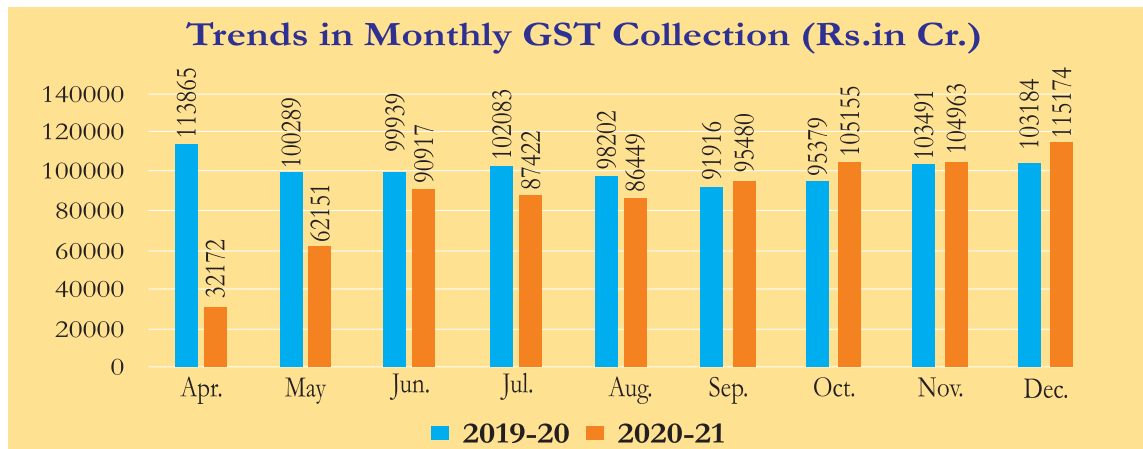


GST Revenue for December, 2020

The gross GST revenue collected in the month of December, 2020 was ₹ 1,15,174 crore of which CGST is ₹ 21,365 crore, SGST is ₹ 27,804 crore, IGST is ₹ 57,426 crore (including ₹ 27,050 crore collected on import of goods) and Cess is ₹ 8,579 crore (including ₹ 971 crore collected on import of goods). The total revenue earned by Central Government and the State Governments after regular settlement in this month was ₹ 44,641 crore and ₹ 45,485 crore respectively. The chart shows the trends in monthly GST collection during the current financial year and its comparison with previous financial year.

The GST revenues during December 2020 have been the highest since the introduction of GST and it is the first time that it has crossed ₹ 1.15 lakh crore. It is also significantly higher than the last month's revenues of ₹ 1,04,963 crore. In line with the recent trend of recovery in the GST revenue, the revenues for the month of December 2020 are 12% higher than the GST revenue in the same month last year. During the month, revenue from import of



goods was 27% higher and the revenue from domestic transactions (including import of services) was 8% higher than the revenues from these sources during the same month last year. This has been due to combined effect of the rapid economic recovery and the nation-wide drive against evasion of GST using fake bills, fraudulent ITC and arrest of GST evaders, along with many systemic changes introduced recently, which have led to improved compliance.

This is a clear indication that the economy has been showing signs of recovery, with the GST revenues of more than ₹ 1 lakh crore for the third month in a row in the current financial year. The average growth in GST revenue during the last quarter has been 7.3% as compared to (-) 8.2% during the second quarter and (-) 41.0% during the first quarter of the financial year.

Source: PIB Press Release dated 01.01.2021

Blocking and unblocking of e-way bill

Broadly, in terms of Rule 138E of the CGST Rules, 2017, as amended vide notification No.79/2020-CT dated 15.10.2020, 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: - (a) being a person paying tax under section 10, or availing the benefit of Notification 2/2019-CT (rate), has not furnished the FORM GST CMP-08 for two consecutive quarters. (b) being a person other than a person specified in clause (a) has not furnished the returns for a consecutive period of two months. (c) being a person other than a person specified in clause (a), has not furnished statement of outward supplies for two months or quarters.

