

L&S UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

OCTOBER 7, 2020

GST

Recommendations of the 42nd GST Council Meeting

UPDATE NO. 41 OF 2020



Lakshmikumaran
& Sridharan
attorneys

exceeding expectations
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A. ROADMAP FOR ENHANCEMENT IN FEATURES OF RETURN FILING:

Objectives:

- Ease of doing business, improving compliance and simplifying returns.
- Timely furnishing of GSTR-1 by a taxpayer and his suppliers.
- Viewing of ITC available in electronic credit ledger from all sources.
- Auto-populated GSTR-3B through the data filed by the taxpayer and all his suppliers.

Decisions:

- GSTR-3B Auto-generation:
 - i) Auto-population of liability from own GSTR-1 w.e.f. January 01, 2021; and
 - ii) Auto-population of ITC from suppliers' GSTR-1 through Form GSTR-2B
 - for monthly filers w.e.f. January 01, 2021 and
 - for quarterly filers w.e.f. April 01, 2021;
 - iii) GSTR 1 mandatory before filing GSTR3B w.e.f. April 01, 2021
- GSTR-1/3B return filing system to be extended till March 31, 2021. GST laws to be amended to make GSTR-1/3B return filing system as the default return filing system.
- Due date of GSTR-1 by quarterly taxpayers to be 13th of the month w.e.f. January 01, 2021.
- For small taxpayers having aggregate annual turnover < INR 5 crore
 - i) Earlier recommendation of allowing quarterly return with monthly payments to be implemented w.e.f. January 01, 2021.
 - ii) For the first two months of the quarter, option to pay 35% of the net cash tax liability of the last quarter using an auto generated challan.

B. REVISED HSN / SAC REQUIREMENT IN INVOICES

- 6 digits for taxpayers with aggregate annual turnover above INR 5 crore
- 4 digits for B2B supplies for taxpayers with aggregate annual turnover up to INR 5 crore.
- Power to notify 8 digit HSN on notified class of supplies by all taxpayers.

C. AMENDMENTS IN CGST RULES:

Various amendments in the Central Goods and Services Tax Rules, 2017 ('CGST Rules') and FORMS have been recommended which include provision for furnishing of Nil FORM CMP-08 through SMS.

- D. Refund to be paid/disbursed in a validated bank account linked with the PAN & Aadhaar of the registrant w.e.f. January 01, 2021.
- E. Compensation Cess to be extended beyond period of five years i.e. beyond June, 2022, for such period as may be required to meet the revenue gap.
- F. Satellite launch services supplied by ISRO, Antrix Corporation Ltd. and NSIL would be exempted.



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