



The GST Seva Kendra (Help Centre) at the CR Building, Bengaluru launches a whatsapp outreach



The GST Seva Kendra of Bangalore Zone is now available on **Whatsapp**. This **M-Seva** - a taxpayer facilitation mechanism is one wherein taxpayers can make queries on GST matters to the Whatsapp number +91-9480258909 and receive appropriate guidance / clarification in the matter.

The Help Centre stands ready to meet its enhanced service protocols and would be glad to be of assistance to any taxpayer/s that may like make use of the facility.

<http://gstkarataka.gov.in/aiquery.html>

Returns Offline Tool Version  
V2.3.1

<https://www.gst.gov.in/download/returns>



## The Saga Continues

### The Month in Review

The month of October 2020 witnessed two sessions of the GST Council under the chairmanship of the Hon'ble Union Finance Minister Smt. Nirmala Sitharaman.

The **42nd GST Council** meeting took place on **5<sup>th</sup> October 2020** and the Council laid down the future roadmap for return filing under GST which would simplify the return filing process and reduce the taxpayer's compliance burden.

The GST Council also extended the levy of Compensation Cess beyond June 2022.

The **43<sup>rd</sup> GST Council** meeting was held on **12<sup>th</sup> October 2020**, with a single point agenda to discuss the compensation to the States but the meeting was inconclusive on this.

**Interest on Net tax liability** was notified by the CBIC on August 25<sup>th</sup> wherein the amendment made to Section 50 of the CGST Act by the Finance Act 2019, was made operative from **1<sup>st</sup> September 2020**.

However, in order to implement the recommendation of the 39<sup>th</sup> GST Council to make the said amendment retrospective from 1<sup>st</sup> July 2017, the CBIC has issued administrative instructions for recovery of interest on net cash tax liability under GST vide F. No. CBEC- 20/01/08/2019-GST dated 18.09.2020. The details of this instruction are given in this newsletter.

As always, this issue continues to capture in brief the changes effected during the month of September 2020 both in law/ rules and the new circulars issued. This also brings in the important decisions that were recently pronounced. We hope that this issue of the Bengaluru Zone's newsletter will help you closely follow the changes that have happened in GST. As usual, we look forward to receiving your comments and feedback on **gstcell-blr@gov.in**.

-For the Editorial Team

Archana Nayak  
Joint Commissioner  
(PCCO)

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## Updates on Legal matters (Notifications issued during September 2020)

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### Extension of time for Anti-Profiteering Authority to complete action as per law:

The Government vide Notification No 65/2020 CT dated 01-09-2020 amended Notification No 35/2020 CT dated 3-4-2020 and inserted a proviso to provide that where, any time limit for completion or compliance of any action, by any authority, has been specified in, or prescribed or notified under **Section 171 of the CGST Act**, which falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the **30th day of November, 2020**.

Section 171 of the CGST Act deals with Anti-profiteering measures. The Directorate General of Anti-Profiteering (DGAP) is mandated to complete the investigation within a period of six months of the receipt of the reference from the Standing Committee, which can be further extended by three months. The DGAP has to forward the report to the National Anti-Profiteering Authority (NAA) who shall, within a period of six months from the date of the receipt of the report from the DGAP determine whether a registered person has passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices.

The above notification gives an extension till 30<sup>th</sup> November 2020 to the said authorities for completion of the above requirements.

### Extension in time limit for raising invoice under Section 31(7) of the CGST Act:

The Government vide Notification No 66/2020 CT dated 21-09-2020 amended Notification No 35/2020 CT dated 3-4-2020 and inserted a proviso to provide that in respect of goods being sent or taken out of India on approval for sale or return, where the time limit for issue of invoice in terms of Section 31(7) of the CGST Act, falls between 20th day of March, 2020 to the 30th day of October, 2020, and the invoice has not been issued within such time, extension of time is given till 31<sup>st</sup> October 2020 to issue the invoice.

Section 31(7) mandates that where goods are taken out for approval before the supply takes place, the invoice shall be issued either before or at the time of supply or six months from the date of removal, whichever is earlier.

If the time for issue of invoice in such cases falls between 20<sup>th</sup> March 2020 and 30<sup>th</sup> October 2020, and the invoice has not been issued, the same can be issued on 31<sup>st</sup> October 2020 as per the extension given.