Accordingly, GSTN implemented blocking of EWB generation facility from 1st December, 2020, onwards, to all the taxpayers (irrespective of their Aggregate Annual Turnover (AATO)). Thus, from 1st December 2020 onwards, the System has started checking the status of returns filed in Form GSTR-3B or the statements filed in Form GST CMP-08, for the class of taxpayers to whom it applies, and restricts the generation of EWB in case of:

- Non filing of two or more returns in Form GSTR-3B for the months up to October, 2020; and
- Non filing of two or more statements in Form GST CMP-08 for the quarters up to July to September, 2020

The taxpayers can come across the following situations in case e-way bill is blocked:

- A pop-up notification will appear every single time the blocked taxpayer tries to generate a new e-way bill for a bulk generation.
- If any taxpayer/transporter enters the blocked GSTIN as another party while generating e-way bill, a similar message will appear.

(Source: GST Portal Update on 16.11.2020)

Unblocking of e-way bill

E-way bill generation facility would be automatically unblocked on the portal when the taxpayer files GST return and the default in return filing reduces to less than two tax periods.

In case, the blocked taxpayer has filed the return on the GST Common Portal, the next day morning his GSTIN is unblocked on the e-way bill system and the e-way bills can be generated. If the taxpayer wants to generate the e-way bills immediately after filing the return, then he can go to the e-way bill portal and select the option 'Search', enter his GSTIN and see the status. If it is blocked then he can use the update option to get the latest filing status from the portal and get it unblocked. Still if the e-way bill is not enabled, then he can contact the 'Help Desk' of the GST and raise the complaint to get his case resolved. The taxpayer may also file an online request for unblocking of the e-way bill generation facility with his jurisdictional tax officer.

(Source: GST Portal update, dated 28.11.2020)

1st Proviso to Rule 138E

The Commissioner may, on receipt of an application from a registered person in FORM GST EWB 05 on sufficient cause being shown and for reasons to be recorded in writing, by order, in FORM GST EWB 06 allow furnishing of the said information in PART-A of FORM GST EWB 01, subject to such conditions and restrictions as may be specified by him.

Steps for online unblocking

To file an online application for unblocking e-way bill generation facility on GST Portal, a taxpayer needs to take the following steps:

- Login to the portal and navigate to Services> User services> My Applications
- Select application type as “Application for unblocking of E-way bill” and click New Application.
- The Application for unblocking of E-way bill page is displayed. The application includes these details to be filled:
 - Select the Expected date for filing of returns of the default periods using the calendar.
 - Select the Reason of Unblocking by Taxpayer from the drop-down list.
- The application so filed is populated to the dashboard of the jurisdictional tax official. The tax official can issue a Notice for a personal

hearing to the taxpayer. Then the taxpayer can file their reply to the notice online, along with supporting documents.

- After the proceedings, the Tax Officer can issue an order (in Form EWB-06) approving the taxpayer application for unblocking the EWB generation facility. After which their EWB generation facility will be restored for the duration specified in the order.
- If the Tax Officer rejects the taxpayer's application vide order in Form EWB-06, the EWB generation facility will remain blocked and the taxpayer shall be required to file their pending returns (in Form GSTR-3B / Statement in FORM CMP-08, to reduce the pendency to less than two tax periods), for the restoration of the EWB generation facility.
- Notice(s)/ Order issued by Tax Officer will be sent via SMS and mail to the taxpayer and will be made available on the taxpayer dashboard (Services > User Services > View Additional Notices/Orders option).

Source: GST Portal update, dated 28.11.2020

GST Compensation: Borrowing by Centre and States

The Government of India set up a special borrowing window in October, 2020 to meet the estimated shortfall of ₹ 1.10 lakh crore in revenue arising on account of implementation of GST. All the 28 States and 3 UTs with legislature have decided in favor of this option. The Government started releasing the amount from 23rd October, 2020 and as on 28th December, 2020, the Ministry of Finance has released ₹ 54,000 crore. In addition to providing funds through the special borrowing window, the Centre has

also granted additional borrowing permission of 0.50% of the Gross State Domestic Product (GSDP) to all the 28 States. So far, the entire additional amount of ₹ 1,06,830 crore (0.50% of GSDP) has been granted to the States under this provision. State wise additional borrowing allowed and amount of funds raised through special borrowing window and released to the States and the UTs till 28.12.2020 are as follows:

