



# GST DIGEST

(Quarterly e-Magazine)

**Issue No.1**

**Period: April, 2020 to June, 2020**

## **Chief Patron**

Sri. Somesh Kumar, IAS  
Chief Secretary & Special  
Chief Secretary (Revenue),  
Telangana

## **Patron**

Smt. Neetu Prasad, IAS  
Commissioner (ST), Telangana

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**FOREWORD**

I welcome the initiative of the Commercial Taxes Department in bringing a Quarterly e-Magazine for the benefit of the Officials of the Department. The introduction of Goods and Services Tax has been the biggest tax reform that the country has ever seen. Despite teething problems, it is being successfully implemented. Telangana state is always been in forefront in implementation of GST and is the second state in ratification of the 122<sup>nd</sup> Constitution Amendment Bill and the first state to enact the State GST Act. Further Telangana state has received lowest GST compensation and the policies of the state are recognized at the national level and became a model for other states.

The GST regime is evolving quickly in many fronts – legal provisions and procedures, technology and administration. Hence, it is imminent on the part of all the Officials to have thorough, prompt and regular updates in the GST taxation system. I am sure that the e-Magazine now being brought out by the Department would cater to these needs. I hope all the Officials would make use of the e-Magazine and continue to bestow their best efforts in placing the State in high esteem and a model state to emulate by other states in the Country.

On this occasion I congratulate the Commissioner for encouraging officers and materializing the e-Magazine. I wish all the best to the editorial committee in their future endeavors.

**Sri. Somesh Kumar, IAS  
Chief Secretary &  
Special Chief Secretary (Revenue)  
Telangana**

**MESSAGE**

I am happy to note that the CTD Staff College is bringing a Quarterly e-Magazine starting from the quarter ending 30-06-2020. This would serve as the best alternative to the physical training which had to be averted in view of the current pandemic situation. It is planned that all the developments in the field of indirect taxation that took place in a quarter are covered in this e-Magazine. It is also expected that it serves as a reference note for all the Officials of the Department in exercise of their duties.

I thank our Hon'ble Chief Secretary & Special Chief Secretary (Revenue), Telangana State Sri Somesh Kumar IAS garu , for his support and it is Sirs idea of keeping the officers updated in GST by using technology as a means of transfer of knowledge for effective tax administration that the department has come up with this e magazine.

I hope all the CTD fraternity welcome the initiative and make use of it. My best wishes to all the Officials of the Department.

**Smt. Neetu Prasad, IAS  
Commissioner (ST), Telangana**

**MESSAGE**

It is my immense pleasure to introduce a Quarterly e-Magazine by name **GST Digest** being published by the CTD Staff College. It covers the latest updates on GST amendments, notifications, circulars, Advance Rulings, Case laws and articles on diverse subjects of GST. It would act like a ready reckoner for the field functionaries. It would equip them and guide in day to day tax administration, which has become more dynamic in GST regime. I congratulate all the Officers who are involved in the process from the date of mooted this idea to the current stage of making it realized.

I believe this magazine will help the officials in effective tax administration and thereby bring high tax growth as envisaged by Government of Telangana under leadership of our Hon'ble Chief Secretary & Special Chief Secretary (Revenue) , Telangana State , Sri Somesh Kumar IAS garu.

I wish all the Officials the very best in all their official endeavors.

**Sri J. Laxminarayana**  
**Additional Commissioner (ST)(Gr.1)**  
**Chairman, Editorial Committee**

**NOTIFICATIONS, CIRCULARS & RODS**

Sl. No.	Reference & Subject	Brief Description
01	<p><a href="#">Central Tax Notification No. 30/2020, Dated 03-04-2020</a></p> <p>Subject: Amendment to Composition rules and Rule 36(4)</p>	<ol style="list-style-type: none"> <li>1. Due date of filing FORM CMP-02 (Intimation to pay tax under composition levy) for the FY 2020-21 is extended upto <u>30<sup>th</sup> June, 2020</u> from 31<sup>st</sup>March, 2020.</li> <li>2. Correspondingly due date of filing FORM GST ITC-03 (Intimation of ITC reversal/payment of tax on inputs held in stock etc., by a TP opting for composition levy) is extended up to the 31-07- 2020.</li> <li>3. Insertion of a proviso at Rule 36(4) – Conditions for availing ITC – shall not exceed 10% ITC as available in GSTR 2A - This proviso enables application of this condition cumulatively for the periods Feb to August 2020 and adjustment shall be made in the return of September 2020.</li> </ol>
02	<p><a href="#">Central Tax Notification No.31/2020, Dated 03-04-2020</a> (Amendment to Notification No 13/2017)</p> <p>Subject: COVID Measures- Reduction in rate of interest for delay in filing GSTR 3B for the months of Feb, March and April 2020.</p>	<ol style="list-style-type: none"> <li>1. Registered tax payers are divided in to three (3) categories based on aggregate turnover in the previous financial year</li> <li>2. TO &gt;Rs 5 Crores – <ul style="list-style-type: none"> <li>• Nil rate of interest for first 15 days of delay</li> <li>• Thereafter 9% if GSTR 3B is filed by 24<sup>th</sup> June, 2020.</li> </ul> </li> <li>3. TO &gt;1.5 Cr and upto Rs 5 Crs <ul style="list-style-type: none"> <li>• Nil Rate of interest if GSTR 3B is filed by <ul style="list-style-type: none"> <li>○ 29<sup>th</sup> June, 2020 for Feb and March 2020</li> <li>○ 30<sup>th</sup> June 2020 for April 2020</li> </ul> </li> </ul> </li> <li>4. TO upto Rs 1.5 Cr <ul style="list-style-type: none"> <li>• Nil Rate of interest if GSTR 3B is filed by <ul style="list-style-type: none"> <li>○ 30<sup>th</sup> June, 2020 for Feb 2020</li> <li>○ 3<sup>rd</sup> July, 2020 for March 2020</li> <li>○ 6<sup>th</sup> July 2020 for April 2020</li> </ul> </li> </ul> <p>(Note: Further modified vide notification 51/2020, dated 24-06-2020 – pl see at sl. no. 22 of this table)</p> </li> </ol>
03	<p><a href="#">Central Tax Notification No.32/2020, Dated 03-04-2020</a></p> <p>Subject: COVID Measures- Waiver of late fee for delay in filing GSTR 3B for the months of Feb, March and April 2020.</p>	<ol style="list-style-type: none"> <li>1. Registered tax payers are divided in to three (3) categories based on aggregate turnover in the previous financial year</li> <li>2. TO &gt;Rs 5 Crores – <ul style="list-style-type: none"> <li>• Late fee is waived if GSTR 3B is filed by 24<sup>th</sup> June, 2020.</li> </ul> </li> <li>3. TO &gt;1.5 Cr and upto Rs 5 Crs <ul style="list-style-type: none"> <li>• Late fee is waived if GSTR 3B is filed by <ul style="list-style-type: none"> <li>○ 29<sup>th</sup> June, 2020 for Feb and March 2020</li> <li>○ 30<sup>th</sup> June 2020 for April 2020</li> </ul> </li> </ul> </li> <li>4. TO upto Rs 1.5 Cr <ul style="list-style-type: none"> <li>• Late fee is waived if GSTR 3B is filed by <ul style="list-style-type: none"> <li>○ 30<sup>th</sup> June, 2020 for Feb 2020</li> <li>○ 3<sup>rd</sup> July, 2020 for March 2020</li> <li>○ 6<sup>th</sup> July 2020 for April 2020</li> </ul> </li> </ul> <p>(Note: Further extended vide notification 52/2020, dated 24-06-2020 – pl see at sl. no. 23 of this table)</p> </li> </ol>

Sl. No.	Reference & Subject	Brief Description
04	<a href="#">Central Tax Notification No.33/2020, dated 03-04-2020</a> Subject: COVID Measures	1. Late fee is waived if GSTR-1 is filed by 30-06-2020 <ul style="list-style-type: none"> <li>• For the months of Feb, March and April 2020</li> <li>• For the quarter ending with 31<sup>st</sup> March, 2020.</li> </ul> (Note: Further extended vide notification 53/2020, dated 24-06-2020 – pl see at sl. no. 24 of this table)
05	<a href="#">Central Tax Notification No.34/2020, dated 03-04-2020</a> Subject: COVID Measures	1. Due date of payment of tax under composition levy through CMP-08 (Statement for payment of self-assessed tax) for the quarter ending 31 <sup>st</sup> March, 2020 is extended to 7 <sup>th</sup> July 2020 from April 18, 2020. 2. Due date of filing return in GSTR-4 (Return for composition tax payers) for the financial year ending 31 <sup>st</sup> March, 2020, is extended to 15 <sup>th</sup> July, 2020 from April 30, 2020.
06	<a href="#">Central Tax Notification No.35/2020, dated 03-04-2020</a>  Subject: COVID Measures –Extension of due dates of compliance, e-Waybills, etc.,	1. Any time limit for completion or compliance of any action, by any authority or by any person under the Act, which falls during the period from the 20 <sup>th</sup> day of March, 2020 to the 30 <sup>th</sup> day of June 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended up to the 30 <sup>th</sup> June, 2020.(Note: Further extended till August, 31 <sup>st</sup> , 2020 vide notification 55/2020, 24-06-2020 - pl see at sl. no. 26 of this table) 2. If an e-way bill has been generated and its period of validity expires during the period 20 <sup>th</sup> March, 2020 to 15 <sup>th</sup> April, 2020 the validity period of such e-way bill is extended to 30 <sup>th</sup> April, 2020.(Note: Further extended to 31 <sup>st</sup> May vide notification 40/2020 and further more extended to 30 <sup>th</sup> June vide notification 47/2020 - pl see at sl. no. 11 & 18 of this table)
07	<a href="#">Central Tax Notification No.36/2020, dated 03-04-2020</a> Subject: COVID Measures.	1. Due date of filing GSTR 3B for the month of May, 2020 is extended to <ul style="list-style-type: none"> <li>• 27<sup>th</sup> June, 2020 for the tax payers having aggregate turnover more than Rs. 5 Crs in the previous financial year.</li> <li>• 12<sup>th</sup> July, 2020, for other tax payers.</li> </ul>
08	<a href="#">Central Tax Notification No.37/2020, dated 03-04-2020</a> Subject: Effective date of rule 87(13)	1. CGST Rule 87(13) came in to effect from April 21 <sup>st</sup> , 2020. 2. Under the above Rule, form GST PMT-09 (Transfer of amount from one account head to another in electronic cash ledger) is prescribed enabling tax payers to transfer amount available in electronic cash ledger from one head to another.
09	<a href="#">Central Tax Notification No.38/2020, dated 05-05-2020</a> Subject: Amendment to rules-COVID Measure –filing GSTR 3B by EVC and Nil returns through SMS	1. Insertion of a proviso at Rule 26(1): TPs registered under the Companies Act, 2013 are allowed to furnish FORM GSTR-3B through electronic verification code(EVC) from 21 <sup>st</sup> April, 2020 to 30 <sup>th</sup> June, 2020 (Note: Extended to September 30, 2020 through Notification No.48/2020 – pl see sl no 19 of this table) 2. Inserted Rule 67(A): Electronic filing of NIL GSTR 3B return includes filing through SMS via a registered mobile verified by OTP.

