



Weekly GST Communique



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GST

Important Judgments, Ruling of the week

- SC disposes appeal challenging constitutional validity of pre-deposit under the provisions of TNVAT Act
- Bank Guarantee shall not be encashed where appeal is preferred against the detention order
- Investigation cannot be stalled on apprehension of contracting COVID-19
- Best judgment assessment cannot be made for non-filing of GSTR-3B
- Online tests scored after human intervention classifiable as an OIDAR Service

Important Notifications, Circulars etc.

- CBIC extends the due date for filing GSTR 9 and GSTR 9C for FY 2019-20
- Blocking of GSTR-1 in case of non-filing of GSTR-3B under Rule 59 of the CGST Rules
- CBIC issued corrigendum providing 30 days for submitting reply to registration suspension notice
- CBIC issued circular for import and export of vaccines in relation to COVID-19 through courier
- CBIC issued circular for implementation of PGA eSANCHIT
- Delhi Govt issued SOP for verification of taxpayers granted deemed registration

Important Press Releases of the week

- GST collection in the month of December, 2020 is ₹ 1,15,174 crore
- GST e-invoice system completed 3 months; Enabled more than 37000 taxpayers to generate more than 1680 Lakh IRNs
- 9th Instalment of Rs. 6,000 crore released to the States as back to back loan to meet the GST compensation shortfall
- Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme gets implemented from 1st January, 2021
- Conditions and restrictions of RoDTEP Scheme to be notified shortly
- PIB issued statistics of India's Merchandise Trade preliminary data for the month of December 2020
- CGST Delhi West Commissionerate arrests one for duty evasion of around Rs 831.72 crore

Important Updates of the week

- GSTN: Auto-population of e-invoice details into GSTR-1/2A/2B/4A/6A
- Offline Utility of GSTR-9C Annual Return for the FY 2019-20 is now available on GST Portal

Our Article of the week

- Important Changes in GST w.e.f. January 1, 2021

Videos of the week

- Blocking of filing of GSTR 1 if GSTR 3B is not filed || CA Bimal Jain
- Webinar on Recent Important Changes in GST effective from 1st January 2021 || CA Bimal Jain

Income Tax

Important Press Releases of the week

- ITR filing deadline extended from Dec 31 to January 10, 2021 for these taxpayers

- ICAI announces one-time condonation to regularize UDINs, extended UDIN window till January 31, 2021
- CBDT has given the extension for updating UDINs till February 15, 2021

Important Update of the week

- CBDT: Updated ITR utilities consequent to due date extension

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GST

Important Judgments, Ruling of the week

SC disposes appeal challenging constitutional validity of pre-deposit under the provisions of TNVAT Act



The Hon'ble Supreme Court of India in ***M/S. V.V.V. And Sons Edible Oil Ltd. v. The State of Tamil Nadu & Ors. [Civil Appeal No. 3964 of 2020 dated December 04, 2020]*** disposed of the appeal filed against the judgment passed by the Hon'ble Madras High Court, wherein, the Assessee had challenged the constitutional validity of pre-deposit contained under the provisions of the Tamil Nadu Value Added Tax Act, 2006 ("**TNVAT Act**") and

held that, since the matter is still at the first appellate stage, the Appellant would, therefore, be obliged to deposit 25% of the demanded sum.

Facts:-

This appeal filed by M/S. V.V.V. And Sons Edible Oil Ltd. ("**Assessee/Appellant**") challenges the judgment and order passed by the Hon'ble Madras High Court *in W.P. (MD) No. 21856 of 2016 dated February 26, 2020*.

The aforesaid writ petition was filed by the Appellant challenging the validity of second proviso to Section 51(1) of the TNVAT Act and second proviso to Section 58(1) of the TNVAT Act. Under Section 51(1) of the TNVAT Act, the Appellant at the first appellate stage is obliged to deposit 25% of the difference in the amount of tax assessed by the assessing authority and the tax admitted by the Appellant whereas under Section 58(1) of the TNVAT Act, the Appellant at the second appellate stage is required to deposit the sum ordered by the appellate authority. The constitutional validity of these provisions were under challenge in the aforesaid writ petition and the challenge having been negated, this appeal has been preferred.

Issue:-

Constitutional validity of pre-deposit contained under second proviso to Section 51(1) of the TNVAT Act and second proviso to Section 58(1) of the TNVAT Act.

Held:-

The Hon'ble Supreme Court of India in *Civil Appeal No. 3964 of 2020 dated December 04, 2020* held as under:

- Noted that the matter insofar as the case of the present Appellant is concerned, is still at the first appellate stage.
- Held that, in terms of second proviso to Section 51(1) of the Act, the Appellant would, therefore, be obliged to deposit 25% of the demanded sum.
- Observed that, a sum of Rs. 13 crores has already been deposited by the Appellant before the authorities in question vide order dated, September 04, 2020 by this court, which satisfies the requirements of deposit of 25% of the sum.
- Stated that, since on facts, the matter arises from the first appellate stage, the court does not deem it appropriate at this stage to consider that in case the Appellant does not succeed at the first appellate stage, the question may still arise about the liability and how much money should be deposited at the second appellate stage. In case, the occasion to advance the submissions with regard to the validity of second proviso to Section 58(1) of the TNVAT Act arises, the Appellant shall be at liberty to take appropriate measures.

Comments:- Relevant Provisions of Pre-Deposit under the GST law

Under GST, as per Section 107 of the of Central Goods and Services Tax Act, 2017 ("**CGST Act**"), the aggrieved taxpayer who wishes to contend against the order passed by the adjudicating authority, can file an appeal before the first appellate authority, within three months of receiving the order. No appeal shall be filed unless the taxpayer have paid:

- Such part of tax demanded in the order that the taxpayer admits being liable for; and

- 10% of the remaining part of tax demanded in the order as a pre-deposit amount or Rs. 25 crores (i.e., totaling to INR 50 crores for CGST and SGST/UTGST or IGST), whichever is less.

Similarly, in case the taxpayer is not satisfied with the order passed by the first appellate authority, he may approach the appellate tribunal as a next resort, to file appeal within three months under Section 112 of the CGST Act. No appeal shall be filed unless the taxpayer have paid:

- Such part of tax demanded in the order that he admits being liable for; and
- 20% of the remaining part of tax demanded in the order as a pre-deposit amount or Rs. 50 crores (i.e., totaling to INR 100 crores for CGST and SGST/UTGST or IGST), whichever is less, in addition to what was deposited before the first appellate authority.

The above pre-fixed deposit amount shall be refunded in case the aggrieved taxpayer succeed in the disputed matter(s).

Bank Guarantee shall not be encashed where appeal is preferred against the detention order



The Hon'ble Kerala High Court in the case of ***Quality Enterprises v. Assistant State Tax Officer [W.P. (C) No. 18212 of 2020 dated September 18, 2020]*** has held that bank guarantee shall not be encashed till such time where assessee preferred appeal against the detention order before the Appellate authority.

Facts:

This writ petition has been filed by Quality Enterprises ("**Petitioner**") seeking a direction to Appellate Authority to consider and pass order on appeal expeditiously and to keep in abeyance coercive steps for encashing bank guarantee, whereby goods have been detained by the Assistant State Tax Officer ("**Respondent / Authority**") noticing a discrepancy in the documents that ought to have accompanied the

transportation of the goods. The Petitioner furnished a bank guarantee before the respondent for enabling an expeditious clearance of the goods and the vehicle.

Issue:

Whether bank guarantee shall not be encashed **where appeal is preferred against the detention order?**

Held:

The Hon'ble Kerala High Court in ***W.P. (C) No. 18212 of 2020 dated September 18, 2020*** held as under:

- On a consideration of the facts and circumstances of the case and the submissions made by the learned councils in the Court and finding that a final order under Section 129(3) of CGST Act in Form GST MOV-09 has already been passed.
- The remedy of the Petitioner lies in moving an appeal before the Appellate Authority, and if the Petitioner wants a clearance of the goods and the vehicle in the meanwhile, he has to produce a bank guarantee for the amounts confirmed through the detention order.
- Since the Petitioner has furnished bank guarantee and preferred an appeal before the Appellate Authority, directed the First Appellate Authority, to consider and pass orders on appeal within three weeks, after hearing the petitioner either through a physical hearing or through video conferencing.
- Further, stated that bank guarantee shall not be encashed till such time orders are passed by the First Appellate Authority as directed and the order communicated to the Petitioner.

Investigation cannot be stalled on apprehension of contracting COVID-19



The Hon'ble Delhi High Court, in the case of ***P.V. Rao vs. Senior Intelligence Officer, DGGSTI [W.P.(C.) No. 8975/2020 (dated, November 18, 2020)]*** denied relief to P.V. Rao ("Petitioner") from appearing physically in Delhi to record statement in alleged GST evasion case and held that judicial interference at this threshold stage, in such matters relating to investigation, has to be exercised with circumspection. The concept of

balance of convenience, therefore, cannot be tilted in favour of the Petitioner to be allowed to appear through video conferencing, merely because travelling from Bengaluru to New Delhi would be a risk factor for the Petitioner of contracting COVID-19.

Facts:-

The Petitioner is presently employed in the capacity of CFO by Think and Learn Private Limited ("**Company**"), engaged in the business of providing online courses, classes etc. through its website and mobile applications by the brand name "BYJU'S".

DGGI ("**the Respondent**") carried out an investigation in the company premises at Bengaluru, from 27 to 29 October 2020, under Section 67 of the CGST Act for evasion of GST on books / printed material being supplied by the Company, by mis-declaring such supplies under an exempted category.

The Respondent summoned the Petitioner, requiring him to tender his statement and present evidence before him on November 05, 2020 at New Delhi. However, owing to his ill health and the rising number of COVID-19 infections across the country since it was not safe to travel to New Delhi for recording of his statement, the Petitioner prayed that he be permitted to appear through video conference. The Respondent had rejected the request for recording statement through video conferencing, after which the Petitioner moved to the Hon'ble Delhi High Court seeking relief in this regard.

Issue:-

Whether the current COVID-19 pandemic situation can ipso facto be cited as a ground to insist that the tendering of statement be done through video conferencing?

Held:-

The Hon'ble Delhi High Court, in ***W.P.(C.) No. 8975/2020 dated November 18, 2020*** held as under:

- Observed that, concededly, the investigation is ongoing and the Respondent wants to unearth the role of the Petitioner in the alleged tax evasion by the Company. The Petitioner has been most uncooperative during the investigation and was afforded ample opportunities to record his statement when the officers had visited the business premises of the Company, at which stage, the Petitioner evaded the recording of his statement on one pretext or the other. Thus, having regard to the past non-cooperative conduct of the Petitioner, and the mere apprehension or fear of the Petitioner of contracting the COVID-19 infection, we would not like to interdict or interfere in the investigation process.
- Stated that, the Court is concerned with the investigation being carried out by an investigating agency. The evidence being recorded at this stage would impact the entire investigation of tax evasion. The questioning during investigation has to be on the basis of evaluation and examination of documents. During the process of interrogation, the investigating agency may come across certain relevant facts and discoveries which are germane and crucial for concluding the investigation. Judicial interference at this threshold stage, in such matters relating to investigation, has to be exercised with circumspection. The concept of balance of convenience, therefore, cannot be tilted in favour of the Petitioner to be allowed to appear through video conferencing, merely because travelling from Bengaluru to New Delhi would be a risk factor for the Petitioner of contracting COVID-19.

