

# EDITOR'S NOTE



## Digital transformation

July seems to be a month of digital transformation in India. On the 1st of July 2021, the "**Digital India**" initiative of Govt. of India completed its 6 years, and "**Goods & Services Tax**" completed its 4-year journey.

These initiatives have not only transformed India into a digitally empowered society but a knowledge-based economy as well.

This transformation led people/businesses to adopt digital technology which proved to be a boon during the difficult times of Covid-19.

Change is inevitable and a change in the right direction always leads to growth. Let's all take a step forward and embrace this change.

Pankaj Kataria

(Founder Pakkabill)

## Recalling Last one year GST Evolution

CS Payal Kataria, Fellow member of The Institute of Company Secretaries of India with Post Graduation in Commerce, having 11 years experience as Practising Company Secretary in Delhi NCR, provides advisory services to organizations on Goods & Services Tax and also advises industry in adopting digital technologies in operations, use analytics for visibility and decision making. She contributed in a capacity as Special Invitee of GST Core Committee of ICSI in year 2017 & 2018. Member of Advance Tax Laws Experts Committee of ICSI 2020 and member of GST Cell of The Institute of Cost Accounts of India 2020.

Email: [payal6india@gmail.com](mailto:payal6india@gmail.com)



CS Payal Kataria  
Practising  
Company Secretary

"However Good a Constitution may be, If those who are implementing it are not good, it will prove to be bad. However bad a constitution may be, if those implementing it are good, it will prove to be good." Well said by Dr Saheb Baba Bhim Rao Ambedkar.

Same thought is applicable to the implementation of GST as well. It is a proud moment to celebrate 4th Anniversary of GST on 1st July 2021. This is the time to congratulate all the implementers of GST: GST Department Officers, Professionals, GST registered persons, GST Council. With the joint efforts of all the implementers, today India has successfully implemented GST in the country. No doubt in the past four year's journey, there were so many challenges and hiccups but with the proactive attitude of Government and patience of trade and industry, implementation is getting smoothened.

1st July reminds us of the historical change in the history of Indian Taxation. GST has been closely impacting the common citizen and at the same time generator of revenue for the country therefore this day will always be important for us.

In the last year, country was struggling to get out of covid-19 pandemic. Many businesses suffered the consequences of this Pandemic. From time to time, Government announced various covid relief schemes for GST registered person, in the form of extension of due date of filing various returns and applications, relaxation/ waiver/reduction in late fee, rate of interest and reduction of GST Rate on certain covid related products.

## **Important decisions taken and implemented last year**

### ***Exchange of data between CBIC and CBDT***

To facilitate better exchange of data on regular basis, a MoU has been signed between the CBDT and the CBIC on 21.07.2020. In addition to regular exchange of data, these two organisations will also exchange, on request and spontaneous basis, any information available in their respective databases, which may have utility for the other organisation. A data Exchange Steering Group' has also been constituted for this initiative, which will meet periodically to review this process and take steps for further improvement.

Take away! Start doing proper reconciliation and matching between the data and figures reported to GST and income Tax. Now it is easy to catch the mismatches!

### ***Recovery of interest on net cash tax liability***

Major ambiguity with respect to the Section 50 of CGST 2017 is resolved. The CBIC issued instructions for recovery of interest on net cash tax liability under GST vide F. No. CBEC- 20/01/08/2019-GST dated 18.09.2020. Post issuance of Notification 63/2020 - CT, dated 25.08.2020, in order to implement the decision of the GST Council in its true spirit, and at the same time working within the present legal framework, the CBIC issued the following instructions to its field formations:

- a. For the period 01.07.2017 to 31.08.2020, field formations in your jurisdiction may be instructed to recover interest only on the net cash tax liability (i.e. that portion of the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger); and
- b. Wherever SCNs have been issued on gross tax payable, the same may be kept in Call Book till the retrospective amendment in section 50 of the CGST Act is carried out.

Take away! Interest will not be charged on Gross Tax liability for delay in filing of GSTR 3B.

## ***E-Invoice***

Revised schema for e-invoice under GST

The Government has notified the revised Schema for implementing e-invoicing only for businesses with a turnover of above Rs 500 crore from 01/10/2020. In this regard, the Government amended the earlier Notification No.13/2020-Central Tax, dated 21.03.2020 under Rule 48(4) of the CGST Rules, 2017. The refined format of e-invoicing added 20 new fields and removing 13 fields. Certain fields have undergone changes in character length as well. Special Economic Zones (SEZ) units shall also be exempted from issuing e-invoices.

