GST
TAX TALK 105

A Monthly Goods & Services Tax Bulletin

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Editorial...

An economic upturn can be witnessed as the government cited the GST inflows that crossed the ₹1 lakh crore mark for two consecutive monthsin this financial year as a 'clear' sign of a recovery in the economy after its 23.9% contraction in the first quarter of this year. Revenues from the Goods and Services Tax surpassed ₹1.05 lakh crore in October and almost ₹1.05 lakh crore in November, up by 10% from a year ago for October and up by 1.5% for November, and the highest recorded in October since February 2020. However, economists and businesses are forethoughtful about the sustainability of this trend.

A lot of changes on the GST front have been released by way of notifications this month. After introduction of e-invoicing from 1^{st} October 2020 for turnover more than ₹ 500 Crore, it will be covering taxpayers with an aggregate turnover more than ₹100 Crore from 1^{st} January 2021.

CBIC has reduced the time limit for furnishing GSTR-1 for quarterly filer to 13^{th} of the month succeeding the quarter. This reduction in date shall come into force with effect from 1^{st} January 2021. Previously, the time limit for furnishing GSTR-1 for the quarter was end (30^{th} or 31^{st}) of the succeeding month. As a result of which the registered person can claim ITC one month earlier for credit coming through quarterly GSTR-1.

Auto-populated GSTR-3B is now available on GSTN Portal from 11^{th} November 2020 onwards. GSTN has earlier introduced Form GSTR-2B, a static statement with details of ITC available for a tax period, for the benefit of taxpayers. It is important to note that GSTR-2B is an auto-drafted Input Tax Credit (ITC) statement generated for every recipient, on the basis of the information furnished by their suppliers. GSTN has also introduced a facility to download pdf statement to taxpayers, who are filing monthly GSTR-1 statement, with system computed values of Table 3 of Form GSTR-3B. This PDF will be prepared on the basis of the values reported by them, in their GSTR-1 statement, for the said tax period.

1^{st} December 2020, onwards, the blocking of EWB generation facility would be made applicable to all the taxpayers (irrespective of their Aggregate Annual Turnover (AATO) in terms of Rule 138 E of the CGST Rules, 2017, on the EWB Portal.It is pertinent to note that EWB generation facility of a taxpayer is liable to be restricted, in case the taxpayer fails to file their FORM GSTR-3B returns / Statement in FORM GST CMP-08, for tax periods of two or more. This blocking will take place periodically from 1^{st} December 2020 onwards. To avail continuous EWB generation facility on EWB Portal, you are therefore advised to file your pending GSTR 3B returns/GST CMP-08 statements immediately.

The CBIC has notified a new scheme known as Quarterly Return Monthly Payment Scheme (QRMP). Person, who has an aggregate turnover of up to ₹5 crore rupees in the preceding financial year or preceding quarter of current financial year, is eligible for the QRMP Scheme. This new Scheme will be effective from 1^{st} January 2021. Hence, in case the aggregate turnover exceeds ₹5 crores during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.In this issue, on Page 2, we have tried to cover all the questions one might have for the scheme in the form of frequently asked questions.

We hope this newsletter will add some value and prove to be beneficial to the readers. We highly solicit suggestion/ opinions of the readers. Please feel free to convey your view at gst@goyalstax.com. You may refer all earlier issues of Tax Talk on my Facebook Wall.

Sushil Goyal.

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DUE DATES

Category of Taxpayer	Return	Period	Due date
Regular Taxpayer (Aggregate Turnover>INR 1.5 crore)	GSTR-1	November, 2020	11^{th} December, 2020
Monthly GST Return	GSTR-3B	November, 2020	$20^{th}/22^{nd}/24^{th}$ December, 2020
Monthly ISD Return	GSTR-6	November, 2020	13^{th} December, 2020
Person required to deduct TDS	GSTR-7	November, 2020	10^{th} December, 2020
Person required to deduct TDS	GSTR-8	November, 2020	10^{th} December, 2020
Annual Return	GSTR-9	F.Y. 2018-19	31^{st} December, 2020
Audited Reconciliation Statement	GSTR-9C	F.Y. 2018-19	31^{st} December, 2020
Final Return (with late fee Rs.500)	GSTR-10	Pending Returns	31^{st} December, 2020

Quarterly Return Monthly Payment Scheme

Q1 What is QRMP Scheme and who are covered by this scheme?