- While dismissing the writ petition the Court stated that while recording the statement of the Petitioner, as and when he appears before the Respondent, all safety measures and protocols would be in place, and that his statement would be recorded and concluded on a day-to-day basis so that the Petitioner would have to travel to Delhi only once.

Best judgment assessment cannot be made for non-filing of GSTR-3B



The Hon'ble Appellate Authority, GST, Andhra Pradesh, in the case of ***Omsai Professional Detective & Security Services Pvt. Ltd. [Order No. 5132 of 2020 (dated, March 16, 2020)]*** held that best judgment assessment under Section 62(1) of CGST Act cannot be made in respect of non-filers of returns in Form GSTR-3B, wherein Assessing Authority ("AA") issued notices for filing of returns in Form GSTR-3B and passed best judgment assessment orders under Section 62 of CGST Act, on failure to file the same.

Facts:-

M/s. Omsai Professional Detective & Security Services Pvt. Ltd. ("**Appellant**"), is engaged in the business of supplying the security services. This appeal has been filed against the tax orders passed by the AA for the tax periods from January, 2019 to February, 2019 under CGST Act, vide orders dated April 23, 2019, disputing the levy of tax of ₹ 6,96,22,979/-. The AA stated that the Appellant has been filing the returns in Form GSTR-1 by declaring the outward taxable supplies under the CGST Act, but not filed the returns in Form GSTR-3B for the above tax periods, and not paid liable tax on its outward supplies as declared in the returns in Form GSTR-1.

Further, AA issued notices for filing of the returns in Form GSTR-3B, but the Appellant failed to file the same, and therefore, AA was left with no other option other than to pass the best judgment assessment orders.

The AA has estimated the Appellant's outward taxable supplies, by enhancing the returned outward taxable supplies in the returns in Form GSTR-1 by 50% towards probable supplies. Thus, the AA has best judged the

turnovers of the Appellant @ 150% of the returned outward supplies and levied tax thereon @ 18%. The AA also invoked Section 50 of the CGST Act and computed the interest liability of the Appellant.

Besides, the AA also levied penalty @ 100% under Section 122 of the CGST Act holding that the Appellant has willfully suppressed such 150% of the returned turnovers in Form GSTR-1, in such default.

Issues:-

- Whether the best judgment orders through estimating the outward taxable supplies by AA, are based on any dependable and authentic evidence/basis or not?
- Whether the Appellant's contention that Section 62 of the CGST Act cannot be invoked as GSTR-3B is not any return prescribed under Section 39 of the CGST Act, hence these orders are legal or not?
- Whether the willful suppression aspect and resultant levy of 100% penalty, is found to be having any basis and such willfulness, has been established by AA or not?
- Whether the interest levied by AA, is in tune with the provisions of the CGST Act or not?

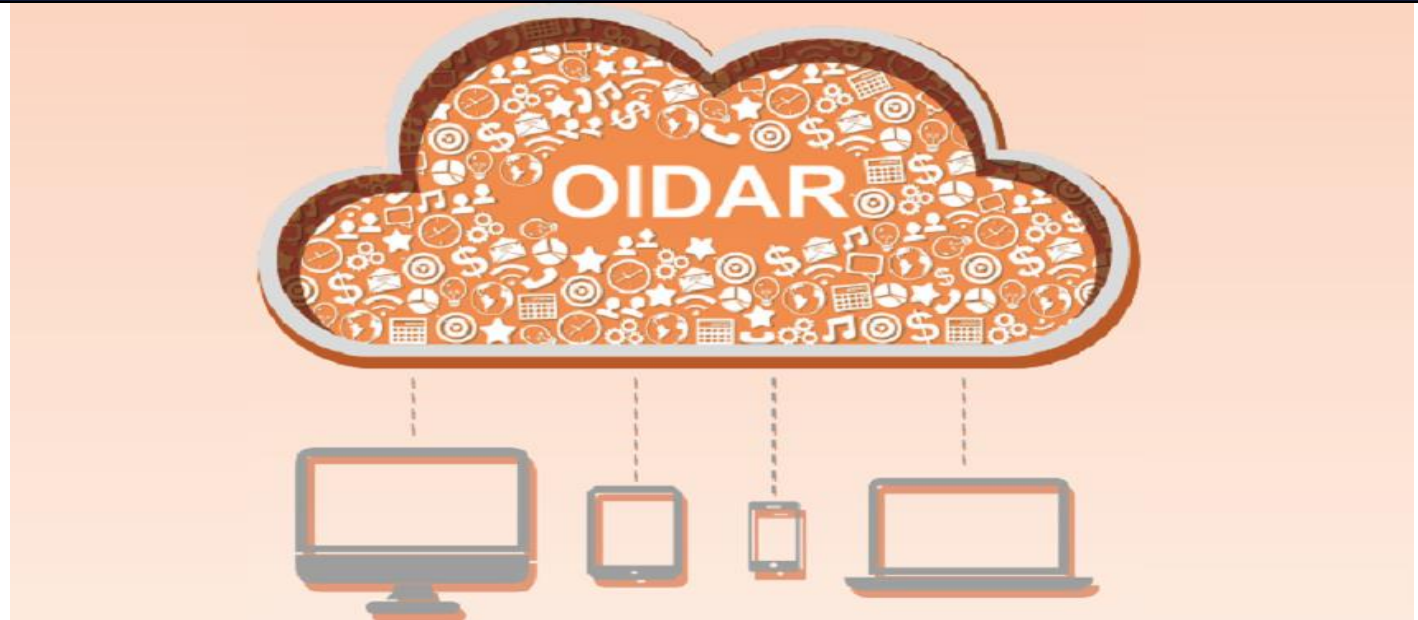
Held:-

The Hon'ble Appellate Authority, GST, Andhra Pradesh, in **Order No. 5132 of 2020 dated March 16, 2020** held as under:

- That, the best judgment assessment under Section 62 of CGST Act, can be made only when the dealer fails to file the return specified in Section 39(1) of the CGST Act, read with Rule 61(1) of the Central Goods and Services Tax Rules, 2017 ("**CGST Rules**"), **that is the return in Form GSTR-3**. Nothing else.
- Observed that, the best judgment assessment under Section 62 of CGST Act can be made by taking into account all the relevant material which are already available and/or the material available which is gathered from the other sources. It is also clear from the settled judicial principles on best judgment assessment that the estimations involved in the best judgment assessment should not be based on mere surmises and/or conjectures and therefore, this cannot be treated as the correct basis for the estimation. The court further observed that, no attempt was made by the tax officer to gather any material to indicate or establish that the quantum of the outward supplies declared by the dealer/supplier in Form GSTR-1 for that month is incorrect and incomplete. The best judgment of the quantum of the outward supplies is made declaring uniformly for all the months that the dealer has suppressed 50% of its declared outward supplies in the relevant months. Thus, the estimations involved in the best judgment assessment herein are not sustainable. They are whimsical and have no basis. It is declared accordingly and the same are deleted.
- In view of the emerged anomalies involving invoking of **Section 62 of CGST Act, unlawfully, because the relevant Section 39 of the CGST Act does not speak of GSTR-3B in the listed returns for the disputed period, and in view of the erroneous method adopted by AA for estimating outward taxable supplies through best judgment without mentioning reasons/evidence**, hence the tax so levied by the AA of ₹ 3,43,96,432/- is annulled and modified as per actual tax liability of the Appellant for the period from January, 2019 to February, 2019.
- Struck down the additions made by the AA towards the probable suppressions that formed the basis for the levy of penalty, as the levy is not justifiable as there is not even an iota of evidence established by the AA pointing out the willfulness in the omission to file the return in Form GSTR-3B and/or in the determined suppression of outward tax. Hence, the total penalty of ₹ 3,43,96,432/- annulled.

- Upheld the levy of interest, but the AA is directed to compute leviable interest as on date against the actual tax to be paid by the Appellant as discussed.

Online tests scored after human intervention classifiable as an OIDAR Service



The Hon'ble AAAR, Karnataka, in the matter of *M/S. Ncs Pearson Inc.*, [Order No. KAR/AAAR/07/2020-21 (dated, November 13, 2020)] held that, the scoring done by the human scorer is to be regarded as being within the realm of minimum human intervention. Sets aside AAR's findings of disqualifying classification of a Type-3 test offered by the M/s. NCS Pearson Inc. to its client in India as Online Information Database Access and Retrieval ("**OIDAR**") service.

Facts:-

M/s. NCS Pearson Inc ("**Company/ Respondent**"), a Minnesota Corporation, having a business division 'Pearson VUE,' engaged in the provision of computer-based test ("**exams**") administration solutions to its clients ("**test sponsors**") like educational institutes, professional licensing organizations, etc. and is registered with Bangalore West Commissionerate as a supplier of OIDAR services. The Company offers three types of test-administrative solutions on behalf of its clients to the test-takers in India. Test-takers are typically individual candidates across the world including candidates from India, who are not registered under GST. Relevant test is described below:

- Type 3 Test: These tests contain a mixture of multiple-choice questions and analytical writing assessment section i.e. essay-based questions. For candidates from India, the test is taken at test centres in India at a computer workstation which is physically administered and supervised by an invigilator. The candidates may create a profile, schedule the appointment and remit payment using a registration centre (call centre). The test is completed in parts viz. at the end of the exam, the test-taker is able to see the final score for multiple choice questions and an indicative score (which is not final) for essay-based questions marked by the computer-based algorithm. However, the essay-based questions are then sent to a human-evaluator in the USA for assessment and final scoring. In addition to this, the essay is scored by an automated essay scorer. In case the difference in score for a single

essay question between the electronic computed based algorithms scoring vis-a-vis human scoring is more than 1 point, then the essay-based questions are again sent to an expert evaluator for assessment and scoring. Once the entire aforesaid scoring activity is completed, the test-taker is then e-mailed a URL to access their official score.

The Company has entered into contractual arrangements in India with independent third-party service providers including a subsidiary company of the Respondent to act as Pearson VUE Authorized Test Centres ("**Testing centres**") to provide secure test centre services to the Company for delivery of the tests including verification of candidates identity, invigilation etc.

This appeal has been filed by the Department against the ruling given by the Authority for Advance Ruling in the case of *M/s NCS Pearson Inc. [Order No.- KAR ADRG 37/2020 (dated, May 22, 2020)]* wherein, the AAR arrived at the conclusion that Type 3 test does not qualify as OIDAR services, and it was held that there will not be any liability on the supplier located outside India and hence the entire transaction is exempted both in the hands of the supplier and also the recipient.

Issue:-

Whether the service provided for type 3 test classifies as OIDAR Services?


Held:-

The Hon'ble AAAR, Karnataka, in *Order No. KAR/AAAR/07/2020-21* held as under:

- Observed that, the Company accepts the electronic request for a rescore of the essay and returns the result to the candidate electronically. The candidate who is the service receiver has received a fully digitally provided service. When the Type-3 computer-based test is viewed as a whole, the scoring done by the human scorer is to be regarded as being within the realm of minimum human intervention. As such the ingredient of 'minimum human intervention' required to classify the service as OIDAR is also satisfied.
- Noted that, since there are no guidelines in Indian laws regarding the concept of minimum human intervention in electronically provided services, the Authority would refer to the European Commission VAT Committee Working Paper No 896 wherein the notion of 'minimal human intervention' was discussed in the context of determining whether or not a service can be said to fall within the definition of electronically supplied services. The European VAT Committee had agreed that for the assessment of the notion of 'minimal human intervention', it is the involvement on the side of the supplier which is relevant and not that on the side of the customer.
- Held that, the focus here is on a computer-based test where the intent is to also assess the performance of the candidate using an automated system. The reliability of the Automatic Essay Scoring System ("**AES**") is validated by the near agreement to the score given by the human scorer. Therefore, the involvement of the human element in the assessment of essay responses is well within the realm of 'minimum human intervention'. Further, even from the perspective of the candidate, the human involvement is minimum in the entire process of the Type-3 computer-based test starting from the manner of registering for the test, the actual test-process and the outcome of the test, as all stages are automated. The decision of the lower Authority that the Type-3 test is not an OIDAR service, cannot be accepted. Service provided for the Type-3 test is classifiable as an OIDAR service.

