

**5 : TAX INVOICE**

1. **Sec 31(2) dealing with issuance of tax invoice by SUPPLIER OF SERVICE has been amended to the effect of enabling Govt to notify 'MANNER OF INVOICING (basically, e-Invoicing) in respect of specified categories of services or specific category of supplies' [Amended by FA, 2020 (passed on 27th March, 2020) – made effective from 1st Jan, 2021 (vide N/N 92/2020-CT)]**

**Amendment in Simplified Form**

Government intends to introduce 'e-invoicing' provisions under GST whereunder notified RP shall be required to make compulsory 'e-invoicing'.

To achieve that objective, proviso (a) to Sec 31(2) amended/ substituted enabling Govt to notify manner of invoicing (basically e-Invoicing) by supplier of services.

Invoicing	Pre-amendment	Post Amendment
Invoicing of goods – <b>Sec 31(1)</b>	Govt empowered to specify manner of invoicing for supplier of goods.	No amendment required for implementing e-invoicing for supplier of goods.
Invoicing of services – <b>Sec 31(2)</b>	Govt not empowered to specify manner of invoicing for supplier of services.	Amendment was required for implementing e-invoicing for supplier of services. FA, 2020 substituted existing proviso to Sec 31(2) enabling Govt to mandate manner of invoicing (e-invoicing) for supplier of services.

**Section 31 : Tax invoice.****RP supplying GOODS: Invoicing – (Timing + Particulars + Manner)**

(1) .....

**Exception: Timing and manner of invoicing may be prescribed for certain categories of Goods / Supplies**

Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued,

within such time and in such manner as may be prescribed.

[Rule 55 of CGST Rules, 2017]

[Rule 48 of CGST Rules, 2017]

**RP supplying SERVICES: Invoicing – (Timing + Particulars + Manner)**

(2) .....

**Exception:**(a) **Timing and manner of invoicing may be prescribed for certain categories of Services / Supplies**(b) **(Supply of specified services) : (Other documents admissible as tax invoice) or (even no tax invoice)**

~~Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which~~

~~(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or~~

~~(b) tax invoice may not be issued.~~

(substituted by FA, 2020)

Provided that the Government may, on the recommendations of the Council, by notification

(a) Specify the categories of SERVICES or SUPPLIES in respect of which invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to such conditions mentioned therein, specify the categories of SERVICES in respect of which

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

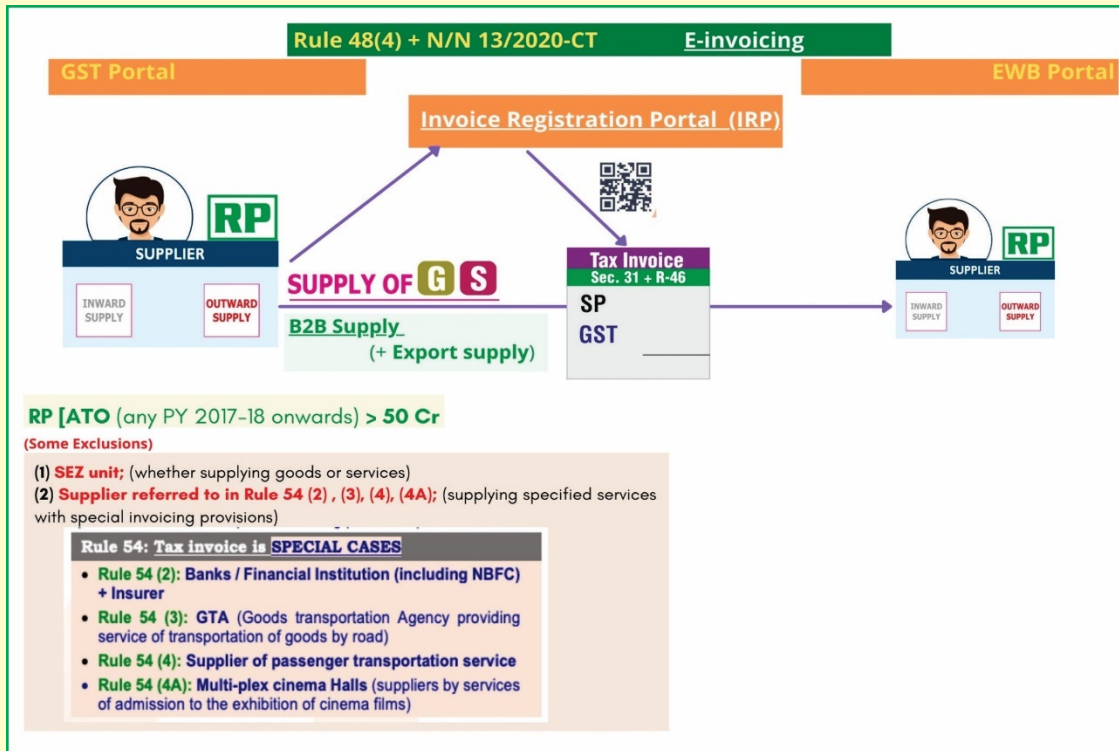
(b) tax invoice may not be issued.





## 2. N/N 13/2020-CT amended to make e-invoicing mandatory for RP with ATO exceeding 50 crores [N/N 13/2020-CT amended – w.e.f. 1<sup>st</sup> April, 2021]

### Amendment in Simplified Form



### Notified RP mandated to do e-invoicing with effect from 1<sup>st</sup> April, 2021

**N/N 13/2020-CT** (dated 21<sup>st</sup> march, 2020)

(as amended by N/N 05/2021-CT (dated 8<sup>th</sup> March 2021)

(issued in exercise of powers given by Rule 48(4))

- Registered person (**other than** those referred in Rule 54 (2), (3), (4), (4A). or a SEZ Unit)

whose ATO (in any preceding FY from 2017-18 onwards) > ~~₹ 500 Crores~~ ~~₹ 100 Crores~~ ₹ 50 Crores<sup>12</sup>

shall prepare **Invoice** and **other prescribed documents** (Debit Note and Credit Notes) in terms of Rule 48(4) (i.e., Document with QR Code (with embedded IRN) in respect of supply of goods or services or both

- to a Registered person (i.e., B2B supply) or
- for EXPORT

### GST e-invoice/IRN System – (updated on 30<sup>th</sup> March, 2021)

**If an entity's turnover crosses the threshold limit for e-invoicing during the current FY (e.g., during FY 2020-21), then from what date it shall start generating e-invoices?**

To calculate e-invoicing eligibility, **the preceding year's turnover**, beginning from FY 2017-18, **should be considered**.

**Hence, if a business' turnover exceeds the prescribed limit in a financial year, it would be required to generate e-invoices from the beginning of the next financial year.**

For example, if the threshold turnover crossed in FY 2020-21, then e-invoicing will be applicable from 1<sup>st</sup> April 2021 (FY 2021-22).

### <sup>12</sup> **Mandatory e-Invoicing:**

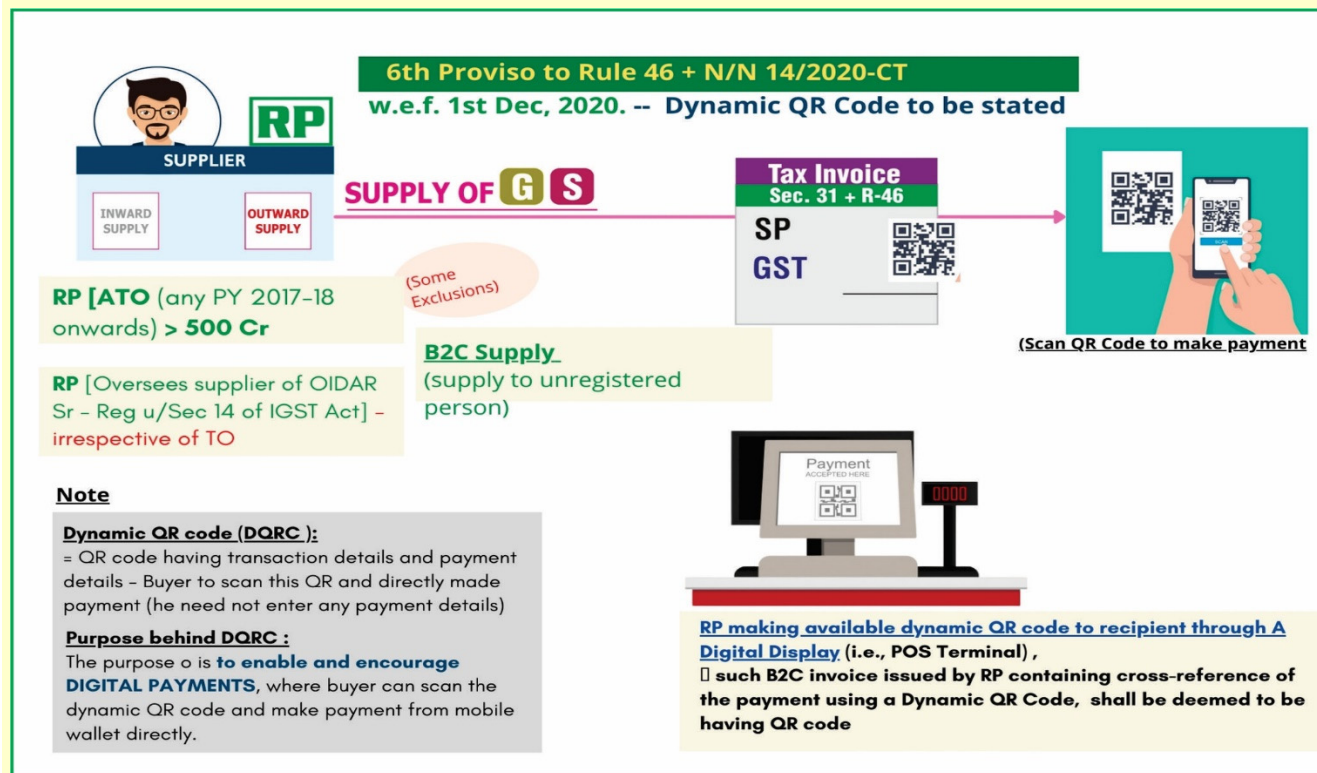
- [From 1<sup>st</sup> Oct 2020 (FY 2020-21) to all businesses whose ATO has exceeded the Rs 500 crore in any of the previous FYs from 2017-18 to 2019-20].
- [From 1<sup>st</sup> January 2021 (FY 2020-21), to businesses whose ATO has exceeded Rs.100 crore in any of the previous FYs from 2017-18 to 2019-20].
- [From 1<sup>st</sup> April, 2021 (FY 2021-22) to all businesses whose ATO has exceeded Rs.50 crore in any of the previous FYs from 2017-18 to 2020-21].

**Computation of ATO for FY 2017-18** (the first year of introduction of GST from 1<sup>st</sup> July, 2017): For FY 2017-18, the aggregate turnover is to be computed from 1st July 2017 until 31st March 2018. - **GST e-invoice/IRN System** – (updated on 30<sup>th</sup> March, 2021)



**3. 6<sup>th</sup> proviso to Rule 46 inserted empowering Government to notify that Invoice shall contain QR Code (even in case of normal invoicing) – Notification thereunder issued requiring certain suppliers to make QR Payment Method available on B2C invoices** [6<sup>th</sup> proviso to Rule 46 inserted + N/N 14/2020-CT issued]

**Amendment in Simplified Form**



**Author:**

	<b>N/N 13/2020-CT</b> (Notified RP for whom e-invoicing is mandatory - Invoice to contain QR Code (having embedded IRN))	<b>N/N 14/2020-CT</b> (Notified RP - Invoice to contain QR Code)
1. Type of transaction covered	Supplies made by a class of registered persons to other registered persons (also known as <b>B2B supplies</b> ) <b>Additionally, export supplies also covered.</b>	Supplies made by a registered person to unregistered persons (also called <b>B2C supplies</b> ) [CBIC: <b>Export Supplies are not covered</b> ]
2. Who is impacted	<b>RP (GST taxpayers) having an ATO above ₹ 50 crores in any preceding FY from 2017-18 onwards (except supplier of specified services who do invoicing as per Rule 54(2), (3), (4) &amp; (4A) and also all SEZ Units)</b>	<b>RP (GST taxpayers) having an ATO above ₹ 500 crores in any preceding FY from 2017-18 onwards. (except supplier of specified services who do invoicing as per Rule 54(2), (3), (4) &amp; (4A))</b> <b>Additionally, overseas supplier of OIDAR services to NTOR (who is registered as per Sec 14 of IGST Act) is also covered irrespective of his ATO.</b>
3. Notification highlights	This notification refers to the provision of mandatory issuance of e-invoice by above mentioned RP for B2B supplies and export supplies <ul style="list-style-type: none"> <li>On the submission of the e-invoice on the Invoice Registration Portal (IRP), <b>the IRP would return a QR Code</b> which will contain IRN and certain others key particulars of the invoice.</li> </ul>	<b>Issuance of QR code on the invoice by above mentioned RP for B2C supplies.</b> <ul style="list-style-type: none"> <li>The QR Code is for the purpose of making payment by the URP/Consumer to such RP making the B2C supply, using UPI-based payment Apps by scanning the QR Code.</li> </ul>
4. QR code to be made available by	<b>QR Code would be generated by the IRP and returned against the e- invoice reported to IRP.</b>	<b>QR Code will be generated by the seller himself either on the Point of Sale (PoS) machine or the Invoice issued.</b>
5. Purpose	To verify that whether an invoice has been reported on the IRP or not.	To enable payment using UPI by a mobile application by scanning of this QR Code.



### Rule 46 : Tax Invoice

#### Particulars to be stated on Tax Invoice

Subject to rule 54, a tax invoice referred to in Sec 31 shall be issued by the registered person containing the following particulars:-

.....

#### Mandatory QR Code on invoice

N/N 31/2019-CT [Proviso inserted in Rule 46] (w.e.f. 1<sup>st</sup> April 2020)

Govt (by notification) may make QR Code mandatory on tax invoice.

Provided also that the Government may, by notification,

- ... on the recommendations of the Council, and
- ... subject to such conditions and restrictions as mentioned therein,

specify that the tax invoice shall have Quick Response (QR) code.

