



Inside this edition

- CBIC notifies the date from which Companies registered under Companies Act is allowed to file Form GSTR-3B and Form GSTR-1 through EVC.
- Waiver of late fees for filing GSTR-3B for the period from July, 2017 to July, 2020
- FAQ on the filing of NIL Form GSTR-1 and GSTR-3B through SMS.
- Interest on PPF, savings bank deposit to be included for calculating GST registration threshold.

NOTIFICATIONS



CBIC extends the time period to pass an order under Section 54(7) of CGST Act w.r.t. Refund of Tax under GST

CBIC vide notification states that where a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of an order in terms of the provisions of section 54(7) of the CGST Act falls during the period from 20th March, 2020 to 29th June, 2020, in such cases the time limit for issuance of the said order shall be extended to fifteen days after the receipt of the reply to the notice from the registered person or 30th June 2020, whichever is later.

Note: This notification shall come into force with effect from 20th March, 2020.

Source: Notification No. 46/2020-Central Tax, dated 9th June, 2020

CBIC extends the validity of E-Way Bill whose validity expired on or after 20th March, 2020 till 30th June, 2020.

CBIC vide notification made further amendment in Notification No.35/2020- Central Tax, dated 3rd April, 2020, which states that where an E-way bill has been generated under Rule 138 of the CGST Rules, 2017 on or before 24th March, 2020, and whose validity has expired on or after 20th March, 2020, the validity period of such E-Way Bill shall be deemed to have been extended till June 30, 2020.

Note: This notification shall come into force with effect from 31st May, 2020.

Source: Notification No. 47/2020-Central Tax, dated 9th June, 2020

CBIC notifies the date from which Companies registered under Companies Act are allowed to file Form GSTR-3B and Form GSTR-1 through EVC.

The registered person registered under the provisions of the Companies Act, 2013 is allowed to file the return under section 39 in FORM GSTR-3B verified through electronic verification code (EVC) from the period April 21, 2020 to September 30, 2020 and the return under section 37 in FORM GSTR-1 verified through electronic verification code (EVC) from the period May 27, 2020, to September 30, 2020.

Source: Notification No. 48/2020-Central Tax, dated 19th June, 2020

Waiver of late fees for filing GSTR-3B for the period from July, 2017 to July, 2020

The late fee for not furnishing FORM GSTR-3B for the tax period from July, 2017 to July, 2020 has been reduced/waived where such return is filed on or before 30th September, 2020 in the following manner:

- 'NIL' late fee where there is no tax liability;
- In case of any tax liability maximum late fee is capped at Rs.500 per return.

Source: Notification No. 57/2020-Central Tax, dated 30th June, 2020

CIRCULARS



CBIC issued clarification on Refund related issues with respect to ITC availed on Imports, ISD Invoices and RCM Supplies

CBIC vide Circular No. 139/09/2020 - GST dated 10th June, 2020 has clarified the issue relating to refund of accumulated ITC in respect of invoices whose details are not reflected in the FORM GSTR-2A of the applicant. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law the Board, in the exercise of its powers conferred by section 168 (1) of the CGST Act, 2017 clarifies the issues detailed hereunder:

In terms of Circular No. 125/44/2019-GST dated 18th November, 2019, the refund of ITC availed in respect of invoices not reflected in FORM GSTR-2A was also admissible and copies of such invoices were required to be uploaded. However, in wake of insertion of Rule 36(4) of the CGST Rules, 2017 vide notification No. 49/2019-GST dated 9th October, 2019, various references have been received from the field formations regarding admissibility of refund of the ITC availed on the invoices which are not reflecting in the FORM GSTR-2A of the applicant.

The matter has been examined and it has been decided that the refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant. Accordingly, Circular No. 125/44/2019 - GST, dated 18th November, 2019 stands modified to that extent.

Further, the representations have been received that in some cases, refund sanctioning authorities have rejected the refund of accumulated ITC in respect of ITC availed on Imports, ISD invoices, RCM etc. citing the abovementioned Circular on the basis that the details of the said invoices/ documents are not reflected in FORM GSTR2A of the applicant.

