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CGA LEGAL

Your GST Knowledge Partner

The GST Bulletin

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About The GST Bulletin

The GST Bulletin is a Fortnightly Newsletter from Team CGA Legal, a leading Indirect Tax Consultancy firm . The Newsletter is intending to keep its readers updated with all important changes in Goods & Services Tax including latest Notifications, Circular and Technical updates if any. 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 Judicial Precedent:** A Fortnightly Publication of various important judgments which can have huge impact on your business decisions.
- **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

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CBIC Circulars

Clarification regarding GST rates & classification of goods

Circular No. 163/19/2021-GST dated: 6th October, 2021.

The issue-wise clarifications are discussed in detail below:

Applicability of GST on fresh and dried fruits and nuts

At present, fresh nuts (almond, walnut, hazelnut, pistachio etc) falling under heading 0801 and 0802 are exempt from GST, while dried nuts under these headings attract GST at the rate of 5%/ 12%.

The general Explanatory Notes to chapter 08 mentions that this chapter covers fruit, nuts intended for human consumption. They may be fresh (including chilled), frozen (whether or not previously cooked by steaming or boiling in water or containing added sweetening matter) or dried (including dehydrated, evaporated or freeze-dried). Thus, HS chapter differentiates between fresh, frozen and dried fruits and nuts.

Thus, HS chapter differentiates between fresh, frozen and dried fruits and nuts. Fresh fruit and nuts would thus cover fruit and nuts which are meant to be supplied in the state as plucked. They continue to be fresh even if chilled. However, fruit and nuts do not qualify as fresh, once frozen.

Therefore, exemption from GST to fresh fruits and nuts covers only such products which are not frozen or dried in any manner as stated above or otherwise processed. Supply of dried fruits and nuts, falling under heading 0801 and 0802 attract GST at the rate of 5%/12% as specified in the respective rate Schedules.

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021.

Applicability of GST on tamarind seeds

The GST council in its 45th meeting recommended GST rate on seeds, falling under heading 1209, meant for any use other than sowing to 5% (S. No. 71A of schedule I of notification No. 1/2017- Central Tax (Rate) dated 28.06.2017) and Nil rate would apply only to seeds for this heading if used for sowing purposes (S. No. 86 of schedule of notification No. 2/2017- Central Tax (Rate) dated 28.06.2017). Hence, with effect from 1.10.2021, tamarind and other seeds falling under heading 1209, (i.e. including tamarind seeds), if not supplied as seed for sowing, would attract GST at the rate of 5%.

Clarification of definition of Copra

As per Explanatory Notes to HS (2017 edition) to heading 1203, Copra is dried flesh of coconut generally used for the extraction of coconut oil. Coconut kernel turns into copra, when it separates from the shell skin, while still being inside the shell. The whole unbroken kernel could be taken out of shell only when it converts to copra. Once taken out of shell, copra could be supplied either whole or broken.

As per the Explanatory Notes to HS, the heading 0801 covers coconut fresh or dried but excludes Copra. Thus, exemption available to Coconut, fresh or dried, whether or not shelled or peeled, vide entry at S. No. 47 of notification No. 2/2017- Central Tax (Rate) dated 28.6.2017, is not available to Copra. Accordingly, Copra, classified under heading 1203, attracts GST rate of 5% vide entry at S. No. 66 of Schedule I of 1/2017-Central Taxes (Rate) dated 28.06.2017, irrespective of use.

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021.

Applicability of GST on pure henna powder and leaves

As per the Explanatory Notes to HS 2017, heading 1404 is vegetable products not elsewhere specified or included. Further, as per the said Explanatory Notes, heading 1404 includes raw vegetable materials of a kind used primarily in dyeing or tanning. Such products are used primarily in dyeing or tanning either directly or in preparation of dyeing or tanning extracts. The material may be untreated, cleaned, dried, ground or powdered (whether or not compressed).

Accordingly, it is clarified that pure henna powder and henna leaves, having no additives, is classifiable under tariff item 1404 90 90 and shall attract GST rate of 5% (S. No. 78 of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017) .

