



# ASC

# GST TIMES





# Compliance Calendar

S. No.	Due Date	Forms	Period	Description
1.	10 <sup>th</sup> April 2021	GSTR-7	March, 2021	Return for Tax Deducted at source to be filed by Tax Deductor
2.	10 <sup>th</sup> April 2021	GSTR-8	March, 2021	E-Commerce operator registered under GST liable to TCS
3.	11 <sup>th</sup> April 2021	GSTR-1	March, 2021	Taxpayers having an aggregate turnover of more than INR 1.50 crores or opted to file monthly return
4.	12 <sup>th</sup> April 2021	GSTR-2B	March, 2021	Auto generated ITC statement
5.	13 <sup>th</sup> April 2021	GSTR-1	January-March, 2021	Taxpayers who have opted for Quarterly Return Monthly Payment ("QRMP") Scheme
6.	13 <sup>th</sup> April 2021	GSTR-6	March, 2021	Every Input Service Distributor (ISD)
7.	18 <sup>th</sup> April 2021	CMP-08	January-March, 2021	Quarterly challan-cum-statement to be furnished by composition dealers
8.	20 <sup>th</sup> April 2021	GSTR-5 & 5A	March, 2021	Non-resident ODIAR services provider file Monthly GST Return
9.	20 <sup>th</sup> April 2021	GSTR-3B	March, 2021	Taxpayers having an aggregate turnover of more than INR 5 crore
10.	22 <sup>nd</sup> April 2021	GSTR-3B	March, 2021	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>
11.	24 <sup>th</sup> April 2021	GSTR-3B	March, 2021	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>
12.	30 <sup>th</sup> April 2021	GSTR-4	FY 20-21	Yearly return for taxpayers opted for the composition scheme



# TOPIC COVERED

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**Opting-in for Composition Scheme for Financial year 2021-22**

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# GOODS AND SERVICES TAX (GST)



## Filing GSTR-1 (Quarterly) for Jan-Mar 2021 under QRMP Scheme

The taxpayers under QRMP scheme have a facility to file Invoice Furnishing Facility (IFF) in first two months of the quarter and file Form GSTR-1 in third month of the quarter. As IFF is an optional facility it cannot be filed after the end date (13th of the month succeeding the IFF period). The document saved in IFF, where taxpayer has not filed by the end date, cannot be filed anymore. Hence taxpayers are requested to declare such document in the GSTR-1 for the quarter. Hence, before filing of GSTR-1 for Jan-Mar-2021 quarter, the taxpayer must ensure that:

1. Any saved but not Filed/Submitted IFF records for the first two months of the quarter i.e. month of Jan-2021 or Feb-2021 must be deleted using RESET button before filing GSTR-1 for Jan-Mar-2021 quarter. The deleted records should be added in GSTR-1 for Jan-Mar-2021 quarter after deleting the saved records from IFF.
2. Any submitted but not filed IFF for the month of Jan-2021 or Feb-2021 must be filed before filing GSTR-1 for Jan-Mar-2021 quarter.

## Opting-in for Composition Scheme for Financial year 2021-22

### 1. How to opt-in for Composition Scheme:

- The eligible registered taxpayers, who want to opt-in for composition scheme for the FY 2021-22, need to file FORM GST CMP-02 application, on or before 31st March, 2021, post login on GST portal. The taxpayers may navigate as follows:

**Log-in>Services > Registration > Application to opt for Composition Levy>Filing form GST CMP-02>File application under DSC/EVC**

- Once Form GST CMP-02 application is filed, the composition scheme will be available to the taxpayer, w.e.f. 1st April 2021.
- The taxpayers already opted in for composition scheme earlier are not required to opt in again for FY 2021-2022.
- Taxpayers who were regular taxpayers in previous FY, but are opting-in for composition scheme for 2021-22, must file Form GST ITC-03 for reversal of ITC on stocks of inputs, semi-finished goods and finished goods available with them, within 60 days from the effective date of opting in.

### 2. Who is eligible for opting-in for Composition Scheme:- Following Normal taxpayers, who don't want to avail ITC facility, may opt for this scheme:

- having aggregate turnover (at PAN level) upto Rs. 1.5 Crore in the previous FY.
- having aggregate turnover (at PAN level) upto Rs. 75 lakh in the previous FY and who are registered in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura & Uttarakhand.
- supplying services and/or mixed supplies having aggregate turnover of previous FY upto Rs. 50 lakhs.



### 3. Who is not eligible for opting in composition scheme:

- Inter-State outward suppliers of goods/services
- Taxpayers supplying goods through e-commerce operators who are required to collect tax under sec 52
- The manufacturers of notified goods like Ice cream and other edible ice, whether or not containing cocoa, tobacco and manufactured tobacco substitutes, Pan Masala & Aerated water

### HSN/ SAC Code mandatory on invoices as per revised requirement from 1st April 2021 for GST taxpayer

With effect from the 1st April, 2021, it has been made mandatory for a GST taxpayer, having turnover of more than Rs 5 crore in the preceding financial year, to furnish 6 digits HSN Code (Harmonised System of Nomenclature Code), or as the case may be, SAC (Service Accounting Code) on the invoices issued for supplies of taxable goods and services.

A taxpayer having turnover of upto Rs 5 crore in the preceding financial year is required to mandatorily furnish 4 digits HSN code on B2B invoices.

Earlier, the requirement was 4 digits and 2 digits respectively. For more details, notification No. 78/2020-Central Tax, dated 15.10.2020 may be referred to (accessible at <https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>)

Accordingly, with effect from the 1st April, 2021, GST taxpayers will have to furnish HSN/SAC in their invoices, as per the revised requirement.

HSN codes for goods at 6 digits are universally common. Therefore, common HSN codes apply to Customs and GST. Accordingly, codes prescribed in the Customs tariff are used for the GST purposes too (as has been specifically mentioned in the GST rate schedule). In Customs Tariff, HS code is prescribed as heading (4 digits HS), sub-heading (6 digits HS) and tariff items (8 digits). These documents are accessible on the CBIC web-site. The Customs Tariff may be accessed at <https://www.cbic.gov.in/htdocs-cbec/customs/cst2021-020221/cst-idx> for HSN codes.

GST rate schedule for goods and services may be accessed at <https://www.cbic.gov.in/htdocs-cbec/gst/index-english> and then follow the path  GST Rates/Ready reckoner-Updated Notifications/Finder  GST Rates Ready Reckoner/Updated Notifications.



## **E-invoicing mandatory for taxpayers having turnover more than INR 50 Cr. w.e.f. 1st April 2021**

The CBIC vide Notification No. 05/2021 – Central Tax dated 08-03-2021 has amended earlier issued Notification No 13/2020 – Central Tax dated 21-03-2020 where applicability of E-Invoicing has been revised. Now, E-Invoice is applicable on aggregate turnover of INR 50 crores which was earlier INR 100 crores.

The relevant para after the amendment is:

*“...registered person, other than a Special Economic Zone unit and those referred to in sub-rules (2), (3), (4) and (4A) of rule 54 of the said rules, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds fifty crore rupees, as a class of registered person who shall prepare invoice and other prescribed documents, in terms of sub-rule (4) of rule 48 of the said rules in respect of supply of goods or services or both to a registered person or for exports.”*

### **Clarification on Refund Related Issues**

CBIC vide Circular No. 147/03//2021-GST dated 12-03-2021 has issued some clarification on related issues which are as under:

#### **1. Clarification in respect of refund claim by recipient of Deemed Export Supply**

- Representations have been received in respect of difficulties being faced by the recipients of the deemed export supplies in claiming refund of tax paid in respect of such supplies since the system is not allowing them to file refund claim under the aforesaid category unless the claimed amount is debited in the electronic credit ledger.

- Para 41 of Circular No. 125/44/2019 – GST dated 18/11/2019 has placed a condition that the recipient of deemed export supplies for obtaining the refund of tax paid on such supplies shall submit an undertaking that he has not availed ITC on invoices for which refund has been claimed. Thus, in terms of the above circular, the recipient of deemed export supplies cannot avail ITC on such supplies but when they proceed to file refund on the portal, the system requires them to debit the amount so claimed from their electronic credit ledger.

- The 3rd proviso to Rule 89(1) of CGST Rules, 2017 allows for refund of tax paid in case of a deemed export supply to the recipient or the supplier of deemed export supplies.

It can be said that there is no restriction on recipient of deemed export supplies in availing ITC of the tax paid on such supplies when the recipient files for refund claim. The said restriction has been placed by the Circular No. 125/44/2019-GST dated 18.11.2019.

- As stated above, there is no restriction under 3rd proviso to Rule 89(1) of CGST Rules, 2017 on recipient of deemed export supply, claiming refund of tax paid on such deemed export supply, on availment of ITC on the tax paid on such supply. Therefore, the para 41 of Circular No. 125/44/2019-GST dated 18.11.2019 is modified to remove the restriction of non-availment of ITC by the recipient of deemed export supplies on the invoices, for which refund has been claimed by such recipient.



## **2. Extension of relaxation for filing refund claim in cases where zero-rated supplies has been wrongly declared in Table 3.1(a)**

- Para 26 of Circular No. 125/44/2019-GST dated 18th November 2019 gave a clarification in relation to cases where taxpayers had inadvertently entered the details of export of services or zero-rated supplies to a Special Economic Zone Unit/Developer in table 3.1(a) instead of table 3.1(b) of FORM GSTR-3B of the relevant period and were unable to claim refund of the integrated tax paid on the same through FORM GST RFD-01A. This was because of a validation check placed on the common portal which prevented the value of refund of integrated tax/cess in FORM GST RFD-01A from being more than the amount of integrated tax/cess declared in table 3.1(b) of FORM GSTR-3B. The said Circular clarified that for the tax periods from 01.07.2017 to 30.06.2019, such registered persons shall be allowed to file the refund application in FORM GST RFD-01A on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the tables 3.1(a), 3.1(b) and 3.1(c) of FORM GSTR-3B filed for the corresponding tax period.

