



INDIRECT TAX NEWSLETTER

June, 2021 (updated till 01.06.2021)



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REGULATORY UPDATES

GST LAW

NOTIFICATIONS

❖ **Notification No. 16/2021 – CT, dated 01.06.2021.**

The CBIC has appointed 01.06.2021 on which Section 50 of CGST Act, 2017, which mandates the **payment of interest on net cash liability**, will come into force with **retrospective effect from 01.07.20217**.

❖ **Notification No. 17/2021 – CT, dated 01.06.2021.**

The CBIC has extended the due date for **furnishing GSTR-1 from 11.06.2021 to 26.06.2021 for the month of May, 2021**.

❖ **Notification No. 18/2021 – CT, dated 01.06.2021.**

The CBIC has provided the **relief to the taxpayers w.r.t. the interest payable on the output tax liability** if paid after the due dates for the respective period, as represented below. The same shall come into force w.e.f. 18.05.2021.

Taxpayer having an Aggregate Turnover	Months/Quarter	Due date	Revised Interest Relief from the due date
More than ₹ 5 Cr. in the preceding FY	Mar, 2021	20.04.2021	For the first 15 days: 9% thereafter: 18%
	Apr, 2021	20.05.2021	
	May, 2021	20.06.2021	
Up to ₹ 5 Cr. in the preceding FY (Monthly filers)	Mar, 2021	20.04.2021	For the first 15 days: Nil For next 45 days: 9% thereafter: 18%
	Apr, 2021	20.05.2021	For the first 15 days: Nil For next 30 days: 9% thereafter: 18%
	May, 2021	20.06.2021	For the first 15 days: Nil For next 15 days: 9% thereafter: 18%
Up to ₹ 5 Cr. in the preceding FY (Opted for quarterly option)	Mar, 2021	22.04.2021* or 24.04.2021**	For the first 15 days: Nil For next 45 days: 9% thereafter: 18%
	Apr, 2021	25.05.2021	For the first 15 days: Nil For next 30 days: 9% thereafter: 18%
	May, 2021	25.06.2021	For the first 15 days: Nil For next 15 days: 9% thereafter: 18%
Person regd. under Composition levy (GSTR-4)	Quarter ended Mar, 2021	18.04.2021	For the first 15 days: Nil For next 45 days: 9% thereafter: 18%



**Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Pondicherry, Andaman and Nicobar Islands, Telangana, and Andhra Pradesh.*

***Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, and Odisha*

❖ **Notification No. 19/2021 – CT, dated 01.06.2021.**

The CBIC has rationalized the late fee for the taxpayers who delays in furnishing GSTR-3B, as represented below. The same shall come into force w.e.f. 20.05.2021.

GST Return	Taxpayers having aggregate turnover	Late fee capped to maximum
GTR-3B (Nil tax liability)	All Taxpayers	Rs. 500/- per return (Rs. 250 each for CGST and SGST)
GTR-3B (Others)	Upto Rs. 1.5 Cr in the preceding FY	Rs. 2,000/- per return (Rs.1,000/- each for CGST and SGST)
	Between Rs. 1.5 Cr to Rs. 5 Cr. in the preceding FY	Rs. 5,000/- per return (Rs.2,500/- each for CGST and SGST)
	More than Rs. 5 Cr. in the preceding FY	Rs. 10,000/- per return (Rs.5,000/- each for CGST and SGST)

This has been a substantial reduction from the earlier capping of the total of Rs. 10,000/- per return (Rs. 5,000/- each for CGST and SGST).

Under the amnesty scheme, the relief provided to taxpayers by reducing the rate of late fee for pending return.

At present, section 47 provides for late fee wherein the maximum late fee capping stands at Rs. 10,000 per return (Rs. 5,000/- each for CGST and SGST), which has been reduced substantially for the benefit of defaulting taxpayers.