**Conditional waiver of late fee for delayed filing of GSTR 4: Notification No 67/2020 CT dated 21.09.2020**

The **late fee** payable under section 47 of the CGST Act shall stand reduced to the extent of Rs 500/- (Rs 250 under CGST + 250 under SGST), for the registered persons who fail to furnish the return in **FORM GSTR-4** for the quarters from July, 2017 to March, 2019 by the due date but furnish the said return between the period from 22<sup>nd</sup> day of September, 2020 to 31<sup>st</sup> day of October, 2020. The late fee in the case of a NIL GSTR 4 for the above period if filed between the period 22<sup>nd</sup> September 2020 and 31<sup>st</sup> October 2020 stands fully waived.

**Conditional reduction of late fee for delayed filing of GSTR 10: Notification No 68/2020 CT dated 21.09.2020**

The **late fee** payable under section 47 of the CGST Act shall stand reduced to the extent of Rs 500/- (Rs 250 under CGST + 250 under SGST), for the registered persons who fail to furnish the final return in **FORM GSTR-10** within the due date but furnish the said return between the period from 22<sup>nd</sup> day of September, 2020 to 31<sup>st</sup> day of December, 2020.

A taxable person whose GST registration is cancelled or surrendered has to file a return in Form GSTR-10 called as Final Return within **three months** of the date of cancellation or date of order of cancellation, whichever is later.

**Extension in return filing due dates:**

<b><u>Return Type</u></b>	<b><u>Tax period</u></b>	<b><u>Class of taxpayers</u></b>	<b><u>Extended due date</u></b>	<b><u>Notf No &amp; date</u></b>
Annual return GSTR 9/9C	2018-2019	All registered taxpayers (other than composition taxpayers, casual taxpayers, ISDs, Non-resident taxpayer and TDS registered persons)	31 <sup>st</sup> October 2020	69/2020 CT dated 30.09.2020

# *GSTR-3B Return*

## *Goods and Services Tax India*

**Ready reckoner of GSTR 3B return filing dates for the year 2020:**  
**Notification No 29/2020 CT dated 23.03.2020**

### **Category of Taxpayers:**

- **Category A:** Taxpayers having an aggregate **turnover of more than Rupees 5 crore** in the previous financial year
- **Category B:** Taxpayers having an aggregate **turnover of up to Rs 5 crore** in the previous FY, whose PPB is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, **Karnataka**, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.
- **Category C:** Taxpayers having an aggregate **turnover of up to Rs 5 crore** in the previous FY, whose PPB 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, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

<b><u>Category of Taxpayers</u></b>	<b><u>April 2020</u></b>	<b><u>May 2020</u></b>	<b><u>June 2020</u></b>	<b><u>July 2020</u></b>	<b><u>August 2020</u></b>	<b><u>Sept 2020</u></b>
Category A	20 <sup>th</sup> May 2020	27 <sup>th</sup> June 2020 *	20 <sup>th</sup> July 2020	20 <sup>th</sup> August 2020	20 <sup>th</sup> Sept 2020	20 <sup>th</sup> Oct 2020
Category B	22 <sup>nd</sup> May 2020	12 <sup>th</sup> July 2020 *	22 <sup>nd</sup> July 2020	22 <sup>nd</sup> August 2020	1 <sup>st</sup> Oct 2020 **	22 <sup>nd</sup> Oct 2020
Category C	24 <sup>th</sup> May 2020	14 <sup>th</sup> July 2020 *	24 <sup>th</sup> July 2020	24 <sup>th</sup> August 2020	3 <sup>rd</sup> Oct 2020 **	24 <sup>th</sup> Oct 2020

\* Notification No 36/2020 CT dated 03.04.2020

\*\* Notification No 54/2020 CT dated 24.06.2020

## UPDATES ON | E-INVOICING



### **Amendments to E-invoice provisions:**

Notification No 13/2020 CT dated 21.03.2020 read with its amendment Notification No 61/2020 CT dated 30-07-2020, notified registered persons whose aggregate turnover in a financial year exceeds five hundred crore rupees, as a class of registered person who shall prepare e-invoice.

