



THE GST INSIDER

**JANUARY 25 EDITION
(01st Jan to 15th Jan)**

CA. SAMARPIT SHARMA

»»» PREFACE «««

Welcome to our latest issue of "**The GST Insider**" meticulously compiled by **CA Samarpit Sharma**. As we navigate through the ever-evolving landscape of the Goods and Services Tax (GST), our aim is to bring you the most recent and pertinent updates, including circulars, notifications, press releases, relevant case laws, advance rulings, and other essential documents.

This Newsletter is designed to serve as a comprehensive resource for enhancing your understanding of GST regulations. Each edition is carefully structured to present complex legal content in an accessible and engaging format. Through the use of explanatory visuals and simplified explanations, we strive to make the material not only easier to comprehend but also more interesting to read.

It is important to note that the information provided herein is intended solely for knowledge sharing purposes and should not be utilized as a basis for any form of professional advice. For specific GST-related advice, we recommend consulting with qualified experts.

By integrating visual aids and reformulating the legal text into reader-friendly formats, we hope to enrich your learning experience and keep you updated on significant GST developments. Enjoy the read, and may it spark both your interest and understanding of GST.

Thank you for trusting "The GST Insider" as your go-to source for GST updates. We hope you find this edition both informative and easy to comprehend.

Thank You!



CA. SAMARPIT
SHARMA

AUTHOR

“

Embrace the challenge, for it is the path to your greatest growth.

”

»»» NEWSLETTER «««

THE GST INSIDER



TOP UPDATES & CASE LAWS OF THE MONTH

EXTENSION OF DUE DATE GSTR 1 & GSTR-3B

NOTIFICATION NO. 01/2025
& 02/2025 – CENTRAL TAX - GST
DATED 10TH JAN, 2025

»»» READ MORE

The due dates for filing GSTR-1 and GSTR-3B for December 2024 have been extended. GSTR-1 is due by Jan 13, 2025, and GSTR-3B by Jan 22, 2025 (monthly) or Jan 24/26, 2025 (QRMP).

... Cont. on Page 13 &14

READ MORE «««

The Court held that the denial of ITC was based on an incorrect classification of telecommunication towers as immovable property. It reaffirmed that telecommunication towers are movable assets used for telecommunication services and are eligible for ITC under the CGST Act.

... Cont. on Page 18

TELECOM TOWERS CLASSIFIED AS MOVABLE PROPERTY, ELIGIBLE FOR ITC UNDER CGST ACT.

M/S. BHARTI AIRTEL LIMITED,
INDUS TOWERS LIMITED

20 JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
GSTR 7 (DEC 2024) GSTR 8 (DEC 2024)	GSTR 1 (DEC 2024)	14	GSTR 1/IFF (DEC 2024) GSTR 5 & 6 (DEC 2024)	16	17	CMP 08 (OCT TO DEC 2024)
	GSTR 5 & 5A (DEC 2024)	21	GSTR 3B MONTHLY (DEC 2024) TURNOVER MORE THAN RS.5 CRORE	23	GSTR 3B QUARTERLY (DEC 2024) CATEGORY-1 STATES	25
GSTR 3B QUARTERLY (DEC 2024) CATEGORY -2 STATES	27	28	29	30	31	

HIGHLIGHTS

»»» Notifications & Updates

- Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR-1A dated 09.01.2025..... 5
- Advisory to taxpayers on extension of e-way bills expired on 31st December, 2024..... 7
- Enabling filing of application for rectification as per Notification 22/2024-CT, dated 08/10/2024 8
- Advisory for biometric-based Aadhaar authentication and document verification for GST registration applicants of Rajasthan 11
- Notification No. 01/2025 – Central Tax - GST dated 10th Jan, 2025: Extension of due date for GSTR-1 13
- Notification No. 02/2025 – Central Tax - GST dated 10th Jan, 2025: Extension of due date for GSTR-3B 14
- Generation date for draft GSTR-2B for December 2024 15
- Advisory for waiver scheme under Section 128A 16

»»» Case Laws

- Telecom towers classified as movable property and are eligible for ITC under CGST Act 18
- Tax authorities can audit businesses anytime to ensure GST compliance, even after adjudication under Section 73 20
- Summary notice insufficient; proper show cause notice is mandatory for tax determination 21
- Leasing commercial property to a government office is subject to GST at the rate of 18% 22
- Refund denied for export proceeds realized in INR through non-resident Vostro accounts..... 24
- Flour mixes with added spices and ingredients are classified under a higher GST slab of 18%..... 25
- Demo vehicles utilized by authorized dealers are eligible for input tax credit (ITC)..... 27
- Food supplied to hospitals is not exempt; catering services are liable to GST.... 28
- Hostel accommodation services liable to GST, not exempt as residential dwellings..... 30



Gst Updates

HIGHLIGHTS

NOTIFICATIONS AND OTHER
GST PORTAL UPDATES



CA. SAMARPIT SHARMA



IMPLEMENTATION OF MANDATORY MENTIONING OF HSN CODES IN GSTR-1 & GSTR 1A DATED 09.01.2025

Following the successful implementation of Phase-I and Phase-II, Phase-III regarding Table 12 of GSTR-1 and 1A is now being introduced for the return period starting January 2025. In this phase, manual entry of HSN codes has been replaced with a dropdown menu for selecting the correct HSN. Additionally, Table 12 has been divided into two tabs—B2B and B2C—to facilitate the separate reporting of these supplies.

Further, validations for the values of supplies and the associated tax amounts have been introduced for both tabs of Table 12. However, during the initial period, these validations will operate in warning mode only, meaning that failing the validation will not prevent the filing of GSTR-1 and 1A.

Detailed advisory is as follows :-

1. Vide Notification No. 78/2020 – Central Tax dated 15th October 2020, it is mandatory for the taxpayers to report minimum 4 digits or 6 digits of HSN Code in table-12 of GSTR-1 on the basis of Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal wherein Phase 2 was implemented on GST Portal effective from 01st November 2022.

2. In continuation of the phase wise implementation, Phase-3 of reporting of HSN codes in Table 12 of GSTR-1 & 1A is being implemented from January 2025 return period. The changes implemented are detailed in the table below.

Phases	Taxpayers with AATO of up-to 5 cr.	Taxpayers with AATO of more than 5 cr.
Phase 2	Taxpayers are required to mandatorily report 4-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of manual HSN. However, taxpayers will be able to file GSTR-1 after manual entry.	Taxpayers are required to mandatorily report 6-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of incorrect HSN code. However, taxpayers will be able to file GSTR-1 after manual entry.



