

CGA Legal
Your GST Knowledge Partner

The GST Bulletin

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In this Issue.....

S. No.	Particulars
1	GST Compliance Actionable
2	GST Updates
	❖ Notifications
	❖ CBIC Instructions
	❖ GST Technical Updates
	❖ Other GST Updates
3.	CGA Legal Recommends
	<ul style="list-style-type: none"> • Do you want to assure your ITC: Steps to be taken by Recipient at the time of Receipt of Goods / Services
	<ul style="list-style-type: none"> • Sample Communication of GSTR-2A Mismatch to the Customer
	<ul style="list-style-type: none"> • Sample Communication of ITC Mismatch to the Vendor

GST Compliance Actionable

GSTR-3B/ GST PMT -06						
S. No.	Type of taxpayer	Statutory Due Date	Interest Rate for Payment of Tax NTN 18/2021-CT dt. 01-06-21			Late fees waived if filed within NTN 19/2021-CT dt. 01-06-21 Also Ref Note 1
			Nil till	9% from	18% from	
Tax Period : March 2021/ Quarter ending March 2021						
1.	Turnover more than INR 5 crore in the preceding FY	20.04.21	N.A	21.04.21	06.05.21	05.05.21
2.	Turnover up to INR 5 crores and have opted for monthly return filing 1. State A 2. State B [Ref Note 5]	1. 22.04.21 2. 24.04.21	1. 07.05.21 2. 09.05.21	1. 08.05.21 2. 10.05.21	1. 22.06.21 2. 24.06.21	1. 21.06.21 2. 23.06.21
3.	Turnover up to INR 5 Crores and under QRMP Scheme	20.04.21	05.05.21	06.06.21	20.06.21	19.06.21
Tax Period : April 2021						
1.	Turnover more than 5 crore in the preceding FY	20.05.21	N.A	21.06.21	05.06.21	04.06.21
2.	Turnover up to INR 5 crores and have opted for monthly return filing 1. State A 2. State B [Ref Note 5]	1. 22.05.21 2. 24.05.21	1. 06.06.21 2. 08.06.21	1. 07.06.21 2. 09.06.21	1. 07.07.21 2. 09.07.21	1. 06.07.21 2. 08.07.21
3.	Turnover up to INR 5 Crores and under QRMP Scheme [PMT-06]	25.05.21	09.06.21	10.06.21	10.07.21	N.A

GST Compliance Actionable

GSTR-3B/ GST PMT -06						
S. No.	Type of taxpayer	Statutory Due Date	Interest Rate for Payment of Tax NTN 18/2021-CT dt. 01-06-21			Late fees waived if filed within NTN 19/2021-CT dt. 01-06-21 Also Ref Note 1
			Nil Till	9% Till	18% From	
Tax Period : May 2021						
1.	Turnover more than INR 5 crore in the preceding FY	20.06.21	N.A	21.06.21	06.07.21	05-07-21
2.	Turnover up to INR 5 crores and have opted for monthly return filing					
	1. State A	1. 22.06.21	1. 07.07.21	1. 08.07.21	1. 23.07.21	1. 22.07.21
	2. State B [Ref Note 5]	2. 24.06.21	2. 09.07.21	2. 10.07.21	2. 25.07.21	2. 24.07.21
3.	Turnover up to INR 5 Crores and under QRMP Scheme [PMT-06]	25.06.21	10.07.21	11.07.21	26.07.21	N.A

GST Compliance Actionable

GSTR-1/ IFF					
S. No.	Form	Tax Period	Statutory Due Date	Extended Due Date Also Ref Note 2	Reference Notification
1.	GSTR-1	April 2021	11-05-21	26-05-21	NTN 12/2021-CT Dated 01-05-21
2.	Invoice Furnishing Facility	April 2021	13-05-21	28-05-21	NTN 13/2021-CT Dated 01-05-21
3	GSTR-1	May 2021	11-06-21	26-06-21	NTN 17/2021-CT Dated 01-06-21
4	Invoice Furnishing Facility	May 2021	13-06-21	28-06-21	NTN 27/2021-CT Dated 01-06-21

Return for Composition Tax Payers					
S. No.	Form	Tax Period	Statutory Due Date	Extended Due Date	Reference Notification
1.	CMP-08	Quarter ending March 21	18-04-21	1. Interest Nil till :03-05-21 2. Interest @ 9% From : 04-05-21 3. Interest @ 18% From: 18-06-21	NTN 18/2021-CT Dated 01-06-21
2.	GSTR-4	FY 2020-21	30-04-2021	31-07-2021 Ref Note 3	NTN 25/2021-CT Dated 01-06-21