Sl. No.	Reference & Subject	Brief Description
10	<a href="#">Central Tax Notification No. 39/2020, dated 05-05-2020</a> Subject: Amendment to CT NN 11/2020 Dated 21-03-2020	<ol style="list-style-type: none"> <li>1. Excluding RP/IRP under IBC Act for a Corporate Debtors who have filed GSTR1 &amp; 3B returns up to date by the time of appointment of RP/IRP as a class of persons for registration as distinct person from the Corporate Debtor.</li> <li>2. Due date for registration by the RP/IRP of a corporate debtor appointed under IBC Act is modified as within 30 days of appointment or 30th June, 2020, whichever is later</li> </ol>
11	<a href="#">Central Tax Notification No. 40/2020, dated 05-05-2020</a>	If an e-way bill has been generated and its period of validity expires during the period March 20, 2020 to April 15, 2020, the validity period of such e-way bill is extended till the May 31 <sup>st</sup> , 2020. (Amendment to CT NN 35/2020, 03-04-2020)
12	<a href="#">Central Tax Notification No.41/2020, dated 05-05-2020</a>	Due date for filing Annual return for the FY 2018-19 is extended to September 30,2020 from 30 <sup>th</sup> June 2020.
13	<a href="#">Central Tax Notification No. 42/2020, 05-05-2020.</a>	Extended due date for filing GSTR 3B for TPs registered in Union Territory of Ladakh.
14	<a href="#">Central Tax Notification No. 43/2020, 16-05-2020</a>	Section 128 of Finance Act, 2020 is come into force in order to effect amendment in Section 140 (transitional credit) of CGST Act w.e.f. 01.07.2017.
15	<a href="#">Central Tax Notification No. 44/2020, 08-06-2020</a>	Rule 67A: SMS service for furnishing a nil return in FORM GSTR-3B by SMS came in to effect from 08-06-2020
16	<a href="#">Central Tax Notification No. 45/2020, 09-06-2020</a>	Extended due date for filing GSTR 3B for TPs registered in Union Territory of Daman & Diu.
17	<a href="#">Central Tax Notification No. 46/2020, dated 09-06-2020</a> Subject: COVID Measure-Extension of due dates	<ol style="list-style-type: none"> <li>1. Extended period to pass order under Section 54(7) (rejection of refund order).</li> <li>2. If a notice has been issued for rejection of refund claim, and where the time limit for issuance of order falls during the period from 20<sup>th</sup> March, 2020 to 29<sup>th</sup> June, 2020, in such cases the time limit for issuance of the order extended to 15 days after the receipt of reply to the notice from the registered person or the 30<sup>th</sup> June, 2020, whichever is later</li> </ol>
18	Central Tax Notification No. 47/2020, <a href="#">dated</a> 09-05-2020	If an e-way bill has been generated and its period of validity expires during the period March 20, 2020 to April 15, 2020 the validity period of such e-way bill shall be deemed to have been extended till June 30 <sup>th</sup> , 2020. (Amendment to CT NN 40/2020, 05-05-2020, sl no 11 Of this table)
19	<a href="#">Central Tax Notification No. 48/2020, Dated 19-06-2020</a>	A registered person registered under the Companies Act, 2013, [from 21 <sup>st</sup> April, 2020 to 30 <sup>th</sup> September, 2020] allowed to furnish Form GSTR-3B& GSTR-1 through electronic verification code(EVC).
20	<a href="#">Central Tax Notification No.</a>	To bring into force Sections 118, 125,129 & 130 of Finance

Sl. No.	Reference & Subject	Brief Description
	<a href="#">49/2020, 24-06-20</a>	Act,2020 in order to bring amendment to sections 2,109,168 & 172 of CGST Act w.e.f 20.06.2020
21	<a href="#">Central Tax Notification No. 50/2020, Dated 24-06-2020</a>	<ol style="list-style-type: none"> <li>TPs under composition levy under sec 10 (2A) (engaged in supply of both goods &amp; services) – rate of tax is prescribed as 6% (CGST+SGST)</li> <li>This shall come into force from the 1/04/2020.</li> </ol>
22	<a href="#">Central Tax Notification No. 51/2020 Dated 24-06-2020</a> Subject: COVID Measures-rate of Interest reduced	<ol style="list-style-type: none"> <li>Registered tax payers are divided in to two (2) categories based on aggregate turnover in the previous financial year</li> <li>TO &gt;Rs 5 Crores – <ul style="list-style-type: none"> <li>Nil rate of interest for first 15 days of delay</li> <li>Thereafter 9% till 24<sup>th</sup> June, 2020 for the GSTR 3B returns Feb, Mar &amp; April 2020.</li> </ul> </li> <li>TO upto Rs 5 Crs <ul style="list-style-type: none"> <li>Nil Rate of interest for GSTR 3B return till <ul style="list-style-type: none"> <li>30<sup>th</sup> June, 2020 for Feb 2020</li> <li>3<sup>rd</sup> July 2020 for March 2020</li> <li>6<sup>th</sup> July 2020 for April 2020</li> <li>12<sup>th</sup> Sep 2020 for May 2020</li> <li>23<sup>rd</sup> Sep 2020 for June 2020</li> <li>27<sup>th</sup> Sep 2020 for July 2020</li> <li>There after 9% interest till 30<sup>th</sup> September 2020</li> </ul> </li> </ul> </li> </ol> <p>(Modification to CT NN 31/2020, 03-04-2020)</p>
23	<a href="#">Central Tax Notification No.52/2020 Dated 24-06-2020</a> Subject: COVID Measures- Waiver of late fee for delay in filing GSTR 3B for the months of Feb, March, April, May, June and July 2020	<ol style="list-style-type: none"> <li>Registered tax payers are divided in to two(2) categories based on aggregate turnover in the previous financial year</li> <li>TO &gt;Rs 5 Crores – <ul style="list-style-type: none"> <li>Late fee is waived if GSTR 3B filed by 24<sup>th</sup> June, 2020 for the GSTR 3B returns of Feb, March and April 2020.</li> </ul> </li> <li>TO upto Rs 5 Crs <ul style="list-style-type: none"> <li>Late fee is waived if GSTR 3B is filed by <ul style="list-style-type: none"> <li>30<sup>th</sup> June, 2020 for Feb 2020</li> <li>3<sup>rd</sup> July 2020 for March 2020</li> <li>6<sup>th</sup> July 2020 for April 2020</li> <li>12<sup>th</sup> Sep for May 2020</li> <li>23<sup>rd</sup> Sep for June 2020</li> <li>27<sup>th</sup> Sep for July 2020</li> </ul> </li> </ul> </li> </ol> <p>(Modification to CT NN 32/2020, 03-04-2020)</p>
24	<a href="#">Central Tax Notification No. 53/2020, dated 24-06-2020</a> Subject: COVID Measures- Waiver of late fee for GSTR 1.	<p>Late fee is waived for GSTR-1 till</p> <ul style="list-style-type: none"> <li>10-07-2020 for the month of March 2020.</li> <li>24-07-2020 for the month of April 2020.</li> <li>28-07-2020 for the month of May 2020.</li> <li>05-08-2020 for the month of June 2020.</li> <li>17-07-2020 for the quarter ending with 31<sup>st</sup> March, 2020.</li> <li>03-08-2020 for the quarter ending with 30<sup>th</sup> June, 2020.</li> </ul>
25	<a href="#">Central Tax Notification No. 54/2020, 24-06-2020</a> Subject: COVID Measures	Due date for filing GSTR 3B for the month of August 2020 is extended to October 1 <sup>st</sup> , 2020 from September 22 <sup>nd</sup> 2020 for tax payers whose aggregate turnover in the previous financial year is upto Rs. 5 Crs.



Sl. No.	Reference & Subject	Brief Description
26	<a href="#">Central Tax Notification No. 55/2020, 27-06-2020</a> Subject: COVID Measures	Any time limit for completion or compliance of any action, by any authority or by any person under the Act, which falls during the period from the 20 <sup>th</sup> March, 2020 to the 30 <sup>th</sup> August, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended up to the 31 <sup>st</sup> August, 2020.
27	<a href="#">Central Tax Notification No. 56/2020, 27-06-2020</a> Subject: COVID Measures-Refund	If a notice has been issued for rejection of refund claim in full or in part and where the time limit for issuance of order falls during the period from 20 <sup>th</sup> March, 2020 to 30 <sup>th</sup> August, 2020, the time limit for issuance of said order shall be extended to 15 days after receipt of reply to the notice from Registered Person or 31 <sup>st</sup> August, 2020 whichever is later. (Modification to CT NN 46/2020, dated 09-06-2020)
28	<a href="#">Central Tax Notification No.57/2020 Dated 30-06-2020</a> Subject: COVID Measures- Waiver of late fee for delay in filing GSTR 3B	<ol style="list-style-type: none"> <li>1. Registered tax payers are divided in to two(2) categories based on aggregate turnover in the previous financial year</li> <li>2. TO &gt; Rs 5 Crores –             <ul style="list-style-type: none"> <li>• For the months of May 2020 to July 2020</li> <li>• Late fee is Nil for Nil returns</li> <li>• Late fee is lowered to Rs.500-00 for other tax payers if GSTR 3B is filed by 30<sup>th</sup> September, 2020</li> </ul> </li> <li>3. TO up to Rs 5 Crs             <ul style="list-style-type: none"> <li>• For the months of July 2017 to July 2020</li> <li>• Late fee is Nil for Nil returns</li> </ul> </li> </ol> Late fee is lowered to Rs.500-00 for other tax payers if GSTR 3B is filed by 30 <sup>th</sup> September, 2020.
29	<a href="#">Integrated Tax Notification No. 03/2020, 08-04-2020</a> (Amendment to Notification No 13/2017) Subject: COVID Measures- Reduction in rate of interest for delay in filing GSTR 3B for the months of Feb, March and April 2020.	<ol style="list-style-type: none"> <li>1. Registered tax payers are categorized in to three (3) categories based on aggregate turnover in the previous financial year</li> <li>2. TO &gt;Rs 5 Crores –             <ul style="list-style-type: none"> <li>• Nil rate of interest for first 15 days of delay</li> <li>• Thereafter 9% if GSTR 3B is filed by 24<sup>th</sup> June, 2020.</li> </ul> </li> <li>3. TO &gt;1.5 Cr and uptoRs 5 Crs             <ul style="list-style-type: none"> <li>• Nil Rate of interest if GSTR 3B is filed by                 <ul style="list-style-type: none"> <li>○ 29<sup>th</sup> June, 2020 for Feb and March 2020</li> <li>○ 30<sup>th</sup> June 2020 for April 2020</li> </ul> </li> </ul> </li> <li>4. TO &lt;= Rs 1.5 Cr             <ul style="list-style-type: none"> <li>• Nil Rate of interest if GSTR 3B is filed by                 <ul style="list-style-type: none"> <li>○ 30<sup>th</sup> June, 2020 for Feb 2020</li> <li>○ 3<sup>rd</sup> July, 2020 for March 2020</li> <li>○ 6<sup>th</sup> July 2020 for April 2020</li> </ul> </li> </ul> </li> </ol>
30	<a href="#">Integrated Tax Notification 04/2020, dated 24-06-2020</a> Subject: Effective date notification	<ol style="list-style-type: none"> <li>1. The Central Government appoints the 30<sup>th</sup> June 2020, as the date on which the provisions of section 134 of the Finance Act, shall come into force.</li> <li>2. Section 134 of Finance Act 2020 relates to amendment to section 25 of IGST</li> <li>3. Section 25 of IGST Act, (Removal of difficulties) empowers Central Government to make provisions for the purpose of removing any difficulty in giving effect to any provisions. Such order shall be made within 3 years of commencement of the Act. The same is amended to five (5) years from the commencement of the Act by Finance Act 2020.</li> </ol>