#### QR code mandated on Invoice (with effect from 1<sup>st</sup> Dec 2020)<sup>13</sup>

N/N 14/2020-CT (dated 21<sup>st</sup> march, 2020) (issued in exercise of powers given by 6<sup>th</sup> Proviso to Rule 46)

#### Invoice issued

- by
- (1) Registered person (other than those referred in Rule 54 (2), (3), (4), (4A)) whose ATO (in any preceding FY from 2017-18 onwards) > ₹ 500 Crores
  - and
  - (2) Registered person referred to in Sec 14 of IGST Act, 2017 (i.e., Foreign supplier of OIDAR Sr to NTOR in India)

to a unregistered person (hereinafter referred to as B2C supply)

shall have DYNAMIC Quick Response (QR) Code

**Exception:** QR Code generated on PoS (point of sale) machine + Invoice containing cross-reference of payment made using Dynamic QR Code:-- then Such invoice= Deemed to have QR Code

Provided that RP making available dynamic QR code to recipient through A Digital Display (i.e., POS Terminal),

- ... such B2C invoice issued by RP containing cross-reference of the payment using a Dynamic QR Code, shall be deemed to be having Dynamic QR code

#### Logic of notification requiring QR code on B2C invoices \* E-invoice FAQ

... The purpose of N/N 14/2020-CT is to enable and encourage DIGITAL PAYMENTS<sup>14</sup> where buyer can scan the dynamic QR code and make payment from mobile wallet directly.

<sup>13</sup> W.e.f. 1<sup>st</sup> Dec, 2020 QR code made mandatory on B2C invoice: Non-compliance with attract Sec 125 penalty [(upto 25,000 (CGST))

HOWEVER, CG has issued waiver notification [N/N 89/2020-CT (dated 29<sup>th</sup> Nov, 2020) - further amended by N/N 06/2021] wherein full waiver has been made available to RP on non-compliance between the period 1<sup>st</sup> Dec, 2020 to 30<sup>th</sup> June, 2021, subject to the condition that the said RP complies with the provisions from 1<sup>st</sup> July, 2021.

<sup>14</sup> Related provisions: Section 31-A (inserted by FA, 2019- w.e.f. 1<sup>st</sup> Jan, 2020) to provide that notified class of RP shall provide option of digital payment to the recipient (but not operational due to non-issuance of notification)

#### Section 31-A Facility of DIGITAL PAYMENT to recipient

The Government may, on the recommendations of the Council, prescribe a class of registered persons who shall

- ... provide prescribed modes of Electronic Payment to the recipient of supply of goods or services or both made by him and
- ... give option to such recipient to make payment accordingly,

in such manner and subject to such conditions and restrictions, as may be prescribed.

**Issue troubling Government:** Suppression of TO leading to tax evasion (Like not reporting some cash sales with intent of under reporting of sales/turnover and thereby under reporting the corresponding tax liability)

**Solution:** Increasing use of electronic payment forms such as debit cards, NEFT/RTGS, etc.



**ICAI Statutory Updates have not covered this circular.**  
**In case they issued it later on as addendum (which they do sometimes) - then only cover this.**

**CIRCULAR NO: 146/02/2021-GST**, Dated: February 23, 2021

Subject: Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of N/N 14/2020- CT dated 21st March, 2020 - Reg.

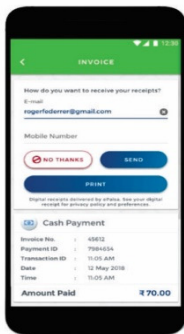
**CIRCULAR NO: 146/02/2021-GST**

**SUPPLY OF GS**

**B2C Supply**  
(supply to unregistered person)

**Export Supply - QR code not required**

- (as Export invoice is covered by e-invoicing).



**Details to be captured in QR code**

- Supplier GSTIN number
- Supplier UPI ID
- Payee's Bank A/C number and IFSC
- Invoice number & invoice date,
- Total Invoice Value and
- GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc.

Dynamic QR Code should be such that it can be scanned to make a digital payment

Collecting payment through mobile-app / computer applications (without providing DQRC) the details of merchant as well as transaction are displayed/ captured otherwise

**cross reference of the payment received is made on the invoice = Deemed Compliance**

**What if Customer does not make payment using this Dynamic QR code (DQRC)**

**Situation-1 [DQRC provided/printed ON INVOICE itself]**

Issuance of invoice with DQRC by Supplier = Deemed Compliance

**Situation-2 [DQRC made available through Digital Display]**

1a) **Customer pays in cash**  
 - Supplier provides cross reference of payment (Amount + Date of payment) = Deemed Compliance

1b) **Customer pays using any mode like UPI, credit/ debit card or online banking or cash or combination of various modes of payment**  
 - Supplier provides cross reference of payment (transaction ID + Amount + Date + Time + Mode of payment) = Deemed Compliance

**CIRCULAR NO: 146/02/2021-GST**

**SUPPLY OF GS**

**B2C Supply**  
(supply to unregistered person)

**Pre-paid invoices**

(where payment has been made before issuance of the invoice)  
**cross reference of the payment received either through electronic mode or through cash or combination thereof made on the invoice = Deemed Compliance**

In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.



**Supply through ECO**

- Whether RP (supplier) still to comply with DQRC requirement

**Yes**  
**Supplier liable to issue invoice - He shall comply with notification**

Issue-1

**To which invoice is N/N 14/2020- CT applicable?**  
**Would this requirement be applicable on invoices issued for supplies made for Exports?**

Clarification

**This notification is applicable to a tax invoice issued by RP to an URP (B2C invoice) whose annual ATO exceeds 500 Cr rupees in any of the FYs from 2017-18 onwards.**





However, the said notification is **not applicable** to **an invoice issued Supplier referred to in Rule 54 (2), (3), (4), (4A)** (i.e., supplying specified services with special invoicing provisions)

**Rule 54: Tax invoice is SPECIAL CASES**

- **Rule 54 (2): Banks / Financial Institution (including NBFC) + Insurer**
- **Rule 54 (3): GTA** (Goods transportation Agency providing service of transportation of goods by road)
- **Rule 54 (4): Supplier of passenger transportation service**
- **Rule 54 (4A): Multi-plex cinema Halls** (suppliers by services of admission to the exhibition of cinema films)

**This notification is ALSO applicable to a tax invoice issued by Overseas supplier of OIDAR supplies who has obtained registration u/Sec 14 of the IGST Act 2017, to an unregistered person.**

**Applicability as to Export Invoices**

As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person,

However, **as e-invoices are required to be issued in respect of supplies for exports, in terms of N/N 13/2020-CT, treating them as Business to Business (B2B) supplies,**

**N/N 14/2020- CT will not be applicable to them.**

Issue-2

**What parameters/ details are required to be captured in the Quick Response (QR) Code?**

Clarification

**Dynamic QR Code**, in terms of N/N 14/2020- CT is required, *inter-alia* (among other things), **to contain the following information: -**

- |                                       |   |
|---------------------------------------|---|
| i. Supplier GSTIN number              | iv. Invoice number & invoice date,                                  |
| ii. Supplier UPI ID                   | v. Total Invoice Value and  |
| iii. Payee's Bank A/C number and IFSC | vi. GST amount along with breakup i.e. CGST, SGST, IGST, Cess, etc. |

**Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.**

Issue-3

**If a supplier provides/ displays Dynamic QR Code, but the customer opts to make payment without using Dynamic QR Code, then will the cross reference of such payment, made without use of Dynamic QR Code, on the invoice, be considered as compliance of Dynamic QR Code on the invoice?**

Clarification

**Situation-1 [Dynamic QR Code provided ON INVOICE itself]**

If the supplier has issued invoice having Dynamic QR Code for payment, **the said invoice shall be deemed to have complied with Dynamic QR Code requirements.**

**Situation-2 [Dynamic QR Code made available through Digital Display]**

In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice:

- 1) **Using any mode like UPI, credit/ debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code,** and the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment like UPI, Credit card, Debit card, online banking etc.) on the invoice ; or
- 2) **In cash, without using Dynamic QR Code and the supplier provides a cross reference of the amount paid in cash , along with date of such payment on the invoice;**

The said invoice shall be **deemed to have complied** with the requirement of having Dynamic QR Code.

Issue-4

**If the supplier makes available to customers an electronic mode of payment like UPI Collect, UPI Intent or similar other modes of payment, through mobile applications or computer based applications, where though Dynamic QR Code is not displayed, but the details of merchant as well as transaction are displayed/ captured otherwise, how can the requirement of Dynamic QR Code as per this notification be complied with?**

Clarification

**In such cases, if the cross reference of the payment made using such electronic modes of payment is made on the invoice,** the invoice shall be **deemed to comply** with the requirement of Dynamic QR Code.

However, if payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

Issue-5

**Is generation/ printing of Dynamic QR Code on B2C invoices mandatory for pre-paid invoices i.e. where payment has been made before issuance of the invoice?**

Clarification

**If cross reference of the payment received either through electronic mode or through cash or combination thereof is made on the invoice,** then the invoice would be **deemed to have complied** with the requirement of Dynamic QR Code.

*In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.*



Issue-6	Once the <b>E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements</b> , will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?
Clarification	<p>The provisions of the notification shall apply to each supplier/registered person separately, if such person is liable to issue invoices with Dynamic QR Code for B2C supplies as per the said notification.</p> <ul style="list-style-type: none"> <li>In case, the supplier is making supply through the E-commerce portal or application, and <b>the said supplier gives cross references of the payment received in respect of the said supply on the invoice</b>, then such invoices would be <b>deemed to have complied</b> with the requirements of Dynamic QR Code.</li> <li>In cases other than pre-paid supply i.e. where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</li> </ul>

**4. HSN Code mandated for ALL CLASSES OF TAXPAYERS w.e.f. 1<sup>st</sup> April, 2021** [first proviso to Rule 46 substituted (N/N 79/2020-CT – w.e.f. 15<sup>th</sup> Oct, 2020) + N/N 78/2020-CT issued thereunder and made effective from 1<sup>st</sup> April, 2021]

**Amendment in Simplified Form**

## HSN CODE

### Mandatory for Goods & Services on Tax Invoices w.e.f. 1<sup>st</sup> April, 2021

**Aggregate Turnover up to ₹ 5 Crore in the preceding financial year**

HSN Code of 4 digits is mandatory for all the B2B tax invoices and optional for B2C tax invoices on the supplies of Goods & Services.

**Aggregate Turnover more than ₹ 5 Crore in the preceding financial year**

HSN Code of 6 digits is mandatory for all the tax invoices (B2B & B2C) on the supplies of Goods & Services.

**Link to access HSN Code/Service Accounting Code:**

**Goods** <https://www.cbic.gov.in/resources/htdocs-cbec/gst/GSTratescheduleforgoodsason31032021.pdf>

**Services** [https://www.cbic.gov.in/resources/htdocs-cbec/gst/11-Rate\\_Notification-CGST-16.10.2020.pdf](https://www.cbic.gov.in/resources/htdocs-cbec/gst/11-Rate_Notification-CGST-16.10.2020.pdf)

**Services** [https://www.cbic.gov.in/resources/htdocs-cbec/gst/12-Exemption\\_CGST-16.10.2020.pdf](https://www.cbic.gov.in/resources/htdocs-cbec/gst/12-Exemption_CGST-16.10.2020.pdf)

**Link to 6 digit service classification codes**

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/Scheme%20of%20Classification%20of%20Services%20-%20amended.pdf>

For more details, please refer to the Notification no. 78/2020-Central Tax dated 15.10.2020

**The requirement to furnish HSN code in TAX INVOICE <sup>15</sup> has been revised w.e.f. 1-4-2021.**

	<u>ATO in the preceding FY</u>	<u>No. of Digits of HSN Code</u>	
(i)	Upto ₹ 5 crores	4 digits *	<u>In respect of supply to URP (i.e., B2C Supply):</u> Mention of HSN code is optional.
(ii)	More than ₹ 5 Crores	6 digits	

\* for both Goods and Services

⚡ However, **For CERTAIN GOODS <sup>16</sup> (having particular HSN) 8 digits HSN shall be mentioned on Tax Invoice.**

**Logic of Amendment:** In initial years of the GST, conscious decision was taken to relax HSN requirement in order to not burden taxpayer. However, Tax Administration was struggling to generate sectoral analysis in absence of proper HSN codes. Accordingly, now HSN requirement has been enforced. [Note: HSN to be mentioned on invoice (R-46 amended) and also to be reported in GSTR-1 (Form Amended).]

**Rule 46 : Tax Invoice**

**Particulars to be stated on Tax Invoice**

**Subject to rule 54,** a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars:-

- (a) .....
- (...) .....
- (g) **HSN code of goods or Accounting Code of services;** (refer 1st proviso)
- (...) .....

<sup>15</sup> **Composition Supplier is required to issue BILL OF SUPPLY (Sec 31 r/w Rule 49):** Proviso to Rule 49 provides that all the provisos to Rule 46 shall be applicable to 'Bill of Supply', mutatis mutandis. Thus, first proviso of Rule 46 and notification issued thereunder shall be equally applicable to 'Bill of Supply issued by Composition Supplier'.

<sup>16</sup> Basically, 49 types of chemicals



### REQUIREMENT AS TO HSN OF GOODS / SERVICES on Tax INVOICE

#### Requirement as to HSN on TAX INVOICE: FIRST PROVISO to Rule 46

~~CBIC empowered to relax mentioning of HSN Code and/or SAC (for class of taxpayers)~~

~~((1) **Notify RP** - Mentioning of HSN restricted to specified digits or (2) **Notify RP** - Reporting of HSN not required)~~

~~Provided that~~

~~the Board (CBIC) may, on the recommendations of the Council, by notification, specify~~

- ~~(i) the number of digits of **HSN code for goods** or **the Accounting Code for services**, that a class of registered persons shall be required to mention, for such period as may be specified in the said notification, and~~
- ~~(ii) the class of registered persons that would **not be required to mention the HSN code for goods or the Accounting Code for services**, for such period as may be specified in the said notification.~~

**N/N 79/2020-CT** [Proviso substituted] (w.e.f. 15<sup>th</sup> Oct, 2020)

**CBIC empowered to relax mentioning of HSN on tax invoice (for class of taxpayers and for class of supplies)**

Provided that **the Board** may, on the recommendations of the Council, **by notification, specify-**

(i)	the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or	<i>Notify RP - Mentioning of HSN restricted to specified digits</i>
(ii)	a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and	<i>Notify Supply - Mentioning of HSN restricted to specified digits</i>
(iii)	the class of registered persons that would <b>not be required to mention the</b> Harmonised System of Nomenclature code for goods or services	<i>Notify RP - Reporting of HSN not required</i>

**Old Notification to continue till 31st March, 2021**

**Notification No. 12/2017-CT.** (issued under first proviso to Rule 46) --- w.e.f. 1<sup>st</sup> July, 2017

	ATO in the PY	Number of digits of HSN Code in the TAX INVOICE
1.	Upto 1.5 crores	<b>Nil</b> (i.e., HSN code is not required on invoice)
2.	More than 1.5 crores but upto 5 crores	<b>2 digits</b> (i.e., HSN code upto 2 digits is mandatory)
3.	More than 5 crores	<b>4 digits</b> (i.e., HSN code upto 4 digits is mandatory)

**Note: Importers / Exporters** (doing import/export which are inter-state supply under GST law): HSN of 8 digits is compulsory (as it has to be compatible with global standards)

- No relaxation has been provided to supplier of SERVICES.** (i.e., Supplier of service shall mention SAC)

**New Notification – applicable on/ from 1<sup>st</sup> April, 2021**

**N/N 78/2020-CT** (issued under first proviso to Rule 46) - Effective from 1<sup>st</sup> April, 2021

**Requirement as to mentioning of HSN on tax invoice- With effect from 1<sup>st</sup> April, 2021**

	ATO in the preceding FY	No. of Digits of HSN Code
(i)	<b>Upto ₹ 5 crores</b>	4 digits *
(ii)	<b>More than ₹ 5 Crores</b>	6 digits

**RP [ATO (PY) upto 5 crores]: Mentioning of HSN Code is optional for B2C invoices**

Provided that

a registered person having aggregate turnover up to ₹ 5 five crores in the previous FY **may NOT mention the number of digits of HSN Code** in a tax invoice issued by him under the said rules **in respect of supplies made to unregistered persons.**

**For CERTAIN GOODS (having particular HSN) 8 digits HSN shall be mentioned on Tax Invoice**

Provided further that

– **class of supply as specified in column (2) and whose HSN Code as specified in column (3) of the Table below, a registered person shall mention eight number of digits of HSN Codes in a tax invoice issued by him.**

[Note: Table has not been reproduced as not relevant at Student Level.]

