



CGA LEGAL

Your GST Knowledge Partner



The GST Bulletin

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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

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GST Compliance Calendar - March 2022

Statutory Due Date	Type of Return	Period	Type of Taxpayer
10-03-22	GSTR-7	February-2022	TDS Deductor
10-03-22	GSTR-8	February-2022	E-Commerce Operator
11-03-22	GSTR-1	February-2022	Turnover more than INR 5 crore in the preceding FY & Turnover up to INR 5 crores and have opted for monthly return filing.
13-03-22	Details of Outward Supplies through Invoice Furnishing Facility [IFF]	February-2022	Taxpayers who are under QRMP Scheme
13-03-22	GSTR-6	February-2022	ISD
20-03-22	GSTR-3B	February-2022	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
20-03-22	GSTR-5	February-2022	Non-Resident Taxable Person
20-03-22	GSTR-5A	February-2022	OIDAR
25-03-22	GST PMT-06	February-2022	Taxpayer who has opted for QRMP Scheme has to deposit tax using form GST PMT-06 by the 25th of the following month, for the first and second months of the quarter.
31-03-22	RFD-11	FY 2021-22	Taxpayers renewing or taking fresh Letter of Understanding (LUT) for FY 2022-23
31-03-22	CMP-02	FY 2021-22	Taxpayer opting for the Composition Scheme for the upcoming FY 2022-23

GST Updates - Notifications

Notification No.	Summary of Notifications
01/2022 – CT dated 24.02.2022	<p data-bbox="368 368 1290 441">Monetary Limit for issuing E-invoice has been reduced from Rs 50 Crores to Rs 20 Crores w.e.f. 01-04-2022</p> <ul data-bbox="368 493 1305 706" style="list-style-type: none"><li data-bbox="368 493 1305 706">• CBIC has issued Notification No. 01/2022-CT dated 24-02-2022 amending Notification No. 13/2020-CT dated 21-03-2021 wherein CBIC has made e-invoice mandatory for registered persons having aggregate turnover above Rs 20 crores in any of the previous financial years beginning from 2017-18 till FY 2021-22 with effect from 1st of April, 2022.

GST Updates - GST Technical Updates

Auto-population of e-invoice details into GSTR-1

Dated 03-03-2022

Generation of e-invoice is mandatory for certain class of taxpayers, as notified by the Government. These taxpayers are required to prepare & issue their e-invoices by reporting their invoice data in the prescribed format (e-invoice schema in FORM GST INV-01) and reporting the same on the Invoice Registration Portal (IRP). Invoices reported successfully on the IRP are given a unique Invoice Reference Number (IRN). The documents (invoices, debit notes, credit notes) reported on the IRP are then transmitted electronically to the GST system and are auto-populated in the respective tables of GSTR-1.

For a detailed advisory regarding auto-population of e-invoice data into GSTR-1 tables, please follow the below link:

https://tutorial.gst.gov.in/downloads/news/einvoice_to_gstr1.pdf

GST News

GST Policy Wing Cautions Against Sharing Aadhaar, PAN Details Without Valid Reasons

Dated 03-03-2022

The CBIC on Thursday cautioned the public against sharing Aadhaar and PAN details without a valid reason or for monetary gains, saying that the information could be misused by fraudsters for GST evasion.

In a tweet, the Central Board of Indirect Taxes and Customs (CBIC) said Aadhaar and PAN details can be used for creating fake entities in GST for evasion of taxes and hence people should refrain from sharing these without a valid reason.

"Protect your personal data which may be used for creating fake entities in GST for evasion of taxes," the CBIC tweeted.

Over the past years, Goods and Services Tax (GST) officers have busted several bogus firms, which were used to raise fake invoices without any actual supply of goods. The sole intention is to fraudulently claim input tax credit (ITC).

GST – Judicial Precedents

1. Exemption

Whether services of educating and training physical, mental and spiritual practices of Yoga is exempt under GST?

M/s. Stonorti Marketplace Private Limited [Authority for Advance Ruling, Rajasthan]

Facts: The applicant is engaged in educating and training physical, mental and spiritual practices of Yoga. The applicant is engaged in providing such services both virtually and physically. Applicant sought advance ruling whether these services are exempt under GST by way of entry number 80 of Notification No. 12/2017 which is provided as hereunder:

Services by way of training or coaching in recreational activities relating to- (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.

Held: We are of the view that services by way of training or coaching of various Yoga courses by applicant for consideration, is not exactly for “Recreation activity” whereas the same is for 'Physical well-being activities' and hence, it is not covered under entry No. 80 of the Notification No. 12/2017-CT(R) dated 28-06-2017.

The training or coaching of various courses of Yoga for consideration by the applicant is nothing but “Physical well-being service and more suitably covered under Service Description “Physical wellbeing including health club and fitness centre” under Entry No. 711 of the Notification No. 11/2017-CT(R) dated 28-06-2017 and attracts GST @ 18% as per Entry No. 35 of the Notification No. 11/2017-CT(R) dated 28-06-2017.

GST – Judicial Precedents

2. Supply

Whether GST liability does arise in respect of property of the partner used by the Partnership Firm to carry out the business by the firm at free of rent?

M/s. Shanmuga Durai [Authority for Advance Ruling, Tamilnadu]

Facts: The applicant has stated that he is the Managing Partner in the partnership firm and having certain properties in his name. The firm in which he is partner is carrying out the business in those properties at free of rent. He has stated that under the Income Tax Act, it is clear that when the partner uses his property for business carried out by the firm then deemed rent does not arise. The applicant has sought the Advance Ruling to seek clarity under GST law for the above scenario.