Return for Goods sent for Job work					
S. No.	Form	Tax Period	Statutory Due Date	Extended Date	Reference Notification
1.	ITC-04	Quarter ending March 2021	25-04-2021	30-06-2021	NTN 26/2021-CT Dated 01-06-21

GST Compliance Actionable

Other Forms>Returns				
Type of Return/Form	Tax Period	Type of Taxpayer	Statutory Due Date	Extended Due Date NTN 24/2021-CT dated 01-06-2021 Ref Note 4
GSTR-5	March 2021	Non-Resident Taxable Person	20-04-21	30-06-21
GSTR-5	April 2021	Non-Resident Taxable Person	20-05-21	30-06-21
GSTR-5	May 2021	Non-Resident Taxable Person	20-06-21	30-06-21
GSTR-5A	March 2021	OIDAR	20-04-21	30-06-21
GSTR-5A	April 2021	OIDAR	20-05-21	30-06-21
GSTR-5A	May 2021	OIDAR	20-06-21	30-06-21
GSTR-6	April 2021	ISD	13-05-21	30-06-21
GSTR-6	May 2021	ISD	13-06-21	30-06-21
GSTR-7	April 2021	TDS Deductor	10-05-21	30-06-21
GSTR-7	May 2021	TDS Deductor	10-06-21	30-06-21
GSTR-8	April 2021	E-Commerce Operator	10-05-21	30-06-21
GSTR-8	May 2021	E-Commerce Operator	10-06-21	30-06-2021

GST Compliance Actionable

Notes

1. **Applicable Late Fee for GSTR-1 :** Reference NTN 20/2021-CT dt 01.06.2021, the late fees provided below is both under Central and State GST.

Type of Return	Tax Period	Category of Taxpayers	Normal Return		Nil Return	
			Fee in INR per day for which default continues	Maximum Late Fee which can be levied	Fee in INR per day for which defaults	Maximum Late Fee which can be levied
GSTR-1	Till May 2021	All Registered Person required to file Return	50	10,000	20	10,000
	June 2021 or QE ending June 2021 onwards	Registered Taxpayers with AATO 0-1.5 Cr	50	2,000	20	500
		Registered Taxpayers with AATO 1.5-5 Cr	50	5,000		
		Registered Taxpayers with AATO more than INR 5Cr	50	10,000		

GST Compliance Calendar - June 2021

Notes

2. Applicable Late Fee for GSTR-3B : Reference NTN 19/2021-CTdt 01.06.2021. The late fees provided below is both under Central and State GST.

Tax Period	Category of Tax payers	Normal Return		Nil Return	
		Fee in INR per day for which default continues	Maximum Late Fee which can be levied	Fee in INR per day for which default continues	Maximum Late Fee which can be levied
July 2017- April 2021	All Registered Person required to file Return	50	1,000	20	500
May 2021	All Registered Person required to file Return	50	10,000	20	10,000
June 2021 or QE June 2021 onwards	Registered Taxpayers with AATO 0-1.5 Cr	50	2,000	20	500
	Registered Taxpayers with AATO 1.5-5 Cr	50	5000		
	Registered Taxpayers with AATO more than INR 5Cr	50	10,000		

3. Applicable Late Fee for GSTR-4 : Reference NTN 21/2021-CT dt 01.06.2021. From FY 2021-22 onwards late fees is INR 500 [CGST RS 250 & SGST INR 250] if Nil Return else INR 2000[CGST INR 1000 & SGST INR 1000]

GST Compliance Calendar - June 2021

Notes

4. Extension of Time Limit of specified compliances falling between 15.04.2021 to 29.06.2021 till 30.06.2021 in exercise of powers under section 168A of CGST Act: As per Notification No. 24/2021-CT dated 01-06-2021, time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from 15th April, 2021 to 29th June, 2021, to be extended upto 30th June, 2021, subject to some exceptions.