Sl. No.	Reference & Subject	Brief Description
31	<a href="#">Integrated Tax Notification No. 05/2020 Dated 24-06-2020</a> Subject: COVID Measures-rate of Interest reduced (Amendment to Integrated Tax NN. 03/2020, dt. 03-04-2020)	<ol style="list-style-type: none"> <li>1. Registered tax payers are categorized in to two (2) categories based on aggregate turnover in the previous financial year</li> <li>2. TO &gt;Rs 5 Crores –             <ul style="list-style-type: none"> <li>• Nil rate of interest for first 15 days of delay</li> <li>• Thereafter 9% if GSTR 3B is filed by 24<sup>th</sup> June, 2020 for the months Feb, Mar &amp; April 2020.</li> </ul> </li> <li>3. TO upto Rs 5 Crs             <ul style="list-style-type: none"> <li>• Nil Rate of interest if GSTR 3B is filed by                 <ul style="list-style-type: none"> <li>○ 30<sup>th</sup> June, 2020 for Feb 2020</li> <li>○ 3<sup>rd</sup> July 2020 for March 2020</li> <li>○ 6<sup>th</sup> July 2020 for April 2020</li> <li>○ 12<sup>th</sup> Sep 2020 for May 2020</li> <li>○ 23<sup>rd</sup> Sep 2020 for June 2020</li> <li>○ 27<sup>th</sup> Sep 2020 for July 2020</li> <li>○ There after 9% interest till 30<sup>th</sup> September 2020</li> </ul> </li> </ul> </li> </ol>
32	<a href="#">Central Rate Notification 02/2020, dated 26-03-2020</a> HSN:9987	<ul style="list-style-type: none"> <li>• Inserted an item (ia) to Sl.No.25 of Rate Notification No 11/2017 dated 28-06-2017</li> <li>• Hence the supply of “Maintenance, repair or overhaul services in respect of aircrafts, aircraft engines and other aircraft components as parts” is under 5% slab rate, reduced from 18% slab rate, effective from 1-04-2020.</li> </ul>
33	<a href="#">Central Rate Notification 03/2020, dated 25-03-2020</a> 1)HSN: 3605 00 10 2)HSN:8517	<ul style="list-style-type: none"> <li>• Amended Rate Notification 1/2017 w.e.f 01-04-2020             <ol style="list-style-type: none"> <li>(a) Omitted Sl.No.187 (handmade safety matches – HSN 36050010) from schedule-I (5% slab rate)</li> <li>(b) Omitted Sl.No. 202 &amp; 203 (Telephones for cellular networks/other wireless networks and its parts – HSN 8517) from schedule II (12% slab rate)</li> <li>(c) Omitted Sl.No. 73 (matches other than handmade safety matches) from schedule III (18% slab rate)</li> <li>(d) Inserted Sl.No.75A (all goods falling under HSN 36050010 i.e., safety matches) under schedule II (12% slab rate)</li> <li>(e) Substituted Sl.No 379 of Schedule-III (18% slab rate) the words “all goods” for the HSN 8517 i.e., Telephones for cellular networks/other wireless networks and its parts.</li> </ol> </li> </ul>
34	<a href="#">Removal of Difficulty Order No 01/2020, Dated 25-06-2020</a> Sub: Revocation of cancellation of registration	For the purpose of calculating the period of thirty days for filing application for revocation of cancellation of registration for those registered persons who were served notice and where cancellation order was passed up to 12th June, 2020, the later of the following dates shall be considered:- <ul style="list-style-type: none"> <li>• Date of service of the said cancellation order; or b) 31<sup>st</sup> August, 2020.</li> </ul>

Note: 1) CT NN : Central Tax Notification Number

2) CR NN : Central Rate Notification Number

\* \* \*

**CIRCULARS****1. [CGST Circular No. 136/06/2020, dated 03-04-2020](#)**

**Subject: Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19)**

Clarifications are issued in view of tax notifications issued in 31/2020, 32/2020 and 33/2020. In view of issuance notifications in 51/2020, 52/2020 & 53/2020 the clarifications issued in this circular modified in the circular 141/11/2020 dated 24-06-2020

**2. [CGST Circular No. 137/07/2020, dated 13-04-2020](#)**

**Subject: Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-Advances - reg.**

- a. In case GST is paid by the supplier on advances received for a future event which got cancelled subsequently and for which invoice is issued before supply of service, the supplier is required to issue a “credit note” in terms of section 34 of the CGST Act. There is no need to file a separate refund claim.
  - However, in cases where there is no output liability against which a credit note can be adjusted, RPs can claim through FORM GST RFD-01.
- b. In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued, he is required to issue a “refund voucher”. The RP can apply for refund of GST paid on such advances.
- c. Where the goods supplied by a supplier are returned by the recipient and where tax invoice had been issued, the supplier is required to issue a “credit note”. There is no need to file a separate refund claim in such a case.
  - However, in cases where there is no output liability against which a credit note can be adjusted, RPs can claim refund.
  - CT NN. 37/2017, 04.10.2017 requires LUT to be furnished for a financial year. However, in terms of CT NN. 35/2020, 03.04.2020, time limit for filing of LUT for the year 2020-21 is extended to 30.06.2020 and the exporter can continue to make the supply without payment of tax under LUT provided that the FORM GST RFD-11 for 2020-21 is filed by 30.06.2020. They may quote the reference number of the LUT for the year 2019-20 in the relevant documents.
- d. As per CT NN.35/2020,03.04.2020, the due date for filing GSTR-7 along with deposit of TDS for the period March to May 2020 is extended to 30.06.2020.
- e. As per CT NN. 35/2020, 03.04.2020, the due date for filing an application for refund falling during the period from 20.03.2020 to 29.06.2020 is extended to 30.06.2020.

**3. [CGST Circular No. 138/08/2020, dated 06-05-2020](#)**

**Subject: Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg.**

Issues related to Insolvency and Bankruptcy Code, 2016

- a. Vide CT NN.39/2020, 05.05.2020, the time limit required for obtaining registration by the IRP/RP in terms of special procedure prescribed vide CT NN. 11/2020, 21.03.2020 is extended. Accordingly, IRP/RP shall now be

- required to obtain registration within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later.
- b. The CT NN. 11/2020, 21.03.2020 was issued to devise a special procedure to overcome the requirement of sequential filing of FORM GSTR-3B under GST and to align it with the provisions of the IBC Act, 2016. The said notification has been amended vide CT NN. 39/2020, 05.05.2020, accordingly it is clarified that IRP/RP would not be required to take a fresh registration in those cases GSTR-1 and GSTR-3B returns for all the tax periods prior to the appointment of IRP/RP have been furnished.
  - c. The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory and it would not be considered as a distinct person on every such change after initial appointment.

Other COVID-19 related representations

- a. Vide CT NN. 35/2020, 03.04.2020, time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020, accordingly, it is clarified that the said requirement of exporting the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30th June, 2020, if it falls within 20.03.2020 to 29.06.2020.

**4. [CGST Circular No. 139/09/2020, dated 10-06-2020](#)**

**Subject: Clarification on refund related issues – reg.**

1. Refund sanctioning authorities have rejected the refund of accumulated ITC in respect of ITC availed on Imports, ISD invoices, RCM etc. citing issue No.5 in Circular No.135/05/2020, 31st March, 2020 on the basis that the details of the said invoices/ documents are not reflected in FORM GSTR-2A of the applicant.
  - In this context it is noteworthy that before the issuance of Circular No. 135/05/2020, 31st March, 2020, refund was being granted even in respect of credit availed on the strength of missing invoices (not reflected in FORM GSTR-2A) which were uploaded by the applicant along with the refund application. However, vide Circular No.135/05/2020, 31st March, 2020, the refund related to these missing invoices has been restricted. Now, the refund of accumulated ITC shall be restricted to the ITC reflected in GSTR-2A of the applicant.
  - The aforesaid circular does not in any way impact the refund of ITC availed on the documents relating to imports, ISD invoices and the inward supplies liable to RCM. It is hereby clarified that the treatment of refund of such ITC will continue to be same as it was before the issuance of Circular No. 135/05/2020, 1st March, 2020.

**5. [CGST Circular No. 140/10/2020, dated 10-06-2020](#)**

**Subject: Clarification in respect of levy of GST on Director's remuneration - Reg.**

- In respect of directors who are not the employees of the company, the services provided by them to the Company, in lieu of remuneration as the consideration for the said services, are clearly outside the scope of Schedule III of the CGST Act and are therefore taxable. In terms of entry at Sl. No. 6 of the

Table annexed to CR NN.13/2017, 28.06.2017, the recipient of the said services is liable to RCM.

- it is clarified that the part of Director's remuneration which are declared as "Salaries" in the books of a company and subjected to TDS under Section 192 of the IT Act are not taxable in terms of Schedule III of the CGST Act, 2017.
- It is further clarified that the part of employee Director's remuneration which is declared separately other than "salaries" in the Company's accounts and subjected to TDS under Section 194J of the IT Act as Fees for professional or Technical Services shall be treated as consideration for providing services which are outside the scope of Schedule III of the CGST Act, and is therefore, taxable under RCM.

**6. CGST Circular No. 141/11/2020, dated 24-06-2020**

**Subject: Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19)**

- a. Manner of calculation of interest for taxpayers having aggregate turnover above Rs. 5 Cr.
  - In view of CT NN. 51/2020, 24.06.2020 interest rate is NIL for first 15 days after the due date of filing GSTR-3B and @ 9% thereafter till 24.06.2020. After the specified date, normal rate of interest (18%) for any further period of delay.
- b. Manner of calculation of interest for taxpayers having aggregate turnover upto Rs. 5 Cr.
  - NIL rate of interest till specified dates and after the specified dates lower rate of 9% till 30<sup>th</sup> September 2020. After 30<sup>th</sup> September, 2020, normal rate of interest (18%) for any further period of delay.
- c. Manner of calculation of late fee
  - Vide CT NN. 32/2020, 03.04.2020, a conditional waiver of late fee was provided for the tax period of February, March and April, 2020 . Vide CT NN. 32/2020, 24.06.2020 the specified dates are amended for small tax payers.
  - It is clarified that the waiver of late fee is conditional to filing the return of the said tax period by the dates specified in the said notifications. In case the GSTR- 3B for the said months are not furnished on or before the dates specified in the said notifications, then late fee shall be payable from the due date of return, till the date on which the return is filed.

Note: 1) CT NN : Central Tax Notification Number  
2) CR NN : Central Rate Notification Number

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**RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL**

- Smt. Rupa Soumya.K , DC(ST)

The GST Council has made the following recommendations on Law & Procedures.

- **Measures for Trade facilitation: Reduction in Late Fee for past Returns:**

As a measure to clean up pendency in return filing, late fee for delay in filing GSTR-3B for the tax period from July, 2017 to January, 2020 has been reduced / waived - 'NIL' late fee if there is no tax liability ;Maximum late fee capped at Rs. 500/- per return if there is any tax liability.