IMPLEMENTATION OF MANDATORY MENTIONING OF HSN CODES IN GSTR-1 & GSTR 1A DATED 09.01.2025

	Mandatorily reporting 4-digit HSN codes for goods & services.	Mandatorily reporting 6-digit HSN codes for goods & services.
Phase 3	<p><i>I. Manual user entry of HSN will not be allowed.</i></p> <p><i>II. HSN code can be selected from drop down only.</i></p> <p><i>III. A customized description mentioned in HSN master will auto-populate in a new field called "Description as per HSN Code".</i></p>	
	<p><i>In Table-12 validation with regards to value of the supplies have also been introduced.</i></p> <p><i>i. These validations will validate the value of B2B supplies shown in different Tables viz: 4A, 4B, 6B, 6C, 8 (recipient registered), 9A, 9B (registered), 9C (registered), 15 (recipient registered), 15A (recipient registered) with the value of B2B supplies shown in table-12.</i></p> <p><i>ii. Similarly, validations will validate the value of B2C supplies shown in different tables viz: 5A, 6A, 7A, 7B, 8 (recipient unregistered), 9A (export), 9A (B2CL), 9B (unregistered), 9C (unregistered), 10, 15 (recipient unregistered), 15A (recipient unregistered) with the value of B2C supplies shown in Table-12.</i></p> <p><i>iii. In case of amendments, only the differential value will be taken for the purpose of validation.</i></p> <p><i>*However, initially these validations have been kept in warning mode only, that means warning or alert message shall be shown in case of mismatch in values, whereas taxpayers will be able to file GSTR-1 in such cases. Further, in case B2B supplies are reported in other tables of GSTR-1, in that case B2B tab of Table-12 cannot be left empty.</i></p>	
Phase 4	To be communicated in due course.	

3. Apart from above, the following additional enhancement have been made in Table-12 of GSTR 1/1A:

- Table 12 of GSTR-1/1A is now bifurcated into two tabs, namely, "**B2B Supplies**" & "**B2C Supplies**". Taxpayers need to enter HSN summary details of B2B Supplies and B2C Supplies separately under respective tab.
- ii. A new button has been introduced in Table 12, "Download HSN Codes List". Upon clicking of this button, taxpayer would be able to download an excel file with the updated list of HSN & SAC codes for goods and services along with their description.
- iii. The button for "Product Name as in My Master" has now been made searchable. Taxpayer can search the description provided by them in My HSN Master and upon selection of the same, the HSN code, Description as per HSN Code, UQC & Quantity shall be auto-populated. This is an optional functionality



ADVISORY TO TAXPAYERS ON EXTENSION OF E-WAY BILLS EXPIRED ON 31ST DECEMBER, 2024

Jan 1st, 2025

It is hereby informed that the technical challenges encountered in the e-way bill generation process have been resolved, and the portal is now functioning smoothly. In connection with the technical issues faced earlier, the following facilitation measures have been put in place:

1. Extension of Expired E-Way Bills:

(a) As per the existing procedure, e-way bills that expired at midnight on 31st December, 2024, could be extended either within 8 hours prior to the expiry or 8 hours after the expiry..

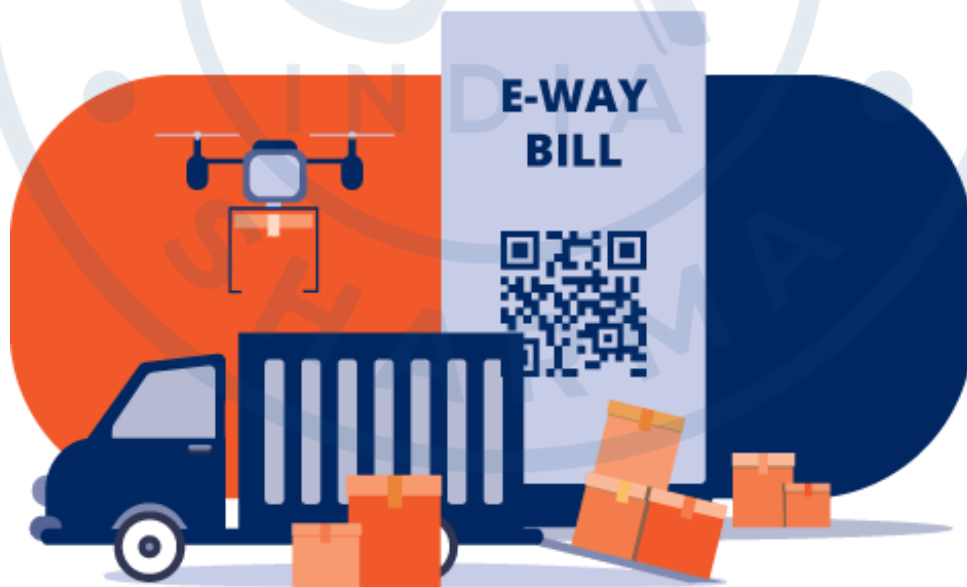
(b) Due to the technical glitch, this process was disrupted. To mitigate the impact, the window period for extending the e-way bills expiring on 31st December, 2024, **has been extended up to 1st January, 2025, midnight.** Taxpayers and transporters are advised to utilize the "Extend EWB" facility on the portal to extend these e-way bills, if required.

2. Generation of E-Way Bills for Goods Moved During the Glitch:

(a) payers and transporters who moved goods on 31st December 2024 without generating e-way bills due to the technical issues are hereby advised to generate the necessary e-way bills on 1st January 2025 using the existing facility on the portal.

Your cooperation in ensuring compliance with the e-way bill requirements is appreciated. For any assistance, taxpayers may contact the helpline or visit the portal support page.

Thanking You,
Team GSTN





ENABLING FILING OF APPLICATION FOR RECTIFICATION AS PER NOTN. 22/2024-CT, DTD. 08/10/24, 2024

Jan 7th, 2025

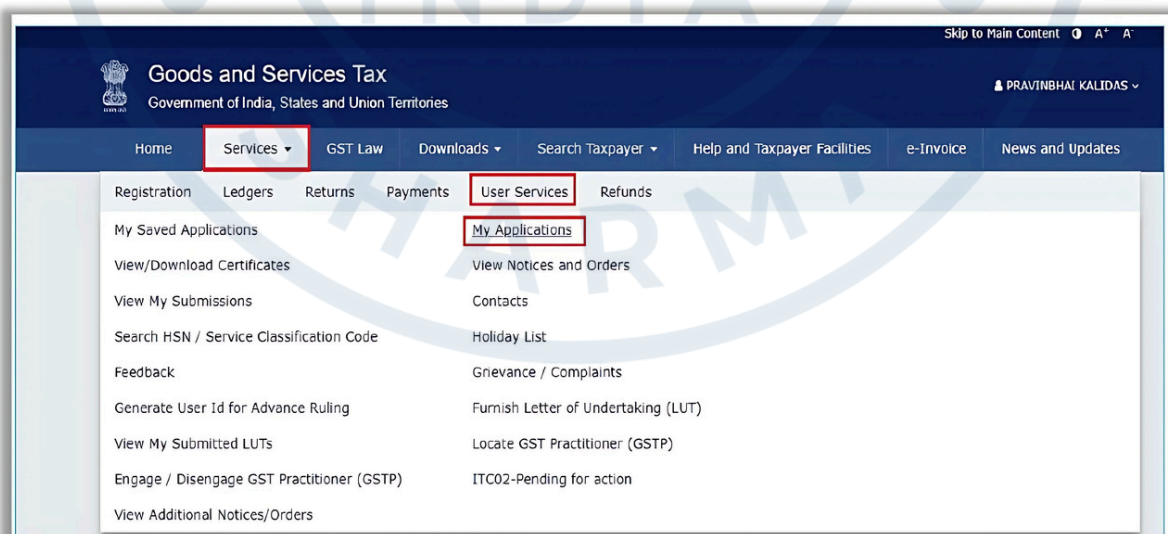
The Central Government, on the recommendations of the 54th GST Council, had issued **Notification No. 22/2024 – CT dated 08.10.2024** and notified that any registered person against whom any order confirming demand for wrong availment of ITC, on account of contravention of provisions of sub-section (4) of section 16 of the said Act had been issued, but where such ITC is now available as per the recently inserted sub-sections (5) and/or (6) of section 16 of the Act, would now be able to file an application for rectification of such demand orders.