Important Notifications, Circulars etc.

CBIC extends the due date for filing GSTR 9 and GSTR 9C for FY 2019-20



GSTR 9/9C DUE DATES

Annual Return Filing Form for Taxpayers

www.a2ztaxcorp.com

The CBIC vide **Notification No. 95/2020 – Central Tax dated December 30, 2020** has extended the due date for furnishing Annual GST Returns (GSTR-9) for the financial year 2019-20, from December 31, 2020 till February 28, 2021.

Now, taxpayer having aggregate annual turnover above Rs 2 crore can file the annual return, using Form GSTR-9, as well as the reconciliation statement, duly audited by Chartered Accountants or Cost Accountants for taxpayers having aggregate turnover above Rs 5 crore, in Form GSTR-9C, for the financial year 2019-20 by February 28, 2021.

Note:

- Filing of GSTR-9 for FY 2019-20 is optional for taxpayers having aggregate turnover upto Rs. 2 crore vide **Notification No. 77/2020 – Central Tax, dated October 15, 2020**
- There is no extension in due date i.e. December 31, 2020 for filing GSTR 9 and GSTR 9C for FY 2018-19.

The Notification can be accessed at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-95-central-tax-english-2020.pdf>

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Blocking of GSTR-1 in case of non-filing of GSTR-3B under Rule 59 of the CGST Rules



Blocking of GSTR-1 in case of non-filing of GSTR-3B under Rule 59 of the CGST Rules

Background:

The CBIC vide *Notification No. 94/2020-Central Tax dated December 22, 2020, inter alia*, amended Rule 59 of the CGST Rules dealing with "Form and manner of furnishing details of outward supplies", to insert sub-rule (5) after Rule 59(4), blocking GSTR-1 in case of non-filing of GSTR-3B, in following manner:

- If the registered person fails to furnish the return in GSTR-3B for preceding two months, he would not be allowed to furnish the details of outward supplies of goods or services or both in GSTR-1.

Previously, non-filing of GSTR-3B resulted in blocking of E-way Bill facility but from now, on the same would also result in blocking of the GSTR-1 of the registered person.

- Identically, for quarterly return filers, if the registered person fails to file GSTR-3B for the preceding tax period, he would not be permitted to file GSTR-1 or use invoice furnishing facility ("IFF") for subsequent quarter.
- A registered person who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability as per newly inserted Rule 86B of the CGST Rules, would also not be permitted to file GSTR-1 or use IFF, if he has not filed GSTR-3B for the preceding tax period.

But we pointed out in our last newsletter on above amendment, that Rule 59 of the CGST Rules is already substituted vide ***Notification No. 82/2020-Central Tax dated November 10, 2020***, which is **going to be effective from January 1, 2021**, sub-rule (5) of which reads as under:

"(5) The details of outward supplies of goods or services or both furnished using the IFF shall include the –

(a) invoice wise details of inter-State and intra-State supplies made to the registered persons;

(b) debit and credit notes, if any, issued during the month for such invoices issued previously."

Therefore, there seemed to be an apparent mistake and it was not clear that what will be correct provisions under Rule 59(5) of the CGST Rules, w.e.f. January 1, 2021. Further, with substituted Rule 59 of the CGST Rules taking effect from January 1, 2021, above insertions of December 22, 2020 notification would become otiose.

New Notification issued to remove the anomaly:

The CBIC has now issued **Notification No. 1/2021-Central Tax dated January 1, 2021** to correct the above confusion w.e.f. January 1, 2021. Accordingly, the insertions earlier made vide *Notification No. 94/2020-Central Tax dated December 22, 2020*, as sub-rule (5) to Rule 59 of the CGST Rules is **now inserted as sub-rule (6) to Rule 59** *ibid*.

Therefore, Rule 59 of the CGST Rules, w.e.f. January 1, 2021 reads as under:

"59. Form and manner of furnishing details of outward supplies.

(1) Every registered person, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in FORM GSTR-1 for the month or the quarter, as the case may be, electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.

(2) The registered persons required to furnish return for every quarter under proviso to sub-section (1) of section 39 may furnish the details of such outward supplies of goods or services or both to a registered person, as he may consider necessary, for the first and second months of a quarter, up to a cumulative value of fifty lakh rupees in each of the months, - using invoice furnishing facility (hereafter in this notification referred to as the "IFF") electronically on the common portal, duly authenticated in the manner prescribed under rule 26, from the 1st day of the month succeeding such month till the 13th day of the said month.

(3) The details of outward supplies furnished using the IFF, for the first and second months of a quarter, shall not be furnished in FORM GSTR-1 for the said quarter.

(4) The details of outward supplies of goods or services or both furnished in FORM GSTR-1 shall include the—

(a) invoice wise details of all -

(i) inter-State and intra-State supplies made to the registered persons; and

(ii) inter-State supplies with invoice value more than two and a half lakh rupees made to the unregistered persons;

(b) consolidated details of all -

(i) intra-State supplies made to unregistered persons for each rate of tax; and

(ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered persons for each rate of tax;

(c) debit and credit notes, if any, issued during the month for invoices issued previously.

(5) The details of outward supplies of goods or services or both furnished using the IFF shall include the –

(a) invoice wise details of inter-State and intra-State supplies made to the registered persons;

(b) debit and credit notes, if any, issued during the month for such invoices issued previously.

(6) Notwithstanding anything contained in this rule, -

(a) a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in **FORM GSTR-1**, if he has not furnished the return in **FORM GSTR-3B** for preceding two months;

(b) a registered person, required to furnish return for every quarter under the proviso to sub-section (1) of section 39, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in **FORM GSTR-1** or using the invoice furnishing facility, if he has not furnished the return in **FORM GSTR-3B** for preceding tax period;

(c) a registered person, who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of ninety-nine per cent. of such tax liability under rule 86B, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in **FORM GSTR-1** or using the invoice furnishing facility, if he has not furnished the return in **FORM GSTR-3B** for preceding tax period.”

The Notification can be accessed at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-01-central-tax-english-2021.pdf>

CBIC issued corrigendum providing 30 days for submitting reply to registration suspension notice



The CBIC vide **Corrigendum dated December 28, 2020** issued corrections to be made in *Notification No. 94/2020-Central Tax*, dated December 22, 2020, that introduced certain amendments in CGST Rules vide Central Goods and Services Tax Rules (Fourteenth Amendment), 2020, in the following manner:

- Regarding the time limit for submission of a reply to intimation for suspension and notice for cancellation of registration in Form GST REG-31 under Rule 21A of the CGST Rules. The submission of a reply to jurisdictional tax officer is required to be made within **“thirty working days”** which earlier read as **“seven working days”** from the receipt of notice.

The Corrigendum can be accessed at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-94-central-tax-corrigendum-2020.pdf>

CBIC issued circular for import and export of vaccines in relation to COVID-19 through courier



CBIC issued ***Circular No. 56/2020-Customs dated December 30, 2020*** for Import and export of vaccines in relation to COVID-19 through Courier.

The COVID-19 pandemic has posed unprecedented challenges to Customs and other administrations the world over. Right from the onset of the pandemic, the Board has been taking various measures to keep import-export supply chains operational and ensure that critical goods are released expeditiously by the Customs. In this context the Board notes that efficient clearance and distribution of vaccines would be a critical requirement in the collective fight against the COVID-19 pandemic. The challenges in doing so is heightened by the fact that the vaccines need to be stored and transported under controlled temperatures and there are multiple stakeholders involved in this process. This necessitates putting in place efficient cross-border procedures for speedy evacuation of the vaccines. Accordingly the Board has proactively reviewed the extant process for cross-border movement of goods and focussed on especially facilitating the Customs clearance of imported/ export of vaccines relating to COVID -19.

In order to facilitate the import/ export of vaccines in relation to COVID -19 through Courier, at locations where the Express Cargo Clearance System (ECCS) is operational, the Board has issued the Courier Imports and Exports (Electronic Declaration and Processing) Amendment Regulations, 2020. These new regulations amend the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 to provide the following:

- Imports of and exports of vaccines in relation to COVID 19 has been allowed without any value limitation.
- Since the vaccines will be imported in durable containers equipped with the requisite temperature monitoring and tracking devices, sub-regulation (3) of regulation 6 and the declaration in Form H (CSB IV) of

the Regulations have been suitably amended to provide for the export of the durable container including accessories thereof, imported in relation to COVID-19 vaccines. The clarifications contained in Circular No.51/2020-Customs, dated 20.11.2020 would apply for the temporary importation and re-export of the durable containers including accessories thereof imported in relation to the COVID-19 vaccines through Courier. Care should be taken to ensure compliance with the procedure contained in said Circular including execution of a continuity bond, declaration of the durable containers, and accessories thereof as a separate item in the Customs declaration during import and re-export. Importers may be advised to indicate the unique identifier of the container and the accessories during import in the Courier Bill of Entry (CBE-V) and also at the time of re-export in the Courier Shipping Bill (CSB IV) for facilitating clearance.

Since multiple stakeholders will be involved in the process of clearance of the vaccines, effective coordination among the stakeholders would be necessary. Commissioners in charge of the International Courier Terminals where ECCS is operational, are therefore requested to immediately form a Task Force headed by an officer of the rank of Joint/ Additional Commissioner of Customs and comprising of officials from relevant PGAs, Authorized Couriers, Custodians, Airlines and other relevant stakeholders. The Task force shall adopt a coordinated approach for efficient clearance of vaccines relating to COVID-19.

The details of the Task Force, and the name, designation and contact details of the Joint/ Additional Commissioner of Customs, heading the Task force may be given wide publicity through issue of Public Notices and should also be placed in a conspicuous location in the website of the Commissionerate/ Zone.

The Circular can be accessed at: <https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-56-2020.pdf>

CBIC issued circular for implementation of PGA eSANCHIT

INDIAN CUSTOMS

e-SANCHIT
e-STORAGE AND COMPUTERISED
HANDLING OF INDIRECT TAX DOCUMENTS

Welcome : DUMYHYPBACUSER (HYPBACUSER)

Upload Documents | Validate Documents

Uploaded documents details

File Name	DRN	IRN	Start Date	Digital Sign Validate	Document Type
Test PDF File Signed	20210120000000	20210120000000	20210120 14:45:31PM	Successfully Verified	000000 Test document
Test PDF File Signed	20210120000000	20210120000000	20210120 14:45:31PM	Successfully Verified	000000 Test document

DRN & IRN will be generated as shown in the entry

e-sanchit

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CBIC issued **Circular No. 57/2020-Customs dated December 30, 2020** for Implementation of PGA eSANCHIT, Paperless Processing under SWIFT Uploading of Licenses/Permits/Certificates/Other Authorizations (LPCOs) by PGAs.