The reduced rate of late fee would apply for all the GSTR-3B returns furnished between 01.07.2020 to 30.09.2020.

- **Further relief for small taxpayers for late filing of returns for February, March & April 2020 Tax periods:**

For small taxpayers (aggregate turnover upto Rs. 5 crores), for the supplies effected in the month of February, March and April, 2020, the rate of interest for late furnishing of return for the said months beyond specified dates (staggered upto 6th July 2020) is reduced from 18% per annum to 9% per annum till 30.09.2020. In other words, for these months, small taxpayers will not be charged any interest till the notified dates for relief (staggered upto 6th July 2020) and thereafter 9% interest will be charged till 30.09.2020..

- **Relief for small taxpayers for subsequent tax periods (May, June & July 2020):** In wake of COVID-19 pandemic, for taxpayers having aggregate turnover upto Rs. 5 crores, further relief provided by waiver of late fees and interest if the returns in FORM GSTR-3B for the supplies effected in the months of May, June and July, 2020 are furnished by September, 2020 (staggered dates to be notified).

- **One time extension in period for seeking revocation of cancellation of registration:** To facilitate taxpayers who could not get their cancelled GST registrations restored in time, an opportunity is being provided for filing of application for revocation of cancellation of registration up to 30.09.2020, in all cases where registrations have been cancelled till 12.06.2020.

- Certain clauses of the Finance Act, 2020 amending CGST Act 2017 and IGST Act, 2017 to be brought into force from 30.06.2020.

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**RULINGS BY AUTHORITY FOR ADVANCE RULING****1. Applicant: ID Fresh Food (India) Pvt. Ltd, Karnataka**

**Ruling No. & Date: KAR/ADRG/38/2020 dated 22.05.2020**

**Q.** Rate of tax on "parota" and opined it falls under 5% slab rate akin to HSN Code 1905.

**A.** The commodity is not ready for consumption and that it has to be heated before human consumption and hence it cannot be classified under the HSN 1905, but it has to be classified under the HSN 21069000 which covers preparations for use, either directly or after processing, for human consumption, provided that they are not covered by any other heading of the nomenclature.

**2. Mahalakshmi Mahila Sangha, Karnataka**

**Ruling No. & Date: KAR/ADRG/36/2020 dated 21.05.2020**

**Q.** The applicant is providing catering services to educational institutions sponsored by state govt. so their supply is exempt from GST and TDS deduction under GST is not applicable to them.

**A.** The supply of services in the form of food and drinks to educational institutions is classified under HSN 9992. It is exempted from tax vide S.No 66 (b)(ii) of CR NN.12/2017. Hence the amount received for such service is not liable for TDS.

**3. Applicant: Dolphine Die Cast (P) Ltd, Karnataka**

**Ruling No. & Date: KAR/ADRG/35/2020 dated 20.05.2020**

**Q.** The applicant manufactures steel Die as per the requirement of the foreign customer and raises invoice for the dies and receives the payment. But the dies are not exported physically. The applicant uses these dies for making die castings, which are exported. The applicant retains the die till the completion of the export order and then, either exports the dies to the overseas customer, or scrap the die as per the instructions of the customer. The applicant seeks ruling on how to pay tax and avail ITC on these transactions.

**A.** At the first instance, the dies are not moved out of the country, so it is an intra-state transaction according to Section 2(5) of IGST Act, 2017. When die scrap is supplied to third party the applicant has to issue intra/interstate tax invoice depending upon the nature of the transaction and pay the applicable tax.

**4. Applicant: Hombale Constructions and Estates Pvt Ltd, Karnataka**

**Ruling No. & Date: KAR/ADRG/34/2020 dated 20.05.2020**

**Q.** The applicant is providing work contract services i.e., construction of Hostel building for National Centre for biological sciences, Bangalore. They sought clarification on whether they can charge GST @ 12% as per CR NN. 24/2017.

**A.** NCBS does not fall under any of the categories “central govt, state govt, union territory, a local authority, a governmental authority or a government entity. Even this construction work procured by NCBS is not in relation to a work entrusted to it by the Government. The applicant cannot charge GST @12% but should charge 18% as it is covered under item no. (xii) of serial No 3 of CR NN. 11/2017.

#### **5. Applicant: Sai Motors, Karnataka**

**Ruling No. & Date: KAR/ADRG/32/2020 dated 20.05.2020**

**Q. 1.** The applicant purchases two wheelers under HSN 87112019 (28%) and does retro fitment fitting under HSN 87131090 (5%). The applicant has sought to know whether he can bill the entire value of the vehicle after retro-fitment, purchased by differently abled customers at 5% GST under HSN 87131090.

**2.** If he is allowed to sell the vehicles at 5% , whether he can claim ITC on the entire 28% tax paid for purchase of vehicles ?

**A. 1.** The retrofitted vehicle cannot be classified under HSN 87131090 as it was neither specifically designed or constructed nor altered to change its basic structure. Hence it merits classification under the heading 87112019 and attracts GST @28%.

**2.** The applicant is entitled for input tax credit as he is dealing in further supply of such motor vehicles.

#### **6. Applicant: Biocon Limited (DTA), Karnataka**

**Ruling No. & Date: KAR/ADRG/31/2020 dated 04.05.2020**

**Q.** Whether the sale of Micafungin sodium by the DTA unit of the applicant is covered under item No.114 of Sl.No.180 of Sch I of the CR NN. 1/2017 and therefore, is leviable to GST at the rate of 5%?

**A.** The above said entry reads as “Micafungin sodium for injection”. The bulk drug “Micafungin Sodium” supplied by the applicant cannot be directly administered as injection and hence the said bulk drug is not eligible to classify as sought. The said bulk drug falls under 12% slab rate.

#### **7. Applicant: Anil Kumar Agrawal, Karnataka**

**Ruling No. & Date: KAR/ADRG/30/2020 dated 04.05.2020**



**Q.** The applicant is unregistered and receives income from various sources. He sought clarification on what among those sources have to be added to arrive at the aggregate turnover ?

**A. 1.** If the applicant is receiving salary as a working partner from his partnership firm, or receiving amount towards his share of profit from the partnership firm, then the said income is not under the purview of GST. Hence the said salary is not required to be included in the aggregate turnover.

**2.** Salary received by the applicant as a Director of Private Ltd Company is taxable in case if he is a nominated director ( non Executive Director ).

**3.** Services by way of renting of residential dwelling for use as residence are exempted from tax vide Sl.No.12 of CR NN 12/2017. So, this income becomes part of the aggregate turnover.

**4.** The insurance premium of policies is taxable under GST. There would not be any service involved between the policy holder and the company on maturity. Therefore the amounts received on maturity of the insurance policies are not relevant to the aggregate turnover.

**8. Applicant: Emphatic Trading Centre, Karnataka**

**Ruling No. & Date: KAR/ADRG/28/2020 dated 23.04.2020**

**Q.** The applicant is a RP under composition scheme and intends to supply services also.

**1.** Whether he is eligible to be in the composition scheme as his aggregate turnover is less than Rs 50 lakhs.

**2.** Whether the rate of composition tax applicable is 1% for the turnover of goods and 6% for the turnover of services (rent received). The two separate tax amounts to be totaled and paid or is it 6% as a whole for the aggregate turnover of goods and service turnover that is to be paid ?

**A. 1.** The applicant is eligible to be in the composition scheme under section 10 of the CGST Act, 2017 if his turnover of services does not exceed ten percent of turnover in a state in the preceding financial year or five lakh rupees, whichever is higher.

**2.** If the taxpayer opts for the provision under the CR NN. 2/2019, the rate of tax applicable to entire value is 6% GST.

**9. Applicant: Sri Bhagyalakshmi Trading Corporation, Karnataka**

**Ruling No. & Date: KAR/ADRG/27/2020 dated 23.04.2020**

**Q.** What is the applicable rate of tax on parched / puffed gram (Hurigadale / Putani)?

**A.** The puffed gram, commonly called as “Fried gram” and as “putani” is covered under HSN 0713. The leguminous vegetables are subjected to mere heat treatment for

removing moisture and are not subjected to any other processing. Such goods would be exempt from tax as per S.No 45 of CR NN. 2/2017. If the same goods are branded and packed in unit containers, they get covered under serial no 25 of Sch I of CR NN. 1/2017 and liable to GST @ 5%.

**10. Applicant: Solize India Technologies Private Limited, Karnataka**

**Ruling No. & Date:** [KAR/ADRG/25/2020 dated 23.04.2020](#)

**Q. 1.** The applicant is a reseller of software, which it buys from the developers of these software. These software are not developed specific to any customer requirement. The applicant sought clarity on whether the software supplied by the applicant qualifies to be treated as Computer software resulting in Supply of goods.

**2.** Whether the benefits of CR NN. 45/2017 and IR NN. 47/2017 are applicable to the supplies made to the institutions given in the notification?

**A. 1.** The applicant purchases off-the-shelf software, not developed for any specific client and the same is sold to their clients. Hence the software sold by the applicant is a pre-developed or pre-designed software and made available through the use of encryption keys and hence it satisfies all the conditions that are required to be satisfied to cover them under the definition of “goods”. Further, the goods which are supplied by the applicant cannot be used without the aid of the computer and has to be loaded on a computer and then after activation, would become usable and hence the goods supplied is “computer software” and more specifically covered under “Application software”. Hence the supply made by the applicant is covered under “supply of goods” and the goods supplied are covered under the HSN 8523.

**2.** The supplies made by the applicant are considered as supply of goods and hence the benefits of CR NN. 45/2017 are applicable to the supplies made, if the conditions are met.

**11. Applicant: Shree Hari Engineers & Contractors, Gujarat**

**Ruling No. & Date:** [GUJ/GAAR/R/16/2020 dated 19.05.2020](#)

**Q.** Whether the Contract with Railtel Corporation of India Ltd. is the Construction Service or Work Contract to Government Authority, and the rate of tax applicable be 12%?

**A.** M/s Railtel corporation of India Ltd is not a Government entity. Hence the contract of the applicant doesn't fall under the CR NN. 4/2017 and thus attracts tax at 18%.

**12. Applicant: Amba Township Pvt. Ltd., Basement, Gujarat**

**Ruling No. & Date:** [GUJ/GAAR/R/14/2020 dated 19.05.2020](#)

**Q.** The applicant is developing a township with houses for different types of people of society i.e. higher, middle and weaker class. Part-B of the project is for affordable housing. Permissions for various departments is taken for the whole township as an unit and the Part-B has some common amenities with part A. The applicant desires to avail concessional rate of tax for affordable housing portion in part-B of the township as per entry 3(v)(da) of the CR NN. 11/2017.

**A.** As per the notification of the Government of India vide F.No.13/6/2009-INF, dated 30.03.2017, a housing project using 50% or more of the FAR/FSI for dwelling units with carpet area upto 60 square meters has been given infrastructure status (affordable housing). Here Part-B of the township cannot be considered as a standalone housing project and since 50% of FAR/FSI of the entire housing project comprising of Part-A and Part-B has not been used for construction of dwelling units with limited carpet area. Hence, the said housing project cannot be considered as an 'affordable housing project'. Hence the benefit of the said notification is not applicable to them.

**13. Applicant: Shree Dipesh Anilkumar Naik, Gujarat**

**Ruling No. & Date: GUJ/GAAR/R/11/2020 dated 19.05.2020**

**Q.** The applicant is involved in sale of plots. As per the requirement of the approval authority, primary amenities such as, Drainage line, Water line, Electricity line, Land leveling etc. are to be provided by the applicant. Whether GST is applicable on sale of such plot of land ?