Further, the GST rate on mehndi paste in cones falling under heading 1404 and 3305 shall be 5% (S. No. 78A of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

Applicability of GST on scented sweet supari & flavored and coated illaichi

Scented sweet supari falls under tariff item 2106 90 30 as “Betel nut product” known as “Supari” and attracts GST rate of 18% vide entry at S. No. 23 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.

Flavored and coated illaichi generally consists of Cardamom Seeds, Aromatic Spices, Silver Leaf, Saffron, Artificial Sweeteners. It is distinct from illaichi or cardamom (which falls under heading 0908). It is clarified that flavored and coated illaichi is a value added product and falls under sub-heading 2106. It accordingly attract GST at the rate of 18% (S. No. 23 of schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021.

Applicability of GST on Brewers' Spent Grain (BSG), Dried Distillers' Grains with Soluble [DDGS] and other such residues

As per the Explanatory Notes to the HSN, heading 2303 includes residues of starch manufacture and similar residues (from maize (corn), rice, potatoes, etc.); beetpulp; bagasse; other waste products of sugar manufacture; brewing or distilling dregs and waste, which comprises in particular - dregs of cereals obtained in the manufacture of beer and consisting of exhausted grains remaining after the wort has been drawn off; malts sprouts separated from the malted grain during the kilning process; spent hops; Dregs resulting from the distillation of spirits from grain, seeds, potatoes, etc; beet pulp wash (residues from the distillation of beet molasses). All these products remain classified in the heading whether presented in wet or dry.

Thus, Brewers' spent grain (BSG), Dried distillers' grains with soluble [DDGS] and other such residues are classifiable under heading 2303, attracting GST at the rate of 5% (S. No. 104 of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

Scope of GST rate on all pharmaceutical goods falling under heading 3006

Entry at S. No. 65 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017, reads as "Pharmaceutical goods specified in Note 4 to this Chapter [i.e. Sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or dental adhesion barriers, whether or not absorbable; Waste pharmaceuticals] [other than contraceptives]"

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021

S. No. 65 of Second Schedule of Notification 1/2017- Central Tax (Rate) dated 28.6.2017 refers to the note 4 to Chapter 30 of the First schedule of the Customs Tariff Act, 1975 while mentioning an illustrative list. Certain representations were received seeking clarification on the applicable rate of goods falling under heading 3006 that are not specifically mentioned in the Entry at S. No. 65 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.

Thus, it is clarified that said entry 65 covers all goods as specified in Chapter Note 4 and Chapter Note 4 in turn covers all goods covered under Heading 3006. Therefore, said entry 65 covers all goods falling under heading 3006, irrespective of the fact that such goods are specifically mentioned in said entry. Therefore, all goods falling under heading 3006 attract GST rate of 12% under entry 65 in the 12% rate schedule.

All laboratory reagents and other goods falling under heading 3822

Entry at S. No. 80 of Schedule II of notification No.1/2017- Integrated Tax (Rate) dated 28.6.2017 prescribes GST rate of 12% for “All diagnostic kits and reagents”.

Representations have been received whether the benefit of concessional rate of 12% would be available to laboratory agents and other goods falling under heading 3822.

Heading 3822 covers “Diagnostic or Laboratory Reagents, Certified Reference Materials etc.”.

The issue was placed before the GST Council and on its recommendations, it is clarified that the intention of this entry was to prescribe GST rate of 12% to all goods, whether diagnostic or laboratory reagents, falling under heading 3822.

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021.

It is accordingly clarified that concessional GST rate of 12% is applicable on all goods falling under heading 3822, vide Entry at S. No. 80 of Schedule II of notification No.1/2017-Integrated Tax (Rate) dated 28.6.2017.

Requirement of Original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) on each inter-State stock transfer of goods imported at concessional GST rate for petroleum operations

Representations have been received seeking clarification whether the original/ import Essentiality certificate can be used for such inter-state stock transfers or a fresh Essentiality certificate would be required for each inter-state stock transfer as it is being treated as supply subject to IGST.

GST Council deliberated upon this issue and a decision was taken that the original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) is sufficient and there is no need for taking a certificate every time on inter-state movement of goods within the same company / stock transfer so long as the goods are the same as those imported by the company at concessional rate.

