



# **GSTDIGEST**

**(QUARTERLY E-MAGAZINE)**



**HARITHA HAARAM**



**Issue 3      Period: October to December 2020**



# GST DIGEST

(Quarterly e-Magazine)

**Issue No. 3**

**Period: Oct 2020 to Dec 2020**

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**Launching of the 2<sup>nd</sup> edition of GST-Digest by the  
Commissioner of Commercial Taxes, Smt. Neetu Prasad IAS**



Commissioner of Commercial Taxes, Smt Neetu Prasad IAS,  
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Addl. Commissioner (ST) Smt K.Harita, Joint Commissioner (ST)  
Sri N. Sai Kishore and other officers dated 23-10-2020

## MESSAGE FROM THE EDITORIAL COMMITTEE

The 2<sup>nd</sup> edition of the e-Magazine, GST-DIGEST was released by our respected patron and Commissioner Madam, Smt. Neetu Prasad, IAS, in the presence of senior officers of the Department on 23<sup>rd</sup> October 2020. We express our heartfelt gratitude to Madam for sparing her valuable time for the release of the e-Magazine, despite her busy schedule, and for the continuous encouragement, timely guidance, and immeasurable support. We take this opportunity to express our profound gratitude to our respected Chief Secretary & Special Chief Secretary (Revenue) Sir, Sri Somesh Kumar, IAS for undertaking the second phase of Reorganization of the Department along with promotions in all cadres fulfilling the aspirations of the employees.

It was a moment of pride for the State of Telangana when the Central Government released the State's share of IGST settlement amount of Rs. 2638 crores as a result of our continuous persuasion and active participation in GoM. Our state under the dynamic leadership of Chief Secretary & Special Chief Secretary (Revenue) Sir, Sri. Somesh Kumar, IAS and Commissioner (CT) Madam Smt. Neetu Prasad, IAS is one of the Top performers in the country in Tax collections in 2020-21.

Since the release of two editions of the e-magazine, there was an overwhelming response from the Officials of the department and other stakeholders. We are acknowledging and thanking them for their invaluable suggestions and feedback. As the changes in GST laws are dynamic, the officials must update themselves with the latest developments to maximize tax collections. We are now coming up with the 3<sup>rd</sup> edition of our magazine **GST-DIGEST**, which is meticulously prepared to ensure that the content is precise. The digest is user friendly with hyperlinks to the documents. We hope that this e-magazine will serve as a ready reference to all the officials of the department in tax administration and have a positive impact on tax collections. Your feedback shall be highly regarded.

Thanking you all

**Tax/Rate Notifications & Circulars**

S.No.	Reference & Subject	Brief Description
1	<p><a href="#">Central Tax Notification No. 73/2020, dated 01-10-2020</a></p> <p>Subject: E-Invoice - Relaxation to generate IRN for the tax invoices issued between 1<sup>st</sup> October and 31<sup>st</sup> October 2020.</p>	<ul style="list-style-type: none"> <li>• The notified RPs for e-invoicing, who have <b>not</b> generated IRN for the invoices during the period 1-10-2020 to 31-10-2020, given a relaxation to generate IRN within 30 days from the issuance of a normal tax invoice.</li> <li>• Failing which the invoice shall not be treated as an invoice under the Act.</li> </ul> <p><b>Background:</b></p> <ul style="list-style-type: none"> <li>• Rule 48(4) is inserted vide NN. 68/2019 - making it mandatory for the notified class of RPs to issue e-invoice i.e., obtaining IRN by uploading data on the e-invoice portal.</li> <li>• NN. 13/2020 notified RPs, whose AATO exceeds Rs.100 crores, for B2B transactions, excluding RPs under Rule 54(2), 54(3), 54(4), 54(4A) (i.e., bankers, insurers, GTAs, passenger transporters and film exhibitors) as a class of RPs under Rule 48(4).</li> <li>• NN 61/2020 - the limit of AATO is enhanced to Rs. 500 crores from Rs.100 crores and in the exclusion list, SEZ unit is also added.</li> <li>• The class of RPs, whose AATO is more than Rs. 500 crores is notified to generate e-Invoice mandatorily from <b>01-10-2020</b> vide NN. 13/2020, dated 21-03-2020 as amended vide NN. 67/2020, dated 30-07-2020.</li> </ul>
2	<p><a href="#">Central Tax Notification No. 74/2020, dated 15-10-2020</a></p> <p>Subject: Due dates for filing Quarterly Form GSTR-1</p>	<ul style="list-style-type: none"> <li>• RPs whose AATO in the preceding FY or current FY is up to Rs. 1.5 Crores, shall furnish GSTR-1 <ul style="list-style-type: none"> <li>○ For the quarter October 2020 to December 2020 by 13th Jan 2021.</li> <li>○ For the quarter January 2021 to March 2021 by 13th April 2021.</li> </ul> </li> <li>• This notification is superseded by Notification 83/2020, dated 10-11-2020. (Sl. No. 11)</li> </ul>

S.No.	Reference & Subject	Brief Description
3	<p><a href="#">Central Tax Notification No. 75/2020, dated 15-10-2020</a></p> <p>Subject: Due dates for filing monthly Form GSTR-1</p>	<ul style="list-style-type: none"> <li>• RPs whose aggregate Turnover in the preceding FY or current FY is above Rs. 1.5 Crores, shall furnish GSTR-1 for the tax periods from October-2020 to March 2021 by the 11th day of the succeeding month.</li> <li>• This notification is superseded by Notification 83/2020, dated 10-11-2020. (Sl. No. 11)</li> </ul>
4	<p><a href="#">Central Tax Notification No. 76/2020, dated 15-10-2020</a></p> <p>Subject: Due dates for the monthly return in Form GSTR-3B for the periods from October 2020 to March 2021.</p>	<ul style="list-style-type: none"> <li>• RPs whose AATO is above Rs. 5 crores shall furnish GSTR -3B by the 20th day of the succeeding month.</li> <li>• The states are divided into two groups. For the RPs whose AATO is up to Rs. 5 crores <ul style="list-style-type: none"> <li>○ RPs in group 1 states (Telangana is in this group) shall furnish GSTR-3B by the 22nd day of the succeeding month.</li> <li>○ RPs in group 2 states shall furnish by 24th day of succeeding month.</li> </ul> </li> <li>• Every RP furnishing GSTR-3B shall discharge his liability towards tax by the due date of the return.</li> <li>• This notification is rescinded by Notification 86/2020, dated 10-11-2020. (Sl. No. 14)</li> </ul>
5	<p><a href="#">Central Tax Notification No. 77/2020, dated 15-10-2020</a></p> <p>Subject: Filing of Annual Return the FY 2019-20 is made optional for small Tax Payers</p>	<ul style="list-style-type: none"> <li>• Amended Notification 47/2019, dated 09-10-2019.</li> <li>• Filing of Annual Return made optional for small taxpayers, whose AATO is up to Rs. 2 Crores for the Financial Year 2019-20.</li> </ul> <p><b>Background :</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Sec 44(1)</a> prescribes filing of annual return by every RP, other than ISD, TDS, TCS, CTP &amp; NRTP by 31<sup>st</sup> December of succeeding year.</li> <li>• Rule 80(1) prescribes form GSTR-9 as an annual return by such RPs.</li> <li>• Vide NN. 47/2019, RPs whose AATO up to Rs. 2 crores were provided with an option either to file or not to file an annual return for the FY 2017-18 &amp; 2018-19.</li> </ul>

S.No.	Reference & Subject	Brief Description
		<ul style="list-style-type: none"> <li>In the present notification, the above facility is also extended to the FY 2019-20.</li> </ul>
6	<p><a href="#">Central Tax Notification No. 78/2020, dated 15-10-2020</a></p> <p>Subject:</p> <p>Notified the Number of HSN digits required on a tax invoice</p>	<ul style="list-style-type: none"> <li>Amended NN. 12/2017, dated 28-06-2017.</li> <li><b>This is with effect from 1st April 2021.</b></li> <li>If AATO in the preceding FY is up to Rs. 5 crores, need to mention 4 digits of the HSN code in a tax invoice for the transactions other than B2C.</li> <li>If AATO in the preceding FY is more than Rs. 5 Crores, need to mention 6 digits of HSN codes in a tax invoice.</li> </ul> <p><b>Background :</b></p> <ul style="list-style-type: none"> <li>The first proviso to Rule 46 empowers the board/commissioner, on the recommendation of the council, to notify the number of digits of HSN codes that shall be required to mention or exempting such class of RPs who are not required to mention the HSN code.</li> <li>NN. 12/2017, dated 28-06-2017 notified that <ul style="list-style-type: none"> <li>If AATO in the preceding Financial Year is up to Rs. 1.5 Crores, no need to mention HSN codes in a tax invoice.</li> <li>If AATO in the preceding Financial Year is more than Rs. 1.5 Crores and up to Rs. 5 Crores, need to mention 2 digits of HSN codes in a tax invoice.</li> <li>If AATO in the preceding Financial Year is more than Rs. 5 Crores, need to mention 4 digits of HSN codes in a tax invoice.</li> </ul> </li> </ul>
7	<p><a href="#">Central Tax Notification No. 79/2020, dated 15-10-2020</a></p>	<p>I. The 1<sup>st</sup> Proviso to Rule 46 is substituted empowering Government, on the recommendation of the council, to notify</p> <ul style="list-style-type: none"> <li>no. of digits of HSN code that a class of RPs required to mention on an invoice,</li> <li>a class of supply of goods or services for which the number of digits of HSN code</li> </ul>

S.No.	Reference & Subject	Brief Description
	Subject: 12 <sup>th</sup> Amendment to Rules, effective from dt 15-10-2020	<p>required to mention by all the RPs on an invoice and</p> <ul style="list-style-type: none"> <li>○ class of RPs not required to mention HSN code on invoices.</li> </ul> <p>II. Rule 67A is substituted treating NIL filing of forms GSTR-3B, GSTR1 &amp; GST CMP-08 through SMS as ‘electronic furnishing’ of such documents under the relevant provisions. (Note: earlier Rule 67A treated NIL filing of GSTR-3B &amp; GSTR1 through SMS as deemed electronic furnishing and now form GST CMP-08 is added)</p> <p>III. The proviso to Rule 80(3) is substituted specifying that RPs, whose AATO exceeds Rs. 5 crores, for the FY 2018-19 &amp; 2019-20, shall get their books audited and a reconciliation statement in form GSTR-9C shall be furnished. (Note: Rule 80(3) prescribed filing of GSTR -9C by the RPs, whose AATO exceeds Rs. 2 Crores. Earlier the proviso to this Rule prescribed furnishing of GSTR-9C for the RPs whose AATO exceeds Rs. 5 Crores for the FY 2018-19. With the present amendment, FY 2019-20 is added)</p> <p>IV. In Rule 138E, w.e.f. Dt.20-03-2020 inserted 4<sup>th</sup> proviso</p> <ul style="list-style-type: none"> <li>○ E-waybill blocking shall not apply during the period 20<sup>th</sup> March 2020 to 15<sup>th</sup> October 2020 for the periods from Feb 2020 to August 2020.</li> </ul> <p>V. Amendment to Rule 142 (1A)-</p> <ul style="list-style-type: none"> <li>○ This rule deals with DRC-01A (Intimation of Tax ascertained as being payable under section 73(5)/74(5))</li> <li>○ The proper officer may (The word “may” substituted for the word “shall” through this amendment) serve the notice in the form DRC-01A.</li> </ul>



S.No.	Reference & Subject	Brief Description
		<ul style="list-style-type: none"> <li>○ Further for the words “shall communicate”, the word “communicate” is substituted, thereby issuing DRC 01A is not mandatory.</li> </ul> <p>VI. Substituted Form GSTR-2A, incorporating</p> <ul style="list-style-type: none"> <li>○ filing status of GSTR 3B</li> <li>○ registration status of the supplier</li> <li>○ invoice amendment details</li> <li>○ applicability of reverse charge etc.,</li> </ul>
8	<p><a href="#">Central Tax Notification No. 80/2020, dated 28-10-2020</a></p> <p>Subject: Extension of the due date of annual return for 2018-19</p>	<ul style="list-style-type: none"> <li>• The due date for furnishing the annual return for FY 2018-19 is further extended to 31<sup>st</sup> December 2020 from 31st October 2020.</li> </ul>
9	<p><a href="#">Central Tax Notification No. 81/2020, dated 10-11-2020</a></p> <p>Subject: Effective date notification – section 97 of Finance (No. 2) Act, 2019.</p>	<ul style="list-style-type: none"> <li>• The Central Government appoints the 10th November 2020, as the date on which the provisions of section 97 of the Finance Act, shall come into force.</li> </ul> <p><b>Background</b></p> <ul style="list-style-type: none"> <li>• Section 97 of the Finance Act 2019 relates to the amendments to section 39(1), 39(2) &amp; 39(7) of the CGST Act.</li> <li>• Section 39 of the CGST Act deals with the Furnishing of Returns by the RPs.</li> <li>• Empowered the Govt. to notify the periodicity, manner and due date of filing returns by normal TPs and Composition TPs.</li> </ul>
10	<p><a href="#">Central Tax Notification No. 82/2020, dated 10-11-2020</a></p> <p>&amp; Corrigendum dated 13-11-2020</p>	<ul style="list-style-type: none"> <li>• Rule 59 amended, which is effective from dt 01-01-2021. <ul style="list-style-type: none"> <li>○ If RP opts for QRMP (Quarterly Return Monthly Payment), he may file invoices through the Invoice Furnishing Facility (IFF) for the 1<sup>st</sup> and 2<sup>nd</sup> months of the quarter up to the 13th day of the succeeding month. (not exceeding Rs 50 lakhs for each month)</li> </ul> </li> </ul>

S.No.	Reference & Subject	Brief Description
	<p>Subject: 13<sup>th</sup> Amendment to Rules – effective from 10<sup>th</sup> November 2020</p>	<ul style="list-style-type: none"> <li>○ While filing GSTR1 for the quarter, the RP shall not submit the invoices furnished through IFF.</li> <li>● Rule 60 substituted, which is effective from 01-01-2021 <ul style="list-style-type: none"> <li>○ Rule 60 speaks about the Form and manner of ascertaining details of inward supplies</li> <li>○ The details which have been submitted through GSTR-1 or IFF by the supplier will be shown in GSTR 2A.</li> <li>○ Also, an auto-drafted statement of ITC will be available through Form GSTR 2B.</li> <li>○ GSTR 2A is dynamic and GSTR 2B is static</li> <li>○ GSTR 2B is generated based on GSTR1 filed by the suppliers up to the 15<sup>th</sup> of the succeeding month.</li> </ul> </li> <li>● Rule 61 substituted, which is effective from 01-01-2021 <ul style="list-style-type: none"> <li>○ Rule 61 deals with the Form and manner of furnishing of return.</li> <li>○ Every RP, other than OIDAR, ISD, NRTP, TDS, TCS and Composition taxpayers, shall furnish a return in form GSTR 3B for each month before the 20<sup>th</sup> day of the succeeding month. (Note-1: Replacing GSTR 3 with GSTR 3B) (Note-2: By inserting this rule, there is no requirement of periodical notification of due dates for GSTR 3B returns.)</li> <li>○ For the RPs who opted for QRMP, the quarterly return due date is the 22<sup>nd</sup> day of the month succeeding such quarter for Group-1 states including Telangana.</li> <li>○ The due date of payment of liability declared in GSTR 3B return is the due date of filing such return.</li> </ul> </li> <li>● Inserted Rule 61A which deals with the manner of opting for QRMP and is effective from 01-01-2021.</li> </ul>

S.No.	Reference & Subject	Brief Description
	<p>Subject: 13<sup>th</sup> Amendment to Rules – effective from 10<sup>th</sup> November 2020</p>	<ul style="list-style-type: none"> <li>○ RPs, whose AATO is upto Rs 5 crores may opt for QRMP from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised.</li> <li>○ For example, for the Jan-2021 to Mar 2021 quarter</li> <li>○ The preceding quarter is October 2020 to December 2020</li> <li>○ Hence the first day of 2nd month of the preceding quarter is November 1st, 2020</li> <li>○ The last day of the first month of the quarter is January 31st, 2021 – Hence, RP has to opt between 1<sup>st</sup> Nov 2020 and 31<sup>st</sup> Jan 2021.</li> <li>○ Once exercised, the option shall continue for future tax periods also till the RP becomes ineligible for filing a quarterly return or opts out voluntarily.</li> <li>● Rule 62 amended-which deals with the Form and manner of submission of statement and return by a composition RP. <ul style="list-style-type: none"> <li>○ Omitted the expression related to paying tax by availing the benefit of Rate Notification 2/2019.</li> <li>○ 2/2019 deals with Composition scheme for a supplier of services with a tax rate of 6% having an annual turnover in the preceding year up to Rs. 50 lakhs.</li> <li>○ As section 10(2A) is inserted w.e.f 01-08-2019, providing the facility of opting composition scheme for such RPs, referring to Rate Notification 2/2019 is no more required.</li> </ul> </li> <li>● In Form GSTR-1, instruction No. 18 is inserted making the declaration of HSN codes mandatory. The number of digits of HSN code is to be declared as per notification under rule 46.</li> <li>● Form GSTR-2B is inserted which is an auto-</li> </ul>

S.No.	Reference & Subject	Brief Description
		drafted ITC Statement from GSTR-1, GSTR-5, GSTR-6, import of goods and import of goods from SEZ.
11	<p><a href="#">Central Tax Notification No. 83/2020, dated 10-11-2020</a> (Supersession of NNs 74/2020 &amp; 75/2020)</p> <p>Subject: Time limit for filing GSTR-1, Effective from 01-01-2021</p>	<ul style="list-style-type: none"> <li>• Due date of filing GSTR-1 till 11th day of succeeding month for monthly filers.</li> <li>• The due date for the Quarterly return of GSTR-1 is the 13th day of the month succeeding the quarter.</li> <li>• The division of RPs below and above Rs 1.5 crores AATO is dispensed with, as QRMP scheme is introduced based on AATO of Rs 5 cr</li> </ul>
12	<p><a href="#">Central Tax Notification No. 84/2020, dated 10-11-2020</a></p> <p>Subject: QRMP-Migrating RPs by default.</p>	<ul style="list-style-type: none"> <li>• RPs, whose AATO is upto Rs 5 crores can opt for QRMP and such RPs shall furnish the return quarterly and pay the tax due every month. <ul style="list-style-type: none"> <li>○ To opt for QRMP, there should not be any pending returns</li> <li>○ If opted once, it shall continue for future tax periods also until revised.</li> <li>○ If AATO crosses Rs. 5 Crores, the RP is not eligible to furnish quarterly returns from the first month of the succeeding quarter.</li> </ul> </li> <li>• RPs having AATO of up to Rs. 1.5 crores, who have furnished FORM GSTR1 quarterly in the current financial year and furnished the GSTR-3B for the tax period October 2020 on or before 30th November 2020, his deemed option is a quarterly return.</li> <li>• RPs having AATO of up to Rs. 1.5 crore rupees, who have furnished FORM GSTR1 on monthly basis in the current financial year and furnished the GSTR 3B for the tax period October 2020 on or before 30th November 2020, his deemed option is Monthly return.</li> <li>• If the RPs having AATO more than Rs. 1.5 crore rupees and up to Rs. 5 crore rupees in the</li> </ul>

S.No.	Reference & Subject	Brief Description
		<p>preceding financial year and furnished the GSTR 3B for the tax period October 2020 on or before 30th November 2020, his deemed option is quarterly return.</p> <ul style="list-style-type: none"> <li>• If GSTR 3B for October 2020 is not furnished before 30<sup>th</sup> Nov 2020, deemed option for such RPs is Monthly return.</li> <li>• The RPs who have AATO up to Rs. 5 crores may change the default option electronically from 5th December 2020 to 31st January 2021.</li> </ul>
13	<p><a href="#">Central Tax Notification No. 85/2020, dated 10-11-2020</a></p> <p>Subject: QRMP-Special procedure for making payment in 1<sup>st</sup> and 2<sup>nd</sup> months of a quarter</p>	<ul style="list-style-type: none"> <li>• RPs under QRMP shall make payment for 1<sup>st</sup> and 2<sup>nd</sup> months of the quarter by depositing in electronic cash ledger</li> <li>• Such RPs may pay by fixed sum method <ul style="list-style-type: none"> <li>○ Tax liability discharged through cash in the previous month of the quarter or</li> <li>○ 35% of the tax liability discharged through cash in the previous quarter</li> </ul> </li> <li>• For the 1<sup>st</sup> quarter, say Jan-Mar 2021, shall pay as per cash payment of GSTR 3B of Dec 2020.</li> <li>• For the 2<sup>nd</sup> quarter, say Apr-Jun 2021, shall pay 35% of cash payment of GSTR-3B of quarter Jan-Mar 2021.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• Tax liability shall be discharged by filing GSTR-3B of the quarter utilizing the cash deposited as above for the 1<sup>st</sup> and 2<sup>nd</sup> months of the quarter.</li> <li>• RP need not make any payment if there is a sufficient balance in the electronic cash ledger.</li> <li>• RP may also pay by making Self Assessment for the 1<sup>st</sup> and 2<sup>nd</sup> months of the quarter.</li> </ul>
14	<p><a href="#">Central Tax Notification No. 86/2020, dated 10-11-2020</a></p>	<ul style="list-style-type: none"> <li>• Rescinded Notification 76/2020 (Sl. No. 4)</li> </ul>

S.No.	Reference & Subject	Brief Description
	Corrigendum Dated 13-11-2020  Subject: Rescinded NN 76/2020 (due dates of GSTR 3B)	<ul style="list-style-type: none"> <li>Notification 76/2020 Prescribed GSTR-3B return due dates from October 2020 to March 2021</li> <li>In view of substitution of rule 61 vide 13<sup>th</sup> amendment to rules, NN. 82/2020</li> </ul>
15	<a href="#">Central Tax Notification No. 87/2020, dated 10-11-2020</a>  Subject: Due date extension of ITC-04	The time limit for furnishing FORM ITC-04 (the form which has to be furnished by registered manufacturers showing the details of inputs/capital goods dispatched or received from job worker in a particular quarter) for the quarter Jul-Sep 2020 is extended to November 30th, 2020 from 25th October 2020.
16	<a href="#">Central Tax Notification No. 88/2020, dated 10-11-2020</a>  Subject: Lowering AATO to Rs 100 cr for e- invoicing	RPs, whose AATO exceeds Rs. 100 Crs, from 1st January 2021, shall issue e-invoice by generating IRN ( Amending NN. 13/2020 dt 21-03-2020)
17	<a href="#">Central Tax Notification No. 89/2020, dated 29-11-2020</a>  Subject: Waiver of penalty for non generation of QR code on B2C invoices	<ul style="list-style-type: none"> <li>Waived the penalty for non-compliance of generation of QRC under NN. 14/2020, for the period December 1, 2020, to March 31<sup>st</sup>, 2021, if complied by April 01, 2021.</li> </ul> <p><b>Background:</b></p> <ul style="list-style-type: none"> <li>RPs whose AATO is above Rs 500 crores, other than those specified, shall generate dynamic QRC for B2C transactions under NN. 14/2020 dt 21-03-2020, which is effective from 01<sup>st</sup> October 2020.</li> </ul>
18	<a href="#">Central Tax Notification No. 90/2020, dated 01-12-2020</a>  Subject: CBIC notified 8 digit HSN code for certain products	<ul style="list-style-type: none"> <li>Amended NN. 12/2017 dated 28/06/2017 by inserting a proviso.</li> <li>Names of 49 chemicals are notified, while supplying these goods, 8 digit HSN code shall be mentioned in the tax invoice irrespective of AATO of RP.</li> </ul>

S.No.	Reference & Subject	Brief Description
19	<p><a href="#">Central Tax Notification No. 91/2020, dated 14-12-2020</a></p> <p>Subject: Extended due date of GST compliance and actions in respect of Anti Profiteering</p>	<ul style="list-style-type: none"> <li>• The due date of compliance of Anti-profiteering extended to March 31, 2021, which falls during the period from March 20, 2020, to March 30, 2021.</li> <li>• Amended NN. 35/2020 dated 03-04-2020.</li> </ul>
20	<p><a href="#">Central Tax Notification No. 92/2020, dated 14-12-2020</a></p> <p>Subject: Implementation of certain sections of the Finance Act 2020 with effect from January 1<sup>st</sup>, 2021</p>	<ul style="list-style-type: none"> <li>• Sections 119, 120, 121, 122, 123, 124, 126, 127 &amp; 131 of <a href="#">Finance Act 2020</a> came into effect from 01-01-2021</li> <li>• Section 119 of Finance Act 2020, amended clauses (b), (c), and (d) of Section 10(2) of the CGST Act. <ul style="list-style-type: none"> <li>○ As per this amendment, the RPs who are providing exempt services, an interstate supply of services and services through e-commerce operators are also excluded from opting for a composition scheme.</li> </ul> </li> <li>• Section 120 of Finance Act 2020, omitted the expression 'Invoice relating to such' in Section 16(4) of CGST Act 2017. <ul style="list-style-type: none"> <li>○ Section 16 deals with Eligibility and conditions to take Input Tax Credit</li> <li>○ Section 16(4) says that RP shall not be entitled to take ITC after the due date of September GSTR-3B return of next Financial Year.</li> <li>○ Through this amendment, delinked the availment of ITC on debit notes with the date of issuance of the original invoice. Thus, ITC can be availed on debit notes issued after 6 months from the end of the financial year to which it pertains.</li> </ul> </li> <li>• Section 121 of Finance Act 2020 amended section 29(1) thereby providing voluntary cancellation of registration obtained voluntarily under section 25(3).</li> <li>• Section 122 of Finance Act 2020 amended Section 30(1). <ul style="list-style-type: none"> <li>○ Section 30 deals with the Revocation of cancellation of registration.</li> </ul> </li> </ul>

S.No.	Reference & Subject	Brief Description
	Implementation of certain sections of the Finance Act 2020 with effect from January 1 <sup>st</sup> , 2021	<ul style="list-style-type: none"> <li>○ The powers to condone the delay u/s 30 in applying for revocation of cancellation of registration is given to the Additional/Joint Commissioner upto 30 days and Commissioner for a further period of 30 days.</li> <li>● Section 123 of Finance Act 2020 amended Section 31(2) of CGST Act 2017 which deals with Tax Invoice <ul style="list-style-type: none"> <li>○ Empowering the Govt. exempting a class of services for issuing of the invoice or specify any document in lieu of invoice.</li> <li>○ Empowering the Govt. to specify the time and manner of issuing invoices in case of notified category of services or supplies.</li> </ul> </li> <li>● Section 124 of Finance Act 2020 amended Section 51(3) of CGST Act 2017, which deals with TDS. The requirement to issue TDS Certificate has been discarded; accordingly, the provision for penalty for the delay in issuance of such certificate has been omitted.</li> <li>● Section 126 of Finance Act 2020 inserted section 122(1A). <ul style="list-style-type: none"> <li>○ Any person who retains benefit or</li> <li>○ At whose instance a supply has been made without the issuance of an invoice, or</li> <li>○ Invoice has been issued without supply, or</li> <li>○ Excess ITC has been availed or distributed</li> </ul> shall be held liable to the same degree of offence as the actual supplier/recipient. </li> <li>● Section 127 of Finance Act 2020 amended Section 132(1) of CGST Act 2017. <ul style="list-style-type: none"> <li>○ Section 132 deals with punishment for certain offences.</li> <li>○ Availing ITC on fake invoices or fraudulent availment of ITC without any invoice have been made cognizable and non-bailable u/s 132 for anyone who commits or causes committing of such</li> </ul> </li> </ul>



S.No.	Reference & Subject	Brief Description
		<p>offence or retains benefits arising therefrom.</p> <ul style="list-style-type: none"> <li>• Section 131 of Finance Act 2020 amended 4<sup>th</sup> paragraph of schedule-II of CGST Act. <ul style="list-style-type: none"> <li>○ Schedule-II defines the transactions or activities that are to be treated either as a supply of Goods or Supply of Services.</li> <li>○ In the 4<sup>th</sup> paragraph, the words “whether or not for a consideration”, at both the places where they occur, are omitted with effect from 1/07/2017.</li> <li>○ 4<sup>th</sup> para states that transfer of business assets is a supply of goods</li> </ul> </li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>○ Activities that are to be treated as supply without consideration, is mentioned in Schedule-I</li> <li>○ Activities that are to be treated as supply of goods or supply of services, is mentioned in Schedule-II. Hence omitted the expression “whether or not for a consideration”.</li> <li>○ It is corrected by way of a retrospective amendment effective from 01.07.2017.</li> </ul>
21	<p><a href="#">Central Tax Notification No. 93/2020, dated 14-12-2020</a></p> <p>Subject: Waiver of late fee in UT Ladakh</p>	<p>Waived late fee for delayed filing of Form GSTR-4 for RPs registered in Ladakh for the financial year 2019-20</p>
22	<p><a href="#">Central Tax Notification No. 94/2020, dated 22-12-2020</a></p> <p>Subject: 14<sup>th</sup> Amendment to CGST rules 2017</p>	<p>1) Amended sub-rule (4A) of rule 8 of CGST Rules 2017.</p> <ul style="list-style-type: none"> <li>• Rule 8 of the CGST Rules deals with Application for registration</li> <li>• Sub rule 4A states that every application of registration shall be followed either by biometric-based Aadhaar authentication along with taking photograph or if the person has not opted for Aadhaar authentication taking biometric information, photograph and verification of such other KYC documents of the individual or of such individuals related to the applicant.</li> </ul>

S.No.	Reference & Subject	Brief Description
	14 <sup>th</sup> Amendment to CGST rules 2017	<ul style="list-style-type: none"> <li>• It will come into effect from the date to be notified.</li> <li>2) Amendment to rule 9 of CGST Rules 2017. <ul style="list-style-type: none"> <li>• Rule 9(1) of the CGST Rules deals with verification of the registration application and approval.</li> <li>• The time limit for processing of an application for GST Registration increased from 3 working days to 7 working days from the date of filing of the application.</li> <li>• In case the applicant has not opted for Aadhaar authentication or where the proper officer feels that it is a fit case to carry out physical verification, the time limit for processing of the application shall be 30 days instead of 7 working days.</li> <li>• Rule 9 (2) of CGST Rules 2017 amended.</li> <li>• Rule 9(2) of the CGST rules, 2017 states that the proper officer is required to issue a notice if found deficiency, in Form GST REG-03, within 3 working days from the date of submission of application</li> <li>• Now the time limit to issue such notice is changed to 7 days instead of 3 days.</li> <li>• If the applicant fails to undergo the Aadhaar authentication or the proper officer feels that it is a fit case of physical verification the time limit to issue notice is increased to 30 days.</li> <li>• Rule 9 sub-rule (5) of CGST Rules 2017 amended.</li> <li>• Earlier Rule 9(5) of the CGST rules, 2017 states that if the proper officer fails to take any action within 3 working days from the date of submission of the application or within 7 days from date of submission of clarification shall be deemed to have been approved</li> <li>• Now the time limit for deemed approval is changed to 7 days instead of 3 days. If the applicant fails to undergo the Aadhaar authentication or the proper officer feels that it is a fit case of physical verification, the time limit to issue notice is increased to 30 days.</li> </ul> </li> </ul>

S.No.	Reference & Subject	Brief Description
	14 <sup>th</sup> Amendment to CGST rules 2017	<p>3) Amendment to Rule 21 of CGST Rules 2017</p> <ul style="list-style-type: none"> <li>• Rule 21 deals with cancellation of Registrations</li> <li>• Earlier Rule 21(b) states that the registration is granted to a person is liable to be cancelled if the registered person issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made thereunder</li> <li>• As per the amended Rule 21(b), the registration is also liable to be cancelled if the person <b>issues an invoice or bill without supply of goods or services or both.</b></li> <li>• Added in Rule 21, sub-rules (e), (f) &amp; (g) of CGST Rules 2017, which provides for instances where the registration is liable to be cancelled.</li> <li>• Rule 21(e) - if the registered person avails ITC in violation of the provisions of section 16 of the Act or the rules made.</li> <li>• Rule 21(f) - the registration is liable to be cancelled if GSTR 1 turnover is more than GSTR 3B turnover for one or more tax periods.</li> <li>• Rule 21(g) - the registration is liable to be cancelled if RP violates the provision of Rule 86B (mandatory discharge of 1% of liability through cash in certain cases)</li> </ul> <p>4) Amendment to rule 21A of CGST Rules 2017</p> <ul style="list-style-type: none"> <li>• Rule 21A deals with suspension of registration.</li> <li>• Rule 21A (2) has been amended</li> <li>• Now the proper officer may suspend the registration without providing an opportunity of being heard on grounds mentioned in Section 29 and Section 21 of CGST Act, 2017.</li> <li>• Inserted new sub-rule 2A under Rule 21A of CGST Rules 2017</li> <li>• As per the new sub-rule 21A(2A), the GST Registration can be suspended based on comparison of returns R1 Vs 3B, 2A Vs 3B</li> </ul>

S.No.	Reference & Subject	Brief Description
	14 <sup>th</sup> Amendment to CGST rules 2017	<p>or such other analysis if there are significant differences or anomalies indicating contravention of the GST provisions, leading to the cancellation of registration of the said person. The same shall be intimated in Form GST REG-31 and call for the explanation within 30 days.</p> <ul style="list-style-type: none"> <li>• Inserted new sub-rule 3A under Rule 21A of CGST Rules 2017</li> <li>• As per the new sub-rule, 21A(3A), a registered person whose registration is suspended under Rule 21A(2) or Rule 21A(2A) shall not be granted any refund during the suspension period.</li> <li>• Inserted proviso to sub-rule 4 of Rule 21A of CGST Rules 2017</li> <li>• As per the inserted new proviso, the suspension of registration may be revoked by the proper officer, any time during the pendency of the proceedings for cancellation.</li> </ul> <p>5) Amendment to Rule 22 of CGST Rules 2017</p> <ul style="list-style-type: none"> <li>• Rule 22 deals with the cancellation of registration. the words related to the newly added Rule 21A(2A) is inserted.</li> </ul> <p>6) Amendment to Rule 36(4) of CGST Rules 2017 with effect from 01/01/2021</p> <ul style="list-style-type: none"> <li>• Rule amended to accommodate the mechanism of availment of ITC for invoices reported through Invoice Furnishing Facility (IFF).</li> <li>• The amount of ITC which can be availed in GSTR 3B by a registered person is restricted to ITC appearing in GSTR 2A and excess of 5% of such amount only (earlier it was 10%).</li> </ul> <p>7) Amendment to rule 59 of CGST Rules 2017</p> <ul style="list-style-type: none"> <li>• Rule 59 deals with the Form and manner of furnishing details of outward supplies.</li> <li>• Rule 59(5) has been inserted.</li> <li>• A registered person shall not be allowed to file GSTR-1 if GSTR-3B has not been filed for the preceding 2 months.</li> </ul>

S.No.	Reference & Subject	Brief Description
	14 <sup>th</sup> Amendment to CGST rules 2017	<ul style="list-style-type: none"> <li>• A registered person who is required to furnish quarterly GSTR-3B returns will not be able to file a GSTR-1 return if he has not filed GSTR-3B return for the preceding tax period.</li> <li>• A registered person who is restricted from using the amount available in the electronic credit ledger under Rule 86B will not be allowed to file Form GSTR-1 if GSTR-3B is not filed for the preceding tax period.</li> </ul> <p>8) Amendment to Rule 86 of CGST Rules 2017. Inserted 86B to the CGST rules.</p> <ul style="list-style-type: none"> <li>• Rule 86 deals with electronic credit ledger.</li> <li>• Rule 86B related to restrictions on the use of amount available in electronic credit ledger w.e.f January 01st, 2021.</li> <li>• Rule 86B states that if the RP taxable turnover exceeds above Rs. 50 lakh (other than exempted and zero-rated supply) in a given month, then the RP is required to pay 1% of output liability of such taxable turnover by cash ledger. Usage of ITC to discharge liability is restricted to 99%.</li> <li>• The rule also mentions about persons for which this restriction shall not apply.</li> <li>• The rule gives power to the Commissioner or an officer authorized by him to remove the said restriction.</li> </ul> <p>9) Amendment to Rule 138 (10) of CGST Rules 2017 with effect from 01-01-2021</p> <ul style="list-style-type: none"> <li>• Rule 138 deals with E way rules.</li> <li>• The validity period of e way bill is increased to 200 km per day (before amendment it was 100 km per day)</li> </ul> <p>10) Amendment to rule 138 E of CGST Rules 2017</p> <ul style="list-style-type: none"> <li>• Rule 138E deals with <b>Restriction on furnishing of information in PART A of FORM GST EWB-01.</b></li> <li>• As per earlier rule 138 E, if an assessee</li> </ul>

S.No.	Reference & Subject	Brief Description
		<p>who is composition RP has not filed GST returns for 2 consecutive tax periods, an e-way bill cannot be generated for making a supply to him. In other than composition taxpayers, if they do not file their GST returns for a consecutive period of 2 months, an e-way bill cannot be generated for making a supply to him.</p> <ul style="list-style-type: none"> <li>• Now for other than composition RPs also it is amended as 2 consecutive tax periods.</li> <li>• In Rule 138 E, clause (d) inserted, thereby e-way bill cannot be generated by the RPs whose registration is under suspension.</li> </ul> <p>11) Form GST Registration 31 is inserted - the Intimation for suspension and notice for cancellation of registration.</p>
23	<p><a href="#">Central Tax Notification No. 95/2020, dated 30-12-2020</a></p> <p>Subject: Extension of the due date of annual return for 2019-20</p>	<p>The due date for furnishing the annual return for FY 2019-20 is extended to February 28, 2021 from 31<sup>st</sup> December 2020.</p>
24	<p><a href="#">Central Tax (Rate) NN. 5/2020, dated 16-10-2020</a></p> <p>Subject: Amendment to Rate NN. 12/2017 (List of exempted services)</p>	<ul style="list-style-type: none"> <li>• Amendment to Rate NN 12/2017, dated 20-06-2017.</li> <li>• Inserted Sl. No. 19(c) exempting Satellite Launch Services supplied by ISRO, Antrix Corporation Limited or New Space India Limited.</li> </ul>
25	<p><a href="#">Integrated Tax NN. 06/2020, dated 15-10-2020</a></p> <p>Subject: Notified the Number of HSN digits required on the tax invoice</p>	<ul style="list-style-type: none"> <li>• Amended Notification 5/2017.</li> <li>• Effective from 1st April 2021.</li> <li>• If Aggregate Turnover in the preceding Financial Year is up to Rs. 5 Crores, need to mention 4 digits of HSN codes in a tax invoice.</li> <li>• If Aggregate Turnover in the preceding Financial Year is more than Rs. 5 Crores, need to mention 6 digits of HSN codes in a tax invoice.</li> </ul> <p><b>Background:</b></p>

S.No.	Reference & Subject	Brief Description
		<ul style="list-style-type: none"> <li>• Through Notification 5/2017 notified that               <ul style="list-style-type: none"> <li>○ If Aggregate Turnover in the preceding Financial Year is up to Rs. 1.5 Crores, need not mention HSN codes in a tax invoice.</li> <li>○ If Aggregate Turnover in the preceding Financial Year is more than Rs. 1.5 Crores and up to Rs. 5 Crores, need to mention 2 digits of HSN codes in a tax invoice.</li> <li>○ If Aggregate Turnover in the preceding Financial Year is more than Rs. 5 Crores, need to mention 4 digits of HSN codes in a tax invoice.</li> </ul> </li> </ul>
26	<p><a href="#">Integrated Tax (Rate) NN. 5/2020, dated 16-10-2020</a></p> <p>Subject: Amendment to Rate NN. 9/2017 (List of exempted services)</p>	<ul style="list-style-type: none"> <li>• Amendment to Rate NN 9/2017, dated 28-06-2017</li> <li>• Inserted Sl. No. 20(c) exempting Satellite Launch Services supplied by ISRO, Antrix Corporation Limited or New Space India Limited.</li> </ul>
27	<p><a href="#">Circular No. 142/12/2020 Dated 09-10-2020</a></p> <p>Subject: Clarification relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017 for the months of February, 2020 to August, 2020</p>	<ol style="list-style-type: none"> <li>1. Keeping the situation prevailing in view of measures taken to contain the spread of COVID-19 pandemic, notification No. 30/2020 dated 03-04-2020 was issued wherein the condition made under Rule 36(4) of the CGST Rules shall apply cumulatively for the tax period February, March, April, May, June, July and August 2020 and that the return in FORM GSTR-3B for the tax period September 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months.</li> <li>2. Taxpayers shall reconcile the ITC availed in their FORM GSTR-3Bs for the period February 2020 to August 2020 with the details of invoices uploaded by the suppliers of the said months till the due date of furnishing FORM GSTR-1 for September 2020.</li> <li>3. The cumulative amount of ITC availed for the said months (Feb to August 2020) in FORM GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available</li> </ol>

S.No.	Reference & Subject	Brief Description
		in respect of invoices or debit notes the details of which have been uploaded by the suppliers. 4. The excess ITC availed arising out of reconciliation during this period shall be reversed in Table 4(B)(2) of Form GSTR 3B for September 2020.
28	<p><a href="#">Circular No. 143/13/2020</a> <a href="#">Dated 10-11-2020</a></p> <p>Subject: Quarterly Return Monthly Payment Scheme</p>	<ul style="list-style-type: none"> <li>This circular was issued to explain the Quarterly return monthly payment (QRMP) scheme in simple terms: This circular explains about following aspects of the scheme:             <ol style="list-style-type: none"> <li>Eligibility of the scheme</li> <li>Exercising option for QRMP scheme</li> <li>Furnishing details of outward supplies</li> <li>Monthly payment of tax                 <ul style="list-style-type: none"> <li>Fixed sum method</li> <li>Self Assessment method</li> </ul> </li> <li>Quarterly filing of Form GSTR 3B</li> <li>Applicability of interest</li> <li>Applicability of late fee</li> </ol> </li> </ul>
29	<p><a href="#">Circular No.144/14/2020</a> <a href="#">Dated 15-12-2020</a></p> <p>Subject: Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021- regarding</p>	<ol style="list-style-type: none"> <li>Vide Circular No. 63/37/2018-GST dated 14th September 2018 waiver from the recording of UIN on the invoices issued by retailers/other suppliers were given to UIN entities till March 2020 while claiming refund by them.</li> <li>As the non-recording of UIN continued even after March 2020, the waiver of the recording of UIN on invoices is extended for the refund claims from April 2020 to March 2021, subject to the condition that the copies of such invoices are attested by the authorized representative of the UIN entity and the same is submitted to the jurisdictional officer</li> </ol>

Note:

NN: Central Tax Notification Number

Rate NN: Central Tax (Rate) Notification Number

AATO: Aggregate Annual Turnover

RP: Registered Person

\* \* \*



**RULINGS BY AUTHORITY FOR ADVANCE RULING**

S No	Details	GIST
1	<p><b>Applicant:</b> Jabalpur Hotels Private Limited, Madhya Pradesh</p> <p>Ruling No. &amp; Date: <a href="#">MP/AAR/10/2020 dated 08.06.2020</a></p> <p><b>Q.</b> Whether Input tax credit on purchase of Lift would be available to Hotel as it has been used in the course or for the furtherance of business?</p>	<ul style="list-style-type: none"> <li>• The hotel building being an immovable property, any input or input service going into its construction shall not be available for the claim of input tax credit.</li> <li>• The lift becomes part of the building. A lift does not have an identity when removed from the Building.</li> <li>• Therefore, the lift cannot be said to be separate from a Building, Also, it should be observed that lift is not an item that is purchased and sold.</li> <li>• Upon piece-by-piece installation, it becomes an integral part of the building.</li> <li>• The lift cannot be considered as plant and machinery or as a supporting structure for fastening of plant and machinery to earth.</li> <li>• <b>Hence the ITC on lift cannot be claimed as per sec 17(5)(d) of GST Act.</b></li> </ul>
2	<p><b>Applicant:</b> Kavi Cut Tobacco (ARUMUGAM), Tamil Nadu</p> <p>Ruling No. &amp; Date: <a href="#">TN/16/AAR/2020 dated 20.04.2020</a></p> <p><b>Q.</b> Classification of the product manufactured by the applicant which is sold as Chewing Tobacco and the applicable rate of Compensation Cess on the product.</p>	<ul style="list-style-type: none"> <li>• The product intended to be manufactured by the applicant and supplied as 'Chewing tobacco' with the brand name 'Kavi cut tobacco' is classifiable under Customs Tariff Head 2403 9910- Chewing Tobacco.</li> <li>• The applicable rate of Compensation Cess is provided under S.No 26 of the NN <a href="#">01/2017-Compensation cess</a> dated 28-06 - 2017 @ 160%.</li> </ul>
3	<p>Applicant: M/s Karma Buildcon, Gujarat</p> <p>Ruling No. &amp; Date: <a href="#">GUJ/GAAR/R/33/2020 dated 02.07.2020</a></p>	<ul style="list-style-type: none"> <li>• The applicant is engaged in the business of construction. They buy land and develop residential/ commercial property on that land and enter into the agreement with prospective buyers for such property.</li> <li>• The agreements entered into are for inclusive of land or undivided share of land basis.</li> </ul>

	<p><b>Q.</b> The applicant seeks clarification on what will be the value of supply for the transaction of sale of residential/ commercial property with undivided rights of land?</p>	<ul style="list-style-type: none"> <li>• As per CR NN 1/2018 dt 25-01-2018, for the transactions “involving the transfer of land or undivided share of land, as the case may be, the value of such supply shall be equivalent to the total amount charged for such supply less the value of transfer of land or undivided share of land, as the case may be, and the value of such transfer of land or undivided share of land, as the case may be, in such supply shall be deemed to be one-third of the total amount charged for such supply.”</li> <li>• The applicant submits that in this particular case, the cost of land is distinctly ascertainable and it is much more than 33% of the total value to be realized of the constructed residential or commercial property.</li> <li>• Hence, they contend that the actual amount of land needs to be allowed for deduction to arrive at the value of supply.</li> <li>• The ruling is given saying that the contention of the applicant is not legal in terms of Para 2 of CR NN 11/2017 dt 28.06.2017, as amended vide CR NN 1/2018 dt 25-1-2018, and they are required to deduct one-third value of land or undivided share from the total value charged for the supply to arrive at the taxable value.</li> </ul>
4	<p>Applicant: B.R Sridhar, Karnataka <a href="#">Ruling No. &amp; Date:</a> <a href="#">KAR/ADRG/55/2020 dated 07.11.2020</a></p> <p><b>Q.</b> Whether the total amounts received by the Owner towards the advances or sale consideration of the flats fallen to his share in terms of the JDA are not amenable for payment of GST, since the applicant has sold or agreed to sell or gifted, the</p>	<ul style="list-style-type: none"> <li>• The amounts received by the applicant, either by himself or through his agents, towards the sale of their share of flats are not exigible to GST,             <ul style="list-style-type: none"> <li>○ If and only if the entire consideration related to such sale of flats is received after the issuance of Completion Certificate, as the said activities are treated neither supply of goods nor supply of service in terms of schedule III of the CGST Act 2017 subject to Clause 5(b) of the Schedule-II of the CGST Act, 2017.</li> </ul> </li> </ul>

	flats after obtaining Occupancy Certificate?	
5	<p>Applicant: Ambara, Karnataka</p> <p><u><a href="#">Ruling No. &amp; Date:</a></u> <u><a href="#">KAR/ADRG/51/2020 dated 08.10.2020</a></u></p> <p><b>Q.</b> The applicant provides the services relating to Health Care Services which are in the nature of diagnostic and treatment services. They seek ruling on Whether input tax credit is required to be restricted on</p> <ul style="list-style-type: none"> <li>• medicines supplied to patients admitted in the hospital?</li> <li>• medicines supplied to patients treated as out-patients?</li> <li>• medicines supplied to other than inpatients and out-patients?</li> <li>• supply of food and beverages to the patients admitted in the hospital?</li> </ul>	<p>The applicant states that they are of the understanding that where medicines are supplied to outpatients, they attract tax and the applicant is eligible to claim the input tax credit. The ruling was given as</p> <ul style="list-style-type: none"> <li>• The input tax credit is required to be restricted on medicines used in the supply of health care services provided to inpatients.</li> <li>• The input tax credit is required to be restricted on medicines used in the supply of health care services provided to outpatients.</li> <li>• Further in case medicines are supplied independent of health care services, then the applicant is eligible to claim input tax credit subject to payment of taxes on such independent supply of medicines.</li> <li>• The input tax credit is not required to be restricted on medicines supplied to others i.e., customers, who are neither inpatients nor outpatients, as there is no health care services provided and is liable to pay tax on such outward supply of medicines.</li> <li>• The input tax credit is to be restricted on the supply of food &amp; beverages supplied to inpatients as it is a part of the health care services.</li> </ul>
6	<p>Applicant: Bharathiar University, Tamilnadu</p> <p><u><a href="#">Ruling No. &amp; Date:</a></u> <u><a href="#">TN/37/AAR/2020 dated 19.11.2020</a></u></p> <p><b>Q.</b> Whether the services provided by the University to its constituent colleges (viz) self-financing and management colleges relating to admission to, or conduct of examination by such institution by way of</p>	<ul style="list-style-type: none"> <li>• The composite supply of sale of application, registration of course, inspection, etc., with the 'Principal Supply' of "affiliation" provided by the University to its constituent colleges (viz) Self-financing and management colleges for which they collect 1. Application Form fees; 2. Application Fees; 3. Inspection fees (each course/Section); 4. Affiliation Fee for each course; 5. Affiliation Fee for each additional section; 6. Initial Affiliation fee to start an institution; 7. Permanent Affiliation fee to the College; 8. Continuation of affiliation for each course; 9. Increase in intake for each course for permanent basis processing fee&amp; 10.</li> </ul>

	affiliation fee, registration fee, etc., are exempted vide sl.no 66 of <b>Notification no.12/2017 CT(Rate) dated 28.06.2017?</b>	Penal fee for receipt of late application is <b>not exempted</b> vide S.No. 66 of Notification No. 12/2017-CT (Rate) dated 28th June 2017 as amended by 02/2018 dated 25.01.2018.
7	<p>Applicant: Fraunhofer-Gesellschaft ZurForderung der angewandten Forschung e.V, Germany - Liaison Office, Karnataka</p> <p><a href="#">KAR/ADRG/50/2020 dated 08.10.2020</a></p> <p>Q. The applicant, incorporated in Germany, undertakes the business of promoting applied research and hence established their liaison office in Bangalore, to act as an extended arm of the head office and to carry out the activities that are permitted by the Reserve Bank of India. They sought advance ruling on</p> <p>i. Whether the activities of a liaison office amount to the supply of services? ii. Whether a liaison office is required to be registered under GST Act, 2017?</p>	<ul style="list-style-type: none"> <li>• The term 'Liaison Office' is not defined under the CGST Act 2017.</li> <li>• However, it is defined under Foreign Exchange Management Regulations, 2016 as "an Establishment in India of a branch office or a liaison office or a project office or any other place of business" and as per the said definition, primarily it is a place of business.</li> <li>• The RBI, who has permitted the applicant to establish a liaison office in India, under Regulation 4(b) also permits the applicant (LO) to carry out certain liaison activities.</li> <li>• The applicant has claimed that they are not "person" as per <a href="#">Section 2 (84)</a> of CGST Act, 2017.</li> <li>• However, the definition is very wide in scope and covers every artificial juridical person, not falling within any of the above; (Section 2 (84)(n) of CGST Act, 2017).</li> <li>• The liaison activities being undertaken by the applicant (LO) in line with the conditions specified by RBI amount to supply under <a href="#">Section 7(l)(c)</a> of the Act.</li> </ul>
8	<p>Applicant: Prettl Automotive India Pvt. Ltd, Maharashtra</p> <p><a href="#">Ruling No. &amp; Date: GST/ARA-20/2019-20/B-59 dated 15.12.2020</a></p> <p>Q. The applicant's holding company (Prettl GmbH) in Germany desires to provide financial assistance for</p>	<ul style="list-style-type: none"> <li>• The applicant is required to supply a gamut of services under the terms of the subject contract.</li> <li>• The subject services are agreed to be undertaken by the applicant under the terms of the contract with their holding company in Germany.</li> <li>• Thus, it is seen that the activities undertaken by the applicant, in India are as per the requirements of the holding company.</li> </ul>

<p>training the persons in various skilled and unskilled categories as mentioned in their agreement. They sought ruling on whether the financial assistance to be received by the applicant is a consideration for a supply and the activity is covered under the meaning of supply of services in terms of Section 7 of the Central Goods and Services Tax Act, 2017?</p>	<ul style="list-style-type: none"><li>• The applicant has submitted that it is not supplying any goods and services to the Prettl GmbH or the German Government and the beneficiaries like students, unskilled workers and apprentice are not representing the Prettl GmbH or not getting any training facility as an employee or on behalf of the Prettl GmbH.</li><li>• However, the entire activities undertaken by the applicant are only as per the contract, implying that, in the absence of such contract, the applicant would not undertake the said activities.</li><li>• Hence it is clear that the applicant is obliged to perform the subject activity, i.e., <b>to do an act</b>, under the terms of the agreement.</li><li>• Therefore, their supply is to be classified under SAC Heading 999792 which pertains to <b>“Agreeing to do an Act”</b>.</li></ul>
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**RECENT CASE LAWS ON GST**

S.No	Details	Gist of the Judgment
1	<p><b><u>SOFTOUCH HEALTH CARE PRIVATE LTD. VS THE STATE TAX OFFICER and others</u></b></p> <p>WP(C).No.15297 OF 2020(J)</p> <p>29-09-2020</p> <p>HON'BLE HIGH COURT OF KERALA AT ERNAKULAM</p> <p><u>Topic:</u> Best of Judgment assessment – Nonfiler of Returns - Validity</p>	<p><u>Facts of the Case:</u></p> <ul style="list-style-type: none"> <li>The petitioner, a private limited company engaged in providing ayurvedic and spa services, is an assessee under the provisions of the GST Act.</li> <li>The petitioner failed to file GST returns for the period April 2018 to October 2019</li> <li>The Revenue issued assessment orders on best of judgment basis under section 62</li> <li>The petitioner filed returns after the expiry of 30 days from passing of assessment orders.</li> </ul> <p><u>Judgment in brief:</u> The Hon'ble High Court while dismissing the writ petition held that:</p> <ul style="list-style-type: none"> <li>The returns were filed beyond the period of one month stipulated under <b>section 62</b> of the Act. The petitioner cannot aspire for the benefit of getting the assessment orders passed on the best judgment basis set aside.</li> <li>The remedy of the petitioner against the said assessment orders lies in approaching the statutory appellate authority against the said orders.</li> </ul>
2	<p><b><u>Agarwal Foundaries Pvt Ltd VS Union Of India</u></b></p> <p>WP No.28268 of 2019</p> <p>06-11-2020</p> <p>Hon'ble High Court Telangana</p> <p><u>Topic:</u> Search, Investigation, Interrogation – Use of Violence</p>	<p><u>Facts of the Case:</u></p> <ul style="list-style-type: none"> <li>The petitioner filed Writ against the use of violence by GST officials during a Search conducted in their premises and requested to direct the GST officials to follow the due process of law and principles of natural justice in initiating any further investigations against them.</li> </ul> <p><u>Judgment in brief:</u> The Hon'ble Court held that:</p> <ul style="list-style-type: none"> <li>The GST Officials cannot claim any immunity if they indulge in acts of physical violence against persons they suspect of being guilty of tax evasion</li> <li>Protection against torture by State actors has been recognized as part of right to life</li> </ul>

		<p>and liberty guaranteed by Art.21 of the Constitution of India.</p> <ul style="list-style-type: none"> <li>• In view of the statutory regime already in place, it would be futile for the respondents to claim any liberty to torture or use physical violence during the course of search, investigation, or interrogation under the CGST Act, 2017 against persons suspected of tax evasion like the petitioners or their employees.</li> <li>• <b>The respondents i.e., GST Officials shall not use any acts of violence or torture against petitioners or their employees in furtherance of enquiry proceedings</b></li> <li>• Any interrogation of petitioners or their employees shall be between 10:30 a.m. and 05:00 p.m. on weekdays <b>in the visible range of an Advocate appointed by them, who shall not be in hearing range;</b></li> </ul>
3	<p><a href="#"><u>Heritage Lifestyles and Developers and Private Limited VS Union Of India &amp; others</u></a></p> <p>WP (ST.) NO.3705 OF 2020</p> <p>05-11-2020</p> <p>HON'BLE HIGH COURT OF JUDICATURE AT BOMBAY</p> <p><u>Topic:</u> Transitional Credit – Denial on technical grounds</p>	<p><u>Facts of the Case:</u></p> <ul style="list-style-type: none"> <li>• Petitioner could not file GST TRAN-1 on or before 27.12.2017 but had manually applied for GST TRAN-1 on 7.5.2018 as per Circular dated 03.04.2018 within the timeline as per the date extended by Court.</li> <li>• The Respondents have found the Petitioner to be eligible for credit amounting to Rs. 78,62,466/-.</li> <li>• But the credit for the same has been denied as the ITGRC found that the Petitioner has not tried to save or submit or file TRAN-1 before 27.12.2017.</li> </ul> <p><u>Judgment in brief:</u> The Hon'ble Court held that:</p> <ul style="list-style-type: none"> <li>• The Respondents have found the Petitioner to be eligible for input credit amounting to Rs. 78,62,466/-, the finding of the ITGRC would in the face of the admission by the Respondents to the amount of credit, would be a <b>mere technicality that cannot come in the way of substantial justice.</b></li> <li>• Directed the Respondents to accept the TRAN-1 filed by the Petitioner and to give the due of input tax credit of Rs. 78,62,466/- in</li> </ul>

		the electronic credit ledger/input tax credit of the Petitioner within two weeks from the date of this order.
4	<p><a href="#"><u>Assistant Commissioner of CGST and Central Excise and other VS Sutherland Global Services Private Limited</u></a></p> <p>Writ Appeal No 53 of 2020</p> <p>16-10-2020</p> <p>HON'BLE HIGH COURT OF JUDICATURE AT MADRAS</p> <p><u>Topic:</u> Transitional credit – Transfer of Unutilised Education cess, Krishi Kalyan cess etc to GST</p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>The appeal is filed against the judgment in the case of M/s. Sutherland Global Services Private Limited in W.P.No.4773 of 2018, allowing the writ petition thereby entitling the Assessee to utilize and set off the accumulated unutilized amount of Education Cess (EC), Secondary and Higher Education Cess (SHEC), and Krishi Kalyan Cess (KKC), all jointly referred to as the "Cess" against the Output GST Tax Liability after the switch over of Indirect Taxation System to GST Regime with effect from 01.07.2017.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>The Hon'ble court (While setting aside the judgment of Single Judge) held that Assessee was not entitled to carry forward and set off of unutilized Education Cess, Secondary and Higher Education Cess and Krishi Kalyan Cess against the GST Output Liability with reference to <a href="#"><u>section 140</u></a> of the CGST Act, 2017.</li> </ul>
5	<p><a href="#"><u>Maansarovar motors private limited VS Assitant Commissioner and others</u></a></p> <p>WP No 28437 ... OF 2019</p> <p>29-09-2020</p> <p>HON'BLE HIGH COURT OF JUDICATURE AT MADRAS</p> <p><u>Topic:</u> Interest – Net Liability</p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>The writ petition is filed against levy of interest on Full tax liability instead of net tax liability.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>The Hon'ble court ordered to collect interest for delayed payment of GST only on net cash liability.</li> <li>The proviso to <a href="#"><u>section 50</u></a> is applicable retrospectively.</li> </ul>
6	<p><a href="#"><u>G Sundarrajan VS Union of India</u></a></p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>The writ petition filed praying for issuance of a writ of mandamus directing the Union of</li> </ul>



	<p>WP No 15079 of 2020</p> <p>28-10-2020</p> <p>HON'BLE HIGH COURT OF JUDICATURE AT MADRAS</p> <p><u>Topic:</u> Compensation cess – release to states</p>	<p>India to implement the provisions of Section 7 of the Goods and Services Tax [Compensation to States] Act, 2017, in letter and spirit and release a sum of Rs. 12,250.50 Crores to State of Tamil Nadu towards compensation for the shortfall in GST collections accrued during the period from 1<sup>st</sup> April 2020 to 31st August 2020 immediately.</p> <ul style="list-style-type: none"> <li>• As per section 7 of the GST Compensation to States Act, the compensation payable to a State shall be provisionally calculated and released at the end of every two months and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor-General of India</li> <li>• Due to a reduction in compensation cess collections because of Covid 19, the Central Government has not released compensation to states.</li> </ul> <p><u>Judgment in brief:</u> The Hon'ble Court denying to grant any such directions to Union of India for releasing of compensation cess immediately, held that:</p> <ul style="list-style-type: none"> <li>• Mere employment of the word "shall" (<i>in Sub-section [1] of Section 7 of the Goods and Services Tax [Compensation to States] Act, 2017, the compensation payable to the State shall be provisionally calculated and released at the end of every two months period and shall be finally calculated for every Financial Year</i>) cannot be construed as mandatory and it depends upon the context and the purpose of the legislative intent also.</li> <li>• The Goods and Services Tax [Compensation to States] Act, 2017, does not deal and speak about the consequences of non-compliance of the timeline stipulated under Subsection [2] of Section 7 of the said Act and therefore, it can be construed only as directory and not mandatory.</li> </ul>
		<p><u>Facts of the case:</u></p>

<p>7</p> <p><b><u>M/S MAHADEV TRADING COMPANY Vs UNION OF INDIA</u></b></p> <p>R/SCA NO. 11262 of 2020</p> <p>28-09-2020</p> <p>THE HON'BLE HIGH COURT OF GUJARAT AT AHMEDABAD</p> <p><u>Topic:</u> Cancellation of registration – Vague Show cause notice – Set aside</p>		<p>The case is related to the cancellation of registration of the petitioner</p> <p><u>Judgment in brief:</u> The Hon'ble High court held that:</p> <ul style="list-style-type: none"> <li>• The show-cause notice is as vague as possible and does not refer to any particular facts much less point out so as to enable the noticee to give his reply.</li> <li>• The show-cause notice itself cannot be sustained. Therefore, the cancellation of registration resulting from the said show-cause notice also cannot be sustained.</li> </ul>
<p>8</p> <p><b><u>Urbanclap Technologies India Pvt Ltd VS State Tax Officer &amp; others</u></b></p> <p>W.P. Nos.9270 , 9275 &amp; 9287 of 2020</p> <p>31-08-2020</p> <p>HON'BLE HIGH COURT OF JUDICATURE AT MADRAS</p> <p><u>Topic:</u> Passing of orders – Same day of Personal hearing – not correct</p>		<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>• The writ is filed against three orders of assessment, all dated 14.02.2020, passed in terms of the provisions of the Central Goods and Services Tax, 2017 (in short 'Act') for the periods 2017-18 to 2019-20</li> <li>• The main ground is a violation of the principles of natural justice</li> <li>• Personal hearing notice was issued on 13.02.2020 listing the matter for hearing on 14.02.2020, and the impugned orders have been passed on the same day</li> </ul> <p><u>Judgment in brief:</u> The Hon'ble Court while setting aside the impugned order held that</p> <ul style="list-style-type: none"> <li>• Referring to a decision of the same court in S.VeluPalandar V. Deputy Commercial Tax Officer (29 STC 151), to the effect that the Assessing Officer, in all fairness, should wait till the end of the working day when a personal hearing was fixed, before finalizing the assessment. Finalization of assessment on the same day when the matter was listed for hearing would militate against the requirement of natural justice.</li> </ul>

<p>9</p> <p><b><u>MALAYALAM MOTORS PVT. LTD. VS THE ASSISTANT STATE TAX OFFICER and others</u></b></p> <p>WP(C).No.21490 OF 2020(I)</p> <p>12-10-2020</p> <p>THE HON'BLE HIGH COURT OF KERALA AT ERNAKULAM</p> <p><u>Topic:</u> Installments – Tax due of returns</p>		<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>• The petitioner is a private limited company engaged in the business of automobile sales.</li> <li>• The Company filed GSTR-1 returns for the months of February 2020 to May 2020, due to the Covid pandemic, could not generate funds to make lump sum payment of the admitted tax.</li> <li>• Petitioner seeks a direction from Court to permit to file the returns without paying the entire admitted tax, but ensuring that the payment of admitted tax, together with interest thereon and applicable late fees, etc., will be made in quick installments.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>• The Hon'ble High Court directed the GST officials to accept the belated return filed by the petitioner for the period from February 2020 to April 2020, without insisting on payment of the admitted tax declared therein.</li> <li>• The Hon'ble High Court ordered that the petitioner shall be permitted to discharge the tax liability, inclusive of any interest and late fee thereon, in equal successive monthly installments commencing from 15th November 2020 and culminating on 15th August 2021</li> </ul>
<p>10</p> <p><b><u>MUHAMMED KOCHUKUDIYIL ISHABEEVI ALIAS ISHA SHAEFI, PROPRIETRESS NADIYA TIMBERS, VS STATE TAX OFFICER(INTELLIGENCE) and others</u></b></p> <p>WP(C).No.20468 OF 2020(G)</p> <p>30-09-2020</p>		<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>• The petitioner filed Writ requesting to direct the GST officials not to levy interest and Penalty under <b>section 74</b> as they have already paid tax before issuance of show cause notice.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>• The Hon'ble court held that it is mandatory to pay a 15% Penalty and interest along with tax if the assessee agrees to pay before the issue of Show Cause Notice under section 74.</li> </ul>

	<p>THE HIGH COURT OF KERALA AT ERNAKULAM</p> <p><u>Topic:</u> Section 74 – Prior payment of tax before issue of Show cause notice - Payment of Interest and Penalty</p>	<ul style="list-style-type: none"> <li>The Hon'ble court rejected the contention of the petitioner that she should be exempted from the requirement of paying interest and penalty while availing the option of payment of tax for the purposes of avoiding the show cause notice.</li> </ul>
11	<p><a href="#"><u>M/S Libra International Limited Vs Assistant Commissioner Commercial Tax And Another</u></a></p> <p>WRIT TAX No. 665 of 2020</p> <p>02-12-2020</p> <p>Allahabad High Court</p> <p><u>Topic:</u> Section 129 – Issue of DRC 07 inspite of payment.</p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>The goods and vehicle of the petitioner were intercepted on the ground that the goods were being transported without E-Way Bill and a notice under Section 129(3) of the Uttar Pradesh Goods and Services Tax Act, was issued. Thereafter, an order for payment of tax of Rs. 1,01,844/ and an equivalent amount of penalty, was passed under Section 129(3) of the Act, 2017.</li> <li>In spite of paying tax and penalty vide demand draft, an order in DRC 07 was issued by the respondent.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>As the petitioner claims to have deposited the entire amount of tax and penalty determined under the said order in DRC 07, and by virtue of the deeming provision under sub-section 129(5) all proceedings in respect of the notice specified under sub-section 129(3) shall be deemed to be concluded.</li> <li>In the event, the petitioner has made payment of the entire amount due towards tax and penalty referred to in the notice issued under subsection (1) of <a href="#"><u>section 129</u></a>, he may submit proof thereof before the authority concerned and apply for rectification/withdrawal of order issued in FORM GST DRC-07(in FORM DRC-08).</li> </ul>
12	<p><a href="#"><u>SKILL LOTTO SOLUTIONS PVT. LTD. VS Union of India &amp; Others</u></a></p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>The petitioner seeks a declaration that the levy of tax on the lottery is discriminatory and violative of Articles 14, 19(1)(g), 301, and 304 of the Constitution of India.</li> </ul> <p><u>Judgment in brief:</u></p>

	<p>WRIT PETITION (CIVIL) NO.961 OF 2018</p> <p>Date 03-12-2020</p> <p>Hon'ble Supreme court</p> <p>Topic: Section 2(52) – Definition of goods - lotteries</p>	<ul style="list-style-type: none"> <li>• The power to make laws as conferred by Article 246A fully empowers the Parliament to make laws concerning goods and services tax and the expansive definition of goods given in <b>section 2(52)</b> cannot be said to be not in accord with the constitutional provisions.</li> <li>• The inclusion of actionable claim in definition “goods” as given in Section 2(52) of Central Goods and Services Tax Act, 2017 is not contrary to the legal meaning of goods and is neither illegal nor unconstitutional.</li> <li>• The lottery is an actionable claim as a proposition of law (laid down by The Constitution Bench judgment of Hon'ble Supreme court in Sunrise Associates case). The observation cannot be said to be obiter dicta.</li> <li>• While determining the taxable value of the supply of lottery the prize money is not to be excluded for levy of GST.</li> </ul>
13	<p><b><u>M/S Ratan Industries Limited Vs State Of U.P. And 2 Others</u></b></p> <p>WRIT TAX No. - 660 of 2020</p> <p>17-12-2020</p> <p>High Court of Allahabad</p> <p>Topic: Service of notice/order – wrong email address</p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>• Before passing of the order of demand, no show cause notice was ever served upon the petitioner and in fact, no order passed by the respondent was also ever served upon the petitioner.</li> </ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"> <li>• Service of the show cause notice at a wrong E-mail address is neither contemplated under the Act nor can it be deemed to be a proper service under the Act.</li> <li>• As no show cause notice has ever been served, the petitioner never had any occasion to file its reply, and thereafter not serving a copy of the reasoned order quantifying the demand is clearly erroneous.</li> </ul>
14	<p><b><u>M/S Singh Traders Vs Additional Commissioner Grade-2 And 2 Others</u></b></p> <p>WRIT TAX No. - 661 of 2020</p> <p>01-12-2020</p>	<p><u>Facts of the case:</u></p> <ul style="list-style-type: none"> <li>• Officer passed an order dated 15.3.2018 under Section 129 (3) of the Uttar Pradesh Goods and Services Tax Act, 2017 against the petitioner on the grounds that the goods were not accompanied by the requisite E-way Bill-01 and proceeded to determine tax and penalty of Rs. 3,03,660/</li> </ul>

	<p>Gujrat High Court</p> <p>Topic: Service of orders – Lorry driver</p>	<ul style="list-style-type: none"><li>• It is claimed by the petitioner that the petitioner had obtained a certified copy of the order dated 15.3.2018 on 10.7.2019 and therefore, the appeal was filed on 12.7.2019. It is alleged that the order dated 15.3.2018 was served on the driver of the truck in question and was never served upon the petitioner.</li><li>• The Respondent vide its order dated 30.11.2019 dismissed the appeal on the ground of limitation as prescribed under Section 107 (1) and 107 (4) of the Act.</li></ul> <p><u>Judgment in brief:</u></p> <ul style="list-style-type: none"><li>• Service on the driver would not fall within any of the categories specified from Clause a to f of Section 169 (1) of the Act.</li></ul>
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**Gist of TVAT AT Orders**

N. Srinivasulu, JC(ST), SR

S No	Details	GIST
1	<p><b><u>M/s. Bharat Heavy Electricals Limited, Hyderabad-TA NO. 572/2010, dt. 30-09-2019.</u></b></p> <p><b>Issue:</b> Whether the amounts received by BHEL towards sales of food, tiffins, tea/coffee in the canteen being run by it at subsidized rates as a welfare measure for its employees as per the statutory requirements of S.47 of the Factories Act, are liable to tax under the APVAT Act, 2005, both before and after the amendment to S.4(9) of the said Act and if so at what rate?</p>	<ul style="list-style-type: none"> <li>• The Hon'ble Tribunal did not find any marked difference brought to the charging Sec.4(9) before and after the amendment to consider that the primary activity of the dealer should be running a restaurant and the dealers running restaurants, eating houses, or hotels were only liable to be charged u/S.4(9).</li> <li>• The primary activity of the dealer is not the criteria but whether the food is supplied for cash or consideration is the criteria for attracting the charging Sec.4(9).</li> <li>• This is reiterated by taking into consideration the definitions of 'business', 'dealer', 'sale', and 'tax' under the APVAT Act, 2005.</li> <li>• Hence, Tribunal did not find any merit in the contentions of the appellant to set aside the proceedings of the Authority for Clarification and Advance Ruling.</li> </ul>
2	<p><b><u>M/s. Telco Construction &amp; Equipment Company, Hyderabad - TA No. 126/2017, Dt. 06-08-2019.</u></b></p> <p><b>Issue:</b> The appellant filed an appeal before appellate authority against the order of the assessing authority dt. 26-05-2014 which was issued under Rule 60 of the AP VAT Rules to rectify the arithmetical mistakes noticed in the original order dated 22-04-2014 and raised certain</p>	<ul style="list-style-type: none"> <li>• The Hon'ble Tribunal held that the appellant ought to have filed an appeal before the ADC impugning the classification of concrete mixture and the denial of composition on the works contracts against original order dt. 22-04-2014 which are substantial issues and cannot be made the subject matter of rectification under Rule 60.</li> <li>• The scope of rectification under Rule 60 is very narrow and limited to the correction of arithmetical or clerical errors.</li> <li>• Classifying concrete mixture as falling under residuary schedule and denying the benefit of composition (for whatever reason) cannot be termed as clerical or arithmetical errors and relied on the judgment of Hon'ble High Court in the</li> </ul>

	<p>issues before appellate authority on denial of composition and the classification of concrete mixture drum which were not a subject matter of the impugned order dt. 26-05-2014 and who in turn dismissed the appeal.</p>	<p>case of <b><i>Shaw Wallace &amp; Co. Ltd. And Others vs. State of Andhra Pradesh and Others.</i></b></p>
3	<p><b><u><a href="#">M/s. H.S. Lathwala, Balanagar, Hyderabad - TA No. 682/2011, Dt. 27-07-2019.</a></u></b></p> <p><b>Issue:</b> Rejection of appeal by the Appellate Deputy Commissioner (CT) on the ground that the appeal before him was filed beyond the time prescribed with a delay of (421) days from the date of service of the original assessment order as per assessment record. The Dealer's contention is that the alleged service of the order on the employee of the appellant is not valid.</p>	<ul style="list-style-type: none"> <li>• The Hon'ble Tribunal held that the service on the employee of the appellant dealer would constitute sufficient service in terms of Rule 64(1)(b)(ii).</li> <li>• In terms of clauses (ii) &amp; (iii) of Rule 64(1)(b) the order is considered to be "sufficiently served" if it is left at the registered office of the person or any place of business of that person.</li> <li>• The proper meaning of the words "left at the registered office or place of business" as the case may be, has to be construed as being left with a responsible person of the dealer.</li> <li>• In this case, admittedly the order was given to the clerk of the appellant dealer and there is no dispute as to this point.</li> </ul>
4	<p><b><u><a href="#">M/s.APR Constructions Ltd., Hyderabad - TA No. 161/2014, Dt. 10-12-2019.</a></u></b></p> <p><b>Issue:</b> The assessing authority levied tax @4% on the total consideration received or receivable by the works contractor in the case of composition without applying tax fraction to the receipts.</p>	<ul style="list-style-type: none"> <li>• The Hon'ble Tribunal held that the tax could not have levied on the tax component of the total amount received or receivable by the dealer by relying on the orders of the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh in W.P.No.30903 of 2016 in the case of M/s. Sri Lakshmi Constructions decided on 29.8.2018.</li> </ul>



5	<p><b><u>M/s. Sri Jayalakshmi Automotives Pvt. Ltd.- TA No. 480/2010, Dt. 16-09-2019.</u></b></p> <p><b>Issue:</b> The assessing authority brought to tax the turnover relating to sales of cars to Canteen Stores Department and Government Departments at 4% is the concessional rate allowed on these sales by virtue of G.O.Ms.No.68, Revenue, dt.3.2.1997 and also levied a turnover tax (TOT) u/s.5A on the sales of motor cars under APGST Act, 1957.</p>	<ul style="list-style-type: none"> <li>• On perusal of the G.O.Ms.No.68, Rev. dt.3.2.1997, shows that the tax leviable on the goods mentioned in it would be at 4% in respect of sales made to Canteen Stores Department.</li> <li>• It can be seen that this G.O., was issued in exercise of the powers conferred by Sec.9(1) of the APGST Act, 1957.</li> <li>• Similarly, a perusal of Sec.5A shows that same starts with a non-obstante clause stating that “notwithstanding anything contained in this Act”.</li> <li>• Therefore, Sec.5A would have an overriding effect on all other provisions of the APGST Act, 1957 including Sec.9 (1) under which the said G.Os., were issued.</li> <li>• Hence, the Hon’ble Tribunal is of the considered opinion that Sec. 5A(1A) introduced w.e.f. 30.11.2001 would override the effect of G.O.Ms.No.68, Rev. dt.3.2.1997.</li> <li>• Accordingly, the Hon’ble Tribunal upholds the orders of the lower authorities on this point.</li> </ul>
6	<p><b><u>M/s. United Trading Agency, Hyderabad - TA No. 787/2010, dt. 02-11-2019.</u></b></p> <p><b>Issue:</b> The assessing authority brought to tax at 20% on vicco products like Vicco Turmeric paste, Vicco toothpaste, Vicco tooth powder treating it as the sale of cosmetics.</p>	<ul style="list-style-type: none"> <li>• The Hon’ble Tribunal held that the products like Vicco turmeric, Vicco toothpaste, Vicco tooth powder cannot be regarded as drugs and medicines even though they are manufactured under the drug license as per Entry 37 to the first schedule to the APGST Act, products capable of being use as cosmetics and toiletry preparations including toothpaste, tooth powder, etc are excluded from the definition of drugs and medicines.</li> </ul>

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## Recent Developments in GST Portal

### 1. NIL filing of GST CMP 08 through SMS

- a. A Composition RP can file a NIL statement in Form GST CMP-08 for a quarter, through SMS, apart from filing it through online mode.
- b. Conditions:
  - The TP must have filed all the applicable statements in Form GST CMP-08 for the previous quarters.
  - Authorized signatory and his/ her phone number must be registered on the GST Portal.
  - There must not be any data in the save stage, in the online version of Form GST CMP-08, on the GST Portal.
- c. Procedure
  - Send SMS to 14409 number to file Nil Form CMP-08
  - Send SMS again on the same number 14409 with Verification Code to confirm the filing of Nil Form CMP-08

2. At the time of submitting the data with EVC, the taxpayer is now provided with an option to resend EVC.

3. National Informatics Centre (NIC) has issued a list of GSTINs dated November 05, 2020, for whom e-invoicing shall be mandatory (RPs with AATO above Rs 5 Crores). The data can be accessed at the below URL <https://einvoice1.gst.gov.in/Documents/gstingenirn.xlsx>

### 4. Auto-populated Form GSTR-3B

It consists of:

- Liabilities in Table 3.1(a, b, c, and e) and Table 3.2 from GSTR-1
- Liability in Table 3.1(d) and ITC in Table 4 from auto-drafted ITC Statement GSTR-2B.
- This facility is made available in Form GSTR 3B dashboard from October 2020 tax period onwards for taxpayers who are registered as Normal taxpayer, SEZ Developer, SEZ unit, and casual taxpayer.
- Taxpayers will be able to access the auto-populated Form GSTR-3B through Login to **GST Portal > Returns Dashboard > Select Return period > GSTR-3B> System Generated 3B.**
- It is noticed that the system is giving an alert when the taxpayer revises the auto-populated values upward by 10% in table 3.1(d) which pertains to inward supplies liable to reverse charge. The

alert is erroneous and it will be resolved soon. The taxpayers may ignore it and continue to declare their correct liability in table 3.1 (d)

#### 5. Update on Blocking of E-Way Bill (EWB) generation facility

- From 1<sup>st</sup> December 2020, onwards, the blocking of the EWB generation facility would be made applicable to all the taxpayers (irrespective of their AATO) in terms of Rule 138 E (a) and (b) of the CGST Rules, 2017.
- Thus, the system will restrict the generation of EWB for taxpayers in case of:
  - GSTR-3B Return defaulter for two or more tax periods
  - GST CMP-08 Return defaulter for two or more tax periods

#### 6. Application by the taxpayer for un-blocking of E-Way Bill

- A facility has now been provided to the taxpayers on the GST portal, to apply online for unblocking of their EWB generation facility (in Form EWB-05), in case their EWB generation facility has been blocked.
- To file an online application for unblocking EWB generation facility on GST Portal, the taxpayer needs to:
  - Login to the portal and navigate to **Services> User services> My Applications**
  - Select application type as **“Application for unblocking of E-way bill”** and click **New Application**
  - Apply in **Form EWB-05**, with the upload of up to 04 documents
- The tax official can issue a Notice for a personal hearing to the taxpayer. Then the taxpayer can file their reply to the notice online, along with supporting documents.
- At the conclusion of the proceedings, the Tax Officer can issue an order (in Form EWB-06) approving the taxpayer application for unblocking the EWB generation facility, after which their EWB generation facility will be restored for the duration specified in the order.
- If the Tax Officer rejects the taxpayer’s application vide order in Form EWB-06, the EWB generation facility will remain blocked and the taxpayer shall be required to file their pending returns for the restoration of the EWB generation facility.

## 7. A Simple tool for E-invoice preparation

The National Informatics Centre (NIC) has released the beta version of the 'NIC-GST e-invoice Preparing and Printing' (*NIC-GePP*) excel based tool to assist the taxpayers. It is a simple, user-friendly form where invoices can be entered in web-based form and e-invoice with QR code can be printed after downloading the IRN from the e-invoice portal.

The tool can be downloaded using the link

<https://einvoice1-trial.nic.in/Documents/NIC-GePP.xlsm>

The User Manual can be accessed at

[https://einvoice1-trial.nic.in/Documents/Gepp\\_user\\_manual.pdf](https://einvoice1-trial.nic.in/Documents/Gepp_user_manual.pdf)

## 8. Auto-population of e-invoice details into GSTR-1

- The data in GSTR-1 is now available on a T+3 day basis, i.e., for example, the data from e-invoices uploaded on 18-12-2020 would be visible in GSTR-1 on 21-12-2020. The same will be correspondingly reflected in GSTR-2A/2B/4A/6A.
- The auto-population of e-invoice data into GSTR-1 is based on the date of the document (as reported to IRP). The details of e-invoices pertaining to periods of October and November 2020, would be processed and made available in an incremental manner from 13<sup>th</sup> December 2020 onwards.

## 9. Quarterly Return filing & Monthly Payment of Taxes (QRMP) Scheme

Following RPs can file quarterly returns and pay tax on a monthly basis w.e.f. 01.01.2021:

- An RP who is required to file Form GSTR 3B with AATO of up to Rs 5 Cr. in the previous financial year.
- Any person obtaining a new registration or opting out of the Composition Scheme can also opt for this Scheme.
- This option can be availed GSTIN wise. Therefore, few GSTINs for a PAN can opt for the Scheme, and the remaining GSTINs can remain out of the Scheme.
- The facility can be availed throughout the year, in any quarter.
- Option for QRMP Scheme, once exercised, will continue till RP revises the option or his AATO exceeds Rs 5 Cr.
- RPs migrated by default can choose to remain out of the scheme by exercising their option from 5<sup>th</sup> Dec 2020 till 31<sup>st</sup> Jan 2021.

- The RPs opting for the scheme can avail Invoice Furnishing Facility (IFF), so that the outward supplies to the registered persons are reflected in the Form GSTR 2A & 2B of the recipient.

#### 10. Communication between suppliers and recipients on GST portal

- A facility of 'Communication Between Taxpayers' has been provided on the GST Portal, for sending a notification by recipient taxpayers to their supplier taxpayers and vice versa, regarding missing documents or any shortcomings in the documents or any other issue related to it.
- This facility is available to all registered persons, except those registered as TDS, TCS, or NRTP.
- The service can be accessed at **Services > User Services > Communication between Taxpayers**
  - a) The counterparty taxpayer will receive an e-mail on their registered e-mail address and an SMS on his registered mobile number for all notifications received. An alert will also be given to the Recipient/Supplier on logging into the GST portal.
  - b) A taxpayer is allowed to send up to 100 notifications to a single GSTIN for a particular tax period.
  - c) The recipient can upload the details of missing documents (not uploaded by their supplier in his Form GSTR-1) and send a notification to their supplier, using this facility. A Supplier can then add such documents in their Form GSTR-1, if not reported earlier. The taxpayers can communicate remarks and also attach documents.
  - d) For more details

[https://tutorial.gst.gov.in/userguide/returns/index.htm#t=Manual\\_communication.htm](https://tutorial.gst.gov.in/userguide/returns/index.htm#t=Manual_communication.htm)

#### 11. GSTR-9 for the period 2019-20

The Facility to file annual return in form GSTR 9 for the period 2019-20 is now made available. The form is enabled for taxpayers whose table 8A computation has been completed. All the applicable returns of the said year have to be filed before attempting to file the annual return.

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## 42<sup>nd</sup> GST Council Recommendations

*Rupa Sowmya Kanchi, DC (ST)*

The 42<sup>nd</sup> GST Council was held through video conferencing on 05-10-2020 and the extended 42<sup>nd</sup> GST Council meet was convened on 12-10-2020. The outcome of the Council meet is as under:

1. The council recommended the Levy of Compensation Cess to be extended beyond the transition period of five years i.e. beyond June 2022, for such period as may be required to meet the revenue gap in the transition period. The Compensation to States is not extended beyond 5 years.
2. The Centre has released compensation of around Rs. 25,000 crores from the Cess Collections made during the year to States on 06-10-2020, of which Telangana received an amount of Rs. 771 Crores towards loss of revenue during 2020-21;
3. It was agreed to release an amount of about Rs. 25,000 crores towards IGST Ad-hoc settlement pertaining to the year 2017-18 as recommended by the Group of Ministers (GoM) on IGST Settlement in which Telangana was also a member State and was successful in the advancement of the GoM meeting and strongly put forth the concerns of the States which are to receive the amounts. Telangana's share on this count is Rs. 2638 Crores. However, recovery of excess Compensation from certain States was agreed to be made at a later date.
4. The Council made the following recommendations pertaining to enhancement in features of return filing:
  - a) Due date of furnishing quarterly GSTR-1 by taxpayers to be revised to 13<sup>th</sup> of the month succeeding the quarter w.e.f. 01.1.2021 from the existing due date of the end of the month succeeding the quarter;
  - b) Roadmap for auto-generation of GSTR-3B from GSTR-1s by:
    - i. Auto-population of liability from the taxpayer's GSTR-1 w.e.f. 01.01.2021;
    - ii. Auto-population of the input tax credit from suppliers' GSTR-1s through the newly developed facility in FORM GSTR-2B for monthly filers w.e.f. 01.01.2021 and for quarterly filers w.e.f. 01.04.2021;
  - c) In order to ensure auto-population of ITC and liability in GSTR 3B as detailed above, FORM GSTR-1 would be mandatorily required to be filed before FORM GSTR-3B w.e.f. 01.04.2021.

- d) The present GSTR-1/3B return filing system to be extended till 31.03.2021 and the GST laws to be amended to make the GSTR-1/3B return filing system as the default return filing system.
5. As a further step towards reducing the compliance burden particularly on the small taxpayers having aggregate annual turnover <Rs 5 Cr, the Council's earlier recommendation of allowing filing of returns on a quarterly basis with monthly payments by such taxpayers to be implemented w.e.f. 01.01.2021. Such quarterly taxpayers would, for the first two months of the quarter, have an option to pay 35% of the net cash tax liability of the last quarter using an auto-generated challan.
  6. Revised Requirement of declaring HSN for goods and SAC for services in invoices and in FORM GSTR-1 w.e.f. 01.04.2021 as under:
    - a. HSN/SAC at 6 digits for supplies of both goods and services for taxpayers with aggregate annual turnover above Rs. 5 crores and 4 digits for those with turnover less than 5 Crores(B2B);
    - b. Government to have the power to notify 8 digit HSN on the notified class of supplies by all taxpayers.
  7. Provision for furnishing of Nil FORM CMP-08 through SMS.
  8. Refund to be paid/disbursed in a validated bank account linked with the PAN & Aadhaar of the registrant w.e.f. 01.01.2021.
  9. To encourage domestic launching of satellites, the satellite launch services supplied by ISRO, Antrix Corporation Ltd., and NSIL would be exempted.
  10. Providing Compensation to States through borrowing:
    - a) The GST council in the meeting has not arrived at a consensus on the mode of release of compensation to states.
    - b) The state of Telangana has stood on firm ground that the Centre has to borrow and has to Compensate the States in full recalling the promises made by the then Hon'ble Finance Minister Shri Arun Jaitley when the shortfall was envisaged by the States.
    - c) Subsequent to 42<sup>nd</sup> GST Council Meet, the Centre has finally agreed to borrow and provide back-to-back loans to States, through Option-1 and has requested the remaining States to come along. All the states have agreed to Option-I

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**Note: The officials of the department are requested to refer to the Acts, Rules, Original Notifications, Circulars, Judgments, orders, etc published in the Gazette/GO, Hon'ble court websites related to the content, documents (provided through links) in this magazine before using them. Documents and content are provided only for reference purposes.**



HARITHA HAARAM