**A.** As per clause 5(b) of the Schedule-II of the Act, construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer is a "Supply of service". The activity of the sale of developed plots would be covered under the clause 'construction of a complex intended for sale to a buyer'. Thus, the said activity is covered under 'construction services' and GST is payable on the sale of developed plots.

**14. Applicant: Shree Sawai Manoharlal Rathi, Gujarat**

**Ruling No. & Date: GUJ/GAAR/R/10/2020 dated 19.05.2020**

**Q.** The applicant receives some amount on renting of immovable property and other sources and he is not into any business. They sought clarification on whether the following receipts are considered for the purpose of calculating the threshold limit for registration?

**a)** Interest received in the form of PPF, on Personal Loans and Advanced to family/friends and on Saving Bank Account

**A.** The value of exempted interest income earned by way of extending deposits in PPF & Bank Saving accounts and loans and advances along with the value of the taxable supply i.e. “Renting of immovable property” shall be included for the purpose of calculating the threshold limit.

**15. Applicant: Raj Quarry Works, Gujarat**

**Ruling No. & Date:** [GUJ/GAAR/R/09/2020 dated 19.05.2020](#)

**Q. 1.** What is the classification of service as per CR NN.11/2017, provided by the State Government to M/s Raj Quarry Works, for which royalty is being paid. Whether said service can be classified under 997337 as Licensing services for the right to use minerals including its exploration and evaluation?

**2.** What is rate of GST on given services provided by State of Gujarat to M/s Raj Quarry Works for which Royalty is being paid?

**3.** Whether services provided by the State Government is liable to discharge GST on same or it is liable for RCM?

**A. 1.** The activity undertaken by the applicant is classifiable under heading 997337 of CR NN. 11/2017.

**2.** The activity undertaken by the applicant attracts 18% GST.

**3.** The applicant is liable to discharge tax liability under RCM vide CR NN. 13/2017.

**16. Applicant: NEC Technologies India Pvt. Ltd., Gujarat**

**Ruling No. & Date:** [GUJ/GAAR/R/07/2020 dated 19.05.2020](#)

**Q. 1.** Whether the supply made by the applicant under the Automatic Fare Collection (AFC) project would qualify as: (a) ‘works contract’ defined under section 2(119) of the CGST Act, 2017; or (b) ‘composite supply’ defined under section 2(30) of the CGST Act, 2017?

**2.** Whether the supply made by the applicant under the AFC project would qualify as an original works meant predominantly for use other than for commerce, industry, or any other business or profession, thereby attracting GST rate of 12% provided in the CR NN. 24/2017?

**3.** Whether the HSN classification of supply made by the applicant would fall under ‘8470’ or ‘9954’?

**4.** Whether the maintenance and management services post implementation would qualify as composite supply? Further, whether such supply would be eligible for exemption under CR NN.12/2017 in case value of supply of goods constitutes not more than 25% of the value of the said composite supply?

- A. 1.** The supply made by the applicant under the Automatic Fare Collection (AFC) project would qualify as 'composite supply'.
- 2.** The supply made by the applicant under the AFC project does not qualify as an original works meant predominantly for use other than for commerce, industry, or any other business or profession.
- 3.** The HSN classification of the supply made by the applicant is to be '8470'. The Rate of GST for the same is 18%.
- 4.** The maintenance and management services to be provided post implementation of the AFC system under proposed contract would qualify as "composite supply" with the AFC system, being the principal supply. Further, such supply would not be eligible for exemption provided CR NN.12/2017, as (i) the value of the supply of all goods (i.e. hardware for AFC System & spares for its repairs) under the proposed contract constitutes more than 25% of the value of the said composite supply; and (ii) the said composite supply is to be made to the SMC and M/s SSCDL, which is a company incorporated under the Companies Act, 2013 and, hence, do not fall under the definition of the local authority or a Governmental authority or a Government Entity.

**17. Applicant: Prasar Broadcasting Corporation of India, Himachal Pradesh**

**Ruling No. & Date: HP-AAR-1/2020 dated 19.05.2020**

- Q. 1.** Applicable GST rate on renting of motor cab service.
- 2.** Whether ITC will be available to the recipient on the renting of motor cab service for transportation of employees?
- A. 1.** The applicable rate of tax on renting of cabs as per CR NN. 20/2017 is 5% with limited ITC and 12% with full ITC.
- 2.** If the facility provided by the taxpayer for transportation of employees is not obligatory under any law, for the time being in force, then no ITC will be available to such a taxpayer. The applicant will however be eligible to claim ITC for the service supplied at 12% GST rate if the conditions laid down in the second proviso to section 17(5)(b) are satisfied.

**18. Applicant: ARG Electricals Pvt. Ltd., Rajasthan**

**Ruling No. & Date: RAJ/AAR/2020-21/04 dated 14.05.2020**

- Q. 1.** AVVNL is a company incorporated by Govt of Rajasthan for distribution of electricity various parts of Ajmer District. Whether the contract entered into with AVVNL as per the work orders combine of supply, erection, testing and commissioning of materials/equipments for providing rural electricity infrastructure qualify as a supply for work contract under Section 2(119)?

2. If Yes, whether such supply, erection, testing and commissioning of materials/equipments for providing rural electricity infrastructure made to AVVNL would be taxable at the rate of 12% in terms of Sr. No. 3(vi)(a) of CR NN.11/2017-?

A. 1. The work undertaken by the applicant as per contract between the applicant and AVVNL in building of rural electricity infrastructure is a composite supply of works contract.

2. 12% GST is allowed for supply mentioned in the above notification, which reads as “(vi) Services provided to the Central Government, State Government, Union Territory, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of – (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession”. M/s AVVNL is involved in supply of electricity to the consumers and are collecting consideration in lieu of the said supply. Electricity is classified under the category of goods as per GST Act. Hence the work undertaken by the applicant in this cases is meant predominantly for use for commerce, industry or any other business or profession. Hence the work is **not eligible** to be taxed at lower rate of 12%.

**19. Applicant: KSC Buildcon Private Limited, Rajasthan**

**Ruling No. & Date:** [RAJ/AAR/2020-21/03 dated 14.05.2020](#)

**Q.** The applicant is supplying manpower and some special purpose vehicles like earth movers to facilitate extraction of mineral from the mining site. They sought the classification of the said work contract whether it comes under SAC 9973 (Leasing or rental services concerning machinery and equipment with or without operator) or 9954 (Composite supply of works contracts) ?

**A.** The work undertaken by the applicant is a “support service to Mining” covered under SAC 998622 and attracts GST @ 18%. It cannot be classified as works contract as no immovable property is resulted in the supply.

**20. Applicant: Uttarakhand Forest Development Corporation, Uttarakhand**

**Ruling No. & Date** [UK-AAR-02/2020-21 dated 29.05.2020](#)

**Q. 1.** Whether GST has to be paid under RCM for the goods transportation services received from an unregistered person by his own/hired truck ?

**2.** Will issuance of away bill, Form 2.1 and 3.3 (forms for proof of goods delivery) issued by a road transporter unregistered with GST, providing road transport services by his own/hired truck, be treated as consignment note for GST RCM purpose ?

**A. 1.** Services received from the unregistered transporters by the applicant falls under the definition of GTA services in terms of CR NN. 11/2017 and the same are covered under RCM in terms of CR NN. 13/2017.

**2.** Forms related to transport issued by the applicant can be considered as consignment note.

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### RECENT CASE LAWS ON GST

Sl. No.	Hon'ble Court Appeal details Parties Judgment/order date Citation	Judgment in brief / Important extracts from Judgment
1	<p>Supreme Court</p> <p><a href="#">Union of India v. Mohit Mineral (P.) Ltd</a></p> <p>October 3,2018</p> <p>[2018] 69 GST 743 (SC)/[2018] 17 GSTL 561 (SC)</p> <p><b>Issue:</b> Constitutional validity of Goods and Services Tax (Compensation to States) Act, 2017.</p>	<p>1) The levy of 'compensation to States' Cess is an increment to 'goods and services' tax which is permissible in law.</p> <p>2) The petitioner is not entitled for any set off of payments made towards Clean Energy Cess in payment of Compensations to States Cess.</p> <p>3) The GST Compensation to States Act, 2017 does not violate Constitution (One Hundred and First Amendment) Act, 2016 nor is against the objective of Constitution (One Hundred and First Amendment) Act, 2016 and the compensation to States Act is not a colorable legislation.</p>
2	<p>Supreme Court</p> <p><a href="#">State of Uttar Pradesh Vs Kay Pan Fragrance (P.) Ltd</a></p> <p>NOVEMBER 22, 2019</p> <p>[2019] 31 GSTL 385 (SC) ,[2020] 77 GST 576 (SC)</p> <p><b>Issue:</b> The appeal was filed by State of Uttar Pradesh against the interim order of Hon'ble High Court directing State to release seized goods, subject to deposit of security other than cash</p>	<p>The Hon'ble apex court held that: There is no reason why any other indulgence need be shown to the assessee, who happens to be the owners of the seized goods. <b>They must take recourse to the mechanism already provided for in the Act and the Rules for release, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum (even upto the total value of goods involved), respectively, as may be prescribed or on payment of applicable taxes, interest and penalty payable, as the case may be, as predicated in Section 67 (6) of the Act.</b> In the interim orders passed by the High Court which are subject-matter of assail before this Court, the High Court has erroneously extricated the assessee concerned from paying the applicable tax amount in cash, which is contrary to the said provision.</p> <p>The orders passed by the High Court which are contrary to the stated provisions shall not be given effect to by the authorities, instead, <b>the authorities shall process the</b></p>