In this context it is noteworthy that before the issuance of Circular No. 135/05/2020 - GST dated 31st March, 2020, the refund was being granted even in respect of credit availed on the strength of missing invoices (not reflected in FORM GSTR-2A) which were uploaded by the applicant along with the refund application on the common portal. However, vide Circular No.135/05/2020 – GST dated the 31st March, 2020, the refund-related to these missing invoices has been restricted. Now, the refund of accumulated ITC shall be restricted to the ITC available on those invoices, the details of which are uploaded by the supplier in FORM GSTR-1, and are reflected in the FORM GSTR2A of the applicant.

The aforesaid circular does not in any way impact the refund of ITC availed on the invoices/documents relating to imports, ISD invoices, and the inward supplies liable to Reverse Charge (RCM supplies) etc. It is hereby clarified that the treatment of refunds of such ITC relating to imports, ISD invoices, and the inward supplies liable to Reverse Charge (RCM supplies) will continue to be the same as it was before the issuance of Circular No. 135/05/2020- GST dated March 31, 2020.

Source: Circular No. 139/09/2020, dated 10th June, 2020

CBIC clarified the calculation period of 30 days for filing Revocation of Cancellation of Registrations under Section 30 of CGST Act

The CBIC vide Order No. 01/2020 - Central Tax dated 25th June, 2020, clarified that for the purpose of calculating the period of thirty days for filing an application for revocation of cancellation of registration under section 30(1) of the Act for those registered persons who were served notice under section 29(2) in the manner as provided in clause section 169 and where cancellation order was passed up to 12th June, 2020, the later of the following dates shall be considered:-

- a) Date of service of the said cancellation order; or
- b) August 31, 2020.

Source: Order No. 01/2020-Central Tax ,dated 10 June,2020

FREQUENTLY ASKED QUESTIONS



GSTN has issued FAQ on the filing of NIL FORM GSTR-1 and GSTR-3B through SMS

1. When can Form GSTR-1 be filed as NIL?

Form GSTR-1 can be filed as a nil return if there are no outward supplies (including supplies on which tax is to be charged on reverse charge basis, zero rated supplies and deemed exports) during the month or quarter, for which the return is being filed for.

2. Who can file NIL Form GSTR-1?

NIL Form GSTR-1 for a tax period can be filed, if:

- There are no Outward Supplies (including supplies on which tax is to be charged on reverse charge basis, zero rated supplies and deemed exports) during the month or quarter for which the return is being filed for
- No Amendments is to be made to any of the supplies declared in an earlier return
- No Credit or Debit Notes is to be declared / amended
- No details of advances received for services is to be declared or adjusted

3. Is filing of Form GSTR-1 as NIL return mandatory?

Filing of Form GSTR-1 is mandatory for all normal (including SEZ Unit & SEZ developer) and casual taxpayers, even if there is no business activity in any particular tax period. So, for such tax period(s), the return can be filed as NIL (if all conditions for filing Nil return are satisfied).

4. From when can I file Form GSTR-1 for a tax period?

A taxpayer can file Nil Form GSTR-1, anytime from 1st of the month subsequent of the tax period onwards. For example, Form GSTR-1 for the calendar month of April can be filed from 1st May onwards. Form GSTR-1 for the quarter of April to June can be filed from 1st July onwards.

5. Can I file NIL Form GSTR-1 through SMS?

Yes, you can file Nil Form GSTR-1 through SMS, instead of filing it through online mode on GST Portal.

6. Who is eligible to file NIL Form GSTR-1 through SMS?

Any taxpayer who fulfills below conditions, are eligible to file Nil Form GSTR-1, through SMS:

- Taxpayer must be registered as Normal taxpayer/ Casual taxpayer/ SEZ Unit / SEZ Developer and must have a valid GSTIN
- Taxpayer must have opted for the filing frequency as either monthly or quarterly on the GST Portal.
- Authorized signatory and his/ her phone number must be registered on the GST Portal.
- There must not be any data in saved or submitted stage in online version of Form GSTR-1, on the GST Portal.

7. Who is authorized to file NIL Form GSTR-1 through SMS on behalf of taxpayer?

All the authorized representatives, for a particular GSTIN, are allowed to file Nil Form GSTR-1 through SMS.