Sl. No.	Name of State/UT	Additional borrowing of 0.50 percent allowed to States (Rs. in Crore)	Amount of fund raised through special window passed on to the States/ UTs (Rs.in Crore)
1	Andhra Pradesh	5051	1307.43
2	Arunachal Pradesh*	143	0.00
3	Assam	1869	562.60
4	Bihar	3231	2208.94
5	Chhattisgarh	1792	677.04
6	Goa	446	475.12
7	Gujarat	8704	5217.08
8	Haryana	4293	2462.12
9	Himachal Pradesh	877	971.39
10	Jharkhand	1765	367.80
11	Karnataka	9018	7019.23
12	Kerala	4522	1583.88
13	Madhya Pradesh	4746	2569.63
14	Maharashtra	15394	6776.23
15	Manipur*	151	0.00
16	Meghalaya	194	63.29
17	Mizoram*	132	0.00
18	Nagaland*	157	0.00
19	Odisha	2858	2162.29
20	Punjab	3033	2296.12
21	Rajasthan	5462	1909.72
22	Sikkim*	156	0.00
23	Tamil Nadu	9627	3531.02
24	Telangana	5017	818.16
25	Tripura	297	128.10
26	Uttar Pradesh	9703	3398.37
27	Uttarakhand	1405	1310.46
28	West Bengal	6787	1217.14
	Total (A):	106830	49033.16
1	Delhi	Not applicable	3318.01
2	Jammu & Kashmir	Not applicable	1285.29
3	Puducherry	Not applicable	363.54
	Total (B):	Not applicable	4966.84
	Grand Total (A+B)	106830	54000.00

* These States have NIL GST compensation gap.

Source: PIB Press Release, dated 28.12.2020

(As on 28.12.2020)

The CBIC has issued Notification 94/2020-Central Tax on 22.12.2020 whereby the CGST Rules, 2017 were further amended vide Fourteenth Amendment. This brings in many changes in provisions of GST Registration, Cancellation, Provisional ITC claim, GSTR-1 blocking, E-way bill validity, etc, which are briefly summarized below:

Aadhaar authentication for Registration (*Substituted Rule 8(4A)*)

As per the new amendment, every application made under Rule (4) shall be followed by:

- Biometric based Aadhaar authentication and taking photograph, unless exempted under sub-section (6D) of section 25, if the applicant has opted for authentication of Aadhaar number; or
- Taking biometric information, photograph and verification of such other KYC documents, as notified, unless the applicant is exempted under sub-section (6D) of section 25, if he has opted not to get Aadhaar authentication done,

of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual.

Time limit increased for GST Registration (*Amended Rule 9 (1)*)

The time limit for verification of registration application and issue of notice in Form GST REG-03 has been increased from 3 working days to 7 working days. Further, where the applicant does not undergo Aadhar Authentication or where the Department feels fit to carry out physical verification of places of business, time limit for grant of registration has been increased from 7 to 30 days.

New grounds for Cancellation of Registration (*Amended Rule 21*)

- (i) If ITC is availed in violation of Section 16 of the CGST Act, 2017 or rules made thereunder;
- (ii) If outward tax liability declared in GSTR-3B is lesser than the outward tax liability declared in GSTR-1 for one or more tax periods;
- (iii) If taxpayer violates newly inserted Rule 86B of the CGST Rules.

Suspension of Registration (*Amended Rule 21A/ (2) Inserted sub rule (2A) and (3A)*)

Rule 21A (2) has been amended to provide that where registration is liable to be cancelled under section 29 or under rule 21, then registration may be suspended by proper officer pending proceeding for cancellation, without giving personal hearing.

After sub-rule (2), the following has been inserted:

Rule 21A (2A): If significant anomalies are found between GSTR-3B and details of outward supplies furnished in GSTR-1 or details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their GSTR-1, then his registration shall be suspended and the registered person shall be intimated in newly introduced Form GST REG 31 asking him to explain the anomalies and reasons why the registration should not be cancelled.

Rule 21A(3A): No refund under Section 54 of the CGST Act during the period of suspension of registration.

Proviso to sub rule 4 provides that proper officer may revoke suspension of registration anytime during the pendency of the proceedings for cancellation.

Conditions for claiming ITC (*Amended Rule 36(4)*)

Restriction of claim of ITC in respect of invoices/debit notes not furnished

by the suppliers has now been reduced from 10% to 5% of the eligible credit available in GSTR-2.

