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- Central government waive filing of Form ITC-04 for the period July, 2017 to March, 2019.
- Due date for filing of annual return and GST audit is extended to 30th November, 2019.
- Section 103 of the CGST Act, 2019 comes into force from 01.09.2019.

and *more...*

GOODS & SERVICES TAX (GST)

NOTIFICATIONS



- **Notification No. 36/2019 - Central Tax dated 20th August, 2019:**

Extends the date for applicability of the facility of blocking and unblocking of e-way bill, as per the provision of Rule 138E of CGST Rules, 2017 from 21st

August, 2019 to 21st November, 2019.

A summarized Rule 138E is reproduced below:

“Notwithstanding anything contained in sub-rule (1) of rule 138, no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who:

(a) being a person paying tax under section 10, has not furnished the returns for two consecutive tax periods; or

(b) being a person other than a person specified in clause (a), has not furnished the returns for a consecutive period of two months”.

- **Notification No. 38/2019 - Central Tax dated 31st August, 2019**

Central Government waives the filing of ITC-04 for the F.Y 2017-18 & 2018-19.

On the recommendations of the Council, now registered persons shall not be required to furnish FORM ITC-04 under rule 45 of the said rules for the period July, 2017 to March, 2019.

Provided that the said persons shall furnish the details of all the challans in respect of goods dispatched to a job worker in the period July, 2017 to March, 2019 but not received from a job worker or not

supplied from the place of business of the job worker as on the 31st March, 2019, in serial number 4 of FORM ITC-04 for the quarter April-June, 2019.

- **Notification No. 39/2019 - Central Tax dated 31st August, 2019:**

Central Government appoints Sept 01, 2019 as the date on which section 103 of the CGST Act, 2017 shall come into force.

Section 103: Applicability of advance ruling

- 1. The advance ruling pronounced by the authority or the appellate authority under this chapter shall be binding only:*
 - a) On the application who had sought it in respect of any matter referred to in sub-section (2) of section 97 for advance ruling.*
 - b) On the concerned officer or the Jurisdictional officer in respect of the applicant.*
- 2. The advance ruling referred to in sub-section (1) shall be binding unless the laws, facts or circumstances supporting the original advance ruling have changed.”*

ORDER



- **Order No. 7/2019 - Central Tax- dated 26th August, 2019:**

Extends the due date for filing of Annual return / Reconciliation Statement for the Financial year 2017-18 in FORMs GSTR-9, GSTR-9A and GSTR-9C from 31st August, 2019 to 30th November, 2019.

RECENT MAJOR DEVELOPMENTS IN GST



Penal interest' recovered from borrower on account of the delay in payment of EMI attracts GST

Issues

- Whether the penal interest is to be treated as 'interest' for the purpose of exemption from GST?
- If the answer to the above is negative, whether the activity of collecting penal interest by the Appellant would amount to a taxable supply under the GST regime?

Held

The Hon'ble AAAR upheld ruling of AAR, while giving the following observations:

- The agreement between the Appellant and customers separately defines 'Default Interest', 'Penal Charges' and 'Bounce Charges' as 'overdue charges' for non-payment of instalment on due dates and definition nowhere mentions that said charges are additional interest costs to be incurred by customers.
- Thus, the Appellant themselves are treating penal charges as penalty and therefore does not get covered by the term 'Penal Interest' as used by the Appellant, as, per se, it is not interest but it is penalty, thereby do not qualify for exemption under SN 27 of the Notification No. 12/2017-Central Tax (Rate) dated June 28, 2017.
- Further, it was observed that clause 5(e) of the Schedule II of the CGST Act covers the very activity in the form of expression "to tolerate an act or a situation" as supply of services, and thereby an act of tolerating delay in payment of EMI is brought into ambit of supply by treating it as supply of services.

Source: AAAR, Maharashtra vide order No. MAH/AAAR/SS-RJ/24/2018-19, dated March 14, 2019

All pending returns required to be filed before applying for revocation of cancellation of GST registration

Facts

M/s. Banyan Projects India (P.) Ltd. ("the Petitioner or assessee") has challenged the order passed wherein Competent Authority had cancelled the registration of the assessee for not furnishing the returns well within time from October, 2018 to April, 2019.

Held

The Hon'ble High Court held that, the assessee grievance could be redressed by the Competent Authority as provided under Section 30 of the Karnataka Goods and Services Tax Act, 2017 ("KGST Act, 2017"). In the circumstances, to meet the ends of justice the assessee was to be directed to submit the returns relating to the tax periods for October, 2018 to April, 2019 within a period of two weeks before the Competent Authority and on such submission of the returns, the same shall be considered by the Competent Authority and the cancellation of registration can be revoked in terms of section 30 of KGST Act, 2017.

Source: High Court of Karnataka in Banyan Projects India (P.) Ltd. Writ Petition No. 22374 Of 2019-(T-RES), dated June 6, 2019

HIGHLIGHTS OF GST COLLECTION

The gross goods and services tax (GST) collection in August, 2019 stood at Rs. 98,202 crores, up 4.51% compared to Rs. 93,960 crores in the same month last year.

The GST collection, although higher on year-on-year basis, is still lower than government's expectations of Rs. 1 trillion.

"The gross GST revenue in the month of August, 2019 was ₹98,202 crore of which CGST was Rs. 17,773 crores, SGST was Rs. 24,239 crores, IGST was Rs. 48,958 crores (including Rs. 24,818 crores collected on imports) and cess Rs. 7,273 crores (including Rs. 841 crores collected on imports)," a finance ministry statement said.

The total number of summary returns in GSTR 3B forms filed in the month of July up to 31 August was 75.8 lakhs.

Finance Minister Nirmala Sitharaman had last month significantly lowered her projections for GST collections in the Budget for 2019-20 against the interim Budget presented in February. Accordingly, Centre expects to collect Rs. 6.63 trillion, down 13% against previous estimate of Rs.7.6 trillion.

Rolled out in July, 2017 and billed as the biggest economic reform, GST subsumed 17 different indirect taxes and 13 cesses making India "One Nation One Tax One Market."

Let's talk

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

VERENDRA KALRA & CO

CHARTERED ACCOUNTANTS

CONTACT DETAILS:

Head Office

75/7 Rajpur Road, Dehradun

T +91.135.2743283, 2747084, 2742026

F +91.135.2740186

E info@vkalra.com

W www.vkalra.com

Branch Office

80/28 Malviya Nagar, New Delhi

E info@vkalra.com

W www.vkalra.com

For any further assistance contact our team at

kmt@vkalra.com

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