



**KARNATAKA STATE
CHARTERED ACCOUNTANTS ASSOCIATION (R)**



CA. Kumar S Jigajinni
President, KSCAA

CA. Pramod Srihari
Secretary, KSCAA

Date: 31st July 2021

To,

Smt Nirmala Sitharaman

Hon'ble Chairperson, GST Council

15, Safdarjung Road

New Delhi – 110001

Hon'ble Madam,

**SUBJECT: REPRESENTATION SEEKING RATIONALISATION OF PROVISIONS
RELATING TO REVOCATION OF CANCELLATION OF REGISTRATION UNDER
AMNESTY SCHEME**

The Karnataka State Chartered Accountants Association (R) (in short 'KSCAA') is an Association of Chartered Accountants, registered under the Karnataka Societies Registration Act, in the year 1957. KSCAA is primarily formed for the welfare of Chartered Accountants and represents before various regulatory authorities to resolve the problems / hardships faced by Chartered Accountants and business community.

1. We wish to state that we have written to your good selves on various occasions, populating issues and possible solutions which arise while discharging our duties as accountants. In these trying times, there are some genuine concerns, which might cause unwarranted difficulties and hardship to tax payers. We thought to bring few concerns on to table through this representation and



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request you to take cognizance of these concerns and hardships and provide amicable resolution on the same.

2. India has seen far-reaching and sweeping changes in the Indirect Tax arena ever since the GST was introduced in 2017. Like any new legislation, GST has been evolving over time and has eased the compliance requirements of the tax payers, especially the MSMEs. The Amnesty Scheme announced in the 43rd Meeting of the GST Council on 28th May, 2021 and which was followed by CBIC Notification No. 19/2021 – Central Tax dated 1st June 2021, has been one of the many measures for Trade facilitation. This scheme provides relief to taxpayers by capping the fee for delayed filing of returns, if such pending returns for tax periods from July-2017 to Apr-2021 are furnished between 01-06-2021 to 31-08-2021. It is noteworthy to mention that this scheme benefits a lot of tax payers, especially from MSME segment of the industry, who were otherwise unable to file their returns and discharge pending taxes due to the heavy late filing fee that was earlier envisaged to be charged in the normal course.
3. We welcome this scheme which is good intentioned and thank the GST council for taking cognizance of many of our earlier representations to unveil this scheme. However, we would like to bring to the fore an unaddressed crease which is of substantial character in this scheme which perhaps was unintended at the time when the scheme was unveiled and that is section 30 of CGST Act, 2017 which stipulates a time restriction of 30 days subject to a further extension up to 60 days, from the date of service of order of cancellation of registration, for the submission of application for revocation of cancellation to the proper officer. In this regard, we may apprise your good selves that, the taxpayers whose registrations were *suo-motu* cancelled by the proper officer on account of non-filing of returns at any time between July-2017 to Apr-2021, such taxpayers



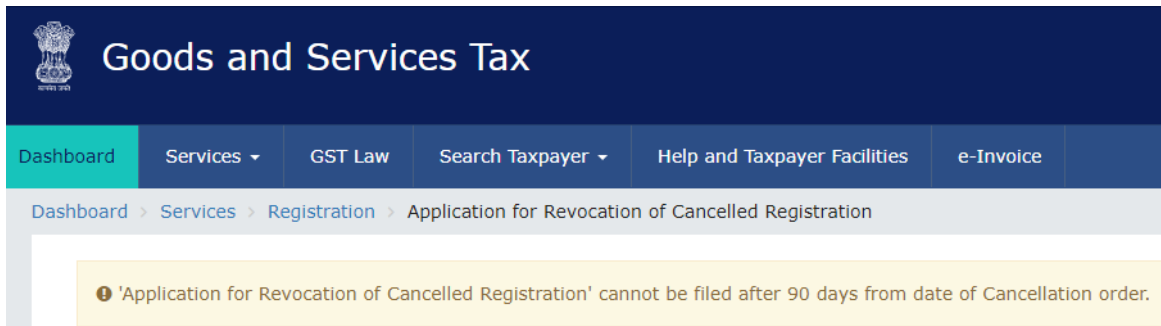
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could not unfortunately avail this Amnesty scheme to revoke their cancelled registrations. The scheme as in operation at present only allows the taxpayers to file all their pending returns, but the law and the portal forbids them from applying for revocation of cancellation of such registration. For your kind information, following is the error message which is flashed on the portal on attempting to apply for revocation of cancellation:



4. In effect of the above submissions made by us, on the ground this scheme is actually not benefitting the taxpayers whose registration cancellation orders have been served more than 90 days back. Although the remedy is available to overcome this time restriction by preferring an Appeal before the FAA u/s 107, but the same could not have been afforded by the small taxpayers as that would entail bearing of further professional representation cost and so also that may take a very long time for Appeals to be disposed-off positively. In our view, the efficacy of this Amnesty scheme is now hinges only on these procedural inconveniences which are there on the way for taxpayers who are willing to reactivate their registrations and come on to the normal stream of regular compliance.



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5. Your good selves may kindly appreciate that the Amnesty scheme was in its true spirit, was introduced to give a “one final chance” to regularise the pending non-compliances and to allow making a fresh beginning with a clean slate to taxpayers whose registrations were cancelled due to non-filing of returns. However, the ground reality is different as explained above. In case, albeit filing all pending returns and paying all pending taxes along with interest, the registrations could not have been re-activated due to the above mentioned time restriction, the taxpayers may not be inclined to avail this Amnesty scheme and the issue which the GST council sought to address through this Amnesty scheme would remain still unaddressed.

Our Representations:

6. **Necessary ROD orders may be issued u/s 172 of CGST Act, 2017, or any other alternative legislative measure may be taken as GST council deems fit, to provide an relaxation on the 90 day time restriction as laced in section 30 of CGST Act, 2017 as applicable on submission of application for revocation of cancelled registration.**
7. **Consequent enabling changes to be made in the GST portal to allow submission of applications for revocation of cancellation later than 90 days from service of order of cancellation.**
8. **Further, the proper officer may be instructed to dispose of the revocation of cancelled registration to be approved in a very quick time bound manner to enable the taxpayers to file their subsequent returns too with reduced late filing fees as per Amnesty scheme.**



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We at KSCAA consider that the above issues and the representation that we have made would appeal to your good selves and we are optimistic that your good selves would definitely make an 'all out' effort to ensure that the necessary steps are be taken to iron out the creases that we have highlighted to make this Amnesty scheme a huge success for both Government and the Taxpayers.

Yours sincerely,

For Karnataka State Chartered Accountants Association ®

CA. Kumar S Jigajinni
President

CA. Pramod Srihari
Secretary

CA. Ganesh V Shandage
Chairman
Representation Committee

Copy to -

1. Dr. Bhagwat Karad, Hon'ble Union Minister of State for Finance, Government of India
2. Shri Pankaj Chaudhary, Hon'ble Union Minister of State for Finance, Government of India
3. Shri. Tarun Bajaj, Revenue Secretary, Department of Revenue, Ministry of Finance, Government of India
4. Shri. M Ajit Kumar, Chairman - Central Board of Indirect Taxes and Customs
5. Smt. Shikha C - Commissioner of Commercial Taxes, Karnataka