The importer is required to maintain records and should be able to establish nexus between the stock transfer of goods and the description in the essentiality certificate.

GST rates applicable on External batteries sold along with UPS Systems/Inverter

References have been received seeking clarification about whether, 'UPS Systems/inverter sold along with batteries as integral part' are classified under heading 8507 at 28% GST or under heading 8504 at 18% GST.

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021

The matter has been examined and it is observed that even if the UPS/inverter and external battery are sold on the same invoice, their price are separately known, and they are two separately identifiable items. Thus, this constitutes supply of two distinctly identifiable items on one invoice. Therefore, it is clarified that in such supplies, UPS/inverter would attract GST rate of 18% under heading 8504, while external batteries would attract the GST rate as applicable to it under heading 8507 (28% for all batteries except lithium-ion battery).

Applicability of GST rates on Solar PV Power Projects

An explanation was inserted vide Notification No.24/2018- Central Tax (Rate), dated 31st December, 2018 that GST on specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, with effect from 1st January, 2019. The request has been that same ratio (for deemed value) may be applied in respect of supplies made before 1.1.2019.

As per this explanation, if the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017, the value of supply of goods for the purposes of this entry shall be deemed as seventy percent of the gross consideration charged for all such supplies, and the remaining thirty percent of the gross consideration charged shall be deemed as value of the said taxable service. This mechanism for valuation of supply was recommended by the Council considering that it adequately represented the value of goods and services involved in the supply.

CBIC Circulars

Clarification regarding GST rates & classification of goods.

Circular No. 163/19/2021-GST dated: 6th October, 2021.

The GST Council has now decided to clarify that GST on such specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, for the period of 1st July, 2017 to 31st December, 2018, in the same manner as has been prescribed for the period on or after 1st January, 2019, as per the explanation in the Notification No.24/2018 dated 31st December, 2018. However, it is specified that, no refunds will be granted if GST already paid is more than the amount determined using this mechanism.

Applicability of GST rates on Fibre Drums, whether corrugated or non-corrugated

Hitherto, corrugated boxes and cartons, falling under heading 4819 attracted GST at the rate of 12% (entry 122 of 12% rate schedule), while other cartons falling under this heading attracted GST at the rate of 18%. Disputes have arisen as regards applicable GST on fibre drums, which is partially corrugated (as to whether it is to be treated as corrugated or otherwise). This dispute gets resolved on account of the recommendation of the GST Council, in its 45th meeting, to prescribe a uniform GST rate of 18% on all goods classifiable under heading 4819 (with effect from 1st October, 2021 under S. No. 153A of Schedule III of notification No.1/2017-Central Tax (Rate) dated 28.6.2017).

For the period prior to 1.10.2021, the Council upon taking note of the fact that there was an ambiguity regarding the GST rates applicable on a Fibre Drums, because of its peculiar construction (partially corrugated), has decided that supplies of such Fibre Drums even if made at 12% GST (during the period from 1.7.2017 to 30.9.2021), would be treated as fully GST-paid. Therefore, no action for recovery of differential tax (over and above 12% already paid) would arise. However, as this decision has only been taken to regularize the past practice in view of certain ambiguity, as detailed in para 14.1, no refund of GST already paid shall be allowed if already paid at 18%.

CBIC Circulars

Clarifications regarding applicable GST rates & exemptions on certain services

Circular No. 164/20/2021-GST dated 06-10-2021

The issue-wise clarifications are given below:

Services by cloud kitchens/central kitchens:

The explanatory notes to the classification of service state that restaurant service includes services provided by Restaurants, Cafes and similar eating facilities including takeaway services, room services and door delivery of food.

Therefore, it is clear that takeaway services and door delivery services for consumption of food are also considered as restaurant service and, accordingly, service by an entity, by way of cooking and supply of food, even if it is exclusively by way of takeaway or door delivery or through or from any restaurant would be covered by restaurant service. This would thus cover services provided by cloud kitchens/central kitchens.

Accordingly, it is clarified that service provided by way of cooking and supply of food, by cloud kitchens/central kitchens attract 5% GST [without ITC].

