

GST Update

Weekly Update
08.05.2021

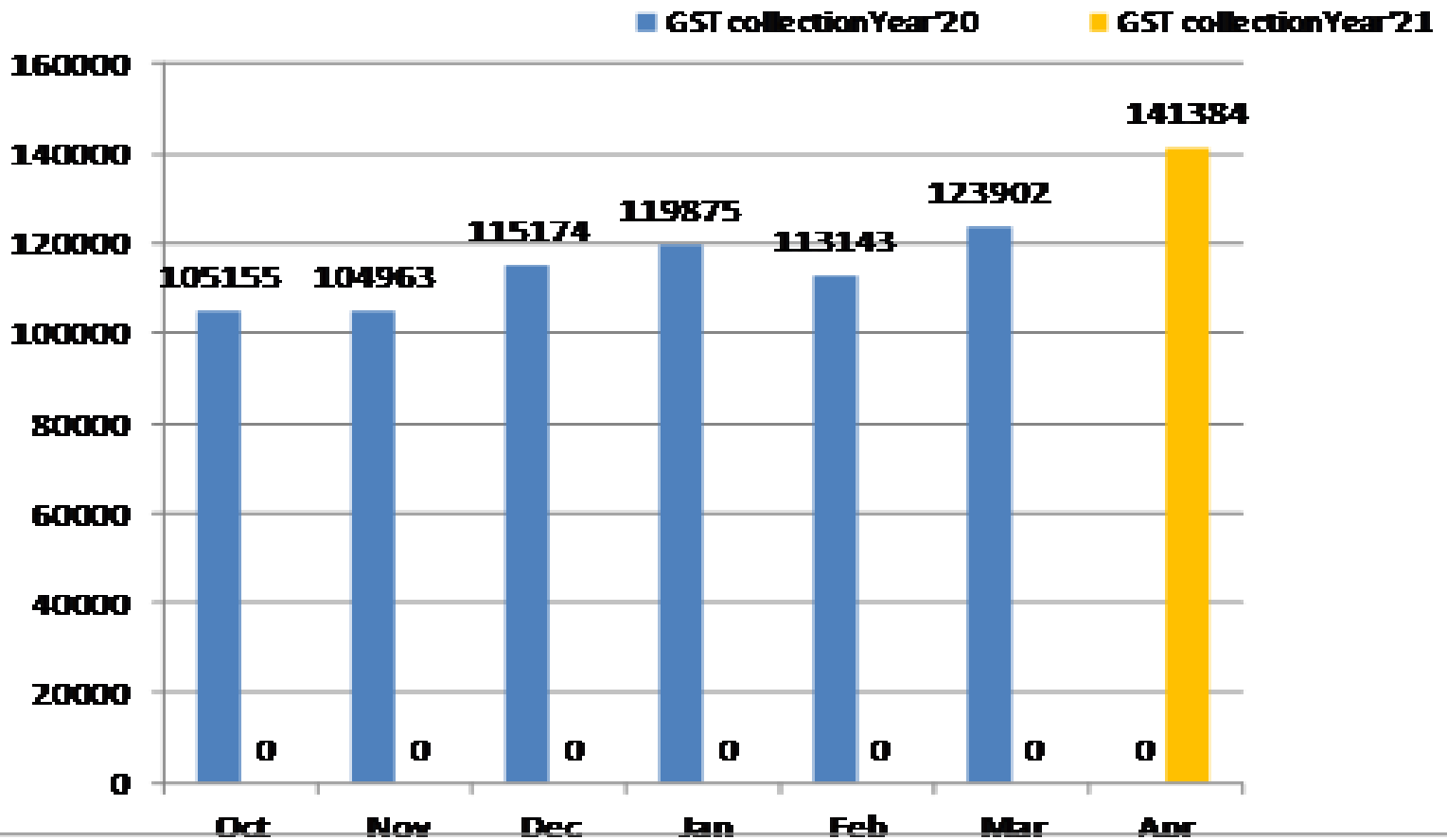
Background

- This Presentation covers the GST changes / observations/ press releases released by CBEC since the last update on 03.04.2021. 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 April 2021

- **PIB Press release dated 1st May 2021.**
- The gross GST revenue collected in April' 2021 is at a record high of Rs. 1,41,384 crore of which CGST is Rs. 27,837 crore, SGST is Rs. 35,621, IGST is Rs 68,481 crore (including Rs. 29,599 crore collected on import of goods) and Cess is Rs. 9,445 crore (including Rs. 981 crore collected on import of goods).
- The GST revenues during April 2021 are the highest since the introduction of GST. In line with the trend of recovery in the GST revenues over past six months, the revenues for the month of April 2021 are 14% higher than the GST revenues in the last month of March'2021. During the month, the revenues from domestic transaction (including import of services) are 21% higher than the revenues from these sources during the last month.