GST Return	Months/Quarter	Late fee capped to maximum
GSTR-3B (Nil tax liability)	Jul 2017 to Apr 2021	Rs. 500/- per return (Rs.250/- each for CGST and SGST)
GSTR-3B (Others)		Rs. 1,000/- per return (Rs.500/- each for CGST and SGST)

Reduced late fee capping applies only if the pending returns are furnished between **01.06.2021 and 31.08.2021**.

❖ **Notification No. 20/2021 – CT, dated 01.06.2021.**

The CBIC has **reduced/waived the late fee** for the taxpayer who delays in furnishing GSTR-1, as represented below. The same shall come into force w.e.f. 01.06.2021.

GST Return	Taxpayers having aggregate turnover	Late fee capped to maximum
GTR-1 (Nil outward taxable supply)	All Taxpayers	Rs. 500/- per return (Rs. 250 each for CGST and SGST)



GTR-1 (Others)	Upto Rs. 1.5 Cr in the preceding FY	Rs. 2,000/- per return (Rs.1,000/- each for CGST and SGST)
	Between Rs. 1.5 Cr to Rs. 5 Cr. in the preceding FY	Rs. 5,000/- per return (Rs.2,500/- each for CGST and SGST)
	More than Rs. 5 Cr. in the preceding FY	Rs. 10,000/- per return (Rs.5,000/- each for CGST and SGST)

❖ **Notification No. 21/2021 – CT, dated 01.06.2021.**

The CBIC has **reduced/waived the late fee** for the taxpayers who delay in furnishing **GSTR-4**, as represented below. The same shall come into force w.e.f. 01.06.2021.

GST Return	Class of Registered Persons	Late fee capped to maximum
GTR-4 (Nil tax liability)	All Taxpayers	Rs. 500/- per return (Rs. 250 each for CGST and SGST)
GTR-4 (Others)		Rs. 2,000/- per return (Rs.1,000/- each for CGST and SGST)

❖ **Notification No. 22/2021 – CT, dated 01.06.2021.**

The CBIC has **capped the maximum late fee to Rs. 2,000/- per return** (Rs. 1,000 each for CGST and SGST) and reduced to **Rs. 50/- per day** (Rs. 25 CGST + Rs. 25 SGST) for taxpayers who delay in furnishing the **GSTR-7**. The same shall come into force w.e.f. 01.06.2021.

❖ **Notification No. 24/2021 – CT, dated 01.06.2021.**

The CBIC has provided the relaxation of the time limit for compliance (which falls during the period from 15.04.2021 to 29.06.2021 till 30.06.2021) under GST Law as follows:

Particulars	Original Date	Revised Date
Filing of any appeal, reply or application or furnishing of any report, document, return statement, or such other record, by whatever name called	15.04.2021 to 29.06.2021	30.06.2021
Completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission, or tribunal, by whatever name called	15.04.2021 to 29.06.2021	30.06.2021

However, such extension of time **shall not be applicable** for the compliances of the following provisions of the said Act, namely: -

a. Chapter IV	Time and Value of Supply
b. Section 10(3)	Composition Person to Normal Person
c. Section 25	Registration
d. Section 27	Casual Taxable Person and Non-Resident Taxable Person
e. Section 31	Tax Invoice
f. Section 37	Furnishing Details of Outward Supplies
g. Section 47	Levy of Late Fees
h. Section 50	Interest Delayed Payment of Tax
i. Section 69	Power to Arrest
j. Section 90	Liability of Partner of Firm to pay Tax
k. Section 122	Penalty for Certain Offences
l. Section 129	Detention, Seizure and release of goods and Convey in Transit



m. Section 39	Filing Return except TDS, ISD and NRTP Return
n. Section 68	In so far as e-way bill is concerned
o. Rules made under the provisions specified at clause (a) to (n) above	

Provided that where any time limit for completion of any action by any authority or by any person, specified in or prescribed or notified under rule 9 of the Central Goods and Services Tax Rules, 2017 falls during the period from 01.05.2021 to 30.06.2021, and where completion of such action has not been made within such time, then the time limit for completion of the action shall be extended upto the 15.07.2021.

