

NEWSLETTER

AJAY RATTAN & CO.

CHARTERED ACCOUNTANTS

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“Taxation is the price which civilized communities pay for the opportunity of remaining civilized”

- Albert Bushnell Hart

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COMPLIANCE | MARCH 2021

Compliance Due Date	Compliance Detail	Applicable To
7 th March	TDS/TCS Deposit	Non- Government deductors.
	Equalization Levy Deposit	All Deductors
10 th March	a) GSTR – 7 (TDS return under GST)	a) Person required to deduct TDS under GST
	b) GSTR – 8 (TCS return under GST)	b) Person required to collect TCS under GST
11 th March	a) GSTR – 1 (Outward supply return)	b) All taxable persons (except composition dealer) who have opted monthly return in QRMP scheme for Quarter March 2021.
13 th March	a) GSTR – 6 [Return by input service distributor (ISD)]	a) Input Service Distributor
	b) Invoice Furnishing Facility- IFF (Details of outward supplies of goods or services)	b) Taxable Persons having Turnover < Rs. 5 crores who have opted quarterly return in QRMP scheme for Quarter March, 2021.
15 th March	a) Deposit of PF & ESI contribution	a) All deductors
	b) 4 th instalment of advance tax for the AY 2021-22.	b) Tax payers liable to pay advance tax
20 th March	a) GSTR – 5 (Return by Non-residents)	a) Non-resident taxable person
	b) GSTR – 5A (online information database access and retrieval services return)	b) OIDAR service provider
	c) GSTR 3B (Summary return)	c) All taxable persons (except composition dealer) who have opted monthly return in QRMP scheme for Quarter March 2021.
25 th March	a) Form GST PMT -06 (Payment of tax for Quarterly Return Filers)	a) All Taxable persons (except composition dealer) having annual turnover < 5crore in FY 2019-20 who have opted quarterly return in QRMP scheme for Quarter March 2021.
31 th March	a) Income Tax Return for AY 2020-21	a) Taxpayer willing to file belated / revised return.
	b) Quarterly Statement of TDS/ TCS Deposited for 1 st and 2 nd Quarters of FY 2020-21	b) All Deductors/ Collectors
	c) Last date to file application under Vivaad Se Vishwas Scheme (VSVS)	c) Taxpayers who want to avail the VSVS scheme
	d) Last date of Linking Aadhaar with PAN	d) Individuals (except senior citizens > 80 years of age, foreign citizens & non-residents)
	e) Last date for filing GSTR 9 for FY 2019-20	e) For registered taxpayer whose turnover is more than 2 crore but less than 5 crore
	f) Last date for filing GSTR 9C for FY 2019-20	f) For registered taxpayers whose turnover is more than 5 crore





FREQUENTLY ASKED QUESTIONS ON QUARTERLY RETURN, MONTHLY PAYMENT OF TAXES (QRMP) SCHEME

PRESS RELEASE, DATED 12-2-2021

Q 1: What is QRMP scheme? What are its benefit?

A: Quarterly Return, Monthly Payment of Taxes (QRMP) Scheme is a scheme to simplify compliance for small taxpayers. Under this scheme, taxpayers having an aggregate turnover at PAN level up to Rs. 5 crore can opt for quarterly GSTR-1 and GSTR-3B filing. Payment can be made in the first two months by a simple challan in FORM GST PMT-06. For the ease of taxpayers, system has assigned quarterly frequency to small taxpayers automatically.

Q 2: Why have I been assigned quarterly filing without opting for the same?

A: Taxpayers eligible for the simplified compliance scheme were assigned quarterly frequency by the GST system. All taxpayers were informed regarding the frequency assigned to them by e-mail and SMS.

Q 3: Why have I been assigned quarterly frequency by system even when my aggregate turnover on PAN is greater than Rs. 5 crore?

