

GOODS & SERVICES TAX (GST)



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NOTIFICATIONS



- **Notification No. 27/2019- Central Tax (Rate) dated December 30, 2019**

CBIC on the recommendations of the 38th GST Council Meeting, vide Notification No. 27/2019- Central Tax (Rate) dated December 30, 2019 has further amended Notification No. 01/2017-Central Tax (Rate) dated June 28, 2017, to amend the rate of GST on Woven and Non-Woven Bags from 12% to 18% w.e.f. January 1, 2020

- **Notification No. 07/2020-Central Tax dated February 3,20200**

Considering the difficulties faced by trade and industry in the filings of returns, the Government has decided to introduce several measures to ease the process. CBIC issued a notification in this regard stating that GSTR 3B can be filed in a staggered manner. Presently the last date of filing GSTR 3B returns for every taxpayer is 20th of every month. From January onwards:

Taxpayers having Annual Turnover in Previous Financial Year	Date of filing GSTR 3B (without late fees)
Rs. 5 cr. and above	20th of the month
Below Rs. 5 cr.	22nd of the month
<ul style="list-style-type: none"> • Andaman and Nicobar Island • Andhra Pradesh • Chhattisgarh • Dadar and Nagar Haveli • Goa • Gujarat • Karnataka 	

<ul style="list-style-type: none"> • Kerala • Lakshadweep • Madhya Pradesh • Maharashtra • Puducherry • Tamil Nadu • Telangana 	
Below Rs.5 cr. <ul style="list-style-type: none"> • Arunanchalpradesh • Assam • Bihar • Chandigarh • Delhi • Haryana • Himachal pradesh • Jammu and kashmir • Jharkhand • Laddakh • Manipur • Meghalaya • Mizoram • Nagaland • Odisha • Punjab • Rajasthan • Sikkim • Tripura • Uttar pradesh • Uttarakahnd • West Bengal 	24th of the month

• **Notification No. 1/2020- Central Tax (Rate) dated February 21, 2020**

The CBIC has notified the uniform rate of 28% under GST for lottery which will be effective from March 1, 2020. Now, there is no distinction for lottery authorized by State Governments and lottery run by State Governments for the purpose of taxability and, hence, standard rate of 28% shall apply.

CIRCULARS



Circular No. 130/2019 dated December 31st, 2019:

The Central Board of Indirect Taxes & Customs (“CBIC”) has issued clarification pertaining to Reverse Charge Mechanism (“RCM”) on renting of Motor Vehicles vide Circular No. 130/2019 dated December 31st, 2019. The following entry was inserted in the RCM notification with effect from October 1st, 2019:

S. No	Category of supply of services	Supplier of Services	Recipient of Service
15	Services provided by way of renting of a motor vehicle provided to a body corporate	Any person other than a body corporate, paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only if input service in the same line of business	Any body-corporate located in taxable territory

Clarification:

CBIC has clarified that there are only two rates applicable on the service of renting of vehicles i.e. 5% with limited ITC and 12% with full ITC. Therefore, the notification entry should be interpreted as follows –

- (i) where the supplier of the service charges GST @ 12% from the service recipient, the service recipient shall not be liable to pay GST under RCM; and,
- (ii) where the supplier of the service doesn’t charge GST @ 12% from the service recipient, the service recipient shall be liable to pay GST under RCM.

Though a supplier providing the service to a body corporate under RCM may still be paying GST@5% on the services supplied to other non-body corporate clients, to bring in greater clarity, serial No. 15 of the Notification No. 13/2017 – Central Tax (Rate) dated June 28th, 2017 has been amended further vide Notification No. 29/2019 – Central Tax (Rate) dated December 31st, 2019 to state that RCM shall be applicable on the service by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient only if the supplier fulfils all the following conditions:–

- (a) is other than a body-corporate;
- (b) does not issue an invoice charging GST @12% from the service recipient; and
- (c) supplies the service to a body corporate.