Note:

- If more than one Authorized Signatories/ Representatives have the same mobile number registered on the GST Portal, such Authorized Signatories cannot file Nil Form GSTR-1 through SMS. In such scenario, Authorized Signatory first need to update their mobile number on the GST Portal, through non-core amendment process, by giving unique mobile number for every authorized signatory for that requested GSTIN.
- Any Authorized Signatory/ Representative with unique mobile number registered on the GST Portal, can file Nil Form GSTR-1 through SMS.

8. I am an Authorized Signatory and my mobile number has been registered for more than one GSTIN. Can I file NIL Form GSTR-1, through SMS for all GSTINs?

Yes, you can file Nil Form GSTR-1, through SMS for all GSTINs, for whom you are an Authorized Signatory, from the same mobile number.

9. How can I file NIL Form GSTR-1 through SMS?

Steps to file NIL GSTR-3B

(i) Send SMS message

NIL (space) **3B** (space) **GSTIN** (space) **Tax period** in **mmyyyy** format to **14409** from your registered mobile number.

(ii) You will receive a **06 digit** validation code.

(iii) Send SMS message

CNF (space) **3B** (space) **06 digit** verification code to 14409.

(iv) You will receive a success message with ARN No. indicating that NIL filing has been successful.

10. I have saved my data/summary for a particular return period on the GST Portal. Can I file NIL Form GSTR-1 through SMS for that period?

You cannot file Nil Form GSTR-1 through SMS, for the tax period, for which you have saved data/summary on the GST Portal. If you have some saved data in your Form GSTR-1 on GST Portal, you need to either file your Form GSTR-1 through online mode on GST Portal or delete the saved data from the portal and then file Nil Form GSTR-1 through SMS.

11. Is there any difference in filing NIL Form GSTR-3B and Form GSTR-1 through SMS?

There is no difference in filing Nil Form GSTR-3B and Form GSTR-1 through SMS except the return type format.

Return type format for Form GSTR-3B is 3B and for Form GSTR-1 is R1.

Send SMS to 14409 for	Filing Form GSTR-1	Filing Form GSTR-3B
Getting Help Assistance	Help R1	Help 3B
Filing NIL Return	Monthly Filing - NIL R1 07AQDPP8277H8Z6 042020 Quarterly Filing - NIL R1 07AQDPP8277H8Z6 062020	NIL 3B 07AQDPP8277H8Z6 042020
Sending Verification Code	CNF R1 324961	CNF 3B 324961

12. What is the validity of Verification Code?

Verification Code is valid for 30 minutes.

13. Verification Code consists of how many digits?

Verification Code consists of 6 numeric digits only.

14. Can I use Verification Code multiple times?

No, Verification Code is usable only once.

15. Is SMS text case sensitive, in case of filing NIL Form GSTR-1 through SMS?

No, SMS text is not case sensitive.

16. I have received a message that my mobile no. has been blocked for 24 hours. Why?

In case, incorrect Verification Code is provided more than three times during a day, the GSTIN and Mobile number combination for that particular day, will be blocked for filing of Nil Form GSTR-1 through SMS. You can try filing Nil Form GSTR-1, through SMS, after 24 hours. However, you can login to the GST Portal to continue filing of Nil Form GSTR-1, through online mode. You can file Nil Form GSTR-1 for another GSTIN, if you the authorized signatory for those GSTINs.

17. I have sent correct verification code, but I have received SMS that the code is not valid. Why?

It is possible that your Verification Code has expired. You can send SMS again, in the desired format, to receive a new Verification Code. To send SMS again please wait for at least 5 minutes after generating of any new Verification Code.

Note: When you generate fresh Verification Code, previous Verification Code becomes invalid. In such case, you will have to provide new Verification Code to file Nil Form GSTR-1 through SMS.

18. What will happen after successful filing of NIL Form GSTR-1, through SMS?

After successful filing of Nil Form GSTR-1, through SMS:

- ARN will get generated.
- The status of Form GSTR-1 is changed to Filed on GST Portal.

- An SMS and e-mail will be sent to the e-mail and mobile number of the primary authorized signatory.
- In case, sender is an authorized signatory but not the primary authorized signatory, SMS will be sent to his/her mobile number also.

