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- Extension of due date for filing GSTR-9 & 9C for F.Y. 2019-20

*and more...*

## NOTIFICATIONS



### **Class of persons exempted from Aadhaar Authentication**

The class of persons who shall be exempted from Aadhaar Authentication (Section 25(6B) or Section 25(6C) of CGST Act, 2017) are:

- not a citizen of India
- a Department or establishment of the Central Government or State Government
- a local authority
- a statutory body
- a Public Sector Undertaking
- a person applying for registration under the provisions of Section 25(9) of the CGST Act i.e., any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries and any other notified person or class of persons

**Source: Notification No. 03/2021-Central Tax, dated February 23, 2021**

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### **Extension of due date for filing GSTR-9 and GSTR-9C for F.Y. 2019-20 till March 31, 2021**

CBIC amended Notification No. 95/2020 – Central Tax dated December 30, 2020 to extend the due date for furnishing Annual GST Returns

(GSTR-9 and GSTR- 9C) for the financial year 2019-20, from February 28, 2021 till March 31, 2021.

**Source: Notification No. 04/2021 – Central Tax dated February 28, 2021**

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## ADVANCE RULING



### **Selling plots during development of township amounts to 'sale of land' but services of development of land is taxable @ 18%**

**Issue: Whether GST will be applicable on selling of plots during the development of the township?**

**Facts:** The applicant and landowners agreed to a joint development agreement for development of a land to make it saleable.

Wherein, as per the agreement, the following activities were to be done:

- Development of residential plotted township.
- Applying and obtaining license for development residential plotted township, developing roads, sewerage, storm water system, electricity poles etc. for which the landowners agreed to transfer 20% of their share of plotted area as consideration.

The Hon'ble AAR Haryana held that as per Section 7 read with Paragraph 5 of Schedule III of CGST Act, any transaction in the nature of "sale of land" is not covered with in the preview of GST, hence no GST is payable on the transaction resulting in the sale of land.

Further, the transfer value of the plots will be considered as consideration paid by the Landowners for the services rendered by the

Applicant for development of their land and will be regarded as works contract services attracting 18% GST.

**Source: AAR No. HAR/HAAR/R/2018-19/ dated October 5, 2018**

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### **No ITC on canteen services and business promotion expenses incurred by a registered person**

**Issue: Whether ITC can be availed on canteen services and on business promotion expenses?**

**Facts:** The applicant is engaged in business of manufacturing and supply of auto parts. He provides food facilities to employees as per Section 46 of the Factories Act, 1948.

Further, the applicant also purchases some items for the purpose of business promotion.

The Hon'ble AAR Haryana held that Section 16 and Section 17(5) disallow the ITC with respect to food and beverages and outdoor catering on inward supply except where it is used for making such outward taxable supply. Since, Applicant is engaged in business of manufacturing, not in the business of providing food services.

Also, the purchase and distribution of sweets, dry fruits, coins or silver items for the purpose of business promotion cannot be termed as an activity carried out in the course or furtherance of business by any stretch of imagination. Section 17(5)(h) of the CGST Act expressly bars ITC in respect of disposal of goods by way of gifts.

Therefore, ITC on canteen services and business promotion will be not eligible for claiming ITC.

**Source: AAR No. HAR/HAAR/R/2019-20/18 dated February 4, 2020**

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## **CUSTOMS**



### **Interim measure for sanctioning of pending IGST refund claims where the records have not been transmitted to ICEGATE due to GSTR-1 and GSTR-3B mismatch error**

The CBIC extended Board's Circular No. 12/2018-Customs dated 29.05.2018 for sanction of pending IGST refund claims where the records have not been transmitted to ICEGATE due to GSTR-1 and GSTR-3B mismatch error.

Several representations are being received by the Board in respect of IGST refunds which are pending due to mis-match of data between GSTR-1 & GSTR-3B. The resolution to the above problem was provided by the Board, as an interim measure, vide Circular No. 12/2018-Cus dated 29.05.2018 read with Circular No. 25/2019- Customs dated 27.08.2019 in respect of Shipping Bills filed up to 31.03.2019.

The IGST refunds relating to the Shipping Bills filed after 31.03.2019 having mismatch error between GSTR1 and GSTR-3B could not be processed and are held up on above account. Having regard to the fact that a substantial number of IGST refunds are stuck due to above error as functionality to amend GSTR-3B return is not available so far, there is a need to extend the facility as provided vide above Circular No. 12/2018-Cus dated 29.05.2018 and 25/2019-Cus dated 27.08.2019 in respect of the Shipping Bills filed after 31.03.2019 as well.

The matter has been examined. It appears that the payments mismatch has happened even subsequent to the period covered in the above said Circulars. Therefore, in order to overcome the problems faced by the exporters, CBIC has decided that the solution provided in the Circular

12/2018-Customs read with Circular No. 25/2019-Customs would be applicable mutatis mutandis for the Shipping Bills filed during the financial year 2019- 20 and 2020-21 (i.e., in respect of all Shipping Bills filed/ to be filed up to 31.03.2021).

In respect of guidelines provided in Para 3A and 3B of the said Circular 12/2018-Customs, dated 29.05.2018. the comparison between the cumulative IGST payments in GSTR-1 and GSTR 3B would now be for the period April 2019 to March 2021. The corresponding CA certificate evidencing that there is no discrepancy between the IGST amount refunded on exports in terms of this Circular and the actual IGST amount paid on exports of goods for the period April 2019 to March 2020 and April. 2020 to March, 2021 shall be furnished by 31st March, 2021 and 30th October 2021, respectively.

The concerned Customs Zones shall provide the list of GSTINs, who have availed benefit under Para 3A & 3B of said circular and yet have not submitted the CA certificate to the Board by the 15th April 2021 for the IGST refunds relatable to financial year 2019-20 and by 15th November, 2021 for financial year 2020-21.

**Source: Circular No. 04/2021-Customs dated February 16, 2021**

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### **INR 1000/- to be levied on handling of mismatch between Shipping Bills and GST returns in Customs Automated System**

The CBIC vide Notification amended the Levy of Fees (Customs Documents) Regulations, 1970, by issuing the Levy of Fees (Customs Documents) Amendment Regulations, 2021, inserted serial number (x) in the Table under Regulation 3 of the Levy of Fees (Customs Documents) Regulations, 1970.

Handling of mismatch between Shipping Bill and GST returns in Custom Automated System Shall be INR 1,000/-.

**Source: Notification, No. 17/2021-Customs (N.T.), dated February 17, 2021**

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### **GST REVENUE COLLECTION**

The gross GST revenue collected in the month of February 2021 is ₹ 1,13,143 crore of which CGST is ₹ 21,092 crore, SGST is ₹ 27,273 crore, IGST is ₹ 55,253 crore (including ₹ 24,382 crore collected on import of goods) and Cess is ₹ 9,525 crore (including ₹ 660 crore collected on import of goods).

The government has settled ₹ 22,398 crore to CGST and ₹ 17,534 crore to SGST from IGST as regular settlement. In addition, Centre has also settled ₹ 48,000 crore as IGST ad-hoc settlement in the ratio of 50:50 between Centre and States/UTs. The total revenue of Centre and the States after regular settlement and ad-hoc settlement in the month of February 2021 is ₹ 67,490 crore for CGST and ₹ 68,807 crore for the SGST.

**Source: pib.gov.in**

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### **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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