

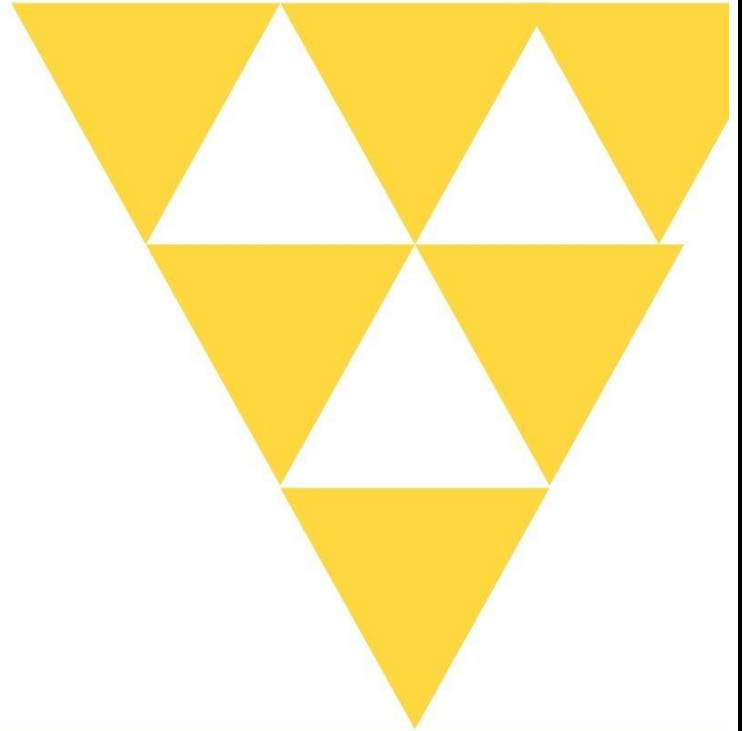


# NEWSLETTER

VOL 3 • SEPTEMBER 2020

DEEPALI MISHRA & ASSOCIATES  
CHARTERED ACCOUNTANTS

## INDIRECT TAX BULLETIN



**KNOWLEDGE PARTNER**



[www.fintaxes.in](http://www.fintaxes.in)

CONTACT US



[deepali.mishra@icai.org](mailto:deepali.mishra@icai.org)



+919711727711



<http://chat.Whatsapp.comBxYCtAs8FDPC7t8kV9dZN4>

## Recent Notifications Issued under GST



### **CBIC extended due date of GSTR-4 for FY 2019-20 to 31st October, 2020 [Notification No. 64/2020-Central Tax dated 31.08.2020]**

CBIC vide Notification No. 64/2020-CT dtd. 31.08.2020 extended the last date to file return in Form GSTR-4 for composition dealers for Financial Year 2019-20 from 31st August, 2020 to 31st October, 2020.

### **Time limit for any compliance/action by NAPA which falls during 20-3-2020 to 29-11-2020 extended to 30-11-2020 [Notification No. 65/2020-Central Tax dated 01.09.2020]**

The time limit for completion or compliance of any action, by the National Anti-Profiteering Authority, in relation to Anti-profiteering measure which falls during the period from 20-3-2020 to 29-11-2020 and which could not be completed, has been extended to 30-11-2020.

### **Time limit for issuance of invoice w.r.t. goods sent/taken out of India on approval extended to 31 Oct, 2020 [Notification No. 66/2020-Central Tax dated 21.09.2020]**

CBIC has extended the time limit for issuance of invoice in respect of goods being sent or taken out of India on approval for sale or return as specified under Section 31(7) of the CGST Act which falls during the period from 20th March, 2020 to 30th October, 2020 and which could not be completed within such period, has been extended to 31st October, 2020.