The following class of registered persons were exempted from issuing e-invoices, viz:

- (i) SEZ unit;
- (ii) Insurer, banking company or a financial institution, including NBFC
- (iii) GTA transporting goods by road in a goods carriage
- (iv) Supplier of passenger transportation service
- (v) Services by way of admission to exhibition of cinematograph films in multiplex screens

Now vide **Notification No 70/2020 CT dated 30.09.2020**, the Notification No 13/2020 CT dated 21.03.2020 has been further amended to make the following changes:

- a) The criteria for issuing an e-invoice is aggregate turnover in any preceding financial year from 2017-18 onwards; and
- b) The e-invoice will be issued for supply of goods and services as well as for exports.

Further, Notification No 14/2020 CT dated 21.03.2020 exempted certain class of registered persons from capturing dynamic QR code in the B2C invoices. In respect of all other registered persons whose aggregate turnover in a financial year exceeds five hundred crore rupees, the B2C invoices shall have a Dynamic Quick Response (QR) code. This was effective from 1<sup>st</sup> October 2020.

Now vide **Notification No. 71/2020 CT dated 30-09-2020**, the due date for implementing the Dynamic Quick Response (QR) code has been extended to 1<sup>st</sup> December 2020. Further, amendment is also made to aggregate turnover to provide that if the aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs 500 cr, the registered person will have to capture the dynamic QR code in the B2C invoice.

# CGST Rules Amendment

## Amendments made to the CGST Rules with regard to e-invoice: Notification No 72/2020 CT dated 30-09-2020:

In **Rule 46 of the CGST Rules**, which prescribes the details to be contained in a tax invoice, a **new clause (q) has been inserted** by which Quick Reference code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48, is also to be indicated in the tax invoice.

In **Rule 48 (4) of the CGST Rules**, which deals with the manner of issuing invoice by those taxpayers who are required to issue e-invoice, **a proviso has been inserted** to provide that that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

In **sub-rule (2) of Rule 138A of the CGST Rules**, which prescribes the documents which are to be carried by a person in-charge of a conveyance when e-invoice is raised, the said **sub-rule (2) has been substituted** to provide that in case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.

# CGST RATE Notification On GST Rate Of Services



The CBIC vide [Notification No. 4/2020- Central Tax \(Rate\) dated September 30, 2020](#) amended *Notification No. 12/2017- Central Tax (Rate) dated June 28, 2017* (“**Services Exemption Notification**”) to extend the exemption of services by way of transportation of goods by an aircraft/ vessel from customs station of clearance in India to a place outside India till September 30, 2021.

The relevant entry SL.Nos 19A and 19B of the Services Exemption Notification has been amended.

Similar notifications have been passed under **IGST Act (4/2020 IT (R) dt 30-09-2020)** and **UTGST Act (4/2020 UT (R) dt 30-09-2020)**.



## **GSTN Updates:**

### **Shifting of navigation of "Comparison of liability declared and ITC claimed" from the Returns Dashboard to Services dropdown**

- a. b. The functionality “**Comparison of liability declared and ITC claimed**” has been removed from Return Dashboard. It has now been

made available on the main page, under the **'Services'** tab, **'Return'** sub-tab as **"Tax liabilities and ITC comparison"**, to make it more user friendly and for ease of access by the taxpayers.

- b. The aforementioned functionality can now be accessed as per the following navigation (Post-login):

**Home > Services > Returns > Tax liabilities and ITC comparison**

### **Using Matching Offline Tool to compare ITC auto drafted in Form GSTR-2B with Purchase Register**

1. An offline tool has been made available to the taxpayers to match Input Tax Credit (ITC), as auto populated in their Form GSTR-2B, with their purchase register. This tool will help the taxpayer to compare their ITC as per their Purchase Register, with the ITC as shown available in their auto drafted Form GSTR-2B and thus help them to claim correct ITC, while filing Form GSTR-3B.

To use the Matching Offline Tool, taxpayer need to :

- download and install the Offline tool on their system
- download the Form GSTR-2B JSON file from the GST portal
- prepare purchase register in the template provided with offline tool
- Total number of documents to match should be preferably be less than 3000 in number.