• **Circular No. 128/47/2019- GST dated December 23rd, 2019**

The CBIC vide Circular No. 122/41/2019- GST dated November 5th, 2019 mandated generation and quoting of DIN on specified documents w.r.t

search authorizations, summons, arrest memos, inspection notices, etc., to begin with. However, the CBIC vide Circular No. 128/47/2019-GST dated December 23rd, 2019 has directed that electronic generation and quoting of DIN shall be done in respect of all communications (including emails) sent to taxpayer and other concerned persons by any office of the CBIC across the country and would be effective from December 24th, 2019.

• **Circular No. 129/48/2019 - GST dated December 24th, 2019**

SOP for Non-Filers of GST Return: The tax officers have been following divergent practices when it comes to the appropriate procedure to be followed in case of non-furnishing of returns by a registered person (“defaulter”) under Section 39 or 44 or 45 of the CGST Act. Hence, the CBIC vide Circular No. 129/48/2019 - GST dated December 24, 2019, has provided the following guidelines to ensure uniformity in the implementation of provisions of law across field formations:

1. A system-generated message is sent to registered persons 3 days before return filing due date to nudge them to file their returns for the tax period by the due date.
2. A system generated mail/message to be sent immediately to all defaulters conveying that the return for the relevant tax period has not been furnished once the due date for furnishing return under Section 39 of the CGST Act is over.
3. A notice in form GSTR-3A is issued electronically 5 days after the due date of furnishing return to any person who has failed to furnish return under Section 39 of the CGST Act requiring him to furnish such return within 15 days.

4. In case the return is still not filed by the defaulter within 15 days of the said notice, then the proper officer may proceed to assess the liability of the said person under Section 62 of the CGST Act to the best of his judgment taking into account all the relevant material which is available or which he has gathered and issued order under Rule 100 of the CGST Rules in FORM GST ASMT-13. The proper officer would then be required to upload the summary thereof in FORM GST DRC-07.

5. For the purpose of assessment of liability under Section 62 of the CGST Act, the proper officer may consider:

The details of the outward supplies available in a statement furnished under Section 37 of the CGST Act (FORM GSTR-1),

- The details of supplies auto-populated in FORM GSTR-2A,
- The information available from E-way bills,
- Or any other information available from any other source, including from inspection under Section 71 of the CGST Act.

6. In case the defaulter furnishes a valid return within 30 days of service of assessment order in FORM GST ASMT-13 then the said assessment order shall be deemed to have been withdrawn as per Section 62(2) of the CGST Act.

However, if the said return remains unfurnished within the period of 30 days from the issuance of an order in FORM GST ASMT-13 then the proper officer may initiate proceedings under Section 78 and recovery under Section 79 of the CGST Act.

PRESS RELEASE



CBIC has issued detailed concept paper on faceless e-assessment and asked stakeholders to give suggestions by 3rd Mar, 2020

The general public and the trade at large are hereby informed that CBIC is planning to launch faceless e-assessment for imported goods. All members of the trade/ stakeholders are requested to kindly furnish their views/comments/suggestions on the concept paper latest by 3rd March, 2020, on dircus@nic.in or uscus4.dor@gov.in so as to facilitate finalization of the matter.

Following are the pointer covered on the concept paper note for the stakeholder are as under:

1. Background
2. A journey towards Faceless Assessment
3. Existing Structure of Commissionerate
4. Future Structure of Commissionerate
5. Functions of National Assessment Commissionerate [NACs] and Jurisdictional Port Commissionerate [JPCs]
6. Proposed National Assessment Commissionerate [NACs]
7. Procedure for assessment of bill of entry by FAGs
8. Speaking order
9. Appellate proceedings
10. Review proceedings
11. Exchange of communication exclusively by electronic mode and authentication of electronic records
12. Board to specify the format, mode, procedure, and processes.

