



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 - May 2022

Statutory Due Date	Type of Return	Period	Type of Taxpayer
10-05-22	GSTR-7	April 2022	TDS Deductor
10-05-22	GSTR-8	April 2022	E-Commerce Operator
11-05-22	GSTR-1	April 2022	Turnover more than INR 5 crore in the preceding FY & Turnover up to INR 5 crores and have opted for monthly return filing.
13-05-22	Details of Outward Supplies through Invoice Furnishing Facility [IFF]	April 2022	Taxpayer who are under QRMP Scheme
13-05-22	GSTR-6	April 2022	ISD
20-05-22	GSTR-3B	April 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
20-05-22	GSTR-5	April 2022	Non-Resident Taxable Person
20-05-22	GSTR-5A	April 2022	OIDAR
25-04-22	GST PMT-06	April 2022	Taxpayers opted for QRMP 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.

GST Updates - GST Technical Updates

GSTR – 1 / IFF enhancements deployed on GST Portal

Dated: 27/04/2022

The previous phase of GSTR-1/IFF enhancement was deployed on the GST Portal in November 2021. In that phase, new features like the revamped dashboard, enhanced B2B tables, and information regarding table/tile documents count were provided. In continuation to the same, the next Phase of the GSTR-1/IFF improvements is now available on the Portal.

GSTR-1/IFF can be viewed as usual by navigating in the following manner :

Return Dashboard > Selection of Period > Details of outward supplies of goods or services GSTR-1 > Prepare Online

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

- i. 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.
- ii. 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.
- iii. 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

It was previously intimated that this enhancement would be made available on the Portal shortly. It is to inform that these changes have now been implemented, and are available on the Portal. Further, for detailed advisory, kindly follow the below link:

https://tutorial.gst.gov.in/downloads/news/gstr1_enhancement_phase_2.pdf

GST Updates - GST Technical Updates

Advisory to composition taxpayers

Dated: 30/04/2022

Background: Since FY 2019-20, composition taxpayers has to pay the liability through Form GST CMP-08 on quarterly basis while return in Form GSTR-4 is required to be filed on annual basis after end of a financial year.

Reason of Negative Liability in GSTR-4: The liability of the complete year is required to be declared in GSTR-4 under applicable tax rates. Taxpayers should fill up table 6 of GSTR-4 mandatorily. In case, there is no liability, the said table may be filled up with '0' value. If no liability is declared in table 6, it is presumed that no liability is required to be paid, even though, taxpayer may have paid the liability through Form GST CMP-08. In such cases, liability paid through GST CMP-08 becomes excess tax paid and moves to Negative Liability Statement for utilization of same for subsequent tax period's liability.

What the taxpayer did wrongly: Liability paid through Form GST CMP-08 is auto-populated in table 5 of the GSTR-4 for convenience of the taxpayers. Taxpayers who do not fill up table 6 of GSTR-4 i.e. no liability is declared, even though, taxpayer may have paid the liability through Form GST CMP-08; since the 'Tax payable' in GSTR-4 is computed after reducing the liability declared in GST CMP-08 which is auto-populated in table 5. Thus, if nothing is declared in table 6, then the negative liability entry appears in GSTR-4.

Debit of the negative liability – In the past, lot of tickets were received on the Helpdesk for reducing the negative liability from the Negative Liability Statement and the same was being done. For convenience of the taxpayers, the amount available in negative liability statement have been debited for all taxpayers. It has been noticed that some taxpayers had utilised the amount available in negative liability statement for paying the liability to file statement in Form GST CMP-08 or GSTR-4 of subsequent financial year. In such cases, the amount utilised out of negative liability statement has been debited in the cash ledger. Though, such liability should have been paid by depositing the amount through challan but in some cases the amount had not been deposited by the taxpayers. The taxpayer who have deposited the amount in cash ledger, the debited amount has been adjusted whereas in case the amount of liability has not been deposited through challan, the balance in cash ledger becomes negative. In such cases, the taxpayers are advised to deposit the past liability through challan of equal amount urgently.

The details of the debit so made have been communicated to all such taxpayers through emails available on the portal. In case, the liability had been paid through adding in the next years' liability, the same can be claimed as refund through application in Form GST RFD-01.

GST Updates - GST Technical Updates

Annual Aggregate Turnover (AATO) computation for FY 2021-22

Dated: 02/05/2022

The functionality of AATO for the FY 2021-22 has now been made live on taxpayers' dashboards with the following features:

The taxpayers can view the exact Annual Aggregate Turnover (AATO) for the previous Financial Year (FY).

The taxpayers can also view the Aggregate Turnover of the current FY based on the returns filed till date.

The taxpayers have also been provided with the **facility of turnover updation** in case taxpayers feel that the system calculated turnover displayed on their dashboard varies from the turnover as per their records.

This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in their turnover shall be summed up for computation of Annual Aggregate Turnover for each of the GSTINs.

The taxpayer can amend the turnover **twice within** the month of May, 2022. Thereafter, the figures will be sent for review of the Jurisdictional Tax Officer who can amend the values furnished by the taxpayer wherever required.

GST News

GST collections in April touch all-time high of Rs 1.68 lakh crore

Dated: 02-05-2022

Goods and services tax (GST) collections hit an all-time high of ₹1.68 lakh crore in April, indicating strong economic activity despite multiple headwinds and better tax compliance. The April number is up 20% from the year earlier and ₹25,000 crore more than the previous highest of ₹1.42 lakh crore in March this year.

Source:

<https://economictimes.indiatimes.com/news/economy/finance/gst-revenue-collection-hits-record-rs-1-68-lakh-crore-in-april/articleshow/91230829.cms>

GST – Judicial Precedents

1. Supply

Whether recovery of amount from employee on account of third party canteen service provided by assessee, which is obligatory under section 46 of Factories Act, 1948, would come under definition of, 'outward supply' and, therefore, taxable as a 'supply' under GST?

M/s. Cadmach Machinery Pvt. Ltd [AAR Gujarat]

Held: Cadmach has arranged a canteen for its employees, which is run by a Canteen Service Provider. As per their arrangement, part of the Canteen charges is borne by Cadmach whereas the remaining part is borne by its employees. On said employee's portion, canteen charges is collected by Cadmach and paid to the Canteen Service Provider. Cadmach submitted that it does not retain with itself any profit margin in this activity of collecting employee's portion of canteen charges.

This canteen service facility provided by Cadmach to its employees cannot be accorded as an activity made in the course or furtherance of business, to deem it a Supply by Cadmach to its employees.

GST, at the hands of the Cadmach, is not leviable on the amount representing the employees portion of canteen charges, which is collected by Cadmach and paid to the Canteen service provider.

GST – Judicial Precedents

2. Classification

Whether software licenses supplied by the applicant qualifies to be treated as Computer Software resulting in supply of goods and are therefore to be classified under Chapter Heading 8523 80 20?

M/s. Keysight Technologies India Pvt Ltd [AAR Karnataka]

Facts: Applicant is engaged in the supply of scientific & technical equipment and time based & perpetual software license(s) to Public Funded Research Institutions registered with Government of India. The applicant sought Ruling on the question mentioned above and sought whether the benefits of Notifications No.45/2017-Central Tax (Rate), Notification (45/2017) No.FD48 CSL 2017, Bengaluru and Notification No.47/2017-IGST (Rate) all dated 14.11.2017 are applicable to the software licenses supplied by the Applicant to the institutions given in the notification?

Held: The software supplied 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 qualifies to be "Computer Software" and more specifically covered under "Application Software". Further the Explanatory Notes to the Scheme of Classification of Services stipulates that the SAC 997331 covers Licensing services for the right to use computer software and databases but excludes the services of limited end-user licence as part of packaged software from the said SAC. Hence the supply made by the applicant is covered under "Supply of goods" and the said supply is covered under tariff heading 8523.

Further, the Notification No.45/2017- Central Tax (Rate) dated 14.11.2017 and Notification No.47/2017-Integrated Tax (Rate) dated 14.11.2017 stipulates the rate of CGST / IGST @ 5%, if the goods of computer software is supplied to public funded research institutions subject to fulfillment of the conditions prescribed under column 4 of the said notification - In the instant case the applicant is supplying computer software to a public funded research institution, under the administrative control of DRDO, Government of India. Further the said institute has also furnished a certificate as required to fulfill the required condition. - Benefit of notification available.