A functionality has now been made available on the Portal for taxpayers to file an application for rectification of such orders issued under section 73/74. They can file it, post login, by navigating **Services > User Services > My Applications**, selecting "**Application for rectification of order**" in the Application Type field, and clicking on the **NEW APPLICATION** button. A hyperlink has also been provided on the Portal to download the proforma in **Annexure A** in word format, required to be uploaded after entering details of the demand order of the ITC wrongly availed on account of contravention of sub-section (4) of section 16 of the CGST Act, now eligible as per sub-section (5) and/or (6) of section 16 of the CGST Act, while filing the application for rectification.

Step-by-Step Process for Filing Application for Rectification of Orders

Covered Under Notification No. 22/2024-CT, Dated-08.10.2024

- 1) Access the www.gst.gov.in URL and login to the portal with valid credentials.
- 2) Click **Dashboard > Services > User Services > My Applications**





ENABLING FILING OF APPLICATION FOR RECTIFICATION AS PER NOTN. 22/2024-CT, DTD. 08/10/24, 2024

- 3) Select "Application for rectification of order" in the **Application Type** field and click the **NEW APPLICATION** button.

Dashboard · Services · User Services · **My Applications**

My Applications

Application Type*
Select
Select
Advance Ruling
Intimation of Voluntary Payment - DRC-03
Letter Of Undertaking
Appeal to Appellate Authority
Application for rectification of order
Application for Deferred Payment/Payment in Instalments
REFUNDS

From Date DD/MM/YYYY
To Date DD/MM/YYYY

SEARCH NEW APPLICATION

* indicates mandatory fields

- 4) Enter details in the displayed fields as mentioned in the following steps:

GSTIN/UIN/Temp Id - 24AGVPV7030J1ZS Legal Name - DELIP CHANDUBHAI VASANIYA Trade Name - Navrang video Status - **DRAFT**

Kindly note it is mandatory to upload Annexure-A for filing 'Application for rectification of order under Notn. No. 22/2024-CT- Dtd. 08.10.2024'. Click here to download format of Annexure -A. Please enter 'Application for rectification of order under Notn. No. 22/2024-CT- Dtd. 08.10.2024' as the reason in the text box under "Grounds for rectification" if application is being filed on this ground.

Order Number* Select Order to rectify Order Issue Date* DD/MM/YYYY

Tax Period
From To
Select Select Select Select

Grounds for rectification*
Reason
1000 characters remaining

Attachments
Choose File No file chosen
File with PDF or JPEG format is only allowed
Maximum 4 files and 5 MB for each file allowed

Verification*
 I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Name of Authorized Signatory* Select Place* Enter Place
Designation / Status Date

PREVIEW FILE



ENABLING FILING OF APPLICATION FOR RECTIFICATION AS PER NOTN. 22/2024-CT, DTD. 08/10/24, 2024

- a) In **Order Number** field, select the order number of the order that you wish to rectify.

The screenshot shows a dropdown menu titled "Order Number" with a search bar containing "Select Order to rectify". The menu is open, displaying a list of order numbers: ZA180418000025Z (highlighted), ZA180418000026X, ZA180418000027V, ZA180418000028T, ZA180418000029R, ZA1804180000324, and ZA180418000036W.

- b) Based on your selection, latest **Order Issue Date** and **Tax Period** fields will get auto-populated.

The screenshot shows the "Order Number" field populated with "ZA1805180100015" and the "Order Issue Date" field populated with "29/5/2018". Below these, the "Tax Period" section is highlighted in teal, showing "From" as "APR 2018" and "To" as "APR 2018".

- c) In **Grounds for rectification** field, enter the reason, "*Application of rectification of order under Notification No. 22/2024-Central tax dated 08.10.2024*".
- d) Click **Choose File** to upload details in **Annexure A** as notified vide Notification No. 22/2024, dated 8th October 2024, in support of your application. This would be a mandatory step.
- e) Enter **Verification** details. Select the declaration check-box and select the name of the authorized signatory.
- f) Based on your selection, the fields **Designation/Status** and **Date** (current date) displayed below will get auto-populated. Enter the name of the place where you are filing this application.

The screenshot shows the "Verification" section with a checked checkbox: "I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom." Below this, the "Name of Authorized Signatory" is "ANGAD ARORA" and the "Place" is "Delhi". The "Designation / Status" is "Manager" and the "Date" is "17/08/2018". At the bottom right, there are "PREVIEW" and "FILE" buttons.

- g) Complete the filing process by clicking on **PREVIEW** and **FILE**.



ADVISORY FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS OF RAJASTHAN

Jan 8th, 2025

Dear Taxpayers,

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

1. Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.
2. The above-said functionality has been developed by GSTN. It has been rolled out in Rajasthan on 7th January 2025.
3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - (a) A Link for OTP-based Aadhaar Authentication OR
 - (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)
4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.
5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.
6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Rajasthan.
7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.
8. At the time of the visit of GSK, the applicant is required to carry the following details/documents
 - a copy (hard/soft) of the appointment confirmation e-mail
 - the details of jurisdiction as mentioned in the intimation e-mail
 - Aadhaar Card and PAN Card (Original Copies)
 - the original documents that were uploaded with the application, as communicated by



ADVISORY FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION APPLICANTS OF RAJASTHAN

the intimation e-mail.

9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.

10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.

11. The operation days and hours of GSKs will be as per the guidelines provided by the administration in your state.

Thanking You,
Team GSTN





NOTIFICATION NO. 01/2025 - CENTRAL TAX - GST DATED 10TH JAN, 2025

EXTENSION OF DUE DATE GSTR 1.

In exercise of the powers conferred by the first proviso to sub-section (1) of section 37 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 83/2020 -Central Tax, dated the 10th November, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 699(E), dated the 10th November, 2020, namely:-

In the said notification, after the fifth proviso, the following proviso shall be inserted, namely:-

“Provided also that the time limit for furnishing the details of outward supplies in **FORM GSTR-1** of the said rules for the registered persons required to furnish return under sub-section (1) of section 39 of the said Act for the tax period **December, 2024**, shall be **extended till the thirteenth day of January, 2025** and for the registered persons who are required to furnish return under proviso of the said sub-section, for the tax period October to December, 2024, **shall be extended till the fifteenth day of January, 2025.**”

S. No.	Class of registered persons	Due Date
1.	GSTR-1 - (Monthly) December'24 Summary of outward supplies where turnover exceeds Rs.5 crore (in the current FY and the previous FY) or have not chosen the QRMP scheme for Oct-Dec'24	13th Jan 2025
2.	GSTR-1 - (Quarterly) Oct-Dec'24 Summary of outward supplies by taxpayers who have opted for the QRMP scheme (If the taxpayer opted for the Invoice Furnishing Facility (IFF) and uploaded B2B invoices for Oct 2024 and Nov 2024, it is sufficient to upload B2B invoices for Dec 2024 and B2C invoices for the entire quarter in the GSTR-1. Otherwise, the taxpayer has to upload all the B2B and B2C invoices for the Oct-Dec'24 quarterly GSTR-1.)	15th Jan 2025



NOTIFICATION NO. 02/2025 - CENTRAL TAX - GST DATED 10TH JAN, 2025

EXTENSION OF DUE DATE GSTR 3B.

