

# HARYANA STATE WAREHOUSING CORPORATION

BAYS NO. 15 - 18, SECTOR - 2, PANCHKULA - 134112

E-mail: hwc@hry.nic.in.

EPABX: 0172-2578829 - 31 FAX: 0172-2578481

o/c

Endst No. HSWC/ACCTS/AA-V/GST-3/2017/ 33669-686

Dated: 31 OCT 2017

To .  
All District Managers,  
All SDEs  
Haryana State Warehousing Corporation  
In the Field

Sub: Instructions of GST cum Advices from Kumar Nohria & Co.

Kindly find attached advices received from HSWC Consultant Kumar Nohria & Company dated 03/10/2017 on following topics.

1. Cancellation of GST Registration under Charitable PAN before 31/10/2017
2. GST on interest on deposits, Loans or Advances,
3. Tax Invoice received for supplies mention under section 9(3) of CGST Act,
4. Rate of Interest on failure to pay GST, Undue excess claim etc

You are requested to kindly get these advices circulated among all the concerned for implementation of the same.

Senior Assistant Manager (Accounts)  
For Managing Director

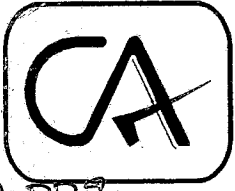
Endst. No. HSWC/Accts/AA-V/GST-3/2017/ 33687-698 Dated: 31 OCT 2017

Copy to the following for information and necessary action:-

1. All Branch Heads at Head Office. They are requested to take suitable action for smooth implementation of GST in the HSWC.
2. The SSA, Head Office. He is requested to upload the instructions on the Corporation's website.
3. The SAM(A)-II, Internal Audit Officer, Head Office. They are advised to take suitable action for smooth implementation of GST in the HSWC and guide the staff to perform the date bound work.
4. PA to M.D. for information of Managing Director.

Sr. Asstt. Manager (Accounts)  
For Managing Director

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**Kumar Nohria & Co.**  
**CHARTERED ACCOUNTANTS**  
H. NO. 1472, SECTOR 22-B,  
CHANDIGARH - 160 022  
Phone : 0172-2725470, Fax : 2706802  
Email : kumarnohria@gmail.com

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The Managing Director  
Haryana State Warehousing Corporation  
Panchkula

03.10.2017

SAP/MS

Sub: Cancellation of GST Registration under Charitable PAN

Sir,

This is to inform you that as per Notification No. 36/2017 – Central Tax dated 29.09.2017 the Govt has amended Form GST REG-29 and application for cancellation of registration of migrated taxpayers has been subsumed under the said form. Thus GST registration under charitable PAN which has been migrated and also those which have not been migrated are to be cancelled vide FORM GST REG-29. Further Rule 24 of the Central Goods and Service Tax Rules, 2017 has also been amended under the above mentioned Notification and accordingly last date of submission of FROM GST REG-29 has been extended to 31.10.2017

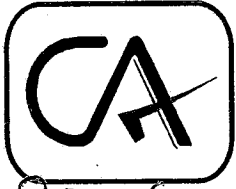
Therefore the Corporation must surrender all the GST Registrations before 31.10.2017 under Charitable PAN by filling the above mentioned form before due date.

Thanking you.

Yours faithfully  
For Kumar Nohria & Co.  
Chartered Accountants

(CA. B K Nohria)  
Partner

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**Kumar Nohria & Co.**  
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Email : kumarnohria@gmail.com

03.10.2017

The Managing Director  
Haryana State Warehousing Corporation  
Panchkula

Sub: GST on interest on deposits, loans or advances

Sir,

Under GST, service by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is covered under GST. Thus such service is a supply of service under GST.

Interest is defined under

- Para (zk) of point 2 of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 issued by Govt of India
- Para (zk) of point 2 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 issued by Govt of India
- Para (zk) of point 2 of Notification No: 47/ST-2 dated 30.06.2017 issued by Govt of Haryana

as "interest" means interest payable in any manner in respect of any moneys borrowed or debt incurred (including a deposit, claim or other similar right or obligation) but does not include any service fee or other charge in respect of the moneys borrowed or debt incurred or in respect of any credit facility which has not been utilized;

Further as per

- Serial no 27 of Table to Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 issued by Govt of India
- Serial no 28 of Table to Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 issued by Govt of India
- Serial no 27 of Table to Notification No: 47/ST-2 dated 30.06.2017 issued by Govt of Haryana

service by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is an exempt service under GST.

The HSN Code applicable to said service is 9971.

Thanking you. Yours faithfully.

For Kumar Nohria & Co.  
Chartered Accountants

(CA. B K Nohria)

Partner

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03.10.2017

The Managing Director  
Haryana State Warehousing Corporation  
Panchkula

Sub: Tax invoice received for supplies mention under Section 9(3) of CGST Act, 2017.