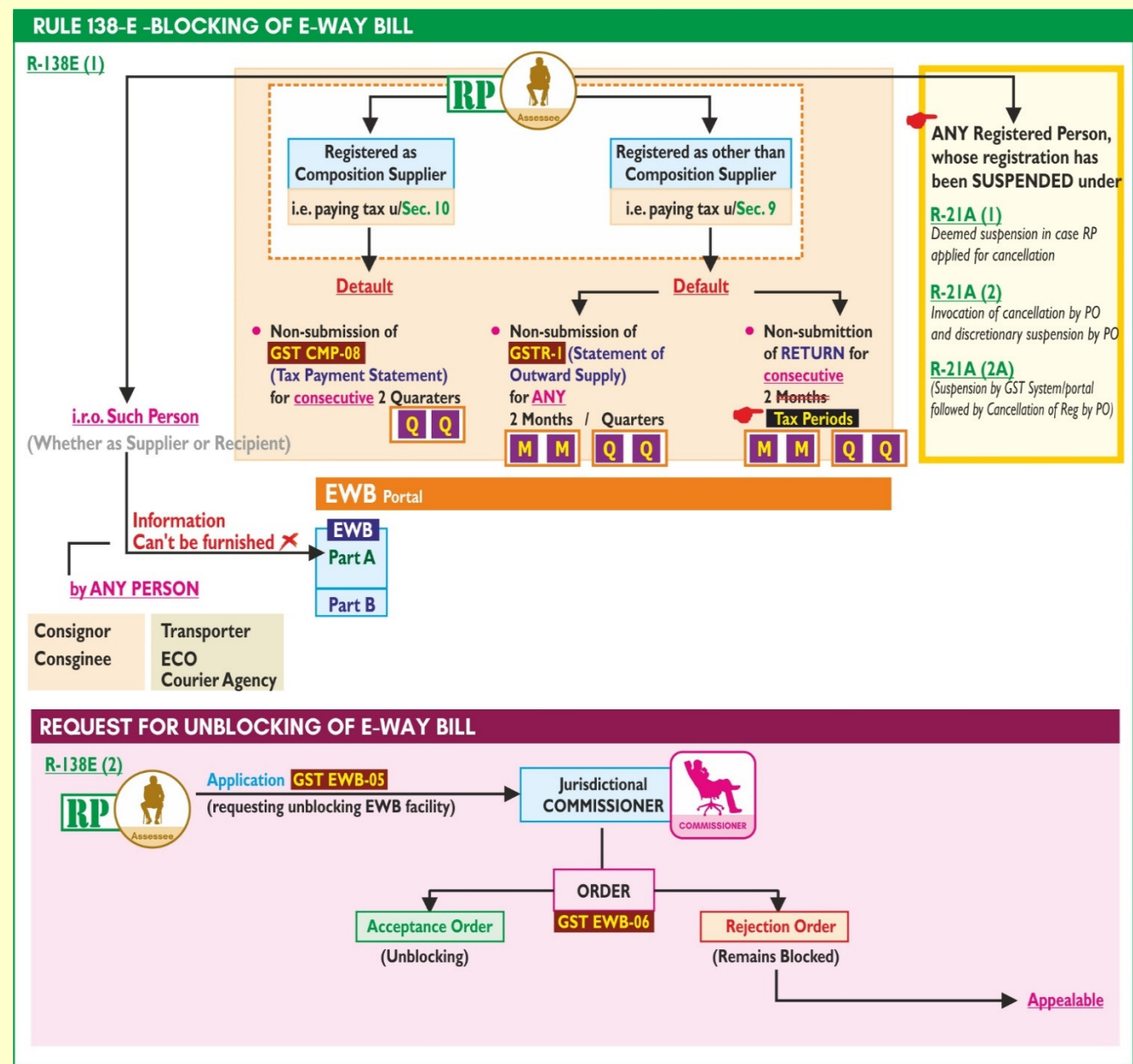




6 : E-WAY BILL

1. **Rule 138-E amended** [ by N/N 94/2020 (Dated 22 Dec, 2020)]

**Amendment in Simplified Form**



**Rule 138-E : Restriction on furnishing of information in PART A of FORM GST EWB-01**

**Blocking of EWB Generation – for Statement/Return Defaulter**

**Notwithstanding anything contained in Rule 138 (1), –**

**no person** (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) **shall be allowed to furnish the information**

... **in PART A of FORM GST EWB-01**

... **in respect of a registered person, whether as a supplier or a recipient, who, –**

<p><b>(a) being a person</b></p> <p>... <b>paying tax under section 10</b> (person working under composition scheme), or</p>	<p>has <b>not furnished the statement in Form GST CMP -08</b> for <b>two consecutive quarters</b>;</p>
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(b) <b>being a person other than a person specified in clause (a)</b> (all persons other than composition supplier),	has <b>not furnished the returns for a consecutive period of <del>two months</del> [two tax periods]</b> <sup>17</sup> :
(c) <b>being a person other than a person specified in clause (a)</b> (all persons other than composition supplier)	has <b>not furnished the Statement of Outward Supplies (GSTR-1) for ANY two months or quarters</b> , as the case may be: <sup>18</sup>
(d) <b>[being a person, whose registration has been SUSPENDED under the provisions of Rule 21-A (1), (2) or (2A)]</b> <sup>19</sup>	

21-A (1) (Deemed suspension in case RP applied for cancellation)  
 21-A (2) (Invocation of cancellation by PO and discretionary suspension by PO)  
 21-A (2A) (Suspension by GST System/portal followed by Cancellation of Reg by PO)

**2. Rule 138 (10) amended reducing the validity period of EWB in NORMAL CASES** [ by N/N 94/2020 (Dated 22 Dec, 2020) – effective from 1<sup>st</sup> Jan, 2021]

**Rule 138 : Information to be furnished prior to commencement of movement of goods and generation of EWB**

**(10) Validity period of EWB / Consolidated EWB**

An e-way bill or a consolidated e-way bill generated under this rule shall be **valid for following period from the relevant date**, for the distance, within the country, the goods have to be transported as mentioned in table below :

	Cargo	Validity period
1.	<b>Over Dimensional Cargo (ODC) or Multi Modal Transportation (MMT) involving ship transportation as one leg</b>	<b>Upto 20 km : One day</b> <b>For every 20 km or part thereof thereafter One additional day</b>
2.	<b>In other cases</b> (i.e., other than ODC and MMT)	<b>Upto <del>100 km</del> 200 Km : One day</b> <b>For every <del>100 km</del> 200 Km or part thereof thereafter One additional day</b>

**Illustration : Validity Period**

	ODC or MMT involving ship transportation	Normal Cases (Other than ODC and MMT involving ship transportation)	Validity period starts from
410 km	21 Days	<del>5 days</del> 3 days	Date of generation of EWB - Expl I
490 km	25 days	<del>5 days</del> 3 days	

**Logic of Amendment:** It was observed that validity period provided u/Rule 138(10) is very wide and it was possible that a single set of documents and EWB may be used for more than one time transportation of goods. Few such cases were actually reported. To take care of this, Rule 138 (10) has been amended to the effect of reducing the validity period of EWB.

<sup>17</sup> Substituted for "two months" by the CGST (Fourteenth Amendment) Rules, 2020, w.e.f. 22-12-2020.

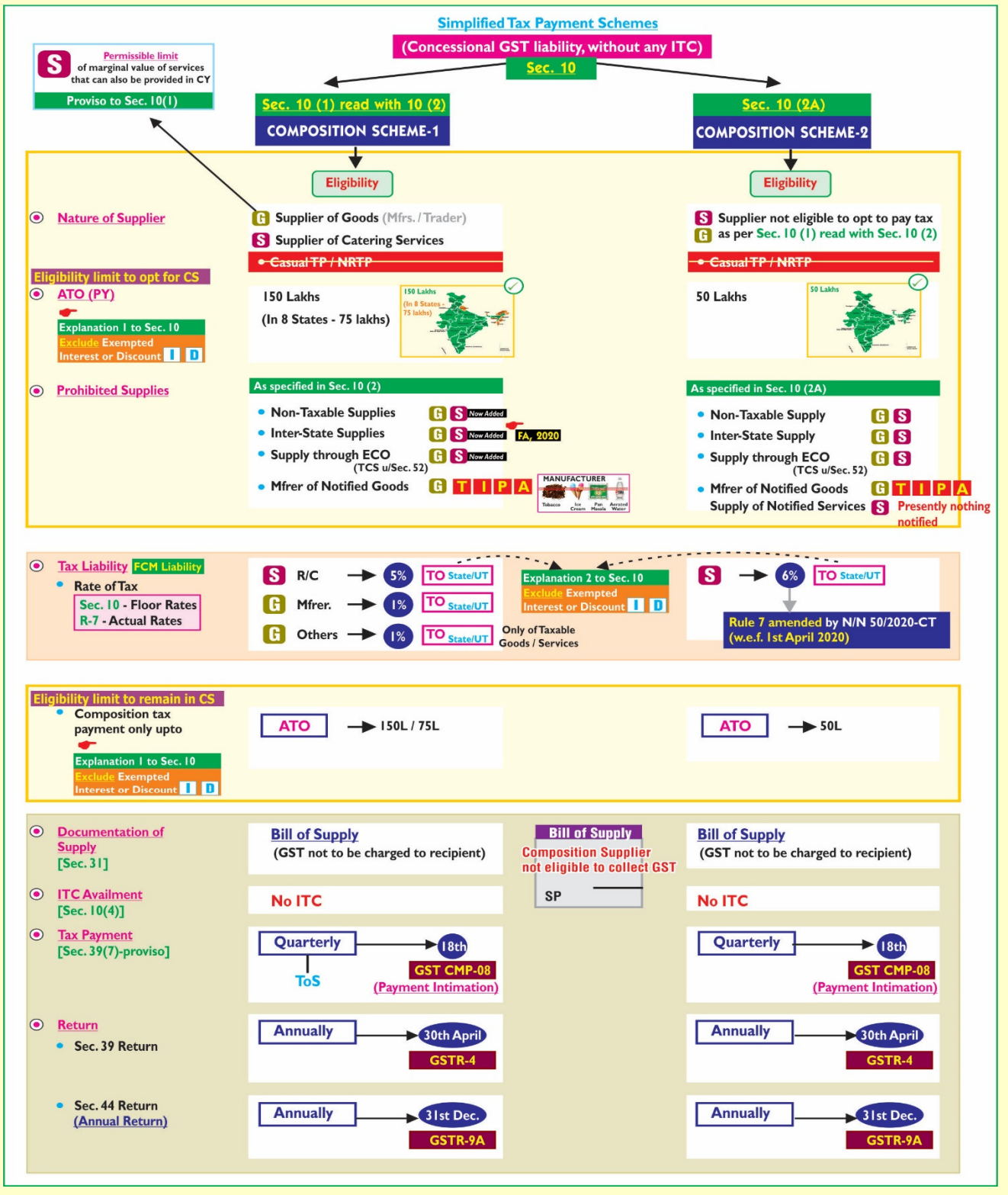
<sup>18</sup> **Default in filing of GSTR-1 (Statement of Outward Supplies) for ANY 2 months/ quarters (not necessarily consecutive months) will lead to EWB blockage:** It shall be noted that as per GST law, GSTR – 1 can be filed even without filing previous tax periods' return. Thus, by this notification, not only consecutive period defaulter of GSTR-1 but defaulter of any two months would fall under ambit of blocking of E – way Bill.

<sup>19</sup> Inserted by the CGST (Fourteenth Amendment) Rules, 2020, w.e.f. 22-12-2020.