#### **2. Steps to use the utility:**

- a. Download the utility from GST common portal by navigating to **Downloads>Offline Tools> Matching Offline Tool**
- b. Open the tool. Following boxes are displayed on Offline tool dashboard page:
  - GSTR-2B
  - Import Purchase Register (PR)
  - Matching Result
- c. Import GSTR-2B JSON file, downloaded from GST portal into the tool, by tab **'Open downloaded JSON file'** and use it to view the same.
- d. Import the purchase register data, maintained in the template provided with offline tool, using Excel or CSV format, from Import Purchase Register (PR) tile.



- e. Click on **'Match'** button to match the above two details (c & d). The utility will match the table wise details based on the criteria for matching selected.

Note:

- o The **'Match'** button will be enabled only if purchase register has been successfully imported into the tool
  - o The matching is done on the basis of GSTIN, Document type, Document number, Document date, taxable value, total tax amount and tax amounts head wise
- f. Post matching, user will be navigated to the **'Matching Result'** page and matching result will be summarized as Exact match, Partial match, Probable match or Unmatched.
  - g. Once matching is complete, taxpayer can:
    - o Refine matching result
    - o View summary of the matching result
    - o Export the matching details to CSV file
    - o Download the matching result details in excel format from offline utility.

3. **Important points:**

- o Profile of more than one GSTIN can be added in the offline tool for matching or to view GSTR-2B. Profile can be modified later on, if required.
- o Normal/SEZ developer/SEZ unit/casual taxpayer can use this tool. They must have valid login credentials and valid GSTIN for the period, for which they intend to view and match details of Form GSTR-2B.

**Delinking of Credit Note/Debit Note from invoice, while reporting them in Form GSTR 1/GSTR 6 or filing Refund**

1. Till now, original invoice number was mandatorily required to be quoted by the taxpayers, while reporting a Credit Note or Debit Note in Form GSTR-1 or Form GSTR-6.
2. The taxpayers have now been provided with a facility on the GST Portal to:
  - Report in their Form GSTR-1 or in Form GSTR-6, single credit note or debit note issued in respect of multiple invoices
  - Choose the note supply type as Regular, SEZ, DE, Export etc., to identify the table to which such credit note or debit note pertains
  - Indicate Place of Supply (POS) against each credit note or debit note, to identify the supply type i.e. Intra-State or Inter-State

- Debit /Credit Notes can be declared with tax amount, but without any taxable value also i.e. if credit note or debit note is issued for difference in tax rate only, then note value can be reported as 'Zero'. Only tax amount will have to be entered in such cases.
  - Similar changes have been made while reporting amendments to credit note or debit note
3. Corresponding changes have also been made in refund module. Thus, while applying for refund, taxpayers can now report such credit notes or debit notes in statements (filed during filing the refund application) without mentioning the related invoice number. The taxpayer would be required to select the document type from a drop-down comprising of invoice / debit note / credit note.
  4. The change has been provided while filing refund application of following types/ cases:
    - Refund for export of services with payment of tax
    - Refund on account of goods & services without payment of tax
    - Refund on account of supply of goods or services to SEZ with payment of tax
    - Refund on account of supply of goods or services to SEZ without payment of tax
    - Refund on account of Inverted duty structure

**System computed values of GSTR-1 Statement (Monthly filers), made available in Form GSTR-3B, as PDF statement on GST Portal**

1. A pdf statement has been made available to taxpayers, filing monthly GSTR-1 statement, with system computed values of Table 3 of Form GSTR-3B. This PDF will be prepared on the basis of the values reported by them, in their GSTR-1 statement, for the said tax period.  
  
Note: This facility will also be provided to quarterly GSTR-1 filers in due course of time.
2. This PDF will be available on their GSTR-3B dashboard, from tax period of August 2020 onwards, containing the information of GSTR-1 filed by them on or after 4th September 2020. This will make filing of their Form GSTR-3B easier for them.
3. This facility is provided to all taxpayers registered as a Normal taxpayer, SEZ Developer, SEZ unit and casual taxpayer.
4. **Tables of Form GSTR 3B will be Auto-Drafted in pdf statement:** Following Tables of Form GSTR-3B will be auto drafted, on basis of values reported in GSTR-1 statement, for the said period:

- 3.1(a) - Outward taxable supplies (other than zero rated, nil rated and exempted)
- 3.1(b) - Outward taxable supplies (zero rated)
- 3.1(c) - Other outward supplies (Nil rated, exempted)
- 3.1(e) - Non-GST outward supplies
- 3.2 - Supplies made to un-registered persons
- 3.2 - Supplies made to composition taxable persons
- 3.2 - Supplies made to UIN holders

5. In this, following points may be noted:

- In case, any of the above values is negative as per GSTR-1 statement, those figures would be mentioned as Zero in the auto-drafted PDF and will not be carried forward to next period.
- Turnover & tax are computed after taking into account credit notes, debit notes, amendments and advances, if any.
- Only filed GSTR-1 statements are considered for auto-population of the values in Form GSTR-3B.

6. This PDF is only for assistance of taxpayers to get the auto drafted values of Table 3 of their Form GSTR 3B (as per their filed GSTR 1 statement). Taxpayers, however, are required to verify & file their Form GSTR-3B, with correct values.

### **New functionalities made available for TCS and Composition taxpayers**

#### **Provision to make amendment, multiple times, in Table 4 of Form GSTR-8**

- Earlier, if no action was taken on TCS details, auto-populated in TDS/TCS credit form, by the supplier or if the same were rejected by them in the said form, the TCS (e-commerce operators) could amend the details only once.
- Based on requests received from stakeholders, the restriction of amending the transaction details only once, in the table 4 (i.e. amendment table) of Form GSTR-8, has now been removed.
- Thus, details of table 4 (i.e. amendment table) of Form GSTR-8, can now be amended multiple times, by e-commerce operators liable to collect tax at source under section 52, while filing their Form GSTR-8.

#### **2. TCS facility extended to composition taxpayers**

- The taxpayers under composition scheme, who are permitted to make supplies through E-Commerce Operators, e.g. Restaurant Services, will now be able to view and take necessary actions in their TDS/TCS credit received form.
- E-commerce operators would now be able to add GSTIN of such composition suppliers, in their Form GSTR-8 and file the Form.

- The amount of tax collected at source, reported by E Commerce Operators in their Form GSTR-8, will now be populated to 'TDS /TCS credit received' form of respective composition taxpayers.
- The amount so reported by e-commerce operators will now be available to respective composition taxpayers, for accepting or rejecting the same, in their 'TDS and TCS credit received' form.
  - For accepted transactions, the amount would be credited to cash ledger of composition taxpayers, after successful filing of 'TDS/ TCS Credit received' form.
  - For rejected transactions, the amount would be shown to e-commerce operators for correction.



In the case of the writ petition filed by **Manufacturers Traders Association & Others**, reported in **2020-TIOL-1610-HC-DEL-GST**, the petitioner have sought inter alia a writ in the nature of mandamus directing the Central Government ("Respondent No. 1") as well as the Government of NCT of Delhi ("Respondent No. 2") to notify the GST rate of 5% for all varieties of fabrics falling under Chapters 50 to 63 of the Customs Tariff in furtherance of the recommendations made by the Goods and Service Tax Council ("Respondent No. 3").

The Delhi High Court, during the course of preliminary hearing, had taken a *prima facie* view of the matter on the basis of the record shown to the Court and it was felt appropriate and necessary to have the matter referred to Respondent No. 3 to have its view and directions to this effect were issued. In terms of the aforesaid directions, Respondent No. 3 in the 38th GST Council Meeting held on 18.12.2019, took up the matter pertaining to notification of the tax rate relating to fabrics and articles of textiles falling in Chapters 56 to 59 - Respondent No. 3 examined the matter and passed a detailed resolution/decision wherein *inter alia* Council did not recommend any change in the tax structure on these goods i.e. technical textiles and specialized fabrics of chapters 56 to 59 - Council in its 38th meeting on 18.12.2019 has deliberated on the matter and has unequivocally confirmed that it had indeed recommended the GST rate of 12% for the fabrics falling under Chapters 56 to 59 of the Customs Tariff - This ratifies the stand taken in the counter affidavit of 09.10.2019 of Respondent No.3.

