

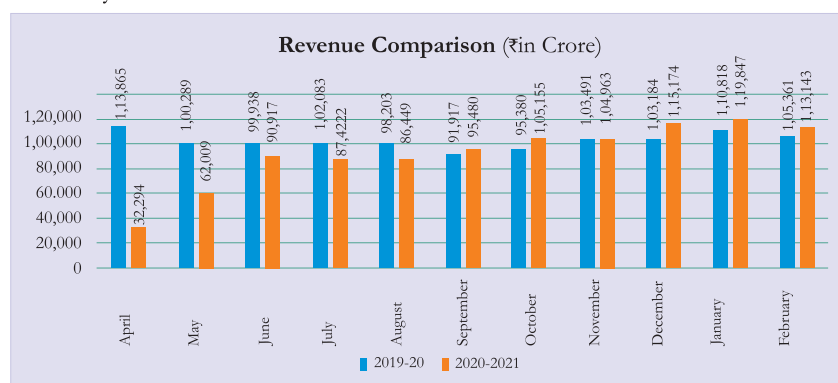
GST Revenue for February 2021

The gross GST revenue collected in the month of February 2021 is ₹ 1,13,143 crore of which CGST is ₹ 21,092 crore, SGST is ₹ 27,273 crore, IGST is ₹ 55,253 crore (including ₹ 24,382 crore collected on import of goods) and Cess is ₹ 9,525 crore (including ₹ 660 crore collected on import of goods). The government has settled ₹ 22,398 crore to CGST and ₹ 17,534 crore to SGST from IGST as regular settlement. In addition, Centre has also settled ₹ 48,000 crore as IGST ad-hoc settlement in the ratio of 50:50 between Centre and States/UTs. The total revenue of Centre and the States after regular settlement and ad-hoc settlement in the month of February 2021 is ₹ 67,490 crore for CGST and ₹ 68,807 crore for the SGST.

In line with the trend of recovery in the GST revenues over past five months, the revenues for the month of February 2021 are 7% higher than the GST revenues in the same month last year. During the month, revenues from import of goods was 15% higher and the revenues from domestic transaction (including import of services) are 5% higher than the revenues from these sources during the same month last year. The GST revenues crossed ₹ 1 lakh fifth time in a row and crossed ₹ 1.1 lakh

crore third time in a row post pandemic despite this being revenue collection of the month of February. This is a clear indication of the economic recovery and the impact of various measures taken by tax administration to improve compliance.

The chart below shows trends in monthly gross GST revenues during the current year.



Source: PIB Press Release dated 01.03.2021

GST Compensation shortfalls released to States

The Government has released the 18th weekly instalment of ₹ 4,000 crore on 01.03.2021 to the States to meet the GST compensation shortfall. Out of this, an amount of ₹ 3,677.74 crore has been released to 23 States and an amount of ₹ 322.26 crore has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on account of GST implementation. Till now, 94 percent of the total estimated GST compensation shortfall has been released to the

States & UTs with Legislative Assembly. Out of this, an amount of ₹ 95,138.08 crore has been released to the States and an amount of ₹ 8,861.92 crore has been released to the 3 UTs with Legislative Assembly. The amount has been borrowed this week at an interest rate of 4.7924%. So far, an amount of ₹ 1,04,000 crore has been borrowed by the Central Government through the special borrowing window at a weighted average interest rate of 4.8236%.

Source: PIB Press Release dated 01.03.2021

Noifications & Circulars

➤ Due date for furnishing of GSTR-9 and GSTR-9C for the financial year 2019-20 extended further to 31.03.2021

It may be noted that the due date for furnishing of the Annual returns (GSTR-9 and GSTR-9C) specified under section 44 of the CGST Act read with rule 80 of the CGST rules for the financial year 2019-20 was earlier extended from 31.12.2020 to 28.02.2021 vide Notification No. 95/2020- Central Tax dated 30.12.2020. In view of the difficulties expressed by the taxpayers in meeting this time limit, Government has decided to further extend the due date for furnishing of GSTR-9 and GSTR-9C for the financial year 2019-20 to 31.03.2021 with the approval of Election Commission of India.