GST – Judicial Precedents

3. Exemption

Whether transferring of all the assets and liabilities of one unit to another unit amount as supply of goods or supply of services or supply of goods and services?

M/s. Cosmic Ferro Alloys Limited [AAR West Bengal]

Facts: The applicant is stated to be engaged in manufacturing of Ferro alloys and Cold Rolled Formed Sections having its factories at Barjora (hereinafter referred to as the “FERRO Unit”) and Singur (hereinafter referred to as the “CRF Unit/ CRF business”) respectively. It is submitted that the entire operations of the applicant are segmented in the said two units i.e. FERRO Unit and CRF Unit and both the units are functional and running independently.

The applicant intends to sell its CRF unit as a whole which involves transferring of all the assets to the purchaser which includes taking over all the liabilities due and payable as on the date of transfer for a lump sum consideration.

The applicant has sought AAR on the following questions:

- i. Whether the transaction would amount as supply of goods or supply of services or supply of goods and services?
- ii. Whether the transaction would be covered under Entry No. 2 of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017?

Held: In the instant case, admittedly the applicant has entered into an agreement which inter alia involves transfer of goods forming part of the assets of the business. In a standalone manner, such transfer shall be treated as supply of goods in terms of clause (a) of Entry No. 4 of Schedule II - the applicant intends to sell his entire CRF unit where the purchaser agrees to take over the assets as well as the liabilities of the said CRF unit along with the employees and their benefits. Such transfer of a unit of a business cannot be treated as supply of goods since business cannot be said to be a movable property so as to qualify as ‘goods’ as defined in clause (52) of section 2 of the GST Act. Further, anything other than goods, money and securities falls within the meaning of ‘services’ as defined in clause (102) of section 2 of the GST Act.

GST – Judicial Precedents

3. Exemption

Whether transferring of all the assets and liabilities of one unit to another unit amount as supply of goods or supply of services or supply of goods and services?

M/s. Cosmic Ferro Alloys Limited [AAR West Bengal]

.....*Continued from above*

To qualify as a 'going concern', the business must not have 'intention or necessity of liquidation or of curtailing materially the scale of the operations'. In this context, it is mentioned that the applicant has not furnished any documentary evidences from the auditor with regard to the 'entity's ability to continue in operation for the foreseeable future" in absence of which we are unable to conclude that the applicant has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

The transaction of transfer of business unit of the applicant involved in the instant shall be treated as a supply of services - transaction would be covered under Entry No. 2 of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 subject to fulfillment of the conditions to qualify as a going concern.

GST – Judicial Precedents

4. Exemption

Whether Naturopathy and yoga services provided by resort would cover under exemption from GST?

M/s. Corbett Nature Reserve [AAR, Uttarakhand]

Facts: The applicant is running a Resort namely “Aahana - The Corbett wilderness” and also runs an independent unit namely “Aahana Naturopathy Centre” (also referred to as “the Centre”), wherein they are providing various services in the form of Nature cure (drugless cure) & Yoga therapies (Health care services), which are not restricted only to the in-house customers, but also open to all.

The applicant seeks advance ruling on the following question:

“Whether “The Centre” of the applicant is eligible to get the benefit of entry No. 74 of exemption Notification No. 12/2017-Central Tax (Rate) dated 28.06 2017, classified under SAC Heading 9993”.

Held: In the instant case the applicant has advertised and marketed their accommodation service as their main service and Naturopathy as additional service. Thus, the accommodation service and other services including Naturopathy rendered during the course of said service is covered under composite service and the accommodation service constitutes the predominant element and therefore, becomes the “principal supply” and other services including Naturopathy shall form the part of that composite supply.

On true and fair analysis of the aforesaid Notification, the conclusion is compelling that all services provided in relation to or in addition to accommodation service are liable to GST applicable to 'Accommodation Service' in as much as, all such ancillary/additional activities having a proximal nexus with accommodation service.

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