	<p>or bank guarantee or in alternative, indemnity bond equal to value of tax and penalty to satisfaction of Assessing Authority</p>	<p><b>claims of the concerned assessee afresh as per the express stipulations in Section 67 of the Act read with the relevant rules in that regard.</b> In terms of this order, the competent authority shall call upon every assessee to complete the formality strictly as per the requirements of the stated provisions disregarding the order passed by the High Court in his case, if the same deviates from the statutory compliances.</p>
3	<p>Supreme Court</p> <p><b><u>P.V. Ramana Reddy Vs Union of India</u></b></p> <p>MAY 27, 2019</p> <p>[2019] 106 taxmann.com 301 (SC)</p> <p><b>Issue:</b> Relief sought against arrest for persons who are involved in circular trading not granted.</p>	<p>Hon'ble Apex court dismissed the appeal filed against the <b>judgment of Hon'ble High Court for state of Telangana (In WP No 4764 of 2019 dated 18-04-2019)</b> which granted no relief to the tax payers ( who were allegedly involved in circular trading with a turnover on paper to tune of about Rs. 1,289 crores and a benefit of ITC to tune of Rs. 225 crores) against arrest.</p> <p>The Hon'ble High Court held that: To say that a prosecution can be launched only after the completion of the assessment goes contrary to Section 132 of the CGST Act, 2017. The list of offences included in sub-Section (1) of Section 132 of CGST Act, 2017 have no correlation to assessment. Issue of invoices or bills without supply of goods and the availing of ITC by using such invoices or bills, are made offences under clauses (b) and (c) of sub-Section (1) of Section 132 of the CGST Act. The prosecutions for these offences do not depend upon the completion of assessment. Therefore, the argument that there cannot be an arrest even before adjudication or assessment, does not appeal to us.</p>
4	<p>Supreme Court</p> <p><b><u>RSPL Limited Vs Union of India</u></b></p> <p>April 5,2019</p> <p>[2019] 76 GST 11 (SC)(MAG))</p>	<p><b>Issue:</b> Disallowance of transitional credit on capital goods 'in transit' as on 1-7-2017, after GST rollout</p> <p><b>Judgment:</b> Hon'ble apex court dismissed the appeal, which was filed against impugned final judgment and order dated 16-10-2018 in SCA No.22056/2017 passed by the High Court Of Gujarat At Ahmadabad where it was held that disallowance of transitional credit on capital goods 'in transit' as on 1-7-2017, after GST rollout was not violative of article 14 and 19(1)(g) of Constitution.</p>
5	<p>High Court of Telangana</p> <p><b><u>VS Ferrous Enterprises (P.) Ltd Vs Union of India</u></b></p> <p>MAY 29, 2019</p> <p>[2019] 106 taxmann.com 167 (TELANGANA)</p>	<p><b>Issue:</b> The appellant filed WP praying not to take any coercive action unless notice u/s. 73(1) or 74(1) of the CGST Act, 2017 is issued and reply Considered.</p> <p><b>Judgment:</b> The Hon'ble court held in its interim orders that: when the very arrest of the petitioners is not prohibited</p>



		prior to the completion of the assessment, any coercive action lesser than arrest, cannot be prohibited.
6	<p>HIGH COURT OF ANDHRA PRADESH AND TELANGANA</p> <p><b><u>Kesoram Industries Ltd. Vs Assistant Commissioner of Central GST &amp; Central Excise</u></b></p> <p>May 8, 2019</p> <p>[2019] 74 GST 335 (Andhra Pradesh and Telangana)</p>	<p><b>Issue:</b> The WP filed to get relief of levy of interest on late payment.</p> <p><b>Judgment:</b> Section 107 of the Act clearly provides an efficacious alternative remedy to the petitioner to approach the appellate authority. It is, indeed, a settled principle of law that generally, a writ jurisdiction cannot be invoked, in case the efficacious alternative remedy is available. Even if the petitioner is of the opinion that the principles of natural justice have been violated, he is free to raise the said plea before the appellate authority.</p>
7	<p>HIGH COURT OF RAJASTHAN</p> <p><b><u>Shree Motors Vs Union of India</u></b></p> <p>MARCH 18, 2020 [2020] 115 taxmann.com 344 (Rajasthan)</p>	<p><b>Issue:</b> Sought relief to claim transitional credit as he was unable to file GST Tran1 due to Technical Glitches</p> <p><b>Judgment:</b> <b>Since assessee failed to produce any document or evidence to prove that it had failed to upload its Form GST TRAN1 on account of any technical glitches on common portal and such attempt was made during the period of its due date, revenue was justified in passing order and denying credit of eligible duties to assessee</b></p>
8	<p>HIGH COURT OF CALCUTTA</p> <p><b><u>Amazonite Steel (P.) Ltd VS Union of India</u></b></p> <p>MARCH 4, 2020 [2020] 116 taxmann.com 153 (Calcutta)</p>	<p><b>Issue:</b> Provisional attachment under Section 83</p> <p><b>Judgment:</b> 1) Section 83(2) provides for a period for cessation of provisional attachment but does not in any manner prevent authorities to issue a fresh order of provisional attachment, if requirements under Section 83(1) are met.</p> <p>There is no requirement on part of authorities to serve an order of provisional attachment under section 83 personally upon assessee</p>
9	<p>HIGH COURT OF KERALA</p> <p><b><u>Daily Fresh Fruits India (P.) Ltd Vs Assistant State Tax Officer</u></b></p> <p>MARCH 4, 2020</p> <p>[2020] 115 taxmann.com 181 (Kerala)</p>	<p>Where Competent Authority of Kerala detained goods of assessee under transport from Tamil Nadu to Kerala on ground that goods were not correctly classified and were liable to tax at higher rate, said authority was to be directed to release goods with a further direction to prepare a report and submit same to Competent Authority of Tamil Nadu for taking action .<b>In case of a bona fide dispute with regard to the classification between a transistor of the goods and the Squad Officer, the Squad Officer may intercept the goods and detain them for the purpose of preparing the relevant papers for effective transmission to the judicial Assessing Officers and nothing beyond. In the</b></p>

	<b>Issue:</b> Inspection of Goods in movement.	<b>instant case, it is a case of bona fide miscalculation as to whether the goods would be exigible to 12 per cent or 28 percent.</b>
10	HIGH COURT OF KARNATAKA <b><u>Union of India vs LC Infra Projects (P.) Ltd.</u></b> MARCH 3, 2020 [2020] 116 taxmann.com 205 (Karnataka)	<b>Issue:</b> Levy of interest without show cause notice. <b>Judgment:</b> <b>Interest levied upon assessee without issuing show cause notice was in breach of principles of natural justice and deserved to be set aside</b>
11	HIGH COURT OF DELHI <b><u>Brand Equity Treaties Ltd VS Union of India</u></b> MAY 5, 2020 [2020] 116 taxmann.com 415 (Delhi) <b>Issue:</b> Time period for availing Transitional credit.	The Hon'ble court held that: Rule 117 as being directory in nature, insofar as it prescribes the time-limit for transitioning of credit and therefore, the same would not result in the forfeiture of the rights, in case the credit is not availed within the period prescribed In absence of any specific provisions under the Act, in terms of the residuary provisions of the Limitation Act, the period of three years should be the guiding principle and thus a period of three years from the appointed date would be the maximum period for availing of such credit. Respondents were directed to publicise this judgment widely including by way of publishing the same on their website so that others who may not have been able to file TRAN-1 till date are permitted to do so on or before 30.06.2020. <b>The Hon'ble apex court in PETITION (S) FOR SPECIAL LEAVE TO APPEAL (C) NO (S). 7425-7428/2020 stays Delhi High Court above decision</b>

**Note:** Please note that though the above information is prepared with care, it is requested to go through the actual judgment and also verify whether any further appeals are pending.

**Gist of TVAT AT Orders**

- Sri N. Srinivasalu, JC(ST)

**1) M/s. Geo Miller & Company Pvt. Ltd – TA No. 276/2011, dt. 16-05-2020**

The Hon'ble Tribunal held that on a combined reading of Section 4(7)(a) read with relevant clauses of Rule 17, would show that where books of account are maintained, then out of the total consideration certain deductions are allowed towards labour charges, cost of establishment, consumables, profit relatable to labour etc., as stipulated in clause (e) subject to the condition that such total consideration after deductions shall not be less than the purchase value of the goods as increased by the other expenditure like seigniorage, loading and unloading charges etc., stipulated in Rule 17(1)(d).

Further, the Hon'ble Tribunal find in other words that there cannot be a situation where the output tax is lesser than the input tax credit in the case of M/s. Balajee Infratech & Constructions Pvt. Ltd in TA No.63/2019, Dt. 24-03-2020 and accordingly held that the provisions of Section 13(1-A) are clearly not applicable to the case of a works contractor.

**2) M/s. Airel Engineers – TA NO. 572/2011, dt. 26-03-2020.**

The Hon'ble Tribunal held that no authorization was prescribed to levy of penalty u/S 49(2) of the TVAT act, 2005 before passing order as the prescribed authority is registering authority concerned or assessing authority concerned or inspecting authority concerned under Rule 59(4) of TVAT Rules. Thus, the judgment of the Hon'ble High Court Sri Balaji Flour Mills, Chittoor Vs. The Commercial Tax Officer-II, Chittoor, (2011) 52 APSTJ 85 was not applicable for passing the order u/s 49(2).

**3) M/s. Malik Enterprises – TA No. 413/2011, Dt. 20-03-2020**

The Hon'ble Tribunal held that levy of tax on spare parts during the warranty period was a separate transaction between the distributor and the manufacturer, resulting in sale of parts which is exigible to tax relying the decision of the Hon'ble Supreme Court in the case of Mohd. Ekram Khan & Sons & Another vs. Commissioner of Trade Tax, U.P. Lucknow, (39 APSTJ p.150).

Further, it was also observed that the decision in Mohd. Ekram Khan & Sons & Another was referred to a larger Bench in the case of Tata Motors Ltd., vs. The Deputy Commissioner of Commercial Taxes (SPL) and Ors., in Civil Appeal Nos.1822 of 2007 dated 5-2-2019 wherein the Hon'ble Supreme Court observed that they had certain reservations in respect of the observations and legal propositions laid down in that case. However, The Hon'ble Tribunal find that the decision in Mohd. Ekram Khan & Sons & Another case is still hold and had not been stayed or suspended.

**4) M/s. Nuclear Fuel Complex, Hyderabad – TA No. 01/2017, dt. 15-05-2020.**

The Hon'ble Tribunal held that to file Form 'F' is mandatory to claim exemption from tax on movement of goods from one State to another is actually stock transfer and not sale after amendment of Section 6A w.e.f.13-5-2002 by relying on the judgment of the Hon'ble Supreme Court in the case of Ashok Leyland Ltd., vs. State of Tamil Nadu and Another (134 STC p.473).

**5) M/s. Shobha Ano Prints Private Limited – TA No.369/2011, Dt. 17-03-2020.**

The Hon'ble Tribunal upheld the orders of the Authority for Clarification and Advance Ruling(ACAR) on clarification of rate of tax on 'Night Vision Goggles/Binoculars' and held that: "the Night Vision Goggles are liable to tax @ 4% in terms of the Item 1 of Entry 113 of the Schedule IV of the Act and the Night Vision Binoculars are liable to tax @ 14.5%, as they do not fall under any of the entries in Schedules I to IV and VI of the Act."

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**RECENT DEVELOPMENTS IN GST PORTAL**

1. **GST PMT-09 (Transfer of amount from one account head to another in electronic cash ledger) is made available in taxpayer login.**
  - Form GST PMT-09 is made available in taxpayer login according to the rule 87(13).
  - Form GST PMT-09 **enables** a taxpayer **to make intra-head or inter-head transfer of amount** available in Electronic Cash Ledger. A taxpayer can file GST PMT 09 for transfer of any amount of tax, interest, penalty, fee or others available under one (major or minor) head to another (major or minor) head in the Electronic Cash Ledger. For example instead of paying in Major head IGST and minor head Tax , If a taxpayer inadvertently pays in Major head ' Cess' and minor head 'Penalty' , This option allows to transfer the money to the correct account on his own.
  
2. **TCS taxpayers: Registration in a State with “Head Office” as principal place of business even though located in different state – changes in Form GST REG-07 (Application for registration as TDS or TCS)**
  - Changes have been implemented on the GST Portal w.e.f. 1st April, 2020, by modifying registration form for TCS (Form GST REG-07). According to rule 12(1A), the E-commerce operators could now apply for registration as TCS deductor in any state, declaring their head office as principal place of business even though it is located in different state.
  