Also, in cases where a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of an order in terms of the provisions of sub-section (5), read with sub-section (7) of section 54 of the said Act **falls during the period from 15.04.2021 to 29.06.2021**, the time limit for issuance of the said order **shall be extended to fifteen days** after the receipt of the reply to the notice from the registered person or 30.06.2021, whichever is later.

❖ **Notification No. 25/2021 – CT, dated 01.06.2021.**

The CBIC has extended the due date from 30.04.2021 to **31.07.2021** for furnishing the **GSTR-4 for the F.Y. 2020-21**. The same shall come into force w.e.f. 31.05.2021.

❖ **Notification No. 26/2021 – CT, dated 01.06.2021.**

The CBIC has extended the due date from 25.04.2021 to **30.06.2021** for furnishing **ITC-04 for Jan-Mar, 2021**. The same shall come into force w.e.f. 31.05.2021.

❖ **Notification No. 27/2021 – CT, dated 01.06.2021.**

In addition to the above-captioned reliefs, the CBIC has provided few more reliefs to the taxpayers, as represented below. The same shall come into force w.e.f. 01.06.2021.

- i. Companies are allowed to file **GSTR-3B and GSTR-1 (including IFF)** by using the **electronic verified code (EVC)** till **31.08.2021**.
- ii. Rule 36(4) of CGST Rule, 2017 restricts the availment of input tax credit beyond 5% of the ITC reflected in Form GSTR 2A/2B. However, the said restriction **will not apply in individual months** of Apr, May and Jun, 2021 but **will apply cumulatively** for the period Apr, May and Jun, 2021 and the return in FORM GSTR-3B for the month of Jun, 2021 is to be furnished with the cumulative adjustment of input tax credit for those months.
- iii. Registered person may furnish details of outward supplies using **Invoice Furnishing Facility (IFF)** for the month of **May, 2021** between the period **01.06.2021 to 28.06.2021**.

ADVISORY/INSTRUCTIONS

- Rule 60(7) of CGST Rules 2017 prescribes for generation of the auto-drafted statement containing the details of input tax credit in FORM GSTR-2B for counter-party recipients. As per Rule 60(8) of CGST Rules 2017, FORM GSTR-2B shall be made available to the recipients after the due date of filing GSTR-1/IFF by the suppliers. Notification No. 12/2021-CT and 13/2021-CT, both dated 01.05.2021 extend the due date of GSTR-1 and IFF for April 2021, to 26.05.2021 and 28.05.2021, respectively.



Consequently, GSTR-2B for April 2021 will be generated on 29.05.2021, after the due date of filing GSTR-1/IFF. Taxpayers willing to file FORM GSTR-3B for April 2021 before GSTR-2B generation may do so on a self-assessment basis. Notification No. 13/2021-CT dated 01.05.2021 prescribes a cumulative limit under Rule 36(4) for ITC claimed in periods April and May 2021.

CUSTOMS LAW

NOTIFICATIONS

❖ **Notification No. 31/2021 – Cus, dated 31.05.2021.**

The CBIC has extended the exemption of the customs duty up to **31.08.2021** on the import of Amphotericin B.

❖ **Notification No. 32/2021 – Cus, dated 31.05.2021.**

The CBIC has extended the exemption of IGST up to **31.08.2021** on import COVID-19 relief material subject to specified conditions.

CIRCULARS

❖ **Circular No. 10/2021 – Cus, dated 17.05.2021.**

The CBIC has clarified in relation to the changes introduced through the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021. Major changes have been highlighted below:

Job work:

The scope of the job work facility has been extended to an importer who is a manufacturer but without a complete manufacturing facility. Also, 100% outsourcing for the manufacture of goods on a job-work basis has been permitted for importers who do not have any manufacturing facility at all. However, sensitive sectors such as gold, articles of jewellery and other precious metals or stones have been excluded from the facility of job work.

Import and clearance of capital goods:

An option has been given to the importers to import capital goods for a specified purpose at a concessional rate of duty and after having put such capital goods to use for the said purpose, clear the same after payment of the differential duty and interest, at a depreciated value, with permission from the jurisdictional Customs Officer.