### **Late fee capped at Rs. 500 for GSTR-4 for quarters from July, 2017- March, 2020; No Late Fee for Nil GSTR-4 [Notification No. 67/2020-Central Tax dated 22.09.2020]**

The govt. has capped the maximum late fee for GSTR-4 to Rs. 500 and fully waived off late fee where tax amount payable is NIL in GSTR-4 for the registered persons who failed to furnish GSTR-4 for the quarters from July, 2017 to March, 2020 by the due date but furnishes the same between the period from 22 September, 2020 to 31 October, 2020.

### **Maximum late fee capped at Rs. 500 for Form GSTR-10 [Notification No. 68/2020-Central Tax dated 22.09.2020]**

The govt. has capped the maximum late fee to Rs. 500 for those registered persons who fail to furnish Form GSTR-10 by the due date but furnishes the same between the period from 22 September, 2020 to 31 December, 2020.

**Extension in time limit for furnishing of annual return & reconciliation statement for FY 2018-19 to 31 Oct, 2020 [Notification No. 69/2020-Central Tax dated 30.09.2020]**

Govt. has further extended the time limit to furnish annual return (Form GSTR-9/9A) and reconciliation statement (Form GSTR-9C) for GST audit for the financial year 2018-19 from September 30, 2020 to October 31, 2020.

**Determining criteria for applicability of e-invoicing has been changed; Exports are also covered [Notification No. 70/2020-Central Tax dated 30.09.2020]**

Govt. has made changes in the provisions of E-invoicing wherein a registered person having aggregate turnover in 'any' preceding financial year from 2017-18 onwards exceeding Rs. 500 crores shall be required to comply with E-invoicing provisions. Further, exports invoices would also be subject to this compliance.

**Requirement for Dynamic Quick Response (QR) code on B2C Invoices deferred to 1st Dec, 2020 [Notification No. 71/2020-Central Tax dated 30.09.2020]**

Govt. has deferred the requirement to mention Dynamic Quick Response (QR) code on invoices issued by a registered person whose aggregate turnover in a financial year from 2017-18 exceeds Rs. 500 crores to an unregistered person (B2C invoices) from 1-10-2020 to 31-12-2020.

**QR Code mandatory to be reported on invoice; Commissioner can exempt this requirement in few cases [Notification No. 72/2020-Central Tax dated 30.09.2020]**

QR Code has been made mandatory to be reported on invoice. Further, Commissioner given the power to exempt a person or a class of registered persons from issuance of invoice with Quick Reference code, having embedded Invoice Reference Number (IRN).

**Ocean/Air Freight exemption for export of goods extended till 30 September, 2021 [Notification No. 04/2020-Central Tax (Rate) dated 30.09.2020]**

The Govt. has extended the exemption provided on services by way of transportation of goods by a vessel/aircraft from customs station of clearance in India to a place outside India to 1 year, i.e., 30-9-2021. Earlier the exemption was available only till 30-9-2020.

**Faceless Assessment ('FA') in Customs: All ports of import and goods shall be governed under 'FA' by 31.10.2020 [CIRCULAR NO.40/2020-CUSTOMS dated 04.09.2020]**

The CBIC has decided to roll-out the Faceless Assessment at an All India level in all ports of import and for all imported goods by 31.10.2020.

## GSTN PORTAL UPDATES



### Using Matching Offline Tool to compare ITC auto drafted in Form GSTR-2B with Purchase Register

An offline tool has been made available to the taxpayers to match Input Tax Credit (ITC), as auto populated in their Form GSTR-2B, with their purchase register. This tool will help the taxpayer to compare their ITC as per their Purchase Register, with the ITC as shown available in their auto drafted Form GSTR-2B and thus help them to claim correct ITC, while filing Form GSTR-3B.

To use the Matching Offline Tool, taxpayer need to:

- Download and install the Offline tool on their system
- Download the Form GSTR-2B JSON file from the GST portal
- Prepare purchase register in the template provided with offline tool
- Total number of documents to match should be preferably be less than 3000 in number

Open the tool. Following boxes are displayed on Offline tool dashboard page:

- GSTR-2B
- Import Purchase Register (PR)
- Matching Result

Import GSTR-2B JSON file, downloaded from GST portal into the tool, by tab 'Open downloaded JSON file' and use it to view the same.

