



# Indirect Tax Update

Summary of Notifications issued on 15<sup>th</sup> & 16<sup>th</sup> October 2020

## Key Highlights:

- ✓ Due date Notification
- ✓ Exemptions from filing of Annual Return
- ✓ Mandating HSN in Tax Invoice
- ✓ Filing of Nil CMP-08 through SMS
- ✓ Exemptions from filing of GST Audit
- ✓ Changes in various Forms

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## 1. Notifications Prescribing the Due dates of GSTR-1 for registered persons having turnover less than Rs.1.5 Crores

(Notification No. 74/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government has prescribed the due dates for filing GSTR-1 for the period October 2020 to March 2021 for the taxpayers having an aggregate turnover of up to Rs. 1.5 crores in the preceding FY or current FY quarterly filing of the GSTR-1 vide Notification No. 74/2020 – Central Tax dated 15.10.2020.

<b>Due dates for filing GSTR 1</b>		
<b>Class of Registered Persons</b>	<b>Tax Period</b>	<b>Due Date</b>
Taxpayers having an aggregate turnover of up to Rs. 1.5 crores in the preceding FY or Current FY (i.e. for quarterly return Filing)	Oct- 20 to Dec- 20	13-01-2021
	Jan-21 to Mar-21	13-04-2021

## 2. Notifications extending the Due dates of GSTR-1 for taxpayers having aggregate turnover more than Rs.1.5 crores

(Notification No. 75/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government has extended the due dates for filing GSTR-1 for the taxpayers having an aggregate turnover of above Rs. 1.5 crores in the preceding FY or current FY for the period October 2020 to March 2021 monthly filing of the GSTR-1 vide Notification No. 75/2020 – Central Tax dated 15.10.2020.

<b>Due dates for filing GSTR 1</b>		
<b>Class of Registered Persons</b>	<b>Tax Period</b>	<b>Due Date</b>
Taxpayers having an aggregate turnover of more than Rs. 1.5 crores in the preceding FY or Current FY (i.e. for monthly filing)	Oct-20	11-11-2020
	Nov-20	11-12-2020
	Dec-20	11-01-2021
	Jan-21	11-02-2021
	Feb-21	11-03-2021
	Mar-21	11-04-2021

### 3. Notifications Prescribing the Due Dates of GSTR-3B

(Notification No. 76/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government has prescribed the due dates for Filing GSTR-3B for the period October 2020 to March 2021 (vide Notification No. 76/2020 – Central Tax dated 15.10.2020)

<b>Due dates for filing GSTR-3B</b>			
<b>Sl. No.</b>	<b>Class of Registered Persons</b>	<b>Tax Period</b>	<b>Due Date</b>
<b>1</b>	<b>Taxpayers having an aggregate turnover exceeding Rs. 5 Cr</b>	Oct-20	20-11-2020
		Nov-20	20-12-2020
		Dec-20	20-01-2021
		Jan-21	20-02-2021
		Feb-21	20-03-2021
		Mar-21	20-04-2021
<b>2</b>	<b>Taxpayers having an aggregate turnover up to 5 Cr</b>		
	Whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep,	Oct-20	22-11-2020
		Nov-20	22-12-2020
		Dec-20	22-01-2021
		Jan-21	22-02-2021
		Feb-21	22-03-2021
		Mar-21	22-04-2021
	Whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi	Oct-20	24-11-2020
		Nov-20	24-12-2020
		Dec-20	24-01-2021
		Jan-21	24-02-2021
		Feb-21	24-03-2021
		Mar-21	24-04-2021

#### 4. Option for registered persons from filing Annual returns

(Notification No. 77/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government vide Notification No. 77/2020 – Central Tax dated 15.10.2020 has extended the benefit of option to furnish annual return for those registered persons whose aggregate turnover in financial year does not exceed two Crore Rupees under sub-section (1) of Section 44 of the said Act read with Sub-rule (1) of Rule 80 of the Central Goods and Services Tax Rules, 2017.

