



GST

IMPORTANT GST AMENDMENTS

HSN Code on GST Invoice Mandatory w.e.f. 1st April 2021

- The Taxpayers whose aggregate Turnover is up to Rs.5 crores 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 and Services.
- The Taxpayers whose aggregate Turnover is more than Rs.5 crores in the preceding Financial Year HSN code of 6 digits is mandatory for both B2B and B2C tax invoices on the supplies of Goods and Services.

Note: We recommend to disclose all 8 digits of HSN because eventually the government will move to complete HSN/SAC code.

Input Tax Credit

ITC to be taken only for those invoices whose details are reflected in GSTR-2A/ 2B i.e the respective suppliers (vendors) have uploaded the sales invoices on GST Portal.



Rules for Monthly GSTR 1 & GSTR 3B

For quarterly filing of GSTR-1, where GSTR-3B filing for the preceding tax period is pending, then neither the Invoice furnishing facility (IFF) nor the GSTR-1 for the current quarter is allowed and will not be able to generate E-way bills.



Verification of the application and approval

Time limit for grant of GST registration on successful authentication of Aadhaar **increased from 3 to 7 working days**. On not opting for Authentication of Aadhaar or failure to get Aadhaar Authenticated or where the proper officer deems fit to carry out physical verification of the places of business, the time limit for grant of registration **extended from 7 days to 30 days**.



Quarterly Return Monthly Payment

Registered person may be allowed to furnish GSTR-3B on quarterly basis along with monthly payment of tax (QRMP Scheme), with effect from 01.01.2021.