GST Revenue trends during the October'20 to Mar'20 and April'2021



GST Revenue during April 2021 (Contd)

- Closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, Income-tax and Customs IT systems and effective tax administration have also contributed to the steady increase in tax revenue.
- Quarterly return and monthly payment scheme has been successfully implemented bringing relief to the small taxpayers as they now file only one return every three months.
- Providing IT support to taxpayers in the form of pre-filled GSTR 2A and 3B returns and ramped up System capacity have also eased the return filing process.

Relaxations in GST Compliance during second wave of Covid 19

(Notifications No. 08 to 14/2021 all dated 1st May 2021;
Notification No. 01/2021 – Integrated Tax dated 1st May
2021)

- **Notification No. 08/2021- Central Tax dated 1st May, 2021**
- **Rate of interest for late payment of taxes with returns for March 2021 and April 2021:**
 - Tax payers having Turnover more than Rs. 5 Cr. in preceding F.Y. 9% for first 15 days and 18% thereafter.
 - Taxpayer having Turnover less than Rs.5 Cr. In preceding F.Y. (This includes quarterly filers and composition tax payers for quarter ending March, 2021- Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter

Late fees for filing returns

- **Notification No. 09/2021- Central Tax dated 1st May, 2021**
- **Waiver of Late fees for filing return:**
- Tax payers having turnover more than Rs 5 Cr. in preceding F.Y.
 - March, 2021 and April, 2021 waiver of late fees for 15 days from the due date of furnishing return
- Taxpayer having Turnover less than Rs 5 Cr. in preceding F.Y.
 - Monthly return filers; March 2021 and April 2021- Waiver of late fees for 30 days from due date of furnishing return
 - Quarterly return filers; January 2021 to March 2021 - Waiver of late fees for 30 days from due date of furnishing return

Composition Taxpayers

- **Notification No. 10/2021- Central Tax dated 1st May, 2021**
- The due date for furnishing return in Form GSTR-4 by Composition taxpayers for F.Y. 2020-21 has been extended from 30/04/2021 to 31/05/2021.
- **Notification No. 13/2021- Central Tax dated 1st May, 2021**
- Due date for furnishing details of out ward supplies (using IFF) by quarterly return filers(QRMP) for the month of April-2021 which was 13/05/2021 has been extended to 28/05/2021 for the month of April-21.

Job workers

- **Notification No. 11/2021- Central Tax dated 1st May 2021**
- The due date for furnishing quarterly details of challans in respect of goods dispatched to a job worker or received from a job worker in FORM GST ITC-04 for January 2021 to March 2021 has been extended from 25th April 2021 to 31st May 2021.

Statement of outward supplies in Form GSTR-1

- **Notification No. 12/2021- Central Tax dated 1st May, 2021**
- The time limit for furnishing the details of outward supplies in FORM GSTR-1 for April, 2021 extended till the 26 May 2021
- **Notification No. 13/2021- Central Tax dated 1st May, 2021**
- Due date for furnishing details of out ward supplies (using IFF) by quarterly return filers (QRMP) for the month of April, 2021 which was 13th May 2021 has been extended to 28th May 2021 for the month of April, 2021.

Restriction on ITC under rule 36(4)

- **Notification No. 13/2021- Central Tax dated 1st May, 2021**
- Restriction on ITC under rule 36(4) relaxed to calculate the same cumulatively for April, 2021 and May, 2021
- Restriction on availing input tax credit u/r 36(4) of CGST Rules that the ITC in GSTR 3B should not exceed more than 5% of the total amount of ITC as per GSTR 2A in one return period has been relaxed for return of April, 2021 to calculate the same cumulatively for April, 2021 and May, 2021 at the time of filing return for May, 2021. This means the said restriction on claiming ITC has to be calculated cumulatively for April, 2021 and May, 2021 at the time of filing return for May, 2021.