**H&A Comments:** The government has extended the benefit to the registered persons having aggregate turnover less than Rs. 2 Crores from filing of GSTR 9 and GSTR - 9A even for FY 2019-20. If it is not furnished on or before due date then the said return shall be deemed to be furnished.

#### 5. Mandating the HSN Code for the Registered Tax Payers

(Notification No. 78/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government has vide Notification No. 78/2020 – Central Tax dated 15.10.2020 have made mandatory from 01<sup>st</sup> April 2021 for the registered persons to mention the HSN code in the Tax Invoice. The digit of HSN code to be mentioned is based on the turnover of the registered persons. The same is as under

<b>Aggregate Turnover in the preceding Financial Year</b>	<b>Number of digits of Harmonised System of Nomenclature Code (HSN Code)</b>
Up to Rupees five crores	4
more than Rupees five crores	6

However, option to mention HSN in the tax invoice has been provided to the registered persons having aggregate turnover up to Rs. 5 Crore in respect of B2C supplies.

**H&A Comments:** The government has made the mentioning of HSN code mandatory for certain class of registered persons which will add the compliance burden to the registered persons

## 6. Making available the SMS facility for filing of FORM GST CMP 08

(Notification No. 79/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government vide Notification No. 79/2020 – Central Tax dated 15.10.2020 has amended Rule 67A of the CGST Rules 2017 and provided the registered persons who have opted for composition scheme, an SMS facility to file **NIL** FORM GST CMP 08 through registered mobile number.

**H&A Comments:** The Government has already provided the same option for filing NIL GSTR-1 and GSTR 3B for regular registered persons now the same facility has been extended to the Composition Tax Payers.

## 7. Exemption from getting audited under the GST Act

(Notification No. 79/2020- Central Tax dated 15<sup>th</sup> October 2020)

The Government vide Notification No. 79/2020 – Central Tax dated 15.10.2020 has amended Rule 80(3) of the CGST Rules 2017 and provided exemption to the registered persons having aggregate turnover up to Rs.5 Crores from getting the books audited under the GST Act for the FY 19-20.

**H&A Comments:** The Government has further extended the benefit provided for the FY 18-19 to FY 19-20 to the registered persons having aggregate turnover up to Rs. 5 Crores.

## 8. Insertion of Fourth Proviso to rule 138E

(Notification No. 79/2020- Central Tax dated 15<sup>th</sup> October 2020)

Rule 138E restricted a registered person from generation of EWB where returns are not filed for two consecutive quarter (composition dealer)/2 consecutive months (for others). However, a proviso has been inserted to rule 138E, giving relaxation during the period from 20.03.2020 to 15.10.2020, where the return in FORM GSTR-3B or the statement of outward supplies in FORM GSTR-1 or the statement in FORM GST CMP-08, as the case may be, has not been furnished for the period February, 2020 to August, 2020. However, the relaxation is not applicable post 15.10.2020.

**H&A Comments:** The restriction provided in rule 138E is not applicable from 20.03.2020 to 15.10.2020 even if the returns not filed for the period February 2020 to August 2020.

## 9. Substitution to wordings in Rule 142(1A)

(Notification No. 79/2020- Central Tax dated 15<sup>th</sup> October 2020)

Following substitutions are made to rule 142 sub rule (1A)

(i) For the words “proper officer shall”, the words “proper officer may” shall be substituted;

(ii) For the words “shall communicate”, the word “communicate” shall be substituted.

**H&A Comments:** Before the amendment the proper officer was mandatorily required to communicate the demand details before service of notice to the registered person. However, post amendment, the proper office is at his discretion to communicate the details of demand.

