

Indirect Tax Update

Summary of Notifications & portal updates issued on
14th December and 15th December 2020

Key Highlights:

- ✓ Extension of time period for compliances
- ✓ GST portal - New facilities

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1. Extension of time period for compliances by Anti-Profitteering Authority due to Pandemic

(Notification No. 91/2020- Central Tax dated 14th December 2020)

Due to the COVID-19 and consequent difficulties faced by tax payers to do compliances under GST law, the Government had issued Notification No. 35/2020-CT dated 3rd April 2020 for extending due date of compliance which falls during the period from 20th March 2020 to 29th June 2020 to 30th June 2020.

Thereafter in the notification No. 55/2020-Central Tax dated 27th June 2020, the above Notification was amended and further extension to do specified compliances for the period 20th March 2020 to 29th August 2020 was extended to 31st August 2020.

Further by amending in the Notification No. 65/2020-Central Tax dated 01-09-2020, it inserted a proviso to clause (i) of said Notification. The proviso reads as under:

“Provided that where, any time limit for completion or compliance of any action, by any authority, has been specified in, or prescribed or notified under section 171 of the said Act, which falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020, and where completion or compliance of such action has not been made within such time, then, the time-limit for completion or compliance of such action, shall be extended up to the 30th day of November, 2020.”

Section 171 of the CGST Act, 2017 deals with the Anti-profitteering provision. Accordingly the proviso above is referring to is the Anti profiteering Authority. With insertion of above proviso the said Authority got further extension to complete any action or comply with any action as any such action falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020 which could be completed by the Anti-Profitteering authority by 30th November 2020.

The Anti-Profitteering authority has further been given further extension vide Notification No. 91/2020- Central Tax dated 14-12-2020 wherein action which falls during the period from the 20th day of March, 2020 to the 30th day of March, 2021 could be completed by the anti profiteering authority by 31st March, 2021.

H&A Comments- Section 168A is inserted in CGST Act, vide Section 8 of The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 with effect from 31st March, 2020. This notification is a continuation of similar extension issued through notification 35/2020 & 55/2020-CGST which were issued earlier in light of the ongoing COVID-19 pandemic.

2. GST Portal - New facilities

a. E-invoice auto-populating in GSTR 1

Presently, e-invoice is mandatory for Rs. 500 cr+ GST registered entities, on B2B & export transactions. In the previous month, there were some issues that invoices for which e-invoice has been generated through the IRP portal, are not auto-populating in the GSTR-1 statement. This issue has since been rectified, and the e-invoices are reflecting in the GSTR-1 portal correctly.

Note: E-invoice is mandatorily applicable for Rs. 100 cr+ companies on B2B & export transactions from 1st January 2021.

b. System generated GSTR 3B

The GST portal would now facilitate GSTR 3B to be auto updated based on GSTR 1 filed and GSTR 2B. The assessee is suggested to perform offline reconciliation with books along with Rule 36(4) compliance to avoid disputes/notices from the department. This facility would help reduce manual errors while filing GSTR 3B. This would be beneficial to assessees

c. ITC variance - GSTR 2B Vs GSTR 3B

While filing the GSTR 3B a feature has been enabled wherein the GST portal would indicate if the ITC entered in Table 4.A.5 'All Other ITC' is more than 110% of the data reflecting in GSTR 2B. This is indicative in nature and does not restrict in inputting a higher or lower ITC value.

This concept is linked to ITC matching in terms of Rule 36(4).

d. GSTR 9 for FY 2019-20 enabled

The GSTR 9 for FY 2019-20 is now enabled in the GST portal. Useful information such as auto-populated data in Part II & III, Table 8A - GSTR 2A as per annual returns, tax paid values considered in Table 9 etc is now accessible. The due date for the GSTR 9 & 9C for FY 2019-20 remains 31st December 2020, although there is an expectation from assessees that it would be further extended. It maybe noted that the due date for FY 2018-19 GSTR 9 & 9C also is 31st December 2020 (courtesy of multiple extensions).

e. Turnover validation for refunds (RFD-01)

Prior to this update, we used to upload the offline utility with the invoices which are reflecting in GSTR 1 during the relevant period. However, there was no specific tool which matches the total turnover of this utility with the total turnover declared in the refund application. This used to create issues such as short declaration of sales invoices in the utility to overcome the errors, mismatch between GSTR 1 & the utility etc. However, with the advent of this methodology, now the taxpayers will have to upload all the sales invoices in the utility, through an offline utility.

Once the utility is updated on the portal, the taxpayer must enter only that amount into the refund application which should be less than or equal to total turnover disclosed. This would put a check on taxpayers so that there would be no excess claims of refund amount and would facilitate the department in matching the returns with refund application. Screenshot of the same given for easy understanding:

* Indicates Mandatory Fields

Important Message

Adjusted Total turnover means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of **clause (D) of rule 89(4) of CGST Rules, 2017** and non-zero-rated supply of services,

excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.

