



GST BULLETIN

**YOUR INDIRECT TAX KNOWLEDGE
PARTNER**

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About The GST Bulletin

The GST Bulletin is a Weekly Newsletter from Team CGA Legal, a leading Indirect Tax Consultancy firm. The Newsletter is intending to keep its readers updated with all important legal and judicial updates in Goods & Services Tax and other Indirect Tax laws. The Newsletter also has a special column of GST Compliance Calendar for the month. Along with it, CGA Legal also sends various legal recommendations which have immense implications in improving the compliance of GST in your business.

All editions of our newsletters can be referred from below link below;
<https://www.cgalegal.co.in/home/newsletters.php>

Other Offerings from Team CGA Legal

- **CGA Legal GST Compliance Calendar:** Our Monthly Calendar detailing all GST related compliances for the month so that you never miss of any of the compliances.
- **CGA Legal Meet:** Our Monthly Webinar series discussing various trending GST legal and compliance issues

All the previous editions can be accessed on our website
www.cgalegal.co.in

In this Issue.....

S. No.	Particulars
1.	GST Compliance Calendar – April - 2024
2.	GST Year End Deliverables
3.	GST Update
	❖ GST Technical Update
4.	GST News
5.	GST Judicial Precedent
	❖ Intention to evade the payment of tax is sine qua non before imposition of penalty in case of detention of goods and vehicle [M/s Indeutsch Industries Private Limited Versus State Of U.P. and 2 Others - Allahabad High Court]
	❖ Classification of original car seat cover manufactured and designed to permanently fit over the raw foam seat of the vehicles [M/s Saddles International Automotive & Aviation Interiors Private Limited - AAR Andhra Pradesh]
	❖ Merely because at the place of business no stock was found, it cannot lead to conclusion that petitioner did not conduct any business activity [M/s. Shree Ram Glass Bachauli Kuftabad Beekapur versus State of UP - Allahabad High Court]
	❖ Whether issuance of summons u/s 70 of the CGST Act is hit by Section 6(2)(b) of the CGST Act ? {Rais Khan Proprietor of M/s. Kota Metals Versus Add. Commissioner, Enforcement Wing-II Rajasthan - Rajasthan High Court]
	❖ Transfer of development rights of land by the land owners by way of a Joint Development Agreement is sale of land by the land owners or supply of services [M/s. Prahitha Constructions Private Limited Versus Union Of India - Telangana High Court]

GST Compliance Calendar - April 2024

Date	Types of Return	Period	Types of Taxpayer
10-04-2024	GSTR-7	March 2024	TDS Deductor
10-04-2024	GSTR-8	March 2024	E-Commerce Operator
11-04-2024	GSTR-1	March 2024	Turnover more than INR 5 crore in the preceding FY or Turnover up to INR 5 crores and opted for monthly return filing
13-04-2024	GSTR-1	January-March-2024	Turnover up to INR 5 Crores and under QRMP Scheme
13-04-2024	GSTR-6	March 2024	ISD
13-04-2024	GSTR-5	March 2024	Non Resident Taxable Person
18-04-2024	CMP-08	January-March-2024	Composition Dealer
20-04-2024	GSTR-3B	March 2024	Turnover more than INR 5 crore in the preceding FY or Turnover upto INR 5 crore in the preceding FY but opted for monthly return filing
20-04-2024	GSTR-5A	March 2024	OIDAR
22-04-2024	GSTR-3B	January-March-2024	Taxpayers opted for QRMP Scheme, having aggregate turnover upto INR 5 Cr for *Category A States
24-04-2024	GSTR -3B	January-March-2024	Taxpayers opted for QRMP Scheme, having aggregate turnover upto INR 5 Cr for **Category B States
25-04-2024	ITC – 04	October 2023-March 2024	Registered person sending goods for Job work whose aggregate turnover during the immediately preceding financial year exceeds 5 Cr
25-04-2024	ITC - 04	April 2023-March 2024	Registered person sending goods for Job work whose aggregate turnover during the immediately preceding financial year does not exceed 5 Cr
30-04-2024	GSTR-4	FY 2023-24	Yearly Return Composition Taxable Person
30-04-2024	Opting in / out of QRMP Scheme	April – June 2024	Registered person having aggregate turnover upto Rs 5 crores

GST Compliance Calendar - April 2024

Note: Categories of Taxpayers whose Aggregate Turnover is upto INR 5 crore for the purpose of filing GSTR-3B:

* **Category A:** Regular Taxpayers having an aggregate turnover of upto INR 5 crores whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep.

