



GST TIMES

Vol 3: March 2020

Compiled by: GST Team, ASC Group

Solving any tax puzzle

Tax saving advice across all the taxes.





Compliance Calendar

S. No.	Due Date	Forms	Period	Description
1.	10 th March 2020	GSTR-7	February 2020	Return for Tax Deducted at source to be filed by Tax Deductor
2.	10 th March 2020	GSTR-8	February 2020	E-Commerce operator registered under GST liable to TCS
3.	11 th March 2020	GSTR-1	February 2020	Taxpayers having an aggregate turnover of more than INR 1.50 crores or opted to file monthly return
4.	13 th March 2020	GSTR-6	February 2020	Every Input Service Distributor (ISD)
5.	20 th March 2020	GSTR-5 & 5A	February 2020	Non-resident ODIAR services provider file Monthly GST Return
6.	20 th March 2020	GSTR-3B	February 2020	Taxpayers having an aggregate turnover of INR 5 crore or more
7.	22 nd March 2020	GSTR-3B	February 2020	Taxpayer having an aggregate turnover up to INR 5 crore and whose principal place are in the state of: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh or in the Union territories of Daman and Diu and Dadra and Nagar Haveli, Pondicherry, Andaman and Nicobar Islands and Lakshadweep
8.	24 th March 2020	GSTR-3B	February 2020	Taxpayer having an aggregate turnover up to INR 5 crore and whose principal place are in the state of: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or in the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi
9.	31 st March 2020	GSTR-9	FY 18-19	Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return
10.	31 st March 2020	GSTR-9C	FY 18-19	Reconciliation Statement/ Audit Report for Taxpayers having a turnover of more than Rs. 2 crores



TOPIC COVERED

Simplified Return	4
Interest on delayed GST payment.....	5
GST Rate on lottery	5
Valuation of lottery	5
Annual Return FY 18-19	6
Time Limit for filing GST Tran-1 extended till 31 st March, 2020	6
NIC has issued an FAQ on Verification of Vehicle Number in EWB Portal.....	7
Racket of Fake Invoicing of Rs. 7896 Crore Busted Involving Network of 23 Shell Companies.....	8
Court Decisions	9





GOODS AND SERVICES TAX (GST)

Simplified Return

Simplified GST return is implementing from 1st April, 2020. It has various features which will make return filing simple such as:

- SMS based filing for nil return
- Improved input tax credit flow
- Dynamic QR code proposed for consumer invoice
- Return pre-filing
- Option of quarterly filing of return for taxpayer up to INR 5 crore annual turnover



Type of returns:

- **RET 1 – Monthly** (Annual Turnover more than 5 crore): Mandatory for any category of supplier having annual turnover of more than 5 crore.
- **RET 1 – Quarterly** (Annual Turnover less than 5 crore): It is optional for any category of supplier having annual turnover of less than 5 crore. Supplier not eligible to file Sahaj or Sugam return can file RET 1.
- **Sugam Return/ RET 3**– Only quarterly (Annual Turnover less than 5 crore): For suppliers having only B2C and B2B supplies and receiving supplies on reverse charge basis.
- **Sahaj Return/ RET 2** - Only quarterly (Annual Turnover less than 5 crore): For suppliers having only B2C supplies and receiving supplies on reverse charge basis.

All the type of return GST payment in all type of return will be made through GST PMT-08 on monthly basis.

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Interest on delayed GST payment

The CBIC as per Sub section 1 of Section 50 of CGST Act, 2017 has initiated steps towards recovery of interest payable on delayed payment of tax by taxpayer in GSTR-3B return. Further, the Government has shared report and estimated to recover interest of INR 46,000 crore from such taxpayers.

In this regard the CBIC via tweets cleared that GST law as of now permits interest calculation on delayed GST payment on the basis of gross liability. This position was supported by Telangana High Court in the case of **M/s Megha Engineering and Infrastructures Ltd VS the Commissioner of Central Tax** dated 18th April, 2019.

In spite of this position of law and Telangana High Court's order, the Central Government and several State Governments, on the recommendations of GST Council, amended their respective CGST/SGST Acts to charge interest on delayed GST payment on the basis of net tax liability.

Such amendment will be made prospectively. The States of Telangana and West Bengal are in the process of amending their State GST Acts. After the process of amendment is complete, the changed provisions can be put in operation for the entire country.

Source: https://twitter.com/cbic_india/status/1228396310333554689

GST Rate on lottery

On 21st February, 2020 vide Notification No. 1/2020-Central Tax (Rate), CBIC has amended Notification No. 1/2017-Central Tax (Rate) and notified uniform rate of 28% under GST for lottery. It will be effective from 1st

March, 2020. Now, standard rate of 28% will be applicable on lottery run by State Governments and lottery authorized by State Governments.