Supply of ice cream by ice cream parlors:

Ice cream parlors sell already manufactured ice-cream and they do not have a character of a restaurant. Ice-cream parlors do not engage in any form of cooking at any stage, whereas, restaurant service involves the aspect of cooking/preparing during the course of providing service. Thus, their activity entails supply of ice cream as goods (a manufactured item) and not as a service, even if certain ingredients of service are present.

Accordingly, it is clarified that ice cream sold by a parlor or any similar outlet would attract GST at the rate of 18%.

CBIC Circulars

Clarifications regarding applicable GST rates & exemptions on certain services.

Circular No. 164/20/2021-GST dated 06-10-2021.

Coaching services supplied by coaching institutions and NGOs under the central sector scheme of “Scholarships for students with Disabilities” Entry 72 of notification No. 12/2017- Central Tax (Rate) dated 28th June, 2017, exempts services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration.

The scope of this entry is wide enough to cover coaching services provided by coaching institutions and NGOs under the central scheme of “Scholarships for students with Disabilities” where total expenditure is borne by the Government by way of funding to institute providing such coaching.

Accordingly, it is clarified that services provided by any institutions/ NGOs under the central scheme of “Scholarships for students with Disabilities” where total expenditure is borne by the Government is covered under entry 72 of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017 and hence exempt from GST.

Satellite launch services provided by NSIL:

It has been clarified vide Circular No. 2/1/2017-IGST dated 27.09.2017 that Place of Supply (PoS) of satellite launch services supplied by ANTRIX Corporation Ltd to customers located outside India is outside India and such supply which meets the requirements of section 2(6) of IGST Act, constitutes export of service and shall be zero rated. If the service recipient is located in India, the satellite launch services would be taxable.

CBIC Circulars

Clarifications regarding applicable GST rates & exemptions on certain services.

Circular No. 164/20/2021-GST dated 06-10-2021.

It is clarified that as the satellite launch services supplied by NSIL are similar to those supplied by ANTRIX Corporation Ltd, the said circular No. 2/1/2017-IGST dated 27.09.2017, is applicable to them.

GST on overloading charges at toll plaza:

Entry 23 of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, exempts Service by way of access to a road or a bridge on payment of toll charges.

As recommended by the GST Council, it is clarified that overloading charges at toll plazas would get the same treatment as given to toll charges.

Renting of vehicles to State Transport Undertakings and Local Authorities:

It is clarified that the expression “giving on hire” in Sl. No. 22 of the Notification No. 12/2017-CT (Rate) includes renting of vehicles.

Accordingly, services where the said vehicles are rented or given on hire to State Transport Undertakings or Local Authorities are eligible for the said exemption irrespective of whether such vehicles are run on routes, timings as decided by the State Transport Undertakings or Local Authorities and under effective control of State Transport Undertakings or Local Authorities which determines the rules of operation or plying of vehicles .

CBIC Circulars

Clarifications regarding applicable GST rates & exemptions on certain services.

Circular No. 164/20/2021-GST dated 06-10-2021.

Services by way of grant of mineral exploration and mining rights:

Rate of GST applicable on supply of services by way of granting mineral exploration and mining rights during the period from 1.07.2017 to 31.12.2018 was under dispute as with effect from 1.1.2019, the rate schedule has been specifically amended and it is undisputed since then that such service attracts GST at the rate of 18%.

Now, it has been clarified that the service by way of grant of mineral exploration and mining rights most appropriately fall under service code 997337, i.e. "licensing services for the right to use minerals including its exploration and evaluation".

Accordingly, as recommended by the Council, it is clarified that even if the rate schedule did not specifically mention the service by way of grant of mining rights, during the period 1.7.2017 to 31.12.2018, it was taxable at 18%.

Admission to indoor amusement parks having rides etc.

Entry 34(iii) notification No.11/2017-CTR, prior to 01.10.2021, prescribed 18% GST on the services by way of admission to amusement parks including theme parks, water parks, joy rides, merry-go rounds, go-carting and ballet. On the other hand, Entry No. 34(iia) in Notification No. 11/2017- CT(R) dated 28.06.2017 prescribed GST rate of 28% on the services by way of admission to entertainment events or access to amusement facilities including casinos, race club, any sporting event such as Indian Premier League and the like.

