

# DEVMANTRA TIMES

## APRIL EDITION

ISSUE NO : 04, DATE : 01<sup>ST</sup> APR 2021



# GST

### Regulatory Updates

**1. Opting-in for Composition Scheme for Financial year 2021-22**  
**How to opt-in for Composition Scheme:**



The eligible registered taxpayers, who want to opt-in for composition scheme for the FY 2021-22, need to file FORM GST CMP-02 application, on or before 31st March, 2021, post login on GST portal.

### 2. Classification of Taxpayers

Taxpayers are required to select their business activity only once, as Manufacturer, wholesaler / Distributor / Retailer, service providers & others post login based on highest turnover amongst them. You can change the same later.

### 3. Due dates for filing of Form GSTR-3B from the Tax Period of January, 2021

Government of India, Ministry of Finance (Department of Revenue), CBIC, vide Notification No 82/2020 - Central Tax, dated 10th Nov., 2020, has revised Rule 61 of the Central Goods and Services Tax Rules, 2017, to provide for staggered filing of Form GSTR-3B, for the tax periods from January, 2021, onwards, as under 20th of the following month, 22nd of the following quarter, 24th of the following quarter... for details refer notification.

### 4. Module wise new functionalities deployed on the GST Portal for taxpayers



Various new functionalities are implemented on the GST Portal, from time to time, for GST stakeholders. These functionalities pertain to different modules such as Registration, Returns, Advance Ruling, Payment, Refund and other miscellaneous topics. Various webinars are also conducted as well informational videos prepared on these functionalities and posted on GSTNs dedicated YouTube channel for the benefit of the stakeholders. Refer GSTN portal for details.

### 5. New / Unique series of invoice

As per Rule 46(b) of the CGST Rules, new/unique series of invoices to be raised for FY 2021-22, so that there is no duplication or repetition of invoices with preceding FY

### 6. Notification No. 05/2021- Central Tax dated March 8, 2021, the aggregate turnover limit for e-invoicing has been further reduced to INR 50 crore w.e.f. April 01, 2021.

The aggregate turnover will include the turnover of all GSTINs under a single PAN.

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### 7. QR Code



The first phase of QR Code for B2C invoices was introduced vide **Notification No. 14/2020-Central Tax dated March 21, 2020 w.e.f. October 1, 2020**. For registered persons whose aggregate turnover in any financial year, starting from FY 2017-18, exceeds INR 500 crore.

However, its implementation was deferred till November 30, 2020 vide **Notification No. 71/2020 - Central Tax dated September 30, 2020**.

Further, vide **Notification No. 89/2020- Central Tax dated November 29, 2020**, penalty for non-compliance of QR Code provisions was waived off from December 1, 2020 till March 31, 2021 if complied from **April 1, 2021**.

Furthermore, CBIC has issued clarifications on applicability of QR Code on B2C invoices for registered persons having aggregate turnover of more than Rs. 500/- Cr w.e.f. April 1, 2021 vide **Circular No. 146/02/2021-GST dated February 23, 2021**

**Note:** Where the supplier needs to show a dynamic QR code available through a digital display, the cross-reference of the payment made through it should be made available. In case of non-compliance, liability to pay penalty may arise on all B2C supply.

### 8. HSN code requirements

Notification No. 12/2017- Central Tax dated June 28, 2017 was amended vide Notification No. 78/2020 - Central Tax, dated October 15, 2020, to mandate compulsorily mentioning of 4/6- digit HSN/SAC Code on supply of goods or services on the tax invoices w.e.f. April 1, 2021:

Aggregate Turnover in the preceding Financial Year	Number of Digits of HSN Code
Up to INR 5 crores for all B2B Supplies	4
More than INR 5 crores for all B2B and B2C Supplies	6

Further, 4- digits HSN Code is optional in respect of supplies made to unregistered persons i.e., B2C supplies for a registered person having aggregate turnover upto INR 5 crores in the previous financial year.

**Note:** the above changes of mentioning 4/6 Digit HSN/ SAC code, as applicable, are also required to be captured in Table 12 of Form GSTR-1 (i.e., details of outward supplies of goods or services) and therefore, corresponding changes are made in the same in GSTR 1.

Further, penalty of INR 50,000/- (INR 25,000/- each for CGST and SGST) can be levied for non-mentioning or mentioning wrong HSN/ SAC Code under Section 125 of the CGST Act (i.e., General penalty).