CBIC's eSANCHIT application is successfully in operation since 01.04.2018. Aimed at further reducing physical interface between Customs/regulatory agencies and the trade and to increase the speed of clearance in both imports & exports, this application provides a facility to upload digitally signed Licenses/Permits/Certificates/Other Authorizations (LPCOs) by Participating Government Agencies (PGAs) at all ICES locations across India. In this regard, kindly refer to Board's Circulars No. 44/2018-Cus. dated 13.11.2018, No.13/2019-Cus. dated 03.06.2019, No.19/2019-Cus. dated 16.07.2019, No.03/2020-Cus dated 15.01.2020, No.11/2020-Cus. dated 10.02.2020 and No.24/2020 dated 14.05.2020. Already 51 PGAs have been enabled for uploading their LPCOs on eSANCHIT. Reference is also invited to Circular No.55/2020-Customs dated 17.12.2020 vide which Board has decided that w.e.f. **15.01.2021**, the supporting documents for justification of claim of duty exemption notification or fulfilment of a CCR requirement etc, shall be mandatorily required to be uploaded in eSANCHIT along with the Bills of Entry.

Now, 2 more PGA namely Trade Promotion Council of India (TPCI) and Export Promotion Council for EOUs & SEZs (EPCES) with their LPCOs as detailed below are being brought on board eSANCHIT platform. With this, the total number of PGAs on Board eSANCHIT as on date becomes 53.

Sr. No.	Document Code	Document Name	Document Description and Name of the PGA	PGA Code
1	861TP1	Certificate of Origin (Non-Preferential)	Certificate of Origin (Non-preferential) is issued by Trade Promotion Council of India for certifying goods of India origin.	TPCI
2	101EP1	Membership Certificate	Membership Certificate issued by Export Promotion Council for EOUs & SEZs.	EPCES

Since the facility to upload the LPCOs is now being fully made available to above two PGAs, the beneficiaries (importer/exporters) and customs brokers would not be allowed to upload the previously issued LPCOs on eSANCHIT w.e.f. **15.01.2021**. However, it may so happen that a beneficiary in possession of an already issued LPCO has so far not uploaded it. Since such uploading (by the beneficiary) would not be possible after 15.01.2021, to facilitate the beneficiaries, the above two PGAs are required to upload the LPCOs issued by them during the last 15 days from above cut-off date. Additionally, if requested by a beneficiary, LPCOs issued on a prior date may also be uploaded by the above two PGAs on eSANCHIT.

It is reiterated that the PGA will be communicating with the beneficiaries through the e-mail addresses registered on ICEGATE. Board had also introduced simplified auto registration process on ICEGATE based on email ids already provided by them for registration under GST without the use of digital signatures for limited purposes of eSANCHIT (communication and viewing) and the IRNs will be communicated to such email ids. In this regard, kindly refer to Board's Circular No.35/2018 Cus. dated 01.10.2018 and Circular No. 14/2019-Cus. dated 03.06.2019. Since the facility of beneficiary uploading these documents on eSANCHIT will be deactivated from **15.01.2021**, beneficiary registration is of utmost importance. Hence, all the formations are requested to reach out to the beneficiaries to ensure that correct email addresses are reflected in the ICEGATE. Special efforts may be taken for wide publicity in this regard.

The Circular can be accessed at: <https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-57-2020.pdf>

Delhi Govt issued SOP for verification of taxpayers granted deemed registration

Delhi Department of Trade & Taxes vide **Instruction No. 1/2020-GST dated December 11, 2020** issued Standard Operating Procedure (SOP) for verification of taxpayers granted deemed registration.

With effect from 21.08.2020, rule 9 of the Delhi Goods and Services Tax Rules, 2017 (hereinafter referred to as the DGST Rules) provide that in cases where Aadhaar authentication has either not been opted for by the applicant or where such authentication has failed, the proper officer has to mandatorily initiate physical verification of the premises, or in cases where the physical verification is difficult, certain additional documents may be called for by the proper officer (upon approval of an officer not below the rank of Joint Commissioner) for verification before deciding upon grant of registration. Further, the present provisions allow for deemed registration upon completion of 21 days of application in such cases if the proper officer has not issued any notice within the said 21 days.

Data suggests that during the period from 21st August, 2020 to 16th November, 2020 deemed registration has been granted in many cases where Aadhaar authentication has not been opted for or has failed. These registrations granted on deemed basis require verifications to ascertain that they have genuine business or intends to carry out so. In order to complete the verification of such registrants, following instructions are issued for immediate compliance:

The list of registrations granted on deemed approval basis, Zone/Ward wise, during the period from 21st August, 2020 to 16th November, 2020 is available at boweb.internal.gst.gov.in in following manner:

<https://boweb.internal.gst.in/boservices/login>

MIS Reports

Registrations

MIS REG 1.10(a) Registration Application Register- New Registration

Rule 25 of the DGST Rules provide for physical verification of business premises in certain cases and include such verification after grant of registration. All such deemed registrations would be subjected to compulsory post registration verification. On completion of verification, if the proper officer has reasons to believe that the registration is liable for cancellation, he shall initiate the proceedings under rule 22 of the DGST Rules.

Pending physical verification, notice in FORM REG-17 may be issued in specific cases based on following risk parameters seeking explanation from the registered person regarding the differences and anomalies noticed:

1. Where FORM GSTR-1 is filed and FORM GSTR-3B is not filed either for August or September, 2020 tax period;
2. The difference in tax amount, as reported in FORM GSTR-1 and FORM GSTR-3B is more than ₹ 1 lakh (R1>R3B)

On receipt of the reply to the notice, the proper officer would complete the proceedings under rule 22 of the DGST Rules.

All the verifications must be completed in a time bound manner, within 3 weeks of these instructions. A weekly status report to be submitted to the Commissioner, State Tax, in the format enclosed to this instruction.

The Standard Operating Procedure (SOP) to be followed by the proper officer for carrying out the physical verification of the persons who have been granted a deemed GST registration is outlined below.

The proper officer shall conduct physical verification of the principal place of business and wherever possible, additional place of business, indicated in GST registration FORM REG-01 of the concerned registrant. During the physical verification, the officer, among other things, would also verify the following details:

- In case the applicant intends to carry out manufacturing activity, whether capital goods, if required for the said manufacturing activity, have been installed.
- Electricity connection, bills paid in the relevant period.
- Size of the premises – whether it is commensurate with the activity to be carried out by the applicant.
- Whether premises is self-owned or is rented and documents relating ownership/ registered lease of the said property. In case of doubt, enquiry may also be made from the landlord/ owner of the property in case of rented / leased premises.
- No of employees already employed and record of their employment
- Aadhaar and PAN of the applicant and its proprietor, partners, Karta, Directors as the case may be and the authorised signatories.
- Bank's letter for up to date KYC.

In addition to the physical verification conducted, the proper officer, in the interest of revenue, would carry out the preliminary financial verification of the registrants by seeking the following documents and carrying out its scrutiny:

- ITRs of the company / LLP from the date of incorporation or for last three financial years, whichever is less. ITRs of proprietor, partners, Karta, etc. may be taken in other cases.

- The status of activity from the date of registration of all the bank account(s) linked to registration; the same may be taken through a letter / undertaking from the applicant. Phone number declared / linked to each of the bank accounts may also be obtained.
- Quantum of capital employed/proposed to be employed.
- Out of the amount mentioned at (c) above:
 - Own Funds:
 - Loan Funds: (indicate the names, complete address, PAN and amount borrowed from each such lender separately):
- In case of own funds, also check the audited balance sheet for previous financial year, where available, in addition to the Income Tax Returns mentioned in (a) above.
- In case of loan funds check the proposal submitted to the Bank/FI for approval of the loan and the maximum permissible bank finance as per such proposal, where the amount is proposed to be borrowed from a Bank and/or FI.

It is advised that in cases where the applicant has not opted for Aadhaar authentication or where such authentication has failed, there should not be any case where registration is granted on deemed approval basis. Suitable instructions may kindly be issued to the Proper Officers under your charge.

The SOP can be accessed at: <http://dvatonline.gov.in/Docs/Circulars/1981078.pdf>

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Important Press Releases of the week

GST collection in the month of December, 2020 is ₹ 1,15,174 crore

GST collection



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The gross GST revenue collected in the month of December 2020 is ₹ **1,15,174 crore** of which CGST is ₹ **21,365 crore**, SGST is ₹ **27,804 crore**, IGST is ₹ **57,426 crore** (including ₹ 27,050 crore collected on import of goods) and Cess is ₹ 8,579 crore (including ₹ 971 crore collected on import of goods). The total number of GSTR-3B Returns filed for the month of November up to 31st December 2020 is 87 lakhs.

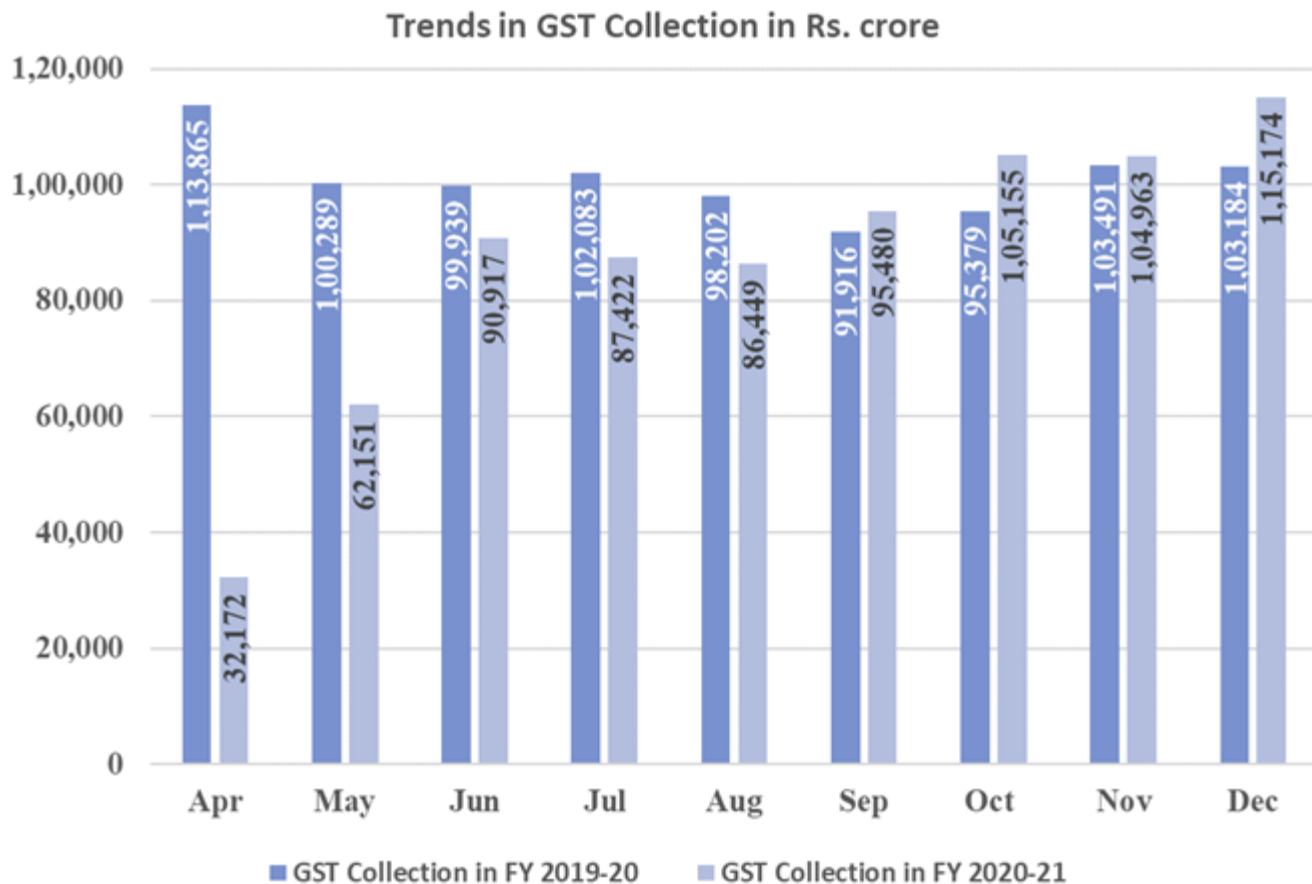
The government has settled ₹ 23,276 crore to CGST and ₹ 17,681 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of December 2020 is ₹ 44,641 crore for CGST and ₹ 45,485 crore for the SGST.