19. I have filed NIL Form GSTR-1 through SMS. Do I need to login again to the GST Portal to file NIL Form GSTR-1?

Once you have filed Nil Form GSTR-1 through SMS, you do not need to login to the GST Portal again to file Nil Form GSTR-1. After successful filing of Nil Form GSTR-1, through SMS, the status of Form GSTR-1 is changed to Filed on GST Portal.

20. I have filed NIL Form GSTR-1 through SMS. Can I revise the filed return for the requested tax period?

No, you cannot revise filed Nil Form GSTR-1, for the requested tax period, after filing it through SMS.

21. From where can I track the status of my filed Form GSTR-1 return?

Navigate to Services > Returns > Track Return Status option to track the status of your filed Form GSTR-1 return on the GST Portal.

Source: www.tutorial.gst.gov.in

ADVANCE RULING



Die manufactured and supplied to overseas customers is an 'inter-state' transaction

Issue: Whether die manufactured and supplied to overseas customer is 'export' or 'intra-state'

transaction?

Held: AAR Karnataka held that applicant engaged in manufacture and export of Aluminum and Zinc Die Castings, manufactures and supplies 'die' to foreign customer, it does not amount to export under Section 2(5) of the IGST Act it is an intra state transaction under Section 8(1) of IGST Act.

Applicant first manufactures steel die as per requirement and specifications given by foreign customer. After seeking approval from foreign customer, applicant uses steel die for making aluminum and zinc die castings. These manufactured aluminums and die castings are exported to overseas customers along with sub-assemblies and other components against order. However, applicant retains steel die till completion of export order or completion of life of die.

Applicant raises tax invoice for steel die in name of overseas customer in foreign currency for receipt of payment though die is not physically exported to foreign customer. After completion of export order, applicant either exports dies to overseas customer or scraps die at applicants end as per instructions of customer.

The date of issuance of tax invoice by applicant shall be construed as 'time of supply' to foreign customer as per section 12 of CGST Act. The 'place of supply' shall be location of applicant, accordingly location of supplier of die and place of supply of die to foreign customer being same, transaction shall be treated as intra-state transaction under section 8(1) of IGST Act and thus applicant has to issue CGST/SGST tax invoice to foreign customer and liable to collect and pay SGST/CGST tax.

Source: AR No. KAR ADRG/35/2020 dated 20th May,2020

Paratos are not rotis and will attract 18% GST

Issue: Whether paratos attract 5% GST considering it same as rotis?

Held: Authority for Advance Rulings (Karnataka bench) distinguished between the paratos and rotis and held that parotas would be subject to a higher GST rate of 18%. AAR differed from the view of the applicant, a private food manufacturing company that parotas should be classified under the product description of 'Khakhara, plain chapati or roti' (or to be more technical, under heading 1905). Owing to Entry 99A, of Schedule 1 to GST notifications, rotis are subject to a lower rate of 5%.

Source: AR No. KAR/ADRG/38/2020 dated, 22nd May,2020

Interest on PPF, savings bank deposit to be included for calculating GST registration threshold

Issue: An individual, not engaged in any business, had filed an application before the Gujarat bench of AAR asking whether interest received from savings bank, PPF and loans and advances to family would be considered for the purpose of calculating threshold limit of Rs 20 lakh for registration under GST law. The individual, in his application, had disclosed that his total receipts in 2018-19 fiscal were about Rs 20.12 lakh, including rent receipt of Rs 9.84 lakh, while the remaining was interest on bank, PPF deposits and from personal loans extended to friends/family. Whether the value of exempted income, like interest on PPF, savings bank account and loans given to family/friends, will be included along with taxable supplies while

calculating the threshold limit for obtaining GST registration?

Held: The AAR, while ruling that interest income would be included for calculating registration threshold, said that the applicant is required to consider the value of both taxable supply i.e. "renting of immovable property" and exempted supply of service provided by way of extending deposits, loans or advances for which he earned interest income, to arrive at "aggregate turnover" to determine the threshold limit for the purpose of obtaining registration under the GST Act.

