



Weekly GST Communique



**41st GST
Council Meeting**

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GST

Important Judgments, Rulings of the week

- Parallel proceedings of audit and investigation held valid under the GST Law
- 'Doctrine of unjust enrichment' not applicable to fixed price contract, refund the excess tax paid
- Revenue to refund IGST already paid on ocean freight, as already held as ultra vires
- AAR: Institute providing coaching, accommodation to CA/CS students do not exempt from GST

Important Notifications of the week

- CBIC notified proviso to Section 50(1) - Interest in GST to be levied on Net Tax liability w.e.f. September 1, 2020
- DGFT amends the Export Policy of Surgical Masks, Medical coveralls

Important Press Releases of the week

- CBIC Tweet: No recoveries shall be made for the past period by the Central and State tax administration w.r.t. Interest on delayed payment of GST vide N. No. 63/2020
- CBIC issued a Press Release on new functionality available in Form GSTR-2A w.r.t Import Data
- CBIC issued Press Release on availability of new functionality of Form GSTR-2B for the month of July 2020

Important Updates of the week

- GSTN has enabled the option to file GST Refund application for bunching of refund claim across F.Y on the GST Portal
- NIC has released changes in validations for E-Invoicing considering the challenges faced by the Industry
- GSTN has enabled Form GSTR 2B in the GST Portal
- GSTN has enabled the facility to check BOE information w.r.t. GST paid on "Import of goods" in Form GSTR-2A

Videos of the week

- How to correct Wrong Credit availed as CGST & SGST instead of IGST or vice versa || CA Bimal Jain
- How to bifurcate & show GST Credit of 2017-18 in GSTR 9/9C of FY 2018-19 || CA Bimal Jain
- Why Retrospective Amendment is not made for Interest on Net Tax Liability || CA Bimal Jain
- How to Show/ Pay/ Avail credit of RCM Liability of FY 2018-19 in GSTR 9/9C || CA Bimal Jain
- Reconciliation of GST Credit as per Books vs. GSTR 3B vs. GSTR 2A for FY 2018-19 || CA Bimal Jain

41st GST Council Meeting

- FM Nirmala Sitharaman: 'Act of God', may result in contraction of economy this fiscal
- FM has given two borrowing options to States to meet the GST Compensation requirement for the F.Y 2020-21

Income Tax

Important News of the week

- I-T department to intimate taxpayers under scrutiny about faceless assessment
- Tax mop-up from metros sees double-digit decline; Kolkata worst-hit city

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GST

Important Judgments, Ruling of the week

Parallel proceedings of audit and investigation held valid under the GST Law



The Hon'ble HC, Kerala in the matter of **Suresh Kumar P.P & Aboobacker Sidhique (Kerala Communications Cable Ltd.) vs. DGGI [W.A. No. 943 of 2020 dated August 14th, 2020]** dismissed the appeal against order of Single Judge, challenging the validity of search and seizure proceedings. The Court found no illegality in search and seizure proceedings initiated under Section 67 of the Central Goods and Service Tax Act, 2017 ("**CGST Act, 2017**") during the concurrence of audit under Section 65 of the CGST Act, 2017.

Facts:

Suresh Kumar P.P and Aboobacker Sidhique ("**the Appellants**") are engaged in providing Cable Services as a Multi Service Operator ("**MSO**") under the Telephone Regulatory of India ("**TRAI**") Regulations.

The Appellants alleged that illegal proceedings were taken against them under the CGST Act, 2017, and their residences and offices were raided, they were kept under illegal custody and an amount of Rupees 1 Crore was extorted from them.

The Appellants prayed for:

- setting aside notice, requiring them to provide information issued by the Senior Intelligence Officer ("**SIO**");
- invalidation of search and seizure proceedings initiated under Section 67 of the CGST Act, 2017;
- refund of Rupees 1 Crore collected by the Revenue;
- a declaration that the Appellants are not liable to pay GST on the revenue share retained by the Local Cable Operator ("**LCO**") and

- compensation for the damage to the reputation of the Appellants and the mental agony suffered.

Issue:

Whether search and seizure proceedings initiated by the revenue under Section 67 of the CGST Act, 2017 are valid during the concurrence of audit under Section 65 of the CGST Act, 2017.

Held:

The Hon'ble HC, Kerala in ***W.A. No. 943 of 2020 dated August 14th, 2020*** held as under:

- The allegations raised of harassment and high-handedness cannot be considered in a petition under Article 226 of the Constitution. An operation carried out by a statutory authority invested with the powers of search, inspection and seizure, by reason only of such activities having been carried out in the residences and offices of any person under investigation for a long time, cannot be labeled as harassment or high-handed. Nor could the inconvenience have caused to the person under investigation, especially of remaining in the premises for the entire duration, termed to a detention pursuant to an arrest.
- The Court rejected the argument of the Appellants that when no tax is assessed and there exists no demand, there could not be any deposit taken or cheque accepted under Section 74(5) CGST Act, 2017.
- Further, the Court rejected the contention of the Appellants that unless an intimation is served under Rule 142, the Central Goods and Services Tax Rules, 2017 ("**CGST Rules, 2017**") there cannot be a deposit made or taken under Section 74(5) CGST Act, 2017.
- Regarding the issue of simultaneous proceedings of investigation when already an audit was in progress, the Court held that, audit under Section 65 of the CGST Act, 2017 is a routine procedure to be carried out by the Commissioner which is independent of an investigation under Section 67 of the CGST Act, 2017. Investigation is a more onerous procedure which can be initiated only on the satisfaction of an Officer not below the rank of a Joint Commissioner of, suppression of taxable transactions, excess claim of input tax credit, contravention of the provisions of the CGST Act, 2017 and Rules thereunder, etc. Investigation under Section 67 of the CGST Act, 2017 is no routine procedure as is an audit under Section 65 of the CGST Act, 2017. In this context the Court observed that the Appellants, on their own admission, were issued with notice calling for details of the LCO. Held that there is no infirmity in the audit and investigation proceeding being continued simultaneously.
- Furthermore, stated that the rule for a hearing does not arise prior to attachment insofar as an attachment made to protect the interest of the revenue. If notice is issued before attachment, then the account holder could defeat the purpose, by withdrawing the amounts kept in such accounts.
- Therefore, the proceedings initiated under Section 67 of the CGST Act are not improper, illegal or that the actions projected before us were in any manner proceeded with, in an arbitrary or high-handed fashion.

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'Doctrine of unjust enrichment' not applicable to fixed price contract, refund the excess tax paid

The Hon'ble HC, Gujarat in the matter of ***State of Gujarat v. Advanced Systek Private Limited [R/Special Civil Application No. 8391 of 2019 dated July 24, 2020]*** dismissed the appeal challenging the refund of excess tax deposited by the Assessee and held that the Revenue department has to refund the excess tax deposited by the Assessee on fixed price contract. Further, the Revenue department cannot forfeit the excess amount of tax deposited by the Assessee.

Facts:

Advanced Systek Private Limited ("the Assessee") is engaged in the business of sale of machineries to public sector companies in oil and gas sector. The Assessee received purchase orders from the Companies who had invited bids for the installation of the machinery and after receiving global tenders and the Assessee was supposed to deliver goods at a fixed price irrespective of the tax payable or any other expenses which were to be incurred by the Assessee. The Assessee mistakenly considered the applicable rate of tax at 10% / 12.5% instead of 4% thereby, depositing excess Central Sales Tax ("**CST**").

Revenue Contention's:

The Revenue department submitted that during the course of assessment it has right to forfeit the alleged excess amount of CST deposited by the Assessee on the ground that the tax amount is shown separately in the commercial invoices prepared by the Assessee. Therefore, such tax would be part of the inclusive amount of sale price and would amount to the tax collected by the Assessee and if the refund is granted to the Assessee, it would amount to unjust enrichment.

Issue:

Whether the excess tax paid by the Assessee can be forfeited by the department or the same is required to be refunded to the Assessee in case of fixed price contract.

Held:

The Hon'ble HC, Gujarat in ***R/Special Civil Application No. 8391 of 2019 dated July 24, 2020 held as under:***

- The Court observed that when the Assessee has sold the goods on the price, which is inclusive of taxes, the turnover is to be calculated as per the formula provided in Section 8A of the Central Sales Tax Act, 1956 ("**CST Act, 1956**"). In the facts of the case, the rate of CST applicable for the goods supplied by the Assessee is 4%. Therefore, 4% tax is required to be applied on the turnover as calculated under Section 8A of the CST Act, 1956.
- The Assessee deposited the CST at the rate of 10% - 12.5% by making reverse working of the turnover under Section 8A of the CST Act, 1956. The correct amount of tax payable would be therefore, much less than what the Assessee has deposited. This has resulted into the excess amount of tax deposited by the Assessee amounting to Rs. ₹ 1, 81, 49,641/-.
- In the facts of the present case, the Assessee cannot be said to have collected the CST at the rate of 10% or 12% from its buyers/receiver of the goods in view of the contract of fixed price, there is no question of passing over the same to its buyer in view of the decisions of the Apex Court in the case of ***Mafatlal Industries Ltd. v. Union of India [1997 (89) E.L.T. 247 (SC)]***. Even otherwise the provisions of the CST Act, 1956 do not contemplate any power to forfeiture of refund by the Revenue department.
- Relied on the decision of the Hon'ble Supreme Court in the case of ***Khemka & Co. (Agencies) Pvt. Ltd. v. State Of Maharashtra & State of Mysore Versus Guldass Narasappa Thimmaiah Oil Mills [1975 (2) SCC 22]*** to hold that the provisions of Section 31 of the Value Added Tax, 2005 ("**VAT Act, 2005**") enabling the Assessing Officer to forfeit the excess amount of tax deposited by the assessee cannot be applied to the provision of the CST Act, 1956.
- Therefore, the Court directed the Revenue department to issue refund order in favour of the Assessee within three months from the date of receipt of this order together with simple interest at the rate of 6% p.a. from the date of deposit till the date of realisation.

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Revenue to refund IGST already paid on ocean freight, as already held as ultra vires



The Hon'ble HC, Gujarat in the matter of ***Bharat Oman Refineries Ltd. v. Union of India & 1 other(s) [R/Special Civil Application No. 8881 of 2020 dated August 18, 2020]*** allowed the Petition for refund of tax paid on ocean freight, directing the Respondents to grant refund of the amount of Integrated Goods and Services Tax ("IGST") paid under the Integrated Goods and Services Tax Act, 2017 ("**IGST Act, 2017**") by the Petitioner pursuant to Entry No. 10 of *Notification No.10/2017-IGST (Rate) dated July 28, 2017 ("**RCM Notification**")* declared to be ultra vires along with appropriate interest on such refund.

Facts:

Bharat Oman Refineries Ltd. ("**the Petitioner**") filed a writ petition before the Hon'ble Gujarat High Court challenging applicability of GST on Ocean Freight and to grant refund of the amount of IGST already paid by the petitioner pursuant to Entry No. 10 of RCM Notification along with appropriate interest on such refund.

Issue:

Whether the Petitioner can be granted interim relief from the payment of IGST and refund of the IGST paid on Ocean Freight?

Held:

The Hon'ble Gujarat High Court in ***R/Special Civil Application No. 8881 of 2020 dated August 18, 2020*** held as under:

- The RCM Notification was a subject matter of challenge in a batch of writ applications, the lead matter being the ***Mohit Minerals (P.) Ltd. v. Union of India [Special Civil Application No.726 of 2018 dated January 23, 2020]***. This Court in Mohit Minerals and allied petitions declared the *Notification No. 8/2017-Integrated Tax (Rate) dated June 28, 2017* and Entry No. 10 of the RCM Notification as ultra vires the IGST Act, 2017 on the ground that the same lacked legislative competency.
- Therefore, the Court directed the Respondents to sanction the refund and refund the requisite amount of IGST already paid by the Petitioner pursuant to the Entry No. 10 of RCM Notification declared to be ultra vires by this Court.

- Further, stated that the Respondents shall undertake the process of refunding the requisite amount of IGST at the earliest and see to it that the same is paid to the Petitioner within a period of six weeks from the date of receipt of this order.

AAR: Institute providing coaching, accommodation to CA/CS students do not exempt from GST



The Kerala-bench of the AAR has ruled that an institute imparting education to students for obtaining qualifications like Chartered Accountancy (CA), Cost Accountancy, Company Secretary (CS) are not covered under the definition of "educational institution" as per GST law, and hence liable to pay 18 percent tax. Logic Management Training Institutes Pvt Ltd had approached the Authority of Advance Ruling (AAR) on whether the education programme and training being offered by the applicant is exempt from GST.

The institute imparts education to students to facilitate them in obtaining qualifications like CA, Cost Accountancy, CS, Certified Management Accountant, Certified Public Accountant, Association of Chartered Certified Accountant.

The AAR observed that the applicant is not approved by the Institute of Chartered Accountants of India/Institute of Cost Accountants of India/Universities to conduct coaching/training of students as per the syllabus prescribed by them to obtain qualifications granted by the said institution.

It said the coaching services provided by the applicant to its students along with the hostel facility qualifies as a composite supply and the tax liability on the composite supply shall be classified as "commercial training and coaching services".

In its ruling, the AAR said, **"The applicant is not covered under the definition of "educational institution"... (as per GST rate structure) and hence the services provided by the applicant is not exempted from GST".**

The AAR can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/AR-KER-76-2019-DT-20-5-20-LOGIC-MGMT-TRAINING.pdf>

Important Notifications of the week

CBIC notified Proviso to Section 50(1) - Interest in GST to be levied on Net Tax liability w.e.f. September 1, 2020



Interest in GST to be levied on Net Tax liability, now notified w.e.f September 1, 2020

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CBIC vide Notification No. 63/2020 - Central Tax dated August 25, 2020, has notified proviso to section 50(1) of the CGST Act, 2017, with effect from September 01, 2020.

Therefore, Interest in GST to be levied on Net Tax liability, now notified w.e.f. September 1, 2020

Interest in GST to be levied on "Net Tax liability", a proviso, which was inserted vide Section 100 of the Finance (No. 2) Act, 2019 (23 of 2019), now got notified w.e.f 01/09/2020 vide Notification No. 63/2020-Central Tax, dated. 25th August 2020.

Section 100: In section 50 of the Central Goods and Services Tax Act, in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after the commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.”.

The notification can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/221332.pdf>

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DGFT amends the Export Policy of Surgical Masks, Medical coveralls

The DGFT vide **Notification No. 29/2015-2020 dated August 25th, 2020** has made amendment in Export Policy of Personal Protection Equipments/Masks. The Central Government makes the following changes in the **Notification No. 21 dated 28.07.2020** amending the Schedule 2 of the ITC (HS) Export Policy 2018.

Effect of this Notification:

- Notification No. 21 dated 28.07.2020 is amended to the extent that the export policy of 2/3 Ply Surgical masks, medical coveralls of all classes and categories (including medical coveralls for COVID-19) is amended from “**Restricted**” to “**Free**” category and these coveralls (including gowns and aprons of all types) are now freely exportable. Medical goggles continue to remain in restricted category with monthly quota of 20 Lakh units and Nitrile/NBR gloves continue to remain prohibited.
- The export policy of N-95/FFP2 masks or its equivalent masks is revised from “Prohibited” to “Restricted” category. A monthly export quota of 50 lakh units has been fixed for N-95/FFP2 masks or its equivalent, for issuing export licenses to eligible applicants as per the criteria to be separately issued in a Trade Notice.

The Notification can be accessed at: <https://content.dgft.gov.in/Website/dgftprod/044dee49-bea7-4bf0-9cb7-5511f5cdab52/Noti%20%2029%20Eng.pdf>.

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Important Press Releases of the week

CBIC Tweet: No recoveries shall be made for the past period by the Central and State tax administration w.r.t. Interest on delayed payment of GST vide N. No. 63/2020



CBIC ✓
@cbic_india



Press Release on Interest on delayed payment of GST @nsitharamanoffc @FinMinIndia @ianuragthakur

**Press Release
CBIC
26.08.20**

Interest on delayed payment of GST: CBIC

New Delhi: The Central Board of Indirect Taxes & Customs (CBIC) today clarified that the Notification No. 63/2020-Central Tax dated 25th August 2020 relating to interest on delayed payment of GST has been issued prospectively due to certain technical limitations. However, it has assured that no recoveries shall be made for the past period as well by the Central and State tax administration in accordance with the decision taken in the 39th Meeting of GST Council. This will ensure full relief to the taxpayers as decided by the GST Council.

CBIC explanation came in response to an assortment of comments in the social media with respect to Notification dated 25th August 2020 regarding charging of interest on delayed payment of GST on net liability (the tax liability discharged in cash) w.e.f. 1st September 2020.

As per the recent CBIC tweet, which clarifies that the *Notification No. 63/2020 - Central Tax dated August 25, 2020*, issued in respect of "Interest in GST to be levied on Net Tax liability w.e.f. September 1, 2020" is due to certain technical limitations.

Further, it has been assured that no recoveries shall be made for the past period by the Central and State tax administration in accordance with the decision taken in the 39th GST Council Meeting. This will ensure full relief to the taxpayers as decided by the GST Council.

Source: https://twitter.com/cbic_india/status/1298572699233550337

The Press Release issued by PIB in this regard can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/PIB1648751.pdf>

CBIC issued a Press Release on new functionality available in Form GSTR-2A w.r.t Import Data



Two new tables have been inserted in GSTR-2A for displaying details of the import of goods from overseas and inward supplies made from SEZ units/SEZ developers. Taxpayers can now view their bill of entries data which is received by the GST System (GSTN) from ICEGATE System (Customs). The present data upload has been done on a trial basis to give a feel of the functionality and to get feedback from the taxpayers on the same.

Currently, the system is displaying data up to 6th August 2020. Further, taxpayers may note that the system currently does not contain import information for a bill of entries filed at non-computerized ports (**non-EDI ports**) and imports made through courier services/post office. This will be made available shortly.

It may also be noted that amendment information made in the details of bill of entries will also be provided soon. Taxpayers are requested that they share their feedback by raising a ticket on the self-service portal (<https://selfservice.gstsystem.in>).