CBIC Circulars

Clarifications regarding applicable GST rates & exemptions on certain services

Circular No. 164/20/2021-GST dated 06-10-2021.

On the recommendations of the Council, it is clarified that 28% rate [entry 34 (iiia)] applies on admission to a place having casino or race club [even if it provides certain other activities] or admission to a sporting event like IPL. On the other hand, Entry 34 (iii), having a rate of 18%, covers all other cases of admission to amusement parks, or theme park etc or any place having joy rides, merry-go rounds, go-carting etc, whether indoor or outdoor, so long as no access is provided to a casino or race club.

This clarification will also apply to Entries 34(iii) and 34(iiia) as they existed prior to their amendment w.e.f 01.10.2021.

The entries in question have been suitably amended vide notification No. 6/2021- Central Tax(Rate) dated 30.09.2021 to make them clearer.

Services supplied by contract manufacturers to brand owners for manufacture of alcoholic liquor for human consumption

As recommended by GST Council, it is clarified that the expression "food and food products" in the said entry excludes alcoholic beverages for human consumption. As such, in common parlance also alcoholic liquor is not considered as food. Accordingly, services by way of job work in relation to manufacture of alcoholic liquor for human consumption are not eligible for the GST rate of 5% prescribed under the said entry. GST Council recommended that such job work would attract GST at the rate of 18%.

GST Technical Updates

Availability of Input Tax Credit (ITC) for FY 2020-21

Date 17-10-2021.

As per Section 16(4) of CGST Act, 2017, no taxpayer shall take input tax credit in respect records (invoices and debit notes) for supply of goods or services (or both) for Financial Year 2020-21 after the due date of furnishing the return for the month of September 2021. The due date for the GSTR-3B for September 2021 is either 20th October 2021 for monthly filers and 22nd or 24th October 2021 depending on the State/UT of registration of the taxpayer. In view of the same, the following may kindly be noted:

- i. Records (invoice or debit notes) pertaining to Financial Year 2020-21 reported in GSTR-1 after due date of GSTR-3B of September 2021 will not reflect as "ITC Available" in GSTR-2B of the recipients. Such records will reflect in "ITC Not Available" section of GSTR-2B and such ITC shall in turn not be auto-populated in GSTR-3B.
- ii. Records (invoice or debit notes) pertaining to Financial Year 2020-21 reported in GSTR-1 after due date of GSTR-3B of September 2021 will also not reflect as "ITC as per GSTR-2A" in Table-8A of GSTR-9 of the recipients.

It is requested that the taxpayers may take note of the above and ensure that their records pertaining to Financial Year 2020-21 are reported on or before the due date of their GSTR-3B for the month September 2021, or for the quarter of July to September 2021 in case of quarterly GSTR-3B filers. Availment of ITC by the recipients contrary to the legal provisions in GST may entail action by the tax administrations in accordance with law.

GST Technical Updates

Upcoming enhanced facilities on GSTN portal w.r.t. return, refund, registration etc.

Date 07-10-2021.

The GSTN portal is going to enhance the system performance and further ease the operationality for taxpayer as well as department by way of auto-computation of interest, enabling EVC option even for companies/LLPs, advance ruling Search facility etc. as under:

Returns:

- Auto-Interest Computation in R-3B/CMP-8/R-5
- Negative Liability in GSTR-3B
- Changes in Comparison Report

Refunds:

- Converting IGST Refund withheld cases at ICEGATE into RFD-01
- Refund of Advances paid but supplies not made under development
- Refund to be filed by the Unregistered person under development

Registration:

- Mandating Aadhaar Authentication for the taxpayers applying for Refund and Revocation application
- Additional document upload functionality for taxpayer in GST REG 05/REG19/REG20 and to show uploaded document.
- Temp ID search functionality, enhancements like reset password, change email /mobile number and link it with new registration process.
- Enabling EVC option even for Companies/ LLP in registration module
- Geo-Spatial data Integration for taxpayers to help declaring correct address

GST Technical Updates

Upcoming enhanced facilities on GSTN portal w.r.t. return, refund, registration etc.

