

# GST TRACKER

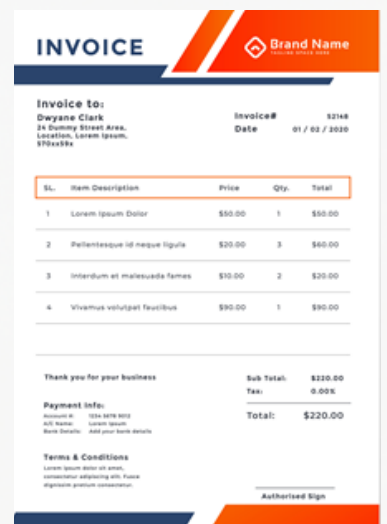
ISSUE: JANUARY 2021

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## **A brief of the Notifications as released by the MINISTRY OF FINANCE (CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS) on 22nd of December, 2020**

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### **Notification No 92/2020-Central Tax dt. 22nd December, 2020**

Vide the same Notification, The Government has notified following provisions of GST Act which shall be effective from January 1, 2021:

- Sec. 119 (Sums due to be paid notwithstanding appeal filed in SC/HC/Appellate Tribunal etc.)
- Sec. 120 (Cases where Appeal are not to be filled)
- Sec. 121 (Non-appealable decisions and orders)
- Sec. 122 (Penalty for Certain offences)
- Sec. 123 (Penalty for failure to furnish information return)
- Sec.124 (Fine for failure to furnish statistics/information)
- Sec. 126 (General disciplines related to penalty)
- Sec. 127 (Power to impose Penalty to proper officer)
- Sec. 131 (Confiscation or penalty not to interfere with other punishments)

### **Notification No. 94/2020-Central Tax dt. 22nd December 2020**

#### **Changes in GST Registration provisions**

Time Limit for system-based registration has been enhanced from the existing 3 days to 7 days. Now, the department shall be required to review and grant registration within 7 days against the previous provided 3 days. In cases where the applicant does not perform Aadhaar authentication or where department feels fit to carry out physical verification, the time limit shall be 30 days instead of 7 days.

## Cancellation of GST Registration provisions

Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may without affording the said person a reasonable opportunity of being heard, suspend the registration of such person with effect from a date to be determined by him. Some of such reasons to believe are:-

Ø In case ITC exceeds than that permissible u/s 16 The GST officer can proceed for cancellation of GSTIN where a taxpayer avails Input Tax Credit exceeding the amount permissible in Section 16 Rule 21(e) of CGST Rules 2017.

Ø If on comparison it is found that the assessee has furnished details of outward supplies in FORM GSTR-1( for one or more tax periods) in excess of outward supplies declared in GSTR-3B.

## Suspension of Registration in special cases

Similarly the following reasons can result in suspension of One's registration-

a) where there is a significant difference or anomaly between outward supplies in GSTR 1 and GSTR 3B

b) where there is a significant difference or anomaly between GSTR2A and GSTR 3B

This should result in any contraventions to the provisions of the Act or the rules thereunder. Further to such suspension, an intimation shall be send to the taxpayer in his e-mail ID requiring him to explain within 30 days as to why his registration shall not be cancelled.

A cancelled/suspended Assessee can neither make any taxable supplies nor shall be granted refund.

## Validity of E-way bill

Earlier one day was permitted for distance up to 100 kms under e way bill provision. Now the same has been increased to 200 kms.

## Restriction on claim of ITC as per Rule 36(4)

Effective 1st January 2021, the claim of ITC in respect of invoices not furnished by the corresponding vendors in their respective GSTR-1 or using the invoice furnishing facility has now been restricted to 5% of the credit available in GSTR 2B. This limit earlier was 10% of ITC available.

Blocking of GSTR 1 in case of non-filing of GSTR 3B (in addition to blocking of E-way bill)

Where a taxpayer fails to file GSTR 3B for two subsequent months, GSTR 1 shall now be blocked in addition to blocking of E-way Bill facility.

Similarly, for quarterly return filers, the taxpayer failing to file GSTR 3B for the preceding quarter shall not be permitted to file GSTR 1 of subsequent quarter.

For monthly filers on whom there is a restriction on utilization of ITC under the newly inserted Rule 86B (as explained below) - Such registered persons shall not be allowed to file GSTR-1 or use invoice furnishing facility in case he has not furnished return in FORM GSTR 3B for preceding tax period.