7 : COMPOSITION SCHEME -Sec 10

1. **Sec 10(2) laying down conditions (as to eligibility to opt for compositions scheme as provided in Sec 10(1)) has been amended to harmonize it with conditions specified for composition scheme provided in Sec 10(2A)** [Amended by FA, 2020 (passed on 27<sup>th</sup> March, 2020) – made effective from 1<sup>st</sup> Jan, 2021 (vide N/N 92/2020-CT)]

Amendment in Simplified Form





### Section 10 : Composition levy.

#### Eligibility of Supplier for Composition Scheme of Sec 10(1) – conditions to be fulfilled

- (2) **The registered person shall be eligible to opt under sub-section (1), if—**
- save as otherwise provided in sub-section (1), he is not engaged in the supply of SERVICES;*
  - he is **not engaged** in making any **supply of Goods or SERVICES**, *which are not leviable to tax under this Act;* **(inserted by FA, 2020)**
  - he is **not engaged** in making any **inter-State outward supplies of Goods or SERVICES;** **(inserted by FA, 2020)**
  - he is **not engaged** in making any **supply of Goods or SERVICES** through an electronic commerce operator who is **required to collect tax at source under section 52;** **(inserted by FA, 2020)**
- and
- he is **not a manufacturer\*** of **such Goods** as may be **notified by the Government\*** on the recommendations of the Council;
  - he is **neither a casual TP nor non-resident TP;**

#### Author:

**Pre-Amendment:** Conditions for availment of composition Scheme were different for different types of composition scheme as reproduced below

Composition Scheme (for supplier of goods + supplier of catering service) – Sec 10(1) read with 10(2)	Composition Scheme for suppliers not covered by Sec 10(1) read with 10(2) – Sec 10 (2A)										
Conditions to be complied with - Sec 10(2)	Conditions in the notifications – Sec 10 (2A)										
(a) <b>save as otherwise provided in sub-section (1), he is not engaged in the supply of SERVICES;</b>	■ .....										
(b) he is <b>not engaged</b> in making any <b>supply of GOODS</b> <i>which are not leviable to tax under this Act;</i>	(a) he is <b>not engaged</b> in making <b>any supply of goods or services</b> <i>which are not leviable to tax under this Act;</i>										
(c) he is <b>not engaged</b> in making any <b>inter-State outward supplies of GOODS;</b>	(b) he is <b>not engaged</b> in making <b>any inter-State outward supply of goods or services;</b>										
(d) he is <b>not engaged</b> in making <b>any supply of GOODS</b> through an <b>ECO</b> who is <b>required to collect tax at source under section 52;</b>	(c) he is <b>not engaged</b> in making <b>any supply of goods or services</b> through an <b>ECO</b> who is <b>required to collect tax at source under section 52;</b>										
(e) he is <b>not a manufacturer*</b> of <b>such GOODS</b> as may be <b>notified by the Government*</b> on the recommendations of the Council:	and										
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Notified Goods</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"><b>Tobacco and Manufactured tobacco substitutes</b></td> </tr> <tr> <td style="padding: 2px;"><b>Ice cream and other edible ice</b>, <i>whether or not containing cocoa</i></td> </tr> <tr> <td style="padding: 2px;"><b>Pan Masala</b></td> </tr> <tr> <td style="padding: 2px;"><b>Aerated Water</b></td> </tr> </tbody> </table>	Notified Goods	<b>Tobacco and Manufactured tobacco substitutes</b>	<b>Ice cream and other edible ice</b> , <i>whether or not containing cocoa</i>	<b>Pan Masala</b>	<b>Aerated Water</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Notified Goods</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"><b>Tobacco and Manufactured tobacco substitutes</b></td> </tr> <tr> <td style="padding: 2px;"><b>Ice cream and other edible ice</b>, <i>whether or not containing cocoa</i></td> </tr> <tr> <td style="padding: 2px;"><b>Pan Masala</b></td> </tr> <tr> <td style="padding: 2px;"><b>Aerated Water</b></td> </tr> </tbody> </table>	Notified Goods	<b>Tobacco and Manufactured tobacco substitutes</b>	<b>Ice cream and other edible ice</b> , <i>whether or not containing cocoa</i>	<b>Pan Masala</b>	<b>Aerated Water</b>
Notified Goods											
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<b>Pan Masala</b>											
<b>Aerated Water</b>											
(f) he is <b>neither a casual TP nor a Non-Resident TP;</b>	(e) he is <b>neither a casual TP nor a Non-Resident TP;</b>										

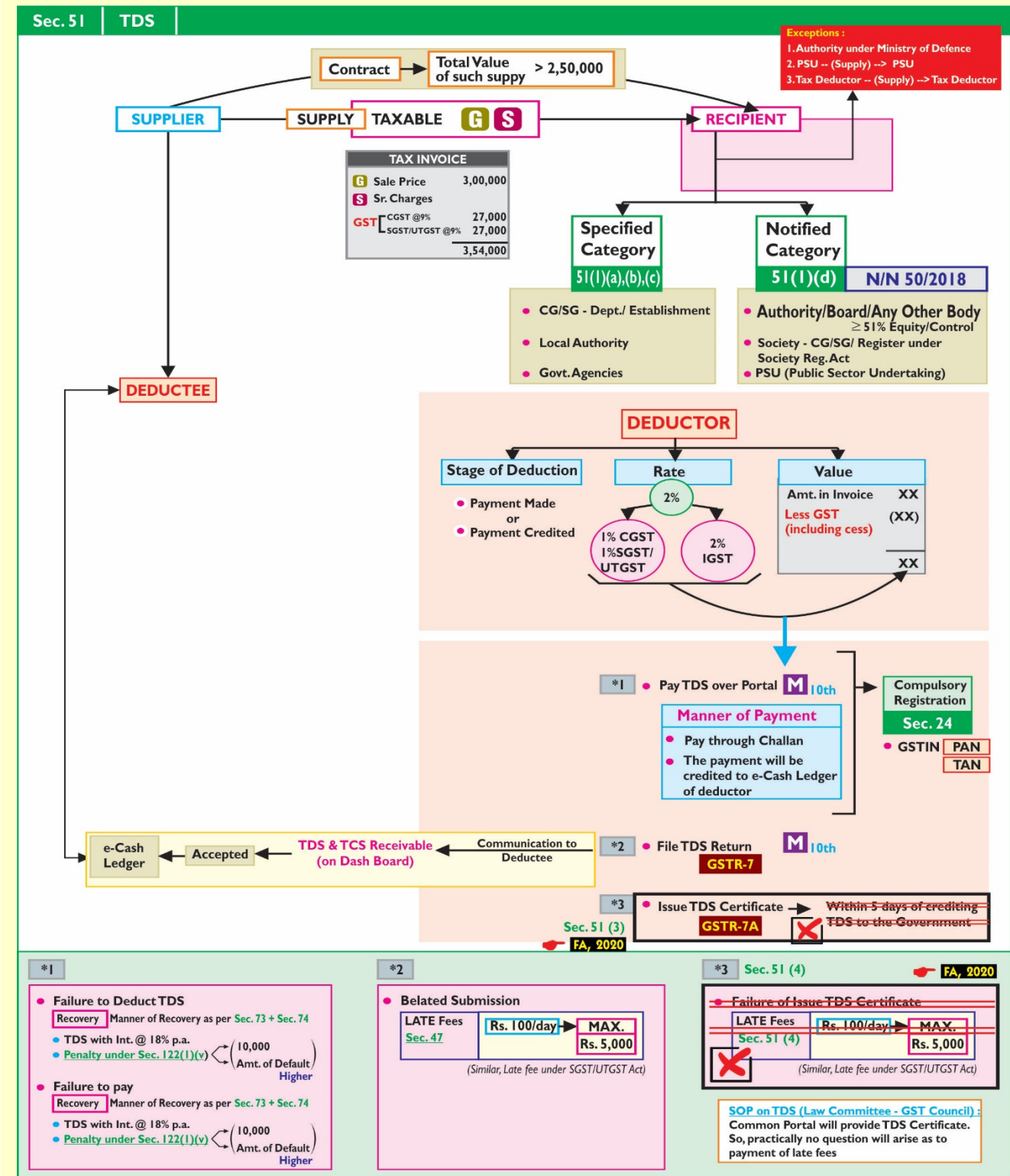
**Post-Amendment:** Amendment made in Sec 10(2)(b), (c) and (d) to harmonize both the composition schemes.



8 : TAX DEDUCTION AT SOURCE

1. **Sec 51(3) requiring deductor to furnish TDS certificate to deductee has been omitted (as TDS certificate will be made available to deductee online by common portal). Consequently, Sec 51(4) subjecting deductor to penalty upon delay in furnishing TDS certificate has also been omitted [Amended by FA, 2020 (passed on 27th March, 2020) – made effective from 1st Jan, 2021 (vide N/N 92/2020-CT)]**

Amendment in Simplified Form





### Requirement of issuance of TDS certificates to the deductee:

**GST Law – Sec 51** : **Sec 51(3) of CGST Act** provides that tax deductor needs to issue certificate of such TDS to the deductee within 5 days of crediting the TDS to the Government account. In case he fails to do so, **Sec 51(4) of CGST Act** makes him liable to pay late fees of ₹ 100 per day subject to maximum of ₹ 5000/- will be payable by such deductor.

Various representations have been received from Government and Government organisations; as well as from trade and industry regarding difficulty in compliance and non-issuance of the TDS Certificate as per the provisions of sub-sections (3) and (4) of section 51.

The matter was resolved in the system by making the certificate a system generated, downloadable document, thereby alleviating the requirement that the said certificate be issued by the deductor. Consequently, the late fee for non-issuance of the said certificate also lost its relevance. [SOP was issued by GST Council in this.]

### Standard Operating Procedure, Law Committee (GST Council) [Question no. 61, as recently revised]:

Clarified that "system generated TDS certificate in **FORM GSTR-7A** mentioning therein the value on which tax is deducted, and amount of tax deducted and other related particulars shall be available for download from the portal by deductee. This shall be deemed to be sufficient compliance with the provisions of section 51(3) since such certificate cannot be generated/downloaded unless the deductor files the return."

FA, 2020 has amended Sec 51 to the effect of doing away the legal requirement of late fees for delay in issuance of TDS certificate. Sec 51(4) also omitted.

### Section 51 : Tax deduction at source.

#### Deductor shall provide TDS Certificate to the deductee: within 5 days of remittance to Government

- (3) ~~The deductor shall furnish to the deductee a certificate [Form GSTR-7A] mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars~~

(substituted by FA, 2020)

A certificate of tax deduction at source shall be issued *in such form and in such manner as may be prescribed.*

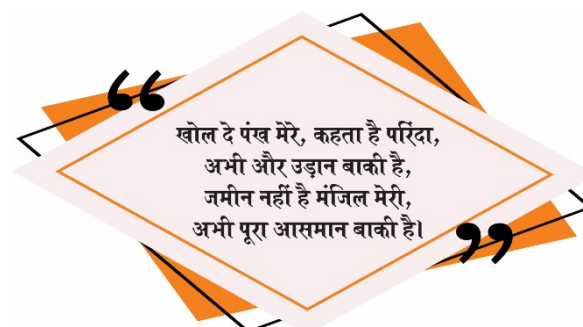
#### Rule 66 : Form and manner of submission of return by a person required to deduct tax at source

- (3) The certificate referred to in section 51(3) shall be made available electronically to the deductee on the common portal in **FORM GSTR-7A** on the basis of the return furnished under sub-rule (1).

#### TDS Certificate – if not provided within 5 days – Late Fee @100/day of delay shall be payable by deductor (Max: ₹ 5,000)

(deleted by FA, 2020)

- (4) ~~If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a LATE FEE, a sum of one hundred rupees per day from the day after the expiry of such five day period until the failure is rectified, subject to a maximum amount of five thousand rupees.~~



### GST Volume-2 Amendment

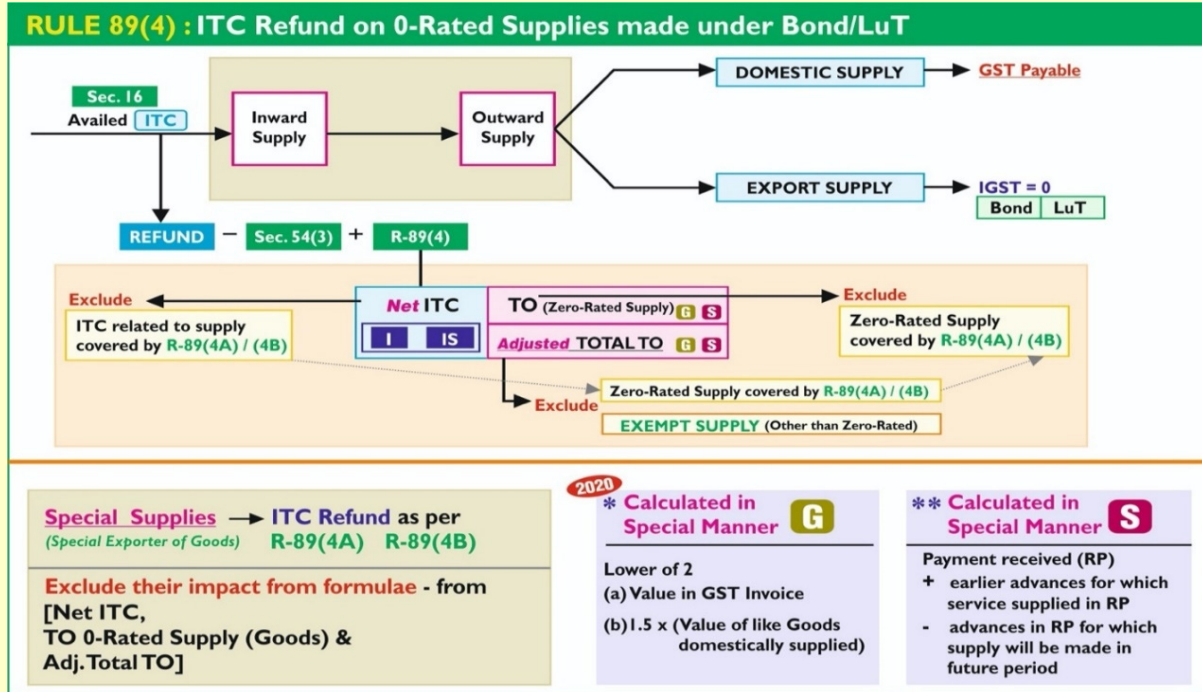
#### 1 : EXPORT (of GOODS)

1. **CBIC has issued clarification clarifying that 'Recently Amended Definition of 'TO of Zero-Rated Supply of GOODS' shall also be used for computation of 'Adjusted Total TO' [CBIC Circular No. 147/03/2021-GST – dated 12<sup>th</sup> March, 2021]**

#### Simplified version of amendment

Earlier, the definition of the term 'Turnover of Zero-Rated Supply of Goods' had been amended to restrict the value to 150% of value of like goods domestically supplied.

Vide **Circular No. 147/ 03/ 2021-GST** dated 12<sup>th</sup> March, 2021, it has been clarified that this value shall be taken into consideration while calculating value of 'Adjusted Total Turnover' for calculating amount of refund u/r. 89(4) of the CGST Rules.



**RULE 89(4) : ITC Refund on 0-Rated Supplies made under Bond/LuT**

**RELEVANT PERIOD** : Period for which Refund is claimed (Month) or (any number of months club together)

	G GOODS (TO)		S SERVICES (TO)		TOTAL
	A - 18%	B - Exempt	X - 18%	Y - Exempt	
• <b>Sale Within India</b> • Intra-State • Inter-State	30L	30L	30L	30L	120L
• <b>EXPORT SUPPLY</b> Exports as per 16(3)(b) [with IGST Payment]	30L	—	30L	—	60L
Exports as per 16(3)(a) [without IGST Payment under Bond/LuT]	40L*	70L*	40L**	70L**	220L
	100L	100L	100L	100L	400L

Refund (Max) =  $\frac{\text{Net ITC (I)(IS)}}{\text{Adjusted Total TO}}$  ×  $\frac{\text{TO 0-Rated Supply (under Bond/LuT)}}{\text{Adjusted Total TO}}$

Rs. xxx ×  $\frac{(110L + 110L) = 220L}{(170L + 140L) = 310L}$



- Q. A Ltd. is GST registered supplier of goods. It is making domestic as well as export supplies. From the following information for tax period April, 20x1, compute the amount of refund which it can apply for:

Outward Supply	Value per unit (₹)	No of units supplied	Turnover (₹)
Local Supply	200	5	1000
Export Supply	350	5	1750
<b>Total</b>			<b>2750</b>

Net ITC availed during relevant period is ₹ 270.

**Question based on recent Circular No. 147/ 03/ 2021-GST**

- Ans. A Ltd. is supplier of goods. It has made regular supplies as well as zero-rated supplies during April, 20x1. Being supplier of zero-rated supplies, it is entitled to claim refund of unutilized ITC in terms of provisions of Sec 54(3) of CGST Act. The maximum amount of admissible refund will be calculated based on the formula as given in Rule 89(4) of CGST Rules, 2017. As per the formulae, the maximum amount of eligible refund claim shall be as stated below:

$$\text{Refund Amount (Max)} = \text{Net ITC} \times \frac{\text{(Turnover of zero-rated supply of goods)}}{\text{Adjusted Total Turnover}}$$

$$= [₹ 270 * ₹ 1,500 \text{ [WN-1]} / ₹ 2500 \text{ [WN-2]}] = ₹ 162/-$$

Working Notes:

1. **TO of Zero-rated supply of goods** to be computed as defined in Rule 89(4). The definition has been recently amended to provide that TO of zero-rated supply of goods shall be lower of the following two:

- Value as per GST law (₹ 1,750)
- 1.5 times the value of like goods domestically supplied by the same or, similarly placed supplier. (₹ (5 Units @200 \*1.5 = 1,500))

2. **Adjusted Total TO** has been defined under Rule 89(4) to basically mean TO in the State (as defined in Sec 2(112) of the CGST Act).

As per Sec 2(112), TO in the State means the aggregate value of all taxable supplies including, inter-alia, value of export of goods.

This definition has not been correspondingly amended.

Clarification was sought as to whether for the purpose of computation of Adjusted Total TO, the 'TO of zero-rated supply of goods' shall be considered as per the amended definition (in that case, it will be, 1500 and thus, Adjusted Total TO shall be 2,500) or whether it shall be taken in normal manner (in that case, it will be, 1750 and thus, Adjusted Total TO shall be 2,750)'.  
**1500 and thus, Adjusted Total TO shall be 2,500** or **1750 and thus, Adjusted Total TO shall be 2,750**.'

Outward Supply	Value per unit (₹)	No of units supplied	GST Turnover (₹)	Turnover for purposes of refund computation (as per amended definition) (₹)
Local Supply	200	5	1000	1000
Export Supply	350	5	1750	1500 (as per amended definition)
<b>Total</b>			<b>2750</b>	<b>2500</b>

CBIC in its recent **Circular No. 147/ 03/ 2021-GST** has clarified that

**"the value of Zero-Rated/ Export Supply Of GOODS, as calculated as per amended definition of "Turnover of zero-rated supply of goods", need to be taken into consideration while calculating "TO in a state or a union territory" (as defined in Sec 2(112) of the CGST Act), and accordingly, in "adjusted total turnover" for the purpose of Rule 89(4).**

Thus, the restriction of 150% of the value of like goods domestically supplied, as applied in "turnover of zero-rated supply of goods", would also apply to the value of "Adjusted Total Turnover" in Rule 89 (4) of the CGST Rules, 2017

**Author:** Though reasoning is not very convincing, but clarification is quite logically.

**[CBIC clarification is leading to enhanced refund and thus, beneficial for exporter]**

“  
दूर तक पहुँचने वाली नाव,  
हर किनारे से मोहब्बत नहीं करती।  
”



**2 : DEEMED EXPORT (of GOODS)**

1. **CBIC has issued clarification in respect of refund claim by RECIPIENT of DEEMED EXPORT SUPPLY**– [CBIC Circular No. 147/03/2021-GST – dated 12<sup>th</sup> March, 2021]

**Amendment in Simplified Form**

<b>Availment of ITC on deemed export supplies</b>	
<b>Issue as to</b>	<p><b>Refund on deemed export supply</b></p> <p><b>Deemed Export = Supplies of Goods as notified u/Sec 147 [Sec 2(39)]</b></p> <ul style="list-style-type: none"> <li>Supplier to pay GST on deemed export supply.</li> <li>However, GST so paid is refunded back by Govt.</li> <li>Either supplier or recipient can claim such refund.</li> </ul>
<b>Refund provisions</b>	<p>Sec 54 + R-89</p> <p><b>Rule 89- 3<sup>rd</sup> Proviso</b></p> <p>"Provided also that <b>in respect of supplies regarded as deemed exports, the application may be filed by,</b></p> <p>(a) <b>the recipient of deemed export supplies;</b> or</p> <p>(b) <b>the supplier of deemed export supplies</b> in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund"</p>
<b>Refund claim by 'recipient'</b>	<p><b>Circular No. 125 /44 /2019 - GST</b> dated 18<sup>th</sup> Nov, 2019</p> <p>It placed a condition that if recipient to claim refund on account of deemed export supply, then he shall submit an undertaking that he has not availed ITC on invoices for which refund is being claimed. <i>[* Obvious condition to ensure no double benefit is taken by recipient]</i></p> <p><b>Practical Issue</b> Recipient when file R/A – faced problem as 'portal does not allow filing unless the claimed amount is debited in the E-Credit ledger.</p> <p><b>Applicant Delima</b> Compliance with CBIC Circular leads to inability of filing R/A over portal</p> <p><b>Circular No. 147 /03 / 2021 - GST</b> dated 12<sup>th</sup> March, 2021</p> <ul style="list-style-type: none"> <li>As per law [3<sup>rd</sup> proviso to Rule 89(1)], Recipient can claim refund without requirement of non-availment of ITC.</li> <li>Only Circular lays down so.</li> <li>Portal was designed keeping in mind (3<sup>rd</sup> proviso to Rule 89(1))</li> <li>So,             <ul style="list-style-type: none"> <li>Condition laid down by Circular is now being removed (to the extend circular stands modified)</li> <li>Recipient can take ITC on such deemed export supply. But at time of filing R/A over portal, same ITC shall be debited from E credit Ledger.</li> </ul> </li> </ul> <p><i>[* Author: Better Solution- Retain condition of non-availment of ITC by recipient. Make change in portal to allow refund without insisting on debit in E-Credit Ledger]</i></p>

**Circular No. 147 /03 /2021-GST****Clarification in respect of refund claim by recipient of Deemed Export Supply**

- 2.1 Representations have been received in respect of **difficulties being faced by the recipients of the deemed export supplies** in claiming refund of tax paid in respect of such supplies since the system is NOT allowing them to file refund claim under the aforesaid category unless the claimed amount is debited in the electronic credit ledger.
- 2.2 Para 41 of **Circular No. 125/44/2019 - GST** dated 18/11/2019 has **placed a condition that the recipient of deemed export supplies for obtaining the refund of tax paid on such supplies shall submit an undertaking that he has not availed ITC on invoices for which refund has been claimed.** Thus, in terms of the above circular, the recipient of deemed export supplies cannot avail ITC on such supplies but when they proceed to file refund on the portal, the system requires them to debit the amount so claimed from their electronic credit ledger.
- 2.3 **The 3<sup>rd</sup> proviso to Rule 89(1) of CGST Rules, 2017** allows for refund of tax paid in case of a **deemed export supply to the recipient or the supplier** of deemed export supplies. The said proviso is reproduced as under:





"Provided also that **in respect of supplies regarded as deemed exports, the application may be filed by, -**

(a) **the recipient of deemed export supplies;** or

(b) **the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund"**

**From the above, it can be seen that there is no restriction on recipient of deemed export supplies in availing ITC of the tax paid on such supplies when the recipient files for refund claim. The said restriction has been placed by the Circular No. 125/44/2019-GST dated 18.11.2019.**

2.4 In this regard, it is submitted that in order to ensure that there is no dual benefit to the claimant, the portal allows refund of only Input Tax Credit (ITC) to the recipients which is required to be debited by the claimant while filing application for refund claim. Therefore, whenever the recipient of deemed export supplies files an application for refund, the portal requires debit of the equivalent amount from the electronic credit ledger of the claimant.

2.5 As stated above, there is no restriction under 3rd proviso to Rule 89(1) of CGST Rules, 2017 on recipient of deemed export supply, claiming refund of tax paid on such deemed export supply, on availment of ITC on the tax paid on such supply. **Therefore, the para 41 of Circular No. 125/44/2019-GST dated 18.11.2019 is modified to remove the restriction of non-availment of ITC by the recipient of deemed export supplies on the invoices, for which refund has been claimed by such recipient. The amended para 41 of Circular no. 125/44/2.019-GST dated 18.11.2019 would read as under:**

"41. Certain supplies of goods have been notified as deemed exports vide N/N 48/2017-CT dated 18.10.2017 under section 147 of the CGST Act. Further, the third proviso to rule 89(1) of the CGST Rules allows either the recipient or the supplier to apply for refund of tax paid on such deemed export supplies. **In case such refund is sought by the supplier of deemed export supplies**, the documentary evidences as specified in N/N 49/2017-CT dated 18.10.2017 are also required to be furnished which includes an undertaking that the recipient of deemed export supplies shall not claim the refund in respect of such supplies and shall not avail any ITC on such supplies. Similarly, **in case the refund is filed by the recipient of deemed export supplies**, an undertaking shall have to be furnished by him stating that refund has been claimed only for those invoices which have been detailed in statement 5B for the tax period for which refund is being claimed and **the amount does not exceed the amount of ITC availed in the valid return filed for the said tax period**. The recipient shall also be required to declare that the supplier has not claimed refund with respect to the said supplies. ...."

“

### बस एक कदम और...

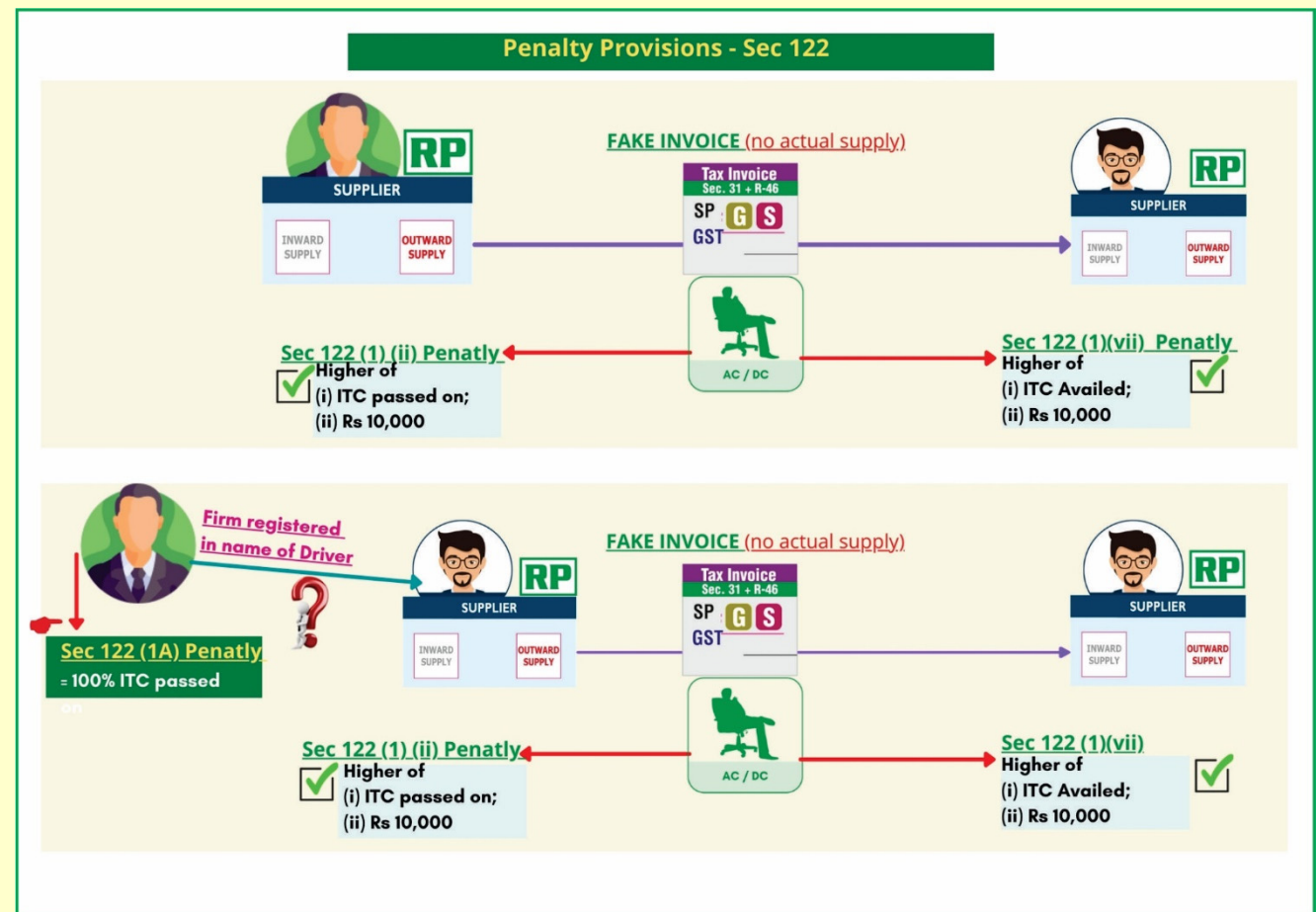
बस एक कदम और इस बार किनारा होगा,  
बस एक नजर और इस बार इशारा होगा।  
अम्बर के नीचे उस बदली के पीछे कोई तो किरण होगी,  
इस अन्धकार से लड़ने को कोई तो किरण होगी।  
बस एक पहर और इस बार उजाला होगा,  
बस एक कदम और इस बार किनारा होगा।  
जो लक्ष्य को भेदे वो कहीं तो तीर होगा,  
इस तपती भूमि में कहीं तो नीर होगा।  
बस एक प्रयास और अब लक्ष्य हमारा होगा।  
बस एक कदम और इस बार किनारा होगा।  
जो मंजिल तक पहुँचे वो कोई तो राह होगी,  
अपने मन को टटोलो कोई तो चाह होगी।  
जो मंजिल तक पहुँचे वो कदम हमारा होगा,  
बस एक कदम और इस बार किनारा होगा।  
बस एक नजर और इस बार इशारा होगा...

