

GST Update

Weekly Update
09.02.2019

- This Presentation covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 02.02.2019. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required

- 1 Central Tax and one Integrated tax(rate)
Notifications issued

Extension of Time limit for filing GSTR-7 for January 2019 (TDS Return)

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-08-central-tax-english-2019.pdf;jsessionid=E5DC9AD2814CCB01C4BAEC2C1F298F58>
- Notification No.08/2009-Central Tax (Rate) dated 08.02.2019 issued.
- Notification 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 CGST Act in FORM GSTR-7 of the CGST Rules, 2017 u/s 39(3) of the said Act read with rule 66 of the CGST, 2017 for the month of January, 2019 **till the 28th February, 2019.**

Exemption to Supply of services where place of supply is Nepal & Bhutan, against payment in rupees

- <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-2-2019-igst-rate-english.pdf;jsessionid=7E1BBA94038E47322ACBFEA0BAFE6679>
- **Notification 2/2019-Integrated Tax (Rate) dated 04.02.2019.**
- Rescinds Sl. No. 10D of Notification No. 09/2017-Integrated Tax (Rate) dated 28.06.2017 in relation to exemption of IGST on supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.



GST Portal Updates

- **Registration- For Taxpayer**
- Suo-moto cancelled taxpayers were not able to file revocation of cancelled registration application, as they were asked to file return after the month (also), in which cancelation order was issued (till filing of this application) and same (the later months) was also not shown in drop down list for filing. This defect has been fixed.

- **Return- For Taxpayer**
- If CGST balance had a decimal value, then while offsetting GSTR3B liabilities, by cross utilization of IGST amount, error which was coming to taxpayers has now been fixed.
- **Payment - For Taxpayer**
- When taxpayers gets credit entry through Form GSTR-2X (filed by another taxpayer) and he/she tries to create challan through Payment section, the system was throwing error. This defect has been fixed.



GST Legal Updates

Powers conferred to be exercised in a reasonable manner

- **R K Motors Vs State Tax Officer reported in 2019-TIOL-27-HC-Mad-GST. Facts**
- Writ Petitioner Authorised Dealer of Bajaj Auto. Goods shipped from Bajaj Auto at Pune to Petitioners for delivery at their premises at Virudhunagar. The vehicle transporting two wheelers instead of halting at Virudhunagar, had moved towards Sivakasi. When the vehicle was enroute to Sivakasi and 7 km away from Virudhunagar, it was intercepted by the respondent roving squad. The respondent seized the vehicle and called upon the driver of the vehicle to cooperate. It appears that the driver of the vehicle did not extend proper cooperation. In these circumstances, the impugned order of the detention came to be passed. The respondent had also passed release order putting the writ petitioner on terms. A sum of Rs.18,96,000/- had been levied as a penalty.
- **Section 129, 130 of the [CGST Act, 2017](#)**

Powers conferred to be exercised in a reasonable manner

- **The Hon'ble High Court held as under**
- When the writ petitioner is a registered dealer, when the tax in respect of the goods have already been remitted and when the transportation of goods is duly covered by proper documentation, the respondent ought to have taken a sympathetic and indulgent view of the lapse committed by the driver of the vehicle. Respondent ought to have directed the driver of the vehicle to move back towards Virudhunagar instead of taking the drastic step of detaining the vehicle/seizing the goods and directing payment of penalty of Rs.18,96,000/- for release of vehicle. Respondent has chosen to be harsh and vindictive. The detention order dated 28.12.2018 and the order dated 11.01.2019 suffer from vice of gross unreasonableness and disproportionality - When a power is conferred on a statutory authority, it should be exercised in a reasonable manner - upon payment of fine of Rs.5000/-, vehicle as well as goods in question to be released forthwith.

Detention cannot extend beyond a reasonable period

- **Jeyyam Global Foods Pvt Ltd Vs Uoi reported in 2019-TIOL-28-HC-Mad-GST; Facts**
- The petitioner is a manufacturer of dried chick peas, gram flour, pulses and grams. They claim to purchase chick peas, dry them by heating them to a certain degree and the resultant product is known as "Dried Chick Peas". According to the petitioner, this would have to be classified only under Chapter 0713 of HSN. The petitioner had transported the dried chick peas from Salem to Dindigul. The petitioner had not filed any E-Way bill in view of the exemption statutorily granted. While so, the consignment of the dried chick peas sent by the petitioner was intercepted by the fourth respondent on 21.12.2018. The fourth respondent seized the goods and also detained the vehicle in which the goods were being transported. The fourth respondent took the view that what was transported by the petitioner comes under the classification falling under Chapter 2106 of HSN.

Detention cannot extend beyond a reasonable period

- **Jeyyam Global Foods Pvt Ltd Vs UOI reported in 2019-TIOL-28-HC-Mad-GST.**
- **Facts**
- 2. In this view of the matter, he issued a detention notice and levied tax with equal penalty. The petitioner paid the said amount as demanded by the fourth respondent under protest and he also obtained release of the goods as well as the vehicle. The order was challenged in the writ petition principally on the ground that when a bonafide dispute as to classification had arisen, it is only the jurisdictional assessing officer, namely, the third respondent who could have ruled on the classification and that it was not open to the Squad Officer to have done so.

Detention cannot extend beyond a reasonable period

- **Order of the Hon'ble High Court.**
- Classification of 'Dried Chick Peas', whether under Chapter 0713 and exempted or under Chapter 2106 and taxable. Squad officer can intercept the goods, detain them for the purpose of preparing the relevant papers for effective transmission to the jurisdictional assessing officer. However, it is not open to the squad officer to detain the goods beyond a reasonable period. Final call will have to be taken only by the jurisdictional assessing office. Commissioner of Commercial Taxes, Chennai directed to issue a circular to all the inspecting squad officers in Tamil Nadu not to detain goods or vehicles where there is a bonafide dispute as regards the exigibility of tax or rate of tax. Circular to embody the essence of the Kerala High Court decision in N.V.K. Mohammed Sulthan Rawther and Sons and Willson Vs. Union of India = 2018-TIOL-170-HC-KERALA-GST - Circular to be issued within eight weeks

Any ISSUES/ queries?

- <https://cbec-gst.gov.in/>
- [CBEC MITRA HELPDESK](#)
 - 1800 1200 232
 - cbecmitra.helpdesk@icegate.gov.in
- GSTN Help Desk
 - <https://selfservice.gstsystem.in/> - Grievance redressal portal
 - Help Desk Number: 0120-4888999

Any ISSUES/ queries?

- Twitter Handles
- For General Questions
- https://twitter.com/askGST_GoI
- For technology related issues
- <https://twitter.com/askGSTech>
- NACIN twitter
- https://twitter.com/NACIN_OFFICIAL

THANK YOU