- Since the clarification issued vide the above Circular was valid only from 01.07.2017 to 30.06.2019, taxpayers who committed these errors in subsequent periods were not able to file the refund applications in FORM GST RFD-01A/ FORM GST RFD-01.

- The issue has been examined and it has been decided to extend the relaxation provided for filing refund claims where the taxpayer inadvertently entered the details of export of services or zero-rated supplies to a Special Economic Zone Unit/Developer in table 3.1(a) Instead of table 3.1(b) of FORM GSTR-3B till 31.03.2021.

## **3. The manner of calculation of Adjusted Total Turnover under sub-rule (4) of Rule 89 of CGST Rules, 2017**

- Doubts have been raised as to whether the restriction on turnover of zero-rated supply of goods to 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, imposed by amendment in definition of the "Turnover of zero-rated supply of goods" vide Notification No. 16/2020-Central Tax dated 23.03.2020, would also apply for computation of "Adjusted Total Turnover" in the formula given under Rule 89 (4) of CGST Rules, 2017 for calculation of admissible refund amount.

- "Adjusted Total Turnover" includes "Turnover in a State or Union Territory", as defined in Section 2(112) of CGST Act. As per Section 2(112), "Turnover in a State or Union Territory" includes turnover/ value of export/ zero-rated supplies of goods. The definition of "Turnover of zero-rated supply of goods" has been amended vide Notification No.16/2020-Central Tax dated 23.03.2020, as detailed above. In view of the above, it can be stated that the same value of zero-rated/ export supply of goods, as calculated as per amended definition of "Turnover of zero-rated supply of goods", need to be taken into consideration while calculating "turnover in a state or a union territory", and accordingly, in "adjusted total turnover" for the purpose of sub-rule (4) of Rule 89. Thus, the restriction of 150% of the value of like goods domestically



supplied, as applied in “turnover of zero-rated supply of goods”, would also apply to the value of “Adjusted Total Turnover” in Rule 89 (4) of the CGST Rules, 2017.

- Accordingly, it is clarified that for the purpose of Rule 89(4), the value of export/ zero-rated supply of goods to be included while calculating “adjusted total turnover” will be same as being determined as per the amended definition of “Turnover of zero-rated supply of goods” in the said sub-rule.

## **GSTIN not mandatory for MSME Udyam Registration**

Ministry of Micro, Small and Medium Enterprises (“MSME”) vide Notification No. S.O. 1055(E), dated 05-03-2021, amended Notification No. S.O. 2119(E), dated 26-06-2020 which notified certain criteria for classifying the enterprises as MSME and specifies the Form and procedure for filing the memorandum (“Udyam Registration”) and calculation of investment/turnover in a following manner:

- Inserted sub-para 4 in Para 5 which states how to calculate turnover:

*“(4) The exemption from the requirement of having GSTIN shall be as per the provisions of the Central Goods and Services Tax Act, 2017 (12 of 2017)”*

- Inserted sub-para 9 in Para 6 which states registration process:

*“(9) In case of any proprietorship enterprise not registered under any Act or rules of the Central Government or the State Government, the proprietor may use his or her PAN for registration of the enterprise in the Udyam Registration portal and for all other types of enterprises PAN shall be mandatory.”*

## **GSTN enabled the RESET option in GSTR 1/IFF on the GST portal**

A new function has been enabled on GST portal “RESET” option in GSTR 1/IFF.

**GST has issued FAQ's on this RESET Function:**

**Q.** For which months of a quarter will I be able to delete saved data using the RESET button?

**Ans.** You can use the RESET button to delete the entire saved data, for the specific return period, but not yet submitted or filed in their Form GSTR-1/IFF, irrespective of your filing preference or profiles (monthly or quarterly taxpayers). RESET button will also enable taxpayers to delete Saved records in expired IFF, which is not Submitted or Filed. RESET button will be disabled once IFF is submitted.

**Q.** I have submitted IFF details, will I still be able to delete the details using RESET button?

**Ans.** No, you cannot delete the submitted IFF details. The RESET button is used to delete only the saved details and not submitted or filed.





## New functionality on GST portal to search HSN by name or code

A new functionality to search HSN chapter by name or code has been enabled on GST portal. Now, taxpayers can search HSN code on GST portal only.

Goods and Services Tax

Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice

Dashboard Services User Services Search HSN Code

Search HSN Code

Search HSN Chapter by Name or Code

Search HSN Chapter by Name or Code SEARCH



# GET IN TOUCH!

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