Source: PIB Press Release dated 28.02.2021

➤ Govt. notifies class of persons to whom Aadhar authentication not applies

CBIC notifies that Aadhar authentication under sub-section (6B) or sub-section (6C) of section 25 of CGST Act, 2017 shall not apply to a person who is, (a) not a citizen of India; or, (b) a Department or establishment of the Central Government or State Government; or (c) a local authority; or (d) a statutory body; or (e) a Public Sector Undertaking; or (f) a person

applying for registration under the provisions of sub-section (9) of section 25 of the said Act.

Source: Notification No.03/2021-CT dated 23.02.2021

➤ SOP for implementation of provision of suspension of GST Registrations

Vide Notification No.94/2020-CT dated 22.12.2020, sub rule (2A) was inserted to rule 21A of the CGST Rules, 2017 which provides for immediate suspension of registration of a person, as a measure to safeguard the interest of revenue, on observance of such discrepancies/anomalies which indicate violation of the provisions of Act/Rule, and that continuation of such registration poses immediate threat to revenue.

2.1 Sub-rule (2A) of rule 21A is reproduced hereunder:

“(2A) Where, a comparison of the returns furnished by a registered person under section 39 with

(a) the details of outward supplies furnished in **FORM GSTR-1**; or

(b) the details of inward supplies derived based on the details of outward

supplies furnished by his suppliers in their **FORM GSTR-1**, or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in **FORM GST REG-31**, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.”;

2.2 Till the time an independent functionality for **FORM REG-31** is developed on the portal, in order to ensure uniformity in the implementation of the provisions of above rule across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby provides the following guidelines for implementation of the provision of suspension of registrations under the said rule.

3. On the recommendation of the Council, the registration of specified taxpayers shall be suspended and system generated intimation for suspension and notice for cancellation of registration in **FORM GST REG-31**, containing the reasons of suspension, shall be sent to such taxpayers on their registered e-mail address. Till the time functionality for **FORM REG-31** is made available on portal, such notice/intimation shall be made available to the taxpayer on their dashboard on common portal in **FORM GST REG-17**. The taxpayers will be able to view the notice in the “View/Notice and Order” tab post login.

4. The taxpayers, whose registrations are suspended (hereinafter referred to as “the said person”) under the above provisions, would be required to furnish reply to the jurisdictional tax officer within thirty days from the receipt of such notice/intimation, explaining the discrepancies/ anomalies, if any, and shall furnish the details of compliances made or/and the reasons as to why their registration shouldn’t be cancelled:

a. The said person would be required to reply to the jurisdictional

officer against the notice for cancellation of registration sent to them, in **FORM GST REG-18** online through Common Portal withing the time limit of thirty days from the receipt of notice/intimation.

b. In case the intimation for suspension and notice for cancellation of registration is issued on ground of non -filing of returns, the said person may file all the due returns and submit the response. Similarly, in other scenarios as specified under **FORM GST REG-31**, they may meet the requirements and submit the reply.

5.1 Post issuance of **FORM GST REG-31** via email, the list of such taxpayers would be sent to the concerned Nodal officers of the CBIC/ States. Also, the system generated notice can be viewed by the jurisdictional proper officers on their Dashboard for suitable actions. Upon receipt of reply from the said person or on expiry of thirty days (reply period), a task would be created in the dashboard of the concerned proper officer under ”Suo moto cancellation proceeding”.

5.2 Proper officer, post examination of the response received from the said person, may pass an order either for dropping the proceedings for suspension/ cancellation of registration in **FORM GST REG-20** or for cancellation of registration in **FORM GST REG-19**. Based on the action taken by the proper officer, the GSTIN status would be changed to “Active” or “Cancelled Suo-moto” as the case maybe.

5.3 Till the time independent functionality for **FORM GST REG-31** is fully ready, it is advised that if the proper officer considers it appropriate to drop a proceeding any time after the issuance of **FORM GST REG-31**, he may advise the said person to furnish his reply on the common portal in **FORM GST REG-18**.