** **Category B:** Regular Taxpayers having an aggregate turnover of upto INR 5 crores whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi.

GST Year End Deliverables

FY 2023-24 Year End GST Deliverables

- **Invoicing series to be renewed as on 1st April 2024:** Since a new Financial year is starting, tax invoice series need to be renewed as per Rule 46(b) of CGST Rules.
- **Debit and Credit Notes:** Debit and credit notes need to be issued in case of fluctuations made in the sales and purchase made during the year to keep the records upto date.
- **Self-Invoicing and Payment Vouchers:** In respect of Reverse Charge Supplies and Inward Supplies in case of Import of Services received during FY 2023-24, issue of self-invoice need to be taken care off. Non-issue of self-invoice leads to denial of ITC to the recipient. Also, it may review that the payment vouchers have been issued for all the payment for the supplies attracting reverse charge have been made.
- **Time limit to avail ITC:** ITC for the FY 2023-24 can be taken upto 30th day of November 2024. As a precautionary measure, creditors outstanding on March 2024 may be evaluated to ensure ITC on such invoices is taken.
- **ITC Reversal:** Reverse ITC on instances where the Company has not paid the consideration to the Supplier within 180 days from the date of supplier's invoice. Keep the Creditors reconciliation ready for the invoices above 180 days and take appropriate actions.
- **Reversal of ITC under Rule 42 and 43:** Rule 42 & 43 requires re-computation of reversal of ITC on an annual basis before the month of September following the end of the FY to which such credit relates. Thus, this re-computation need to be done at the end of the FY to avoid interest in case of short reversal of ITC already made.
- **Identify supplies from Cancelled GSTIN:** It is to be ensured that the Input Tax Credit has not been taken on invoices from the suppliers whose GST registration has been cancelled or suspended for any reason during the FY 2023-24.

GST Year End Deliverables

FY 2023-24 Year End GST Deliverables

- **Ensure that suppliers are filing returns and making payment of taxes:** It is to be ensured that the suppliers are filing their outward supplies returns in Form GSTR-1 by including those supplies on which the recipient has availed ITC and also the supplier is making the payment of taxes on such outward supplies through Form GSTR-3B to avoid reversal of ITC along with interest at a later stage.
- **Identify supplies of capital assets on which ITC has been availed:** It is to be ensured that the Company has reversed ITC on supply of capital assets on which ITC had been availed on their purchase.
- **Ensure that ITC relating to Input Service Distributor is distributed in same month:** It is to be ensured that the input tax credit available for distribution in a month shall be distributed by Input Service Distributor in the same month.
- **Reconciliation of GSTR-1 and GSTR-3B:** Reconciliation of outward supplies in GSTR-1 and GSTR-3B need to be done and if there is any excess outward supply is shown in GSTR-1, then identify it and pay tax with interest @18% as soon as possible.
- **Reconciliation of E-way Bill generated with GSTR-1:** It is important to have a reconciliation between the amounts of E-way generated during the year versus the amount of outward supply shown in GSTR-1. There can be instances where outward supply as per E-Way Bill is more than outward supply as per GSTR-1. That need to be checked with sale invoices and tax need to be paid, if required and similarly, if outward supply as per E-Way Bill is less than outward supply as per GSTR-1, that need to be reconciled.
- **Reconciliation of outward supply as per GSTR 1 or GSTR-3B with balance sheet:** This is an important step it would come handy while doing the income tax and GST audits and annual returns.

GST Year End Deliverables

FY 2023-24 Year End GST Deliverables

- **Reconciliation of ITC ledgers:** It is advisable to reconcile the GSTR-1 & 3B, cash ledger and credit ledger as per GSTN portal with the books of accounts. Tax wise Credit, cash ledger need to be matched with the respective ledgers as per books of accounts.
- **Reverse Charge Liability:** It is to be ensured that the liability is being paid in respect of all input supplies notified for reverse charge and all the amendments have been taken care of. Check if the tax paid under RCM matches with ITC eligible under RCM.
- **Opting for Composition Scheme:** It is to be ensured that a person opting to pay tax under Composition scheme shall file Form GST CMP-02 before the commencement of financial year.
- **Opting out of Composition Scheme:** As per rule 6(2) of Composition Rules, if the person ceases to satisfy any of the conditions mentioned in section 10 or these rules, shall issue tax invoice for every taxable supply made thereafter and he shall also file an intimation for withdrawal from the scheme in FORM GST CMP-04 within seven days of occurrence of such event. This need to be taken care off, if the composition dealer has ceases to satisfy the conditions of composition scheme during any part of the financial year or at the beginning of financial year.
- **Taxpayer wants to opt in/out of QRMP scheme:** Such taxpayers may change their filing frequency from 1st February, 2024 to 30th April, 2024.
- **GST on Advance Receipts for Services:** It is to ensure that GST has been paid on advances received for services from customers as on 31.03.2024.
- **Refund for FY 2021-22:** The last date to apply for a refund of GST related to FY 2021-22 is 31.03.2024. Ensure to timely make the compliances, if applicable.
- **Renewal of Letter of Undertaking:** Renewal application of LUT need to be filed online to have smooth export of goods/ services without payment of tax.

GST Year End Deliverables

FY 2023-24 Year End GST Deliverables

- **Job Work:** Ensure that the inputs sent out for job work activity have been received back within one year from the date of being sent out and three years in case of capital goods sent for job work. If not received back, the same will be treated as supply for GST payments and would entail interest outgo of 18%.
- **Updates in GST Registration Certificate:** Top 5 commodities and/ or services need to be updated on GST Registration Certificate system to ensure to accommodate/ add any new line of business within the year. Similarly, any updation or amendment with respect to address or constitution of business need to be ensured to be matching with the actual scenarios.
- **Reconciliation of GST TDS/ TCS credit:** It is to be ensured that the TDS/ TCS credit reflecting on the GST portal shall be reconciled with the TDS/ TCS balances appearing in the Books of Accounts.
- **Physical Stock Measure:** The physical stock needs to be reconciled with the stock according to the books of account. This would be fruitful in the case of Income Tax as well as GST audit. In case of any discrepancies, appropriate ITC reversals on goods lost/ stolen/ destroyed/ given free of cost should be considered.

GST Updates – GST Technical Update

Advisory on GSTR-1/IFF: Introduction of New 14A and 15A tables

Dated: 12-03-2024

It is informed to all taxpayers that as per Notification No. 26/2022 – Central Tax dated 26th December 2022 two new Table 14A and Table 15A have been introduced in GSTR-1 to capture the amendment details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 or liable to pay tax u/s 9(5) of the CGST Act, 2017. These tables have now been made live on the GST common portal and will be available in GSTR-1/IFF from February 2024 tax period onwards. These amendment tables are relevant for those taxpayers who have reported the supplies in Table 14 or Table 15 in earlier tax periods.

Advisory: Integration of E-Waybill system with New IRP Portals

Dated: 08-03-2024

GSTN is pleased to announce the successful integration of E-Waybill services with four new IRP portals via NIC, enabling taxpayers to generate E-Waybills alongside E-Invoicing on these four IRPs.

This new facility complements the existing services available on the NIC-IRP portal, making E-Waybill services, along with E-Invoicing, available across all six IRPs.

Please find below the websites for all six IRP portals:

<https://invoice1.gst.gov.in> <https://invoice4.gst.gov.in>

<https://invoice2.gst.gov.in> <https://invoice5.gst.gov.in>

<https://invoice3.gst.gov.in> <https://invoice6.gst.gov.in>

GST News

GST collection in FY 23 set to cross ₹20 lakh-crore

Dated: 29-03-2024

The GST collection data for March 2024 is expected on April 1 as government normally releases the numbers for a month on the first day of the next month

Goods and Services Tax (GST) collection in the current financial year ending March 31 is expected to surpass the ₹20 lakh crore mark with an annualised growth of approximately 12%, two officials aware of the development said, attributing the increase to heightened economic activity and ease of compliance driven by technology.