The Press Release can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/EglGf5VXkAARkhJ.jpg>

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CBIC issued Press Release on availability of new functionality of Form GSTR-2B for the month of July 2020


The GST Council, in its 39th meeting held on 14 March 2020, had recommended to adopt and implement the incremental approach of linking the present system of filing of GSTR-3B and GSTR-1 and other significant changes like enhancements in GSTR-2A and its linking to GSTR-3B. One such enhancement that the Council recommended was the introduction of an auto-drafted input tax credit (ITC) statement which would aid in assisting/determining the input tax credit that is available for every taxpayer.

Form GSTR-2B is going to be such an auto-drafted 1TC statement which will be generated for every registered person on the basis of the information furnished by his suppliers in their respective GSTR-1, 5 (non-resident taxable person) and 6 (input service distributor). It is a static statement and will be made available for each month, on the 12th day of the succeeding month. It is expected that GSTR-2B will help in reduction in time taken for preparing a return, minimizing errors, assist reconciliation & simplify compliance relating to filing of returns.

Key features in GSTR-2B which would assist taxpayers in return filing are as under:

- i. It contains information on the import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units/Developers. This is not available with the release of GSTR-2B for the month of July and will be made available shortly.
- ii. A summary statement that shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of GSTR-3B;
- iii. Document-level details of all invoices, credit notes; debit notes etc. are also provided both for viewing and download;
 - GSTR-2B for the month of July 2020 has been made available on the common portal on a trial basis.

- Since this is the first time that the statement is being introduced, taxpayers are advised to refer to GSTR-2B for the month of July 2020 only for feedback purposes.
- All taxpayers are requested to go through their GSTR-2B for July 2020 and after comparing the same with the credit availed by them in July 2020, provide feedback (if any) on any aspect of GSTR-2B by raising a ticket on the self-service portal (<https://selfservice.gstsystem.in/>)
- All taxpayers are advised to view the detailed advisory relating to GSTR-2B on the common portal before using the statement.

Taxpayers can access their Form GSTR-2B through: *Login to GST Portal > Returns Dashboard > Select Return period > GSTR-2B.*

The Press Release can be accessed at: <http://www.a2ztaxcorp.com/wp-content/uploads/2020/08/Press-Note-29082020.pdf>

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Important Updates of the week

GSTN has enabled the option to file GST Refund application for bunching of refund claim across F.Y on the GST Portal

<input type="radio"/>	Any other (specify)
<input type="radio"/>	Excess payment of tax
<input type="radio"/>	On Account of Assessment/Provisional Assessment/Appeal/Any other order

Please select Tax period for which the application is to be filed:
Tax Period

● Please select period starting from registration date or post registration date in period dropdown.

From Period: To Period:

Refund application in GST RFD-01 can be filed for periods relating to different Financial Years in a single refund application.

[CREATE REFUND APPLICATION](#)

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Site best viewed at 1024 x 768 resolution in Internet Explorer 10+, Google Chrome 49+, Firefox 45+ and Safari 6+

2. Bunching of refund claims across Financial Years

Extract of Circular No. 135/2020

2.1 It may be recalled that the restriction on clubbing of tax periods across different financial years was put in vide para 11.2 of the Circular No. 37/11/2018-GST dated 15.03.2018. The said circular was rescinded being subsumed in the Master Circular on Refunds No. 125/44/2019-GST dated 18.11.2019 and the said restriction on the clubbing of tax periods across financial years for claiming refund thus has been continued vide Paragraph 8 of the Circular No. 125/44/2019-GST dated 18.11.2019, which is reproduced as under:

"8. The applicant, at his option, may file a refund claim for a tax period or by clubbing successive tax periods. **The period for which refund claim has been filed, however, cannot spread across different financial years.** Registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or the current financial year opting to file **FORM GSTR-1** on quarterly basis, can only apply for refund on a quarterly basis or clubbing successive quarters as aforesaid. However, refund claims under categories listed at (a), (c) and (e) in para 3 above must be filed by the applicant chronologically. This means that an applicant, after submitting a refund application under any of these categories for a certain period, shall not be subsequently allowed to file a refund claim under the same category for any previous period. This principle / limitation, however, shall not apply in cases where a fresh application is being filed pursuant to a deficiency memo having been issued earlier."

GSTN has enabled the option to file GST Refund application for bunching of refund claim for cross financial years on the GST Portal. This is in accordance with Circular No. 135/2020 dated 31.03.2020.

Source: GSTN

NIC has released changes in validations for E-Invoicing considering the challenges faced by the Industry



NIC has released changes in the validations for E-Invoicing considering the challenges faced by the Industry. The following are the changes discussed as hereunder:-

1. The following improvements have been made in the validations of IRN generation:

- Document Number accepts alphabets in small cases.

- Check “The Document Date can be yesterday or today’s date” has been withdrawn.
- In case, Recipient is SEZ unit or SEZ developer, the ‘Bill to’ State code should match with the state code of the Recipient.
- In case of export transactions for goods, if e-way bill is required along with IRN, then the ‘Ship-To’ address should be of the address of the place/port in India from where the goods are being exported. Otherwise E-way bill can be generated later based on IRN, bypassing the ‘Ship-To’ address as the address of the place/port of India from where the goods are being exported.
- Check “Gross Amount of Item = Quantity X Selling Unit Price” has been withdrawn temporarily.
- The round-off value can be between -99.99 and +99.99
- The distance of transportation is validated against the auto-calculated PIN-PIN distance stored in the system. The allowed distance for transportation should be between +/- 10 % of auto-calculated PIN-PIN distance.
- If the distance of transportation is passed as 0 (zero), then the system will consider it as a request made by the taxpayer, to consider the auto-calculated PIN-PIN distance for the generation of e-way bills and generate the e-way bill along with IRN.
- The actual distance has to be passed in case the source and destination PIN codes are same and the allowed range of value is from 1 to 100.
- In case of export of goods, if the e-way bill has to be generated, then the address of port should have been passed as the shipping address during the generation of IRN.
- The tolerance limit for ‘Passed value/amount’ has been improved by setting the value between actual calculated value/amount and calculated value/amount rounded up to next rupee.

2. Auto calculated PIN-PIN distance is passed in the attribute ‘Remarks’ in the response payload if the request has been made to get the auto-calculated PIN-PIN distance for e-way bill generation.

3. ‘Cancel IRN’ API can be used to cancel the IRN within 24 hours of the generation of IRN.

Source: <https://einv-apisandbox.nic.in/release-notes.html>

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GSTN has enabled Form GSTR 2B in the GST Portal

Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities

Dashboard Returns English

File Returns

reference and further use. Nil return for GSTR-3B & GSTR-1 can now be filed through SMS.

Indicates Mandatory Fields

Financial Year • 2020-21

Return Filing Period • July

SEARCH

Details of outward supplies of goods or services

GSTR1

Status- Filed

VIEW GSTR1 DOWNLOAD

Auto Drafted details (For view only)

GSTR2A

VIEW DOWNLOAD

Auto - drafted ITC Statement

GSTR2B

VIEW DOWNLOAD

Monthly Return

GSTR3B

Status- Filed

VIEW GSTR3B DOWNLOAD

Comparison of liability declared and ITC claimed

GSTR3V1

VIEW

GSTN has enabled Form GSTR 2B in the GST Portal. The Taxpayer can log in with their login credentials then go to F.Y 20-21 for July 2020, the Form GSTR-2B is available on the Portal.

Source: GST Portal

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GSTN has enabled the facility to check BOE information w.r.t. GST paid on "Import of goods" in Form GSTR-2A

GSTR2A - AUTO DRAFTED DETAILS

***NOTE: You can only view details of inward supplies in GSTR-2A

PART-A ** Important Notice: If the invoices are more than 500, please check [here](#)

B2B Invoices	Credit/Debit Notes
Amendments to B2B Invoices	Amendments to Credit/Debit Notes

PART-B

ISD Credits	Amendments to ISD Credits
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PART-C

TDS Credits	Amendments to TDS Credits	TCS Credits
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PART-D

Import of goods from overseas on bill of entry	Import of goods from SEZ units / developers on bill of entry
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GSTN has enabled the facility to **check Bill of Entry** information in respect of GST paid at the time of "Import of goods" from Overseas and SEZ units/developers in Form GSTR-2A.

Source: GSTN Portal

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Videos of the week

How to correct Wrong Credit availed as CGST & SGST instead of IGST or vice versa || CA Bimal Jain



How to correct Wrong
Credit availed as
CGST & SGST instead
of IGST or vice versa

CA Bimal Jain



You can access the complete video on “How to correct Wrong Credit availed as CGST & SGST instead of IGST or vice versa || CA Bimal Jain” at following link: <https://youtu.be/TPZ8ZgTIZdE>

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How to bifurcate & show GST Credit of 2017-18 in GSTR 9/9C of FY 2018-19 || CA Bimal Jain



How to bifurcate &
show GST Credit of
2017-18 in GSTR 9/9C
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CA Bimal Jain



You can access the complete video on “How to bifurcate & show GST Credit of 2017-18 in GSTR 9/9C of FY 2018-19 || CA Bimal Jain” at following link: <https://youtu.be/UCDtFIE5xk>

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Why Retrospective Amendment is not made for Interest on Net Tax Liability || CA Bimal Jain