Intimation before import:

As and when the details are available, the importer shall provide information to the jurisdictional Customs Officer regarding the estimated quantity and value of goods to be imported, the exemption notification and serial number, and estimated duty forgone and the port of import with respect to a consignment. This information may be provided by email on a consolidated basis for a period not exceeding one year rather than in a transactional manner for every import.

Clearance of goods from the port of import:

The importer shall also provide a copy of the intimation provided to the jurisdictional Customs Officer to the port of import. It is clarified that for this purpose, it is sufficient to upload such intimation copy on e-Sanchit and link the same along with the other documents when filing the bill of entry. On this basis, the goods shall be allowed clearance at a concessional rate of duty.



Receipt of goods at premises of importer/job worker:

The receipt of the imported goods is to be intimated to the jurisdictional Customs Officer. It is clarified that goods may also be sent directly to the premises of a job worker and in such cases, the importer shall intimate by email such receipt of goods to the jurisdictional Customs Officer (of the job worker) along with the copy provided to the jurisdictional customs officer (of the importer).

Goods sent for job work from importer's premises:

In cases where the goods are first received at the premises of the importer and are then to be sent for job work therefrom, the importer shall send the goods after giving an email intimation to the jurisdictional Customs Officer. Such intimation may be given periodically job worker wise, latest by 5th of each month for the goods sent for job work in the previous month. The importer shall always maintain a proper account of the goods being sent or received.

EXEMPTION ORDER

❖ Ad hoc Exemption Order No. 04/2021 – Cus, dated 31.05.2021.

The CBIC has extended the exemption of IGST up to **31.08.2021** on imports of specified COVID-19 relief material donated from abroad.

FOREIGN TRADE POLICY

NOTIFICATIONS

❖ Notification No. 07/2015-2020, dated 01.06.2021.

The DGFT has amended the export policy of Amphotericin - B Injections from the "Free" category to the "Restricted" category.

PUBLIC NOTICES

❖ Public Notice No. 05/2015-2020, dated 27.05.2021.

The DGFT has revised the fee to Rs. 200/- per certificate to be charged for CoO (Non-Preferential).

TRADE NOTICES

❖ Trade Notice No. 03/2021-22 dated 10.05.2021.

The DGFT has introduced a new online module for electronic filing and issuance of Export Authorisation for Restricted Items (Non-SCOMET) w.e.f. 17.05.2021.

❖ Trade Notice No. 04/2021-22 dated 10.05.2021.

The DGFT has specified that the Regional Authorities will not insist for the RCMC (expired on or before 31.03.2021) from the applicant for any incentive/authorization. The same shall be deemed to be valid till 30.09.2021.



❖ **Trade Notice No. 05/2021-22 dated 19.05.2021.**

The DGFT has introduced an online e-EPCG Committee module for accepting applications seeking relaxation in Policy/Procedure in terms of para 2.58 of FTP 2015-20.

❖ **Trade Notice No. 06/2021-22 dated 25.05.2021.**

The DGFT has delineated the procedure for the mandatory recording of information about transfer of DFIA (Duty-Free Import Authorization) Scrips and Paperless issuance of DFIA Scrips. Further, the issuance of paper copies of DFIA scrips (for EDI Ports) shall be discontinued w.e.f. 7.06.2021.

Security Paper copies of DFIA Scrips shall continue to be issued for Non-EDI Ports. Any transfer of DFIA Scrips issued on or after this date shall be mandatorily recorded in the online system. The record of such transfers shall be mandatory for EDI ports as well as non-EDI Ports.

JUDICIAL UPDATES

GST LAW

❖ **M/s. Sonam Berlia Vs State of Odisha and others; W.P.(C) No.157 of 2020: –**

In the instant matter, the Petitioner's business premises were impounded by the Director-General of Goods and Services Tax Intelligence (DGGSTI), Bhubaneswar Zonal Unit. During the course of search records, documents were seized, and summons were issued to the Petitioner. Concurrently, the Additional CT and GST Officer (State Authority) had issued the SCN alleging that the tax dues have not been paid or short paid or refund has been released erroneously or input tax credit has been wrongly availed or utilized as provided u/s 74 of the OGST Act. The Hon'ble High Court of Orissa quashed the SCN issued by the State Authorities holding that simultaneous investigation cannot be initiated by Central and State GST Authorities and directed that, till the conclusion of the proceedings initiated against the Petitioner by the DGGSTI, no coercive action should be taken against the Petitioner by the State GST authority: **High Court of Orissa.**

❖ **M/s. Shree Gobind Alloys Pvt. Ltd. Vs Union of India and others; W.P.(C) No. 16242 of 2021: –**

In the instant matter, the Petitioner has assailed the vires of Section 16(2)(c) of CGST Act, as per which ITC can be availed by buyer/recipient of goods or services subject to the condition that the supplier of goods or services has discharged its output tax liability, either by utilizing the ITC or by cash. The Petitioner has contended that the ITC will be denied only where purchases are proved to be collusive and in nature of sham (fake) transactions. Further, denying ITC to a buyer of goods or services for default of the supplier of goods or services will be tantamount to shifting the incidence of tax from the supplier to the buyer, over whom it has no control whatsoever, is arbitrary and irrational & therefore violative of the Article 14, Article 19(1)(g) and Article 300A of the Constitution of India. The Hon'ble High Court of Orissa issued the notices to the Government on a plea challenging the denial of ITC to the buyer of goods or services for default of the supplier: **High Court of Orissa.**

❖ **M/s. Tvl. Mehar Tex Vs Commissioner of Central GST and Central Excise; W.P.(MD)Nos. 22996, 22999 & 23001 of 2019: –**

The Petitioner is an exporter and has made zero-rated sales during the months of October 2017, November 2017, and February 2018. Accordingly, Petitioner stated that he is entitled to refund claims of SGST for the



October month, CGST for the November month, and CGST, SGST, and IGST for the February month. However, when the refund applications were uploaded, the entire claim got consolidated and figured under the head SGST alone. The issue raised in the instant matter was that whether the Petitioner's claim for refund of CGST and IGST can be denied on the ground that the entire refund amount got consolidated under one head i.e., SGST, due to the technical error and new system of software in GSTN. The Hon'ble High Court of Madras held that, if the assessee was otherwise eligible to refund, the refund claim should not be denied on the ground of technical glitches and error occurred due to auto-population in GSTN software: **High Court of Madras**

❖ **M/s. Satyam Shivam Papers Pvt. Ltd. vs Asst. Commissioner St And 4 Others; W.P. No. 9688 of 2020: –**

In the instant matter, the petitioner made an inter-state supply of goods through a tax invoice and generated an e-way bill. The respondent authority detained the goods due to the expiry of the e-way bill and levy the tax and penalty. The Hon'ble High Court of Telangana held that the mere non-extension of the validity of the e-way bill does not amount to tax evasion. The court further ruled that there has been a blatant abuse of power by the 2nd respondent in collecting from the petitioner tax and penalty both under the CGST and SGST and compelling the petitioner to pay Rs. 69,000/- by such conduct. Further, the respondent authority was directed to refund the said amount collected from petitioner within four weeks with interest at the rate of 6% p.a. (when the amount was collected from petitioner till the date of repayment). The respondent was also ordered to pay costs of Rs. 10,000 to the petitioner in four weeks: **Telangana High Court.**

CUSTOMS LAW

❖ **M/s. Baby Marine Seafood Retail Pvt. Ltd. Vs C.C, Cochin; Customs Appeal No. 20401 of 2020: –**