”



**3 : PENALTIES & CRIMINAL PROCEEDINGS (prosecution)**

1. **Sec 122 (1A) inserted to provide specific penalty on those persons who are master-mind of fraud of tax / ITC by carrying out transactions not in self-name but in name of other persons (such person will now be subjected to penalty equal to tax/ ITC involved)** [Amended by FA, 2020 (passed on 27th March, 2020) – made effective from 1st Jan, 2021 (vide N/N 92/2020-CT)]

**Amendment in Simplified Form**

In simple words:

Provision	Defaulting person	Quantum of penalty leviable
<b>Sec 122 (1A)</b>  [ Inserted by FA, 2020 (w.e.f. 1st Jan, 2021) ]	<b>Any person</b> who retains the benefit of transactions mentioned below and at whose instance such transactions were conducted:- <ul style="list-style-type: none"> <li>■ <b>Supply without issue of any invoice</b> or <b>Supply with an incorrect or false invoice</b>; [as specified in Sec 122 (1)(i)]</li> <li>■ <b>Issuing bill / invoice without supply</b> in violation of the provisions of Act/ Rules; [as specified in Sec 122 (1)(ii)]</li> <li>■ <b>Availment or utilization of ITC without actual receipt of goods or services or both</b> either fully or partially, in contravention of the provisions of Act/ Rules; [as specified in Sec 122 (1)(vii)]</li> <li>■ <b>Availment or distribution of ITC in contravention of section 20</b>, or the rules made thereunder; [as specified in Sec 122 (1)(ix)]</li> </ul>	<b>Penalty (CGST) equivalent to</b> <ul style="list-style-type: none"> <li>- 'the tax evaded' or</li> <li>- 'ITC availed of or passed on'.</li> </ul> is leviable.





### Consider following situations:

#### Illustration-1:

Mr A opens up a bogus proprietorship firm and get its registered **in his name**. Through this firm he issues bogus/fake invoices and thereby passing on ineligible ITC to the recipient.

Department came to know of this bogus transaction and has all concrete evidence with it.

Penal action u/Sec 122(1):

Person	Applicable penal provisions	Penalty (CGST) leviable
Supplier (Mr A) passing on fake ITC	<b>Sec 122 (1) (ii):</b> (issuing invoice without supplying goods/service – i.e., fake invoice)	<b>Higher of</b> (i) ITC passed on; (ii) ₹ 10,000
Recipient availing fake ITC	<b>Sec 122 (1) (vii):</b> (Availing ITC on basis of fake invoice)	<b>Higher of</b> (i) ITC availed; (ii) ₹ 10,000

#### Illustration-2:

Mr A opens up a bogus proprietorship firm and get its registered **in the name of some other person- say, Mr Z** (like his driver, some rikshaw puller, daily wager). Using this firm, he issues bogus/fake invoices and thereby passing on ineligible ITC to the recipient.

Department came to know of this bogus transaction and has all concrete evidence with it.

Penal action u/Sec 122(1):

Person	Applicable penal provisions	Penalty (CGST) leviable
Supplier passing on fake ITC [RP = Mr Z]	<b>Sec 122 (1) (ii):</b> (issuing invoice without supplying goods/service – i.e., fake invoice)	<b>Penalty = Higher of</b> (i) ITC passed on; (ii) ₹ 10,000
Recipient availing fake ITC	<b>Sec 122 (1) (vii):</b> (Availing ITC on basis of fake invoice)	<b>Penalty = Higher of</b> (i) ITC availed; (ii) ₹ 10,000
<b>Mr A = mastermind who is retaining the benefits of this fraudulent practice</b>	<b>Pre-Amendment</b> In the entire operation/fraud, the person who is the mastermind is the key person who abets or causes the commission of an offence. But, in the present scheme of GST law, stringent penal provisions are not available for such persons causing / abetting the offence.	<b>Penalty upto ₹ 25,000</b>
	<b>Post-Amendment</b> <b>Sec 122 (1A)</b> (Causing fake invoice to be issued & retaining benefits thereof)	<b>Penalty = 100% of ITC passed on</b>

### Section 122 : Penalty for CERTAIN OFFENCES.

(inserted by FA, 2020)

#### (1A) Any person

... who retains the benefit of a transaction covered under clauses (i), (ii), (vii) and (ix) of sub-section (1)

and

... at whose instance such transaction is or was being conducted

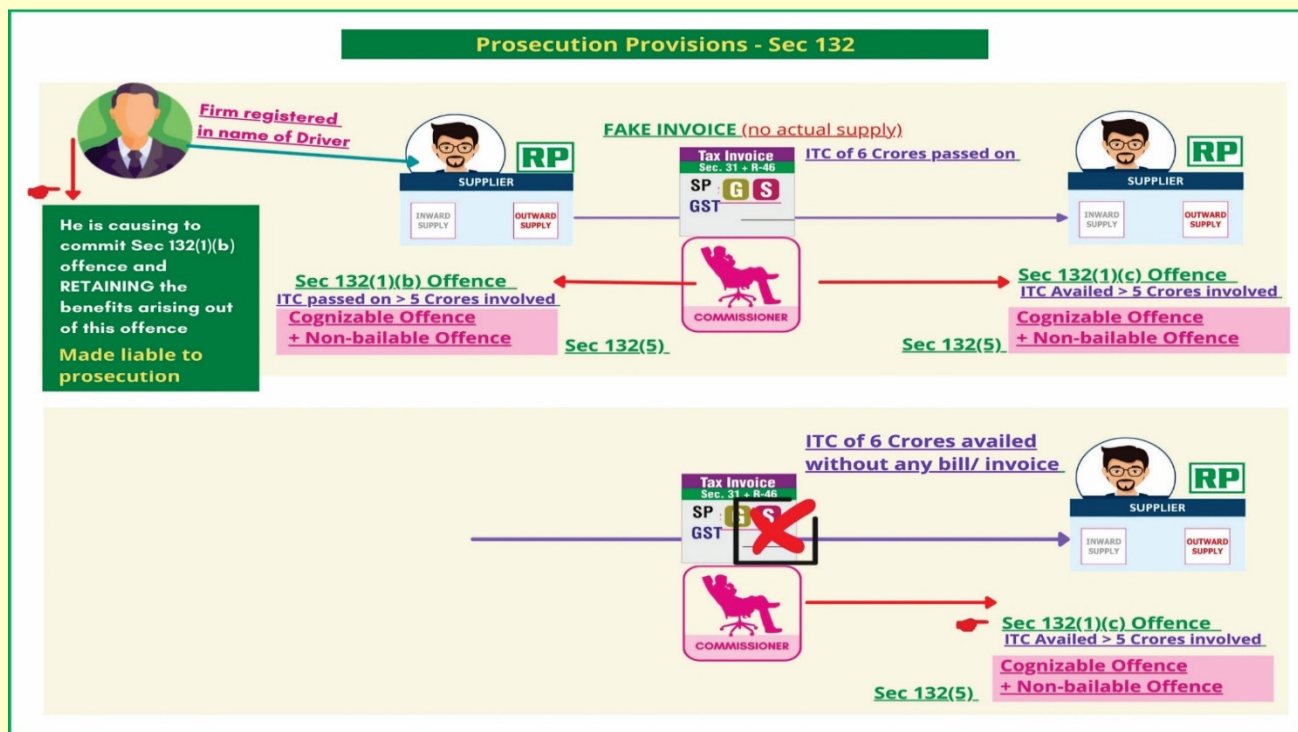
shall be liable to

a Penalty	of an amount <u>equivalent to (-)</u>	<u>the tax evaded or input tax credit availed of or passed on.</u>
-----------	---------------------------------------	--



2. **Sec 132 amended to the following effect (a) making offence of ITC availment without bill as 'COGNIZABLE + NON-BAILABLE OFFENCE (For that, it seeks to omit 'fraudulent availment of ITC' from Sec 132(1)(e) and insert 'fraudulent availment of ITC without invoice/bill' in Sec 132(1)(c)) (b) making mastermind also liable to prosecution [Amended by FA, 2020 (passed on 27th March, 2020) – made effective from 1st Jan, 2021 (vide N/N 92/2020-CT)]**

**Amendment in Simplified Form**



**Consider following situations:**

**Illustration-1:**

Mr A opens up a bogus proprietorship firm and get its registered in the name of some other person- say, Mr Z (like his driver, some rikshaw puller, daily wager). Using this firm, he issues bogus/fake invoices and thereby passing on ineligible ITC to the recipient. (ineligible ITC to extent of ₹ 6 crores is passed on) Department came to know of this bogus transaction and has all concrete evidence with it. Criminal Action which can be taken in terms of Sec 132:

Person	Default constituting offence	Status of Offence
Supplier passing on fake ITC [RP = Mr Z]	<b>Sec 132 (1) (b):</b> (issuing invoice without supplying goods/service – i.e., fake invoice)	Cognizable + Non-bailable [Sec 132(5)]
Recipient availing fake ITC	<b>Sec 132 (1) (c):</b> (Availing ITC on basis of fake invoice)	Cognizable + Non-bailable [Sec 132(5)]
Mr A = mastermind who is retaining the benefits of this fraudulent practice	<b>Post-Amendment Sec 132 (1) (b):</b> (Causing to issue fake invoice + Retaining the benefit)	Cognizable + Non-bailable [Sec 132(5)]

**Illustration-2:**

Department came to know of a supplier (RP) who has availed certain ITC without having any supporting documents with him. Criminal Action which can be taken in terms of Sec 132:

Person	Default constituting offence	Status of Offence (CGST)
Recipient availing fraudulent ITC	<b>Pre-Amendment Sec 132 (1) (e):</b> (fraudulently availing ITC)	Non-Cognizable + Bailable [Sec 132(4)]
	<b>Post-Amendment Sec 132 (1) (c):<sup>20</sup></b> (fraudulently availing ITC without any invoice/ bill)	Cognizable + Non-bailable [Sec 132(5)]

<sup>20</sup> Govt intends to make offence of 'ITC availment without invoice' also cognizable and non-bailable. For that, it seeks to omit 'fraudulent availment of ITC' from Sec 132(1)(e) and insert 'fraudulent availment of ITC without invoice/bill' in Sec 132(1)(c).



**Sec. 132**

**Offender -**

- Whoever commits any of the following offences; or
- Whoever causes to commit and retain the benefits arising out of any of the following offences [FA, 2020 (w.e.f. 1<sup>st</sup> Jan, 2021)]

**Sec. 132 (1)**

**4 Offences**

- (a) **Makes a supply without issuing an invoice or upon issuance of a false/incorrect invoice with intent to evade tax;**  
[i.e. supply made - No invoice issued - unrecorded supply - tax evasion] + (supply made - incorrect invoice issued [say, incorrect value/tax declared - tax evasion] )
- (b) **Issues an invoice without making supply leading to wrongful availment or utilization of ITC;**  
[i.e. Supplier issuing Fake Invoicing (leading to fake ITC availment)]
- (c) **Avails ITC on basis of fake invoices (as referred in (b) above) or FRAUDULENTLY AVAILS ITC without any tax invoice/ bill;** [FA, 2020]
- (d) **Collects but does not pay an amount collected as tax for a period exceeding 3 months;**  
[i.e. Supplier liable to pay tax on supply + Collected from recipient + but failed to pay to Govt for period exceeding 3 months]

**8 Offences**

- (e) **Evades tax, fraudulently avails ITC [Deleted by FA, 2020] or Fraudulently obtains refund by an offence not covered under clause (a) to (d);**
- (f) **Falsifies/substitutes financial records or**  
Furnishes fake accounts/ documents or  
**Furnishes false information/return with intent to evade payment of tax;**
- (g) **Obstructs or prevents any officer in the discharge of his duty;**
- (h) **Deals in any way (whether transports, removes, deposits, keeps, conceals, supplies, or purchases or in any other manner) with GOODS that are liable to confiscation;**
- (i) **Receives or deals with supply of SERVICES in contravention of the Act;**  
[i.e. B2C Supply - Recipient receiving supply without invoice to save tax burden]
- (j) **Tampers with or destroys any material evidence or documents;**
- (k) **Fails to furnish information which he is required to supply or supplies false information;**
- (l) **Attempts to commit or abets the commission of any of the above offences.**

**Non-Cognizable + Bailable**

**Cognizable + Non-bailable**

**Sec. 132 (1) : First Time Conviction**

Tax /ITC/Refund	I Imprisonment	F Fine
Total GST (CGST + SGST + IGST) (Explanation to Sec. 132)		
> 5Cr.	Upto 5 Yr. +	F
> 2Cr. (& Upto 5 Cr.)	Upto 3 Yr. +	F
> 1Cr. (& Upto 2 Cr.)	Upto 1 Yr. +	F
Falsifies/substitutes financial records or Furnishes fake accounts/ documents or Furnishes false information/return with intent to evade payment of tax; [Section 132 (f) (f)] Obstructs or prevents any officer in the discharge of his duty; [Section 132 (i) (g)] Tampers with or destroys any material evidence or documents; [Section 132 (j) (j)]	Upto 6 Mths or Both	F

**Offences attract punishment (imprisonment and fine)** - Period of imprisonment vary with amount involved in offence (more amount means more number of years of imprisonment)  
[Offences attract punishment only when (Total GST involved > 1Crore)]

**These 3 offences,**  
[Offences attract punishment (imprisonment or fine or both)] - i.e. Court can only impose fine.  
[Offences attract punishment irrespective of amount involved.]