Why Retrospective
Amendment is not
made for Interest
on Net Tax Liability

CA Bimal Jain



You can access the complete video on “**Why Retrospective Amendment is not made for Interest on Net Tax Liability || CA Bimal Jain**” at following link: <https://youtu.be/O6kwyjl3wdQ>

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How to Show/ Pay/ Avail credit of RCM Liability of FY 2018-19 in GSTR 9/9C || CA Bimal Jain



How to Show/Pay/Avail
credit of RCM Liability of
FY 2018-19 in GSTR 9/9C

CA Bimal Jain



You can access the complete video on “How to Show/ Pay/ Avail credit of RCM Liability of FY 2018-19 in GSTR 9/9C || CA Bimal Jain” at following link: <https://youtu.be/h-1rZzr2jxk>

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Reconciliation of GST Credit as per Books vs. GSTR 3B vs. GSTR 2A for FY 2018-19 || CA Bimal Jain



Reconciliation of
GST Credit as per
Books vs. GSTR 3B
vs. GSTR 2A for FY
2018-19



CA Bimal Jain



You can access the complete video on “Reconciliation of GST Credit as per Books vs. GSTR 3B vs. GSTR 2A for FY 2018-19 || CA Bimal Jain” at following link: <https://youtu.be/2cX8fmLYzSY>

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41st GST Council Meeting

FM Nirmala Sitharaman: 'Act of God', may result in contraction of economy this fiscal



The government said on Thursday that the coronavirus pandemic has hit the Goods and Services Tax (GST) collection where the shortfall is Rs 2.35 lakh crore. The announcement was made after a GST Council meeting chaired by finance minister Nirmala Sitharaman.

Interacting with media after the meeting, Sitharaman referred to the coronavirus pandemic as an 'Act of God' and said it may result in contraction of the economy this fiscal.

"The annual GST compensation requirement is estimated to be around Rs 3 lakh crore, and cess collection is expected to be around Rs 65,000 crore, leaving us with an annual compensation gap of Rs 2.35 lakh crore," said Ajay Bhushan Pandey, Revenue Secretary at the Finance Ministry.

He added that during the April to July quarter, total GST compensation to be paid is Rs 1.5 lakh crore. "This is so because there was hardly any GST Collection in April and May," said Pandey.

The five-hour-long meeting was attended by representatives of all states, who held deliberations via video conferencing on ways to make up for the shortfall in states' revenues.

While Congress and the states ruled by non-NDA parties pushed for the Centre meeting its statutory obligation of covering the deficit, the Union government cited a legal opinion to say it had no such obligation if there was a shortfall in tax collections.

The Centre was of the opinion that the states should borrow to make up for the shortfall in the tax revenues that have been compounded by the Covid-19 crisis.

Setting the tone for the meeting, West Bengal Finance Minister Amit Mitra had written to Sitharaman on August 26 saying states should not be asked to borrow from the market to make good the shortfall in GST revenue collection.

“The Centre must pay the compensation from the different cesses that it collects, as it is not getting devolved to the states. In case of a shortfall it is the responsibility of the Centre to garner resources for fully compensating the states, as per the formula agreed upon with the states,” Mitra wrote in his letter.

In 2017, 28 states agreed to subsume their local taxes such as VAT into the new, nationwide Goods and Services Tax (GST), in what was hailed as the biggest tax reform.

At that time, the Centre had promised to compensate states for any revenue loss for five years from a pool created by levying cess over and above the GST on luxury and sin goods.

Read More at: <https://www.hindustantimes.com/business-news/covid-19-act-of-god-may-result-in-contraction-of-economy-nirmala-sitharaman/story-WXm9HWDwjHTFd0NMVN5Srl.html>

FM has given two borrowing options to States to meet the GST Compensation requirement for the F.Y 2020-21



The two borrowing options to meet the GST Compensation requirement for 2020-21 consequent to the discussions in the 41st meeting of the GST Council held on 27th August 2020 has been communicated to States, as per the document attached with this press note, to communicate their preference within seven

working days. A meeting of State Finance Secretaries with the Union Finance Secretary and Secretary (Expenditure) is scheduled to be held on 1st September 2020 for clarifying issues, if any.

The **Annexure** can be accessed at: <https://static.pib.gov.in/WriteReadData/userfiles/Annexure%20GST%20Options.pdf>

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1649485>

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Income Tax

Important News of the week

I-T department to intimate taxpayers under scrutiny about faceless assessment



The income tax (I-T) department will soon start sending out intimation to assessee undergoing scrutiny that such cases would now be handled under faceless assessment, a tax official said on Friday.

CBDT additional commissioner Jaishree Sharma also said that domestic transfer pricing cases too will be covered under the faceless assessment mechanism.

