

GST Update

Weekly Update
06.03.2021

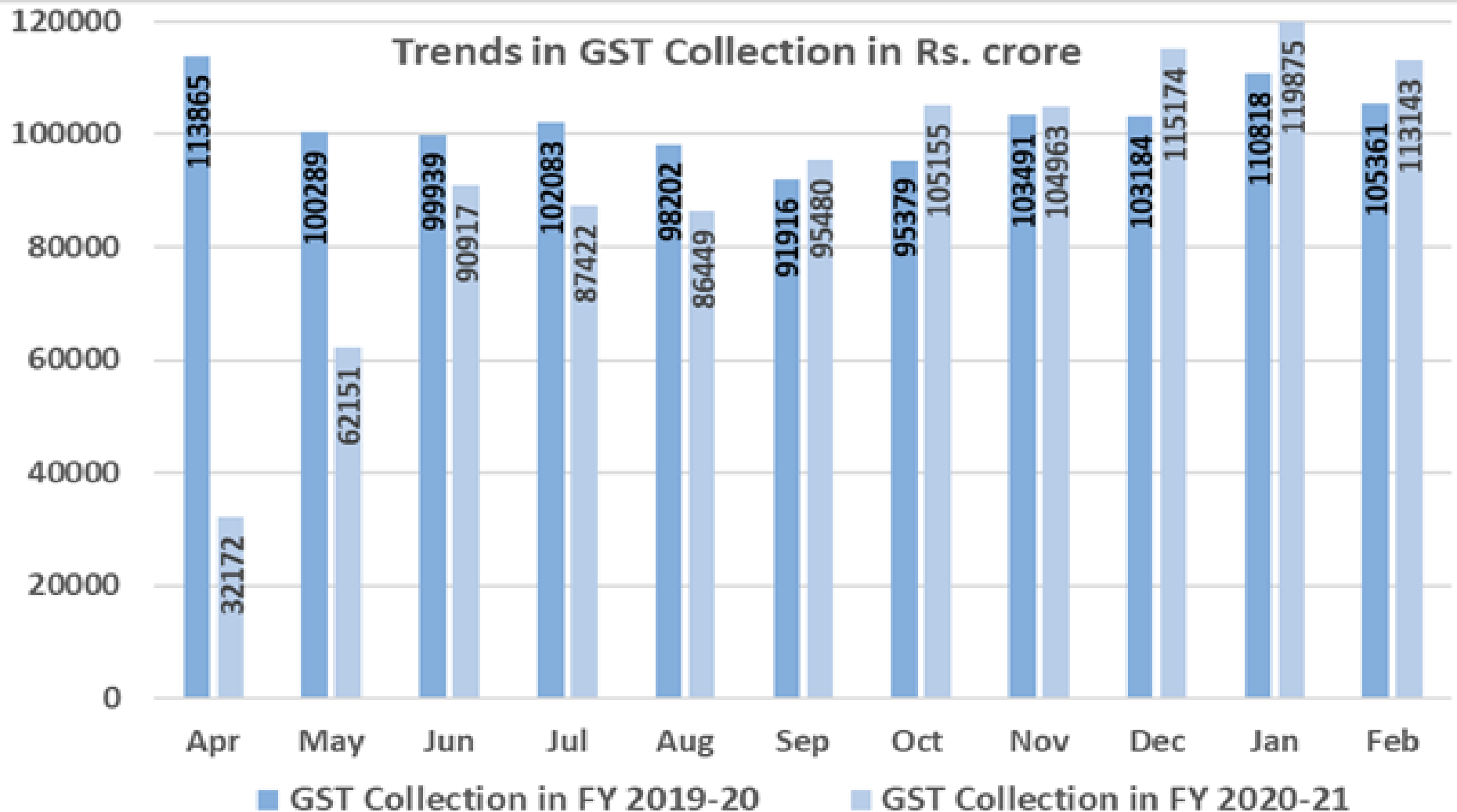
Background

- This Presentation covers the GST changes / observations/ press releases released by CBEC since the last update on 06.02.2021. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications, except the provisions related solely to SGST provisions. Similar parallel provisions in State Laws may be referred to as required

GST Revenue for February 2021

- <https://pib.gov.in/PressReleasePage.aspx?PRID=1701723> Press release dated 1st March 2021
- The gross GST revenue collected in the month of February 2021 is ₹ 1,13,143 crore of which CGST is ₹ 21,092 crore, SGST is ₹ 27,273 crore, IGST is ₹ 55,253 crore (including ₹ 24,382 crore collected on import of goods) and Cess is ₹ 9,525 crore (including ₹ 660 crore collected on import of goods).
- The revenues for the month of February 2021 are 7% higher than the GST revenues in the same month last year. During the month, revenues from import of goods was 15% higher and the revenues from domestic transaction (including import of services) are 5% higher than the revenues from these sources during the same month last year.

GST Revenue for February 2021 (Contd)



- <https://pib.gov.in/PressReleasePage.aspx?PRID=1701719>
- 94 percent of the total estimated GST compensation shortfall has been released to the States & UTs with Legislative Assembly. Out of this, an amount of Rs. 95,138.08 crore has been released to the States and an amount of Rs. 8,861.92 crore has been released to the 3 UTs with Legislative Assembly.
- The Government of India had set up a special borrowing window in October 2020 to meet the estimated shortfall of Rs. 1.10 Lakh crore in revenue arising on account of implementation of GST. The borrowings are being done through this window by the Government of India on behalf of the States and UTs.