Held: The rent free accommodation if so provided by the applicant indirectly accrues as profit for the firm which is enjoyed by the applicant as partner. So the economic benefit accrues to him and hence this supply is in the course of or furtherance of business only. Thus it is evident that the applicant in the course of furtherance of business has rented out the properties for commercial use to the partnership firm which is a separate person - in the case at hand the applicant is the owner of the properties. He also holds 2/3rd of the shares in the partnership firm in which he is Managing Partner and controls the firm. Therefore, the applicant and the firm who are separate persons are “Related Persons” for the purposes of this Act. Therefore, as per the above schedule, the supply of service between such related persons i.e., the applicant and the partnership firm, when made in the course or furtherance of business, the same is a taxable supply even when rendered without consideration.

The rent free accommodation proposed to be provided by the applicant to the partnership firm in which he is major shareholding partner and Managing Partner is a supply without consideration in the course of or furtherance of business and is found taxable under Section 7(1)(a) read with Schedule I of the CGST Act, 2017.

GST – Judicial Precedents

3. Valuation

Whether amount incurred for the refurbishment of the old car are includible in the purchase price so as to deduct the same from the selling price of the old and used refurbished car to arrive as the margin for the purpose of levy of GST under notification no 8/2018-CT (Rate) dated 25.01.2018?

M/s. Mr. Tej Jain [AAR Rajasthan]

Facts: Business model planned by the applicant involves firstly purchase of old and used cars. That with purchase of such car, considering its condition and with an intent to make it marketable to sell in the open market as “refurbished old/used car”, certain cost of refurbishment on said car will be incurred like tyre change, oil change etc. That after undertaking such cost, the refurbished car will be ready for re- sale and shall be displayed for to the interested and prospective buyers .

Applicant sought AAR whether the amount paid to the owner of the car and amount incurred for the refurbishment of the said car are includible in the purchase price so as to deduct the same from the selling price of the old and used refurbished car to arrive as the margin for the purpose of levy of GST under notification no 8/2018-CT (Rate) dated 25.01.2018.

Held: From the plain reading of the explanation-(ii) to Notification 08/2018-CT(R) it is observed that the explanation (ii) undoubtedly/clearly used the word “purchase price” not the “purchase cost” of goods. It means only the amount paid by the applicant at the time of purchase of used cars can be considered as “purchase price” there is no provision in the said notification to include the cost of refurbishment in the purchase price. Therefore, it is found that there is no reason to include cost of refurbishment in the purchase price for calculation of margin.

Thus, the amount paid to the owner of the car and amount incurred for the refurbishment of the said car are not includible in the purchase price so as to deduct the same from the selling price of the old and used refurbished car to arrive as the margin for the purpose of valuation and levy under Notification No. 08/2018-CT(Rate) dated 25.01.2018.

GST – Judicial Precedents

4. Exemption

Whether Consulting Services for Programme Management and Accompanying Measures are covered under Pure Services for the purpose of exemption?

M/s. GITEC-IGIP GMBH [AAR Tamil Nadu]

Facts: The Applicants have stated that they have been awarded a contract by M/s Greater Chennai Corporation (GCC), Government of Tamil Nadu for providing Consulting Services for Programme Management and Accompanying Measures for implementation of Integrated Storm Water Drain for M1 & M2 Components of Kovalam Basin in the extended area of Greater Chennai Corporation. They undertake this project along with members of the Joint Venture. The supply of services are in the nature of Consulting Engineer, Architects Services and Technical Testing, Inspection, Certification, etc.

They have sought Advance Ruling on the following question:

Whether the Pure Services, supplied by M/s GITEC-IGIP, GmbH, Cologne, Germany, having an office at Chennai, by way of rendering Consulting Services for Programme Management and Accompanying Measures for implementation of Integrated Storm Water Drain for M1 & M2 Components of Kovalam Basin in the extended area of Greater Chennai Corporation, supplied to the Superintending Engineer, Storm Water Drain Department, Greater Chennai Corporation, Chennai are exempted from payment of GST as per the S.No.3 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017

Held: From the 'Overall Programme Concept' found in the contract, the project is undertaken as a part of the Programme "Sustainable Urban Infrastructure Development" in India; and this commitment, to be implemented with the support of a Programme Management Consultant (PMC) shall be used to finance stormwater management measures for Kovalam Basin and Accompanying Measures (AM) to support the sustainability of the Programme. Thus, it is established that the project is undertaken to improve the 'urban Infrastructure of the Chennai City'. 'Urban Planning' is one of the activities stipulated under the 'Twelfth Schedule' of the Constitution. Therefore, the activities of the applicant are 'in relation to' the activity of 'Urban Planning', an activity under Article 243W of the Constitution.

GST – Judicial Precedents

4. Exemption

Whether Consulting Services for Programme Management and Accompanying Measures are covered under Pure Services for the purpose of exemption?

M/s. GITEC-IGIP GMBH [AAR Tamil Nadu]

The applicants are providing “Pure Services”, by way of rendering Consulting Services for Programme Management and Accompanying Measures for implementation of Integrated Storm Water Drain for M1 & M2 Components of Kovalarn Basin in the extended area of Greater Chennai Corporation and the same is supplied to GCC, who is a “Local Authority”, represented by the Superintending Engineer, Storm Water Drain Department, Greater Chennai Corporation, Chennai. Also, the services are in relation to Entry No.1 of the List as per the Twelfth Schedule under Article 243W of the Constitution of India i.e., Urban Planning including Town Planning - the applicant is eligible for the exemption claimed for such pure services.

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