Asked whether the previous notices still stand valid, Sharma said, "Previous notices will not become redundant. First, an intimation would be sent out that your case would now be assessed under faceless assessment scheme and if the assessing officer of the Assessment Unit feels that he needs some more information, he will send fresh (notice) under 142(1)."

A Section 142(1) notice is sent to an assessee to inquire about details and documents before making assessment under the Income Tax Act. Speaking at a webinar organised by industry body PHDCCI, Sharma said reassessment cases would also be part of the faceless scheme. "So all the 148 cases that were going on, they have been transferred to the faceless assessment scheme and NeAC will be sending out intimation in all such cases which would now be assessed under the faceless assessment scheme. So by September 15 or before that, you can expect an intimation from NeAC," Sharma said.

The Central Board of Direct Taxes (CBDT) had earlier this month notified the National e-Assessment Centre (NeAC) at Delhi for all communication with taxpayers under the faceless assessment scheme. Since August

13, all income tax returns picked up for scrutiny, except those relating to search and seizure and international tax, are being assessed under faceless assessment.

Under faceless scrutiny assessment, a central computer picks up tax returns for scrutiny based on risk parameters and mismatch and then allots them randomly to a team of officers. **This allocation is reviewed by officers at another randomly selected location and only if concurred, a notice is sent by the centralized computer system. All such notices need to be responded to electronically without the requirement of visiting a tax office or meeting any official.**

Read More at: <https://timesofindia.indiatimes.com/business/india-business/i-t-department-to-intimate-taxpayers-under-scrutiny-about-faceless-assessment/articleshow/77806446.cms>

Tax mop-up from metros sees double-digit decline; Kolkata worst-hit city



Direct tax collections are likely to remain muted in the second consecutive quarter of the current fiscal year with most top Indian cities witnessing double-digit contraction in receipts till August 20. Kolkata emerged the worst-affected metro city, reporting a drop of 60 percent in the mop up during April august 20. It was followed by Chennai and Delhi, which saw decline by 41 percent and 36 percent, respectively.

Mumbai was, however, **one of the least affected regions, though collection was down there too. Mumbai, which has the highest share of 34 percent in overall direct tax collections, witnessed a drop by 13 percent, despite accounting for an ever growing share of total Covid-19 cases.** Bengaluru is the only metro city showing growth of 10 percent at 30,777 crore. This is followed by Guhawati, which also reported an increase in collection by 4.7 percent at 1,212 crore compared to 1,158 crore during the same period a year ago.

As of August 20, the total net direct tax collections showed a drop of 26.3 percent at 1.89 trillion against 2.56 trillion a year ago. The downward trend is likely to continue in the September quarter too, which is a

cause for concern, said an official. In the first quarter (April-june), direct tax mop up fell 25.3 percent to 1.25 trillion.

Other tier-1 cities such as Hyderabad, Pune, Chandigarh, and Ahmedabad also saw a massive drop of 30-45 percent in tax receipts till August 20 this year. Even corporate tax mop up till August 20 from major cities did not see much improvement. For instance, Mumbai collected 25,611 crore, followed by Bengaluru, which reported 12,521 crore and Delhi was at 7,989 crore.

Read More at: <https://www.pressreader.com/india/business-standard/20200824/281779926501996>

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News Flash

- **GST revenue growth in Kerala points to green shoots**

<https://www.a2ztaxcorp.com/gst-revenue-growth-in-kerala-points-to-green-shoots/>

- **Traders write to CM over corruption in GST Department**

<https://www.a2ztaxcorp.com/traders-write-to-cm-over-corruption-in-gst-department/>

- **Regional beverage companies under GST lens**

<https://www.a2ztaxcorp.com/regional-beverage-companies-under-gst-lens/>

- **Cabinet clears proposal for introduction of Punjab GST (Amendment) Bill, 2020**

<https://www.a2ztaxcorp.com/cabinet-clears-proposal-for-introduction-of-punjab-gst-amendment-bill-2020/>

- **GST Council meeting debates revenue shortfall of states**

<https://www.a2ztaxcorp.com/gst-council-meeting-debates-revenue-shortfall-of-states/>

- **Non-BJP states want govt to borrow to plug GST gap**

<https://www.a2ztaxcorp.com/non-bjp-states-want-govt-to-borrow-to-plug-gst-gap/>

- **Finance Minister: Structural Reforms are a Key Priority of the Government**

<https://www.a2ztaxcorp.com/finance-minister-structural-reforms-are-a-key-priority-of-the-government/>

**ABOUT US:**

A2Z TAXCORP LLP is a boutique Indirect Tax firm having professionals from Multi disciplines which includes Goods and Services Tax (GST), Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy etc.

Thanks & Best Regards,

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