Source:NotificationNo.60/2020-CTandNotificationNo.61/2020-CTdated 30.07.2020

Relaxation and latest changes Keeping in view the hardships faced by the taxpayers due to COVID-19, the Government had given relaxation that invoices raised by notified taxpayers during October, 2020 without following e-invoice procedure (i.e. uploading invoice details on e-invoice portal (IRP), obtaining IRN and issuing invoice with QR Code) will be deemed to be valid and no penalty will be there if the IRN for such invoices is obtained within 30 days of date of invoice. Portal updated on 01.10.2020

Second Phase of E invoicing roll out

E-invoicing under the GST regime will become mandatory for entities with a turnover of 100 crore from 1 January, 2021 for business-to-business transactions.

Third phase of e-invoicing roll out

E-invoicing under the GST regime will become mandatory for entities with a turnover of 50 crore from 1 April, 2021 for business-to-business transactions.

Take Away! Those covered under mandatory generation of E Invoicing must generate E-Invoice in time to avoid consequences of Penalty under Section 122.

### ***Implementation of QR Code on B2C invoices***

Registered taxpayers with an annual turnover of more than Rs.500 crore in any preceding financial year (starting from 2017-18) are compulsorily required to generate QR code on their B2C invoices from 1st December 2020 (initially was from 1st October 2020 but was deferred by the Notification No. 71/2020).

### ***Optional filing of Annual Return extended to FY 2019-20***

The Government extends optional filing of annual return for registered persons whose aggregate turnover in a FY does not exceed Rs 2 crore, for FY 2019-20 as well along with that for FY 2017-18 and 2018-19. This means that such taxpayers are not required to furnish Annual Return for 2019-20 and they can choose to not to file such return. Notification No. 77/2020-Central Tax dated 15.10.2020

### ***Quarterly Return and Monthly Payment (QRMP) scheme***

As recommended by 42 GST Council held on 05.10.2020, the Government decided to implement 'Quarterly Return and Monthly Payment (QRMP) scheme' from 1 January 2020. This scheme, allows a registered person to furnish return on a quarterly basis along with monthly payment of tax.

#### **Eligibility of the QRMP Scheme**

A registered person who is required to furnish a return in FORM GSTR-3B having an aggregate turnover of up to 5 crore rupees in the preceding financial year, is eligible for the QRMP Scheme. It is clarified by CBIC that the aggregate annual turnover for the preceding financial year shall be calculated in the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the preceding financial year. Further, in case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

**Take Away!** Before opting QRMP Scheme, it is advisable to study and know the scheme in depth.

### ***GST Relief measures in view of COVID-19 pandemic***

In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances under GST law due to the outbreak of the second wave of COVID-19 pandemic, the Government has issued various notifications dated 1 May, 2021, providing various relief measures for taxpayers.

### ***GST Amnesty Scheme to provide relief to taxpayers regarding late fee for pending returns***

To provide relief to the taxpayers, late fee for non-furnishing FORM GSTR-3B for the tax periods from July, 2017 to April, 2021 has been reduced / waived as under: -

- i. late fee capped to a maximum of Rs 500/- (Rs. 250/- each for CGST & SGST) per return for taxpayers, who did not have any tax liability for the said tax periods;
- ii. late fee capped to a maximum of Rs 1000/- (Rs. 500/- each for CGST & SGST) per return for other taxpayers; The reduced rate of late fee would apply if GSTR-3B returns for these tax periods are furnished between 01.06.2021 to 31.08.2021.

Take Away! Taxpayers whose Registration is cancelled in any of the year since July 2017, cannot take the benefit of Amnesty Scheme 2021 unless they are given opportunity to revoke cancelled Registration. In fact last year also Removal of Difficulty Order No 01/2020 dated 25.06.2020 was issued to allow revocation of Cancelled Registration.

### **Conclusion >>**

No doubt various changes are initiated for the better functioning of GST but to claim Input Tax Credit, situation is becoming challenging for the taxpayers. Input Tax credit is the soul of GST and various changes in Section 16 of CGST Act and Rule 36(4) of CGST Rules are putting question mark on the objective of GST i.e 'Seamless Flow of Credit'

## GSTN updates June 2021

Date of Issue	Subject
03/06/2021	Extension in dates of various GST Compliances for GST Taxpayers
04/06/2021	Waiver of interest and late fee for normal taxpayers (filing return on monthly or quarterly basis) and composition taxpayers (Part2)
05/06/2021	Waiver of interest and late fee for normal taxpayers (filing return on monthly or quarterly basis) and composition taxpayers (Part1)
05/06/2021	Relief to taxpayers, regarding late fee, for delay in filing Form GSTR-3B returns
08/06/2021	Table-12 of GSTR-1 (Advisory on PDF)
16/06/2021	Module wise new functionalities deployed on the GST Portal for taxpayers
29/06/2021	Functionality to register complaint on misuse of PAN in GST Registration

Source: [www.gst.gov.in](http://www.gst.gov.in)

