



**CGA LEGAL**

*Your GST Knowledge Partner*

# **The GST Bulletin**

*Month: February 2022 – Issue-III*

*Date of Issue: 24th February 2022*

## 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](http://www.cgalegal.co.in)

## In this Issue.....

S. No.	Particulars
1.	<b>GST Updates</b>
	❖ <b>GST Technical Update</b>
2.	<b>GST News</b>
3.	<b>GST Judicial Precedents</b>
	❖ Whether ITC Ledger can be blocked when balance in Electronic Credit Ledger is Nil? [ <b>Samay Alloys India Pvt. Ltd. Versus State of Gujarat (Gujarat High Court)</b> ]
	❖ Whether Exemption is available on services of renting in hostels used for residential purposes by students or working women? [ <b>Taghar Vasudeva Ambrish Vs Appellate Authority for Advance Ruling, Karnataka (Karnataka High Court)</b> ]
	❖ Whether Mango Pulp would be classified as fresh fruit for the purpose of exemption under GST? [ <b>M/s. Foods and Inns Limited (AAR Andhra Pradesh)</b> ]
	❖ Whether supply of E-books, Newspapers, directories and non-educational journals or periodicals are exempted under GST? [ <b>M/s. Manupatra Information Solutions Private Limited (AAR Uttar Pradesh)</b> ]
	❖ Classification of Coach Work like Driver Cab Air Conditioner Unit for EMU/MEMU trains of Railway Rolling Stock [ <b>M/s. Prag Polymers (AAR Uttar Pradesh)</b> ]

## GST Updates - GST Technical Updates

### Upcoming GSTR-1/IFF enhancements

**Dated 23-02-2022**

The following changes are being done in this phase of the GSTR-1/IFF enhancements :

**Removal of 'Submit' button before filing:** The present two-step filing of GSTR-1/IFF involving 'Submit' and 'File' buttons will be replaced with a simpler single-step filing process . The upcoming 'File Statement' button will replace the present two-step filing process and will provide taxpayers with the flexibility to add or modify records till the filing is completed by pressing the 'File Statement' button.

**Consolidated Summary:** Taxpayers will now be shown a table-wise consolidated summary before actual filing of GSTR-1/IFF. This consolidated summary will have a detailed & table-wise summary of the records added by the taxpayers. This will provide a complete overview of the records added in GSTR-1/IFF before actual filing.

**Recipient wise summary:** The consolidated summary page will also provide recipient-wise summary, containing the total value of the supplies & the total tax involved in such supplies for each recipient. The recipient-wise summary will be made available with respect to the following tables of GSTR-1/IFF, which have counter-party recipients :

- Table 4A : B2B supplies
- Table 4B : Supplies attracting reverse charge
- Table 6B : SEZ supplies
- Table 6C : Deemed exports
- Table 9B : Credit/Debit notes

The functionality will be made available on the GST Portal shortly, and the same will be intimated to taxpayers. For detailed advisory & sample screenshots of the upcoming GSTR-1/IFF improvements & enhancements, kindly follow the below link:

[https://tutorial.gst.gov.in/downloads/news/gstr1\\_enhancement\\_phase\\_2.pdf](https://tutorial.gst.gov.in/downloads/news/gstr1_enhancement_phase_2.pdf)

## GST Updates - GST Technical Updates

### Setup of 'GST Refund Help Desk' in the office of Pr. CCA, CBIC

**Dated 17-02-2022**

The office of Pr. CCA, CBIC has setup a 'GST Refund Help Desk' for addressing payment related problems faced by the taxpayers. Contact details of the Help Desk is as under:

Name of Nodal Officer : Ms Anita Rawat, Accounts Officer  
Toll Free Helpline Number : 1800-11-1424  
Mail ID : gstrefunds-helpdesk@gov.in

For payment/disbursement related issues in their refund application, the taxpayers are informed to contact this GST Refund helpdesk.

## GST News

### Govt likely to propose formula to bring ATF under GST

**Dated 21-02-2022**

The government is likely to propose a formula to bring aviation turbine fuel (ATF) under the ambit of Goods and Services Tax (GST), CNBC TV18 reported on February 21.

The likely government proposal will be to allow 18 percent GST in addition to VAT or excise rate, the news channel learnt from sources, adding that the formula would be introduced only if its acceptable to all the states.

The VAT or excise rate, under the formula, could vary from state to state, the report claimed.

"Globally also, in many countries such a formula of GST rate plus VAT/excise has been used in the case of ATF," a senior government official told CNBC TV18.

The proposal is expected to be tabled before the states and union territories at the next GST Council meeting, the news channel noted.