Blocking of GSTR-1 in case of non-filing of GSTR-3B (*Inserted Sub Rule 59(5)*)

As per the new sub-rule, non-filing of GSTR-3B for preceding two months/preceding tax period will result in blocking of facility of filing FORM GSTR-1 or use invoice furnishing facility (IFS). Registered person restricted to use ITC to discharge his liability towards tax in excess of 99% of such tax liability as per newly inserted Rule 86B cannot file GSTR-1 or use IFF, if he has not filed GSTR-3B for the preceding tax period.

Restricting use of ITC (Introduced new Rule 86B)

The newly introduced Rule 86B shall come into force from 1st January 2021 wherein restriction has been placed on setting off more than 99% of tax liability from ITC where the value of taxable supplies other than exempt supply and zero-rated supply exceeds Rs. 50 lakhs in a month. Though few exceptions have been provided to this rule which are as follows:

- (a) the said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than one lakh rupees as income tax under the Income-tax Act, 1961(43 of 1961) in each of the last two financial years for which the time limit to file return of income under subsection (1) of section 139 of the said Act has expired; or
- (b) the registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (i) of first proviso of sub-section (3) of section 54; or
- (c) the registered person has received a refund amount of more than one lakh rupees in the preceding financial year on account of unutilised input tax credit under clause (ii) of first proviso of sub-section (3) of section 54; or
- (d) the registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year; or
- (e) the registered person is Government Department, Public Sector Undertaking, local authority; or a statutory body.

Increase in distance for transportation of goods in e-way bill (*Amended Rule 138*)

E-way bill will now be valid for 1 day for every 200 km of travel, as against 100 km earlier, in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship. For every 200 km or part thereof thereafter, one additional day will be allowed.

Restriction on furnishing of information in FORM GST EWB-01 (*Amended Rule 138E*)

Person whose registration has been suspended would also not be allowed to furnish the information in PART A of FORM GST EWB-01. If registered person other than a person paying tax under composition levy, has not furnished the returns for a consecutive period of two tax periods, then he shall not be allowed to furnish the information in PART A of FORM GST EWB-01.

Notice in FORM GST REG-31 (*See Rule 21A*)

A new form has been inserted namely FORM GST REG-31, for intimating suspension or notice for cancellation of registration.

Source: Notification No. 94/2020 Central Tax, dated 22.12.2020

Notifications & Circulars

Extends deadline for filing Annual Returns

The CBIC has extended the filing of GST Annual Returns (GSTR-9) specified under section 44 of CGST Act, 2017 for the Financial Year 2019-2020 till 28th February, 2021. Earlier, the due date was 31st December 2020.

Source: Notification No. 95/2020 Central Tax, dated 30.12.2020

Late fees for delay in furnishing of FORM GSTR-4 waived for Ladakh

Late fee payable for delay in furnishing of FORM GSTR-4 for FY 2019-20, from the 1st day of November, 2020 till the 31st day of December, 2020 shall

stand waived for the registered person whose principal place of business is in the Union Territory of Ladakh.

Source: Notification No. 93/2020 Central Tax, dated 22.12.2020

Govt. notifies 9 Sections of Finance Act, 2020 w.e.f 01.01.2021

Government notifies Sections 119,120,121,122,123,124,126,127 and 131 of Finance Act, 2020 (12 of 2020) related to GST effective from 1st January, 2021.

Source: Notification No. 92/2020 Central Tax, dated 22.12.2020

Due date of GST compliance by authority extended to 31.03.2021

The Government extends due date of compliance by any authority and by any person for specified, prescribed and notified actions in respect of anti-profiteering measures under GST which falls during the period from 20.03.2020 to 30.03.2021; till 31.03.2021.

Source: Notification No. 91/2020 Central Tax, dated 14.12.2020

Tax invoice to have 8-digit HSN code on specified products

It seeks to amend principal Notification No.12/2017-CT dated 28.06.2017. Now taxpayer has to include 8-digit HSN code in a Tax Invoice for specified products classifiable under various tariff items of Chapter 28, 29, 38 & 39 of CTA (mainly Chemicals) and specified Chemicals falling under various tariff heading.