Read more at: <http://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-01-2020-cgst-rate-english.pdf>

Valuation of lottery

The CBIC vide Notification No. 08/2020 – Central Tax dated 2nd March, 2020 has amended Sub rule 2 of Rule 31A of Central Goods and Services Tax Rules, 2017. The substituted sub – rule is as follows:

“The value of supply of lottery shall be deemed to be 100/128 of the face value of ticket or of the price as

notified in the Official Gazette by the Organising State, whichever is higher.”

Now, lottery run by State Government and lottery authorized by State Government will be valued in same manner. It will be effective from 1st March, 2020.

Source: <http://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-08-central-tax-english-2020.pdf>



Annual Return FY18-19

GST portal has enabled the option to file annual return i.e. GSTR-9 and GSTR-9C for FY 18-19. Now, taxpayer can download utility of annual return from GST portal.

Financial Year *

2018-19 SEARCH

Help

1. "NIL" GSTR-9 RETURN can be filed, if you have

- Not made any outward supply (commonly known as sale); AND
- Not received any inward supplies (commonly known as purchase) of goods/services; AND
- No liability of any kind; AND
- Not claimed any Credit during the Financial Year; AND
- Not received any order creating demand; AND
- Not claimed any refund.

during the Financial Year

2. GSTR-9 can be filed online. It can also be prepared on Offline Tool and then uploaded on the Portal and filed.

3. Annual return in form GSTR-9 is required to be filed by every taxpayer registered as normal taxpayer during the relevant financial year.

4. All applicable statements in Forms GSTR-1 and returns in Form GSTR 3B of the financial year shall have been filed before filing GSTR-9.

5. In case you are required to file GSTR-9C (Reconciliation statement and Certification); shall be enabled on the dashboard post filing of GSTR-9.

1. Annual return in Form GSTR-9 once filed cannot be revised.

<p>Annual Return GSTR9</p> <p>Due Date - 31/03/2020</p> <p>PREPARE ONLINE PREPARE OFFLINE</p>	<p>Reconciliation Statement GSTR 9C</p> <p>Due Date - 31/03/2020</p> <p>INITIATE FILING PREPARE OFFLINE</p>
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Time Limit for filing GST Tran-1 extended till 31st March, 2020

The CBIC has extended the time limit for submitting declaration in Form Tran-1 under sub rule (1A) of rule 117 of Central Goods and Services Tax Rules, 2017 vide Order No. 01/2020 GST dated 7th February, 2020 for the

class of registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal and whose cases have been recommended by the council, till March 31, 2020.

To read more: <https://www.ascgroup.in/cbic-again-extends-the-time-limit-for-filing-gst-tran-1/>



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

NIC has issued Frequently Asked Question on verification of Vehicle Number in E- Way Bill portal. Few of such question are as follows:

Ques 1: What is verification of vehicle number in EWB Portal?

Ans: E-Way bill has been integrated with Vahan System of Transport Department. Vehicle number entered in 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 vahan database. However, later, such vehicle numbers will not be allowed for the generation of e-way bill.

Ques 2: When I enter Vehicle number, I get a message that Vehicle is registered in more than one RTO, what should I do?

Ans: This message indicates that the Vehicle details are found in more than one RTOs. You need to approach your RTO and request for updation of the office. Once the details are updated this message will not appear

To read more FAQ: file:///C:/Users/Admin/Downloads/FAQ_Verification-of-Vehicle-number-in-EWB-Portal.pdf

again. Not doing so, later it will be treated as Vehicle no. is not existent and may not be allowed for e-waybill generation.



Ques 3: How do I check my vehicle number is available in Vahan system?

Ans: Vahan System provides a nationwide search over the digitized data of Registered Vehicles. You can always check your vehicle number in Vahan system below;
<https://vahan.nic.in/nrservices/faces/user/searchstatus.xhtml>

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Racket of Fake Invoicing of Rs. 7896 Crore Busted Involving Network of 23 Shell Companies

The officers of Anti Evasion wing of Central Tax, Delhi West Commissionerate have busted a major racket of fake invoicing of Rs. 7896 crore involving fraudulent Input Tax Credit (ITC) of Rs.1709 crore, using a network of 23 shell companies, which procured and generated invoices without actual supply of goods and availed as well as passed on ITC. Two persons have been arrested on 29.02.2020, in this matter.