## 10. Changes made in the Forms

(Notification No. 79/2020- Central Tax dated 15<sup>th</sup> October 2020)

The government has made changes in the various forms which are mentioned below

FORM Name	Changes Made	Impact
GSTR 1	In the HSN Table in place of “total value” the “Rate of Tax” is substituted.	Now the registered persons have to enter HSN details rate wise and would be easy for the department to cross check the HSN and the rates charged.
GSTR 2A	The details of import of goods and inward supplies of goods received from SEZ units/developers will now be available in the auto populated GSTR 2A	With the help of this registered persons can check even the import details paid online which would be handy for the taxpayers as well as the department for filing refund application
GSTR 2A	In the table PART-A to PART-D of FORM GSTR-2A – Amendment has been made to auto populate the few additional details.	With the help of this the taxpayers can now check the date of filing, the filing status along with the effective date of cancellation of the suppliers will be mentioned etc.

GSTR 5& GSTR 5A	In the FORM GSTR-5 and GSTR-5A amendments has been made to disclose and auto populate the few additional details.	Which will help the tax payers to disclose the additional details which will help for better compliance.
GSTR 9	In the table against sl.no 8C the phrase ' <i>received during 2017-18 but availed during April to March/September</i> ' is substituted with ' <i>received during the financial year but availed in the next financial year up to specified period</i> '.	ITC received in the FY however the same has been availed in subsequent year on or before the specified period to be disclosed here. Only the year has been removed to use the same form for different FY.
GSTR 9	For the heading of Part-V, the following heading substituted " <i>Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period</i> ".	Transactions of the relevant financial year but declared in returns from April to September of next FY are declared in Part-V. Only the year has been removed to use the same form for different FY.
GSTR 9	It has been specified in the instructions that in Sl. Nos. 4, 5, 6, 7, the taxpayers shall report the values pertaining to the FY only. It has also been clearly stated that the values relating to preceding FY shall not be reported in the specified tables.	There was no mechanism in GSTR-9 to split the transactions of the preceding FY reported in the returns of the relevant FY. Therefore, it is clarified that only the transactions for the FY are to be reported Sl. Nos. 4, 5, 6, 7 of GSTR-9 where details of outward supplies, taxes, ITC, reversal of ITC, are reported. The transactions relating to preceding FY are not to be declared in these tables.
GSTR 9	It is included in the instructions to Part II of Form GSTR-9 that any additional liability for FY 2019-20 which was not	Part II of Form GSTR-9 contains details of all outward supplies and advances received during the financial year. Any additional liability of FY 2019-20 which



	declared in Forms GSTR-1 or 3B may be declared in this return. Similarly, the words FY 2019-20 have been added to make the instructions relevant for GSTR-9 of FY 2019-20.	was not declared in GSTR-1 or GSTR-3B could be declared in GSTR-9 for FY 2019-20.
GSTR 9	Break up of ITC for capital goods needs to be provided separately in Tables 6B to 6E in GSTR-9 of FY 2019-20. Option is provided for the remaining amount of ITC, which could be bifurcated as inputs and input services, or the entire remaining amount could be reported under “inputs” only.	This may to add the burden of the taxpayers to bifurcate the input tax credit of capital goods separately, for reporting in Table 6B to 6E of GSTR-9 of FY 2019-20. This bifurcation was not required while filing GSTR-3B. Therefore, might not be available handy with the taxpayers. This will be an additional exercise at the time of filing Annual Return of FY 2019-20.
GSTR-9	The option to report the entire amount of reversal of ITC in Table 7H only (instead of bifurcation rule-wise from Table 7A to 7E), has been extended to Annual Return of FY 2019-20 as well.	The option which was available in annual returns of FY 2017-18 and FY 2018-19 to report the entire amount of reversal under table 7H, i.e., “Other Reversals”, has been extended to annual return of FY 2019-20 as well.
GSTR 9	It has been clarified that in Table 8A of GSTR-9 for FY 2019-20, the details from Form GSTR-2A generated as on the 1st November, 2020 would be auto-populated.	It could be understood that Table 8A of Form GSTR-9 for FY 2019-20 which is auto-populated from Form GSTR-2A would include all the details of the returns filed by vendor till 31st October 2020.
GSTR 9	In the instructions to table 8C, the existing instructions for FY	In Table 8C, the details of ITC pertaining to the relevant FY but availed in next FY