#### Rule 86B of CGST Rules - Restriction on Utilization of Input Tax Credit

A new Rule 86B shall be introduced w.e.f 1st January 2021, wherein restriction has been placed on setting off more than 99% of tax liability from Input tax credit where the value of taxable supplies other than exempt supply and zero rated supply exceeds Rs. 50 lakhs in a month, with the following exceptions-

- a) The assessee (proprietor/ karta/ managing director/ partner/WTD Members of managing committee of Association/Board of Trustees) has paid income tax exceeding Rs. 1 lakh in each of the last two financial years or,
- b) Where the registered person has received refund of unutilized input tax credit exceeding 1 lakh in the preceding financial year on account of exports/ supplies to SEZ or,
- c) Where the registered person has received refund of unutilized input tax credit exceeding 1 lakh in the preceding financial year on account of inverted duty structure or
- d) Where the registered person has set off his output tax liability through the Electronic Cash Ledger for an amount which is more than one percent of the total output liability, applied cumulatively, upto the said month in the current financial year or
- e) The taxpayer is Government Department / Public Sector Undertaking / Local authority / Statutory body

The Commissioner or any officer authorized by him in this behalf may remove the said restriction after such verification and safeguards as he may deem fit.

## Provisions notified through Finance Act 2020

Various provisions of the Finance Act 2020 have been notified to be effective from 1st January 2021 which are as follows:

Ø Time limit for taking ITC for debit notes have been provided upto the date of filing return for the month of September (the debit note should be pertaining to the current financial year)

Ø Composition taxable person for services have been barred from making supplies not leviable to tax, making interstate supply of services and supplies through E-commerce operator required to collect TCS

Ø Late fees provision for late issuance of TDS certificates have been removed.

Ø Any assessee opting for voluntary registration can also opt for cancellation of the same if he no longer requires the registration which wasn't earlier allowed.

Ø Period of revocation of cancellation of registration can now be further extended by thirty days if allowed by the AC/JC. Also, the Commissioner has been given the power to grant a further extension of thirty days beyond the above mentioned period as allowed by the AC/JC.

Ø Under the offences as mentioned u/s 132, Availment of ITC on the basis of invoice not accompanied by supply or without invoice has been added for prosecution.

Ø Certain supplies as may be notified, requirement to issue tax invoice may be done away with.

Ø In Schedule II for classification between supply of goods and services, transfer of business assets 'even without consideration' which was to constitute a supply has now been omitted. (Since without availing input tax credit, transfer of business assets cannot be classified as a supply under Schedule I.)

## GSTN Updates December 2020

Date of Issue	Subject
07/12/2020	Winners of GST-n-You Contest, 2020 on Benefits of GST held by GSTN
10/12/2020	GSTR-9 of FY 2019-20 is available now
15/12/2020	Auto population of details in Form GSTR-3B from Form GSTR 1 & GSTR 2B
17/12/2020	Due dates for filing of Form GSTR-3B for the Tax Periods from October, 2020 till March, 2021
19/12/2020	Ignore prompt on liability for inward supplies attracting reverse charge in Table-3.1 (d)
25/12/2020	Communication between Recipient and Supplier Taxpayers on GST Portal
30/12/2020	Auto-population of e-invoice details into GSTR-1/2A/2B/4A/6A
31/12/2020	Webinar for taxpayers on recent changes in process of Registration on GST Portal

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

## Notifications/Circulars/Orders issued in the month of December 2020

### Central Tax Notifications December 2020

Notification No.	Date of Issue	Subject
90/2020	01/12/2020	Seeks to make amendment to Notification no. 12/2017-Central Tax dated 28.06.2017.
91/2020	14/12/2020	Seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.
92/2020	22/12/2020	Seeks to bring into force Sections 119,120,121,122,123,124,126,127 and 131 of Finance Act, 2020(12 of 2020)
93/2020	22/12/2020	Seeks to waive late fee for FORM GSTR-4 filing in UT of Ladakh for Financial year 2019-20.
94/2020	22/12/2020	Seeks to make the Fourteenth amendment (2020) to the

		CGST Rules.2017.
95/2020	30/12/2020	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 28.02.2021.

### Central Tax (Rate) Notification December 2020

No Notification was issued under Central Tax (Rate) in the Month of December 2020

### Integrated Tax Notification December 2020

No Notification was issued under Integrated Tax in the Month of December 2020

### Integrated Tax (Rate) Notification December 2020

No Notification was issued under Integrated Tax (Rate) in the Month of December 2020

### Circular

Notification No.	Date of Issue	Subject
144/14/2020	15/12/2020	Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021.

### Orders

No order was issued in the month of December 2020

### Removal of Difficulty Orders December 2020

No order was issued in the month of December 2020

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

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