A: For the purpose of determining the eligibility for QRMP, the turnover was determined on the basis of the values declared by taxpayers in Table-3.1 of GSTR-3B (except inward supplies attracting reverse charge) for the Financial Year 2019-20. If a component of the turnover, like exempted or non-GST turnover, was not declared by a taxpayer in GSTR-3B or was declared in next financial year, then the turnover computed by the system for such taxpayers could be less than Rs. 5 crore. Such taxpayers may have been assigned to QRMP on the basis of values declared by them in GSTR-3B. Such taxpayers are advised to opt-out of scheme for quarter Apr-Jun'21 by 30th April 2021.

Q 4: Why have I been assigned monthly frequency by system even when my aggregate turnover on PAN is uptoRs. 5 crore?

A: At the time of assigning the frequency by the system, system considered the aggregate turnover of the taxpayer and the filing status of FORM GSTR-3B for the month of October 2020. If the said GSTR-3B was not filed till 30th November 2020, the taxpayer were assigned to monthly frequency. The system allows the taxpayer to opt for QRMP scheme only if the last applicable return in FORM GSTR-3B, whose due date is over, is filed.

Illustration :

If the taxpayer is trying to opt for QRMP Scheme on 25th Feb'21, from Quarter Apr-Jun'21 onwards then it will be allowed only if the return in form GSTR-3B is filed for the month Jan'21.

If the taxpayer is trying to opt for QRMP Scheme on 19th Feb'21, from Quarter Apr-Jun'21 onwards then it will be allowed only if the return in form GSTR-3B is filed for the month Dec'20.

Q 5: I want to opt-out of QRMP scheme and become monthly filer. Why the portal is not allowing me to do same for the quarter Jan-Mar, 2021?

A: The last date to choose or change the filing frequency for the quarter of January to March 2021 was 31st January, 2021. After 31st January 2021, the filing frequency cannot be changed for the quarter January to March 2021.

However, for the quarter of April to June 2021, taxpayers may change their filing frequency from quarterly to monthly from 1st February, 2021 to 30th April, 2021.

It may be noted that profile selection is not a recurring requirement every quarter. Once a frequency has been opted for, it is applicable for all future periods unless changed further.

Q 6: What is IFF? Is it another compliance requirement?

A: Invoice Furnishing Facility (IFF) is an optional facility made available as per Rule-59(2) of the CGST Rules, 2017. This is provided for those quarterly taxpayers who want to pass on input tax credit (ITC) to their recipients (buyers/customers) in first two months of a quarter. Since IFF is an optional facility, it poses no additional compliance burden. It is a facility for those quarterly filers who intend to pass ITC to their recipients in first two months of the quarter. It may be noted that since IFF is an optional facility, IFF for a month will expire after the due date of 13th of next month, and cannot be filed after this date.

Q 7: Is filing IFF mandatorily or optional?

A: Invoice Furnishing Facility (IFF) is an optional facility to those taxpayers who want to pass on input tax credit (ITC) to their recipients (buyers/customers) in first two months of a quarter. Those taxpayers who do not have to pass credit to their recipients need not file IFF in the first two months of the quarter. They may declare their outward supplies in the quarterly FORM GSTR-1. It may be noted that since IFF is an optional facility, IFF for a month will expire after the due date of 13th of next month, and cannot be filed after this date.

Q 8: How do I make payment of my liability in first two months of the quarter?

A: In first two months of the quarter, payment of liability can be made by either of the following two methods:

- a. Fixed Sum Method: Portal will generate a pre-filled challan in Form GST PMT-06. The system generated pre-filled challan in this case is commonly also known as 35% challan.
- b. Self-Assessment Method: The actual tax due is to be paid through challan, in Form GST PMT-06, by considering the tax liability on inward and outward supplies and the input tax credit available for the period as per law.

The due date for making payment by challan is 25th of the next month.

Q 9: What is *fixed sum* method of payment?

A: In fixed sum method, the taxpayer is required to pay a system generated challan in the first two months of a quarter. The system generated pre-filled challan in this case is commonly also known as 35% challan. If fixed sum method is opted for by the taxpayer & there is no ITC to be passed in that month, then except for paying system generated challan, no other compliance requirement is there in the first two months of the quarter.

Q 10: How is the 35% challan computed under the fixed sum method?

A: Under the fixed sum method, depending on the filing frequency in the previous quarter, the 35% challan is calculated by either of the following methods:

Method (a) :

An amount which is equivalent to the amount paid as tax from electronic cash ledger in their **GSTR-3B** return for the last month of the immediately preceding quarter, where the **GSTR-3B** return was furnished on monthly basis.

OR

Method (b) :

35% of amount paid as tax from electronic cash ledger in their return for the preceding quarter, where the GSTR-3B return was furnished on quarterly basis; or

It may be noted that since QRMP scheme is introduced in January 2021, all taxpayers were monthly filers in December 2020. Hence, the 35% challan will be populated as per method (a) for the quarter of January to March 2021 for quarterly filers.

Illustration:

Method (a) :

Taxpayer paid liability by cash amounting to Rs. 5500/- [IGST: Rs. 2,000/-, CGST: Rs. 1,000/-, SGST: Rs. 2,500/-] in monthly **GSTR-3B** for December 2020. The 35% challan generated as per the fixed sum method for January to March 2021 quarter will be of Rs. 5,500/- with the same head-wise break-up.

Method (b) :

Taxpayer paid liability by cash amounting to Rs. 7000/- [IGST: Rs. 1,000/-, CGST: Rs. 2,000/-, SGST: Rs. 4,000/-] in quarterly GSTR-3B for January to March 2021. The 35% challan generated as per the fixed sum method for April to June 2021 quarter will be of Rs. 2,450/- [IGST: Rs. 350/-, CGST: Rs. 700/-, SGST: Rs. 1,400/-].

Q 11: How do I declare B2C supplies in IFF for first two month of quarter if I have opted for QRMP?

A: Supplies made to unregistered persons (also called B2C supplies) are not required to be declared in IFF. These may be declared in FORM GSTR-1 for the quarter.

Q 12: How will I reconcile the values declared in IFF & GSTR-1 with quarterly GSTR-3B?

A: Taxpayers will be provided with a draft GSTR-3B, which will contain the details of the liability to be paid by taxpayers in the quarterly GSTR-3B. This will be prepared on the basis of the supplies declared in FORM GSTR-1 for the quarter. It will also contain data from the optional IFF, if any is filed in either of the first two months of the quarter. The said system computed values will also be auto-populated in quarterly GSTR-3B.

Q 13: How do I claim ITC for the first two months of the quarter?

A: In first two months of the quarter, no declaration pertaining to ITC is required to be made. The available ITC for the entire quarter will be made available by the system in quarterly **FORM GSTR-2B**. This quarterly facility will be in addition to the **FORM GSTR-2B** being made available on *monthly* basis, which can still be used for doing self-assessment.

SECTION 31 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, READ WITH RULES 46 AND 54 OF THE CENTRAL GOODS AND SERVICES TAX RULES, 2017 - TAX INVOICE - CLARIFICATION IN RESPECT OF APPLICABILITY OF DYNAMIC QUICK RESPONSE (QR) CODE ON B2C INVOICES AND COMPLIANCE OF NOTIFICATION No. 14/2020- CENTRAL TAX, DATED 21-3-2020

CIRCULAR NO. 146/02/2021-GST [F. NO. CBEC-20/16/38/2020-GST], DATED 23-2-2021

[Notification No. 14/2020-Central Tax, dated 21st March 2020](#) had been issued which requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 1-12-2020. Further, *vide* Notification No. 89/2020-Central Tax, dated 29th November 2020, penalty has been waived for non-compliance of the provisions of Notification No. 14/2020 - Central Tax for the period from 1st December, 2020 to 31st March, 2021, subject to the condition that the said person complies with the provisions of the said Notification from 1st April, 2021.