In line with the recent trend of recovery in the GST revenues, the revenues for the month of December 2020 are **12% higher** than the GST revenues in the same month last year. During the month, revenues from import of goods was 27% higher and the revenues from domestic transaction (including import of services) are 8% higher than the revenues from these sources during the same month last year.

The GST revenues during December 2020 have been the highest since the introduction of GST and **it is the first time that it has crossed ₹ 1.15 lakh crore**. The highest GST collection till now was ₹ 1,13,866 crore in the month of April 2019. The revenues of April normally tend to be high since they pertain to the returns of March, which marks the end of financial year. The December 2020 revenues are significantly higher than last month's revenues of ₹ 1,04,963 crore. This is the highest growth in monthly revenues since last 21 months. This has been due to combined effect of the rapid economic recovery post pandemic and the nation-wide drive against GST evaders and fake bills alongwith many systemic changes introduced recently, which have led to improved compliance.

Till now, GST revenues have crossed ₹ 1.1 lakh crore three times since introduction of GST. This is the third month in a row in the current financial year after the economy has been showing signs of recovery post pandemic that the GST revenues have been more than ₹ 1 lakh crore. The average growth in GST revenues during the last quarter has been **7.3%** as compared to **(-) 8.2%** during the second quarter and **(-) 41.0%** during the first quarter of the financial year.

The chart below shows trends in monthly gross GST revenues during the current year. The table shows the state-wise figures of GST collected in each State during the month of December 2020 as compared to December 2019.



The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685332>

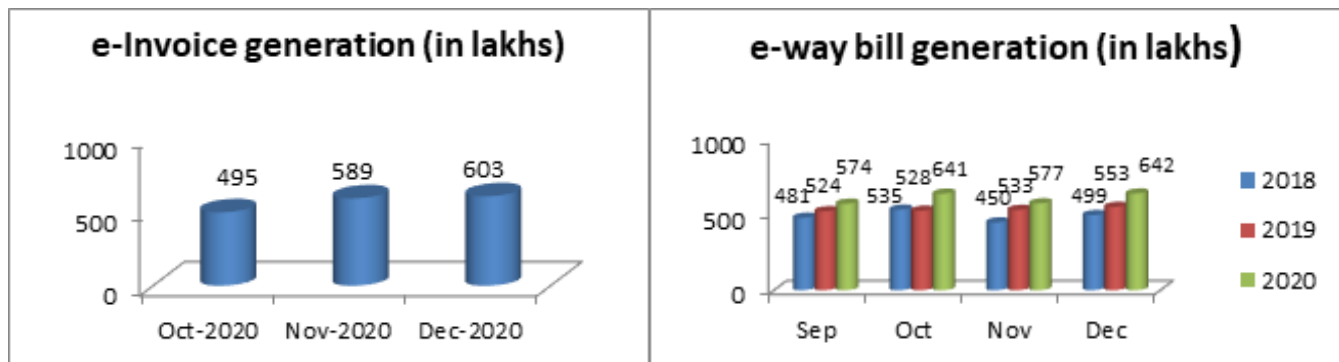
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GST e-invoice system completed 3 months; Enabled more than 37000 taxpayers to generate more than 1680 Lakh IRNs



GST e-invoice system, the game changer in the GST system, has completed journey of three months, has facilitated smooth transition of the taxpayers to the new platform. It has enabled more than 37000 taxpayers to generate more than 1680 Lakh Invoice Reference Numbers (IRNs), during last three months from the NIC developed e-Invoice system.

Starting with 495 lakhs during October 2020, generation of e-Invoice has increased to 589 lakhs in November 2020 and 603 Lakhs in December 2020. Interestingly the e-way bill generation from the NIC (National Informatics Centre) developed e-way bill system is also highest during September to December 2020 compared to same months of previous years.



The response of the system is good and generation of IRNs is hassle-free during this period. However, there have been common errors such as repeated requests on same document number, simultaneous requests on same document number, requests with validation or calculation errors etc. Proactive measures taken by NIC Help desk, including communication with taxpayers about the issues through mails and telephonic calls and suggestion of corrective measures, has facilitated in bringing the errors down. NIC has also started sending the daily update to the generators of IRN about the number and value of the IRN generated by him/her.

The Government has reduced the aggregate turnover cut off to Rs. 100 Crores per annum for generation of IRN by the taxpayers from 1st January 2020. NIC has already enabled the API and offline tool based sites

for these taxpayers. NIC is also geared up with adequate infrastructure to handle the generation of e-invoices from these taxpayers from 1st January 2020. NIC portal facilitates the big taxpayers, whose turnover is more than Rs. 500 Crores, to enable direct API access to their suppliers and clients from their systems.

Keeping requirements of small taxpayers in view, NIC has developed the offline Excel based IRN preparation and printing tool, called as NIC-GePP tool for the small tax payers. This application will allow the taxpayers to enter the invoice details, prepare the file to upload on NIC IRN portal, download the IRN with QR code and print the e-invoice with QR code.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685566>

9th Instalment of Rs. 6,000 crore released to the States as back to back loan to meet the GST compensation shortfall



The Ministry of Finance has released the 9th weekly instalment of Rs. 6,000 crore to the States to meet the GST compensation shortfall. Out of this, an amount of Rs. 5,516.60 crore has been released to 23 States and an amount of Rs. 483.40 crore has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on account of GST implementation.

The Government of India had set up a special borrowing window in October, 2020 to meet the estimated shortfall of Rs. 1.10 lakh crore in revenue arising on account of implementation of GST. The borrowings are being done through this window by the Government of India on behalf of the States and UTs. The borrowings have been done in 9 rounds. The amount borrowed so far was released to the States on 23rd October, 2020, 2nd November, 2020, 9th November, 2020, 23rd November, 2020, 1st December, 2020, 7th December, 2020, 14th December, 2020, 21st December, 2020 and 28th December, 2020.

The amount released this week was the 9th instalment of such funds provided to the States. **The amount has been borrowed this week at an interest rate of 5.1508%.** So far, an amount of **Rs. 54,000 crore has been borrowed by the Central Government through the special borrowing window at an average interest rate of 4.7488%.**

In addition to providing funds through the special borrowing window to meet the shortfall in revenue on account of GST implementation, the Government of India has also granted additional borrowing permission equivalent to 0.50 % of Gross States Domestic Product (GSDP) to the states choosing Option-I to meet GST compensation shortfall to help them in mobilising additional financial resources. All the States have been given their preference for Option-I. Permission for borrowing the entire additional amount of Rs. 1,06,830 lakh crore (0.50 % of GSDP) has been granted to 28 States under this provision.

The amount of additional borrowing permission granted to 28 States and the amount of funds raised through special window and released to the States and Union Territories so far is annexed.

State wise additional borrowing of 0.50 percent of GSDP allowed and amount of funds raised through special window passed on to the States/UTs till 28.12.2020

(Rs. in Crore)

S. No.	Name of State / UT	Additional borrowing of 0.50 percent allowed to States	Amount of fund raised through special window passed on to the States/ UTs
1	Andhra Pradesh	5051	1307.43
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	562.60
4	Bihar	3231	2208.94
5	Chhattisgarh	1792	677.04
6	Goa	446	475.12
7	Gujarat	8704	5217.08
8	Haryana	4293	2462.12
9	Himachal Pradesh	877	971.39
10	Jharkhand	1765	367.80
11	Karnataka	9018	7019.23
12	Kerala	4,522	1583.88

13	Madhya Pradesh	4746	2569.63
14	Maharashtra	15394	6776.23
15	Manipur*	151	0.00
16	Meghalaya	194	63.29
17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	2162.29
20	Punjab	3033	2296.12
21	Rajasthan	5462	1909.72
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	3531.02
24	Telangana	5017	818.16
25	Tripura	297	128.10
26	Uttar Pradesh	9703	3398.37
27	Uttarakhand	1405	1310.46
28	West Bengal	6787	1217.14
	Total (A):	106830	49033.16
1	Delhi	Not applicable	3318.01
2	Jammu & Kashmir	Not applicable	1285.29
3	Puducherry	Not applicable	363.54
	Total (B):	Not applicable	4966.84
	Grand Total (A+B)	106830	54000.00

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1684149>

Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme gets implemented from 1st January, 2021

RoDTEP Scheme – Remission of Duties or Taxes on Export Product (RoDTEP)



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Taking a major step to boost exports, the Government has decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021.

The RoDTEP scheme would refund to exporters the embedded Central, State and local duties/taxes that were so far not being rebated/refunded and were, therefore, placing our exports at a disadvantage. The refund would be credited in an exporter's ledger account with Customs and used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers.

The RoDTEP rates would be notified shortly by the Department of Commerce, based on the recommendation of a committee chaired by Dr. G.K. Pillai, former Commerce and Home Secretary. The final report of the Committee is expected shortly. An exporter desirous of availing the benefit of the RoDTEP scheme shall be required to declare his intention for each export item in the shipping bill or bill of export. **The RoDTEP shall be allowed, subject to specified conditions and exclusions. The notified rates, irrespective of the date of notification, shall apply with effect from 1st January, 2021 to all eligible exports of goods.**

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685206>

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Conditions and restrictions of RoDTEP Scheme to be notified shortly

Scheme for Remission of Duties and Taxes on Exported Products

In continuation of press release, dated the 31st December, 2020, regarding implementation of Remission of Duties and Taxes on Exported Products (RoDTEP) from the 1st January, 2021, it is further stated that the following shall be notified/made public shortly:

1. The details of export goods (tariff lines) eligible for RoDTEP scheme
2. The applicable RoDTEP rate, value caps (wherever applicable) on such eligible goods/tariff lines
3. The excluded category of exports
4. Other conditions and restrictions
5. The procedural details for grant of RoDTEP duty credit, and utilisation thereof.

The benefit of RoDTEP would be available subject to the conditions, restriction, exclusions, ineligibility and fulfilment of the procedural requirements as notified. On exports, eligible for RoDTEP, as per the Scheme details, the RoDTEP benefit shall be available from 1st January, 2021, even if the rates and other details are prescribed later, within next few days.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685400>

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PIB issued statistics of India's Merchandise Trade preliminary data for the month of December 2020

India's merchandise exports in December 2020 was USD 26.89 billion, as compared to USD 27.11 billion in December 2019, a marginal fall of 0.80%. Exports during April-December 2020-21 were USD 200.55 billion, as compared to USD 238.27 billion during the same period last year, exhibiting a negative growth of 15.8%.

