



ESTD. 1992

CHANDIGARH BEOPAR MANDAL (Regd.)

Head Office : SCO 10, Sector 21-C, Chandigarh Mobile : 98158 82100
Admn. Office : Shop No. 348, Sector 44-D, Chandigarh Mobile : 98150.03505
PR Office : SCO 26, Sector 11-D, Chandigarh Mobile : 98761 19212

Charanjiv Singh
President

Satpal Gupta
Chairman

Parshotam Mahajan
Vice Chairman

Subhash Narang
Sr. Vice President

Anil Vohra
Patron

Diwakar Sahooja
Patron

Gursharan Batra
Patron

Naresh Mahajan
General Secretary

To,

Date:-28/02/2024

Sh. Sunil J. Singhi,
Chairman,
National Traders Welfare Board,
New Delhi.

Sub.:-Certain Suggestion and Grievances of Traders.

Respected Sir,

Chandigarh Beopar Mandal would like to put forward some suggestions to simplify certain laws and procedures and make it trader's friendly as submitted below.

A) Goods and Service Tax:-

1. **Recipient's ITC Denial in case of Non-existent Supplier or Retrospective GST Registration Cancellation:-** Many Taxpayers have received advisory/show cause notice for the initial 2-3 years from GST department for reversal of GST input for supplies received from the supplier whose GST registration is cancelled with retrospective effect due to non-existence of firm,

GST input should not be denied as supplier was existing at the time of transaction and his GST number was active. He had actually supplied the material to the recipient and deposited GST amount to the Government and had filled his GST returns i.e. GSTR1 and GSTR 3B. Recipient had paid full invoice amount (including GST amount) to supplier through bank and had fulfilled the condition of section 16 of CGST Act for taking GST input.

Even Calcutta High Court, in the case of M/s. Gargo Traders v/s The Joint Commissioner, Commercial Taxes [WPA No. 1009 of 2022 dated June 12, 2023], held that a recipient of goods/services cannot be denied input tax credit (ITC) if the supplier becomes non-existent or their registration is retrospectively cancelled. The court directed the Revenue Department to consider the documents provided by the assessee to substantiate the genuineness of the transaction.

Taxpayers of the view that GST department should not disallow GST amount without considering the documentary proof submitted by the recipient of goods. GST amount along with interest/penalty if any should be recovered from the supplier that is mastermind and legal action should be taken against him.

2. **Waiver of Interest and Penalty:** - As GST was new to all taxpayer in FY 2017-18 to 2019-20, due to new Tax system, taxpayer had made minor mistakes in filling their GST returns, now after 4-5 years when assessment is being done interest payable is more than the tax due. Taxpayer should given relief on Interest and Penalty by way of waiver for the FY 2017-18 to 2019-20.

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3. **Higher Interest Rate:-**At present Interest on default or delay in payment of GST or reversal of Input credit is 18% p.a. which is very high. Interest for default in paying GST should not be more than 12% p.a.
4. **Reversal of ITC for Non-Payment within 180 Days:-**Recipient is liable to reverse GST amount if does not pay full value of Invoice to supplier within 180 days, But if the amount is not paid by recipient due to some dispute between them and supplier had paid GST to the Govt., the recipient should not be liable for reversal of ITC for non -payment within 180 days
5. **New Registration Under GST:-**Procedure for new GST registration is still taking long time as file is being sent to the Superintendent in the far away remote area who is unaware about the geographical and physical location of the area. The objections raised are sometime unrealistic and is difficult to comply with. So it is requested that the file should be sent to the Jurisdictional Officer or any other officer within city who generally have knowledge about the area. A representation may also be given to him to clear his doubts.

B) Assessment of Old Vat Cases:-

1. Dealers of Chandigarh are in great trouble due to huge Tax demands of old VAT Assessment cases because of non supply of some C-Forms by the purchasing dealers of other States. Dealers of Chandigarh have delivered the goods and without any fault on their part, they have been given notices of Lacs of Rupees and are being forced to pay hefty amount as tax, interest etc.

We have applied for one time amnesty scheme for assessment of old Vat cases on Punjab pattern and which is under consideration of Chandigarh Administration since long. Officials are delaying the process on one pretext or the other neighboring states of Punjab, Haryana, Himachal Pradesh and so many other states have already come out with such schemes. So you are requested to prevail upon Chandigarh Administration to process it soon and send it to MHA for final approval as Chandigarh is a U.T. Here we will also need your help and co-ordination.

C) Building Bye Laws:-

1. **Making Commercial Property Freehold:-**We appreciate the move of Chandigarh Administration to sell commercial/industrial/institutional properties on freehold basis on the pattern of residential property. This will revive the property market and also earn more revenue for the Chandigarh Administration as well. Now it is requested that both already sold commercial as well as Industrial property should be allowed to be converted from leasehold to freehold with reasonable conversion charges to fulfill the old demand of citizens of Chandigarh. As Chandigarh Administration has already submitted its proposed conversion policy with MHA, so you are requested to take up the matter with MHA for approval.

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D) Income Tax:-

1. That in the Budget of the year 2023 the new clause has been inserted in the Finance Bill 2023 under section 43B of the Income Tax Act which read as "(h) any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006." That Section 15 of the MSMED Act mandates payments to micro and small enterprises within 15 days and 45 days if there is written agreement. That if the payment to Micro & Small Enterprises has not been made in specified time, then that amount shall be added to the **Taxable Income** of the assessee in the Previous Year and he has to bear the tax liability on such amount and will squeeze working capital. So it is requested to delete/omit new clause (h) in section 43B of the Income Act as it will cause hardship in the trade and will also be practically impossible to implement.
2. Interest on advance tax which is either delayed or deferred under section 234A-B and C should be reduced from 18% to 12% P.A. as assessee is required to pay advance tax by estimate which may differ from the schedule as given by Govt. of India.

E. Food Safety Act. :-

1. Food Safety License should also be issued to traders under FSSAI Act one time for whole life like GST Registration, Income Tax PAN and Shop Act., etc.
2. In the case of any food sample is taken by the officer for analysis by the office of Food Safety Department from any retailers/whole sellers/ distributors these persons should be taken as only witness and the manufacturers/packers should be held responsible for all the consequences i.e. any fine/imprisonment.

F. Representation to Chandigarh Traders in National Traders Welfare Board:-

Representation should be given to the Chandigarh Traders by enrolling one person from Chandigarh Beopar Mandal in the National Traders Welfare Board so that issues regarding Chandigarh can be raised in the meeting.

We request your goodself to take up our issues with Govt. of India appropriate Ministries as per issue mentioned above and also include in your memorandums which you may submit to the Ministers from time to time so that issues are resolved at the earliest.

Thanking you and hoping for your co-operation.

Yours faithfully,

(Charanjiv Singh)
President, CBM

(Ram Karan Gupta)
Chairman, GST Co-ordination Committee, CBM