

TAX INFO

Dated 27/06/2022

Latest update on GST Law: **Postal notice in lieu of electronic notice is not a sufficient compliance of Rule 68 of the CGST Rules, 2017 which provides for electronic notice to the non-filers of returns as given by Uttarakhand High Court besides Summary of Notification No. 01/2022- Compensation Cess, dt. 24-06-2022.**

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Name of Petitioner	Jabir Hasan
Name of Respondent	The Assistant Commissioner of State Tax
Court	Uttarakhand High Court
Date of Judgement	10.11.2021
Appeal No.	WPMS No. 1547 of 2021

Brief Facts of the Case Law:

Petitioner is a GST registration holder. He defaulted in filing of returns. For that reason, a show cause notice was issued to him. After hearing the petitioner, the Authority has passed the impugned order.

It is not disputed that Rule 68 of the CGST Rules, 2017 provides for notice to the non-filers of returns – a notice in form GSTR – 3A shall be issued electronically to a registered person who fails to furnish return under Section 39 or Section 44 or Section 45 or Section 52. It was admitted by the Revenue that no notice as envisaged in Rule 68 of the Rules, was issued electronically, rather a postal notice was sent. It is a settled principle of law that if enactment or legislation prescribes a particular procedure to conduct business affairs, then it has to be followed.

In this case, impugned order has been passed without issuing electronic notice to the petitioner but by issuing registered postal notice. Therefore, the impugned order was quashed. The Department was directed to comply with Rule 68 and reconsider the matter of the petitioner in accordance with law.

Summary of Notification No. 01/2022- Compensation Cess, dt. 24-06-2022

The government extended the levy of GST compensation cess until March 31, 2026. The cess was to end on 30th June 2022, five years after the single tax i.e. GST law rolled out on July 1, 2017. But now the compensation cess will continue to be levied from July 1, 2022 to March 31, 2026.

The GST Council decided on an extension to raise funds to repay loans taken by states to make up for the shortfall in compensation cess collections due to the pandemic in the last two years. The cess is levied on goods such as automobiles and air conditioners that attract the highest GST rate of 28% and on sin goods such as aerated drinks, coal, pan masala and cigarettes.

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