5.4 It is advised that in case the proper officer is prima-facie satisfied with the reply of the said person, he may revoke the suspension by passing an order in **FORM GST REG-20**. Post such revocation, if need be, the proper officer can continue with the detailed verification of the documents and recovery of short payment of tax, if any. Further, in such cases, after detailed verification or otherwise, if the proper officer finds that the registration of the said person is liable for cancellation, he can again initiate the proceeding of cancellation of registration by issuing notice in **FORM GST REG-17**.

Source: Circular No. 145/01/2021-GST dated 17.02.2021

➤ **Applicability of Dynamic QR Code on B2C invoices & compliance**

CBIC have been received various references from trade and industry seeking clarification on applicability of Dynamic Quick Response (QR) Code on B2C (Registered person to Customer) invoices and compliance of Notification No. 14/2020-Central Tax, dated 21st March, 2020 as amended. The issues have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, 2017, hereby clarifies the issues in the table below:

Sl. No.	Issues	Clarification
1.	To which invoice is Notification No 14/2020-Central Tax dated 21st March, 2020 applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?	<p>This notification is applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds 500 Cr rupees in any of the financial years from 2017-18 onwards. However, the said notification is not applicable to an invoice issued in following cases:</p> <p>i. Where the supplier of taxable service is:</p> <ol style="list-style-type: none"> an insurer or a banking company or a financial institution, including a non-banking financial company; a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; supplying passenger transportation service; supplying services by way of admission to exhibition of cinematograph in films in multiplex screens <p>ii. OIDAR supplies made by any registered person, who has obtained registration under section 14 of the IGST Act 2017, to an unregistered person.</p> <p>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 Notification no. 13/2020-Central Tax, dated 21st March, 2020 treating them as Business to Business (B2B) supplies, Notification no. 14/2020-Central Tax, dated 21st March, 2020 will not be applicable to them.</p>

2.	What parameters/details are required to be captured in the Quick Response (QR) Code?	Dynamic QR Code, in terms of Notification No. 14/2020-Central Tax, dated 21st March, 2020 is required, inter-alia, to contain the following information: – i. Supplier GSTIN number ii. Supplier UPI ID iii. Payee's Bank A/C number and IFSC iv. Invoice number & invoice date, v. Total Invoice Value and 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.
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?	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. In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice: – i. 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 ii. 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.
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?	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.
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?	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.
6.	Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?	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. In case, the supplier is making supply through the E-commerce portal or application, and the said supplier gives cross references of the payment received in respect of the said supply on the invoice, then such invoices would be deemed to have complied with the requirements 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.

Source: Circular No. 146/02/2021-GST dated 23.02.2021

➤ IGST Refund due to mismatch in IGST liability in GSTR-3B and GSTR-1 for FY 2019-20 and FY 2020-21

Several representations are being received by the Board in respect of IGST refunds which are pending due to mis-match of data between GSTR- 1 & GSTR-3B. The resolution to the above problem was provided by the Board, as an interim measure, vide Circular No. 12/2018-Cus dated 29.05.2018 read with Circular No. 25/2019-Cus dated 27.08.2019 in respect of Shipping Bills filed upto 31.03.2019.

The IGST refunds relating to the Shipping Bills filed after 31.03.2019 having mismatch error between GSTR-1 and GSTR-3B could not be processed and are held up on above account. Having regard to the fact

that a substantial number of IGST refunds are stuck due to above error as functionality to amend GSTR-3B return is not available so far, there is a need to extend the facility as provided vide above Circular No. 12/2018-Cus dated 29.05.2018 and 25/2019-Cus dated 27.08.2019 in respect of the Shipping Bills filed after 31.03.2019 as well.

The matter has been examined. It appears that the payments mismatch has happened even subsequent to the period covered in the above said Circulars. Therefore, in order to overcome the problems faced by the exporters, CBIC has decided that the solution provided in the Circular

12/2018-Customs read with Circular No. 25/2019-Customs would be applicable mutatis mutandis for the Shipping Bills filed during the financial year 2019-20 and 2020-21 (i.e. in respect of all Shipping Bills filed/ to be filed upto 31.03.2021).

