

From	Karvy Data Management Services Ltd.
Date	January 10, 2019
Subject	Clarification regarding GST rates and classification of services
Category	Circular
Reference	Circular No. 82/2019 dt. 01.01.2019 to 86/2019 dt. 01.01.2019
Series	Karvy/GST/96

Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No. 82/2019 dt. 01.01.2019 to 86/2019 dt. 01.01.2019, clarifying issues related to the applicability of GST Rate and classification on certain services.

Clarification given by CBIC is tabulated below:

Circular No. 82/01/2019-GST dt. 01.01.2019		
Sl. No.	Issues	Clarification given by CBIC
1	Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs)	<p>→ For the period from 1st July, 2017 to 30th January, 2018, IIMs were not covered by the definition of educational institutions under notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017. Therefore there was specific exemption to three programs of IIMs under Sl. No. 67 of notification No. 12/2017- Central Tax (Rate).</p> <p>→ With effect from 31st January, 2018, all the IIMs are “educational institutions” as defined under notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017 as they provide education as a part of a curriculum for obtaining a qualification recognised by law. As a result, services provided by IIMs to their students- in all long duration programs (one year or more) are hereby exempt from levy of GST.</p> <p>→ IIMs also provide various short duration / short term executive development programs for which they award participation certificate. These are not exempt and shall attract GST @ 18 %.</p>
Circular No. 83/02/2019-GST dt. 01.01.2019		
2	Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC)	<p>→ The ADB Act, 1966 and IFC Act, 1958 exempts ADB and IFC from all taxation and custom duties.</p> <p>→ With the provider being not only immune from taxation but also absolved of any obligation to collect and deposit any tax, there is no scope for subjecting the recipient to tax.</p> <p>→ It is clarified that services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act 1958 and ADB Act 1966.</p> <p>→ The exemption will be available only to the services provided by ADB and IFC and not to any entity appointed by or working on behalf of ADB or IFC.</p>

Circular No. 84/03/2019-GST dt. 01.01.2019

Sl. No.	Issues	Clarification given by CBIC
3	Classification of service of printing of pictures covered under 998386	<p>→ SAC Code 998386 - Photographic and videographic processing services, includes, - "developing of negatives and the printing of pictures for others according to customer specifications such as enlargement of negatives or slides, black and white processing; colour printing of images from film or digital media; slide and negative duplicates, reprints, etc.; developing of film for both amateur photographers and commercial clients; preparing of photographic slides; copying of films; converting of photographs and films to other media"</p> <p>→ SAC Code 998912 - Printing and reproduction services of recorded media, on a fee or contract basis clearly excludes - "(a) colour printing of images from film or digital media, cf. 998386, (b) audio and video production services, cf. 999613"</p> <p>→ It is clarified that service of "printing of pictures" falls under service code 998386: Photographic and videographic processing services attracting GST @ 18%.</p>

Circular No. 85/04/2019-GST dt. 01.01.2019

4	GST rate applicable on supply of food and beverage services by educational institution	<p>→ Supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself, is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Sl. No. 66 w.e.f. 01-07-2017.</p> <p>→ However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.</p>
---	--	--

Circular No. 86/05/2019-GST dt. 01.01.2019

5	GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company	<p>Business Correspondents and Business facilitators are representatives of a bank, responsible for building awareness, sourcing prospective customers. In addition, business correspondents are also responsible for carrying out banking transactions for existing customers.</p> <p>→ Issue 1: Clarification on value of services by BF/BC to a banking company:</p> <p>Banking company is the service provider in the business facilitator model or the business correspondent model operated by a banking company as per RBI guidelines. The banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.</p> <p>→ Issue 2: Clarification on the scope of services by BF/BC to a banking company with respect to accounts in rural areas:</p> <p>Services provided in relation to "accounts in its rural area branch" vide Sl. No. 39 of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 have been exempted subject to fulfilment of the following conditions-</p> <ol style="list-style-type: none"> 1. The services provided by a BF/BC to a banking company in their respective individual capacities should fall under the Heading 9971; and 2. Such services should be with respect to accounts in a branch located in the rural area of the banking company.
---	--	---

Download the circulars from the below link:

Circular No.	Download Link
82/2019	http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-82-new.pdf
83/2019	http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-83.pdf
84/2019	http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-84-new.pdf
85/2019	http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-85.pdf;jsessionid=FF5C43196455B4CD29C7EB993FE5F123
86/2019	http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-86.pdf;jsessionid=B25A823C8EEFD4245411FEAD48180010

About KARVY DATA MANAGEMENT SERVICES LTD.

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit www.karvygst.com

Below are the co-ordinates of our representatives from GST Team across India:

Hyderabad: Mr. Vamsi Krishna Pothukuchi (8378976769) & Mr. Dipak Tiwary (9823741187)

Mumbai: Mr. Avdhesh Heda (9130561253)

Pune: Mr. Avdhesh Heda (9130561253)

Bangalore: Mr. Vamsi Krishna Pothukuchi (8378976769) & Mr. Dipak Tiwary (9823741187)

New Delhi: Ms. Priyanka Mathur (9953563996)

Kolkata: Mr. Vijay Kumar Gupta (9339355647)

Chennai: Mr. Vamsi Krishna Pothukuchi (8378976769) & Mr. Dipak Tiwary (9823741187)

Disclaimer: The content of this document is for general information purpose only. Karvy Data Management Services Limited shall not accept any liability for any decision taken based on the advice. You should carefully study the situation before taking any decision.

If you wish not to receive such updates, write back to us with a subject "UNSUBSCRIBE" and we shall not send mailers to you.