Ans. Quarterly Return Monthly Payment Scheme or QRMP as it is called is a recently introduced by the Government in its initiative to simplify compliance for taxpayers.The scheme is applicable with effect from 01.01.2021. As per Notification No. 84/2020 - Central Tax, dated 10.11.2020, a registered person who is required to furnish a return in FORM GSTR-3B, and who has an aggregate turnover of up to 5 crore rupees in the preceding financial year, is eligible for the QRMP Scheme wherein he may be allowed to furnish return on quarterly basis along with monthly payment of tax.

Q2 When does the taxpayer becomes ineligible for the scheme?

Ans. In case the aggregate turnover in the current financial year exceeds 5 crore rupees during any quarter, the registered person shall not be eligible for the Scheme from the next quarter and shall opt for furnishing of return, electronically on a monthly basis

Q3 What is the time frame and criteria to avail the facility of the said scheme?

Ans. Facility to avail the Scheme on the common portal would be available throughout the year. However, Rule 61A clarifies that a registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter. Also, in order to exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

Q4 What criteria to be met for opting scheme for quarter January-March, 2021?

Ans. For the first quarter of the Scheme i.e. January, 2021 to March, 2021, all the registered persons, whose aggregate turnover for the FY 2019-20 is up to 5 crore rupees and who have furnished the return in FORM GSTR-3B for the month of October, 2020 by 30th November, 2020, shall only be migrated on the common portal for scheme.

Q5 What is Invoice Furnishing Facility?

Ans. The registered persons opting for the Scheme shall file return in FORM GSTR-1 quarterly as perthe rule 59 of the CGST Rules. Such a registered person will have the facility, known as Invoice Furnishing Facility (IFF)for each of the first and second months of a quarter to furnish the details of such outward supplies to a registered person, at his option, between the 1st day to the 13th day of the succeeding month. The said details of outward supplies shall, however, not exceed the value of fifty lakh rupees in each month. The details furnished in IFF shall be duly reflected in the Form GSTR-2A and GSTR-2B of the concerned recipient.

Q6 What are the applicable modes of payment of tax and their due dates?

Ans. As per the QMRP scheme, there are two alternative modes of payment of tax as below:

1. Fixed Sum Method: A pre-filled challan gets generated in FORM GST PMT-06 for an amount equal to thirty-five per cent of the tax paid in cash in the preceding quarter where the return was furnished quarterly; or equal to the tax paid in cash in the last month of the immediately preceding quarter where the return was furnished monthly.

   The said amount of tax shall be paid within due date (viz. 25th day of succeeding month).

2. Self-Assessment Method: The said persons can pay the tax due by considering the tax liability on inward and outward supplies and the input tax credit available, in FORM GST PMT-06.

Q7 How to calculate Fixed Sum Amount?

For example: Case 1: For quarter ending December XXXX, the last return was filed on quarterly basis and the taxes paid are as follows:

CGST	SGST	IGST	Cess
200	200	1000	100

Thereby, the tax required to be paid in each of the months of current quarter– Jan and Feb XXXX @35 percent shall be-

CGST	SGST	IGST	Cess
70	70	350	35

Case 2: In the above case, If the last return was filed on monthly basis and taxes are paid in month of December XXXX, then the tax required to be paid in the said case shall be equivalent to tax paid in cash in last month of immediately preceding quarter as follows:

CGST	SGST	IGST	Cess
200	200	1000	100

Q8 Whether Form GSTR-3B is required to be furnished?

