
 सत्यमेव जयते	RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX KAR BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN HIGH COURT JAIPUR – 302005 (RAJASTHAN)	
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ADVANCE RULING NO. RAJ/AAR/2023-24/11

Umesh Kumar Garg Joint Commissioner	:	Member (Central Tax)
Mahesh Kumar Gowla Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Pink City Steel Rolling Mills Pvt Ltd, G-458 D, Road No. 12, VKIA, Jaipur-302013, Rajasthan
GSTIN of the applicant	:	08AABCP4073E1ZL
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(c) determination of time and value of supply of goods or services or both; (e) determination of the liability to pay tax on any goods or services or both;
Date of Personal Hearing	:	03.08.2023.
Present for the applicant	:	Adv. Nirmal Kumar Goyal, Shree Shankar Lal Verma
Date of Ruling	:	01.09.2023

Note: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.

At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".

The issue raised by M/S Pink City Steel Rolling Mills Pvt Ltd., G-458 D, Road No. 12, VKIA, Jaipur-302013, Rajasthan (hereinafter referred to as "applicant"). Applicant is registered and The applicant petitioner is manufacturer sold good to purchaser in the name of M/s Pink City Steel Rolling Mills Pvt Ltd. Applicant is engaged in supply of goods. The Three issues raised by applicant is fit to pronounce advance ruling & it falls under the ambit of the Section 97(2) (c) & (e) given as under:

- (c) determination of time and value of supply of goods or services or both;
- (e) determination of the liability to pay tax on any goods or services or both;

A. Submission of The Applicant: (in brief)

That the applicant is a partnership firm which is registered assessee under the provisions of Goods & Services Tax (GST) regime having GSTIN as 08AABCP4073E1ZL. The applicant petitioner is manufacturer sold good to purchaser but purchaser not

paid the invoice amount in time thereafter applicant demanded interest on delayed payment as per term of invoice and debited the interest in the account of purchaser.

B. Interpretation and understanding of applicant on question rose (in Brief)

The applicant submitted his interpretation which is under-

As per petitioner the amount of delayed payment of interest demanded by the petitioner is not liable to issue invoice or at the time of demand and debit of interest in the account book and GST is payable at the time of recovery or at the time of determination of interest by competent court and at the time of recovery of interest or at the time of accrual of interest.

C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT: -

Q1. At what stage the GST is to be paid on delayed payment of interest that is not still paid by purchaser of goods?

Q2. Whether at the time of demand of interest/debit of interest in the account of purchaser of goods and whether the fresh invoice of interest for delayed payment be issued or not in spite of non-receipt of interest?

Q3. Whether GST payable on accrual basis?

D. PERSONAL HEARING

In the matter personal hearing was granted to the applicant on 03.08.2023. Adv. Nirmal Kumar Goyal, Shree Shankar Lal Verma Authorized Representatives appeared for personal hearing. He reiterated the submission already made in written submission.

E. COMMENTS OF THE JURISDICTIONAL OFFICER

The Jurisdictional office of Deputy Commissioner, State Tax, Circle-A Jaipur-IV, Rajasthan, has given his comments vide his letter S.No. 1762 Dated- 17.02.2023 which is as under-

Q1. At what stage the GST is to be paid on delayed payment of interest that is not still paid by purchaser of goods?

Ans:- In this regard it would be noteworthy to pursue section 12(6) of CGST/SGST Act 2017 which clearly mention that "The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value"

Q2. Whether at the time of demand of interest/debit of interest in the account of purchaser of goods and whether the fresh invoice of interest for delayed payment be issued or not in spite of non-receipt of interest?

Ans- As per section 12(6) mentioned above.

Q3. Whether GST payable on accrual basis?

Ans- The payment of GST on such addition in the value of supply determined as per above mentioned section 12(6) of CGST/SGST Act 2017.

F. FINDINGS, ANALYSIS & CONCLUSION:

At the outset we would like to make it clear that the provisions of CGST Act and SGST Act are in parimateria and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the SGST Act

1) We have carefully examined the statement of facts, supporting documents filed by the Applicant along with application, oral and written submissions made at the time of hearing. We have also considered the issues involved, on which advance ruling is

sought by the applicant, and relevant facts. We would like to discuss the submission made by applicant and will take up the above question for discussion one by one.

2) The questions of law raised by the Applicant are -

(i). At what stage the GST is to be paid on delayed payment of interest that is not still paid by purchaser of goods?

(ii) Whether at the time of demand of interest/debit of interest in the account of purchaser of goods and whether the fresh invoice of interest for delayed payment be issued or not in spite of non-receipt of interest?

(iii) Whether GST payable on accrual basis.

3) We find that as per Section 15 of CGST Act, 2017, 'The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply '. Further, as per Section 15(2) of CSGT Act,2017, lists out the compulsory inclusions in the value of supply wherein as per Section 15(2)(d) it has been clarified that – **'interest or late fee or penalty for delayed payment of any consideration for any supply'**, thus GST provisions have clearly outlined Interest will be a part of value of supply.

Now coming on the time of payment of GST on interest on delayed payment we held that in case of goods, Section 12 of Act have specific provisions.

Section 12-“Time of Supply of Goods. — (1) The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section”

.....

Section 12(2)- The time of supply of goods shall be the earlier of the following dates, namely: — (a) the date of issue of invoice by the supplier or the last date on which he is required, under section 31, to issue the invoice with respect to the supply; or

(b) the date on which the supplier receives the payment with respect to the supply: Provided that where the supplier of taxable goods receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount.

Explanation 1. —For the purposes of clauses (a) and (b), —supply|| shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Explanation 2. —For the purposes of clause (b), —the date on which the supplier receives the payment|| shall be the date on which the payment is entered in his books of account or the date on which the payment is credited to his bank account, whichever is earlier.

We observe in respect of question no 1 and 2, which are same in nature Section 12(6) of Act have specific provisions.

*Sec. 12(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall **be the date on which the supplier receives such addition in value.***

Further applicant may raise debit note for interest on delayed payment under Section 34 of Act.

4) we observe that all three questions are intermingled and to be understood in light of section 12(6) GST is to be paid on the date, receipt of interest on delayed payment of any consideration

In view of the foregoing, we rule as follows: -

RULING

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Rajasthan Goods and Services Tax Act, 2017)

Q1. At what stage the GST is to be paid on delayed payment of interest that is not still paid by purchaser of goods?

Ans-In light of Section 12(6) of GST is to be paid on the date on which the supplier of goods receives such addition in value through interest on delayed payment of any consideration.

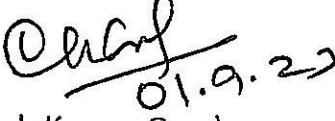
Q2. Whether at the time of demand of interest/debit of interest in the account of purchaser of goods and whether the fresh invoice of interest for delayed payment be issued or not in spite of non-receipt of interest?

Ans-In light of Section 12(6) of GST is to be paid on the date on which the supplier of goods receives such addition in value through interest on delayed payment of any consideration and a debit note may be issued in this regard under Section 34 of the Act.


Q3. Whether GST payable on accrual basis?

Ans-GST on interest recovered is to be paid on the date on which the supplier of goods receives such addition in value on delayed payment of any consideration.

This Ruling is valid subject to the provisions under Section 103 until and unless declared void under Section 104(1) of the GST Act.


(Umesh Kumar Garg)
MEMBER
CENTRAL TAX




(Mahesh Kumar Gowla)
MEMBER
STATE TAX

SPEED POST

M/S PINK CITY STEEL ROLLING MILLS PVT LTD, G-458 D, Road No. 12, VKIA, Jaipur-302013, Rajasthan

F. No. AAR/SF/2023-24/ 99-103

Date: 01/09/23

Copy to: -

1. The Chief Commissioner, CGST and central Excise, (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan 302005
2. The Chief Commissioner, State Tax, KarBhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
3. The Pr.Commissioner, CGST and Central Excise Commissionerate UDAIPUR, Rajasthan.
4. The Deputy Commissioner, State Tax, Circle-A Jaipur-IV Divisional Kar Bhawan, Rajasthan.

01/09/23