In the instant matter, the appellant is engaged in the business of import of seafood for the purpose of trade and export. The appellant has imported 1000 packages of seafood that are compliant with the Indian food safety standards and submitted the test certificate which would certify, the goods imported were compliant with FSSAI. After import of the consignment, the products in question were subjected to laboratory analysis wherein the same failed in two out of eighteen quality and safety parameters. Since the imported products were not certified by FSSAI the appellants requested permission to re-export the imported goods to the country of export. Thereafter, the original authority vide Order-in-Original confiscated the goods and imposed a redemption fine of Rs. 2 Lakhs u/s 125 of the Customs Act and penalty of Rs. 1 Lakh u/s 112(a) of the Customs Act, 1962 on the appellant. The appellant paid the redemption fine and penalty and re-exported the goods. Thereafter, the appellant filed the appeal before the Commissioner who rejected the said appeal. The Hon'ble CESTAT while deleting the redemption fine and penalty reiterated that the confiscation is permissible only when the goods imported are contrary to the prohibition under Customs Act, 1962. Further, there is no mala fide on the part of the appellant-importer nor a case is made out against them that they have ventured to import prohibited/restricted goods in violation of the provisions of the Customs Act: **CESTAT Bangalore.**



NEWSFLASH

- ❖ GST Council sees a little revenue impact in further easing tax compliance.¹
- ❖ Govt ready for another cut in import duty on steel to tame prices.²
- ❖ The onus placed on importers to curb Chinese goods coming via FTA Countries.³
- ❖ E-way bill integrated with FasTag, RFID; GST authorities to get real-time data of commercial vehicles.⁴
- ❖ COOIT urges Govt to ban the import of refined edible oils from Nepal, Bangladesh.⁵
- ❖ EXIM work at Chennai port takes a hit as 2-wheelers not issued e-passes.⁶
- ❖ Trade with India jumped by over 70% in 2021, shows China's customs data.⁷
- ❖ RoDTEP: Rates for export promotion scheme likely to be announced in 10 days, says FIEO.⁸

¹ <https://www.livemint.com/news/india/gst-council-sees-little-revenue-impact-in-further-easing-tax-compliance-11622801609117.html>

² https://www.business-standard.com/article/economy-policy/govt-ready-for-another-cut-in-import-duty-on-steel-to-tame-prices-121051100700_1.html

³ <https://www.livemint.com/news/india/onus-placed-on-importers-to-curb-chinese-goods-coming-via-fta-countries-11600426918232.html>

⁴ <https://economictimes.indiatimes.com/news/economy/policy/e-way-bill-integrated-with-fastag-rfid-gst-officers-to-get-real-time-data-of-commercial-vehicles/articleshow/82764820.cms>

⁵ <https://www.thehindubusinessline.com/markets/commodities/cooit-urges-govt-to-ban-import-of-refined-edible-oils-from-nepal-bangladesh/article34760752.ece>

⁶ <https://www.thehindubusinessline.com/economy/logistics/exim-work-at-chennai-port-take-a-hit-as-2-wheelers-not-issued-e-passes/article34760320.ece>

⁷ <https://www.hindustantimes.com/world-news/trade-with-india-jumped-by-over-70-in-2021-shows-china-s-customs-data-101623143023368.html>

⁸ <https://www.financialexpress.com/economy/rodtep-rates-for-export-promotion-scheme-likely-to-be-announced-in-10-days-says-fieo/2266878/>



About the firm

RSA Legal Solutions is a top-tier Tax Law firm committed to providing world-class advisory, litigation, and compliance services to businesses, and singularly focused on serving the needs of business clients. The firm specializes in GST, Customs, Foreign Trade Policy, SEZ laws, FEMA, Income Tax, Corporate laws, and other allied laws.

Key Persons

Mr. S.C. Jain (Managing Partner)
Email : scjain@rsalegalsolutions.com
Mob: +91-8588007302

Ms. Shweta Jain (Partner)
Email: shweta@rsalegalsolutions.com
Mob: +91-9891122735

Mr. Rajat Dosi (Partner)
Email: rajat@rsalegalsolutions.com
Mob: +91-8800560580

Mr. Abhishek Jain (Partner)
Email: abhishek@rsalegalsolutions.com
Mob: +91-9873859616

Ms. Anshul Mittal (Partner)
Email: anshul@rsalegalsolutions.com
Mob: +91-8800813451

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