Ans. Under QRMP scheme, Quarterly filing of FORM GSTR-3B for each quarter, on or before 22nd or 24th day of the month succeeding such quarter is required. The amount of tax deposited by the registered person in the first two months shall be debited solely for the purposes of offsetting the liability furnished in that quarter's FORM GSTR-3B. However, any amount left after filing of that quarter's FORM GSTR-3B may either be claimed as refund or may be used for any other purpose in subsequent quarters. In case of cancellation of registration of such person during any of the first two months of the quarter, he is still required to furnish return in FORM GSTR-3B for the relevant tax period.

Q9 From what source the amount of tax payable under QRMP scheme can be paid?

Ans. The balance in the Electronic cash ledger and/or Electronic credit ledger if adequate, shall be utilized for the payment of the tax. If the balance is found inadequate, the registered person may deposit any amount of sum in the cash ledger for facilitation. Any claim of refund in respect of amount deposited for first two months of a quarter for payment of tax shall be permitted only after the return in FORM GSTR-3B for the said quarter has been furnished. Further, this deposit cannot be used by the taxpayer for any other purpose till the filing of the return for the quarter.

E-INVOICING

GST E-invoice is the introduction of the digital invoice for goods and services provided by the business. E-invoicing essentially involves reporting details of specified GST documents to a Government-notified portal and obtaining a reference number. It has many advantages for businesses such as standardisation, inter-operability, auto-population of invoice details into GST return and other forms (like e-way bill), reduction in processing costs, reduction in disputes and, thereby, improving overall business efficiency.

E-invoicing for businesses with turnover up to ₹500 crore started on October 1. In the month of October, 2020, about 4.95 Crore invoices were generated by 27400 GSTINs. Now, the threshold has been lowered. From 1-1-2021, Government has mandated e-invoicing for the taxpayers with aggregate turnover exceeding ₹100 cr. (in any preceding financial year from 2017-18 onwards). It is expected that soon it will be made mandatory for all the assessees.

[N. No. 88/2020-CT dt 10.11.2020]

AUTO POPULATED GSTR 3B

Auto-populated Form GSTR 3B (PDF) for the taxpayers, will be available from the month of October 2020 onwards.

GSTN has earlier introduced Form GSTR-2B, a static statement with details of ITC available for a tax period, for the benefit of taxpayers. GSTR-2B is an auto-drafted Input Tax Credit (ITC) statement generated for every recipient, on the basis of the information furnished by their suppliers, in their respective Form GSTR-1 & 5 and Form GSTR-6 filed by ISD.

GSTN has also introduced a facility to download pdf statement to taxpayers, who are filing monthly GSTR-1 statement, with system computed values of Table 3 of Form GSTR-3B. This PDF will be prepared on the basis of the values reported by them, in their GSTR-1 statement, for the said tax period.

In continuation of the return linkage project, GSTN has now introduced auto-populated Form GSTR-3B in PDF format, for benefit of the taxpayers. The auto-populated PDF of Form GSTR-3B will consist of:-

- Liabilities in Table 3.1(a, b, c and e) and Table 3.2 from Form GSTR 1
- Liability in Table 3.1(d) and Input Tax Credit (ITC) in Table 4 from auto-drafted ITC Statement from Form GSTR-2B.
- This facility is made available in Form GSTR 3B dashboard from October 2020 tax period onwards.
- This facility will become available for taxpayers who are registered as Normal taxpayer, SEZ Developer, SEZ unit and casual taxpayer.

The system generated PDF will be made available on GSTR-3B dashboard. Taxpayers will be able to access their Form GSTR-3B (PDF) through: Login to GST Portal > Returns Dashboard > Select Return period > GSTR-3B> System Generated 3B.

ITC -04

GST ITC-04 is a Form that contains details of the inputs or capital goods sent to and received back from such a job worker. Such a Form needs to be filed by the registered manufacturers/Principal sending inputs or capital goods on job work every quarter. The last date for filing Form GST ITC-04 is 25th day of the month succeeding the quarter for which such a Form needs to be filed by the registered manufacturer. Time limit for furnishing the declaration in FORM 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 was been extended till the 30th day of November, 2020.