5. State A: Regular Tax payers having an aggregate turnover of upto INR 5 crores whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep

State B: Regular Tax payers having an aggregate turnover of upto INR 5 crores whose principal place of business is in the 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 or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
1.	03/2021- CT (R) dt 02.06.2021 Corresponding NTN in IGST: 03/2021- IT (R) dt 02.06.2021	<p>Affixation of Liability of Payment of GST by Promoter who receives Developmental rights or Long-term lease of land on or after 1st April 2019</p> <p>A promoter who receives development rights or Floor Space Index (FSI) (including additional FSI) on or after 1st April, 2019 or a promoter, who receives long term lease of land on or after 1st April, 2019 for construction of residential apartments in a project against consideration payable or paid by him, in the form of upfront amount shall pay GST in a tax period not later than the tax period in which the date of issuance of the completion certificate for the project, where required, by the competent authority, or the date of its first occupation, whichever is earlier, falls.</p> <p>CGA Legal Comments : <i>This will enable them to utilize such ITC for subsequent sale of flats on which GST is payable. At the same time the developer promoter will be allowed to pay GST any time before or at the time of issuance of completion certificate.</i></p>
2.	02/2021- CT (R) dt 02.06.2021 Corresponding NTN in IGST: 02/2021- IT (R) dt 02.06.2021	<p>To Specify ITC eligibility to Landowner and Notify GST rate for Maintenance, repair and overhaul (MRO) services for ships and vessels</p> <ul style="list-style-type: none"> The landowner-promoter shall be eligible to utilise the credit of tax charged to him by the developer promoter for payment of tax on apartments supplied by the landowner-promoter in such project. GST Rate of 2.5% for Maintenance, repair or overhaul services in respect of ships and other vessels, their engines and other components or parts.
3.	01/2021- CT (R) dt 02.06.2021 Corresponding NTN in IGST: 01/2021- IT (R) dt 02.06.2021	<p>Seeks to reduce rate of DEC (Diethylcarbamazine) tablets and toy balloons</p> <ul style="list-style-type: none"> Reduction of GST rate on Diethylcarbamazine (DEC) tablets from 12% to 5% Toy balloons made of natural rubber latex with HSN 9503 only will attract GST @ 5%

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
4.	27/2021-CT dt. 01.06.2021	<p>Amendment to CGST Rules, 2017</p> <p>Allow furnishing of GSTR-1 and GSTR-3B by EVC for Companies during the period from the 27.04.2021 to the 31.08.2021:</p> <p>The companies registered under GST shall, during the period from the 27.04.2021 to the 31.08.2021, also be allowed to furnish GSTR-3B and GSTR-1 or using invoice furnishing facility, verified through electronic verification code (EVC).</p> <p>Cumulative adjustment of ITC for the purpose of Rule 36(4) for April, May & June 2021</p> <p>The condition for taking ITC , for the purpose of Rule 36(4) of CGST Rules, shall apply cumulatively for the period April, May and June 2021 and the return in FORM GSTR-3B for the tax period June, 2021 shall be furnished with the cumulative adjustment of input tax credit.</p> <p>Earlier the relief of cumulative adjustment was available for April & May 2021 only vide NTN 13/2021-CT dt 01.05.2021</p> <p>Seeks to allow furnishing the details through IFF by 28th June 2021 for the month of May 2021</p> <p>A registered person may furnish such details, for the month of May 2021, using IFF from the 01.06.2021 till the 28.06.2021. <i>Kindly refer GST Compliance Actionable for details.</i></p>
5.	26/2021-CT dt. 01.06.2021	<p>Extension of due date for furnishing of FORM ITC-04 for quarter ending March 2021 to 30.06.2021.</p> <p>Earlier NTN 11/2021-CT dt. 01.05.2021 was issued which extended the due date of filing of Form ITC-04 for the period from 01.01.2021 to 31.03.2021 till 31.05.2021. <i>Kindly refer GST Compliance Actionable for details.</i></p>

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
6.	25/2021-CT dt. 01.06.2021	<p>Extension of the due date for filing FORM GSTR-4 for FY 2020-21 to 31.07.2021.</p> <p>Earlier NTN 10/2021-CT dt. 01.05.2021 was issued to extend the due date for filing FORM GSTR 4 for FY 2020-21 to 31.05.2021. <i>Kindly refer GST Compliance Actionable for details.</i></p>
7.	24/2021-CT dt. 01.06.2021	<p>Extension of due date of compliances which fall during the period from "15.04.2021 to 29.06.2021" till 30.06.2021</p> <p>Earlier NTN 14/2021-CT dated 01-05-2021 issued which extended the due date of compliances which fall during the period from "15.04.2021 to 30.05.2021" till 31.05.2021. <i>Kindly refer GST Compliance Actionable for details.</i></p>
8.	23/2021-CT dt. 01.06.2021	Government departments and local authorities exempted from the requirement of issuance of e-invoice.
9.	22/2021-CT dt. 01.06.2021	Rationalization of Late fees for delay in filing of FORM GSTR-7 from June 2021 onwards to INR 50[CGST RS 25 & SGST INR 25] per day subject to Maximum of INR 2000 [CGST RS 1000 & SGST INR 1000]
10.	21/2021-CT dt. 01.06.2021	Rationalization of Late fees for delay in filing of FORM GSTR-4 for FY 2021-22 onwards to INR 500[CGST RS 250 & SGST INR 250] if Nil Return else INR 2000[[CGST RS 1000 & SGST INR 1000]
11.	20/2021-CT dt. 01.06.2021	<p>Rationalization of Maximum Late fees for delay in filing of FORM GSTR-1 for the tax period June 2021 or Quarter ending June 2021 onwards.</p> <p><i>Kindly refer GST Compliance Actionable for details.</i></p>

