nature of transaction in **FORM GSTR-1** furnished on the common portal was not available during the period July, 2017 to March, 2018, it has been decided that, as a one-time exception, suppliers who have paid central tax and state tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as central tax and state tax is equal to the due amount of integrated tax on such supplies.

5. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

6. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

(Upendar Gupta)  
Pr. Commissioner (GST)