**Sec. 132 (2) : Second / Subsequent Time Conviction**

I Imprisonment	F Fine
Upto 5 Yr. +	F

Period of imprisonment does not vary with amount involved in offence

All repeat offences are 'Non-Cognizable and Bailable' [falling into Sec 132 (4)]

**Sec. 132 (3) : Can't be less than 6 Months (Unless there are some Special & Adequate Reasons)**



**Section 132 : Punishment for CERTAIN OFFENCES.****List of offences attracting imprisonment**(1) ~~Whoever commits any of the following offences~~**Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences**

, namely:—

- (a) **supplies** any goods or services or both **without issue of any invoice**, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
- (b) **issues any invoice** or bill **without supply** of goods or services or both in violation of the provisions of this Act, or the rules made thereunder **leading to wrongful availment or utilization of ITC or refund of tax;**
- (c) **avails input tax credit using such invoice or bill referred to in clause (b)**  
**or fraudulently avails input tax credit without invoice or bill;** (inserted by FA, 2020)
- (d) **collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;**
- (e) **evades tax,**  
~~fraudulently avails input tax credit~~ or **(deleted by FA, 2020)**  
**fraudulently obtains refund**  
and *where such offence is not covered under clauses (a) to (d);*
- (f) **falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information with an intention to evade payment of tax due under this Act;**
- (g) **obstructs or prevents any officer in the discharge of his duties under this Act;**
- (h) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with, **any goods** which he knows or has reasons to believe are **liable to confiscation** under this Act or the rules made thereunder;
- (i) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of **services** which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder;
- (j) **tampers with or destroys any material evidence or documents;**
- (k) **fails to supply any information** which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) **supplies false information;** or
- (l) **attempts to commit, or abets the commission of any of the offences mentioned in clauses (a) to (k) of this section,**

**shall be punishable —**

(i)	in cases where the amount of <b>tax evaded</b> or the amount of ITC <b>wrongly availed</b> or utilised or the amount of <b>refund wrongly taken exceeds ₹ 500 Lakh</b>	<b>with imprisonment for a term which may extend to 5 years and with fine</b>
(ii)	in cases where the amount of <b>tax evaded</b> or the amount of ITC <b>wrongly availed</b> or utilised or the amount of refund wrongly taken <b>exceeds ₹ 200 Lakh, but does not exceed ₹ 500 lakh</b>	<b>with imprisonment for a term which may extend to 3 years and with fine</b>
(iii)	in case of any other offence where the amount of <b>tax evaded</b> or the amount of ITC <b>wrongly availed</b> or utilized or the amount of refund wrongly taken <b>exceeds ₹ 100 Lakh, but does not exceed ₹ 200 Lakh</b>	<b>with imprisonment for a term which may extend to 1 years and with fine</b>
(iv)	in cases where he <b>commits</b> or <b>abets the commission</b> of an offence specified in <i>clause (f) or clause (g) or clause (j)</i> . [i.e., False Records / Obstructing Officer / Tampering Records]	<b>with imprisonment for a term which may extend to 6 months or with fine or with both</b>

**All offences [except those covered in Sec 132(5)]: Non-Cognizable + Bailable**(4) *Notwithstanding anything contained in the Code of Criminal Procedure, 1973,**... all offences under this Act, except the offences referred to in sub-section (5) shall be **non-cognizable** and **bailable**.***All offences of Sec 132(5): Cognizable + Non-Bailable**(5) The offences **specified in Sec 132(1) (a) or (b) or (c) or (d)** and **punishable under Section 132(1)(i)** shall be **cognizable** and **non-bailable**.

# QUESTION BANK



- Study Material
- Exam Papers
- Practice Questions
- RTP, MTP



**Updated Answers**  
(updated as per law on 30<sup>th</sup> April, 2021)



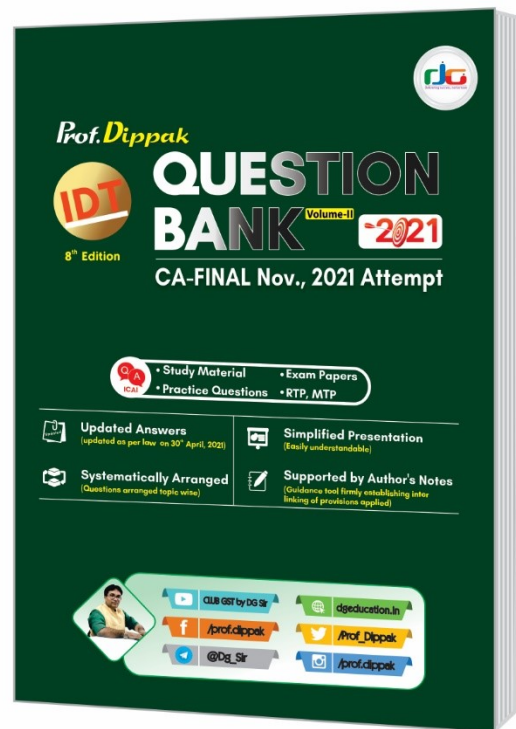
**Simplified Presentation**  
(Easily understandable)



**Systematically Arranged**  
(Questions arranged topic wise)



**Supported by Author's Notes**  
(Guidance tool firmly establishing inter linking of provisions applied)



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# MCQs BOOKLET



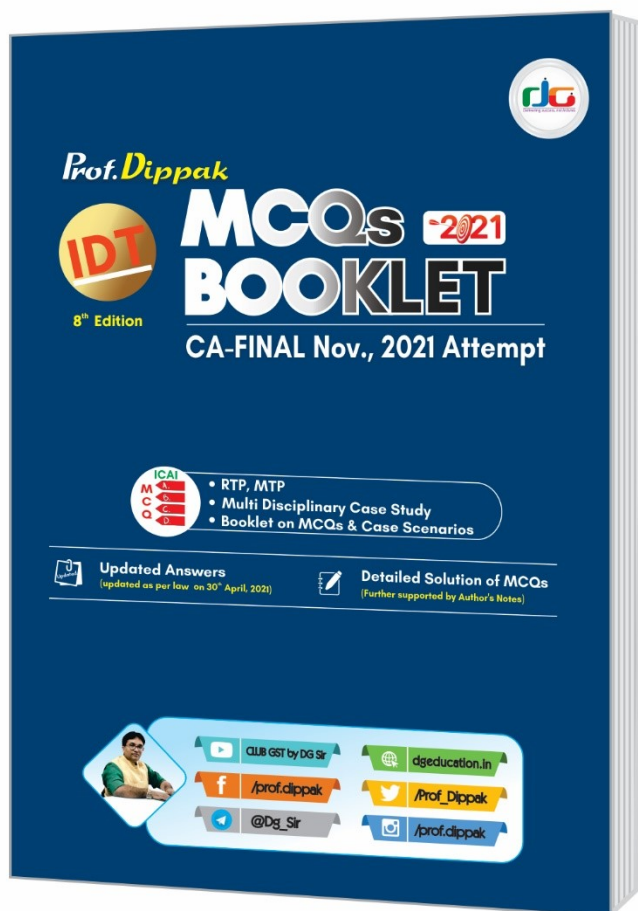
- RTP, MTP
- Multi Disciplinary Case Study
- Booklet on MCQs & Case Scenarios



**Updated Answers**  
(updated as per law on 30<sup>th</sup> April, 2021)



**Detailed Solution of MCQs**  
(Further supported by Author's Notes)



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**CA-Final Nov 2021**  
**Chapter - RETURNS UNDER GST**

**Part II (GST)**

- \* Amended Section and Rules have been reproduced in entirety.  
\* Student may simply refer Tabular Summary for Exams purposes.

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**\*The Law of Wasted Effort..\***

Do you know that lions only succeed in a quarter of their hunting attempts – which means they fail in 75% of their attempts and succeeds in only 25% of them. Despite this small percentage shared by most predators, they don't despair in their pursuit and hunting attempts. The main reason for this is not because of hunger as some might think but it is the understanding of the "Law of Wasted Efforts" that have been instinctively built into animals, a law in which nature is governed.

*Half of the eggs of fishes are eaten... half of the baby bears die before puberty... most of the world's rains fall in oceans... and most of the seeds of trees are eaten by birds.*

Scientists have found that animals, trees, and other forces of nature are more receptive to the law of "wasted efforts". Only humans think that the lack of success in a few attempts is failure... but the truth is that: we only fail when we "stop trying".

Success is not to have a life free of pitfalls and falls... but success is to walk over your mistakes and go beyond every stage where your efforts were wasted looking forward to the next stage. If there is a word that summarizes this world, it will simply be: continue all over again.

\*Be Inspired..\*



**1. Summary Table**

	<u>Section / Rule / Notification</u>	<u>Remarks</u>															
1.	<b>GSTR-1</b> <b>Rule 59</b> (substituted w.e.f. 1 <sup>st</sup> Jan, 2021)	<ul style="list-style-type: none"> <li><b>Frequency of filing GSTR-1 changed (and also due date) - Rule 59 (1)</b> <ul style="list-style-type: none"> <li><b>QRMP taxpayer - Quarterly GSTR-1</b> (<del>by 10<sup>th</sup></del>) (by 13<sup>th</sup>)</li> <li><b>Non-QRMP taxpayer - Monthly GSTR-1</b> (<del>by 10<sup>th</sup></del>) (by 11<sup>th</sup>)</li> </ul> </li> <li><b>Optional facility - IFF provided to QRMP taxpayer - Rule 59 (2)</b> <p><b>Optional - IFF (invoice Furnishing facility) provided u/R-59 for M-1 and M-2 of a Quarter</b></p> <p>= IFF Facility for furnishing B2B invoices (<u>upto value of ₹ 50 lakh a month</u>)- from 1<sup>st</sup> to 13<sup>th</sup></p> <table border="1"> <thead> <tr> <th></th> <th><u>Option-1</u> <u>(IFF opted for)</u></th> <th><u>Option-2</u> <u>(IFF not opted for)</u></th> </tr> </thead> <tbody> <tr> <td>M-1</td> <td>IFF (by 13<sup>th</sup>)</td> <td>---</td> </tr> <tr> <td>M-2</td> <td>IFF (by 13<sup>th</sup>)</td> <td>---</td> </tr> <tr> <td>M-3</td> <td></td> <td>---</td> </tr> <tr> <td>Quarter</td> <td>GSTR-1 (by 13<sup>th</sup>)<sup>1</sup></td> <td>GSTR-1 (by 13<sup>th</sup>)</td> </tr> </tbody> </table> </li> <li><b>Provisions as to Ban on Filing of GSTR-1 introduced - Rule 59 (6)</b> <ul style="list-style-type: none"> <li><b>QRMP taxpayer</b> - Single default in filing Quarterly GSTR-3B will result in ban on filing GSTR-1</li> <li><b>Non-QRMP taxpayer</b> - Default in filing 2 consecutive Monthly GSTR-3B will result in ban on filing GSTR-1</li> <li><b>For all who is subject to 'ITC utilization restriction of Rule 86-B'</b> - Single default in filing GSTR-3B will result in ban on filing GSTR-1</li> </ul> </li> </ul>		<u>Option-1</u> <u>(IFF opted for)</u>	<u>Option-2</u> <u>(IFF not opted for)</u>	M-1	IFF (by 13 <sup>th</sup> )	---	M-2	IFF (by 13 <sup>th</sup> )	---	M-3		---	Quarter	GSTR-1 (by 13 <sup>th</sup> ) <sup>1</sup>	GSTR-1 (by 13 <sup>th</sup> )
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Quarter	GSTR-1 (by 13 <sup>th</sup> ) <sup>1</sup>	GSTR-1 (by 13 <sup>th</sup> )															
	<b>Functionality related changes on portal</b>	<ul style="list-style-type: none"> <li><b>Reporting of HSN code (4 digits / 6 digits - as applicable to RP based on his ATO) is now required in GSTR-1</b></li> <li><b>Certain details furnished in GSTR-1 are now being auto-populated to GSTR-3B</b> This is for assistance of taxpayer. However, <b>values auto-populated into GSTR-3B are editable</b> at end of taxpayer.</li> </ul>															
	<b>Rule 60</b> (substituted w.e.f. 1 <sup>st</sup> Jan, 2021)	<ul style="list-style-type: none"> <li><b>Title of rule changed</b> <ul style="list-style-type: none"> <li><b>Earlier</b> - Form and manner of <b>furnishing</b> Details Of Inward Supplies</li> <li><b>Now</b> - Form and manner of <b>ASCERTAINING</b> Details Of Inward Supplies Thus, <b>GSTR-2A and GSTR 2-B</b> (statements covered by new Rule 60) <b>are not to be furnished over portal</b>, rather these are to be used by RP for ascertaining details of his inward supplies and corresponding ITC.</li> </ul> </li> <li><b>Common portal to make available 2 statements to RP</b> <ul style="list-style-type: none"> <li><b>GSTR-2A</b> [Details of Auto-drafted supplies] - Rule 60 (1) to (6)</li> <li><b>GSTR-2B</b> [Auto-drafted ITC Statement] - Rule 60 (7) &amp; (8)</li> </ul> <table border="1"> <thead> <tr> <th></th> <th><u>GSTR-2A</u></th> <th><u>GSTR-2B</u></th> </tr> </thead> <tbody> <tr> <td><b>Basic Meaning</b></td> <td>System-generated (auto-populated) statement <b>reflecting Inward Supplies</b> (purchase-related transactions).</td> <td>System-generated (auto-populated) statement <b>reflecting ITC details.</b></td> </tr> <tr> <td><b>Frequency of availability</b></td> <td>Monthly</td> <td>Monthly -Available only <b>on 14<sup>th</sup> of subsequent month</b> [R-60 (8)]</td> </tr> <tr> <td><b>Bifurcation of eligible &amp; ineligible ITC</b></td> <td>Form GSTR-2A <b>doesn't provide bifurcation</b> of eligible ITC and ineligible ITC.</td> <td>Form GSTR-2B <b>briefly bifurcates</b> the eligible and ineligible ITC.</td> </tr> </tbody> </table> </li> </ul>		<u>GSTR-2A</u>	<u>GSTR-2B</u>	<b>Basic Meaning</b>	System-generated (auto-populated) statement <b>reflecting Inward Supplies</b> (purchase-related transactions).	System-generated (auto-populated) statement <b>reflecting ITC details.</b>	<b>Frequency of availability</b>	Monthly	Monthly -Available only <b>on 14<sup>th</sup> of subsequent month</b> [R-60 (8)]	<b>Bifurcation of eligible &amp; ineligible ITC</b>	Form GSTR-2A <b>doesn't provide bifurcation</b> of eligible ITC and ineligible ITC.	Form GSTR-2B <b>briefly bifurcates</b> the eligible and ineligible ITC.			
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<sup>1</sup> 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. [R-59 (3)]

