

Daily Order

Judge Name	Case No/Year	Date of Order	Daily Order
SATISH CHANDRA SHARMA AND SACHIN SHANKAR MAGADUM	WA 727/2021	12/08/2021	<p>The present writ appeal is arising out of the order dated 02.06.2021 passed in W.P.No.11168/2018.</p> <p>Heard learned counsel for the parties on the question of admission.</p> <p>The appeal is admitted for final hearing.</p> <p>Learned counsel for the parties are also heard on the question of grant of interim relief.</p> <p>The respondents before this Court have filed a petition challenging the constitutional validity of Rule 31A(3) of the CGST Rules, 2017 and the learned Single Judge has allowed the writ petition declaring Rule 31A(3) as ultra vires.</p> <p>Rule 31(A) is reproduced as under:</p> <p>31A:- Value of supply in case of lottery, betting, gambling and horse racing.-(1) Notwithstanding anything contained in the provisions of this Chapter, the value in respect of supplies specified below shall be determined in the manner provided hereunder:</p> <p>(2)(a) The value of supply of lottery run by State Government shall be deemed to be 100/112 of the face value of ticket or of the price as notified in the official gazette by the organizing State, whichever is higher.</p> <p>(b) The value of supply of lottery authorized by State Government shall be deemed to be 100/128 of the face value of the ticket or of the price as notified in the official gazette by the organizing State, whichever is higher.</p> <p>Explanation:- For the purposes of this sub-rule, the expressions -</p> <p>(a) lottery run by State Governments means a lottery not allowed to be sold in any State other than the organizing State;</p> <p>(b) lottery authorized by State Government means a lottery which is authorized to be sold in State(s) other than the organizing state also; and</p>

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			<p>(c) Organising State has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.</p>
			<p>(3) The value of supply of actionable claim in the form of chance to win in betting gambling or horse racing in a race club shall be 100% of the face value of the bet or the amount paid into the totalisator.</p>
			<p>Learned Additional Advocate General along with Shri Vikram Huilgol, learned counsel has drawn the attention of this Court towards the judgment delivered in Skill Lotto Solutions Pvt. Ltd. vs. Union of India and Others reported in 2020 SCC Online SC 990.</p>
			<p>This Court has also heard learned counsel for the respondents and is of the opinion that the appellants have been able to make out a prima facie case for grant of interim relief.</p>
			<p>Resultantly, the operation of the impugned order shall remain stayed till the next date of hearing.</p>
			<p>List on 07.10.2021.</p>