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
12.	19/2021-CT dt. 01.06.2021	<p>Amendment in Late Fee for GSTR- 3B</p> <ol style="list-style-type: none"> 1. Prescription of period for waiver of Late Fee for delay in Filing of GSTR-3B for QE ended March, Tax period March 2021 to May 2021. <p>Earlier NTN 09/2021-CT dt 01.05.2021 was issued to prescribe waiver of Late fee for QE March 2021 and for Tax period March 2021 & April 2021.</p> <ol style="list-style-type: none"> 2. Amnesty Scheme for Filing of GSTR-3B from July 2017 to April 2021 if filed between 1-06-2021 to 31-08-2021 3. Rationalization of Late fees for delay in filing of FORM GSTR-3B for the tax period June 2021 or Quarter ending June 2021 onwards <p><i>Kindly refer GST Compliance Actionable for details.</i></p>
13.	18/2021-CT dt. 01.06.2021	<p>Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021.</p> <p>Corresponding NTN in IGST</p> <p>Earlier NTN. 08/2021-CT dt. 01.05.2021 (Corresponding NTN in IGST: 01/2021-IT dt. 01.05.2021) was issued which provide relief in interest rates on payment of tax on filing of Form GSTR-3B for the month of March 2021 and April 2021.</p> <p><i>Kindly refer GST Compliance Actionable for details</i></p>
	02/2021-IT dt. 01.06.2021	
	02/2021-UTT dt. 01.06.2021	
14.	17/2021-CT dt. 01.06.2021	<p>Seeks to extend the due date for FORM GSTR-1 for May, 2021 by 15 days from 11.06.2021 to 26.06.2021.</p> <p>Earlier NTN 12/2021-CT dt. 01.05.2021 was issued which extended the due date of furnishing FORM GSTR-1 for April, 2021 till 26 05 2021.</p> <p><i>Kindly refer GST Compliance Actionable for details</i></p>

GST Updates - Notifications

S. No.	Notification No.	Summary of Notifications
15.	16/2021-CT dt. 01.06.2021	Seeks to appoint 01.06.2021 as the day from which the provisions of section 112 of Finance Act, 2021 , relating to amendment of section 50 of the CGST Act, 2017 regarding levy of interest on net tax liability, shall come into force.
16.	15/2021-CT dt.18.05.2021	<p>Amendment in CGST Rules</p> <ol style="list-style-type: none"> Extension in period within which registered person can file application for revocation of cancellation of registration. : Earlier 30 days from the date of service of order . Now, the above time period can be extended by the Additional Commissioner or the Joint Commissioner or the Commissioner, as the case may be. Exclusion of period from the date of filing of the refund claim in FORM GST RFD-01 till the date of communication of the deficiencies in FORM GST RFD-03 by the proper officer while calculating the period of two years as specified under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies. <p><i>Actionable for Taxpayers: It is a welcome amendment for the assessee filing refund as in many cases while filing the fresh refund application post receipt of deficiency memo, the time period of 2 years used to expire and the application could not be filed.</i></p> Withdrawal of Refund application by the period of two years as specified under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies by filing GST RFD-01W. Rule 138E in respect of Restriction of E-way Bill will be limited to Restriction of E-way bill in respect of Outward movement of goods by registered person. Earlier Inward supply also restricted through Rule 138E.

GST Updates – CBIC Instructions

Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration

Circular No. 148/04/2021-GST Date: 18-05-2021

- I. In the Finance Act, 2020, section 30 of the CGST Act, 2017 was amended (notified w.e.f. 1st Jan, 2021 vide notification No. 92/2020- Central Tax, dated 22nd December 2020). The amended provision provides for extension of time limit for applying for revocation of cancellation of registration by:
 - (a) the Additional or Joint Commissioner, as the case may be, for a period not exceeding thirty days;
 - (b) the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a) above

- II. **Procedure for revocation of cancellation –**
 - i. **If revocation is applied within 30 days:** It has been provided in section 30 of the CGST Act, any registered person, whose registration is cancelled, may apply in FORM GST REG-21, for revocation of cancellation of registration within 30 days from the date of service of the cancellation order.

 - ii. **If revocation is applied beyond 30 days but within 60 days:** In case the registered person applies for revocation of cancellation beyond 30 days, but within 60 days from the date of service of the cancellation order, the following procedure is specified for handling such cases:
 - a) The person may request, through letter or e-mail, for extension of time limit to apply for revocation of cancellation of registration to the proper officer by providing the grounds on which such extension is sought.
 - b) The proper officer shall forward the request to the jurisdictional Joint/Additional Commissioner for decision on the request for extension of time limit.
 - c) The Joint/Additional Commissioner may extend the time limit to apply for revocation of cancellation of registration. In case the request is accepted, the extension of the time limit shall be communicated to the proper officer.

GST Updates – CBIC Instructions

Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration

Circular No. 148/04/2021-GST Date: 18-05-2021

- a) In case the concerned Joint/Additional Commissioner, is not satisfied with the grounds on which such extension is sought, an opportunity of personal hearing may be granted to the person before taking decision in the matter.
- b) In case of rejection of the request for the extension of time limit, the grounds for such rejection may be communicated to the person concerned, through the proper officer.
- c) On receipt of the decision of the Joint/Additional Commissioner, the proper officer shall process the application for revocation of cancellation of registration according to the law and procedure laid down in this regard
- d) Procedure similar to that explained above, shall be followed mutatis-mutandis in case a person applies for revocation of cancellation of registration beyond a period of 60 days from the date of service of the order of cancellation of registration but within 90 days of such date.

The circular shall cease to have effect once the independent functionality for extension of time limit for applying in FORM GST REG-21 is developed on the GSTN portal.

***CGA Legal Comments:** The above facility of extension of time limit for filing application for revocation of cancellation of registration is only a stop gap arrangement till the above functionality is developed by GSTN. It needs to be seen that how much time is taken for granting such approvals by authorities and whether the time taken for granting such approval will be excluded while granting the extension of time limit for filing such application.*

GST Technical Updates – GSTN

Generation of GSTR-2B for April 2021

Date: 17-05-2021

- I. Rule 60(7) of CGST Rules-2017 prescribes for generation of auto-drafted statement containing the details of input tax credit in FORM GSTR-2B for counter-party recipients. As per Rule 60(8) of CGST Rules-2017, FORM GSTR-2B shall be made available to the recipients after the Due date of filing GSTR-1/IFF by the suppliers. Notification No. 12/2021-CT and 13/2021-CT, both dated 1st May 2021 extend the Due date of GSTR-1 and IFF for April 2021, to 26th and 28th May 2021, respectively. Consequently, GSTR-2B for April 2021 will be generated after the Due dates, on 29th May 2021.

CGA Legal Comments: *Taxpayers willing to file FORM GSTR-3B for April 2021 before GSTR-2B generation may do so on self-assessment basis. Notification No. 13/2021-CT dated 01.05.2021 prescribes a cumulative limit under Rule-36(4) for ITC claimed in periods April & May 2021. Now the GSTR-2A reconciliation as required by Rule 36(4) need to undertaken cumulatively for April , May & June 2021.*

Extension of the due date of filing Application for Revocation of Cancellation of Registration

Date: 31-05-2021

In view of the decision of GST Council taken in its 43rd meeting dt. 28.05.2021, the timeline for filing of the 'Application for Revocation of Cancellation' for those applicants, for whom the due date of filing such application was falling between 15 April to 29th June 2021, has been extended up to 30th June 2021.

CGA Legal Comments : *NTN 24/2021-CT dt 01.06.2021 has also been issued to give effect to the above recommendation of GST Council.*

Other GST Updates

Reporting of 'Rate of Tax' in GSTR -1

In view of Notification No 79/2020 Central Tax dated 15/10/2020 – Serial Number 7, in table 12 for the words “Total Value” has been substituted by the words “Rates of Tax”.

Actionable for Taxpayers: Thus, Taxpayers will now be required to report 'rate of tax' along with 'total taxable value' instead of 'invoice value' and 'total taxable value'.

E-way Bill system fully linked with FasTag and RFID

Now, E-Way Bill system is successfully integrated with FasTag and RFID, and details of commercial vehicle movements through the state and national highway tolls are received into e-Waybill system on a near real time basis. On an average 25 Lakh goods vehicle movements from more than 800 tolls are reported on a daily basis to the e-Way Bill system. It also includes live RFID data sent by 20+ border check posts of Maharashtra state.

Based on the RFID information received, the following reports are made available in the MIS System and also on the Officer's mobile App.

- 1. Live Vigilance:** This report can be used by the Vigilance officers to know the vehicles that have passed the selected tolls without e-Way Bills in the past few minutes. Also, the vehicles carrying critical commodities specific to the state and have passed the selected toll can be viewed. Any suspicious vehicles and vehicles of EWBs generated by suspicious taxpayer GSTINs , that have passed the selected toll on a near real time basis, can also be viewed in this report.
- 2. RFID related report for e-Way Bill:** This report can be used to know the tolls that have passed by the vehicles of a given e-Way bill number. The details are also shown on the google map for better conception. This will help in analyzing the vehicle movement and identifying the deviations in the origin and destination places from that reported in the e-waybill. Also, no vehicle movement can help in identifying bill trading.

Other GST Updates

E-way Bill system fully linked with FasTag and RFID

3. **RFID related report for Vehicle:** This report can be used to know the last tolls that have been passed by any vehicle.
4. **RFID related report for Vehicle between two dates:** This report can be used to know the tolls that have passed by any vehicle between any two dates.

Actionable for Taxpayers: The above reports will give more analytical data for compliance monitoring. The officers can make best use of these reports while conducting vigilance and make the vigilance activity more effective. Also, the officers of audit and enforcement wing can use these reports to identify the fraudulent transactions like bill trading , recycling of EWBs etc.

Haryana First State to Reimburse GST on Covid-Related Donations

Haryana on Tuesday became the first state in the country to allow reimbursement of goods and services tax (GST) paid on Covid-related donations made to the state and state-run facilities. This will be applicable till June 30. The move is aimed at encouraging efforts by corporations, non-government organisations (NGOs) and individuals and facilitating donations of items such as oxygen concentrators, Covid-19 vaccines, Remdesivir injections, etc. as the country battles the intense second Covid-19 wave. Haryana will reimburse GST already paid on such Covid-19 related items, subject to conditions;

- Such covid related material shall be donated free of cost to the Government of Haryana, hospitals run by State Government, or any Hospital/ Institution permitted by State Government to receive such material through Health & Family Welfare, Department, Government of Haryana.
- This Scheme shall remain in force up to and inclusive of the 30th June, 2021.
- The Health & Family Welfare Department shall issue a certificate of such donation, which shall be submitted by such donors to the Excise and Taxation Department for claiming refund, which shall after verifying the amount of GST paid, sanction the reimbursement of GST

Other GST Updates

Haryana First State to Reimburse GST on Covid-Related Donations

Actionable for Taxpayers: It is recommended that in case the taxpayers are willing to avail the above scheme, they may not claim ITC on the above expense even if it is covered under CSR Activity. Thus, in that manner there will not be any contention of unjust enrichment by the department and also envisaged transaction may not come under the purview of deemed supply under clause (1) of Schedule 1 to Section 7 i.e. “permanent transfer or disposal of business assets on which ITC is claimed”

CGA Legal Recommends

Do you want to assure your ITC: Steps to be taken by Recipient at the time of Receipt of Goods / Services

Sec 16 of CGST Act allows ITC to be availed on all goods and/or services which are used or intended to be used by the Recipient in the course or furtherance of business. Sec 16(2) read with rule 36 lays down the conditions for availment of ITC. Furthermore Sec 155 claims that where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person.

Thus, as Recipient of goods and/ or services , we need to take various safeguards to ensure that ITC availed by us as recipient may not be contested by the department at any time in future.

Step 1: Ensuring the conditions laid down in Sec 16(2) are satisfied.

Sec 16(2) of CGST Act lays down following conditions:

- Goods or Services have been received
- The details of the invoice or debit note referred to in clause should reflect in GSTR-2A of the recipient- Inserted vide THE FINANCE ACT, 2021 dated 28-03-2021 w.e.f. date to be notified.
- Recipient is in possession of Tax invoice or other Tax paying document [Rule 36]
- Tax charged in respect of such supply has been paid
- Registered person has furnished the valid return u/s 39

CGA Legal recommends all the above condition to be satisfied for availment of ITC

Step 2: Ensuring applicability of E-Invoicing provisions on the Vendor.

E-invoicing has come into effect from 1st Oct 2020 for companies having aggregate turnover of more INR 500 cr in any of the preceding financial years from 2017-18 onwards. The threshold limit was subsequently reduced to INR 100 cr from 1st January 2020. CBIC has further reduced this threshold limit to INR 50Cr w.e.f. 1st April 2021 vide Notification no 05/2021-Central Tax issued on 8th March,2021.

As per Rule 48(4) of CGST Rules, the Specified Persons, i.e registered persons to whom E-Invoicing is applicable, would be required to obtain an Invoice Reference Number (IRN) by uploading information filled in Form GST INV-01 on the common portal. Further, as per Rule 48(5), every invoice issued by a person to whom rule 48(4) applies in any manner other than the manner specified in the said sub-rule [i.e. rule 48(4)] shall not be treated as an invoice.

CGA Legal Recommends

Do you want to assure your ITC: Steps to be taken by Recipient at the time of Receipt of Goods / Services

CGA Legal recommends that Recipient organization to ensure receipt of E-invoice from the vendor to whom it is applicable. Else take the declaration form the vendor that E-invoicing is not applicable to them.

Step 3: Verification of Physical Invoice at the time of receipt of Goods and/or Services.

In the case of E-Invoice, it needs to be ensured that the Physical Invoice carries the Invoice Reference Number (IRN) and QR Code. The IRN can be verified from E-Invoice portal. As it is difficult to log in every time on E-invoice portal for verification, CBIC has also introduced QR Code Verification Application which can be easily downloaded on the Mobile. It can be easily downloaded from E-invoice portal or follow Link- <https://einvoice1.gst.gov.in/Others/QRCodeVerifyApp>.

QR Code is a two-dimensional barcode which will be created based on the following parameters:

- GSTIN of the supplier
- GSTIN of the recipient
- Invoice number given by the supplier
- Date of the generation of invoice
- Invoice value
- Number of line items
- HSN Code of the main item
- Unique Invoice Reference Number/Hash

Thus, by mere scanning the QR code through application, recipient can verify the above information with the Physical Invoice. In case of variation, vendor may be contacted to make the correction.

In case of Physical Invoice, following minimum information may be ensured as required by proviso to Rule 36(2) of CGST Rules. This includes; details of the amount of tax charged, description of goods or services, total value of supply of goods or services or both, GSTIN of the supplier and recipient and place of supply in case of inter-State supply.

CGA Legal Recommends

Do you want to assure your ITC: Steps to be taken by Recipient at the time of Receipt of Goods / Services

CGA Legal recommends that recipient organization may train their Store Receipt personnel to verify Physical Invoice through QR Verify App in case of E-invoice to ensure no variation with data as feeded in E-Invoice portal. Further, the minimum information as required by proviso to Rule 36(2) may be ensured on Physical invoice. It may also be ensured that Invoice number and all other data may be correctly feeded while generation of GRN so that the reconciliation issues with GSTR-2A will be minimum.

CGA Legal Recommends

Sample Communication of GSTR-2A Mismatch to the Customer

GSTR-2A Reconciliation is one of the factors for availment of ITC as per Rule 36(4) of CGST Rules. This has also been made a condition for claim in ITC by insertion of clause (aa) in Sec 16(2) of CGST Act by Finance Act, 2021. However, the provision is yet to be notified. It is usually seen that our customers intimate us about GSTR-2A mismatches after the time limit of availment of ITC as per Sec 16(4) has already elapsed.

As per proviso to Sec 37(3) of CGST Act, no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

This leads to loss of ITC on the part of the customers which subsequently gets debited to supplier entity.

Kindly find below the sample communication which can be sent to all the customers by Supplier entity so that GSTR-2A mismatches, if any are informed with the statutory time period and corrective action taken.

Dear Valued Partner,

The **[Assessee Name]** having GSTIN **[GST NO]** is regularly sending tax (GST) invoices to you for supply of goods / services.

As per GST law, we declare invoice-wise supply details in our monthly GST outward supply return (GSTR-1) within prescribed time and deposit the tax collected from us in the government treasury.

Being recipient of tax paid goods / services, you are eligible to take input tax credit (ITC) of GST charged in all our tax invoices.

CGA Legal Recommends

Sample Communication of GSTR-2A Mismatch to the Customer

We have been regular in filing our GSTR-1 which includes the Invoice wise Outward Supply and payment of tax through GSTR-3B. The same can also be referred from GST Portal. In view of the above, we would request you to kindly reconcile your GSTR-2A with the invoices as send by us to your good self. In case there is any issue with respect to any of the invoices raised by us, kindly intimate to us so that the required amendment can be made.

Reference, proviso to Sec 37(3) of CGST Act, *no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.*

Thus, we will not be able to carry any amendment in details pertaining to FY 2020-21 beyond filing of GSTR-1 of September 2021. Thus , it is requested to provide discrepancy if any till July 31,2021 so that all rectifications , if any may be carried within the period as allowed under GST Law. In case no discrepancy/ issue is communicated till July 31, 2021, our company will not be liable for any loss of ITC on account of Non furnishing of details/ erroneous details in GSTR-2A.

Your timely action and response will avoid any loss of ITC to your company.

Regards;

[Authorised Signatory]

CGA Legal Recommends

Sample Communication of ITC Mismatch to the Vendor

GSTR-2A Reconciliation is one of the factors for availment of ITC as per Rule 36(4) of CGST Rules. This has also been made a condition for claim in ITC by insertion of clause (aa) in Sec 16(2) of CGST Act by Finance Act, 2021. However, the provision is yet to be notified. It is usually seen that GSTR-2A mismatches are informed to the vendors after the time limit of availment of ITC as per Sec 16(4) has already elapsed.

As per Section 16(4) a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier. This leads to loss of ITC on the part of the Recipient entity.

Kindly find below the sample communication which can be send to all the vendors by Recipient entity so that GSTR-2A mismatches , if any are informed with the statutory time period and corrective action taken.

Dear Valued Partner,

The [Assessee Name] having GSTIN [GST NO] is regularly receiving tax (GST) invoices from you for supply of goods / services. Our Company settles such invoices and credits the due amount in your account.

- As per GST law, you are required to declare invoice-wise supply details in your monthly GST outward supply return (GSTR-1) within prescribed time and deposit the tax collected from us in the government treasury.
- Being recipient of tax paid goods / services, the assessee company is eligible to take input tax credit (ITC) of GST charged in your tax invoices.
- For availing and retaining the ITC, there are certain basic conditions to be fulfilled as prescribed under GST Law, which inter-alia, include:
 - ✓ Possession of Tax Invoice issued by the Supplier.
 - ✓ Supplier has paid due GST and declared correct Invoice wise details in GST Returns (GSTR1)
 - ✓ *The supply invoice is reflecting in our GSTR-2A report.*

CGA Legal Recommends

Sample Communication of ITC Mismatch to the Vendor

- Thus, not declaring the invoice details or erroneous filing of GSTR1 Return and non-payment of such taxes to Govt. Treasury will not entitle assessee company to claim ITC on your invoice.

In view of the above, we have reconciled your supply invoices V/s. GSTR2A (your GSTR1 Return) for the financial year 2020-21 and found that some of the invoices issued by you are not matched or appearing in our GSTR2A report. Hence, the ITC is not entitled to us against such invoices.

The Invoice wise mismatch details are provided in attached file and you are requested to go through the ITC mismatch details and to do the needful by incorporating such Invoices/Debit /Credit Notes in your GSTR1 Return if not considered by you earlier or amend the return in case details filed earlier are not matching with Invoices /Debit /Credit notes issued by you on assessee company. [Kindly attach ITC Mismatch details of the concerned vendor in Excel File]

Request you to take necessary action on immediate basis and inform us accordingly with valid proof by sharing the screen shot of your GSTR-1 Returns to enable us to claim/match ITC within statutory period. Kindly note that any invoice which is not reflecting in our GSTR-2A due to any lapse on your account, we will not be entitle to claim ITC and such invoice will be lapsed for claiming ITC post 20th Oct, 2021 legally in terms of Sec. 16(4) of CGST, Act, 2021.

In view of this , we request you to go through the list of mismatched invoices /debit notes and ensure such invoices are either amended or included in your forthcoming GSTR1. Although Sept.2021 GSTR1 is the last return for amendment /inclusion of invoices /debit notes issued in FY 2020-21 , we strongly recommend to close the pendency latest by July 2021 GSTR1 so that we have sufficient time in our hand to carry out further matching activity and revert to you in case further mismatches observed. Post 20th Oct 2021, any invoices found unmatched , your account shall be debited with 24% interest in case payment has already been released by the company.

CGA Legal Recommends

Sample Communication of ITC Mismatch to the Vendor

Further, please share the details of corrective action taken by you. It would be obligatory on your part to check your data/returns at your end independently and ensure that the returns are filed by you correctly and there is no error remained which would cause disentitlement of ITC to the company.

In case of any queries / doubts, you can post your responses to our GST team member/s as given in the attached file.

Your timely action and response would avoid any further recovery action from our end.

Regards;

[Authorised Signatory]

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