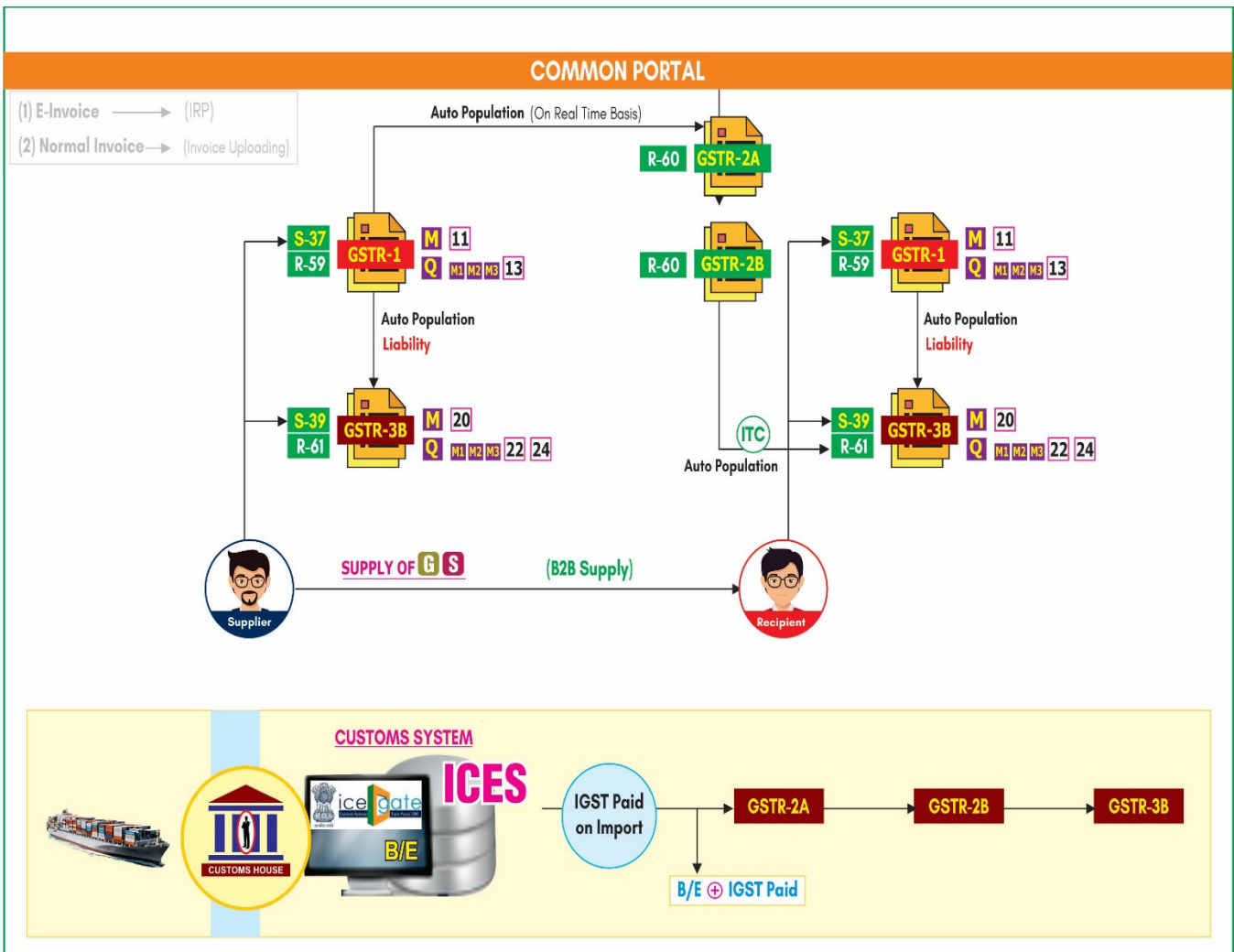


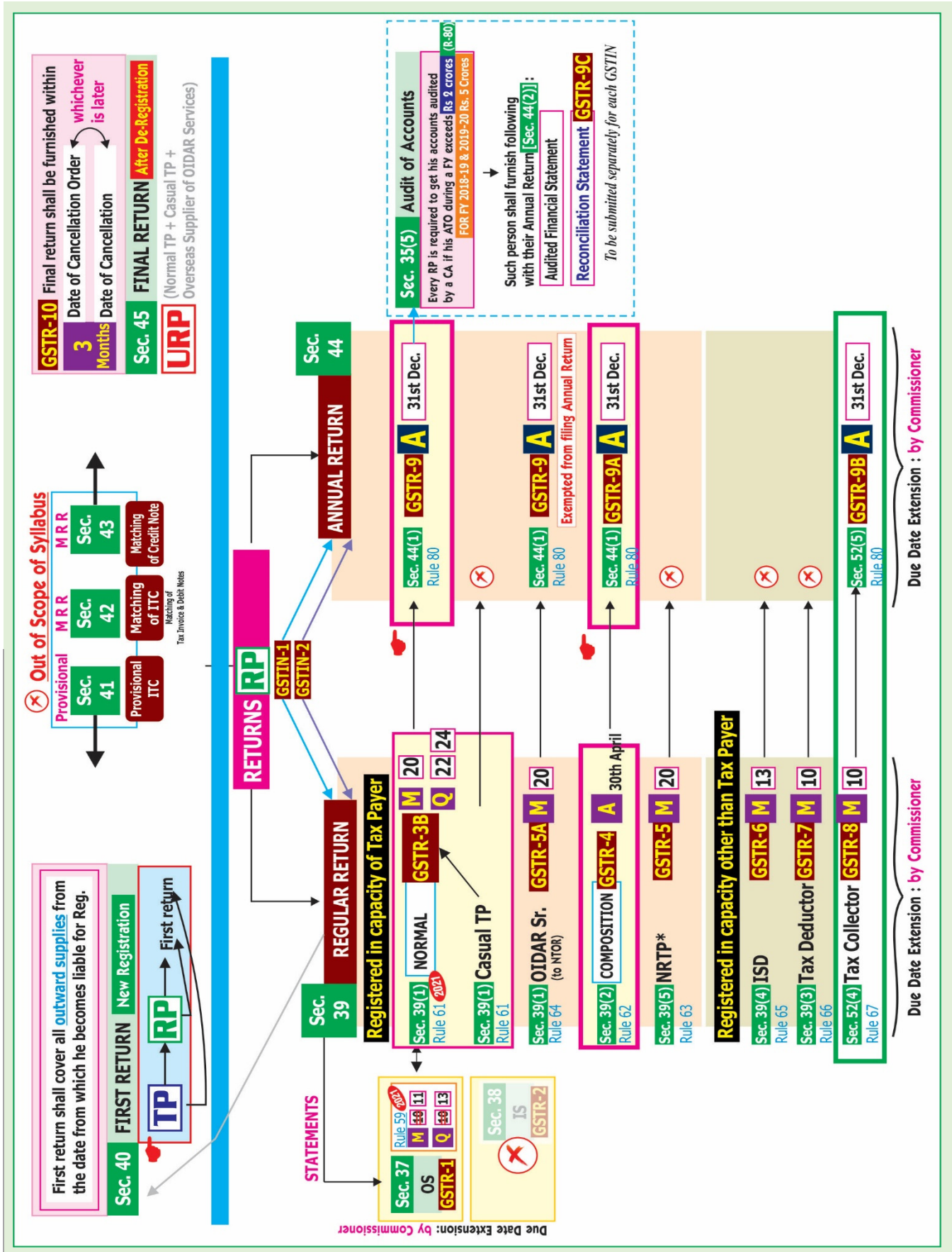
2.	<p><b>Return</b></p> <p><b>GSTR-3B</b></p> <p><b>Proviso to Sec 39 (1) of the CGST Act, 2017</b> (Substituted by FA, 2019 - w.e.f. 10<sup>th</sup> Nov, 2020)</p>	<ul style="list-style-type: none"> <li><b>Proviso introduced empowering CG to notify certain class of persons for filing return on QUARTERLY BASIS – Proviso to Sec 39 (1)</b> [Such persons referred by us 'QRMP taxpayer']</li> </ul> <p><b>Governing Notification:</b> [N/N 85/2020-CT issued]</p> <table border="1"> <tr> <td><b>Eligible Person</b></td> <td colspan="3">[ATO (PY) upto 5 Cr] + Opted for quarterly return filing (as per Rule 61-A). <i>Rule 61-A inserted prescribing the manner of opting for furnishing quarterly return</i></td> </tr> <tr> <td><b>Return</b></td> <td>GSTR-3B</td> <td>Quarterly</td> <td>By 22<sup>nd</sup> / 24<sup>th</sup></td> </tr> </table> <p><b>Note:</b></p> <p><b>Other RP</b> (referred by us <b>Non-QRMP Taxpayer</b>) shall continue to file <b>GSTR-3B on monthly basis (by 20<sup>th</sup>)</b></p> <table border="1"> <tr> <td rowspan="2"><b>Non-QRMP Taxpayer</b></td> <td><b>Category-1:</b> [ATO (PY) upto 5 Cr] + Not Opted for quarterly return filing</td> </tr> <tr> <td><b>Category-2:</b> [ATO (PY) &gt; 5 Cr]</td> </tr> <tr> <td><b>Return</b></td> <td>GSTR-3B Monthly By 20<sup>th</sup></td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Non-QRMP Taxpayer</b></p> <p><small>Non-QRMP Taxpayer =</small></p> <p>1) [ATO (PY) Upto 5 Cr] + Not Opted for quarterly return filing (as per Rule 61-A)</p> <p>2. [ATO (PY) &gt; 5 Cr]</p> <p></p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>FA, 2020 (w.e.f. Jan, 2021)</b></p> <p><b>Proviso to Sec 39 (1)</b></p> <p><b>QRMP Taxpayer</b></p> <p><small>QRMP Taxpayer =</small></p> <p>[ATO (PY) upto 5 Cr] + Opted for quarterly return filing (as per Rule 61-A)</p> <p></p> <p></p> </td> </tr> </table> </div>	<b>Eligible Person</b>	[ATO (PY) upto 5 Cr] + Opted for quarterly return filing (as per Rule 61-A). <i>Rule 61-A inserted prescribing the manner of opting for furnishing quarterly return</i>			<b>Return</b>	GSTR-3B	Quarterly	By 22 <sup>nd</sup> / 24 <sup>th</sup>	<b>Non-QRMP Taxpayer</b>	<b>Category-1:</b> [ATO (PY) upto 5 Cr] + Not Opted for quarterly return filing	<b>Category-2:</b> [ATO (PY) > 5 Cr]	<b>Return</b>	GSTR-3B Monthly By 20 <sup>th</sup>	<p><b>Non-QRMP Taxpayer</b></p> <p><small>Non-QRMP Taxpayer =</small></p> <p>1) [ATO (PY) Upto 5 Cr] + Not Opted for quarterly return filing (as per Rule 61-A)</p> <p>2. [ATO (PY) &gt; 5 Cr]</p> <p></p>	<p><b>FA, 2020 (w.e.f. Jan, 2021)</b></p> <p><b>Proviso to Sec 39 (1)</b></p> <p><b>QRMP Taxpayer</b></p> <p><small>QRMP Taxpayer =</small></p> <p>[ATO (PY) upto 5 Cr] + Opted for quarterly return filing (as per Rule 61-A)</p> <p></p> <p></p>																																		
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	<p><b>First proviso to Sec 39 (7) of the CGST Act, 2017</b> (Substituted by FA, 2019 - w.e.f. 10<sup>th</sup> Nov, 2020)</p>	<ul style="list-style-type: none"> <li><b>Proviso is regarding payment of tax due by QRMP taxpayer.</b></li> </ul> <p>39(7): RP (covered by 39(1)) shall pay tax due as per his return – by due date of such return</p> <p>Proviso to 39(7): <b>Notified class of RP (as covered by proviso to 39(1))- shall pay tax due on monthly basis</b> (form, manner and time as prescribed in Rule 61)</p> <p><b>Illustration: [Tax Payment under QRMP – proviso to Sec 39 (7) + Rule 61 (3)]</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Q1- QRMP Scheme</th> </tr> <tr> <th>April</th> <th>May</th> <th>June</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Proviso to 39(7)</b></td> <td>[M-1]</td> <td>[M-2]</td> <td>[M-3]</td> <td>Q1</td> </tr> <tr> <td><b>IGST</b> (Cash liability)</td> <td>500</td> <td>300</td> <td>200</td> <td><b>1,000</b></td> </tr> <tr> <td><b>CGST</b> (Cash liability)</td> <td>1,000</td> <td>600</td> <td>400</td> <td><b>2,000</b></td> </tr> <tr> <td><b>SGST</b> (Cash liability)</td> <td>2,000</td> <td>1,200</td> <td>800</td> <td><b>4,000</b></td> </tr> <tr> <td><b>Total</b></td> <td><b>3,500</b></td> <td><b>2,100</b></td> <td><b>1,400</b></td> <td><b>7,000</b></td> </tr> <tr> <td><b>Rule 61 (3)</b></td> <td>GST PMT-06</td> <td>GST PMT-06</td> <td></td> <td>GSTR-3B</td> </tr> <tr> <td></td> <td>25<sup>th</sup> May (Note-1)</td> <td>25<sup>th</sup> June (Note-1)</td> <td></td> <td>22<sup>nd</sup> / 24<sup>th</sup> July</td> </tr> <tr> <td></td> <td>(Note-2)</td> <td>(Note-2)</td> <td></td> <td></td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Commissioner is empowered to extend Due date of GST PMT-06 for first 2 months of quarter (i.e., M-1 and M-2 of Q)</li> <li>While making deposits through GST PMT-06 for first 2 months of quarter (i.e., M-1 and M-2 of Q), RP is entitled to consider existing balance in E-cash Ledger.</li> </ol>		Q1- QRMP Scheme				April	May	June	Total	<b>Proviso to 39(7)</b>	[M-1]	[M-2]	[M-3]	Q1	<b>IGST</b> (Cash liability)	500	300	200	<b>1,000</b>	<b>CGST</b> (Cash liability)	1,000	600	400	<b>2,000</b>	<b>SGST</b> (Cash liability)	2,000	1,200	800	<b>4,000</b>	<b>Total</b>	<b>3,500</b>	<b>2,100</b>	<b>1,400</b>	<b>7,000</b>	<b>Rule 61 (3)</b>	GST PMT-06	GST PMT-06		GSTR-3B		25 <sup>th</sup> May (Note-1)	25 <sup>th</sup> June (Note-1)		22 <sup>nd</sup> / 24 <sup>th</sup> July		(Note-2)	(Note-2)		
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		<p><b>Optional SEPCIAL PROCEDURE</b> offered via N/N 85/2020-CT  <b>Such option is referred as '35% Challan Option'</b></p> <ul style="list-style-type: none"> <li>• <b>Continuing in QRMP</b> (i.e., Quarterly GSTR-3B filed in PQ)        = Pay '35% of Cash Liability discharged in PQ'</li> <li>• <b>New entry in QRMP</b> (i.e., Monthly GSTR-3B filed in PQ)        = Pay '100% of Cash Liability discharged in last month of PQ'</li> </ul>
	<p><b>Functionality related changes on portal</b></p>	<ul style="list-style-type: none"> <li>• <b>GSTR-3B will now have auto-populated details from:</b> <ol style="list-style-type: none"> <li><b>GSTR-1</b> (Liability auto-populated)</li> <li><b>GSTR-2B</b> (ITC auto-populated)</li> </ol> </li> </ul> <p>This is for assistance of taxpayer.          However, such auto-populated details into GSTR-3B are editable at end of taxpayer.</p>





\* **Filing of return by NRTP in case registration period ends up in between a particular month:** NRTP to file his return by earlier of following 2 dates (a) 20th day from end of calendar month; or (b) 7 days from last date of registration period as specified in Sec 27 [R-63]