The government on Friday announced an extension of the deadline for filing Goods and Services Tax (GST) returns in the forms GSTR-3B and GSTR-1 for December 2024 and the October-December quarter of FY25.

According to the notification issued by the Central Board of Indirect Taxes and Customs (CBIC), the deadline has been extended to January 22, 2025, for those required to file returns under sub-section (1) of section 39 of the Central Goods and Services Tax Act, 2017. FORM GSTR-3B is a monthly self-declaration form that registered taxpayers in India must file to report their summary of sales, purchases, tax liability, and input tax credit under the GST regime.

On the recommendations of the Council, hereby extends the time limit for furnishing the return in FORM GSTR-3B electronically, through the common portal, by the registered persons, as specified under-

(i) sub-section (1) of section 39, for the month of December 2024, till **twenty-second day of January, 2025 (Summary return for taxpayers with turnover more than Rs.5 crore (in the current FY and the previous FY) or have not chosen the QRMP scheme for Oct-Dec'24**

(ii) proviso to sub-section (1) of section 39, for the quarter of October, 2024 to December, 2024, for the class of registered persons mentioned in column (2) of the Table given below, till the date mentioned in the corresponding entry in column (3) of the said Table, namely: -

S. No.	Class of registered persons	Due Date
1.	Registered persons whose principal place of business 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.	24th Jan 2025
2.	Registered persons whose principal place of business 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.	26th Jan 2025



GENERATION DATE FOR DRAFT GSTR 2B FOR DECEMBER 2024

Jan 14th, 2025

This is to inform you that, in light of the extended due dates for filing GSTR-1 and GSTR-3B returns for the month of December 2024 (Quarter Oct-Dec 2024) as per Notifications No. 01/2025 and 02/2025 dated 10th January 2025, **the Draft GSTR-2B for the month of December 2024 (Quarter Oct-Dec 2024) will now be generated on 16th January 2025** in accordance with the rule 60 of CGST Rules, 2017.

We would like to remind you that you can recompute your Draft GSTR-2B if any action is taken in IMS after the generation of the same GSTR-2B on or after 16th Jan 2025.

Thanks,
Team GSTN





ADVISORY FOR WAIVER SCHEME UNDER SECTION 128A

Jan 14th, 2025

1. Taxpayer's attention is invited to the advisory on the above subject issued by GSTN on 29.12.2024.
2. It is to inform that both **Forms GST SPL 01 and GST SPL 02 are available in the GST portal** and the taxpayers are advised to file applications under waiver scheme.
3. One of the eligible conditions for filing application under waiver scheme is to withdraw the appeal applications filed against the demand order/notice/statement for which waiver application is to be submitted. In this regard, it is to inform that for the appeal applications (APL 01) filed before First Appellate authority, withdrawal option is already available in the GST portal. However, for the appeal applications (APL 01) filed before 21.03.2023, withdrawal option is not available in GST portal. For such cases, the taxpayers are advised to submit their request for withdrawal of appeal applications to the concerned Appellate Authority. The Appellate authority will forward such requests to GSTN through State Nodal officer for withdrawal of such appeal applications (i.e. filed before 21.03.2023 and not disposed off) from backend.
4. Difficulty if any faced by the taxpayers may be reported to <https://selfservice.gstsystem.in> by raising a ticket under category **"Issues related to Waiver Scheme"**.

Thanks,
Team GSTN





Case **LAW**



CA. SAMARPIT SHARMA

TELECOM TOWERS CLASSIFIED AS MOVABLE PROPERTY, ELIGIBLE FOR ITC UNDER CGST ACT.



(M/S. BHARTI AIRTEL LIMITED, INDUS TOWERS LIMITED, ELEVAR DIGITAL INFRASTRUCTURE PVT LTD V/S COMMISSIONER, CGST APPEALS-1 DELHI, UNION OF INDIA & ORS.)

This case involves three writ petitions challenging proceedings initiated under the Central Goods and Services Tax Act, 2017 (CGST Act). The primary issue centers on whether telecommunication towers qualify as immovable property, which would make them ineligible for Input Tax Credit (ITC) under Section 17(5) of the Act. The petitioners, including Bharti Airtel, Indus Towers Limited, and Elevar Digital Infrastructure Pvt. Ltd., contend that these towers are movable property and hence should be eligible for ITC.

The proceedings arose after tax authorities issued orders and Show Cause Notices (SCNs) denying ITC on goods and services used in the construction of telecommunication towers. Bharti Airtel specifically challenged the validity of an Order-in-Original dated 24 March 2023, which was upheld on appeal by the Commissioner of Central Tax Appeals-1 through an order dated 31 May 2024. Similarly, Indus Towers and Elevar Digital received SCNs demanding tax, interest, and penalties for allegedly misclassifying telecommunication towers as movable property.

The petitioners argue that telecommunication towers are movable infrastructure that can be dismantled, transported, and reassembled without significant damage. They maintain that these structures are essential equipment used to facilitate telecommunication services and do not

meet the criteria for immovable property, which requires permanence and attachment to the earth. The petitioners rely on landmark judgments, including the Supreme Court's ruling in *Bharti Airtel Ltd. v. Commissioner of Central Excise, Pune* and the Delhi High Court's decision in *Vodafone Mobile Services Ltd. v. Commissioner of Service Tax, Delhi*, both of which held that telecommunication towers are movable assets.

In response, the Revenue argued that Section 17(5)(d) of the CGST Act disallows ITC on goods or services used for constructing immovable property, except for "plant and machinery." The explanation to Section 17(5) specifically excludes telecommunication towers from the definition of "plant and machinery," which, according to the Revenue, implies they are immovable property.



TELECOM TOWERS CLASSIFIED AS MOVABLE PROPERTY, ELIGIBLE FOR ITC UNDER CGST ACT.



(M/S. BHARTI AIRTEL LIMITED, INDUS TOWERS LIMITED, ELEVAR DIGITAL INFRASTRUCTURE PVT LTD V/S COMMISSIONER, CGST APPEALS-1 DELHI, UNION OF INDIA & ORS.)

The Court closely examined these arguments and referred extensively to the Supreme Court's observations in Bharti Airtel. The Court noted that the Supreme Court had applied tests of permanence, annexation, and marketability to determine the nature of telecommunication towers. It concluded that these towers do not satisfy the criteria for immovable property. The attachment of telecommunication towers to concrete bases is primarily for stability and operational efficiency, not for permanent annexation or beneficial enjoyment of the land. Additionally, the towers are prefabricated structures brought to the site in parts, assembled, and, if necessary, dismantled and relocated without significant damage. This movability, combined with their ability to be resold in the market, firmly categorizes them as movable property. The Court further observed that while Section 17(5) excludes telecommunication towers from the definition of "plant and machinery," this exclusion does not automatically render them immovable property. To fall within the scope of Section 17(5)(d), telecommunication towers must first qualify as immovable property, which they do not.

The Court held that the denial of ITC was based on an incorrect classification of telecommunication towers as immovable property. It reaffirmed that telecommunication towers are movable assets used for telecommunication

services and are eligible for ITC under the CGST Act. The Court quashed the impugned orders and SCNs, allowing all three writ petitions.

This judgment not only clarifies the classification of telecommunication towers under the CGST Act but also underscores the importance of adhering to established principles of movable and immovable property when interpreting tax laws. The ruling provides much-needed clarity for businesses in the telecommunications sector and ensures that ITC remains available for such essential infrastructure.



TAX AUTHORITIES CAN AUDIT BUSINESS ANYTIME TO ENSURE GST COMPLIANCE, EVEN AFTER ADJUDICATION UNDER SEC 73.

(M/S. MAG FILTERS AND EQUIPMENTS PRIVATE LIMITED VERSUS COMMISSIONER OF CGST AUDIT GURUGRAM AND OTHERS)

The petitioner, through this writ petition, challenges the proceedings initiated by the respondents under Section 65 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the Act"), for conducting an audit.

The petitioner's Senior Counsel contends that the impugned notice demands several documents already submitted during earlier anti-evasion proceedings. Following those proceedings, notices under Section 73 of the Act were issued, culminating in a tax demand of ₹70,35,44,181/- for the period 2017-18 to 2021-22, along with interest of ₹43,29,194/-, both of which were duly deposited by the petitioner.

The counsel further argues that once the said proceedings concluded, fresh action under Section 65 of the Act for the same period causes unnecessary harassment to the petitioner, who is, however, ready to undergo an audit for the year 2022-23. It is also highlighted that for the Financial Year 2018-19, a demand of ₹94,86,762/- was raised but later dropped, confirming only ₹11,84,867/- towards excess Input Tax Credit (ITC). Consequently, the initiation of a new audit for the period 2017-18 to 2021-22 is deemed unwarranted.

Upon examining Section 65 of the Act, the Court observed that the provision empowers the Commissioner or authorized officers to conduct audits of registered persons at prescribed

intervals and manners. The section does not impose a time limitation or restrict the frequency of audits. The audit process is considered akin to a preliminary inquiry to verify books of accounts and ensure compliance, causing no prejudice to the registered person.

The Court further noted that the petitioner's argument regarding earlier proceedings under Section 73 does not preclude the authorities from conducting an audit, as it may reveal additional instances of tax evasion, erroneous refunds, or incorrect ITC claims. Moreover, if fraud is detected during the audit, the Department retains the power to initiate independent proceedings under Section 74 of the Act.

Based on the above considerations, the Court found no merit in the petition. The writ petition was dismissed, and all pending miscellaneous applications were disposed of accordingly.



SUMMARY NOTICE INSUFFICIENT; PROPER SHOW CAUSE NOTICE IS MANDATORY FOR TAX DETERMINATION.

(DIHINGIA MOTORS PVT. LTD. V/S THE UNION OF INDIA, CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS NEW DELHI)

The petitioner challenges the issuance of a Summary of Show Cause Notice (SCN) dated 30.09.2023 in GST Form DRC-01. The Summary stated that the SCN was attached, along with a determination of tax, but no proper SCN was included. Consequently, the petitioner did not respond, as the SCN itself was missing. Following this, a Summary of Order dated 30.12.2023 was issued in GST Form DRC-07, citing the petitioner's lack of reply as agreement with the notice's terms. Both the attachments to GST Forms DRC-01 and DRC-07 lacked the Proper Officer's signature, which the petitioner contends violates Section 75(4) of the CGST Act, 2017.



The petitioner's counsel argued that under Rule 142 of the CGST Rules, 2017, a proper SCN must be issued and digitally authenticated as required by Rule 26. Reliance was placed on judgments such as M/s Silver Oak Villas LLP v. Assistant Commissioner ST and

Nkas Services Pvt. Ltd. v. State of Jharkhand, which held that a Summary of SCN cannot substitute a proper SCN, and documents lacking signatures or authentication are void.

Conversely, the respondent's counsel asserted that the Summary of SCN provided sufficient details for the petitioner to respond. However, it was admitted that the attachments to GST Forms DRC-01 and DRC-07 lacked signatures and were marked as "Sd- Proper Officer."

The Court found that issuing a Summary of SCN in Form GST DRC-01 does not replace the statutory requirement of a proper SCN under Section 73(1) of the CGST Act. It emphasized the necessity of an SCN specifying reasons for invoking Section 73 and ensuring compliance with procedural safeguards, including authentication by the Proper Officer. The Court also noted the absence of an opportunity for a personal hearing, violating Section 75(4).

The impugned Order-in-Original dated 30.12.2023 was quashed for failing to meet statutory requirements. However, the Court allowed the respondents to initiate de novo proceedings under Section 73, if deemed necessary, for the relevant financial year. The period between the issuance of the Summary of SCN and the date of this judgment would be excluded from the limitation period under Section 73(10).

The writ petition was disposed of with these observations and directions.



LEASING COMMERCIAL PROPERTY TO A GOVERNMENT OFFICE IS SUBJECT TO GST AT THE RATE OF 18%.

(M/S. JAY - AUTHORITY FOR ADVANCE RULING, ANDHRA PRADESH)

>>> FACTS OF THE CASE

M/s JAY, a registered taxpayer under the GST Act, 2017, is the owner of a commercial property situated in Prasad's Complex, Kurnool, Andhra Pradesh. The property, spanning 18,888 square feet, was leased out to the Institution of Lokayukta of Andhra Pradesh, a government entity. This arrangement was formalized through a lease agreement executed on February 1, 2022, between the building owner and the District Collector, Kurnool, acting as the lessee. The agreement included specific terms and conditions: a lease period of two years, renewable every two years with a stipulated 5% rent escalation, a monthly rent of ₹5,38,308/- at a rate of ₹28.50 per sq. ft, GST at 18% amounting to ₹96,895/-, and maintenance charges of ₹1.50 per sq. ft totaling ₹28,332/-.

Although the lease agreement explicitly mentioned that GST on rent would be borne by the lessee, the lessee failed to fulfill this obligation. In response, the building owner pursued legal recourse by sending a legal notice to the lessee and filing a complaint with the Lokayukta of Andhra Pradesh, seeking enforcement of the lease terms. Additionally, on July 11, 2024, the lease was renewed by mutual agreement, but with significant changes, including the exclusion of GST. Despite these modifications, the issue of GST liability remained unresolved, compelling the applicant to seek an advance ruling under Rule 98 of GST Rules, 2017. The

applicant sought clarity regarding who is statutorily liable to remit GST on the rental income received from the government-occupied property.

>>> FINDINGS OF THE CASE

The leasing of commercial property is classified as a supply of services under Section 7(1)(a) and Section 7(1A) of the CGST/SGST Act, 2017. Schedule II, Para 2(b) explicitly categorizes the leasing or letting out of buildings for business or commerce purposes as taxable supplies of services. Furthermore, the charging section, Section 9(1), mandates that GST on such supplies be collected and remitted by the supplier of services unless otherwise specified under the Reverse Charge Mechanism (RCM).

