



GOODS AND SERVICES TAX ALERT

N. A. SHAH **BULLETIN**

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N. A. SHAH ASSOCIATES LLP
Chartered Accountants

M. A. PARIKH & CO. IS NOW A PART OF N. A. SHAH ASSOCIATES LLP

Recent GST Notifications issued by the Government:

Following notifications have been issued for notifying the due dates for filing Form GSTR 1 & GSTR 3B, provisions for quarterly filing of GSTR-3B, special procedure for tax payment, amendment of various CGST Rules, etc.

Gist of these notifications is as under:

1. Amendments to CGST Rules, 2017 (Notification no. 82/2020–Central Tax dated 10.11.2020):

The Government has amended / inserted various rules of CGST Rules, 2017. These amendments will be effective from the date of notification in Official Gazette, unless otherwise specified

Rule 59 - Form and manner of furnishing details of outward supplies (Effective from 01.01.2021)

Rule 59 provides for filing of GSTR-1 containing details of outward supplies. Said rule has been amended to introduce **Invoice Furnishing Facility** ("IFF") for a registered person opting to file GSTR-1 quarterly to enable him:

- To furnish the details of such outward supplies (invoice wise details including debit / credit notes) to a registered person, as he deem necessary, for the 1st and 2nd months of a quarter
- Up to a cumulative value of INR 50 lakhs in each month
- Within 1st to 13th day of the month succeeding such month

The details of said supplies furnished using IFF shall not be furnished in FORM GSTR-1 for the said quarter

Rule 60 - Form and manner of ascertaining details of inward supplies (Effective from 01.01.2021)

Earlier Rule 60 provided for submission of GSTR-2 (details of inward supplies),

however, said Return could not be practically implemented. In view of this, the Government has done away with such submission and now came out with new mechanism to ascertain details of inward supplies

Therefore, said rule has been amended to provide for following:

- GSTR-2A will populate additional details as mentioned below:
 - Details furnished by supplier using IFF
 - Details of IGST in respect of -
 - import of goods or
 - goods brought in DTA from SEZ
- An auto drafted **monthly ITC statement** in **Form GSTR-2B** will be made available to the recipient which will contain following details:
 - Details of IGST in respect of bill of entry filed in the month:
 - import of goods or
 - goods brought in DTA from SEZ
 - Details of outward supplies furnished by following persons during specified period:

Category of Supplier	of	Monthly GSTR-2B will contain details of inward supplies filed by the supplier during following period
Supplier filing GSTR-1 Monthly		After the due date of previous month GSTR-1 to the due date of present month GSTR-1
Supplier filing GSTR-1 Quarterly		First month: After the due date of previous quarter GSTR-1 to the due date of IFF for the first month Second month: After the due date of first

month IFF to the due date of second month IFF

Third month: After the due date of second month IFF to the due date of present Quarter GSTR-1

- Said monthly **GSTR-2B** will be available on a day after the due date of monthly GSTR-1 or due date of filing monthly IFF or due date of quarterly GSTR-1, as the case may be

Rule 61 - Form and manner of submission of monthly return

Rule 61 provides for filing of GSTR-3 and GSTR-3B. Said rule is amended to prescribe following due dates for filing GSTR-3B:

- A Registered person having aggregate turnover upto INR 5 Crore in PFY will file GSTR-3B for the period October 2020 to March 2021 as under:
 - Having principal place of business in 'Category A states' - 22nd day of the month succeeding such month
 - Having principal place of business in 'Category B states' - 24th day of the month succeeding such month
- In all other cases - 20th day of the month succeeding such month

Rule 61 - Form and manner of furnishing of return (Effective from 01.01.2021)

Earlier Rule 61 provided for filing of GSTR-3, however, said Return could not be practically implemented. In view of this, the Government has done away with such return and now only GSTR-3B remains as a substitute of GSTR-3.

The amended rule prescribes following due dates for filing GSTR-3B:

- A Registered person, opted for quarterly filing of GSTR-3B, having principal place of business in 'Category A states' - 22nd day of the month succeeding such month
- A registered person, opted for quarterly filing of GSTR-3B, having principal place of business in 'Category B states' - 24th day of the month succeeding such month
- A registered person, filing monthly GSTR-3B - 20th day of the month succeeding such month

Every registered person, filing GSTR-3B quarterly, shall pay tax dues of first two months of each quarter by depositing amount in GST PMT-06 by 25th day of the month succeeding such month and such amount shall be debited while filing GSTR-3B of the quarter

Rule 61A - Manner of opting for furnishing quarterly return (Effective from 01.01.2021)

Every registered person, intending to file GSTR-3B quarterly, shall indicate his preference from 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised. Once exercised, said option will remain exercised for future **unless** the registered person:

- becomes ineligible as per notified conditions and restrictions
- opts for furnishing of return on a monthly basis
- Aggregate turnover exceeds INR 5 crore during the current FY (Monthly GSTR-3B will be opted from first month of the quarter succeeding the quarter during which his aggregate turnover exceeds 5 crore rupees)

A registered person cannot opt for quarterly return where the last return due

on the date of exercising such option has not been furnished

Other amendments – Instructions added to GSTR-1

HSN Codes have to be mandatorily specified in FORM GSTR-1 [proviso to Rule 46 of CGST Rules, 2017]

Note:

- a) **Category A states** - States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep
- b) **Category B states** - States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

2. Due date for filing of GSTR-1 (Notification no. 83/2020–Central Tax dated 10.11.2020):

Category of Supplier	Due date of filing GSTR-1
Supplier filing GSTR-1 Monthly	11 th day of month succeeding such month
Supplier filing GSTR-1 Quarterly	13 th day of month succeeding such quarter

Said notification will be effective from 01.01.2021

3. Option to file GSTR-3B on Quarterly basis (Notification no. 84/2020–Central Tax dated 10.11.2020):

As stated above, Rule 61A provides an option to the taxpayers, having aggregate turnover up to INR 5 crore in PFY, to file GSTR-3B on quarterly basis. Said quarterly filing of GSTR-3B will be effective from 01.01.2021

Taxpayers who file GSTR-3B of October 2020 on or before 30.11.2020, will be migrated to the Quarterly filing of GSTR-3B in following manner:

S.No.	Class of registered persons	Deemed option
1	Registered persons having aggregate turnover up to INR 1.5 crore, who have filed quarterly GSTR-1 in the current FY	Quarterly return
2	Registered persons having aggregate turnover up to INR 1.5 crore, who have filed monthly GSTR-1 in the current FY	Monthly return
3	Registered persons having aggregate turnover more than INR 1.5 crore and up to INR 5 crore rupees in the PFY	Quarterly return

Above default option may be changed during 05.12.2020 to 31.01.2021

Other taxpayers who do not file GSTR-3B of October 2020 within above time limit will have to opt for such Quarterly filing of GSTR-3B

Further through **Circular No. 143/13/2020-GST dated 10.11.2020** it is clarified that the option to avail such Quarterly filing is GSTIN wise and therefore, a person (having single PAN) can opt for Quarterly filing for one or more GSTIN

4. Option to pay tax by 'Fixed sum method' (*Notification no. 85/2020–Central Tax dated 10.11.2020*):

Taxpayers who exercise the option to file GSTR-3B on quarterly basis, may follow special procedure in 1st or 2nd or both the months of the quarter by depositing following **fixed amount** in electronic cash ledger ("ECL"):

- **where GSTR-3B is furnished quarterly** - 35% of tax liability paid by debiting the ECL in the return for the preceding quarter;
- **where GSTR-3B is furnished monthly** – 100% of tax liability paid by debiting the ECL in the return for the last month of the immediately preceding quarter

However, no such amount is to be deposited where balance in cash ledger or credit ledger is sufficient to discharge tax liability or there is Nil tax liability.

Said '**Fixed sum method**' can be followed only when the taxpayer has furnished the return for preceding tax periods preceding such month

Said notification will be effective from 01.01.2021

It is important to note that taxpayer has a discretion to follow above method and therefore, he has the right to follow '**Self-assessment method**' and pay the tax accordingly

Through **Circular No. 143/13/2020-GST dated 10.11.2020** it is clarified that if taxpayer follows 'fixed sum method', no interest would be payable where the tax liability net of ITC was higher than the amount paid in challan in any of the two months of the quarter **provided GST PMT-06 is filed within due date**

Further it is clarified that no late fee is applicable for delay in payment of tax through GST PMT-06 in first two months of the quarter as late fees is levied on delay in filing of return

5. Extension of due date to file GST ITC-04 (*Notification no. 87/2020–Central Tax dated 10.11.2020*):

The time limit for furnishing the declaration in **GST ITC-04**, in respect of goods dispatched to a job worker or received from a job worker during the period from July 2020 to September 2020, has been extended till the 30.11.2020

Said notification will be deemed to be effective from 25.10.2020

6. Applicability of E-invoicing provisions (*Notification no. 88/2020–Central Tax dated 10.11.2020*):

W.e.f. 01.01.2021, the provisions of e-invoicing shall be applicable to the registered persons having turnover exceeding INR 100 crore instead of current limit of INR 500 crore

We will be glad to provide any information, elaboration and elucidation you may need in this regard.

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