## GST – Judicial Precedents

### 1. Blocking of Electronic Credit Ledger

#### Whether ITC Ledger can be blocked when balance in Electronic Credit Ledger is Nil?

##### **Samay Alloys India Pvt. Ltd. Versus State of Gujarat [Gujarat High Court]**

**Facts:** The Writ Applicant is engaged in the business of manufacture and sale of MS Billets. It appears from the materials on record that at the relevant point of time when the writ applicants attempted to file their return for the month of September, 2021, there was no credit balance in the electronic credit ledger. Despite the same, the portal displayed a message that the electronic credit ledger had been blocked by the respondent. It was further noticed by the writ applicants that a negative balance had been entered in their electronic ledger by the respondent. In such circumstances and as a result of such negative balance, if the writ applicants would file return for the month of September, 2021 by claiming input tax credit, the writ applicants would be required to pay an additional amount of output tax under the provisions of the GST Act to the extent of negative balance of the input tax credit in the electronic credit ledger.

It appears that the writ applicants addressed a letter dated 22nd October, 2021 to the respondent, requesting for reasons to block the input tax credit. The respondent, however, thought fit not to pay any heed to such request. In such circumstances, referred to above, the writ applicants are here before this Court with the present application.

**Held:** One of the primary conditions in order to invoke Rule 86A is that the Credit of input tax should be available in the electronic credit ledger. Further, such credit should be claimed to have been (supported by reason to believe recorded in writing) fraudulently availed - Rule 86A is not the rule which entitled the proper officer to make debit entries in the electronic credit ledger of the registered person. The rule merely allows the proper officer to disallow the registered person debit from the electronic credit ledger for the limited period of time and on a provisional basis. In case debit entries are made by the proper officer, the same will tantamount to permanent recovery of the input tax credit and certainly permanent recovery is governed by the statutory provisions (Section 73 of 74 of CGST Act) and it certainly travels beyond the plain language and underlined intent of Rule 86A. The respondents are directed to withdraw negative block of the electronic credit ledger at the earliest. The writ applicants are also entitled to the refund of ₹ 20 Lakh deposited by them to enable them to file their return. Application disposed off.

## GST – Judicial Precedents

### 2. Exemption

#### Whether Exemption is available on services of renting in hostels used for residential purposes by students or working women?

#### **Taghar Vasudeva Ambrish Vs Appellate Authority for Advance Ruling, Karnataka [Karnataka High Court]**

**Facts:** The petitioner is co-owner of a residential property situated at Bengaluru. The property is a residential property having 42 rooms in all spread out between a stilt floor, ground floor and four floors along with terrace and common areas. The petitioner along with other co-owners have executed a lease deed in favour of the lessee namely M/s. D Twelve Spaces Private Limited (hereinafter referred to as 'the lessee') on 21.06.2019. The lessee has leased out the residential property as Hostel for providing long term accommodation to students and working professionals with the duration of stay ranging from 3 months to 12 months.

The petitioner with a view to seek clarification with regard to his eligibility to seek exemption on the rent received by him from the lessee by letting the property. The AAR Karnataka vide Advance Ruling dated 23.03.2020 inter alia held that services viz., renting of residential dwelling for use as a residence do not fall under Entry 13 of the Exemption Notification. The petitioner thereupon filed an appeal under Section 100 of the Act before the Appellate Authority for Advance Ruling, Karnataka (AAAR Karnataka). However, the AAAR Karnataka by an order dated 31.08.2020 inter alia held that property rented out by the petitioner is a hostel building which is more akin to sociable accommodation rather than what is commonly understood as residential accommodation. Therefore, the property rented out by the petitioner cannot be termed as residential dwelling.

**Held:** It is evident that the expression 'residence' and 'dwelling' have more or less the connotation in common parlance and therefore, no different meaning can be assigned to the expression 'residential dwelling' and it cannot be held that the same does not include hostel which used for residential purposes by students or working women. The service provided by the petitioner i.e., leasing out residential premises as hostel to students and working professionals is covered under Entry 13 of Notification No.9/2017 dated 28.09.2017 namely 'Services by way of renting of residential dwelling for use as residence' issued under the Act. The petitioner is held entitled to benefit of exemption notification.



## GST – Judicial Precedents

### 3. Classification

#### Whether Mango Pulp would be classified as fresh fruit for the purpose of exemption under GST?

##### **M/s. Foods and Inns Limited [AAAR Andhra Pradesh]**

**Facts:** The Appellant had filed an application for Advance Ruling whether the Mango Pulp/puree be treated as fresh fruit and exemption be claimed on it? If not whether the mango pulp/puree falls under the heading 20079910 or 0804 or 2008 and what is the rate of tax on such Mango Pulp?

The Authority for Advance Ruling Andhra Pradesh in its orders in AAR No.16/AP/GST/2021 dated 07.07.2021 held:

Mango Pulp/Puree shall neither be treated as a fresh fruit nor be classified under headings 20079910 or 0804 or 2008.