	2017-18 and FY 2018-19 have been substituted by the following entry- Aggregate value of input tax credit availed on all inward supplies received during the financial year for which the annual return is being filed for but credit on which was availed in the next financial year within the period specified under Section 16 (4) of the CGST Act, 2017.	up to the due date are required to be reported. The due date to avail ITC under section 16(4) of CGST Act is up to due date of GSTR-3B of Sept of the subsequent FY or date of furnishing of annual return, whichever is earlier.  This amendment was done to make the Form GSTR-9 relevant for all FYs. Only the year has been removed to use the same form for different FYs.
GSTR 9	In the instructions to Part V of Form GSTR-9 of FY 2019-20, it has been specified that Part V consists of transactions for the previous financial year but paid in the Form GSTR-3B between April 2020 to September 2020.	The particulars of transactions of FY 2019-20, which were reported in GSTR-3B from April 2020 to September 2020, are to be declared in Part V of GSTR-9 of FY 2019-20.
GSTR 9	For Table 10 and 11 of GSTR-9 of FY 2019-20, it has been clarified that details of additions or amendments which were furnished in Table 9A, 9B, 9C of Form GSTR-1 of April 2020 to September 2020, are to be declared in table 10 and 11.	Similar instructions for Table 10 & 11 were available for earlier FYs as well. Only the year has been updated to 2019-20.  Based on first proviso to section 37(3), any errors or omission in GSTR-1 could be rectified up to due date of filing GSTR-3B of September of next FY or furnishing of annual return, whichever is earlier.
GSTR 9	For Table 12 of GSTR-9 of FY 2019-20, it has been clarified that aggregate value of reversal	The option of not filling Table 12 of GSTR-9 which was available for FY 2017-18 and FY 2018-19, has been

	<p>of ITC which was availed in FY 2019-20 but reversed in the returns filed for the months of April 2020 to September 2020, are to be reported in Table 12.</p> <p>An option has been provided to the taxpayers to not fill Table 12 of GSTR-9 for FY 2019-20.</p>	<p>extended to FY 2019-20 as well, to ease the compliance burden of the taxpayers.</p>
GSTR 9	<p>For Table 13 of GSTR-9 of FY 2019-20, it has been clarified that details of ITC of goods and services received in FY 2019-20 but ITC for the same was availed in returns filed for the months of April 2020 to September 2020 would be declared in Table 13.</p> <p>An option has been provided to the taxpayers to not fill Table 13 of GSTR-9 for FY 2019-20.</p>	<p>Although, table 13 of Form GSTR-9 has been made optional for FY 2019-20, it is suggested to declare the details of ITC pertaining to FY 2019-20 but availed in GSTR-3B from April 2020 to September 2020, in Table 13, to avoid future departmental queries.</p>
GSTR 9	<p>In the instructions to Part VI of GSTR-9 of FY 2019-20, it has been clarified that the option to fill tables 15A to 15G, 16A to 16C, tables 17 and 18, have been extended to GSTR-9 of FY 2019-20 as well.</p>	<p>The taxpayers would have an option not to fill:</p> <ul style="list-style-type: none"> <li>- Tables 15A to 15G (Particulars of demand and refunds)</li> <li>- Tables 16A to 16C (Details of supplies received from composition taxpayers, deemed supply under job work provisions, goods sent on approval)</li> <li>- Tables 17 and 18 (HSN summary of inward and outward supplies)</li> </ul>
GSTR 9C	<p>In the instructions to Part II of Form GSTR-9C for FY 2019-20,</p>	<p>Although, the option of not filling table 5B to 5K in GSTR-9C has been extended</p>