The applicant cited Notification Nos. 04/2022 and 05/2022, contending that these notifications implied a shift in GST liability to the lessee. However, both notifications pertain to residential property scenarios—Notification 04/2022 exempts GST on residential dwellings when used for personal purposes, while Notification 05/2022 provides for reverse charge applicability in specific residential lease arrangements. Neither of these notifications applies to commercial property leases.

Observations based on the lease agreement and additional submissions confirmed that the building was leased to a government entity for commercial purposes. The lease agreement indicated that GST on rent would be borne by the



LEASING COMMERCIAL PROPERTY TO A GOVERNMENT OFFICE IS SUBJECT TO GST AT THE RATE OF 18%.

(M/S. JAY - AUTHORITY FOR ADVANCE RULING, ANDHRA PRADESH)

lessee, but such contractual agreements between private parties do not alter statutory obligations under GST law. As the supplier of rental services, the applicant is obligated to collect and remit GST on the rent received unless a specific provision under the RCM shifts this liability to the lessee.

Leasing of commercial property is taxable at an 18% GST rate under SAC Code 997212 (Rental or leasing services involving own or leased non-residential property). The obligation to remit GST lies with the lessor, provided the lessor's taxable turnover exceeds the prescribed threshold under GST law. Consequently, the applicant's reliance on the above-mentioned notifications for exemption or transfer of liability is misplaced, as these notifications do not cover the leasing of commercial properties.

Additionally, it was noted during the personal hearing and from supporting submissions that while the lessee was a government entity, no specific provision exists in GST law to exempt such arrangements from tax or transfer the liability to the lessee under RCM.

>>> RULING

Question 1: As per GST Act, GST on rent - who has to pay, owner or tenant?

Ruling: GST on rent for leasing commercial property is to be paid by the lessor (building owner) under the forward charge mechanism unless specified otherwise under the Reverse Charge Mechanism (RCM).

Question 2: Is there any special provision in the GST Act for government-occupied private buildings?

Ruling: There is no specific provision in the GST Act for government-occupied private buildings.

Question 3: Who is liable for GST on rent, owner or tenant?

Ruling: As stated above, GST on rent is payable by the lessor (building owner) under the forward charge mechanism.

Question 4: Is there any such Act in GST that GST on rent has to be borne by the owner for government-occupied private buildings?

Ruling: No such provision exists in the GST Act.



REFUND DENIED FOR EXPORT PROCEEDS REALIZED IN INR THROUGH NON-RESIDENT VOSTRO ACCOUNTS.



(M/S. ELITE INTERNATIONAL THROUGH ITS PROPRIETOR SH. ROHAN ARORA VERSUS COMMISSIONER
OF CGST DELHI NORTH AND ORS.)

The petitioner has filed the present writ petition challenging the orders dated 23 November 2022 and 25 October 2023, which rejected their application for a refund of ₹16,10,541/- along with statutory interest. The petitioner claims that the rejection was contrary to the provisions of the applicable rules and regulations. The petitioner had conducted three export transactions under Invoice Nos. E-129-EX, E-130-EX, and E-131-EX during the relevant period, with the proceeds realized in Indian Rupees (INR) through a convertible Vostro account, as certified by the Federal Bank. Despite providing supporting documentation, including eBRCs (Electronic Bank Realization Certificates), the adjudicating authority rejected the refund on 23 November 2022, stating that the proceeds were not received in freely convertible currency. This decision was upheld by the appellate authority on 25 October 2023.

The petitioner contended that the realization of export proceeds in INR through a convertible Vostro account satisfies the requirements under Section 2(6) of the IGST Act, as clarified in Circular No. 88/07/2019-GST issued on 1 February 2019. The circular explicitly permits such realizations in INR, provided they adhere to RBI guidelines. The petitioner argued that their transactions meet the eligibility criteria, making the refund denial unwarranted. On the other hand, the respondents argued that the circular applies only to specific exports" and requested an

opportunity to verify whether the petitioner's transactions qualify under this provision.

The court observed that all necessary documentation, including the eBRCs, had been submitted at the appellate stage, but the refund application was rejected on the grounds of proceeds being realized in INR instead of freely convertible currency. It further noted that Circular No. 88/07/2019-GST clarifies that export proceeds realized in INR through a convertible Vostro account are eligible for benefits as long as they comply with RBI guidelines. The court held that the reasoning behind the impugned orders was flawed and did not align with the provisions of the circular.

Consequently, the court quashed the orders dated 23 November 2022 and 25 October 2023 and directed the adjudicating authority to reconsider the refund application. The authority was instructed to assess the case afresh, taking into account the provisions of Circular No. 88/07/2019-GST and the submissions made by the petitioner. It was also directed to examine the aspect of "specific exports" raised by the respondents and conclude the determination process within six weeks. If the petitioner is found eligible, the refund, along with applicable statutory interest, is to be granted without delay. The writ petition was allowed, with all rights and contentions left open for further adjudication.



FLOUR MIXES WITH ADDED SPICES AND INGREDIENTS ARE CLASSIFIED UNDER A HIGHER GST SLAB OF 18%.

(M/S. GAJANAND FOODS PVT. LTD - AUTHORITY FOR ADVANCE RULING, GUJARAT)

»»» FACTS OF THE CASE

M/s. Gajanand Foods Pvt. Ltd., based in Ahmedabad, Gujarat, is engaged in the manufacture and supply of 14 varieties of instant mix flours, such as Gota Mix Flour, Dhokla Mix Flour, Idli Mix Flour, and others. These products are sold in a "ready-to-cook" form, requiring consumers to follow preparation instructions before consumption. The manufacturing process involves procuring food grains and pulses, sorting, washing, grinding them into flour, mixing with spices, and packaging the final product. The appellant contended that these products are not "ready-to-eat" but "ready-to-cook," and hence, should be classified under HSN 1102 or alternatively under HSN 1106, attracting a GST rate of 5%.

The Gujarat Authority for Advance Ruling (GAAR), however, classified these products under HSN 2106 90 (Others) as "Food preparations not elsewhere specified or included," attracting a GST rate of 18% (9% CGST + 9% SGST). Dissatisfied with this ruling, the appellant filed an appeal under Section 100 of the CGST Act, 2017, and GGST Act, 2017, challenging GAAR's decision.

»»» FINDINGS OF THE CASE

Upon review of the appeal, the appellate authority noted that the appellant's claim for classification under HSN 1102 or HSN 1106 was not tenable. Products under HSN 1102 or 1106 are limited to minimally processed flours with small quantities of specified additives.

However, the appellant's products include significant quantities of spices and other ingredients, ranging from 5% to 37%, which disqualifies them from these categories. Additionally, some products, such as Gota Mix Flour and Dosa Mix Flour, contain wheat flour, which is explicitly excluded from HSN 1102.

The appellant also cited CBIC Circular No. 80/54/2018-GST, which classifies minimally processed flours like "Sattu" under HSN 1106. However, this circular does not apply to the appellant's products, as the substantial inclusion of spices and condiments transforms the products into food preparations. The appellate authority further observed that HSN 2106 90 covers "Food preparations not elsewhere specified or included," including products intended for consumption after processing, such as cooking. The appellant's products meet this description, as they are designed for preparation before consumption.