3. **Form GST ITC-02A (Declaration for transfer of ITC pursuant to registration under sub-section (2) of section 25) has been enabled in taxpayer login**
  - Rule 41A was inserted vide notification 3/2019 dt 29/01/2019
  - This option in portal allows , a registered person who has obtained separate registration for multiple places of business in a state and intends to transfer , either wholly or partly, the unutilized input tax credit lying in his electronic credit ledger to any or all of the newly registered places of business to transfer such credit as per conditions laid down in Rule 41(A). The newly registered person (transferee) shall, on the common portal, accept the details so furnished by the registered person (transferor) and, upon such acceptance, the unutilized input tax credit specified in FORM GST ITC-02A shall be credited to his electronic credit ledger.
  
4. **ISD would now be able to adjust negative ITC while distributing credit through Form GSTR 6 (Return for ISD).**
  - The input service distributors can now adjust a negative Input Tax Credit (ITC) under any major head while distributing it to its units through GSTR 6.
  - Previously, ISD were not able to adjust negative ITC to its units, under a major head through ITC available under another major head. For example, if in a particular month, no ITC had accrued under a head but ITC reversal was required to be done under that head.
  - A Credit note was earlier allowed to be only adjusted with the invoice amount for ITC distribution. A Credit note could not be allocated as a standalone figure to a unit and had to be moved to the next period. Such an adjustment never allowed

an ISD to charge a negative ITC figure to its units when there was no ITC figure available for distribution/allocation in that month. The situation may arise during a month when the amount in credit note exceeded the amount of ITC available for distribution or the amount in the debit note. These issues are now addressed.

### 5. Changes in Helpdesk portal for Taxpayers

The GSTN has announced changes and enhancement to GST Helpdesk.

- (i) GST Helpdesk has become multi-lingual and now supports 12 languages.
- (ii) Grievance Redressal Portal has realigned with a contemporary look and feel. Its URL is <https://selfservice.gstsystem.in/>
- (iii) GST Helpdesk is available 7 days a week from 9 am to 9 pm.
- (iv) GST Helpdesk call-in number now Toll-Free: 18001034786.

#### Helpline for Officers

In case of any technical problem for officers, they should lodge a complaint at <http://172.31.254.15/CAisd/pdmweb.exe> or call 0124-4479900/6230700

### 6. Opting for Composition Scheme

Taxpayers opting for composition and engaged in manufacturing of commodities, will be shown an alert, if they are manufacturer of certain commodities like Pan Masala, Tobacco, Ice cream etc or not. Only when they confirm that they are not manufacturer of these commodities, they will be allowed to proceed further and opt for composition.

### 7. NIL return (GSTR-3B/ GSTR-1) can be filed by way of SMS

- To initiate NIL filing of return, SMS in the following format shall be sent through registered mobile number to number 14409.  
**for 3B :** NIL<space>**3B**<space>GSTIN<space>Tax period (MMYYYY)  
 (Ex: NIL **3B** 36XXXXXXXXXXXXZJ 052020)  
**for R1:** NIL<space>**R1**<space>GSTIN<space>Tax period (MMYYYY)
- In response a message will be sent from VD-GSTIND with a code, \*Code validity is 30 min.\*  
Then to confirm the Nil return filing a new SMS shall be sent in following format to number 14409 through registered mobile number:-  
**for 3B:** CNF<space>3B<space>Code (Example: CNF 3B 123456)  
**for R1 :** CNF<space>R1<space>Code

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## GST Journey & Initiatives of Telangana

The structure of indirect taxes in India existing prior to GST i.e., 1<sup>st</sup> July, 2017 was based on distribution of powers and functions between centre and states in seventh schedule to the constitution of India. In the course of time the structure became complex and cumbersome and felt the need for reform. Goods and Services Tax (GST) is the common tax found in many countries globally. France was the first country to implement GST in 1954, since then 160 countries have implemented GST so far in one form or another.

### GST Journey in India

The union Government constituted an empowered committee (EC) of state finance ministers in the year 2000 with the task of designing the GST model in place of existing indirect tax structure and required IT back-end for its rollout. In the year 2004, the Kelkar task force on FRBM Act had suggested a comprehensive GST on the principle of Value added tax which will enable the taxation of goods and services in an integrated manner. A proposal to introduce GST by 1<sup>st</sup> April 2010 was made in the budget speech for the year 2006-07 and the task was assigned to EC to prepare a design and road map for implementation of GST.

The EC released its first discussion paper in November, 2009 and recommended for dual GST. The 115<sup>th</sup> Constitution Amendment Bill was introduced in Lok Sabha in March 2011 paving the way for implementation of GST in India. The same was lapsed on dissolution of 15<sup>th</sup> Lok Sabha. The 122<sup>nd</sup> Constitutional Amendment bill was introduced in 2014 in 16<sup>th</sup> Lok Sabha to implement GST in India. Lok Sabha passed it on 6<sup>th</sup> May, 2015 and was passed by Rajya Sabha on 3<sup>rd</sup> August, 2016 with certain amendments and the same is approved by the Lok Sabha on 8<sup>th</sup> August, 2016. The bill was ratified by the Telangana state on 30<sup>th</sup> August, 2016. After ratification by the required number of states, the bill received the assent of the President of India on 8<sup>th</sup> September, 2016 and has been enacted as 101<sup>st</sup> Constitutional Amendment Act, 2016. The GST Council has been notified with effect from 12<sup>th</sup> September, 2016.

The 1<sup>st</sup> GST Council meeting held on 22<sup>nd</sup> & 23<sup>rd</sup> September, 2016. On the recommendations of GST Council, the Parliament enacted the Central GST Act, 2017, the Integrated GST Act, 2017, the UTGST Act, 2017 and the GST (compensation to states) Act, 2017 on 12<sup>th</sup> April, 2017. **Telangana state is the first state to enact State GST Act i.e., Telangana Goods and Services Tax Act, 2017 in the country on 27<sup>th</sup> May, 2017.** Eventually, the major tax reform since independence which is termed as financial independence to the country, the GST, was implemented in India with effect from 1<sup>st</sup> July, 2017.

In the present GST, liquor for human consumption is kept outside the GST net and five (5) petroleum products are also outside GST. Electricity is exempted from GST and real estate (other than construction of building etc.,) is also exempted from GST.

So far 40 GST Council meetings were held and all the decisions were taken with consensus except one decision displaying to the world the maturity of Indian democracy and cooperative federalism. In spite of initial hiccups, especially related to IT, the three years of GST journey is fruitful and achieved the revenues as under:

Sl. No.	Period	Total GST Revenue Realized in the country (Rs in Crores)	Average Monthly Revenue (Rs in Crores)
1	2017-18 (July, 2017 to March, 2018)	7,40,650	92,581
2	2018-19	11,77,369	98,114
3	2019-20	12,22,131	1,01,844

### GST in Telangana

In these three years of GST journey, for the Telangana CT Department, it is not only a major tax reform but also a technological reform and administrative reform. The state of Telangana has successfully achieved highest revenue growth in the country in GST in the past three(3) years under the stellar leadership of Sri Somesh Kumar IAS, Chief Secretary and Special Chief Secretary (Revenue). Telangana state has not taken any compensation for the years 2017-18 and 2018-19 and the revenue gap i.e., gap between protected revenue and the revenue realised is the least in the country for the year 2019-20.

Some of the initiatives taken up by sir towards achieving outstanding performance are:

- Rationalization of circles by enhancing from 91 to 100 and introduction of 24 STUs in place of 12 LTUs
- Equitable distribution of resources among field units (circles/STUs)
- Creation of Economic Intelligence Unit in the head office with bright resources with the task of identification of tax leakages and issuing guidance notes to the field to plug such leakages.
- Concept of Official In charge (OIC): Every employee of the department from the cadre of Junior Assistant are allotted certain tax payers to guide and pursue TPs in GST compliance
- IT APPS and Modules are used extensively to identify the potential cases, issue notices and to realize revenues and evaluation of performance.
  - OIC APP – easy to call the return defaulter and guide and pursue
  - 3BD Reports – Monitoring Return filing and performance evaluation
  - ET Module – Auto generation of showcause notice and orders of Entry tax.
  - Scrutiny Module – Identification of potential cases for VAT audit and assessment and till the logical end of collection of demand
  - Arrear Module – Identification, issuance of notice, bank attachment and collection
  - CST Module - Auto generation of showcause notice and orders
  - TDS vs 3B module – Identification of mismatches to enforce
  - TCS vs 3B module - Identification of mismatches to enforce
  - eWaybills vs GSTR1 & 3b VS GSTR1 – Identify mismatches
  - PoS App – Point of Sale machines data from banks – sorting and compare to find out mismatch to enforce
  - RB Module – To identify and enforce collection of return balances under VAT & CST
  - Deferment Module
  - RD Team Module and App – Consolidation and display of all discrepancies of a TP at one place and to issue notice .

- VTC App – To monitor inspection of goods in movement by officers and to record the issuance of notices and collection of revenue
- PT App – To identify potential assesses under PT Act, allot registration online and collection of revenue
- Legal Module – to record all stages of a disputed order, sorting them and collection of revenue
- Elimination of mundane work of preparation and compilation of data
- Task oriented administration to quickly identify the potential leakage in revenue and enforcement and evaluation through online. Improved accountability, capacity building and close monitoring.
- One time settlement of Arrears with PSUs to reduce litigation and garner immediate revenues.
- Employee benefit schemes:
  - Proposal to Reorganize the department increasing number of posts in higher levels to improve promotional opportunities
  - Introduction of Sahayatha scheme, a social security scheme, for the benefit families of employees
  - Arogya Sahayatha providing cashless medical treatment to the employees and their family members

In view of the major initiatives by Chief Secretary Sir, state realized maximum revenues:

(Rs in Crores)

<b>Sl.No.</b>	<b>Period</b>	<b>Protected Revenue under GST (Compensation Act)</b>	<b>GST Revenue Realized including the taxes subsumed in GST</b>
1	2017-18 (July, 2017 to March, 2018)	13,957	15,335
2	2018-19	23,866	24,172
3	2019-20	27,207	26,334

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**GST COMPLIANCE – LEVY OF INTEREST**

- Sri. E. Aravind Reddy, DC (ST)

Interest is imposed on an assessee who has withheld payment of any tax as and when it is due and payable. The levy of interest is linked to actual amount of tax withheld and the extent of delay in paying the tax on due date. Essentially, it is compensatory and different from penalty – which is penal in character (Pratibha Processors v. Union of India, JT1996(9)SC478). Rate of interest is notified as under:

Sl. No.	Description	Provision	Notifications	Rate of Interest
1.	Interest on delayed payment of tax	Sec.50(1)	13/2017 –Central Tax dt. 28.6.2017	18% PA
2.	Undue or excess claim of Input Tax Credit.Undue or excess reduction in Output tax liability.	Sec. 50(3), 42(10).43(10)	13/2017 –Central Tax dt.28.6.2017	24% PA
3.	Delayed deposit of TDS	Sec.51(6),50(1)		18% PA
4.	Delayed depositof TCS	Sec.52(6), 50(1)		18% PA
5.	Due to mismatch between TCS statement & suppliers return i.e., GSTR-8 Vs. GSTR-3B	Sec.52(8),(9), (10), &(11)		18% PA
6.	Delay in issue of Refunds	Sec.54(12)	13/2017 –Central Tax dt.28.6.2017	6% PA
7.	Other Miscellaneous provisions	Proviso to Sec.16(2), 50(1)		18% PA
10.	Tax wrongfully collected & paid to the Central Government or State Government	Sec.77(2)		NIL

**Points of Discussion:****Gross or Net:**

The Legislation effective from 01.07.2017 did not provide the clarity whether the levy of interest is on gross liability or net liability remaining after setting of the ITC.The Gujarat High Court held, in the case of Megha Engineering & Infrastructure Ltd., (WP No.44517 of 2018), on 18.04.2019, that levy of interest on gross tax liability is as per the provisions of GST Act by stating that no claim to ITC can be made unless the returns are filed.