Statement 3 * [Click to upload the details of Exports of goods and/ or services](#) [Download Offline Utility](#)

Kindly enter values in statement 3A below for the Tax Period for which Refund is being claimed:

Computation of Refund to be claimed (Statement 3A)

	Turnover of zero rated supply of goods and services (1) (₹) *	Adjusted total turnover (2) (₹) *	Net input tax credit (3) (₹) *	Maximum refund amount to be claimed (4) ((1×3)÷2) (₹)
Integrated Tax	₹0.00	₹0.00	₹18,153.00	0.00
Central Tax				
State/UT Tax			₹0.00	0.00
CESS			₹0.00	0.00
Total	0.00	0.00	18,153.00	0.00

Edit the Net ITC to exclude, the ITC availed on Capital Goods and the ITC of refund claimed under Rule 89 (4A) and/ or (4B)

* Indicates Mandatory Fields

Error : The value declared in Column 1 of Statement 3A (120088691.00) cannot be greater than the consolidated total of the document value of outward supplies in column 5 of statement 3 (12088691).

Important Message

Adjusted Total turnover means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of **clause (D) of rule 89(4) of CGST Rules, 2017** and non-zero-rated supply of services,

excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.

Statement 3 * [Click to upload the details of Exports of goods and/ or services](#) [Download Offline Utility](#)

Kindly enter values in statement 3A below for the Tax Period for which Refund is being claimed:

Computation of Refund to be claimed (Statement 3A)

	Turnover of zero rated supply of goods and services (1) (₹) *	Adjusted total turnover (2) (₹) *	Net input tax credit (3) (₹) *	Maximum refund amount to be claimed (4) ((1×3)÷2) (₹)
Integrated Tax	₹12,00,88,691.00	130088691	₹18,153.00	16,758.00
Central Tax				
State/UT Tax			₹0.00	0.00
CESS			₹0.00	0.00

Edit the Net ITC to exclude, the ITC availed on Capital Goods and the ITC of refund claimed under Rule 89 (4A) and/ or (4B)

f. Communication with taxpayers

During the inception of GST, communication between taxpayers were envisaged w.r.t tax invoices not reflecting, incorrectly reflecting in the recipient's portal, value/document reference issues, etc. Although, earlier this would be performed through the GSTR 1A, 2 & 2A, this facility may have been included to overcome the deferment of GSTR 2 & 3.

The communication would be through registered mobile number and e-mail.

Path - Dashboard > Services > User Services > Communication Between Taxpayers.

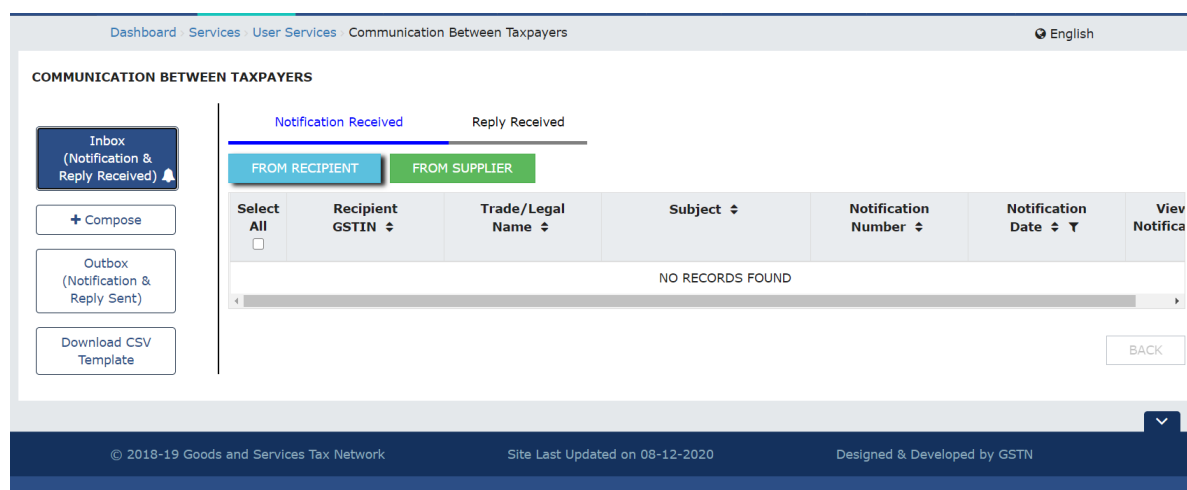
Mandatory fields - Notification to (recipient/supplier), Supplier GSTIN, Recipient remarks

Optional fields - Subject, Action required, Document type/number/date/value, Place of supply, invoice type, reverse charge, options to add more fields.

Possible communications:

Queries such as file missing document, rejection of amendment, rejected wrongly uploaded invoice, re-upload document etc can be sent through this facility to registered mail ID of vendor or customer.

The above communication shall help in ease of GSTR 2A/2B mismatch, vendor follow up and also as evidence for future submission of any departmental notice.



H&A Comments- The facility has been enabled in the GST portal to ease communication with between persons registered under GST. This would also help maintain record of communications made.

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