Source: Notification No. 90/2020 Central Tax, dated 01.12.2020

Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021

Vide Circular No. 63/37/2018-GST dated 14.09.2018 & corrigendum to the said circular dated 6.09.2019, waiver from recording of UIN on the invoices issued by retailers/other suppliers were given to UIN entities till 31st March, 2020. It has been brought to the notice of the Government that the issue of non-recording of UINs has continued even after 31st March, 2020. Therefore, it has been decided to give waiver from recording of UIN on the invoices issued by the retailers/suppliers, pertaining to the refund claims from April 2020 to March 2021, subject to the condition that the copies of such invoices are attested by the authorized representative of the UIN entity and the same is submitted to the jurisdictional officer.

Source: Circular No. 144/14/2020-GST, dated 15.12.2020

GST Portal Updates

Facility to file GSTR-9 of FY 2019-20 is available

The facility to file annual return in Form GSTR-9 for FY 2019-20 is now available on GST portal. Please ensure that all applicable returns of the said year have been filed before attempting to file the said return.

Updated on 10.12.2020

Auto population of details in Form GSTR-3B from Form GSTR-1 & GSTR-2B

Auto-population of system computed details in Form GSTR-3B has been enabled for taxpayers (filing their Form GSTR-1 on monthly basis) from November 2020 Tax Period onwards. The same is being done based on the following:

1. Liabilities in Tables-3.1 & 3.2 of Form GSTR-3B (except Table-3.1 (d) pertaining to inward supplies liable to reverse charge) are computed by the system on the basis of details of outward supplies as filed in Form GSTR-1 for the tax period.
2. Input Tax Credit (ITC) details and details of inward supplies liable to reverse charge to be reported in Tables-4 and 3.1 (d) respectively, are computed as per system generated Form GSTR-2B for the tax period.

Updated on 15.12.2020

Ignore prompt on liability for inward supplies attracting reverse charge in Table-3.1 (d)

The system has started providing auto-populated GSTR-3B on the basis of

GSTR-1 & GSTR-2B from the tax period of November 2020 onwards. In this auto-populated GSTR-3B, liability on account of inward supplies attracting reverse charge auto-populated in Table-3.1(d) is also drawn from GSTR-2B of the taxpayer for the said tax period. The values in GSTR-2B are auto populated from the GSTR-1 of the counter-parties making the supply. It is noticed that the system is giving alert when the taxpayer revises the auto-populated values upward by 10% which pertains to inward supplies attracting reverse charge. This alert is erroneous. The technical team is working to resolve the same at the earliest. Meanwhile, the taxpayers may kindly continue to declare their correct liability in Table-3.1(d) pertaining to liability on inward supplies attracting reverse charge and proceed to file GSTR-3B.

Updated on 19.12.2020

Due dates for filing of Form GSTR-3B for the Tax Periods from October, 2020 till March, 2021

CBIC vide Notification No. 82/2020 - Central Tax dated 11.11. 2020 has added sub rule (6) to Rule 61 of the CGST Rules, 2017, to provide for staggered filing of Form GSTR-3B for the tax periods from October, 2020 till March, 2021. The details are tabulated below:

Turnover	Principal place of business in the State/ UT of	Due date of filing of Form GSTR 3B
More than Rs. 5 Crore	All States and UTs	20 th day of the following month
Up to Rs. 5 Crore	States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana and Andhra Pradesh, the Union territories of Daman and Diu, Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	22 nd day of the following month
Up to Rs. 5 Crore	States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	24 th day of the following month

Updated on 17.12.2020

Communication between Recipient and Supplier on GST Portal

A facility of 'Communication Between Taxpayers' has been provided on the GST Portal for sending a notification by recipient (or supplier) to their supplier (or recipient) taxpayers, regarding missing documents or any shortcomings in the documents or any other issue related to it. This facility is available to all registered persons except those registered as TDS, TCS or NRTP.

Updated on 25.12.2020

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

Details of e-invoices shall be auto-populated in respective Tables of GSTR-1 and corresponding reflection of such e-invoice details in GSTR-2A/2B/4A/6A. Update on the status of such auto-population was last published on 30.11.2020.

Updated on 30.12.2020

Best Practices by States

Audit of registered taxpayers is a function under GST Act to verify the correctness of compliance of GST laws by the registered taxpayers. The Maharashtra Goods and Services Tax Department (MGST) is initiating audits under section 65 of the MGST Act, 2017 in case of selected

registered taxpayers. In this regard the MGST has issued a circular clarifying the general procedures and documentation requirement for GST audit by the department.

Source: Maharashtra GST Trade Circular No.13 dated 21.12.2020

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