2. Various references have been received from trade and industry seeking clarification on applicability of Dynamic Quick Response (QR) Code on B2C (Registered person to Customer) invoices and compliance of [Notification No. 14/2020-Central Tax, dated 21st March 2020](#) as amended. The issues have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, 2017, hereby clarifies the issues in the table below:

S.No.	Issues	Clarification
1	To which invoice is Notification No. 14/2020-Central Tax, dated 21st March 2020 applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?	<p>This notification is applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds Rs.500 Cr.in any of the financial years from 2017-18 onwards. However, the said notification is not applicable to an invoice</p> <p>i. Where the supplier of taxable service is:</p> <ol style="list-style-type: none"> a) an insurer or a banking company or a financial institution, including a non-banking financial company; b) a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage; c) supplying passenger transportation service; d) supplying services by way of admission to exhibition of cinematograph in films in multiplex screens. <p>ii. OIDAR supplies made by any registered person, who has obtained registration under section 14 of the IGST Act 2017, to an unregistered person.</p> <p>As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person, however, as e-invoices are required to be issued in respect of supplies for exports, in terms of Notification No. 13/2020-Central Tax, dated 21st March, 2020 treating</p>

		them as Business to Business (B2B) supplies, Notification no. 14/2020-Central Tax, dated 21st March, 2020 will not be applicable to them.
2.	What parameters/ details are required to be captured in the Quick Response (QR) Code?	<p>Dynamic QR Code, in terms of Notification No. 14/2020-Central Tax, dated 21st March, 2020 is required, inter-alia, to contain the following information: -</p> <ol style="list-style-type: none"> i. Supplier GSTIN number ii. Supplier UPI ID iii. Payee's Bank A/C number and IFSC iv. Invoice number & invoice date, v. Total Invoice Value and vi. GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc. <p>Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.</p>
3.	If a supplier provides/displays Dynamic QR Code, but the customer opts to make payment without using Dynamic QR Code, then will the cross reference of such payment, made without use of Dynamic QR Code, on the invoice, be considered as compliance of Dynamic QR Code on the invoice?	<p>If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements.</p> <p>In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice:</p> <ol style="list-style-type: none"> i. Using any mode like UPI, credit/debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code, and the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment like UPI, Credit card, Debit card, online banking etc.) on the invoice ; or ii. In cash, without using Dynamic QR Code and the supplier provides a cross reference of the amount paid in cash , along with date of such payment on the invoice; <p>The said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.</p>

4.	<p>If the supplier makes available to customers an electronic mode of payment like UPI Collect, UPI Intent or similar other modes of payment, through mobile applications or computer based applications, where though Dynamic QR Code is not displayed, but the details of merchant as well as transaction are displayed/captured otherwise, how can the requirement of Dynamic QR Code as per this notification be complied with?</p>	<p>In such cases, if the cross reference of the payment made using such electronic modes of payment provide Dynamic QR Code on the invoice is made on the invoice, the invoice shall be deemed to comply with the requirement of Dynamic QR Code.</p> <p>However, if payment is made after generation/issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice</p>
5.	<p>Is generation/printing of Dynamic QR Code on B2C invoices mandatory for pre-paid invoices <i>i.e.</i> where payment has been made before issuance of the invoice?</p>	<p>If cross reference of the payment received either through electronic mode or through cash or combination thereof is made on the invoice, then the invoice would be deemed to have complied with the requirement of Dynamic QR Code.</p> <p>In cases other than pre-paid supply <i>i.e.</i> where payment is made after generation/issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>
6.	<p>Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?</p>	<p>The provisions of the notification shall apply to each supplier/registered person separately, if such person is liable to issue invoices with Dynamic QR Code for B2C supplies as per the said notification. In case, the supplier is making supply through the E-commerce portal or application, and the said supplier gives cross references of the payment received in respect of the said supply on the invoice, then such invoices would be deemed to have complied with the requirements of Dynamic QR Code. In cases other than pre-paid supply <i>i.e.</i> where payment is made after generation/issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>



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