Read more at :

<https://www.hindustantimes.com/india-news/gst-collection-in-fy-23-set-to-cross-20-lakhcr-101711650576666.html>

GST – Judicial Precedents

1. Detention of goods and vehicle

Intention to evade the payment of tax is sine qua non before imposition of penalty in case of detention of goods and vehicle

M/s Indeutsch Industries Private Limited Versus State of U.P. and 2 Others [Allahabad High Court]

Fact: While generating the e-way bill, the petitioner inadvertently mentioned the incorrect vehicle number on such e-way bill. When vehicle loaded with goods in question was crossing Ghaziabad via Vasundhara, the same was stopped by Respondent for verification of goods and documents. Even though the goods were being transported on the strength of valid and genuine documents, specified under Rule 138A, then also Respondent passed detention order detaining the goods on the ground that the goods were being transported on a vehicle different from that declared on e-way bill.

Held: When the error in the documents is only that of a clerical or typographical error, the initial burden of proof lies on the department to show there was intention to evade tax. In the present case the department has failed to do so and infact has not even tried to do so. The documents produced by the petitioner at the time of the interception itself indicates that the goods have been transported from a SEZ Unit to the DTA after payment of custom duty and payment of IGST.

The department has accordingly failed to shift the burden of proof on the petitioner as the only error found by the department was that the vehicle number was incorrect. Apart from this one error in the e-way bill, nothing has been shown by the department to justify the imposition of penalty under Section 129(3) of the Act. The impugned order also failed to take into account the document produced by the petitioner of the transporter wherein the explanation was given with regard to the reason for the mistake of the vehicle number in the e-way bill.

The intention to evade tax is sine qua non before imposition of penalty. In present case the department has failed to establish any such intention whatsoever. Furthermore, the Appellate Authority has failed to look into all the documents that were produced by the petitioner to rebut the allegation of the department with regard to intention to evade tax. Petition allowed.

GST – Judicial Precedents

2. Classification

Classification of original car seat cover manufactured and designed to permanently fit over the raw foam seat of the vehicles

M/s Saddles International Automotive & Aviation Interiors Private Limited [AAR Andhra Pradesh]

Facts: Applicant is engaged in manufacturing and supplies original car seat covers made from fabric that are designed to fit permanently over the raw foam seat installed in the vehicle, to original equipment manufacturers ('OEMs) as well as to seat manufacturers who further sell it to OEMs and is sold with the vehicle. The applicant seeks advance ruling whether original car seat covers which are manufactured and designed to permanently fit over the raw foam seat of the vehicle by the OEMs as well as the seat manufacturers who further sell to OEMs and are sold with the vehicle as an essential and integral part of seat is classifiable under HSN 9401 as "Seats (other than those of heading 9402) whether or not convertible into beds, and parts thereof other than seats of kind used for aircraft" and is liable to GST @ 18 % vide SI. No. 435A under Schedule III of Notification No. 1/2017-Central tax (rate) dt. 28.06.2017 as amended by Notification no. 41/2017-Central Tax (rate) dt. 14.11.2017

Held: Permanent Seats, herein referred to as such, are explicitly designated for exclusive utilization within a specified motor vehicle, thereby serving a specialized function meticulously aligned with the precise design and manufacturing specifications of said particular vehicle. The nomenclature "permanent seat cover" is employed to underscore the highly specialized nature of these seating arrangements, exemplifying a bespoke creation characterized by an assiduous focus on detail, ensuring seamless integration with the intended motor vehicle. It is paramount to recognize that Permanent Seats transcend mere functional contributions to the overall operation of the motor vehicle; they assume a pivotal role in guaranteeing that each seat is purposefully tailored for the precise vehicle with which it is affiliated. This meticulous alignment serves as a safeguard, preserving the structural Integrity and performance parameters of the motor vehicle. In its entirety, the original car seat covers which are manufactured and designed to permanently fit over the raw foam seat of the vehicles by the OEMs as well as the seat manufacturers who further sell to OEMs and are sold with the vehicle as an essential and integral part of seat is classifiable under HSN 8708 and is liable to pay @ 28%(CGST @ 14%+SGST @ 14%).