	<p>it has been clarified that the taxpayers have an option not to fill tables 5B to 5N, and any adjustments required to be reported therein could be reported in Table 5O, i.e. “Adjustments in turnover due to reasons not listed above”.</p>	<p>to GSTR-9C of FY 2019-20 as well. It is suggested to report the adjustments (additions/subtractions) in the turnover under the appropriate headings, in order to avoid future departmental queries regarding reconciliation of turnover with financial statements.</p> <p>The option has been provided to ease the compliance burden of taxpayers.</p>
GSTR 9C	<p>In the instructions to Part IV of Form GSTR-9C for FY 2019-20, it has been clarified that the taxpayers have an option not to fill tables 12B, 12C which require details regarding reconciliation of ITC availed in books and that in annual return Form GSTR-9.</p> <p>Further, Table 14 of Form GSTR-9C has been made optional for FY 2019-20 which requires expense wise breakup of ITC in books of accounts.</p>	<p>The options to fill tables 12B, 12C, and table 14 have been provided to ease the compliance burden of taxpayers. However, if the ITC claimed in returns could be easily reconciled with the books, then the taxpayers have an option to furnish the reconciliation by filling Tables 12B and 12C in GSTR-9C of FY 2019-20.</p>

In addition to the above changes, changes are also done in following forms:

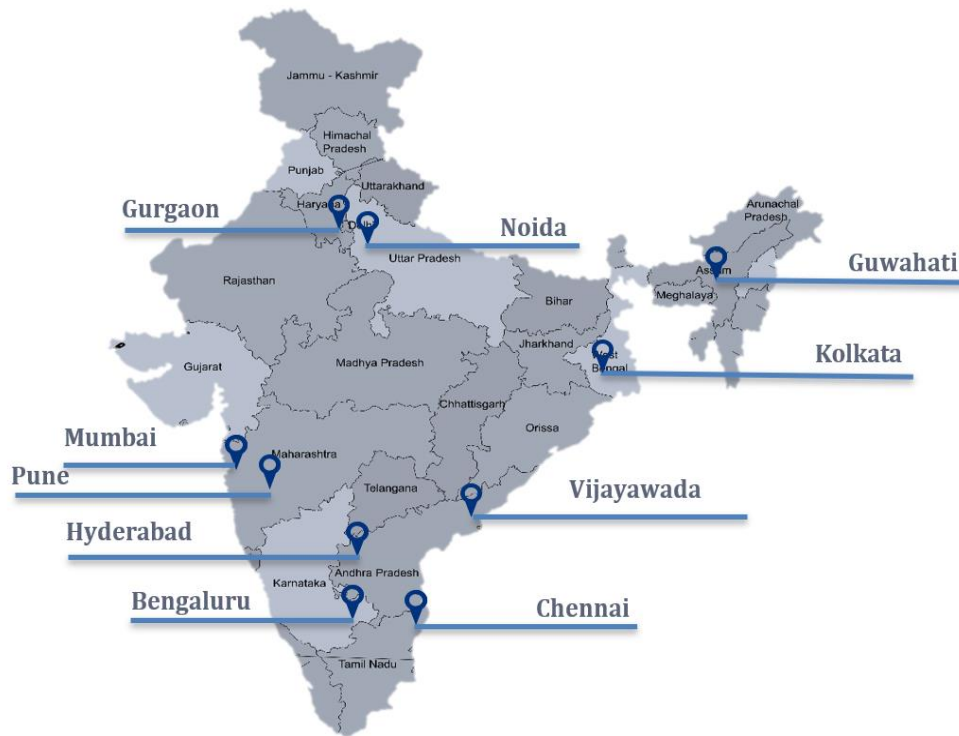
- (a) FORM GST RFD-01 - “(accumulated ITC)” has been omitted from Statement-2
- (b) FORM GST ASMT-16 – a column for ‘Fee’ has been inserted
- (c) FORM GST DRC-01, 02, 07, 08, 09 and 24 - a column for ‘Fee’ has been inserted

## **11. Exemption provided to satellite launch service**

(Notification No. 05/2020- Central Tax dated 16<sup>th</sup> October 2020)

The government vide Notification No. 05/2020 – Central Tax dated 16.10.2020 and Notification No. 05/2020 – Integrated Tax dated 16.10.2020 has granted exemption to the satellite launch services supplied by Indian Space Research Organization, Antrix Corporation Limited or New Space India Limited.

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