Date 07-10-2021.

Tech Enhancement:

- Outward Supply Statement (GSTR-1) Code optimization for performance improvement
- Single Onetime Authentication Key (STAK) to make the OTP authentication in return filing more reliable and faster
- Geo-Coding for facilitating taxpayers and tax administrations
- Advance cyber security analytics and proactive threat hunting
- Capability to build unplanned BCP-DR drill to improve redundancy in the IT system

Miscellaneous:

- Advance Ruling Search Functionality
- Appeal, Rectification of Mistakes and Appeal Effect related Functionalities
- Recon and on demand call APIs for Bills of Entry data of Customs
- Front Office Revamp to improve taxpayers experience
- AATO and validations in return, registration etc.
- Removal of Contact Details – Mobile No. and e-mail from Search Taxpayers

CBIC Instructions

Issuance of Show Cause Notices in time bound manner

Instruction No. 02/2021-22 [GST Investigation] dated 22-09-2021

A detailed analysis to pursue trends in cases of GST evasion & fraudulent ITC availment booked viz-a-viz number of SCNs issued against for the FY 2017-18 [w.e.f. July, 2017], 2018-19 & 2019-20, have been made and it is observed that in GST evasion cases booked and in the Fraudulent ITC cases booked, during the above mentioned period, SCNs have been issued only in few cases.

Apparently, cases of ITC frauds or GST evasion are covered under the provisions of Section 74 of CGST Act, 2017 [the extended period clause], However, there may be certain other situations where issuance of a notice under Section 73 of the CGST Act, 2017, is intended.

Board has examined the matter in the background of issuance of SCNs in meagre number of cases booked/detected as mentioned above. It may be seen that the last date for filing the Annual Returns for the FYs of 2017-18, 2018-19 & 2019-20 is already over. As a result, the time limit of three years/five years for issuance of orders under Section 73 & Section 74 of the CGST Act, 2017 has already kicked in. If the issuance of SCNs is pushed to close proximity of the end dates/last dates, it may leave very little time with the adjudicating authority to pass orders within stipulated period mentioned in sub-section (10) of Section 73/ Section 74. This might result in a situation where either the adjudicating authority is not able to pass orders within prescribed time period or quality of adjudication suffers. It is felt that the present situation warrants for extra efforts on the part of field formations and strict monitoring at supervisory level.

CBIC Instructions

Issuance of Show Cause Notices in time bound manner

Instruction No. 02/2021-22 [GST Investigation] dated 22-09-2021

Accordingly, Board desires that Principal Director General/ director General(s)/ Principal Chief Commissioner(s)/ Chief Commissioner(s), within their jurisdiction may take stock of the pending investigation cases/ other cases which warrant issuance of show cause notices and take appropriate actions to ensure timely completion of investigation(s) and **issuance of SCNs well before the last date**. The respective Pr. Chief Commissioner/ Chief Commissioners may draw an action plan so that no case is pending investigation beyond one year. Needless to mention that once SCN is issued, timely adjudication must follow.

GST News

Centre releases Rs 40,000 Cr to States/UTs to meet GST Compensation shortfall

Dated: 07-10-2021

The Finance Ministry released an amount of Rs 40,000 crore to the states and UTs with legislature under the back-to-back loan facility to meet the shortfall in GST compensation.

On July 15, an amount of Rs 75,000 crore was released to the states and UTs with legislature.

With the current release, the total amount released in the current financial year as back to back loan in-lieu of GST compensation has reached Rs 1,15,000 crore. This release is in addition to normal GST compensation being released every 2 months out of actual cess collection, a Finance Ministry statement said.

GST collection grows 23% to Rs. 1.17 Trillion in September, surpasses Pre-Covid levels

Dated: 07-10-2021

Goods and services tax (GST) collected in September rose to Rs 1.17 trillion, which is 23 per cent higher than in the same period a year ago, and 27.3 per cent more than the collection in the pre-Covid year of 2019-20.

The finance ministry expects the positive trend will continue and the second half of the year will post higher revenues. It said the constant increase in collection in the last five months indicates the economy is recovering at a fast pace.



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