### RECENT JUDICIAL RULINGS ON GST



**1. Form GST DRC 07 to be issued for Recovery of Interest, rules Gujarat High Court writ petition filed by M/S Rajkamal Builder Infrastructure Private Limited.**

**2. GST Commissioner allows CENVAT Credit of Service Tax paid on Outward Transportation of Finished Goods**

After considering all the facts of the case, agreed that if the freight/ insurance was borne by the respondent and the same was included in the assessable value and the sale was for sale, the credit on outward GTA should be admissible to them. Since, all the documentary evidence to prove these facts had not been submitted before the original adjudicating authority, therefore, the matter was remanded back to the original adjudicating authority on the limited issue to verify the factual aspects as discussed above. Further, it also appears that the department has not filed any appeal against the aforesaid CESTAT order," the CGST Commissioner noted.

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### INCOME TAX

#### REGULATORY UPDATES

##### 1. Order Under section 119 Circular 5/2021

Order under section 119 of the Income-tax Act, 1961 Section 44AB of the Income-tax Act, 1961 ('the Act') read with rule 6G of the Income-tax Rules, 1962 ('the Rules') requires specified persons to furnish the Tax Audit Report along with the prescribed particulars in Form No. 3CD. The existing Form No. 3CD was amended vide notification no. GSR 666(E) dated 20th July, 2018 with effect from 20th August, 2018. However, the reporting under clause 30C and clause 44 of the Tax Audit Report was kept in abeyance till 31 st March, 2019 vide Circular No. 6/2018 dated 17.08.2018, which was subsequently extended to 31 st March, 2020 vide Circular No. 912019. Vide circular no. 10/2020 dated 24.04.2020, it was further extended to 31st March, 2021. In view of the prevailing situation due to COVID-19 pandemic across the country, it has been decided by the Board that the reporting under clause 30C and clause 44 of the Tax Audit Report shall be kept in abeyance till 31st March, 2022.

##### 2. Circular 2/2021

Residential status of certain individuals' relaxation due to COVID 19

For more details see Circular 2/2021 dated 3/3/2021.

#### RECENT JUDICIAL RULINGS ON INCOME TAX

1. The Supreme Court ruled that payments made by an Indian resident to a foreign company for import of computer software for sale in India will not be assessed as "royalty". Engineering Analysis Centre of Excellence Private Limited Vs. CIT & Anr. (Supreme Court of India)
2. ITAT directs matter to AO to examine afresh Rate of Gross Profit declared on Unaccounted Turnover
3. Income Tax Appellate Tribunal (ITAT) Jaipur Bench in the case of the assessee, M/s Alokik Steels Pvt. Ltd
4. Lottery includes Gambling as an Element of Chance which requires no skill can't attain the Status of Trade: Guwahati High Court
5. ITAT directs production of Documentary Evidence in Support of Medical Services provided to Poor and Rural Areas so as to avail exemption
6. The Income Tax Appellate Tribunal (ITAT), Allahabad bench directed the production of documentary evidence in support of medical services provided to the poor and the rural areas so as to avail exemption

##### 7. Additions towards share capital in question would not ipso facto tantamount to alleged concealment of income: ITAT deletes penalty:

The Income Tax Appellate Tribunal (ITAT), Ahmedabad Bench while deleting the penalty held that the Additions towards share capital in question would not be ipso facto tantamount to alleged concealment of income. In the case of M/s. Aagam Shares & Commodities Pvt. Ltd. earlier named KGMS Financial Services Pvt. Ltd. is engaged in the business of dealing in stock market and purchase and sale of shares.

#### Compliance Calendar for April 2021

Date	Particular
30th April 2021	TDS Payment for Mar for other than Govt Deductors
7th April 2021	TDS Payment for Mar for Govt Deductors
11th April 2021	GSTR 1 (Monthly) for March
13th April 2021	GSTR-1 (Jan-Mar, 2021) for QRMP
15th April 2021	TCS Payment for Jan-Mar 2021 Quarter
18th April 2021	CMP 08 for Jan to Mar (Composition)
20th April 2021	GSTR 3B for March for Monthly
22nd April 2021	GSTR 3B (Jan-Mar, 2021) for South India
24th April 2021	GSTR 3B (Jan-Mar, 2021) for North India
25th April 2021	GST Challan Payment if no sufficient ITC for Mar (for all Quarterly Filers)