India's merchandise imports in December 2020 were USD 42.60 billion, as compared to USD 39.59 billion in December 2019, an increase of 7.6%. Merchandise imports during April-December 2020-21 were USD 258.29 billion, as compared to USD 364.18 billion during the same period last year, exhibiting a negative growth of 29.08%.

India is thus a net importer in December 2020, with a trade deficit of USD 15.71 billion, as compared to trade deficit of USD 12.49 billion, widened by 25.78%.

In December 2020, the value of non-petroleum exports was USD 24.73 billion, registering a positive growth of 5.33% over December 2019. The value of non-petroleum and non-gems and jewellery exports in December 2020 was USD 22.15 billion as compared to USD 21.06 billion in December 2019, registering a positive growth of 5.17%. The cumulative value of non-petroleum and non-gems and jewellery exports in April-December 2020-21 was USD 166.26 billion, as compared to USD 178.15 billion for the corresponding period in 2019-20, exhibiting a decrease of 6.7%.

In December 2020, Oil imports were USD 9.61 billion, as compared to USD 10.72 billion in December 2019, a decline by 10.37%. Oil imports in April-December 2020-21 were USD 53.71 billion, as compared to USD 96.71 billion, showing a decline of 44.46%.

Non-oil imports in December 2020 were estimated at USD 33.0 billion, as compared to USD 28.88 billion in December 2019, showing an increase of 14.27%. Non-oil imports in April-December 2020-21 were USD 204.57 billion, as compared to USD 267.47 billion, registering a decline of 23.52% during the same period of the last year.

Non-oil, non-GJ (gold, silver & Precious metals) imports were USD 26.10 billion in December 2020, recording a positive growth of 8.42%, as compared to non-oil and non-GJ imports of USD 24.07 billion in December 2019. Non-oil and non-GJ imports were USD 175.29 billion in April-December 2020-21, recording a negative growth of 22.08%, as compared to non-oil and non-GJ imports of USD 224.96 billion in April-December 2019-20.

Major commodities of export which have recorded positive growth during December 2020 vis-à-vis December 2019 are: Other cereals (262.62%), Oil meals (192.60%), Iron ore (69.26%), Cereal preparations and miscellaneous processed item (45.41%), Jute mfg. Including floor covering (21.93%), Handicrafts excl. Hand-made carpet (21.70%), Carpet (21.12%), Ceramic products and glassware (19.11%), Drugs and pharmaceuticals (17.44%), Spices (17.06%), Electronic Goods (16.44%), Fruits and vegetables (12.82%), Organic and Inorganic Chemicals (10.73%), Cotton yarn/fabrics/made-ups, handloom products etc. (10.09%), Rice (8.60%), Meat, dairy and poultry products (6.79%), Gems and Jewellery (6.75%), Mica, coal and other ores, minerals including process (6.02%), Tea (4.47%), Engineering goods (0.12%).

Major commodities of export which have recorded negative growth during December 2020 vis-à-vis December 2019 are Petroleum products (40.47%), Oil Seeds (31.80%), Leather and leather manufactures (17.74%), Coffee (16.39%), RMG of All Textiles (15.07%), Man-made yarn/fabrics/made-ups etc. (14.61%), Marine products (14.27%), Cashew (12.04%), Plastic and linoleum (7.43%), Tobacco (4.95%).

Major commodity groups of import showing positive growth in December 2020 over the corresponding month of last year are: Pulses (245.15%), Sulphur & Unroasted Iron Pyrites (197.41%), Gold (81.82%), Vegetable Oil (43.50%), Chemical material & products (41.51%), Dyeing/tanning/colouring materials (32.64%), Artificial resins, plastic materials, etc. (32.20%), Non-ferrous metals (28.11%), Organic & Inorganic Chemicals (23.30%), Electronic goods (20.90%), Textile yarn Fabric, made-up articles (18.39%), Project Goods (15.27%), Wood & Wood products (14.03%), Machine tools (13.46%), Iron & Steel (12.67%), Pearls, precious & Semi-precious stones (7.81%), Fertilisers, Crude & manufactured (1.42%), Medicinal & Pharmaceutical products (1.2%), Machinery, electrical & non-electrical (0.57%), Fruits & vegetables (0.34%).

Major commodity groups of import showing negative growth in December 2020 over the corresponding month of last year are: Silver (90.52%), Newsprint (76.27%), Leather & leather products (38.93%), Transport equipment (32.05%), Cotton Raw & Waste (28.79%), Metaliferrous ores & other minerals (24.42%), Pulp and Waste paper (12.11%), Petroleum, Crude & products (10.37%), Coal, Coke & Briquettes, etc. (7.27%), Professional instrument, Optical goods, etc. (1.54%).

MERCHANDISE TRADE: Preliminary Data, December 2020

Summary Value in USD Billion

	Total			Non-Petroleum			Non- Petroleum and Non-Gems & Jewellery		
	2019-20	2020-21	% change	2019-20	2020-21	% change	2019-20	2020-21	% change
Exports	27.11	26.89	-0.80	23.48	24.73	5.33	21.06	22.15	5.17
Imports	39.59	42.60	7.6	28.88	33.00	14.27	24.07	26.10	8.42

Deficit	-12.48	-15.71	-25.88	-5.4	-8.27	-53.15	-3.01	-3.95	-31.23
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Change by top Commodity Groups**Value in USD Million**

	Top Increase in December 2020 as compared to December 2019			Top Decline in December 2020 as compared to December 2019		
	Commodity group	Change in value	% change	Commodity group	Change in value	% change
Export	DRUGS AND PHARMACEUTICALS	327.27	17.44	PETROLEUM PRODUCTS	-1469.85	-40.47
	ORGANIC AND INORGANIC CHEMICALS	202.28	10.73	RMG OF ALL TEXTILES	-212.11	-15.07
	ELECTRONIC GOODS	176.75	16.44	MARINE PRODUCTS	-93.69	-14.27
Import	Gold	2018.55	81.82	Petroleum, Crude & products	-1111.28	-10.37
	Electronic goods	870.95	20.90	Transport equipment	-1029.51	-32.05
	Vegetable Oil	366.96	43.50	Metaliferrous ores & other minerals	-137.08	-24.42

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685525>

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CGST Delhi West Commissionerate arrests one for duty evasion of around Rs 831.72 crore



The Central GST Delhi West Commissionerate has unearthed evasion of GST by way of manufacture and clandestine supply of gutkha/pan masala/tobacco products without any registration and payment of duty. On basis of the search at the premise of manufacture, it was found that illegal manufacturing of Gutkha/pan masala/tobacco product was going on, evidenced by a godown, machines, raw materials and manufactured products at the premises. Around 65 labourers were found working at the illegal factory. The finished product of gutkha is being supplied to various states in India. **The searches resulted in seizure of finished gutkha and raw materials such as chuna, sada kattha, tobacco leaves etc. valued at Rs. 4.14 crore approximately.**

On the basis of evidence gathered, stocks seized and confessional statements recorded the total duty evasion is estimated to be approx. Rs. 831.72/- crore. Further investigation is in progress.

One person has been arrested in the matter on the basis of his involvement in the manufacture and supply of goods without issue of any invoice with the intention to evade tax, as well as in transporting, removing, depositing, keeping, concealing, supplying, or purchasing any goods in violation of the provisions of Section 132(1)(a) and (h) of CGST Act, 2017, which are cognizable and non-bailable under Section 132(5) being punishable under Section 132(1)(i) of the said Act. The accused person has been arrested and produced before the Metropolitan Magistrate (MM), Patiala House Court on 02.01.2021 and has been sent to 14 days judicial custody by the MM. Further investigation is underway to identify the key conspirator/s of the case and to recover the tax dues involved.

Delhi Zone has been making sustained efforts to check evasion of GST, leading to detection of Rs 4,327 crore in the current Financial Year and 15 persons have been arrested in these matters.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1685776>

Important Updates of the week

GSTN: Auto-population of e-invoice details into GSTR-1/2A/2B/4A/6A



Certain notified taxpayers have been [issuing invoices](#) after obtaining Invoice Reference Number (IRN) from Invoice Registration Portal (IRP) (*commonly referred as 'e-invoices'*). Details from such e-invoices shall be auto-populated in respective tables of GSTR-1. Update on the status of such auto-population was last [published on 30/11/2020](#).

For those taxpayers who had started e-invoicing from 1-10-2020, the auto-population of e-invoice data into GSTR-1 (of December 2020) had started from December 3rd, 2020.

In this regard, following is to be noted by those taxpayers:

- The data in GSTR-1 is now available on T+3 day basis, i.e. for example, the data from e-invoices uploaded on 18-12-2020 would be visible in GSTR-1 on 21-12-2020.
- The data in GSTR-1 is now available on T+3 day basis, i.e. for example, the data from e-invoices uploaded on 18-12-2020 would be visible in GSTR-1 on 21-12-2020.
- The corresponding reflection of such e-invoice details in GSTR-2A/2B/4A/6A has also started.
- The auto-population of e-invoice data into GSTR-1 is based on date of document (as reported to IRP).

For example, a document dated December, 30th, 2020 is reported to IRP on 3rd January, 2021 and where GSTR-1 for December, 2020 is **not filed**, then the details of that document will be available in the tables of GSTR-1 pertaining to December, 2020.

However, if the GSTR-1 for December was **already filed** by that date, then, the details of such document will be made available in the consolidated excel file downloadable from GSTR-1 dashboard (with error description as 'Return already filed'). The taxpayer may thereupon take necessary action.

Owing to existing validations in GSTR-1, **e-invoices reported with below commonly observed issues are not auto-populated in the tables of GSTR-1 but are made available in the consolidated excel file downloadable from GSTR-1 dashboard (with corresponding error description):**

- Supplier is found to be of type ISD/NRTP/TCS/TDS;
- Supplier is found to be composition taxpayer for that tax period;
- Document date is prior to Supplier's/Recipient's effective date of registration;
- Document date is after Supplier's/Recipient's effective date of cancellation of registration;
- Invoices reported as attracting "IGST on Intra-state supply" but without reverse charge;

Further, in certain cases, e-invoice details could not be processed (and hence were not auto-populated) due to data structure issues. These errors may be taken note of and shall be avoided while reporting the data to IRP.

- Serial number of item shall not be reported as '0'
- White space found in POS (Place of Supply State Code), e.g. "8" . Expected values were 08 and 8.

The detailed advisory with methodology of auto-population etc. is already made available on the GSTR-1 dashboard ('e-invoice advisory') and also e-mailed to relevant taxpayers.

It is once again reiterated 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 all other data in each field, especially from the perspective of GSTR-1 and file the same, in the light of relevant legal provisions.

The taxpayers are once again requested to verify the documents auto-populated in GSTR-1 tables and consolidated excel and may share feedback on [GST Self Service Portal](#), on below aspects:

1. All documents reported to IRP are present in excel
2. Status of each e-invoice/IRN is correct
3. All the details of document are populated correctly

Source from: <https://www.gst.gov.in/newsandupdates/read/434>

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Offline Utility of GSTR-9C Annual Return for the FY 2019-20 is now available on GST Portal

Goods and Services Tax - Form GSTR-9C Offline Tool (V1.6)

Open GSTR-9C JSON File Downloaded from GST Portal

To open GSTR-9C JSON (.json) file downloaded from GST portal to edit/add details .

Generate JSON file to upload GSTR-9C details on GST Portal

To generate a JSON (.json) file upload GSTR-9C details added offline tool on GST Portal

Open GSTR-9C JSON Error File Downloaded from GST Portal

To open GSTR-9C JSON (.json) error file downloaded from GST portal to view/edit/add details .