Petitioners is not satisfied and persists that the Respondent No. 3 has recommended tax at the rate of 5% for all fabrics and to buttress his contention, he relies upon the reply given by the Union Minister for Finance in response to a starred question raised on 18.07.2017 in the Rajya Sabha. The Delhi High Court found the aforesaid contention to be unconvincing and meritless as a perusal of the response reveals that the Union Minister for Finance while responding to a question raised in connection with organized traders and unorganized sellers in textile sectors, stated that the GST rate structure for textile sector was discussed in detail in the GST Council Meeting held on 03.06.2017, and that the Council recommended the detailed rate structure for textile sector - The tabulation which form part of the response reflects the notified GST rates as 5%.

The High Court held that this response of the Union Minister for Finance to a query, cannot prevail over the decision of the GST Council - It can also not form the basis for impugning the decision of GST Council or the notification notifying the tax rate - The Respondent No. 3 is a Constitutional body chaired by the Union Minister for Finance and all other members are the Union Minister of State for Finance, and Ministers for Revenue or Finance of all the states - The 101st Amendment to the Constitution had brought into existence the GST framework and created Respondent No. 3 as the highest deliberative forum to resolve the issues arising out of the implementation of the GST.

The High Court also held that the rate of taxes is jointly decided by the Centre and States on the recommendations of the Council - The Council has the power and prerogative to issue recommendations on issues in terms of Article 279A (4) of the Constitution - The composition of Respondent No. 3 and the constitutional scheme of taxation is a clear indication that the functioning of the GST Council is based on collaborative efforts that embody the spirit of cooperative federalism - The only aspect that required introspection, now stands concluded in view of the emphatic response of the Respondent No. 3 in its 38th Meeting, wherein they have reiterated that the recommendation for rate of tax was indeed 12% - The impression of contradiction that appeared on comparison between the counter affidavit of Respondent No. 3 and the minutes of meeting has been resolved and conclusively settled - Bench cannot sit in appeal and postulate that the decision of the Council is not what they have unwaveringly held it to be - Therefore, there is no merit in the present petition and the same is accordingly dismissed.

2) In the writ petitions filed by **M/s Transtonnelstory Afcons Joint Venture & Others vs UOI**, reported in **2020-TIOL-1599-HC-MAD-GST**, the constitutional validity of Section 54(3)(ii) and Rule 89(5) of the CGST Rules was under challenge along with the question whether it is necessary to interpret Rule 89(5) and in particular, the definition of Net ITC therein so as to include the words input services.

The Madras High Court held that:

+Section 54(3)(ii) does not infringe Article 14.

+ Refund is a statutory right and the extension of the benefit of refund only to the unutilised credit that accumulates on account of the rate of tax on input goods being higher than the rate of tax on output supplies by excluding unutilised input tax credit that accumulated on account of input services is a valid classification and a valid exercise of legislative power.

+ Therefore, there is no necessity to adopt the interpretive device of reading down so as to save the constitutionality of Section 54(3)(ii).

+ Section 54(3)(ii) curtails a refund claim to the unutilised credit that accumulates only on account of the rate of tax on input goods being higher than the rate of tax on output supplies. In other words, it qualifies and curtails not only the class of registered persons who are entitled to refund but also the imposes a source-based restriction on refund entitlement and, consequently, the quantum thereof.

+ As a corollary, Rule 89(5) of the CGST Rules, as amended, is in conformity with Section 54(3)(ii). Consequently, it is not necessary to interpret Rule 89(5) and, in particular, the definition of Net ITC therein so as to include the words input services.

+ For all the above reasons, the High Court was unable to subscribe to the conclusions arrived at by the Gujarat High Court in VKC Footsteps case. It held that the Gujarat High Court failed to take into consideration the scope, function and impact of the proviso to Section 54(3).

## **CBIC Instructions :**

### **Administrative instructions for recovery of interest on net cash liability w.e.f. 01-07-2017 - reg:**

The CBIC vide instruction dated 18-09-2020 has communicated the administrative arrangements for recovery of interest on net cash liability for the period prior to 01-09-2020 (when the amended Section 50 of the CGST Act came into force).

As per the said instruction, for the period 01.07.2017 to 31.08.2020, field formations have been instructed to recover interest only on the net cash tax liability (i.e. that portion of the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger); and wherever SCNs have been issued on gross tax payable, the same have been directed to be kept in Call Book till the retrospective amendment in section 50 of the CGST Act is carried out.