GST – Judicial Precedents

3. Cancellation of Registration

Merely because at the place of business no stock was found, it cannot lead to conclusion that petitioner did not conduct any business activity

M/s. Shree Ram Glass Bachauli Kuftabad Beekapur versus State of UP [Allahabad High Court]

Facts: The petitioner registration has been cancelled on the grounds that on inspection of premises it was found that no goods were found on the place of business.

Held: Considering the provisions contained under Section 29 (2) along with the facts of the present case it is noticed that there is no denial of the fact that the petitioner has, in fact, conducted business from the said address in as much as returns have been filed for the financial years 2021-22 and 2022-23 and this fact has not been denied by any of the authorities. Both the authorities should have taken into consideration the returns filed by the petitioner who had disclosed substantial business activities conducted by him for two financial years.

Cancellation of registration has serious consequences. It takes away the fundamental right of a citizen etc. to engage in a lawful business activity. In the present case, undisputedly, the registration claimed by the assessee had been granted by the respondent authority. Therefore, a presumption does exist as to such registration having been granted upon due verification of necessary facts. If the respondents propose to cancel the registration thus granted, a heavy burden lay on the respondent authority to see that statutory provisions contained under Section 29 (2) of the Act of 2017 are fulfilled and any one of the five conditions are placed to the assessee for cancellation. Examining the entire facts of the case this Court is of the considered opinion that the findings returned by the adjudicating authority as well as the appellate authority are perverse in as much as the petitioner submitted that he had filed his returns for the financial years 2021-22 and 2022-23. No further examination of the same was undertaken. Merely because at the place of business no stock was found it was concluded that the petitioner did not conduct any business activity. There is no law which mandates a businessman to always retain stock at the place of business - The authorities have failed to discharge the duties and merely because the place of business did not contain any stock the registration of the petitioner was cancelled. This Court is of the considered opinion that both the impugned orders are illegal and arbitrary and accordingly set aside. The writ petition succeeds and is allowed.

GST – Judicial Precedents

4. Summon

Whether issuance of summons u/s 70 of the CGST Act is hit by Section 6(2)(b) of the CGST Act ?

Rais Khan Proprietor of M/s. Kota Metals Versus Add. Commissioner, Enforcement Wing-II Rajasthan [Rajasthan High Court]

Facts: It is contended by counsel appearing for the petitioner that State Authorities had initiated the proceedings and as per Section 6(2)(b) of the CGST Act, if a proper Officer under the State Goods and Services Tax Act or Union Territory Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper Officer under this Act on the same subject matter. It is also contended that since the State Authorities had initiated action, summons under Section 70 of the CGST Act, could not have been issued by the DGGI. It is further contended that proper Officer has been defined under Section 2(91) of the CGST Act.

Held: It is evident that against the issuance of notice by the State Authorities, petitioner had preferred writ petition before the High Court and had not put in appearance before the State Authorities. In the judgments referred to by counsel for the respondents, it is held that scope of Section 6(2)(b) and Section 70 of the CGST Act is different and distinct, as the former deals with any proceedings on subject matter, whereas the latter deals with power to issue summon in an inquiry and therefore, the words “proceedings” and “inquiry” cannot be mixed up to read as if there is a bar for the respondents to invoke the power u/s 70 of the CGST Act.

Madras High Court in "Kuppan Gounder P.G. Natarajan vs. Directorate General of GST Intelligence, [2021 (9) TMI 713 - MADRAS HIGH COURT], also held that in issuance of summons for conducting an inquiry and to obtain a statement from the appellant cannot be construed to be bar u/s 6(2)(b) of the CGST Act.

Thus, we are of the considered view that issuance of summons u/s 70 of the CGST Act is not hit by Section 6(2)(b) of the CGST Act and the present Civil Writ petition being devoid of merits is accordingly dismissed. Stay application stands disposed.

GST – Judicial Precedents

5. Supply

Transfer of development rights of land by the land owners by way of a Joint Development Agreement is sale of land by the land owners or supply of services

**M/s. Prahitha Constructions Private Limited Versus Union of India
[Telangana High Court]**

Held: The High court found that the transfer of development rights is a service and not an outright sale of immovable property. The JDA facilitates development but does not, in itself, transfer ownership. Thus, such transfers are subject to GST and cannot be considered under Entry 5 of Schedule-III of the GST Act.



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