



# ASC

# GST TIMES



Volume 10, January 2021

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# Compliance Calendar

S. No.	Due Date	Forms	Period	Description
1.	10 <sup>th</sup> January 2021	GSTR-7	December 2020	Return for Tax Deducted at source to be filed by Tax Deductor
2.	10 <sup>th</sup> January 2021	GSTR-8	December 2020	E-Commerce operator registered under GST liable to TCS
3.	11 <sup>th</sup> January 2021	GSTR-1	December 2020	Taxpayers having an aggregate turnover of more than INR 1.50 crores or opted to file monthly return
4.	13 <sup>th</sup> January 2021	GSTR-1	October 2020 to December 2020	Taxpayer having turnover upto INR 1.50 crores in previous financial year or opted to file Quarterly Return
5.	13 <sup>th</sup> January 2021	GSTR-6	December 2020	Every Input Service Distributor (ISD)
6.	18 <sup>th</sup> January 2021	CMP-08	October 2020 to December 2020	Statement-cum-challan to declare the details or summary by Composition dealer for tax payable for the previous quarter
7.	20 <sup>th</sup> January 2021	GSTR-5 & 5A	December 2020	Non-resident ODIAR services provider file Monthly GST Return
8.	20 <sup>th</sup> January 2021	GSTR-3B	December 2020	Taxpayers having an aggregate turnover of more INR 5 crore or more
9.	22 <sup>nd</sup> January 2021	GSTR-3B	December 2020	Taxpayer having an aggregate turnover up to INR 5 crore and whose principal place are in the state of: <b>Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh or in the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep</b>
10.	24 <sup>th</sup> January 2021	GSTR-3B	December 2020	Taxpayer having an aggregate turnover up to INR 5 crore and whose principal place are in the state of: <b>Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or in the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi</b>
11.	25 <sup>th</sup> January 2021	ITC-04	October 2020 to December 2020	Return furnished by registered manufacturers, showing the details of inputs or capital goods dispatched or received from a job worker in a particular quarter.



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# GST E-Invoicing



## AUTO-POPULATION OF E-INVOICE DETAILS INTO GSTR-1 /2A/2B/4A/6A

1. E-Invoicing is applicable from 1st October, 2020 on taxpayers whose aggregate turnover exceeds INR 500 crore. It is also applicable on taxpayers whose aggregate turnover exceeds 100 crore from 1st January, 2021.
2. In this regard taxpayers are preparing and issuing invoices by obtaining Invoice Reference Number (IRN) from Invoice Registration Portal (IRP) (commonly referred as 'e-invoices'). Details from such e-invoices are auto-populated in respective tables of GSTR-1.

3. For those taxpayers who had started e-invoicing from 1-10-2020, the auto-population of e-invoice data into GSTR-1 (of December 2020) had started from December 3rd, 2020.

In this regard, following is to be noted by those taxpayers:

- The data in GSTR-1 is now available on T+3 day basis, i.e. for example, the data from e-invoices uploaded on 18-12-2020 would be visible in GSTR-1 on 21-12-2020.
- The corresponding reflection of such e-invoice details in GSTR-2A/2B/4A/6A has also started.
- The auto-population of e-invoice data into GSTR-1 is based on date of document (as reported to IRP). For example, a document dated 30th December, 2020 is reported to IRP on 3rd January, 2021 and where GSTR-1 for December, 2020 is not filed, then the details of that document will be available in the tables of GSTR-1 pertaining to December, 2020.

However, if the GSTR-1 for December was already filed by that date, then, the details of such document will be made available in the consolidated excel file downloadable from GSTR-1 dashboard (with error description as 'Return already filed'). The taxpayer may thereupon take necessary action.

4. Owing to existing validations in GSTR-1, e-invoices reported with below commonly observed issues are not auto-populated in the tables of GSTR-1 but are made available in the consolidated excel file downloadable from GSTR-1 dashboard (with corresponding error description):

- Supplier is found to be of type ISD/NRTP/TCS/TDS;
- Supplier is found to be composition taxpayer for that tax period;
- Document date is prior to Supplier's/Recipient's effective date of registration;
- Document date is after Supplier's/Recipient's effective date of cancellation of registration;
- Invoices reported as attracting "IGST on Intra-state supply" but without reverse charge.

5. It is once again reiterated that the auto-population of details from e-invoices into GSTR-1 is only a facility for the taxpayers. After viewing the auto-populated data, the taxpayer shall verify the propriety and accuracy of the amounts and all other data in each field, especially from the perspective of GSTR-1 and file the same, in the light of relevant legal provisions.



# CBIC Due Date Extension



## CBIC EXTENDS THE DUE DATE FOR FILING GSTR 9 AND GSTR 9C FOR FY 2019-20

The CBIC vide Notification No. 95/2020 – Central Tax dated 30th December, 2020 has extended the due date for furnishing Annual Return for the financial year 2019-20, from 31st December, 2020 till 28th February, 2021.

## APPLICABILITY OF E-INVOICE FROM 01-01-2021 WHEN TURNOVER EXCEEDS 100 CRORE

CBIC vide Notification No. 88/2020 – Central Tax dated 10th November, 2020 has amended provision for issuance of E-Invoicing. Taxpayers with aggregate turnover in any preceding financial year from 2017-18 onwards exceeds INR 100 crore in respect of supply of goods or services or both or for export is required to make E-Invoice from 1st January, 2020.

CBIC has amended its earlier Notification No. 13/2020 – Central Tax dated 21st March, 2020. In the said notification, in the first paragraph, with effect from the 1st day of January, 2021, for the words “five hundred crore rupees”, the words “one hundred crore rupees” shall be substituted.

## BLOCKING OF GSTR-1 IN CASE OF NON – FILING OF GSTR-3B

The CBIC vide Notification No. 01/2021-Central Tax dated January 01, 2021, has brought amendment in Rule 59(5) of CGST Rules, 2017 to block GSTR-1 in case of non-filing of GSTR-3B, in following manner:

- If the registered person fails to furnish the return in GSTR-3B for preceding two months, he would not be allowed to furnish the details of outward supplies of goods or services or both in GSTR-1. Previously, non-filing of GSTR-3B resulted in blocking of E-way Bill facility but from now, on the same would also result in blocking of the GSTR-1 of the registered person.
- Identically, for quarterly return filers, if the registered person fails to file GSTR-3B for the preceding tax period, he would not be permitted to file GSTR-1 or use invoice furnishing facility (“IFF”) for subsequent quarter.
- A registered person who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability as per newly inserted Rule 86B of the CGST Rules, would also not be permitted to file GSTR-1 or use IFF, if he has not filed GSTR-3B for the preceding tax period.





## RESTRICTIONS ON USE OF AMOUNT AVAILABLE IN ELECTRONIC CREDIT LEDGER

A new Rule 86B has been inserted into CGST Rules, 2017 vide Notification No. 94/2020-Central Tax Dated 22nd December 2020. After the introduction of this new rule, restriction has been imposed on the use of electronic credit ledger. Now, the registered person will be able to use only 99% of electronic credit ledger balance to discharge his liability towards outward tax. This implies that 1% of liability towards outward tax has to be paid in cash.

This rule is applicable to those taxpayer whose taxable supply other than exempt supply and zero-rated supply, in a month exceeds fifty lakh rupees. This limit is to be checked with respect to each month for which return is being filed. Therefore, in cases wherein turnover of taxable supply would be less than fifty lakh rupees then this restriction would not be applicable. If in subsequent month, the turnover exceeds 50 Lakh, then restriction would have to be checked.

Provided that the Rule 86B would not be applicable if registered person falls in any of following criteria:

- The below mentioned persons have paid more than one lakh rupees as income tax under the Income-tax Act, 1961(43 of 1961)–
  - o The said person or
  - o The proprietor or
  - o Karta or
  - o The Managing Director or any of its two partners, Whole Time Directors or
  - o Members of Managing Committee of Associations or Board of Trustees, as the case may be

The eligibility check would be made in each of the last two financial years for which the time limit to file return of income under subsection (1) of section 139 of the said Act has expired.

- Registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (i) of first proviso of sub section (3) of section 54 i.e. zero rated supplies made without payment of tax. Here, we have to note that the refund should have been received in the preceding financial year.
- Registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (ii) of first proviso of subsection (3) of section 54 i.e. Inverted duty structure. Here, we have to note that the refund should have been received in the preceding financial year.
- The registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year. Now, while filing return for each month, taxpayer now has to keep a track that whether his cumulative discharge of tax liability of output tax through electronic cash ledger is more than 1% upto the month of filing of return.



- The registered person is:
  - o Government Department or
  - o A Public Sector Undertaking or
  - o A local authority or
  - o A statutory body.

Provided further that the Commissioner or an officer authorised by him in this behalf may remove the said restriction after such verifications and such safeguards as he may deem fit

The rule is effective from 1st January 2021.

## **SALIENT FEATURES OF QUARTERLY RETURN FILING & MONTHLY PAYMENT OF TAXES (QRMP) SCHEME**

- Who can opt for the scheme: Following registered person can file quarterly returns and pay tax on monthly basis w.e.f. 01.01.2021 :
  - o A registered person who is required to file Form GSTR 3B with aggregate turnover (hereinafter AATO) of up to INR 5 Cr. in the previous financial year is eligible to opt in this scheme. If AATO crosses INR 5 Cr. during a quarter, registered person will become ineligible for the scheme from next quarter.
  - o Any person obtaining a new registration or opting out of Composition Scheme can also opt for this scheme.
  - o The option to avail this scheme can be availed GSTIN wise. Therefore, few GSTINs for that PAN can opt for the scheme and remaining GSTINs can remain out of the scheme.
- Changes on the GST Portal: For quarter January, 2021 to March, 2021, all registered persons whose AATO for the FY 2019-20 is up to INR 5 Cr. and have furnished the return in Form GSTR-3B for the month of October, 2020 by 30 November, 2020, will be migrated by default in the GST system as follows:

<b>Sl. No.</b>	<b>Class of registered persons with AATO of</b>	<b>Default Return Option</b>
1	Up to INR 1.5 Cr., who have furnished Form GSTR-1 on quarterly basis in current FY	Quarterly
2	Up to INR 1.5 Cr., who have furnished Form GSTR-1 on monthly basis in current FY	Monthly
3	More than INR 1.5 Cr. and up to INR 5 Cr. in preceding FY	Quarterly





- **When can a person opt for the scheme:**

- o Facility can be availed throughout the year, in any quarter.
- o Option for QRMP Scheme, once exercised, will continue till registered person revises the option or his AATO exceeds INR 5 Cr.
- o Registered persons migrated by default can choose to remain out of the scheme by exercising their option from 5 December, 2020 till 31 January, 2021.

- The registered persons opting for the scheme can avail the facility of Invoice Furnishing Facility (IFF), so that the outward supplies to registered person is reflected in their Form GSTR 2A & 2B.

- **Payment of tax under the scheme:**

- o Registered persons need to pay tax due in each of first two months (by 25th of next month) in the Quarter, by selecting "Monthly payment for quarterly taxpayer" as reason for generating Challan.
- o Registered persons can either use Fixed Sum Method (pre-filled challan) or Self-Assessment Method (actual tax due), for monthly payment of tax for first two months, after adjusting ITC.
- o No deposit is required for the month, if there is nil tax liability.
- o Tax deposited for first 2 months can be used for adjusting liability for the quarter in Form GSTR-3B and

## **NEW ENHANCEMENT IN E-WAY BILL SYSTEM**

The Government has brought new enhancements on 8th December, 2020 in the E-Way Bill system which are:

- Recipient GSTIN should be registered and active, on the date of preparation of the document by the supplier.
- Document Nos. are case sensitive for e-Waybill generation.
- In the Bulk Upload, if the Pin-to-Pin distance is not known, distance may be passed as zero. The system will automatically populate the distance, if available. However, if the distance is not available then error is returned. For such cases, user has to pass the distance.
- If Pin code does not exist in the EWB system then at-least the first 3 digits of the pin code must match with the State selected.
- In Bulk upload, 96 can also be passed as state code for 'Other Country'.
- In case EWB is generated from e-Invoice System, then IRN is displayed in the e-Waybill print.
- Earlier one day was permitted for distance up to 100 kms under e way bill provision. Now the same has been increased to 200 kms. This means that only one day validity shall be granted to cover a distance up to 200 kms which was earlier 100 kms.





## IMPORTANT

### CHANGES INTRODUCED IN CGST (FOURTEENTH AMENDMENT) RULES 2020

CBIC vide Notification No. 94/2020 – Central Tax dated 22nd December, 2020 has amended CGST Rules, 2017. These rules may be called the Central Goods and Services Tax (Fourteenth Amendment) Rules, 2020. The various amendments are as follows:

#### **Time limit for system-based GST Registration increased**

The time for system-based registration has been enhanced from 3 days to 7 days. That means, now department shall be required to review and grant registration within 7 days against 3 days as provided earlier from the date of filing of registration application. Where the applicant does not opt for adhaar authentication or where department feels fit to carry out physical verification the time limit for grant of registration shall be 30 days instead of 7 days.

#### **More Powers to GST department in cancellation of GSTIN**

- Now the officer can proceed for cancellation of GSTIN where a taxpayer avails Input Tax Credit (ITC) exceeding than that permissible in Section 16. Clause (e) has been inserted in Rule 21 of CGST Rules 2017.
- Now where the liability declared in GSTR 3B is less than that declared in GSTR 1 in a particular month, department may now proceed with cancellation of GSTIN. There might be some practical difficulties in implementing such a provision as there are number of corrections which are made in GSTR 3B which may result in lower tax liability as compared with GSTR 1. The clause (f) newly inserted talks about details of outward supply to which we understand that Taxable value and tax both should be in synchronization between GSTR 1 and GSTR 3B.
- Now, no opportunity of being heard shall be given to a taxpayer for suspension of GSTIN, where the proper officer (PO) has reasons to believe that the registration of person is liable to be cancelled. The words opportunity of being heard has been omitted from clause (2) of Rule 21A.
- Where there are significant deviation/anomalies between details of outward supply between GSTR 3B and GSTR1 or inward supplies (ITC) between GSTR 3B and GSTR 2B which indicate contravention of Act, department shall now serve a notice in FORM GST REG 31 to call explanation as to why GSTIN should not be cancelled. Taxpayer shall be required to submit his reply within 30 days of such notice being served to him.
- Where a GSTIN is suspended no refund u/s 54 of CGST Act 2017 can be availed by the taxpayer. This means that first GSTIN Suspension proceedings have to be closed before applying refund.

#### **Restriction on claim of ITC as per Rule 36(4)**

The claim of ITC in respect of invoices not furnished by the corresponding vendors has now been restricted to 5% of the credit available in GSTR 2A. This limit earlier was 10% of ITC available. This would mean that a



taxpayer's ITC claim shall now be restricted to 105% of the Credit reflected in his GSTR 2A. Any claim exceeding the specified limit shall result in violation of CGST Act read with rules which may result into suspension of GSTIN as described above. The provision shall come into effect from 1st January 2021.

#### **GSTR 1 to be blocked in case of non-filing of GSTR 3B**

Where a taxpayer fails to file GSTR 3B for two subsequent months, his GSTR 1 shall now be blocked. Earlier non filing of GSTR 3B used to result in blocking of E-way Bill facility but from now on it shall also result in blocking of GSTR 1 of the taxpayer. Similarly, for quarterly return filers, the taxpayer failing to file GSTR 3B for the preceding quarter shall not be permitted to file GSTR 1 of subsequent quarter.

A taxpayer whose is restricted to avail ITC as per rule 86B shall also not be permitted to file GSTR 1 where he has not filed GSTR 3B for the preceding tax period.

#### **Restriction on Utilization of Input Tax Credit – Rule 86B**

New Rule 86B shall be affected from 1st January 2021 wherein restriction has been placed on setting off more than 99% of tax liability from Input tax credit where the value of taxable supplies other than exempt supply and zero rated supply exceeds INR 50 lakhs in a month. Though few exceptions have been provided to this rule which are as follows:

- i. Where the taxpayer has paid Income Tax exceeding INR 1 lakh in two preceding financial year.
- ii. Where taxpayer has received refund exceeding INR 1 lakhs u/s 54 of CGST Act 2017.
- iii. Where taxpayer has used electronic cash ledger to pay of liability on outward supplies which cumulatively makes 1% of the total liability up to the said month
- iv. Where a person is a Government Department, Public Sector Undertaking (PSU), local authority or a statutory body.

#### **Narrowing the validity of E-Way bill**

Earlier one day was permitted for distance up to 100 kms under e way bill provision. Now the same has been increased to 200 kms. This means that only one day validity shall be granted to cover a distance up to 200 kms which was earlier 100 kms.





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