## Notifications/Circulars/Orders issued in the month of June 2021

### Ø Central Tax Notifications June 2021

Notification Nos.	Date of Issue	Subject
28/2021	30/06/2021	Seeks to waive penalty payable for non-compliance of provisions of Notification No. 14/2020 dated 21st March 2020
27/2021	01/06/2021	Seeks to make amendments (Fifth Amendment, 2021) to the CGST Rules, 2017.
26/2021	01/06/2021	Seeks to extend the due date for furnishing of FORM ITC-04 for QE March, 2021 to 30.06.2021.
25/2021	01/06/2021	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.07.2021.
24/2021	01/06/2021	Seeks to amend notification no. 14/2021-Central Tax in order to extend due date of compliances which fall during the period from "15.04.2021 to 29.06.2021" till 30.06.2021.
23/2021	01/06/2021	Seeks to amend Notification no. 13/2020-Central Tax to exclude government departments and local authorities from the requirement of issuance of e-invoice.
22/2021	01/06/2021	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-7.
21/2021	01/06/2021	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-4.



Ø Central Tax Notifications June 2021 - Continued...

Notification Nos.	Date of Issue	Subject
20/2021	01/06/2021	Seeks to rationalize late fee for delay in furnishing of the statement of outward supplies in FORM GSTR-1.
19/2021	01/06/2021	Seeks to rationalize late fee for delay in filing of return in FORM GSTR-3B ; and to provide conditional waiver of late fee for delay in filing FORM GSTR-3B from July, 2017 to April, 2021; and to provide waiver of late fees for late filing of return in FORM GSTR-3B for specified taxpayers and specified tax periods.
18/2021	01/06/2021	Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May,2021.
17/2021	01/06/2021	Seeks to extend the due date for FORM GSTR-1 for May, 2021 by 15 days.
16/2021	01/06/2021	Seeks to appoint 01.06.2021 as the day from which the provisions of section 112 of Finance Act, 2021, relating to amendment of section 50 of the CGST Act, 2017 shall come into force.

Ø Central Tax (Rate) Notifications June 2021

Notification Nos.	Date of Issue	Subject
05/2021	15/06/2021	Corrigendum to Notification No 05/2021
05/2021	14/06/2021	Seeks to provide the concessional rate of CGST on Covid-19 relief supplies, up to and inclusive of 30th September 2021
04/2021	14/06/2021	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021.
03/2021	02/06/2021	Seeks to amend notification No. 06/2019-Central Tax (Rate) so as to give effect to the recommendations made by GST Council in its 43rd meeting held on 28.05.2021.
02/2021	02/06/2021	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 43rd meeting held on 28.05.2021.
01/2021	02/06/2021	Seeks to amend notification No. 1/2017-Central Tax (Rate) to prescribe change in CGST rate of goods.

Ø Integrated Tax Notifications June 2021

Notification Nos.	Date of Issue	Subject
03/2021	02/06/2021	Seeks to amend Notification No. 4/2019-Integrated Tax dt. 30.09.2019 to change the place of supply for B2B MRO services in case of Shipping industry, to the location of the recipient
02/2021	01/06/2021	Seeks to provide relief by lowering of interest rate for a specified time for tax periods March, 2021 to May, 2021.

## Ø Integrated Tax (Rate) Notifications June 2021

Notification Nos.	Date of Issue	Subject
05/2021	15/06/2021	Corrigendum to Notification No 05/2021 dated 14.06.2021
05/2021	14/06/2021	Seeks to provide the concessional rate of IGST on Covid-19 relief supplies, up to and inclusive of 30th September 2021.
04/2021	14/06/2021	Seeks to amend notification No. 08/2017-Integrated Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021.
03/2021	02/06/2021	Seeks to amend notification No. 06/2019-Integrated Tax (Rate) so as to give effect to the recommendations made by GST Council in its 43rd meeting held on 28.05.2021.
02/2021	02/06/2021	Seeks to amend notification No. 08/2017-Integrated Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 43rd meeting held on 28.05.2021.
01/2021	02/06/2021	Seeks to amend notification No. 1/2017-Integrated Tax (Rate) to prescribe change in CGST rate of goods.

Source: [www.cbic.gov.in](http://www.cbic.gov.in)

## Notifications/Circulars/Orders issued in the month of June 2021

Ø Circulars

Circular Nos.	Date of Issue	Subject
156/2021	21/06/2021	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 - Reg.
155/2021	17/06/2021	Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System
154/2021	17/06/2021	GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them
153/2021	17/06/2021	GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS
152/2021	17/06/2021	Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis
151/2021	17/06/2021	Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)
150/2021	17/06/2021	Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment (annuity).
149/2021	17/06/2021	Clarification regarding applicability of GST on supply of food in Anganwadis and Schools.

Ø Orders

No Orders issued in the month of June 2021

Ø Removal of Difficulty Orders June 2021

No order was issued in the month of June 2021

Source: [www.cbic.gov.in](http://www.cbic.gov.in)