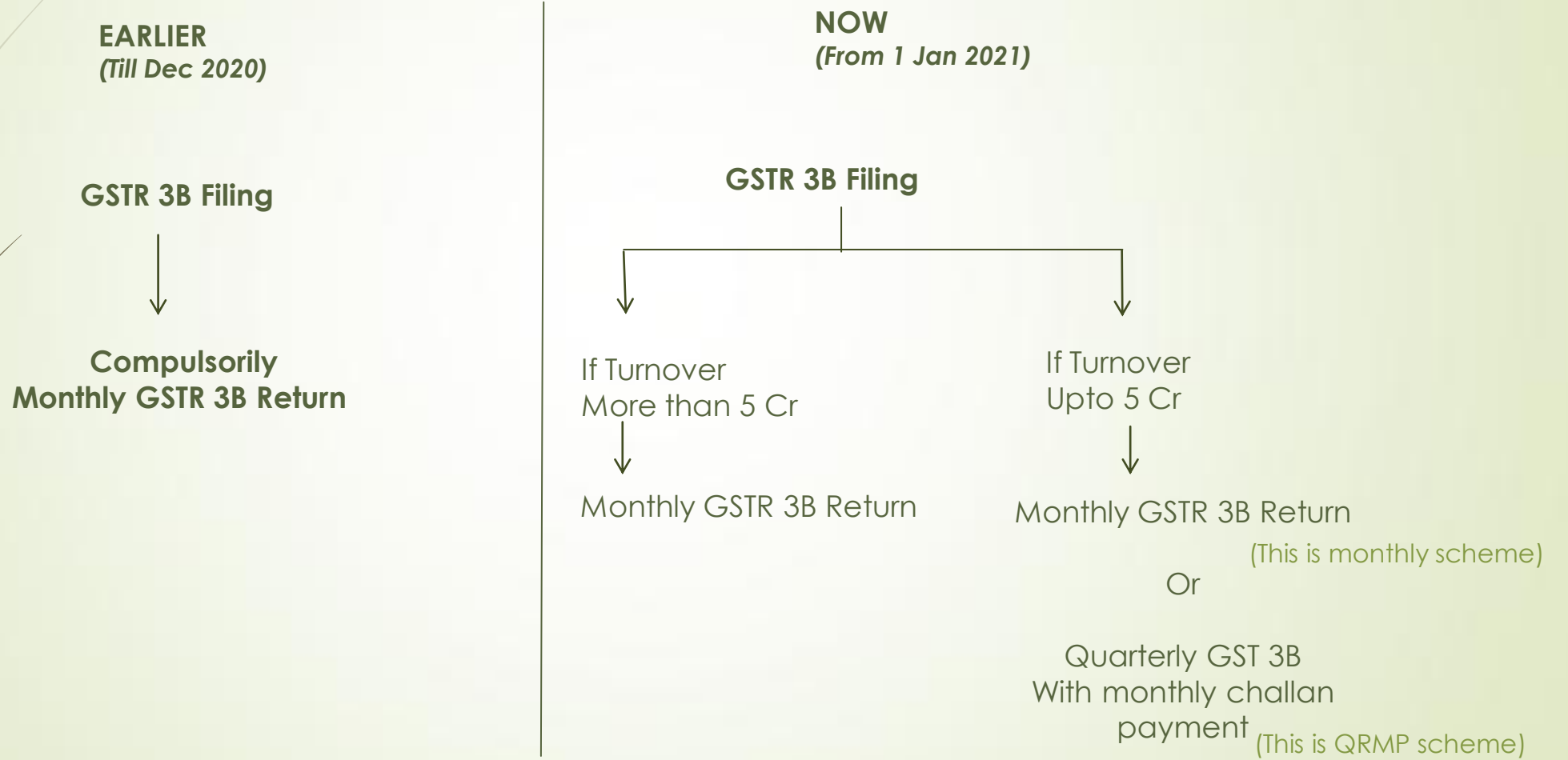


GST
Quarterly Return
Monthly Payment
Scheme

Who is eligible?

- A registered person who is required to furnish a return in FORM GSTR-3B, and who has an aggregate turnover of up to 5 crore rupees in the preceding financial year, is eligible for the QRMP Scheme.
- In case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

Is GSTR3B Return filed Monthly or Quarterly?



Note : However monthly scheme is recommended.

GST PMT-06

The taxpayer has to deposit tax using form GST PMT-06 by the 25th of the following month, for the first and second months of the quarter. The taxpayers can pay their monthly tax liability either in the Fixed Sum Method (FSM), also popular as 35% challan method, or Self Assessment Method (SAM).

S No	Type of Taxpayer	Tax to be paid
1	Who furnished quarterly returns for the last quarter	35% of tax paid in cash in the preceding quarter
2	Who furnished monthly returns during the last quarter	100% of tax paid in cash in the last month of the immediately preceding quarter

Due dates for filing quarterly GSTR-3B

The due dates filing quarterly GSTR-3B has been notified as follows:

S No	GST Registration in States and Union Territories	Due Date
1	Chhattisgarh, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli, Daman and Diu, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh	22nd of the month succeeding such quarter
2	Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Mizoram, Manipur, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha	24th of the month succeeding such quarter

Suspension / Cancellation of GST Registration

- Avail wrong ITC
- Furnishing excess outward supplies in GSTR 1 than GSTR 3B
- Violates Rule 86 B (Without show cause notice they can cancel)



RULE 86B

Restrictions on use of amount available in electronic credit ledger

The applicable registered persons cannot use ITC in excess of 99% of output tax liability. In simple words, more than 99% of the output tax liability cannot be discharged by using input tax credit.



RULE 86B

Applicability

This rule is applicable to registered persons having taxable value of supply (**other than exempt supply and zero-rated supply**) in a month which is more than Rs.50 lakh. The limit has to be checked every month before filing each return.

Turnover > 50 Lakhs per month - 1% of Gross Output Tax Liability shall be payable in Cash

RULE 86B

Provided that the said restriction shall not apply where

- 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.**
- 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
- c) or the registered person is
 - (i) Government Department; or
 - (ii) a Public Sector Undertaking; or
 - (iii) a local authority; or
 - (iv) a statutory body:



Impact of Rule 86B on businesses & working capital

After going through the above restrictions and exceptions introduced by Rule 86B, it is clear that the above rule is applicable only to the large taxpayers. There will be no impact on micro and small businesses. The motto behind the introduction of this rule is to control the issue of fake invoices to use the fake input tax credit to discharge liability.





*Thank
You*