Tax Talk 111

GST

A Monthly Goods & Services Tax Bulletin

Vol : 10 | Issue No. 3 | 1st June 2021 | Rs. 5/-

Editorial...

Wishing good health for all of us. Although number of new cases of COVID-19 are continuously on declining trend, we should not stop taking precautions required to over-come this pandemic. We should work more to develop our immunity by increasing physical activity and meditation on regular basis.

The GST Council in its 43rd meeting held on 28th May 2021 at New Delhi, after a long gap, the last Council meeting was in October, took number of decisions relating to changes in GST rates on supply of goods and services and changes relating to GST law and procedure. The government has further extended the time limit for various compliances and waived/reduced interest as well as late fees by way of issuing number of notifications. In respect of individual items, it was decided to constitute a Group of Ministers (GoM) to go into the need for further relief to COVID-19 related individual items immediately.

A much-awaited GST Amnesty scheme has been announced to reduce the late fees for small taxpayers who delayed in filing of GSTR-3B . To provide relief to the taxpayers, a late fee for non-furnishing of FORM GSTR3B for the tax periods from July 2017 to April 2021 has been reduced. Also, the maximum late fee for small taxpayers is reduced for GST Returns to be filed in the future. The taxpayers were looking for much more from this amnesty scheme, regarding which government are in discussion for few months. They were looking for relaxation in the restrictions applicable in the act in section 16 and 17 of the CGST Act'2017 for taking credit and various compliance requirements under the law, the same were not properly followed due to various reasons in the past, because of the initial lack of understanding of the law or due to COVID pandemic in last more than one year.

The council also discussed the Compensation cess payable to states this year to be Rs 2.7 lakh crore of which Rs 1.58 lakh crore will be given to them via back-to-back loans. Same formula as last year to be applicable. It was also decided that a separate meeting shall be held to discuss states' demands regarding extension of compensation period beyond the initial period of 5 years i.e. year 2022 as decided at the time of introduction of GST. GST Compensation.

It was also decided in the council meeting that a clarification would be issued to provide that supply of service by way of milling of wheat/paddy into flour by millers or otherwise or rice to Government Authorise for distribution of such flour or rice under Public Distribution System is exempt from GST where the value of goods in such composite supply does not exceed 25% of the total value of supply. This will settle long pending issue raised by department in number of cases.

Another very important decision was taken by the council regarding the GST Annual Return (GSTR-9) and the Reconciliation statement (GSTR-9C). GSTR-9 filing is rationalized and continues to be optional for 2020-21 for small taxpayers with turnover up to Rs.2 crore. Also, GSTR-9C to be still applicable for taxpayers with an annual turnover of equal to or more than Rs.5 crore, allowing self-certification.

Goods and Services Tax (GST) collections have consistently crossed Rs 1 lakh crore mark for the last eight months. Gross Goods and Services Tax collection for the month of May stood at ₹1,02,709 crore, as per data released by Ministry of Finance. It has stayed above the ₹1 lakh crore mark despite slipping from record high of ₹1.41 lakh crore in April 2021. It took a hit due to lockdowns and other restrictions imposed by states due the second wave of COVID-19. GST revenue for May 2021 stands 65 per cent higher than that in the corresponding month last year.

Lastly, we once again pray to almighty to keep everyone safe in these tough times. We hope this newsletter will add some value 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.

CA Sushil Kr Goyal

Due dates are provided inside of the issue

Fastag integration with E-way Bills

E-way bills

The E-way is a mandatory requirement for movement of Goods whether it is interstate or intrastate or whether it is for the purpose of supply or for the purpose other than supply, if the value of the Goods involve movement is more than the prescribed limit of Rs.50,000/-. However, in few states movement is permitted upto Rs.1,00,000/- without E-way bills for intrastate movement of goods with the exemption to precious items such as gold.

As per recent report titled 'E-way Bill - A journey of three years', the government had said 180 crore e-way bills have been generated in three years till March 2021, out of which, only 7 crore bills were verified by tax officers. In the 2020-21 fiscal, ended March 2021, 61.68 crore e-way bills were generated, of which 2.27 crore were picked up for verification. In 2019-20 fiscal, ended March 2020, 62.88 crore e-way bills were generated, of which 3.01 crore were picked up for verification by tax officers.

In the list of states generated e-way bills, five states in which generated maximum number of e-way bill for inter-state movement of goods were generated are Gujarat, Maharashtra, Haryana, Tamil Nadu and Karnataka. In the list of sectors generated e-way bills, five sectors where maximum e-way bills were generated in the past three years are textiles, electrical machinery, machinery and mechanical appliances, iron and steel, and automobiles.

Also, the government has blocked the generation of multiple EWBs on one invoice. If the EWB is once generated using an invoice number or document number, then none of the other parties can generate another EWB using the same invoice number. Besides, the e-way bills system has enabled auto calculation of distance based on PIN codes. The system will auto calculate the distance between the source and destination, based on PIN codes.

Moreover it is important to note in the electronic way (e-way) bill system, businesses and transporters must produce before a GST inspector the e-way bill, if he asked for the same.

Fastag/RFID

The National Highways Authority of India (NHAI) has put in place the FASTag system under the National Electronic Toll Collection (NETC) programme for the collection of tolls electronically on national highways.

In simple terms, a FAS-Tag is an easy to use and rechargeable tag that a user can stick on the windscreen of their vehicle. These tags can be detected from 25 metres away using Radio Frequency Identification (RFID). Once detected, toll plazas can automatically deduct the toll charges from the traveller's e-wallet, without halting the vehicle for collection of tolls. RFID is the use of radio waves to read and capture information stored on a tag attached to an object. When the vehicle passes the RFID Tag reader on the highway, the details fed into the device gets uploaded on the government portal.

Government has rolled out One Nation One Tag – FASTag, implementing a unified E-system across the country. The solution architecture already supports approx. 6 million tags with approximately daily 10 lakh transactions. FASTag not only offers non-stop movement of vehicles through toll plazas. However, still the collection at state highways toll plazas is either done manually or through other tags. Thus, the Ministry is encouraging States to come onboard.

A person can buy the FASTag through any nearby POS locations such as Toll Plaza, Partner banks, issuer agencies or online aggregators like Amazon, etc. However, before the FASTag can be used, it needs to be activated at any one of the POS.

The RFID also help by providing following facility like SMS based Consignment tracking-assistance by sending SMS to the registered mobile number. The same e-wallet will be functional to pay toll charges, parking charges and make fuel payments. The prepaid wallet gives customers the choice of not linking their FASTag to their bank accounts.

Integration

In a move which will help curb tax evasion, GST authorities have been armed with real-time data of commercial vehicle movement on highways with integration of the e-way bill (EWB) system with FASTag and RFID. Integration of e-way bill with FASTag will help revenue authorities track the movement of vehicles and ensure that they are travelling to the same destination as the transporter or the trader had specified while generating the e-way bill.

It will also help the suppliers locate the goods through the e-way bill system. Transporters, too, would be able to track their vehicles through SMS alerts that would be generated at each toll plaza.

After, the Fastag data has been integrated with the e-way bill system. On a daily average, 24 Lakh Fastag transactions from 826 toll plazas, related to commercial vehicles are exchanged between NPCI/NHA and NIC systems. These details will help the GST officers to track the movement of e-waybills using the new analytical reports.

The government has provided a system which will help to generate report to GST officers on a real-time basis for those vehicles which are moving without e-way bills, to help intercept stuck trucks at toll plazas and check GST evasion. The tax officers would also be provided analysis reports on identifying e-way bill EWB with no movement of goods as it would help officials identifying cases of circular trading. It would also provide reports on recycling of e-way bills for tax evasion prone commodities to help officers in identifying tax evaders.

The officers can make best use of these reports while conducting vigilance and make the vigilance activity more effective. Also, the officers of the audit and intelligence division can use these reports to identify fraudulent transactions like bill trading, recycling of EWBs etc.

GST Due Dates

Due date for GSTR 1/IFF

Monthly	Due Date	Extended Date	Late fee
Mar'2021	11.4.2021	11.4.2021	Normal (No waiver)
Apr'2021	11.5.2021	26.5.2021	After extended date
May'2021	11.6.2021	26.6.2021	After extended date
QRMP	**Due Date**	**Extended Date**	**Late fee**
Jan-Mar'21	13.4.2021	13.4.2021	Normal (No waiver)
Apr'21 (IFF)	13.5.2021	28.5.2021	No Late Fee for IFF
May'21 (IFF)	13.6.2021	28.6.2021	No Late Fee for IFF

GSTR - 3B (Turnover > 5 crore)

Month	Due Date GSTR-3B	Int @9% Upto + No Late Fees*	Int @18% + Late Fee From*
Mar'2021	20.4.2021	5.5.2021	6.5.2021
Apr'2021	20.5.2021	4.6.2021	5.6.2021
May'2021	20.6.2021	5.7.2021	6.7.2021

**No change in Due dates, only waiver of late fees & reduction in interest for 15 days from due date*

GSTR-3B/PMT-06 (Turnover ≤ 5 Crore)

QRMP GSTR-3B/ PMT-06	Due Date (State wise)	No Interest + No Late Fee Up to	Int 9% Up to + No Late Fee	Int 18% + Late Fee From*
Jan-Mar'21	22/24.4.2021	7/9.5.2021	21/23.6.2021	22/24.6.2021
Apr'21	25.5.2021	9.6.2021	9.7.2021	10.7.2021**
May'21	25.6.2021	9.7.2021	24.7.2021	25.7.2021**

*Interest to be calculated as per table & Late fee after this date
**Interest only applicable as no late fees for late payment

GSTR-3B (Turnover ≤ 5 Crore)

Monthly GSTR-3B	Due Date (All State)	No Interest + No Late Fee Up to	Int @9% Up to + No Late Fee	Int 18% + Late Fee* from
Mar'21	20.4.2021	5.5.2021	19.6.2021	20.6.2021
Apr'21	20.5.2021	4.6.2021	4.7.2021	5.7.2021
May'21	20.6.2021	5.7.2021	20.7.2021	21.7.2021

Composition Taxpayer

Payment CMP-08	Due Date	No Interest upto	Int @9% upto	Int @18% from*
Jan-Mar'21	18.4.2021	3.5.2021	17.6.2021	18.6.2021
Period	**Return**	**Purpose**	**Due Date**	**Extended**
Apr-Mar'21	GSTR - 4	Annual Return	30.4.2021	31.7.2021

*Interest to be calculated as per table

Due Date Extension for other Returns

Return	Purpose	Due Date	Extended
ITC - 04	Job Work (Quarter 4)	25th Apr	30th Jun 2021
GSTR - 5	NRTP (Mar/Apr/Jun)	20th Apr/20th May/20th Jun	30th Jun 2021
GSTR - 6	ISD (Apr/May)	13th May/13th Jun	30th Jun 2021
GSTR - 7	TDS (Apr/May)	10th May/10th Jun	30th Jun 2021
GSTR - 8	TCS (Apr/May)	10th May/ 10th Jun	30th Jun 2021

*Interest to be calculated & Late fee after this date

No restriction (5%) for taking credit as per Rule 36 (4) in April & May 2021...

Apply cumulative (April to June) restriction in June'2021 return...

[Notification No. 27/2021 dt 01.06.2021]

Amnesty Scheme...

Late fee for FORM GSTR-3B from July,2017 to April,2021 will be waived or reduced...

- NIL tax liability • Rs 500/- per return
- For other taxpayers • Rs 1000/- per return

This scheme may be available between 1st Jun'2021 to 31st Aug'2021...

Amendment in Refund Provisions

Period to excluded

Refund application Form GST RFD-01 is required to be filed within 2 years from the relevant date. In case any deficiency found by the proper officer in the application of refund, he issues Form GST RFD-03. In this case as per law, the applicant must file a 'fresh refund application' after rectification of such deficiencies. The fresh application is also required to be filled in the time limit of 2 years. The time period from the date of filing refund application till the date the deficiency memo was not excluded from allowed time hence, various refund applications were getting time barred.

In order to provide solution to this problem, amendment has been made in the CGST Rules to provide that the time period from the date of filing refund application till the date the deficiency memo shall be excluded in computing limitation period of 2 years. New Proviso has been added to Rule 90(3) to exclude the time period from the date of filing of the refund claim.

Withdrawal of Refund Claim

In number of cases person filling refund application wished to withdraw the same and this was not allowed as per law. In order to provide solution to this problem, it is now permitted to withdraw the application at any time before the issuance of provisional sanction order, refund sanction order, withhold order, etc.

In order to withdraw the application, applicant has to file Form GST RFD-01W. Once the said application for withdrawal is submitted the amount which was debited from electronic credit/cash ledger at the time of filing refund application shall be credited back to the ledger from which such debit was made. New sub-rule is introduced to allow applicants to withdraw their refund application.

The application may be withdrawn at any time before issuance of provisional refund (FORM GST RFD-04) or payment order (FORM GST RFD-05) or final refund (FORM GST RFD-06) or refund withhold order (FORM GST RFD-07) or notice (FORM GST RFD-08).

Form Amended

Amendment has been made in the CGST Rules and Form GST RFD 07 to make few procedural changes relating to adjustment and withholding of refund amount. Proviso has been inserted to Rule 92(2) to allow the proper officer or the Commissioner to pass on order for the release of withheld refund in PART B of FORM RFD-07 where refund is no longer liable to be withheld.

(Notification No. 15/2021-Central Tax)

Published from :

Tax Talk

Stephen House
Room No. 64, 4th Floor, 4, B.B.D. Bag (East) Kolkata - 700 001

Owner: M/s. Goyal Tax Services Pvt. Ltd., Printer & Publisher: Mrs. Reena Goyal Published from Stephen House, Room No. 64, 4 B. B. D. Bag (East), 4th Floor, Kolkata-700 001 and Printed from M/s. CDC Printers Pvt. Ltd., Tangra Industrial Estate-II (Bengal Pottery), 45, Radhanath Chowdhury Road, Kolkata - 700 015. Editor: [illegible]

Registration under RNI No. WBENG/2013/55099 Postal Registration No. KOL RMS/465/2021-2023 Date of Publication : 1st June 2021