The appellant's reliance on the common parlance test, claiming that the products are commonly perceived as flours, was also deemed unsupported. Instant mix flours are not considered standard flours by consumers. Moreover, the appellant's argument based on VAT-era determinations was dismissed, as GST classifications rely on the Harmonized System of Nomenclature (HSN), which has a distinct framework.



FLOUR MIXES WITH ADDED SPICES AND INGREDIENTS ARE CLASSIFIED UNDER A HIGHER GST SLAB OF 18%.

(M/S. GAJANAND FOODS PVT. LTD - AUTHORITY FOR ADVANCE RULING, GUJARAT)

>>> RULING

Question: How should the 14 instant mix flours manufactured by the appellant be classified, and what is the applicable GST rate?

Ruling:

The products, including Gota Mix Flour, Dhokla Mix Flour, Idli Mix Flour, and others, are classifiable under HSN 2106 90 (Others) as "Food preparations not elsewhere specified or included." These products attract GST at 18% (9% CGST + 9% SGST).

Conclusion:

The appellate authority upheld GAAR's ruling, stating that the appellant's products, owing to their composition and intended use, do not qualify for classification under HSN 1102 or 1106. The appeal was found to lack merit and was dismissed.



DEMO VEHICLES UTILIZED BY AUTHORIZED DEALERS ARE ELIGIBLE FOR INPUT TAX CREDIT (ITC).



(M/S BMW INDIA PVT. LTD. VERSUS THE APPELLATE AUTHORITY FOR ADVANCE RULING FOR THE STATE OF HARYANA - PUNJAB AND HARYANA HIGH COURT)

A clarification regarding the availability of Input Tax Credit (ITC) on demo vehicles has been issued through **Circular No. 231/25/2024-GST** (F.NO.CBIC-20001/6/2024-GST) dated 10th September 2024. The circular establishes that, under Section 16(1) of the CGST Act, 2017, registered taxpayers are eligible to claim ITC on goods and services used in the course or furtherance of business, provided conditions and restrictions prescribed under the Act are met. Demo vehicles, utilized by authorized dealers to promote motor vehicle sales, qualify as goods used in the course or furtherance of business. Furthermore, Section 2(52) defines "goods" as all movable property except money and securities, while Section 2(19) specifies "capital goods" as those capitalized in the books of accounts and used or intended for use in business operations. Accordingly, demo vehicles capitalized by dealers meet the definition of "capital goods," making them eligible for ITC under Section 16(1).

The circular also clarifies that ITC on demo vehicles is subject to certain conditions. If depreciation has been claimed on the tax component of the vehicle's cost under the Income-tax Act, 1961, ITC on the same will not be permitted, as per Section 16(3) of the CGST Act. Additionally, if a demo vehicle is sold, the authorized dealer is required to pay tax as stipulated under Section 18(6) of the CGST Act and Rule 44(6) of the CGST Rules, 2017.

The Haryana Government issued a similar clarification through Circular No. 231/25-HGST/2024/GST-II dated 13th September 2024, aligning with the central circular. This specifically addresses ITC eligibility for demo vehicles used as passenger vehicles with a seating capacity of up to 13 persons, as provided under Section 17(5)(a) of the Haryana GST Act, 2017, when these vehicles are capitalized in the books of account.

In light of these clarifications, the denial of ITC on demo vehicles in the impugned order dated 28th June 2021 is deemed unsustainable. The observations made in the said order, which denied ITC on vehicles initially used as demo vehicles, are set aside. The petitioner is entitled to ITC as clarified in the circulars, subject to compliance with the applicable provisions of the CGST Act, 2017.

Consequently, the order dated 9th October 2018 is also quashed, and the petitioner is granted the benefit of ITC with all necessary consequential actions. The writ petition is disposed of accordingly, along with any pending miscellaneous applications.





FOOD SUPPLIED TO HOSPITALS IS NOT EXEMPT; CATERING SERVICES ARE LIABLE TO GST.

(BAMAPADA JANA - AUTHORITY FOR ADVANCE RULING, WEST BENGAL)

>>> FACTS OF THE CASE

The applicant, a catering service provider, entered into a contract with the Central Hospital, South Eastern Railway, Garden Reach, Kolkata, to supply food to in-patients. Under the contract, the applicant prepares, cooks, and delivers meals, including special diets, as per the instructions of medical officers and nutritionists. The hospital provides an in-house kitchen space and equipment for these services, while the applicant manages the procurement of raw materials and operational appliances. The applicant submitted an advance ruling application under Section 97(1) of the CGST Act, 2017, seeking clarification on whether the supply of food to in-patients qualifies as an exempt supply under Notification No. 12/2017 and if their invoicing under SAC 999311, considering the services exempt, is correct.

The applicant argued that supplying food to in-patients forms a part of composite healthcare services provided by the hospital and is exempt from GST. They cited relevant provisions of Notification No. 12/2017, Circular No. 32/06/2018-GST, and past rulings to support their claim. The Revenue authority raised no objection to the admission of the application, and the matter was admitted for advance ruling.

>>> FINDINGS OF THE CASE

The authority reviewed the submissions and relevant GST provisions, concluding that the supply of food by the applicant

is not exempt from GST. It was observed that while the food is prepared and delivered as per hospital recommendations, the service is outsourced, making the applicant a third-party service provider. This categorization excludes the applicant's service from being part of healthcare services provided by a clinical establishment.



Notification No. 12/2017 exempts healthcare services provided by clinical establishments, including food supplied to in-patients as part of a composite supply. However, the exemption does not extend to food services outsourced to third parties. Circular No. 32/06/2018-GST further clarifies that when food services are outsourced, suppliers must charge GST as applicable, and no input tax credit is available to the hospital in such cases.



FOOD SUPPLIED TO HOSPITALS IS NOT EXEMPT; CATERING SERVICES ARE LIABLE TO GST.

(BAMAPADA JANA - AUTHORITY FOR ADVANCE RULING, WEST BENGAL)

The rulings cited by the applicant involved hospitals directly providing healthcare services, including food, to in-patients. Since the applicant is not a clinical establishment and merely provides catering services, those rulings are not applicable. The authority determined that the applicant's service is a standalone supply of catering services and does not qualify as a composite supply of healthcare services under GST law.

>>> RULING

Question 1: Whether the supply of food to all in-patients would be considered as exempted supply under Notification No. 12/2017 read with Section 8(a) of the GST Act?

Answer: No. The supply of food by the applicant to in-patients does not qualify as exempt under Entry No. 74 of Notification No. 12/2017-Central Tax (Rate), as it is an outsourced service and not part of composite healthcare services provided by the hospital.

Question 2: Whether the applicant is correctly raising invoices by considering the services provided to the Central Hospital, South Eastern Railway, as exempt under SAC 999311?

Answer: No. The applicant must charge GST on the supply of food to the hospital, as this service is taxable under GST law and does not fall under exempted categories.

Conclusion:

The applicant's catering services are taxable under GST, and the exemption under Notification No. 12/2017 does not apply. The applicant must revise their invoicing to reflect GST liability on these services.