Generate Preview PDF file to view Draft GSTR-9C form

To generate a PDF file to view GSTR-9C draft form based on details added in offline tool

PART -A - Reconciliation Statement

GSTIN*

Financial Year*

Legal Name

Trade Name (If any)

2017-18

2018-19

2019-20

Proceed to fill PART -A

Proceed to fill PART -B

Read Me Home PT II (5) PT II (6) PT II (7) PT II (8) PT III (9) PT III (10) PT III (11) PT IV (12) PT IV (13) PT IV (14) PT IV (15) PT IV (...)

The excel based GSTR-9C offline utility is designed to help the taxpayer to prepare the GSTR-9C return offline. The utility can be downloaded from this link. [Download](#)

Your downloaded (GSTR9C Offline Tool) zip file contains:

- GSTR_9C_Offline_Utility (Excel Macro)
- Release Notes

Important!

- Before you extract the downloaded file, ensure that the file is not corrupted. How do I know that my file is not corrupt? Click [here](#) to know more.

System Requirement

To use the tool efficiently, ensure that you have the following installed on your system:

1. Operating system Windows 7 or above.
2. Microsoft Excel 2007 & above

Source from: <https://www.gst.gov.in/download/gstr9c>

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Our Article of the week

Important Changes in GST w.e.f. January 1, 2021



Dear Reader,

We wish you and your family a very happy and a prosperous New Year 2021. May you and your family be blessed with abundance of health, wealth and prosperity now and always...!!

Have a great start to a great year with prayer to the Almighty God that the pandemic Covid-19 should go away at the earliest!!!

We bring you the highlights of all important changes related to QRMP Scheme, E-invoicing, ITC availment, e-way bill, etc. under Central Goods and Services Tax Act, 2017 ("**CGST Act**") and Central Goods and Services Tax Rules, 2017 ("**CGST Rules**"), effective from January 1, 2021, as below:

Notification No.	Topic/Section/ Rules of CGST Act/ Rules	Change effective from January 01,2021
E-invoicing made mandatory if aggregate turnover exceeds Rs. 100 Crores		
88/2020-CT dated November 10, 2020	Amended <i>Notification No. 13/2020 – CT dated March 21, 2020</i>	E-invoicing made applicable to Registered Person (other than SEZ unit, Insurance Company, banking company, financial institution including non-banking financial institution, GTA, supplier of passenger transportation service, supplier of services by way of admission to exhibition of cinematograph films in multiplex screens) whose aggregate turnover in any preceding financial year

		from 2017-18 onwards exceeds Rs. 100 crore in respect of supply of goods or services or both or for exports.
Notified Sections of Finance Act, 2020 shall come into force		
92/2020-CT dated December 22, 2020	Section 10(2) (Composition levy)	Seeks to harmonise the conditions for eligibility for opting to pay tax under Composition Scheme as sub-section (1) and sub-section (2A) of Section 10 of the CGST Act.
	Section 16(4) [Eligibility and conditions for taking Input Tax Credit ("ITC")]	Delinks availment of ITC on debit notes with the date of issuance of the original invoice. Thus, ITC on debit notes issued after 6 months from the end of the financial year to which invoice pertains can be availed post amendment.
	Section 29(1)(c) (Cancellation or suspension of registration)	Allows cancellation of persons who has taken voluntary registrations under Section 25(3) of the CGST Act.
	Proviso to Section 30(1) (Revocation of cancellation of registration)	Empowered jurisdictional Additional / Joint Commissioner and Commissioner to extend the period of 30 days to file an application for revocation of cancellation of registration.
	Proviso to Section 31(2) (Tax invoice)	Empower the Government to prescribe period and manner or exclusion from issuing tax invoice for specified categories of services or any document which may be deemed to be a tax invoice for such services.
	Section 51(3) (Tax deduction at source)	The requirement for the deductor to issue TDS certificate under Section 51 of the CGST Act has been removed with new rules to be prescribed for issuance of such certificates, and accordingly, the provision for fees (penalty) for the delay in issuance of such certificate has been omitted.
	Section 122 (1A) (Penalty for certain offences)	Seeks to insert a new sub-section (1A) so as to make the beneficiary who retains benefit or at whose instance a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed liable for penalty as that of actual supplier/recipient.
	Section 132 (Punishment for certain offences)	Seeks to amend Section 132 so as to make the offence of fraudulent availment of ITC without invoice or bill, <u>cognizable and non-bailable</u> offence under sub-section (1) of Section 69 and to make any person who retains the benefit of certain transactions and at whose instance such transactions are conducted liable for punishment.
	Schedule II, Para 4 (Activities or transactions)	Omitted the words " whether or not for consideration " with effect from July 1, 2017, so as to give clarity to the

	to be treated as supply of goods or supply of services)	<p>meaning of the entries (a) and (b) of said paragraph 4, while aligning the same with Section 7(1), (1A) and Schedule I (supply without consideration) of the CGST Act. Now Schedule II, Para 4 reads as below:</p> <p><i>“(a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, such transfer or disposal is a supply of goods by the person;</i></p> <p><i>(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, the usage or making available of such goods is a supply of services;.....”</i></p>
Gist of important changes made vide CGST (Fourteenth Amendment) Rules		
94/2020-CT dated December 22, 2020	Reduction in ITC entitlement for invoices not furnished by supplier from 10% to 5%	
	Rule 36(4) amended (effective from January 1, 2021)	Restriction on claiming ITC in respect of invoices/debit notes not furnished by the suppliers has now been reduced from 10% to 5% of eligible credit available in GSTR-2B.
	Restricting use of ITC amount for discharging output tax liability in GST	
	New Rule 86B introduced (effective from January 1, 2021)	<p>It is applicable where value of taxable supply other than exempt supply and export, in a month exceeds INR 50 lakh. Taxpayer is not allowed to use ITC in excess of 99% of output tax liability.</p> <p>Certain exceptions provided to above restrictions are:</p> <ul style="list-style-type: none"> • If the registered person has paid more than INR 1 lakh as income tax under the Income-tax Act, 1961 in each of the last two financial years. • If the registered person has received a refund amount of more than INR 1 lakh in the preceding financial year on account of export under LUT/Bond or inverted tax structure. • If the registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year • If the registered person is the Government Department, Public Sector Undertaking, Local Authority or Statutory Body.

Validity of e-way bill narrowed by increasing distance from 100 km. to 200 km. per day														
	Rule 138 amended (effective from January 1, 2021)	E-way bill will now be valid for 1 day for every 200 km of travel, as against 100 km earlier, in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship. For every 200 km. or part thereof thereafter, one additional day will be allowed.												
Time limit for filing Form GSTR-1														
83/2020–CT dated November 10, 2020	Extends the time limit for furnishing the details of outward supplies in Form GSTR-1	<p>Quarterly GSTR-1:</p> <p>If opted in for/ by default Quarterly Return Filing and Monthly Payment of Taxes:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>The 13th day of the next month succeeding such quarter</p> </div> <p>Monthly GSTR-1:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S. No.</th><th>Month for which GSTR-1 is to be filed</th><th>Due date</th></tr> </thead> <tbody> <tr> <td>1</td><td>January 2021</td><td>11.02.2021</td></tr> <tr> <td>2</td><td>February 2021</td><td>11.03.2021</td></tr> <tr> <td>3</td><td>March 2021</td><td>11.04.2021</td></tr> </tbody> </table>	S. No.	Month for which GSTR-1 is to be filed	Due date	1	January 2021	11.02.2021	2	February 2021	11.03.2021	3	March 2021	11.04.2021
S. No.	Month for which GSTR-1 is to be filed	Due date												
1	January 2021	11.02.2021												
2	February 2021	11.03.2021												
3	March 2021	11.04.2021												
Scheme of quarterly return filing along with monthly payment of taxes for registered person having aggregate turnover up to Rs. 5 crores														
84/2020–CT dated November 10, 2020	Notified class of persons w.r.t. implementation of the Quarterly Return Filing and Monthly Payment of Taxes (“QRMP”) Scheme	<ul style="list-style-type: none"> 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 w.e.f. January 1, 2021, subject to following conditions: <ul style="list-style-type: none"> (i) the return for the preceding month, as due on the date of exercising such option, has been furnished: (ii) where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the same A registered person whose aggregate turnover crosses five crore rupees during a quarter in a financial year 												

		<p>shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.</p> <p>Note: The option to avail QRMP Scheme is GSTIN wise. Therefore, few GSTINs under one PAN can opt for the Scheme and remaining GSTINs may remain out of the Scheme.</p>
Special procedure for making payment of 35% as tax liability in first two months by small taxpayers		
85/2020-CT dated November 10, 2020	Special procedure for making payment of 35% as tax liability in first two months by small taxpayers	<p>Registered Persons notified under proviso to sub-section (1) of Section 39 of the CGST Act, who have opted to furnish a return for every quarter or part thereof, may pay the tax dues in first month or second month or both months of the quarter under proviso to Section 39(7) of the CGST Act, by way of making a deposit of an amount in the electronic cash ledger equivalent to, -</p> <ul style="list-style-type: none"> 35% of the tax liability paid by debiting the e-cash ledger in the return for the preceding quarter where the return is furnished quarterly; or The tax liability paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the return is furnished monthly: <p>No amount is required to be deposited:</p> <ul style="list-style-type: none"> for the 1st month of the quarter, where the <u>balance in the e-cash ledger or e-credit ledger is adequate</u> for the tax liability for the said month or where there is <u>nil tax liability</u>; for the 2nd month of the quarter, where the <u>balance in the e-cash ledger or e-credit ledger is adequate for the cumulative tax liability</u> for the first and the second month of the quarter or where there is <u>nil tax liability</u>. <p>Note: Registered Person shall not be eligible for this special procedure unless he has furnished the return for a complete tax period (in which the person is registered from the first day of the tax period till the last day of the tax period) preceding such month.</p>

Please watch our video series covering **Central Goods and Services Tax (Fourteenth Amendment) Rules, 2020 vide Notification No. 94/2020- Central Tax dated December 22, 2020** and its various nuances -

1. New Rule 86B is restricting amount of GST ITC to be utilized towards payment of taxes

<https://youtu.be/i9CIW8mZqyQ>

2. 5% capping on GST Credit to be availed on Invoices not furnished by Suppliers U/R 36(4)

<https://youtu.be/1VyQgvyYBZo>

3. Now, GST Registration to be granted in 7 & 30 Working Days in different situations

<https://youtu.be/UnzyNTC07AE>

4. No opportunity of being heard for suspension of GST Registration


<https://youtu.be/BXauSd4nwxk>

5. When GST Registration can be cancelled by Proper Officer in GST

<https://youtu.be/RWF3PJeWdcl>

6. Blocking of filing of GSTR 1 if GSTR 3B is not filed

<https://youtu.be/z3LfvBJvEik>

 Kindly like and share with your friends, colleagues, clients, and subscribe to our YouTube channel for regular updates on GST.