In view of recommendations of 31<sup>st</sup> GST Council meeting, Section 50 of the CGST Act' 2017 was amended as under:

Proviso was inserted to Section 50 of the CGST Act' 2017 which is as follows:

*“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of Section 39, except where such return is furnished after commencement of any proceedings under Section 73 or Section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger”.*

The question that cropped up was whether this amendment is prospective or retrospective or even effective as a date yet to be notified.

The Delhi High Court in the case of M/s. Landmark Lifestyle (Civil W.P.No.6055 of 2019 & Civil Misc. No.26114 of 2019) and the Gujarat High Court in the case of Amar Cars Pvt. Ltd., (Special Civil Application No.4025 of 2020) granted stay on recovery of interest on gross tax liability until further orders.

The Hon'ble Madras High Court in the case of Refex Industries Ltd., (W.P.No.23360 & 23361 of 2019 and writ Misc. petition No's 23106 & 23108 of 2019) held that interest is applicable only on net cash liability retrospectively and held as follows:

Proper application of Section 50 is one where interest is levied on a belated cash payment. Interest is not to be levied on ITC available all the while with the Department to the credit of the assessee. The ITC available with the Department is neither belated nor delayed.

Credit will be valid till such time it is invalidated by recourse to the mechanisms provided under the Statute and Rules.

Proviso inserted to Section 50(1) seeks to correct an anomaly in the provision as it existed prior to such insertion. Hence such proviso is to be read as clarificatory and operative retrospectively.

### **Interest Automatic or Mandatory:**

It is quite plain that interest liability is automatic. The taxpayer is obliged to pay interest immediately on defaulting the payment of tax on due date. But if the taxpayer raises objections on the quantification of interest, the department cannot decide it unilaterally, especially when the objection is with regard to the period or quantum of unpaid tax. The arithmetic exercise of quantification will have to be done after considering the objections of the taxpayer. This is supported by the Hon'ble Madras High Court in its decision in the case of Daejung Moparts Private Limited (Writ Appeal No. 2127 and 2151 of 2019).

As per the general provisions relating to determination of tax, Section 75(12) of the Act inter-alia provides that non-payment or short payment of any interest wholly or in part shall be recovered under Section 79 of the Act.

### **Can the amount lying in the Electronic Credit Ledger be used to pay interest liability?**

As per Section 49(4) of the CGST Act, 2017 the amount available in the Electronic Credit ledger may be used for making payment only towards 'output tax' payable. As per Section 2(82) of the CGST Act, 2017, 'Output tax' in relation to a taxable person means the tax chargeable under this Act on taxable supply of goods and/or services made by him or by

his agent and excludes tax payable by him on reverse charge basis. Therefore, ITC cannot be used for the payment of interest.

**When to levy interest 18% or 24%:**

Sections 42 and 43 of the Act clearly indicate that if, the undue/ excess claim of ITC or reduction in output tax liability is not fixed within the time limit prescribed under Section 39 (9) of the Act, then Interest under section 50(3) @24% will be applicable.

Further, the time limit provided in Section 39(9) of the Act is the earliest of:

The due date for furnishing of return for the month of September, or

Due date for furnishing of return for the second quarter following the end of the financial year to which such details pertains, or

Actual date of furnishing of relevant annual return.

In all other cases mentioned under Section 42 & 43 of the Act interest under Section 50(1) @18% will be applicable.

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**TDS – AN ANALYSIS TO IDENTIFY POTENTIAL TAXPAYERS**

- Sri A. Siva Rama Prasad DC(ST)

Tax Deduction at Source (TDS) under GST is governed by the provisions of Section 51 of the TGST Act, 2017 and has come into effect from 1.10.2018. Unlike under VAT where TDS was mostly restricted to works contracts, under GST it is to be made on all payments made for taxable supplies received. However, while the range of supplies coming under TDS has increased, the Tax Deductors were restricted to Government and Public related authorities / undertakings. The major improvement under GST is that the Tax Deductors have to file online return in GSTR 7 which enables real-time transfer of credit to the taxpayer as well as information to the tax department. The TDS in GST regime is a tool for audit trail tool leading us to the potential revenue gaps. However, this requires compilation, computation and analysis of the returns filed by the Tax Deductors and Taxpayers.

The TDS analysis and report is one of the many ideas of the Chief Secretary Sir who envisaged the huge revenue potential involved. The initial task was to get the Tax Deductors registered and file the TDS GSTR7 returns. Several workshops and training classes were conducted across the State. DDOs Data was obtained from Treasuries / Works Departments. A module was enabled to officials for follow up. The result was that from a few hundred registrations at the beginning of the task, now the TDS registrations have crossed 11,200.

The next step was to analyze the data in the returns filed by the tax deductor. Here, the challenges were that the tax deductor need not file return for the month where TDS is not made and one taxpayer may be doing taxable supplies to multiple Tax Deductor. The assistance of IIT Hyderabad was taken to analyse all the data in TDS returns, collate the information and co-relate the same with the GSTR 3B returns filed by the taxpayers. Taxpayer-wise, unit-wise and division-wise reports were generated and sent to the officers on daily basis for follow up. In order to remove excuses from the taxpayer side, the data is computed cumulatively so that even if the amounts are reported in a different month by either the taxpayer or the tax deductor, still it would also be taken into account.

The results have been very good. For instance, there were a few works contractors who were filing 'nil' returns. Normally, even if they don't file returns for a few months, we ignore such cases as they are 'nil filers". However, the TDS system identified that huge amounts were paid to them for the supplies made. When confronted with the information, the taxpayers agreed and paid the taxes. Similarly, undeclared taxes were also collected. About Rs.280 crores is realized through follow up by way of filing of returns or payment of differential tax, and the task is continuing.

The TDS module has been widely appreciated across the country in the Conferences of Revenue Secretaries / CCTs and also at the GST meetings. The CEO of GSTN and other officials had also visited our State to study the practice and after applauding, informed that similar reports will be generated by the GSTN throughout the Country.

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**TDS MODULE**

- Sri P.Chisteswar, AC(ST)

TDS module is a major breakthrough to monitor the turnovers declared by works contractors and other tax payers who are supplying to government and government related agencies, all the information of TDS related dealers is brought together in a single app and module. This module is very usefull wherein every month based on the TDS details declared by the deductors , Turnovers of the different taxpayers are arrived and compared with the turnovers declared in GST returns and discrepancy is communicated in Scrutiny Module , RD App and also by daily mail to the jurisdiction officers.

Beauty of this module is it displays the information about the actual turnover to be declared by a tax payer, turnover declared and difference in turnover and also tax payable after adjusting the existing Input Tax Credit . This module also displays all the details of the tax payer such as Name, Address, Phone number ,email id , Authorised representative details etc. On click of a button a notice is generated, which will be sent to taxpayer by mail and also officer uploads in GST officer portal and issue notice to the tax payer. After issuing Asmt 10 , If the dealers pays any amount by way of DRC 03 the amount is automatically deducted from tax payable . The details of notice DRC 01 and orders in DRC 07 are also captured.

In RD App option is provided for the officers for calling the Tax payers with TDS discrepancies , wherin the officers call the tax payers and explain the discrepancies. The probable date of payment is recorded and based on the date the tax payer is again followed up for payment.

The TDS Module is updated in real time that is whenever a taxpayer declares the turnover in subsequent months or pays tax by way of DRC-03, the tax amount so paid or declared will be deducted from the tax payable and only balance tax payable is shown. This eliminated the litigation between tax payer and the officer and helped assessing authorities to convince the tax payer to pay the taxes. This facility definitely encouraged the taxman to boost up their confidence and help to have a positive approach in supervising the TDS related tax payers.

Because of the TDS Module and constant follow up using RD App most of the tax payers had voluntarily came up and paid the taxes and stopped defaulting in subsequent months, It has no doubt reduced burden on assessing authorities and also protected taxpayers against penalties by making the them doing payment on time. We would not have achieved the commendable growth in TDS revenue without using this app.

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**OIC - Official In charge**

*-Sri G. Shankar, Sr.Assistant*

GST is the biggest indirect tax reform of the country introduced with effect from 01-07-2017, After GST came into force there was need to educate the tax payers and ensure that the tax payers fulfill their tax compliances without any problems. In Telangana state, majority of the tax payers are small and marginal; In order to help and guide them the Hon'ble Chief Secretary & Special Chief Secretary (Revenue), Sri. Somesh Kumar Sir, IAS developed a model of Official In charges , wherein every employee of the department from the cadre of Junior Assistant upto the cadre of Joint Commissioner are allotted certain tax payers , whose role is to call them , guide them , resolve their issues and ensure that they file the GST returns and other tax compliances within the specified time limit.

Telangana, has been the leader in harnessing the technology, considering the scientific approach as the solution for effective implementation of GST in the state. The entire OIC work is done using an Mobile APP called as OIC APP. All the OICs download the app in the mobile phone , where they were able to see all the dealers allotted to them, The APP displays of details of Tax payer name , Address , Phone Number, Email ID , Authorised person details etc , The APP also contain option to rectify the details of the taxpayers , Because of this option majority of the tax payers data had been updated and correct details are obtained.

All the OICs have effectively utilized the APP by calling the tax payers allotted to them and reminding them about the pending GST returns . The OICs enquired the reasons for not filing returns and updated such details in the APP along with the probable due date of payment. The tax payers also used this as an opportunity to clarify their doubts . The option of follow up calls and reminders available in the APP have made the job of OICs very easy , wherein every day they will get a list of follow up calls to be made in the APP and they can make it without further verification whether the tax payer have filed returns or not , as this APP is updated in real time and whenever any taxpayer files a return , the details are automatically updated in the APP. This reduced the work burden on officials as previously they have to manually check with the system whether the returns are filed or not and in many cases it was observed that even after filing the return officials called them consuming effective time.

With extensive usage of the app, the taxpayers have realised the commitment of the department towards its duty. A large number of taxpayers have filed their returns after receiving calls from the tax officials. It has enabled the officers to make detailed enquiries on chronic defaulters.

This APP also contain option to send GSTR 3A notices to dealers who have failed to file GST returns even after multiple reminders. Notices were sent to all the defaulters in one go using the APP and after receiving notices majority of the Tax payers have filed their returns . With continous follow up of OICs most of the tax payers are voluntarily paying their taxes within due date without any follow up required now.

The official in Charges are also happy with this APP as this APP is easy to use , work done by them is recorded and this app give details of the amount collected related to tax

payers allotted to them, based on which their performance is evaluated . This APP has increased motivation , responsibility and accountability of the officials.

This concept is unique of its kind in the country and it can be attributed to one of the major reason for success of Telangana in GST regime. It is proved with this app again that technology can reduce the burden on all the players. Success of this app has encouraged the department to create similar mechanisms for monitoring various types of enforcement activities under GST Act.

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**Note:**

The officers and staff of the department are requested to refer only to the Act , Rules , Original Notifications , Circular , Judgments, orders etc published in the Gazette/ GO , Hon'ble court Websites etc related to all the contents mentioned in the booklet before using them.