Aadhar authentication

- **Notification No 03/2021-Central Tax dated 23rd February 2021**
- Aadhar authentication under section 25(6B) & (6C) of CGST Act 2017 shall not be applicable to following persons-
- A person who is not a citizen of India
- A Department or establishment of the Central Government or State Government
- A local authority
- A statutory body
- A Public Sector Undertaking
- A person applying for registration under the provisions of sub-section (9) of section 25 of the said Act.

Dynamic Quick Response (QR) Code on B2C invoices

- **Circular no. 146/02/2021-GST dated 23rd February 2021**
- Notification No. 14/2020-Central Tax dated 21st March 2020
 - requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 01.12.2020
 - No penalty for non-implementation up to 31st March 2021
- Notification not applicable to-
 - Supplies made for exports as e-invoices are required to be issued in respect of supplies for exports, in terms of Notification no. 13/2020-Central Tax, dated 21st March 2020 treating them as Business to Business (B2B) supplies

Dynamic Quick Response (QR) Code on B2C invoices (Contd)

- Notification not applicable to following -
 - An insurer or a banking company or a financial institution, including a non-banking financial company
 - A goods transport agency supplying services in relation to transportation of goods by road in a goods carriage
 - Supplying passenger transportation service
 - Supplying services by way of admission to exhibition of cinematograph in films in multiplex screens
 - OIDAR suppliers registered under section 14 of the IGST Act 2017

Dynamic Quick Response (QR) Code on B2C invoices (Contd)

- Parameters/ details required to be captured in the Quick Response (QR) Code
 - Supplier GSTIN number
 - Supplier UPI ID
 - Payee's Bank A/C number and IFSC
 - Invoice number & invoice date
 - Total Invoice Value
 - GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc.
- Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.

Dynamic Quick Response (QR) Code on B2C invoices (Contd)

- **Compliance of QR code requirements**
- If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements.
- If payment made in cash or credit card etc, the supplier provides a cross reference of the amount paid in cash, along with date of such payment on the invoice; The said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.
- If payment is made before generation / issuance of invoice, the supplier shall provide cross reference on the invoice.
- If payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

Extension of time limit for annual return

- **Notification No. 04/2021 – Central Tax dated 28th February 2021**
- Extends the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20
 - **till 31.03.2021**

- **Circular No. 145/01/2021-GST dated 11th February 2021**
- Rule 21A(2A) of the CGST Rules 2017 inserted vide notification No. 94/2020- Central Tax, dated 22.12.2020
- Immediate suspension of registration of a person, as a measure to safeguard the interest of revenue, on observance of such discrepancies /anomalies between GSTR-3B with GSTR-1 & GSTR-2A/ 2B which indicate violation of the provisions of Act and rules made thereunder; and that continuation of such registration poses immediate threat to revenue.
- Intimation to registered person in Form GST REG-31

SOP for suspension of registration (Contd)

- **SOP till the functionality for Form GST REG-31 is developed in the portal**
- The notice/intimation shall be made available to the taxpayer on their dashboard on common portal in FORM GST REG-17. The taxpayers will be able to view the notice in the “View/Notice and Order” tab post login.
- The taxpayers, whose registrations are suspended to furnish reply in Form GST REG-18 to the jurisdictional tax officer within thirty days from the receipt of such notice / intimation.
- Upon receipt of reply from the said person or on expiry of thirty days (reply period), a task would be created in the dashboard of the concerned proper officer under “Suo moto cancellation proceeding”

SOP for suspension of registration (Contd)

- Proper officer, after response received from the said person, may pass an order either for dropping the proceedings for suspension/cancellation of registration in FORM GST REG-20 or for cancellation of registration in FORM GST REG-19.
- Based on the action taken by the proper officer, the GSTIN status would be changed to “Active” or “Cancelled Suo-moto” as the case maybe.
- In case the proper officer is prima-facie satisfied with the reply, he may revoke the suspension by passing an order in FORM GST REG-20. Post such revocation, if need be, the proper officer can continue with the detailed verification. After detailed verification or otherwise, if the proper officer finds that the registration of the said person is liable for cancellation, he can again initiate the proceeding of cancellation of registration by issuing notice in FORM GST REG-17.

GST Portal Updates

<https://www.gst.gov.in/newsandupdates>

Advisory on Annual Return (GSTR-9) and Reconciliation certificate (GSTR-9C)

- **GSTR-9:** The taxpayers are advised to ensure that values are reported up to two decimal places in the GSTR-9 offline utility.
- The error “Error! Invalid Summary payload” after uploading the JSON created from the Offline Utility of GSTR-9 is reported due to reporting values up to three decimal places instead of two decimals.
- **GSTR-9C:** Reconciliation statement to be filed in Form GSTR-9C requires the tax rate wise declaration of transactions for the concerned financial year.
- In the said form, tax amount pertaining to tax rates 1%, 1.5% and 7.5% in section III (table 9 and 11) and section V may be made in row/ under label ‘Others’ of the said tables, wherever applicable.



THANK YOU