Import the purchase register data, maintained in the template provided with offline tool, using Excel or CSV format, from Import Purchase Register (PR) tile.

Click on 'Match' button to match the above two details (c & d). The utility will match the table wise details based on the criteria for matching selected.

#### Note:

- The 'Match' button will be enabled only if purchase register has been successfully imported into the tool
- The matching is done on the basis of GSTIN, Document type, Document number, Document date, taxable value, total tax amount and tax amounts head wise
- Post matching, user will be navigated to the 'Matching Result' page and matching result will be summarized as Exact match, Partial match, Probable match or Unmatched.

Once matching is complete, taxpayer can:

- Refine matching result
- View summary of the matching result
- Export the matching details to CSV file
- Download the matching result details in excel format from offline utility.

**Important points:**

- Profile of more than one GSTIN can be added in the offline tool for matching or to view GSTR-2B. Profile can be modified later on, if required.
- Normal/SEZ developer/SEZ unit/casual taxpayer can use this tool. They must have valid login credentials and valid GSTIN for the period, for which they intend to view and match details of Form GSTR-2B.

**Delinking of Credit Note/Debit Note from invoice, while reporting them in Form GSTR 1 / GSTR 6 or filing Refund**

Till now, original invoice number was mandatorily required to be quoted by the taxpayers, while reporting a Credit Note or Debit Note in Form GSTR-1 or Form GSTR-6.

The taxpayers have now been provided with a facility on the GST Portal to:

- Report in their Form GSTR-1 or in Form GSTR-6, single credit note or debit note issued in respect of multiple invoices
- Choose the note supply type as Regular, SEZ, DE, Export etc., to identify the table to which such credit note or debit note pertains
- Indicate Place of Supply (POS) against each credit note or debit note, to identify the supply type i.e. Intra-State or Inter-State
- Debit /Credit Notes can be declared with tax amount, but without any taxable value also i.e. if credit note or debit note is issued for difference in tax rate only, then note value can be reported as 'Zero'. Only tax amount will have to be entered in such cases.
- Similar changes have been made while reporting amendments to credit note or debit note

Corresponding changes have also been made in refund module. Thus, while applying for refund, taxpayers can now report such credit notes or debit notes in statements (filed during filing the refund application) without mentioning the related invoice number. The taxpayer would be required to select the document type from a drop-down comprising of invoice/ debit note/ credit note.

The change has been provided while filing refund application of following types/ cases:

- Refund for export of services with payment of tax
- Refund on account of goods & services without payment of tax
- Refund on account of supply of goods or services to SEZ with payment of tax
- Refund on account of supply of goods or services to SEZ without payment of tax
- Refund on account of Inverted duty structure

**Update regarding enabling on e-invoice portal**

- This is with reference to the requirement of certain taxpayers to prepare invoice in terms of Rule 48(4) of CGST Rules (*e-invoicing*).
- As a facilitation measure, all the taxpayers who were having aggregate turnover of Rs. 500 Cr. (from 2017-18 onwards) were enabled on e-invoice portal <https://einvoic1.gst.gov.in/>. The listing is based on GSTR-3B data, as available in GST System.

- One can search the status of enablement of a GSTIN on e-invoice portal: <https://einvoice1.gst.gov.in/> > **Search > e-invoice status of taxpayer**
- In case any registered person, is **required to prepare invoice** in terms of Rule 48(4) but not enabled on the portal, they may request for enablement on portal: '**Registration -> e-Invoice Enablement**'.
- In case any registered person, **who doesn't have the requirement** to prepare invoice in terms of Rule 48(4) but still enabled on the e-invoice portal, the same may be brought to the notice at [support.einv.api@gov.in](mailto:support.einv.api@gov.in) so that necessary action can be taken.
- For more information and help on e-invoicing, please visit: <https://einvoice1.gst.gov.in/> > Help

## LEGAL UPDATES



Where investigation under Central Goods and Services Tax Act was pending against assessee-company, and impugned order of freezing bank account of assessee passed by Deputy Commissioner of Customs (Preventive) in view of investigation initiated against assessee by Anti-Evasion Wing of Central Goods and Services Tax, the order for freezing bank account beyond one year is unjustified, unreasonable and the same has to be set aside.