HOSTEL ACCOMMODATION SERVICES LIABLE TO GST, NOT EXEMPT AS RESIDENTIAL DWELLINGS.

(PEACOCK MENS HOSTEL - AUTHORITY FOR ADVANCE RULING, TAMIL NADU)

>>> FACTS OF THE CASE

The applicant, M/s. Peacock Men's Hostel, operates a men's residential hostel in Coimbatore, catering to students and working professionals. The hostel provides lodging, boarding, and additional services such as housekeeping, security arrangements, and meals. The applicant charges ₹3,000 per month per bed for these services. The hostel premises, owned by the applicant, is equipped with an in-house kitchen where food is prepared and served to the residents.

The applicant sought an advance ruling on the following questions:

- Whether their hostel accommodation services are exempt from GST under Entry 12 of Notification No. 12/2017-Central Tax (Rate) and similar notifications under the TNGST Act.
- Whether they are required to register under GST if their turnover exceeds ₹20 lakh annually.
- The applicable tariff classification and GST rate for the services provided.
- Whether the supply of food as part of the hostel services qualifies as a composite supply exempt from GST.

The applicant argued that the hostel accommodation qualifies as a "residential dwelling for use as residence" and is therefore eligible for GST exemption. They also claimed that the food services provided are ancillary to the principal supply of accommodation, making them exempt as part of a composite supply.

>>> FINDINGS OF THE CASE

The authority examined the facts, legal interpretations, and submissions made by the applicant and relevant regulatory authorities. Key findings are as follows:

• **Hostel Accommodation vs. Residential Dwelling**

The term "residential dwelling" is not defined under the GST Act. However, based on trade parlance and regulatory requirements, hostels are classified as commercial establishments, providing temporary lodging with ancillary services. This differs significantly from residential dwellings used as permanent residences by families or individuals.

• **Licenses and Certifications**

The licenses submitted by the applicant, including trade licenses and fire safety certificates, classify the hostel as a commercial property. These certifications affirm the commercial nature of the premises, disqualifying it from being categorized as a "residential dwelling."

• **Judicial Precedents**

The applicant relied on various case laws, including the Karnataka High Court ruling in Taghar Vasudeva Ambrish v. Appellate Authority for Advance Ruling. However, the authority noted that these precedents do not directly apply to the case due to differing facts and pending appeals.

• **Composite Supply**

The food services provided by the applicant, along with accommodation, constitute a composite supply. As per GST law, the tax rate applicable to the



HOSTEL ACCOMMODATION SERVICES LIABLE TO GST, NOT EXEMPT AS RESIDENTIAL DWELLINGS.

(PEACOCK MENS HOSTEL - AUTHORITY FOR ADVANCE RULING, TAMIL NADU)

principal supply (hostel accommodation) applies to the entire composite supply.

• Stringent Interpretation of Exemptions

Exemptions under GST must be interpreted strictly. The twin conditions of "residential dwelling" and "use as residence" were not satisfied in this case.

>>> RULING

1. Hostel Accommodation Services

The hostel accommodation services provided by the applicant do not qualify for exemption under Entry 12 of Notification No. 12/2017-Central Tax (Rate). The premises are commercial in nature and cannot be classified as "residential dwellings for use as residence."

2. GST Registration

The applicant is required to register under GST if their aggregate turnover exceeds ₹20 lakh in a financial year.

3. Taxability and Tariff Classification

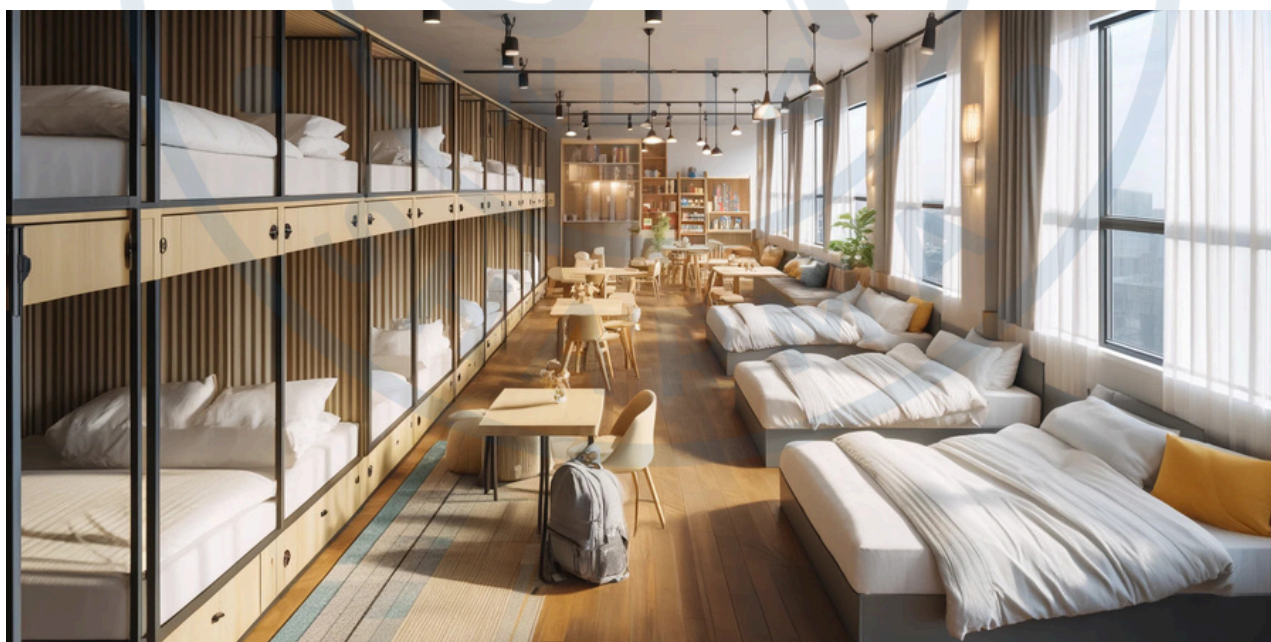
The services fall under Tariff Heading 9963 and are taxable at 18% GST (9% CGST + 9% SGST) under Sl. No. 7(vi) of Notification No. 11/2017-Central Tax (Rate), as amended.

4. Composite Supply for Food Services

The supply of food as part of the hostel services is a composite supply. Since hostel accommodation is the principal supply, the tax rate of 18% applies to the entire composite supply.

5. No Ruling on Ancillary Question

No ruling was issued on one of the questions, as it did not fall within the scope of Section 97(2) of the GST Act.



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The GST Insider: Stay Informed, Stay Compliant

As we conclude this edition of **The GST Insider**, we hope the insights and updates have provided valuable knowledge to our readers. Our commitment remains steadfast in delivering timely, accurate, and relevant information to help you navigate the complexities of the GST landscape. We have explored significant developments and shared expert opinions to help you stay compliant and maximize benefits.

We are grateful for your continued support and engagement. Your feedback and suggestions are invaluable as we strive to make "The GST Insider" a trusted resource for all your GST-related needs.

Until the next issue, stay informed, stay compliant, and keep thriving in your business endeavors.

Email us for a copy and for more info!

CONTACT US :



Phone Number
+91-9718668812



Email Address
casamarpitsharma@gmail.com