## **Recommendations of the 42nd GST Council Meeting**

The GST Council in its 42<sup>nd</sup> meeting held on **5<sup>th</sup> October 2020** has approved the following proposals:

<b>Sl.No</b>	<b>Decision</b>	<b>w.e.f</b>
1	Due date of furnishing quarterly GSTR-1 by quarterly taxpayers to be revised to 13 <sup>th</sup> of the month succeeding the quarter	01-01-2021
2	Auto-population of liability from own GSTR-1 to GSTR-3B for monthly taxpayers	01-01-2021
3	Quarterly returns and monthly tax payment facility for taxpayers with aggregate annual turnover below Rs 5 crores	01-01-2021
4	Auto-population of ITC from suppliers' GSTR-1s through the newly developed facility in GSTR-2B for taxpayers	01-01-2021 (Monthly)
		01-04-2021 (Quarterly)
5	Mandatory filing of GSTR 1 before GSTR 3B	01-04-2021
6	Revised requirement for declaring HSN for goods and SAC for services in invoices and GSTR 1: a. 6 digits of HSN/SAC for taxpayers with aggregate annual turnover above Rs 5 crores. b. 4 digits of HSN/SAC for B2B supplies for taxpayers with aggregate annual turnover upto Rs 5 crores. c. 8 digits of HSN for notified class of supplies for all taxpayers	01-04-2021

The above recommendations of the 42<sup>nd</sup> GST Council will be implemented in the proposed timelines by way of issue of suitable notifications By the Central Board of Indirect Taxes and Customs (CBIC). The Notifications as and when issued will be available on the CBIC website [www.cbic.gov.in](http://www.cbic.gov.in).

## News Round Up

Webinar on E-invoice under GST organized by the Directorate of Taxpayer Services, Bangalore

# E – Invoice in GST

Web Event hosted by DGTS- CBIC  
Date & Time: Wednesday, September 30, 2020 3:00 pm (IST)  
Please click the Link below to Join:  
<https://dgtsbangalore.webex.com/dgtsbangalore/onstage/B.php?MTID=e899cb7a3cbc321072a80e3b890681768>

### Speakers & Panelists

- Shri DP Nagendra Kumar, Principal Chief Commissioner, Central Tax, Bengaluru Zone
- Shri Shyam Raj Prasad, Chief Commissioner, Central Tax, Thiruvananthapuram Zone
- Shri P. V. Bhatt, DDG & SIO, NIC Karnataka
- Shri Dheeraj Rastogi, SVP GSTN
- Shri Amitesh Bharat Singh, ADG DGTS- CBIC
- Ms. Nisha Gupta, JC, GST Policy Wing, CBIC

**NIC** एनआईसी  
National Informatics Centre

**GSN**  
GOODS AND SERVICES TAX NETWORK

Speaking: D P NAGENDRA KUMAR

ADG DGTS-CBIC (Host, me)

Dheeraj Rastogi

Ravi Kiran Edara VP GSTN

Shyam Raj Prasad

D P NAGENDRA KUMAR

Nisha Gupta





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## Important Dates:

GSTR 3B (September 2020)	20 <sup>th</sup> / 22 <sup>nd</sup> / 24 <sup>th</sup> Oct 2020
CMP-08 (Jul-Sept 2020)	18 <sup>th</sup> Oct 2020
GSTR 1(Jul-Sept 2020)	31 <sup>st</sup> Oct 2020
GSTR 1 (Sept 2020)	11 <sup>th</sup> Oct 2020
GSTR 5 (Sept 2020)	20 <sup>th</sup> Oct 2020
GSTR 6 (Sept 2020)	13 <sup>th</sup> Oct 2020
GSTR 7 (Sept 2020)	10 <sup>th</sup> Oct 2020
GSTR 8 (Sept 2020)	10 <sup>th</sup> Oct 2020
GSTR 9 (2018-2019)	31 <sup>th</sup> Oct 2020
GSTR 9A (2018-2019)	31 <sup>th</sup> Oct 2020
GSTR 9C (2018-2019)	31 <sup>th</sup> Oct 2020
GSTR 4 (2019-20)	31 <sup>st</sup> Oct 2020

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