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Newsflash: New return filing procedure and expansion of the ambit of E-invoicing w.e.f. 1 January 2021



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*For Client Circulation
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1.0 New return filing procedure w.e.f. January 2021 (Monthly)

Filing of monthly returns viz. GSTR-1 and GSTR-3B would continue for registered person having aggregate turnover above Rs.5 crores in the preceding financial year. The due dates for GSTR-1 and GSTR-3B shall be 11th day and 20th day of succeeding month, respectively.

2.0 New return filing procedure w.e.f. January 2021 (Quarterly)

The scheme of quarterly return filing along with monthly payment of taxes has been introduced for small taxpayers, having aggregate turnover up to Rs.5 crores. Following are the vital points for quarterly returns-

- 2.1. Both the returns viz GSTR-1 and GSTR-3B shall be permissible to file on a quarterly basis with the condition that registered person makes the monthly payment of taxes equal to 35% of taxes paid in last quarter (fixed amount) or self-assessed amount through Challan PMT-06.
- 2.2. Additionally, such registered person shall have an option (invoice furnishing facility) to furnish transaction wise details of outward supplies, up to Rs.50 lakhs per month during the quarter (i.e. first and second month of the quarter).
- 2.3. The registered person will have the option to change the option between monthly and quarterly throughout the year as long as certain conditions are fulfilled.
- 2.4. The due date of the monthly payment in Challan PMT-06 is the 25th day of succeeding month.
- 2.5. The due date for furnishing quarterly GSTR-1 is 13th day of the month succeeding the tax period. The due date for furnishing quarterly GSTR-3B is 22nd or 24th day of the month succeeding such quarter, based on the state in which principal place of business is situated. The facility to upload transaction wise details of outward supplies (quarterly taxpayers) shall be permissible between 1st to 13th day of the month.
- 2.6. Where the amount paid in the first and second month of the quarter exceeds the actual liability of the quarter, the excess amount can be claimed as refund, however, where such amount is short then interest shall be applicable from the due date of payment of tax in Challan PMT-06 till actual payment date. Note

that no interest for short payment of tax shall be applicable if the registered person opts to pay a fixed amount (i.e. 35% of tax paid in the last quarter).

- 2.7.** If there is no tax liability or tax liability is covered by sufficient balance in electronic cash ledger of registered person then there is no need to additionally pay 35% of tax paid in the last quarter.

3.0 Advisory on GSTR-2B (Auto-populated input tax credit details)

- 3.1.** It is a static monthly statement generated on the basis of the information furnished by the vendors in their GSTR-1 or 5 or 6 and will not change once generated for the month.

- 3.2.** Taxpayers are advised to refer GSTR-2B for availing credit in GSTR-3B but are free to avail additional credits or make additional reversals in accordance with the law.

- 3.3.** Taxpayers are advised to ensure that the data generated in GSTR-2B is reconciled with their own records and books of accounts.

- 3.4.** Note that GSTR-2B is not a substitute for existing GSTR-2A although most of the details are same in both the forms and thus existing practice to reconcile input tax credit with GSTR-2A before filing GSTR-3B shall continue.

4.0 Applicability of E-invoicing provision w.e.f. 1 January 2021

- 4.1.** The Government has made mandatory to comply with e-invoicing provisions w.e.f. 1 January 2021 for registered person having aggregate turnover in any preceding financial year [from 2017-18] exceeding Rs.100 crores.

[Source: Notification No.81/2020- Central tax dated 10 November 2020 to Notification No.88/2020- Central tax dated 10 November 2020 and Circular No.143/13/2020-GST dated 10 November 2020]

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This Newsflash has summarized on the New return filing procedure and expansion of the ambit of E-invoicing that would be applicable w.e.f. 1 January 2021. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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