In respect of guidelines provided in Para 3A and 3B of the said Circular 12/2018-Customs, dated 29.05.2018, the comparison between the cumulative IGST payments in GSTR-1 and GSTR 3B would now be for the period April 2019 to March 2021. The corresponding CA certificate evidencing that there is no discrepancy between the IGST amount refunded on exports in terms of this Circular and the actual IGST

amount paid on exports of goods for the period April 2019 to March 2020 and April, 2020 to March, 2021 shall be furnished by 31st March, 2021 and 30th October 2021, respectively.

The concerned Customs Zones shall provide the list of GSTINs. who have availed benefit under Para 3A & 3B of said circular and yet have not submitted the CA certificate to the Board by the 15th April 2021 for the IGST refunds relatable to financial year 2019-20 and by 15th November, 2021 for FY 2020-21.

Source: Circular No.4/2021-Customs dated 16.02.2021

GST Portal Updates

➤ Auto-population of e-invoice details into GSTR-1

Details of e-invoices shall be auto populated in respective tables of GSTR-1. Update on the status of such auto population was last published on 11.01.2021. Further, certain new features and improvements have been made on e-invoice portal and GePP Tool (GST e -Invoice Preparing and Printing Tool), details will be available at <https://einvoice1.gst.gov.in/>.

Updated in GST Portal on 01.02.2021

➤ GST Payment by Fixed Sum Method under QRMP Scheme

1. W.e.f. 1st January, 2021, following two options are available to the Taxpayers who are under Quarterly Returns and Monthly Payment (QRMP) Scheme for tax payment for first two months of a quarter:

- Fixed Sum Method:** Portal can generate a pre-filled challan in Form GST PMT-06 based on his past record.
- Self-Assessment Method:** The Tax due is to be paid on actual supplies after deducting the Input Tax Credit available.

2. In fixed sum method, the 35% Challan can be generated by selecting the **Reason For Challan>Monthly Payment for Quarterly Return> 35% Challan** which is in turn calculated as per following situation:

- 35% of amount paid as tax from Electronic Cash Ledger in their preceding quarter GSTR- 3B return, if it was furnished on **quarterly basis**; or
 - 100% of the amount paid as tax from Electronic Cash Ledger in their GSTR-3B return for the last month of the immediately preceding quarter, if it was furnished **on monthly basis**.
3. It is to note that, for the months of Jan and Feb, 2021, in Q4 of 2020-21, the auto-populated challan generated under 35% Challan would contain 100% of the tax liability discharged from Electronic Cash Ledger for the month of December, 2020 (and not 35%). **[Reason: Till December 2020, all taxpayers were filing GSTR-3B return on a monthly basis].**
4. From April, 2021 onwards, the pattern as suggested at Para 2 (a) and (b) would follow.
5. It is noteworthy, that the taxpayers are not required to deposit any amount for the first 02 months of a quarter, if:
- Balance in Electronic Cash Ledger / Electronic Credit Ledger is sufficient for tax due for the first/ second month of the quarter; or
 - There is NIL tax liability

Updated in GST Portal on 03.02.2021

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

CBIC vide Notification No 82/2020 – Central Tax, dated 10th Nov., 2020, has revised Rule 61 of the CGST Rules, 2017, to provide for staggered filing of Form GSTR-3B, for the tax periods from January, 2021, onwards, as under:

Taxpayers opted for	Having principal place of business in the State/ UT of	Due date
Monthly filing of Form GSTR-3B	All States and UTs	20th of the following month
Quarterly filing of Form GSTR-3B	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	22nd of the month following the quarter
	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	24th of the month following the quarter

Updated in GST Portal on 11.02.2021

➤ Advisory on Reconciliation Statement (GSTR-9C)

Reconciliation statement to be filed in Form GSTR-9C requires the tax rate wise declaration of transactions for the concerned financial year. In the said form, tax amount pertaining to tax rates 1%, 1.5% and 7.5% in section III (table 9 and 11) and section V may be made in row/ under label 'Others' of the said tables, wherever applicable.

Updated in GST Portal on 22.02.2021

➤ Advisory on Annual Return (GSTR-9)

The taxpayers are advised to ensure that values are reported upto two decimal places in the GSTR-9 offline utility. The error "Error! Invalid Summary payload" after uploading the JSON created from the Offline Utility of GSTR-9 is reported due to reporting values upto three decimal places instead of two decimals.

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