'Mango pulp/puree', shall be classified under the entry no. 453 of Schedule-III of Notification No.1/2017-Central Tax (Rate) dt: 28.06.2017 attracts the tax rate of 18%.

Aggrieved by the order, the appellant has filed the present appeal.

**Held:** As there is no specific description of "mango pulp/puree.", under GST tariff notification, the entry no. 453 of Schedule-III of Notification No.1/2017--Central Tax (Rate) dt: 28.06.2017 is applicable, which is a residuary entry covering goods which are not specified in Schedules I, II, IV, V, VI of the Notification, attracting the tax rate of 18%. Thus, 'Mango Pulp /Puree' is classifiable under Tariff Item 0804 50 40 and chargeable to GST 18%, by virtue of entry No.453 of Schedule III in Notification No.1/2011-Central Tax (Rate) Dated 28.06.2017.

## GST – Judicial Precedents

### 4. Exemption

#### Whether supply of E-books, Newspapers, directories and non-educational journals or periodicals are exempted under GST?

#### **M/s. Manupatra Information Solutions Private Limited [AAR Uttar Pradesh]**

**Facts:** Applicant is engaged in providing on-line text based information such as online books, newspapers, periodicals, directories etc (judgements/Notifications/Bare Acts/Rules/E-books/News/Articles) through their website [www.manupatra.com](http://www.manupatra.com) to law firms, lawyers, companies, government, judiciary, law schools.

The applicant has sought advance ruling on following questions-

As per notification no. 12/2017-Central Tax (Rate) dated 28th June 2017 further amended by notification no. 02/2018-Central Tax (Rate) dated 25th January 2018, against Serial number 66;

Services provided -

(b) to an educational institution, by way of,-

"(v) supply of online educational journals or periodicals: ";

is taxed at NIL rate.

This has created confusion as some law schools are insisting that GST is not applicable to them on account of the above Notification as amended.

Whether services referred above are covered by the above amendment. If the answer is in the affirmative, do we charge GST at NIL rate ?

## GST – Judicial Precedents

### 4. Exemption

**Whether supply of E-books, Newspapers, directories and non-educational journals or periodicals are exempted under GST?**

**M/s. Manupatra Information Solutions Private Limited [AAR Uttar Pradesh]**

**Held:** The nil rate of tax is applicable only on supply of online educational journals or periodicals under sl. No. 66(b)(v) of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 as amended and the said entry does not cover supply of E-books, Newspapers, directories and non-educational journals or periodicals - the invoices issued by the applicant to different educational institutions have mention of description 'Annual Subscription Online Database' and the same have no mention of "online educational journals or periodicals". As such, the applicant is collecting a subscription fee which is nothing but the fee charged to gain access to the data available in the database and to download the articles or information. The said invoices are not in respect of supply of online educational journals or periodicals.

Database and journals or periodicals are different thing and exemption is not available to online database, online books, newspapers, directories and non-educational journals under sl. No. 66(b)(v) of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.

## GST – Judicial Precedents

### 5. Classification

#### Classification of Coach Work like Driver Cab Air Conditioner Unit for EMU/MEMU trains of Railway Rolling Stock

##### **M/s. Prag Polymers [AAR Uttar Pradesh]**

**Facts:** The applicant is engaged in manufacture and supply of Railway Locomotive parts and Coach Parts as per Railways Drawings approved by RDSO.

The applicant has sought advance ruling on following question as per Form GST ARA-01 –

Classification of Coach Work like Driver Cab Air Conditioner Unit for EMU/MEMU trains of Railway Rolling Stock

**Held:** In the instant case, it is observed that the "Driver Cab Air Conditioner Unit for EMU/MEMU trains of Railway Rolling Stock" would be manufactured by the applicant, strictly as per the specification and design provided by the Indian Railways (RDSO) and meant to be solely used in railway rolling stock and nowhere else. Accordingly, the "Driver Cab Air Conditioner Unit for EMU/MEMU trains of Railway Rolling Stock" are classifiable under Tariff heading 86079920 i.e. "Parts of tramway, locomotives and running stock".

# CONTACT US



## Contact Us

**CA. Chitresh Gupta**

**Team CGA Legal**

**Chitresh.gupta@gstexperts.net**

### **DISCLAIMER:**

*The views expressed in this Bulletin are personal view of the presenter. This Bulletin includes general information about legal issues and developments in the law of GST in India. Such materials are for informational purposes only and may not reflect the most current legal developments. These informational materials are not intended, and must not be taken, as legal advice on any particular set of facts or circumstances. We disclaim all liability in respect to actions taken or not taken based on any or all the contents of this presentation to the fullest extent permitted by law.*