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Videos of the week

Blocking of filing of GSTR 1 if GSTR 3B is not filed || CA Bimal Jain



Blocking of
filing of GSTR 1
if GSTR 3B is
not filed

CA Bimal Jain



You can access the complete video on “Blocking of filing of GSTR 1 if GSTR 3B is not filed || CA Bimal Jain” at following link: <https://youtu.be/z3LfVBJvEik>

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Webinar on Recent Important Changes in GST effective from 1st January 2021 || CA Bimal Jain



Webinar on Recent
Important Changes
in GST effective from
1st January 2021



CA Bimal Jain



You can access the complete video on “Webinar on Recent Important Changes in GST effective from 1st January 2021 || CA Bimal Jain” at following link: <https://youtu.be/zd8PhEHa1O4>

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Income Tax

Important Press Releases of the week

ITR filing deadline extended from Dec 31 to January 10, 2021 for these taxpayers



The government has extended the deadline to file income tax return (ITR) for FY 2019-20 for individuals from the current deadline of December 31, 2020, to January 10, 2021. The extension of the deadline is for those individuals whose accounts are not required to be audited and who usually file their income tax return using ITR-1 or ITR-4 forms, as applicable, as per the press release dated December 30, 2020.

This is the third time that the government has extended the deadline to file ITR - first from the normal deadline of July 31 to November 30, 2020, and then to December 31, 2020.

As per the press release, the deadline for other taxpayers whose accounts are required to be audited (including partners of a firm) and/or those who have to submit report in respect to international financial transactions has been extended to February 15, 2021.

The government has also extended the report of furnishing the tax audit report to January 15, 2021. The last date of furnishing declaration under Vivad se Vishwas Scheme has also been extended to January 31, 2021.

Taxpayers have been asking for this extension of the ITR filing deadline due to the on-going novel coronavirus pandemic. Many chartered accountant and tax practitioner societies had appealed to the government to extend the ITR filing deadline to allow sufficient time for individuals to file ITR properly. The on-going pandemic has made it difficult for people to collect information and file their tax returns correctly, especially those who are not very technology savvy. For instance, senior citizens who do not use Net-banking facility

cannot ascertain correct savings account interest income and fixed deposit interest income without getting their passbooks updated or collecting interest certificate from the bank branch.

Further, this year, if the ITR was not filed by the earlier deadline December 31, then the penalty or late filing fees levied for filing a belated ITR would have been twice that payable the previous year. This is because if you miss the normal ITR filing deadline (i.e. July 31) and file a belated return by December 31 of the same year, then a late filing fee of Rs 5000 is payable. However, if belated ITR is filed between January 1, and March 31 of the relevant assessment year then the late filing fee is Rs 10,000. As the period between July to December 31 would already have been over once the deadline of December 31 was missed, a higher penalty of Rs 10,000 would automatically be applied. Thus, the extension will provide relief to individuals who may have missed the deadline and have had to file a belated ITR with the higher penalty.

It is to be noted that late filing fees or penalty is only Rs 1,000 for those with taxable income up to Rs 5 lakh and those required to file returns under the seventh proviso of Section 139(1) of the Income-tax Act. This is a recently introduced proviso which makes it mandatory for people to file ITRs if they meet certain specified criteria even if they are not mandatorily required to do so under the normal/regular provisions of the IT Act.

Under this newly introduced proviso, ITR filing is mandatory in the following cases:

- A) If you have deposited Rs 1 crore or more in one or more current accounts maintained with bank or co-operative bank;
- B) If you have spent Rs 2 lakh or more on foreign travel on self or any other person in the relevant financial year; and
- C) If you have paid electricity bill of Rs 1 lakh or more in the relevant FY.

The Press Release can be accessed at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1684775>

Source from: <https://economictimes.indiatimes.com/wealth/tax/itr-filing-deadline-extended-from-dec-31-to-january-10-2021-for-these-taxpayers/articleshow/80028841.cms>

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ICAI announces one-time condonation to regularize UDINs, extended UDIN window till January 31, 2021



The Institute of Chartered Accountants of India (ICAI) has announced one-time condonation to regularize UDINs, extended the UDIN window till January 31, 2021.

To reinvigorate the Profession of Accountancy in this fast changing digitalized World and to curb the prevalent malpractice of fake certificates forged by non CAs, an innovative concept of Unique Document Identification Number (UDIN) was introduced by the Council of ICAI as mandatory Council Guidelines in phased manner from **1st Feb., 2019 onwards for Certificates, GST/Tax Audit & all other Attest, Assurance and Audit functions.**

The UDIN Portal facilitates the Regulators/Stakeholders to check the authenticity of the report/certificates/documents on real-time basis. Gradually many Regulators / Stakeholders like **SEBI, RERA, CBDT, RBI & Banks** are insisting upon UDINs on all documents issued by CAs. Recently, **CBDT has made mandatory validation of UDIN in all their IT Forms and Reports which are issued by members of ICAI.**

ICAI has been receiving representations from its Members that they have unintentionally missed to generate UDINs on their Audit and Assurance Reports and Certificates due to prolonged lockdown, closure of offices, non-availability of human resources in offices and therefore, allow them to generate UDIN after the expiry of the permissible time limit as a one-time measure. Few members have also requested to condone the delay in generation of UDIN due to unawareness or inadvertent error.

Considering various representations and the fact that UDIN being a new initiative and by the time the members were becoming well-versed and accustomed to it, the life including office work got stucked due to this pandemic, the competent authority has decided to allow one-time condonation to its members for their earlier missed or late generated UDINs.

DECISIONS:

1. As a One-time condonation scheme, to regularize the non-generation of UDIN, it has been decided that Members will be allowed to generate the earlier missed UDINs for the documents signed

between **1st February 2019 to 31st December, 2020**. The scheme will be made available from **1st January, 2021 till 31st January, 2021**.

2. With this announcement, all delays in generation of UDINs by the members of ICAI for UDINs generated during 1st February 2019 till 31st December 2020 as a one-time measure stand condoned.
3. Members may please note that the above one-time condonation scheme would not be applicable for the documents / forms where the respective Regulators or other stakeholders require UDIN on real-time or as per their specified requirement.
4. Further, UDIN so generated has to be communicated to **"Management"** or **"Those Charged with Governance"** for disseminating it to the stakeholders from their end.
5. UDIN generated under this scheme would be treated as UDIN generated without any violation of the Gazette dated **2nd August 2019 read with 15 days window** allowed for exceptional circumstances.

Source from: <https://www.icaai.org/post/one-time-condonation-scheme-to-regularize-udins>

CBDT has given the extension for updating UDINs till February 15, 2021



Central Board of Direct Taxes (CBDT)

Members are aware that CBDT is **validating UDIN** while uploading of Tax Audit and other Income Tax Reports as per their [Press release](#), else the forms will become null and void.

We have been given to understand that UDINs for **certain IT Forms** which have been uploaded on e-filing Portal by the Members during **27th April 2020 to 26th Nov., 2020** have **not yet been updated resulting invalidation of these forms**.

On the persuasion of ICAI, **CBDT has given the extension** for updating UDINs on all above stated forms and can be done **latest by 15th February, 2021** for treating these **forms as valid**.

In view of the above, the members are requested to avail this last opportunity and update the UDINs on the e-filing Portal at the earliest but not later than **15th February, 2021 to avoid invalidation**.

In addition to above, for the **current upload of the IT Forms**, members are requested to update the valid **UDIN within 15 days** of such uploading else the IT forms will be **treated as Null and Void by CBDT**.

For detailed FAQs please [click here](#)

The Press Release can be accessed at: <https://www.icaai.org/post/update-udins-in-all-income-tax-forms>

Important Update of the week**CBDT: Updated ITR utilities consequent to due date extension**

The CBDT updated Income tax return utilities consequent to due date extensions.

Instruction for use of offline utilities:

1. Select the Assessment Year
2. Download either excel or Java utility. The utility by default will get downloaded in your system 'download' folder in a compressed mode (ZIP file)
3. Extract (un-compress) the zip file containing the utilities. The folder will be extracted in the same location where the compressed utility was downloaded. Open the utility and start filling.

System Requirements

- Excel Utilities: Macro enabled MS-Office Excel version 2010/2013/2016 on Microsoft Windows 7 / 8 /10 with .Net Framework (3.5 & above)
- Java Utilities: Microsoft Windows 7/8/10, Linux and Mac OS 10.x with JRE (Java Runtime Environment)
Version 8 with latest updates.
JRE can be downloaded from <https://java.com/en/download/>

Form	Description	Microsoft Excel	Java	Instructions
ITR 1	For Individuals being a Resident (other than Not Ordinarily Resident) having Total Income upto Rs.50 lakhs, having Income from Salaries, One House Property, Other Sources (Interest etc.), and Agricultural Income upto Rs.5 thousand (Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares)	PR3.2 01/01/2021	PR3.2 01/01/2021	Instruction
ITR 2	For Individuals and HUFs not having income from profits and gains of business or profession	PR4.4 01/01/2021	PR3.3 01/01/2021	Instruction
ITR 3	For individuals and HUFs having income from profits and gains of business or profession	PR3.2 01/01/2021	PR2.2 01/01/2021	Instruction
ITR 4	For Individuals, HUFs and Firms (other than LLP) being a Resident having Total Income upto Rs.50 lakhs and having income from Business and Profession which is computed under sections 44AD, 44ADA or 44AE (Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares)	PR3.2 01/01/2021	PR3.2 01/01/2021	Instruction
ITR 5	For persons other than:- (i) Individual, (ii) HUF, (iii) Company (iv) Person filing Form ITR-7	PR3.2 01/01/2021	PR2.3 01/01/2021	Instruction
ITR 6	For Companies other than companies claiming exemption under section 11	PR2.2 01/01/2021	PR2.2 01/01/2021	Instruction
ITR 7	For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D)	PR2.1 01/01/2021	PR2.1 01/01/2021	Instruction

Source from: <https://www.incometaxindiaefiling.gov.in/downloads/incomeTaxReturnUtilities>

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GST News Flash

- Traders urge Finance Minister, GST council to modify new GST notification

<https://www.a2ztaxcorp.com/traders-urge-finance-minister-gst-council-to-modify-new-gst-notification/>

- Govt weighs imposing 18% GST on bitcoin trade

<https://www.a2ztaxcorp.com/govt-weighs-imposing-18-gst-on-bitcoin-trade/>

- GST Appellate bench holds that AAR rightly rejected an application as investigation was ongoing

<https://www.a2ztaxcorp.com/gst-appellate-bench-holds-that-aar-rightly-rejected-an-application-as-investigation-was-ongoing/>

- AAR: ITC under GST can be availed on distribution of promotional products to distributors

<https://www.a2ztaxcorp.com/aar-itc-under-gst-can-be-availed-on-distribution-of-promotional-products-to-distributors/>

- PHDCCI Panel Discussion on Important Changes in GST effective from 1st January 2021

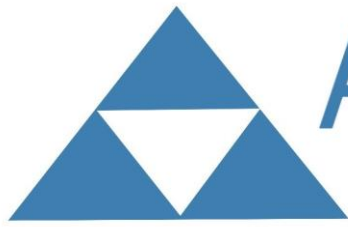
<https://www.a2ztaxcorp.com/phdcci-panel-discussion-on-important-changes-in-gst-effective-from-1st-january-2021/>

- Regional soft drink companies set to shift to 40% GST slab

<https://www.a2ztaxcorp.com/regional-soft-drink-companies-set-to-shift-to-40-gst-slab/>

- Fake GST Invoice Racket worth ₹510 crore busted in Odisha

<https://www.a2ztaxcorp.com/fake-gst-invoice-racket-worth-%e2%82%b9-510-crore-busted-in-odisha/>



A2Z TAXCORP LLP

Tax and Law Practitioners

ABOUT US:

A2Z TAXCORP LLP is a boutique Indirect Tax firm having professionals from Multi disciplines which includes Goods and Services Tax (GST), Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy etc.

Thanks & Best Regards,

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