FREQUENTLY ASKED QUESTIONS



NIC has issued an FAQ on Verification of Vehicle Number in EWB Portal

The NIC has issued a Frequently Asked Question (FAQ) on verification of vehicle number in the E-Way Bill (EWB) portal. The following are the list of

Important questions which are discussed as hereunder:-

1. What is the verification of vehicle number in EWB Portal?

E-Way bill has been integrated with the Vahan System of Transport Department. The vehicle number entered in the e-way bill will now be verified with the Vahan System. If Vehicle no. is not available in the Vahan system user will get 'Alert Message' about the non-availability of vehicle number in the Vahan database. However, later, such vehicle numbers will not be allowed for the generation of the e-way bill

2. Why am I getting an alert message when I enter vehicle number in E-way Bill?

The vehicle number entered in the EWB is not available in Vahan Database, you are requested to check and update the vehicle registration with your concerned Regional Transport Office (RTO), otherwise after sometime this vehicle number will not be allowed for e-way bill generation.

3. How do I check my vehicle number is available in the Vahan system?

Vahan System provides a nationwide search over the digitized data of Registered Vehicles. You can always check your vehicle number in the Vahan system(vahan.nic.in).

4. Details of my Vehicle number are shown on the Vahan website, however, in the e-way bill portal, it shows not available. What should I do?

You can contact the E-way bill Helpdesk and submit your grievance. Specify the Vehicle number which is there in the Vahan system but not available in the e-way bill portal.

ADVANCE RULING



AAR No. - RAJ/AAR/2019-20/23 dated October 21, 2019

No ITC for setting of MRO (immovable property) facility.

Issue

Whether the Applicant is eligible to take ITC on the goods and services supplied by the vendor for carrying out the activities for setting up of MRO (Maintenance, Repair and Overhaul) facility which will be rented out?

Held

The Hon'ble AAR, Rajasthan held as under

- The Applicant is paying GST on goods and services supplied by the vendor for construction of MRO facility on the Applicant's land. The provisions of Section 17(5)(d) of CGST Act is clear that if the goods or services are used for the construction of an immovable property, the ITC shall not be available irrespective of the use of the said property.
- The Applicant is not eligible to claim credit of the GST charged by vendor for supply of goods and services to it, which are used for carrying out the activities (Civil Work and External Developmental Works) for setting up of MRO facility.

AAR No. GOA/GAAR/01 of 2019-20/1875 dated October 17, 2019
GST leviable on the compensation paid to lessor for vacating its claim

Issue

Whether an obligation to refrain from an Act or to tolerate an Act is a situation treated as supply of Goods/Services under Section 7 read with Schedule II of CGST Act?

Held

The Hon'ble AAR, Goa held as under:

- The Applicant had to refund the deposit along with the compensation due to non-materialization of allotment of land for the purpose of setting up of SEZ.
- The applicant had agreed to do an act of vacating the claim. Thus, the original amount which is paid back along with compensation would clearly qualify as 'Supply of Services' under clause 5(e) of Schedule II to the CGST Act.

GST REVENUE COLLECTION

The gross GST revenue collected in the month of **February, 2020** was ₹ 1,05,366 crore of which CGST is ₹ 20,569 crore, SGST is ₹ 27,348 crore, IGST is ₹ 48,503 crore (including ₹ 20,745 crore collected on imports) and Cess is ₹ 8,947 crore (including ₹ 1,040 crore collected on imports). The total number of GSTR 3B Returns filed for the month of January up to 29th February, 2020 is 83.53 lakh. The government has settled ₹ 22,586 crore to CGST and ₹ 16,553 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of

February, 2020 is ₹ 43,155 crore for CGST and ₹ 43,901 crore for the SGST. The GST revenues during the month of February, 2020 from domestic transactions have shown a growth of 12% over the revenue during the month of February, 2019. Taking into account the GST collected from import of goods, the total revenue during February, 2020 has increased by 8% in comparison to the revenue during February, 2019. During this month, the GST on import of goods has shown a negative growth of (-) 2% as compared to February, 2019.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact our Indirect Taxation Team.

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