Sir,

This is to inform you that in case of supplies covered under compulsory reverse charge mechanism mentioned under section

- 9(3) of Central Goods and Service Tax Act, 2017
- 9(3) of Haryana Goods and Service Tax Act, 2017
- 5(3) of Integrated Goods and Service Tax Act, 2017

Are received from registered persons then on tax invoice issued by the said persons will mention that tax on said services is to be paid on reverse charge basis by the recipient i.e. Corporation. In this case no self-invoice is required to be issued by the Corporation but Payment voucher is to be issued.

Further tax under GST is not to be paid to supplier but to the Govt. directly by the corporation.

For example an advocate registered under GST issues tax invoice of Rs. 10,000/- charging IGST @ 18% i.e. Rs.1,800/- then the corporation will pay the advocate Rs. 10,000/- (minus any deduction required under any Act) and Rs. 1,800/- directly to the Govt as IGST under reverse charge . Further a payment voucher of Rs.10,000/- will be issued by the corporation.

Thanking you.

Yours faithfully

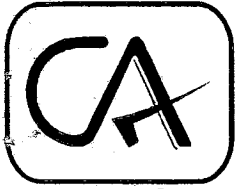
For Kumar Nohria & Co.  
Chartered Accountants

(CA. B K Nohria)

Partner

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**Kumar Nohria & Co.**  
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The Managing Director  
Haryana State Warehousing Corporation  
Panchkula

03.10.2017

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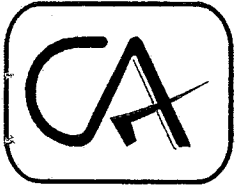
Sub: Rate of interest

Sir

This is to inform you that as per Notification No. 13/2017 – Central Tax dated 28.06.2017 and Notification No. 6/2017 – Integrated Tax dated 28.06.2017 issued by Central Government and No: 45/ST-2 dated 30.06.2017 issued by the Government of Haryana it has fixed the rate of interest per annum, for the purposes of the sections as specified in column (2) of the Table below, as mentioned in the corresponding entry in column (3) of the said Table.

Table

Serial Number	Section of CGST/ HGST Act, 2017	Section Description	Rate of interest (in per cent) p.a.
1.	50(1)	Failure to pay tax or part thereof to the Government within period prescribed	18%
2.	50(3)	For undue or excess claim of ITC or reduction of output tax liability	24%
3.	54(12)	Interest on withheld refund	6%
4.	56	Interest on delayed refunds	6%
5.	Proviso to 56	Interest on refund arising from order passed by Adjudicating Authority/ Appellate Authority/ Tribunal/ Court and not refunded within 60 days	9%



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Further Frequently Asked Question in respect of above mentioned Rate of Interest

1. When is a person liable to pay interest?

When a person who is liable to pay tax under the provisions of the Act or the respective rules made there under, fails to pay the whole/ part of the tax due, to the account of the Government, within the prescribed time, he shall be liable to pay interest.

2. How is the interest computed?

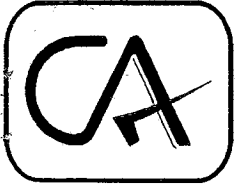
Interest is computed for the period for which the tax remains unpaid at the notified rate, i.e., from the date following the day on which tax becomes due to be paid, till the date of actual payment of tax.

3. Is penalty still payable if a person pays the tax and interest as per show cause notice?

Where the person has made payment of tax and interest under Section 50 within thirty days of issue of the show cause notice, no penalty is payable and all proceedings in respect of that tax amount is deemed to be concluded

4. Is interest leviable on excess claim of Input Tax Credit or undue claim of Input Tax Credit?

Yes, interest is also leviable where there is undue or excess claim of ITC under Section 42 (10)



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5. Is interest leviable on excess reduction of reduction of Output tax liability ?

Yes, interest is also leviable where there is undue or excess reduction in output tax liability under section 43 (10).

6. Is a show cause notice or demand required to determine the liability to pay interest?

No, there is no requirement of demand from the department to determine the interest liability. It is the responsibility of the Corporation to pay tax to compute and pay the interest 'on his own'.

Further the interest payable under this section shall be debited to the Electronic Tax Liability Register as per sub Rule 1 of Rule 85 and such liability for interest can be settled by adjustment with balance in Electronic Cash Ledger but not with balance in Electronic Credit Ledger.

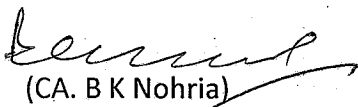
Moreover the interest liability will be charged and paid under Central Goods and Service Tax Act, 2017, Haryana Goods and Service Tax Act, 2017 and Integrated Goods and Service Tax Act, 2017 separately.

Thanking you.

Yours faithfully

For Kumar Nohria & Co.

Chartered Accountants

  
(CA. B K Nohria)  
Partner