The accused persons were evading tax by creating several dummy firms for the purpose of passing on ITC by generation of fake invoices. They also used banking transactions to make ITC appear genuine. These firms issued the fake invoices to buyers, who availed fraudulent input tax credit without actually receiving any goods and defrauded the exchequer by way of availing ineligible ITC towards GST liability.

The accused have committed offences under Section 132(1)(b) and Section 132(1)(c) of CGST Act, 2017 which are cognizable and non-billable offences as per the provisions of Section 132 (5) and punishable under Clause (i) of Sub section (1) of Section 132 of the CGST Act, 2017. Accordingly, the accused were arrested on 29.02.2020 under Section 69(1) of the CGST Act, 2017 and remanded to fourteen days judicial custody by the Chief Metropolitan Magistrate, Patiala House Court.



Source: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1604930>

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Court Decisions

Shree Nanak Ferro Alloys Pvt. Ltd. VS Union of India through The Commissioner, Central Goods And Services Tax And Central Excise, Ranchi

BRIEF: Recovery of short paid IGST along with interest – The appellant has discharge their liability of IGST by inadvertently depositing the amount under CGST head. The officer denied the request of appellant that the case was not of short payment rather than amount deposited in wrong head and demanded payment of IGST along with interest.

HELD: The Hon'ble HC, Jharkhand held that appellant has not committed any fraud. At the initial stage of implementation of GST there might be some confusion and cash was wrongly deposited in wrong head. Further, as per Section 49 of CGST Act, 2017 there is no provision of cross utilization of the fund of electronic cash ledger. As per provisions of Section 77 (1) of the CGST Act, read with Section 19(2) of the IGST Act the appellant is entitled to claim refund of wrongly paid CGST and at the same time the appellant is not required to pay interest on IGST.

Appeal allowed - decided in favour of appellant

M/S. PINNACLE MOTOR WORKS PRIVATE LIMITED VERSUS THE STATE TAX OFFICER-1, THRISSUR

BRIEF: Non-filer of return- Default in filing of return. The petitioner on account of severe financial crisis has defaulted in filing return and respondent has fixed tax liability at exorbitant figures. But the said order does not comply with the yardstick prescribed in Section 62 of CGST Act, 2017. Further, the petitioner has already regularized the return for defaulted month. Petitioner has filed the petition to quash the order passed by respondent and grant him incidental relief including the cost of proceedings.

HELD: The petitioner had committed default in filing return in response to the notice proposing best judgement assessments. The petitioner has failed to avail remedy of Section 62 (2) of CGST Act, 2017. Further, it can be assumed that assessing order has completed best judgement assessment on the basis of materials available with him.

Petition dismissed- decided in favour of respondent

ASHU TRADERS MADAR GATE VERSUS UNION OF INDIA- Allahabad HC

BRIEF: Seizure of goods - release of seized goods - evasion of GST – the petitioner is not maintaining account book and petitioner has one declared godown and three undeclared godowns where stock was lying and business activity is done from these undeclared

godowns. Further, the petitioner has not filed Tran-1 till date. Respondent has seized these goods. The writ petitioner is challenging the seizure order and also requested to release the goods.



Held: In the enquiry preceding seizure it was found that petitioner was doing transaction which are not mentioned in account book with intention to evade tax and petitioner is having three undisclosed godowns from where business activity is done. Proceedings have been initiated under section 67 (2) of the Uttar Pradesh Goods

and Services Tax Act, 2017, read with Rule 139 (1) of the Uttar Pradesh Goods and Services Tax Rules, 2017. Further, after seizure the petitioner has not deposited any tax or penalty or bond or security as required under Section 67 (6) Uttar Pradesh Goods and Services Tax Act, 2017.

Petition dismissed- decided in favour of respondent

**Refex Industries Limited VS The Assistant Commissioner of CGST & Central Excise-
Madras HC**

Brief: Levy of interest on belated payments- Section 50 of CGST Act – whether in a case, where credit is due to an assessee, payment by way of adjustment can still be termed 'belated' or 'delayed'? And interest to be calculated on gross tax liability or net tax liability? The petitioner view is that since the input tax credit is available with department then interest shall be charged on cash component. The petitioner has pled that department to dispose the case to the effect that there would be no liability of interest on input tax credit component.

Held: It was held that as per Section 50 of CGST Act, 2017 interest is levied on belated cash payment but not on sufficient fund of input tax credit available with department. The interest being available with department is neither belated nor delayed. Proviso to Section 50(1), as per which interest shall be levied only on that part of the tax which is paid in cash, has been inserted with effect from 01.08.2019, but clearly seeks to correct an anomaly in the provision as it existed prior to such insertion. It should thus be read as clarificatory and operative retrospectively.

Petition allowed - decided in favour of petitioner



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