Limitation period ending on any date between 15th April 2021 to 30th May 2021

- **Notification No. 14/2021- Central Tax dated 1st May, 2021**
- Limitation period ending on any date between 15th April to 30th May 2021 has been extended till 31st May 2021. Time limit for completion or compliance of any action by any officer or any person which falls during the this period extended till 31/05/2021. The said compliances shall include following:
 - Completion of any proceeding or passing of any order or issuance of any notice, intimation
 - Filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other

Limitation period ending on any date between 15th April 2021 to 30th May 2021 (Contd)

- The above extension of limitation shall not be applicable for following provisions:
 - Chapter – IV of the CGST Act i.e. provisions of Time of supply and value of supply
 - Section 10(3) which specifies that composition shall lapse once registered person exceeds prescribed turnover for eligibility of composition scheme
 - Section 25 – limitation period for registration under GST Laws.
 - Section 27 – Limitation periods applicable for casual taxable person and non-resident taxable person.

Limitation period ending on any date between 15th April 2021 to 30th May 2021 (Contd)

- Section 37 – Furnishing of outward supplies in form GSTR1.
- Section 47 – Levy of late fees
- Section 50 – Interest on late payment of taxes
- Section 69 – Power of arrest
- Section 90 - Liability of partners of firm to pay tax.
- Section 122 – Penalty for certain offences
- Section 129 – Detention search and seizer
- Section 39 – Returns in form GSTR3B
- Section 68 – E-way bill

IGST relaxations on import of COVID related goods

IGST on import of oxygen concentrators for personal use

- **Notification No. 30/2021-Customs dated 1st May 2021**
- IGST on Oxygen concentrators imported for personal use, classifiable under 9804
 - reduced from 28% to 12%
- The notification shall remain in force up to and inclusive of the 30th June 2021

Exemption from IGST on imports of COVID-19 relief material donated from abroad

- **Ad hoc Exemption Order No. 4/2021-Customs dated 3rd May 2021**
- Ad hoc Exemption from IGST on imports of specified COVID-19 relief material donated from abroad
- This exemption shall apply till 30th June 2021. It would also cover goods already imported but lying uncleared on 3rd May 2021.
- The exemption shall be subject to the following conditions:
 - State Government shall appoint a nodal authority in the State for the purpose of this exemption. As per section 2 (103) of the Central Goods and Services Tax Act, 2017, state include a Union territory with Legislature.

Exemption from IGST on imports of COVID-19 relief material donated from abroad (Contd)

- The exemption shall be subject to the following conditions:
 - The Nodal authority so appointed shall authorise any entity, relief agency or statutory body, for free distribution of such Covid-relief material.
 - The said goods can be imported free of cost by a State Government or, any entity/ relief agency/ statutory body, authorized in this regard for free distribution anywhere in India.
 - The importer shall before clearance of goods from Customs produce a certificate from the said nodal authorities that goods are meant for free distribution for Covid relief.
 - After imports, the importer shall produce, to the Deputy or Assistant Commissioner of Customs at the port within a period of six months from the date of importation or within such extended period not exceeding nine months, a simple statement containing details of goods imported and distributed free of cost. This statement shall be certified by the said nodal authority of the State Government.

Exemption from IGST on imports of COVID-19 relief material donated from abroad (Contd)

- The goods covered in exemption include:
 - Medical grade Oxygen, oxygen therapy related equipment such as oxygen concentrators, cryogenic transport tanks, etc
 - Remdesivir injection/ API and Beta Cyclodextrin (SBEB CD), Inflammatory diagnostic (markers) kits
 - Ventilators, including ventilator with compressors; all accessories and tubings; humidifiers; viral filters (should be able to function as high flow device and come with nasal canula).
 - Non-invasive ventilation oronasal and nasal masks for ICU ventilators.
 - Cryogenic road transport tanks for Oxygen
 - Oxygen storage tanks
 - Helmets for use with non-invasive ventilation
 - Oxygen cylinders including cryogenic cylinders and tanks
 - COVID-19 vaccines

- <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/FAQ.pdf>
- Whether exemption from IGST under the said Order is available in case the importer buys the goods from abroad, but the same is meant for free distribution for COVD relief in India?
 - No. adhoc exemption order applies only where the importer gets goods free of cost for free distribution. Other instances are not covered by the exemption order