Thus the Applicant is required to aggregate the value of exempted interest income earned by way of extending deposits in PPF & Bank Saving accounts and loans and advances given to his family/friends along with the value of the taxable supply i.e. "Renting of immovable property" for the purpose of calculating the threshold limit of Rs.20 Lakh for obtaining registration under GST law," the AAR said.

Source: AR No. GUJ/GAAR/R/2020/10, dated 23rd June,2020

ITC cannot be availed on GST paid for hiring vehicles for employees transportation unless obligated

Issue: Whether ITC will be available on taxi hiring services like pickup/drop-off staff, including ladies and handicapped employees, in odd hours?

Held: Companies will not be able to claim input tax credit (ITC) for GST paid on hiring commercial vehicles for transportation of employees, if providing such a service is not obligatory under any law. The AAR in

its ruling said since the applicant failed to cite any law under which the service of providing transportation facility to its employees is obligatory, ITC will not be available. Therefore, if the facility provided by a taxpayer for transportation of employees is not obligatory under any law for the time being in force, then no ITC will be available to such a taxpayer.

Source: AR No. HP/01/2020, dated 19th May, 2020

PRESS RELEASE



Centre Releases Rs. 36,400 crore as GST Compensation to States

Taking stock of the current situation due to COVID-19 where State Governments need to undertake expenditure while their resources are adversely hit, the Central Government has released the GST Compensation of Rs.36,400 crore to the States/UTs with Legislature for the period from December, 2019 to February, 2020.

The GST Compensation of Rs.1,15,096 crore for period April-November, 2019 had already been released by the Central Government to the States/ UTs with Legislature.

CUSTOMS



CBIC extend the facility of 24x7 Customs clearance at all the Customs formations due to outbreak of COVID-19

As the situation of COVID-19 pandemic is still prevailing and trade continues to face challenges therefore as a measure of facilitation, CBIC has decided to extend the facility of 24x7 Customs clearance at all the Customs formations till June 30, 2020. However, designated Sea Ports/Airports already under 24x7 operations shall continue to function even after June 30, 2020.

Further, the Chief Commissioners are therefore requested to make proper arrangements for the same and deploy a sufficient number of officers on a 24x7 basis at Sea Ports/Air Cargo Stations/ICDs/CFs falling in their jurisdiction. A record may also be maintained of the Bill of Entry/Shipping Bills filed beyond the normal office hours, station wise.

Source: Instruction No. 08/2020-Customs dated 1st June,2020

GST REVENUE COLLECTION

The gross GST revenue collected in the month of June, 2020 is Rs. 90,917crore of which CGST is Rs. 18,980crore, SGST is Rs. 23,970crore, IGST is Rs. 40,302crore (including Rs. 15,709crore collected on import of goods) and Cess is Rs.7,665 crore (including Rs. 607crore collected on import of goods).

The revenues for the month are 91% of the GST revenues in the same month last year. The revenues during the financial year has been impacted due to COVID-19, firstly due to the economic impact of the pandemic and secondly due to the relaxations given by the Government in filing of returns and payment of taxes due to the pandemic. However, figures of past three months show recovery in GST revenues. The GST collections for the month of April was Rs.

32,294 crore which was 28% of the revenue collected during the same month last year and the GST collections for the month of May was Rs. 62,009 crore which was 62% of the revenue collected during the same month last year. The GST collections for the first quarter of the year are 59% of the revenue collected during the same quarter last year. However, a large number of taxpayers still have time to file their return for the month of May, 2020

LET'S TALK

For a deeper discussion of how these issues might affect your business, please contact our Indirect Taxation Team.

VERENDRA KALRA & CO

CHARTERED ACCOUNTANTS

CONTACT DETAILS:

Head Office

75/7 Rajpur Road, Dehradun

T +91.135.2743283, 2747084, 2742026

F +91.135.2740186

E info@vkalra.com

W www.vkalra.com

Branch Office

80/28 Malviya Nagar, New Delhi

E info@vkalra.com

W www.vkalra.com

For any further assistance contact our team at
kmt@vkalra.com

©2020 Verendra Kalra & Co. All rights reserved.

This publication contains information in summary form and is therefore intended for general guidance only. It is not a substitute for detailed research or the exercise of professional judgment. Neither VKC nor any member can accept any responsibility for loss occasioned to any person acting or refraining from actions as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