[N. No. 87/2020-CTdt 10.11.2020]

AUTO POPULATION OF E-INVOICE IN GSTR-1

The Central Board of Indirect Taxes and Customs (CBIC) has enabled the Auto-populated E-Invoice details in GSTR-1 in GST Portal. Certain notified taxpayers have to prepare and issue their invoices by obtaining Invoice Reference Number (IRN) from Invoice Registration Portal (IRP) (commonly referred as 'e-invoices'). Upon successful generation of IRN, details of such e-invoices will be auto-populated in respective tables of GSTR-1. The details of e-invoices available for auto-population along with status of auto-population can also be downloaded as excel file. To give an effect to this, certain tabs/labels are being added on GSTR-1 dashboard and screens. The taxpayers for whom e-invoicing is not applicable may ignore these changes.

The details of e-invoices pertaining to periods of October and November 2020, would be processed and made available in an incremental manner from 13thDecember 2020 onwards. The processing and availability of complete data for the months of October and November 2020 may take upto 2 weeks. Accordingly, taxpayers are advised not to wait for auto-populated data and proceed with preparation and filing of GSTR-1 for the months of November 2020 (before the due date) and for October 2020 (in case not yet filed, as on date).

The auto-population of e-invoice details pertaining to the period December 2020 into GSTR-1 (in an incremental manner on a T+2 day basis) will start in the first week of December.

It may also be noted that the auto-population of details from e-invoices into GSTR-1 is only a facility for the taxpayers. After viewing the auto-populated data, the taxpayer shall verify the propriety and accuracy of the amounts and other data in each field, especially from the perspective of GSTR-1, and file the same, in the light of relevant legal provisions.

NEW DUE DATES FOR QUARTERLY GSTR 1

GSTR-1 is a monthly or quarterly return that should be filed by every registered dealer. It contains details of all outward supplies i.e sales. Every registered person is required to file GSTR-1 irrespective of whether there are any transactions during the month or not except Input Service Distributors, Composition Dealers, Suppliers of online information and database access or retrieval services (OIDAR), who have to pay tax themselves (as per Section 14 of the IGST Act), Non-resident taxable person, Taxpayer liable to collect TCS and Taxpayer liable to deduct TDS.

The due date for filing GSTR-1 on quarterly basis was the 30th /31st of the suceeding month of that quarter. For example, the due date for filing GSTR-1 for the period July, 2020 to September, 2020 was 31st October, 2020. Due Date for furnishing quarterly GSTR-1 by quarterly taxpayers has been revised to 13th of the month succeeding the quarter w.e.f. January 1st, 2020. Such changes has been in order to ensure the auto-population of the input tax credit from suppliers' GSTR-1s through the newly developed facility in FORM GSTR-2B for monthly filers w.e.f. 01.01.2021 and for quarterly filers w.e.f. 01.04.2021 and auto population of liability in GSTR 3B w.e.f. 01.01.2021. It will be beneficial for the registered people to verify for any discrepancy in GSTR 3B and GSTR 1 and avail ITC in a proper manner and time.

[N. No. 83/2020-CTdt 10.11.2020]

BLOCKING OF E WAY BILL

In terms of Rule 138E (a) and (b) of the CGST Rules, 2017, the E-Way Bill (EWB) generation facility of a taxpayer is liable to be restricted, in case the taxpayer fails to file their FORM GSTR-3B returns/ Statement in FORM GST CMP-08, for tax periods of two or more.

From 1st December, 2020, onwards, the blocking of EWB generation facility would be made applicable to all the taxpayers (irrespective of their Aggregate Annual Turnover (AATO)). Thus, on 1st December 2020, the System will check the status of returns filed in Form GSTR-3B or the statements filed in Form GST CMP-08, for the class of taxpayers to whom it applies, and restrict the generation of EWB in case of:

- Non filing of two or more consecutive tax periods in Form GSTR-3B for the months up to October, 2020; and
- Non filing of two or more consecutive statements in Form GST CMP-08 for the quarters up to July to September, 2020

This blocking will take place periodically from 1st December' 2020 onwards. To avail continuous EWB generation facility on EWB Portal, you are therefore advised to file your pending GSTR 3B returns/GST CMP-08 statements immediately.

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