FAQs on Adhoc Exemption Order (Contd)

- The imports may be imported at place within jurisdiction of State A, and goods may be for free distribution in State A as well as B. In such a case, which State nodal authority, A or B, shall be required to issue authorization and certify the free distribution of said goods?
 - Any 'relief agency' authorised by a State can make free distribution of goods so imported anywhere in India. Exemption order only envisages that relief agency should have been authorised by a State and should have obtained a certificate to this effect. So in the instant case either of the States A or B may authorise the agency and issue the certificate for compliance of Condition No. 3 of the Annexure to the said Order

FAQs on Adhoc Exemption Order (Contd)

- Is there a specified format for issuing certificate, recommending exemption to a relief agency?
- A format for the said authorization for import is placed on CBIC's website, under Customs Instructions → Instruction 9/2021-Customs dated 3rd May 2021. This format is for facilitation purpose. Certificate in any format containing information as mentioned in format at the above link shall be accepted by Customs.

FAQs on Adhoc Exemption Order (Contd)

- What will be the procedure for certification of the statement containing details of such imported goods distributed free of cost, if distributed within the state whose nodal authority authorising the importing entity/ relief agency, and if distributed in other states.
- Condition No. 4 of the Annexure to the said Order requires that a statement containing details of goods distributed free of cost, duly certified by the said nodal authority of the State Government, is to be produced by the importer before the specified Customs officer at the port of importation. The certification of statement shall be done by the nodal authority that authorises the relief agency and issues certificate to relief agency recommending exemption under the adhoc order. There is no prescribed procedure for certification of statement and the States/ State nodal authorities are at liberty to devise their own suitable mechanism as deemed fit, for certification of statement.

FAQs on Adhoc Exemption Order (Contd)

- The nodal authority will issue the certificate to the entity who will submit the same before the concerned customs authority at the time of clearance of goods. Is this understanding, correct?
- Yes, Condition No. 3 of Annexure to said Order may be referred to. As mentioned therein, the State nodal authority will authorize the importing entity, and the importer will produce the said authorization before Customs at time of clearance for availing the exemption.

FAQs on Adhoc Exemption Order (Contd)

- Is the certificate to be issued import consignment wise or a certificate could be issued covering multiple imports by a relief agency?
- Although a certificate is required to be produced by an importer to Customs at the time of clearance of each consignment, a separate, consignment-wise certificate is not necessary. A certificate issued to a relief agency may cover goods imported under multiple consignments. The certificate should specify port-wise anticipated import by relief agency, in the format as mentioned at S. No. 3 above.

GST Portal Updates

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

- Auto Generation of Form GSTR-2B, for the QRMP taxpayers
- Form GSTR-2B contains details of filed IFFs (for Month M1 & M2) & filed Form GSTR 1 (for Month M3).
- Form GSTR 2B has two sections of ITC i.e. ITC available and ITC not available (which flows from the supplier's filed IFF & Form GSTR-1, imports etc). It also contains tax liability of taxpayer (which flows from the taxpayers own filed IFF & Form GSTR-1).
- Taxpayers can view and download their system generated Quarterly Form GSTR-2B for Jan-March 2021 quarter, by clicking on **Auto-drafted ITC statement for the quarter** on 14th April 2021, by selecting the last month of the quarter (M3).
- The default view of Form GSTR-2B is quarterly. However, to view Form GSTR-2B of a particular month (M1, M2 or M3), taxpayer has an option to select appropriate month, from the view drop-down to view that month's data.

New features related QRMP Scheme (Contd)

- **Auto-population of ITC in Form GSTR-3B for the QRMP taxpayers**
- Figures of ITC available and ITC to be reversed will now be auto-populated in Table 4 of Form GSTR-3B, for the QRMP taxpayers, from their system generated quarterly Form GSTR-2B.
- On the GSTR-3B dashboard page, an additional button **‘System computed GSTR-3B’** has also been provided, by clicking which system computed Form GSTR-3B can be downloaded in PDF format.
- Taxpayer can edit the auto-drafted values as per their records and save the updated details.
- The system will show a warning message to taxpayers in case ITC available is increased by more than 5% or ITC to be reversed is reduced even partially, by them. However, the system will not stop the filing of Form GSTR-3B in such cases.



THANK YOU