**Padmavati Industries v. Commissioner of Customs (Preventive), Jaipur [2020] 119 taxmann.com 300 (Rajasthan)**

**In favour of assessee.**

In the present case it has been alleged that the assessee-company has indulged in fraudulent exports by inflating the Prevailing Market Value (for short PMV) and Free On-Board value (for short FOB) in order to claim excess Duty Drawback and other export benefits. Investigation under Central Goods and Services Tax Act initiated, and order of freezing bank account of assessee passed by Deputy Commissioner of Customs (Preventive) in view of investigation initiated against assessee by Anti-Evasion Wing of Central Goods and Services Tax.

The Court observed that

“Once there are allegations of fraud, the Revenue has a larger responsibility and duty to the public. It cannot refuse to take all steps and rest only on freezing of bank accounts of the alleged defaulters. That such an act and which is to be found traceable to different powers and of the nature conferred in the Customs Act, 1962, will not permit the respondents to deprive parties like the petitioner of their source of livelihood. They cannot stop their business by continued freezing of their bank accounts. It is further very clear and requires no reiteration that what is prohibited directly cannot be achieved indirectly or in an oblique manner. A refusal to carry out a duty in accordance with law cannot be justified by such a continued attachment and freezing of the bank accounts. In the given facts and circumstances, we do not see any justification for the same.”

Petitioners consignment detained on ground that there was no mention of tax amounts separately in e-way bill that accompanied transportation of goods was to be released as e-way bill had to be in FORM GST EWB-01.

### **M.S. Steel and Pipes v. Assistant State Tax Officer [2020] 119 taxmann.com 211 (Kerala)**

#### **In favour of assessee.**

Petitioners consignment was detained on ground that there was a discrepancy in e-way bill that accompanied transportation of goods. That, while consignment was supported by an invoice which contained details of goods transported as also tax paid in respect of goods, there was no mention of tax amounts separately in e-way bill that accompanied goods. However, it was found that a person transporting goods is obliged to carry only documents enumerated in rule 138(A) of GST Rules, during course of transportation. A reading of said Rule clearly indicates that e-way bill has to be in FORM GST EWB-01, and in that format, there is no field wherein transporter is required to indicate tax amount payable in respect of goods transported. Therefore, there being no contravention by petitioner of any provision of Act or Rule for purposes of section 129, detention in instant case was not justified.



#### **ABOUT THE AUTHOR**

CA Deepali Mishra is a young proficient Chartered Accountant with almost 9 years of overall experience in the field of Accounting & Finance and almost 3 years of post-qualification experience in the field of Indirect Taxation. She gained rich experience in renowned industries such as Tata Power Delhi Distribution Limited, Reliance Digicable India Private Limited, and Bharti Airtel Limited at a very tender age. Her extensive exposure in the fields of taxation, accounting and auditing always works as a catalyst to execute assignments in the best qualitative manner. She authored various articles on the platform such as Taxmann, LinkedIn Taxguru, Caclubindia and many more. Her easy approach to complex issues made her a trusted advisor to all her clients.

✉ [deepali@fintaxes.in](mailto:deepali@fintaxes.in)

in <https://www.linkedin.com/in/ca-deepali-mishra-370358166/>

#### **DISCLAIMER**

While every care has been taken in the preparation of this note to ensure its accuracy, Deepali Mishra & Associates assumes no responsibility for any errors which may be found herein. Neither this alert nor the information contained herein constitutes a contract or will form the basis of the contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter.