

The following recommendations were made by the GST Council in their 42<sup>nd</sup> meeting:

### **Auto population of GSTR-3B**

- Where a taxpayer and his vendors file GSTR-1 on a timely basis, the following facility would be available to him in GSTR 3B before the due date of payment of tax:
  - Auto population of liability from GSTR-1
  - View ITC available in electronic credit ledger from all sources i.e. domestic supplies, imports and payment on reverse charge
  - Auto population of input tax credit from suppliers GSTR-1's which is reflected in taxpayers GSTR-2B.
- The aforesaid auto population facility shall be available for monthly taxpayer w.e.f. 1<sup>st</sup> January, 2021 and for quarterly taxpayers from 1<sup>st</sup> April, 2021.

### **Reduction in compliance burden for Small Taxpayers**

- Small taxpayers who have aggregate annual turnover of less than 5 crore would be allowed to file GSTR-1 and GSTR-3B on a quarterly basis. They would however be required to make monthly payments through a challan.
- For the first two months of the quarter, such small taxpayers would have an option to pay 35% of the net cash tax liability of the last quarter using an auto generated challan.

### **Revised due date for Quarterly taxpayer**

- Due date of furnishing quarterly GSTR-1 by quarterly taxpayers to be revised to 13 of the month succeeding the quarter w.e.f. 01.1.2021

### **Increase in burden on taxpayer due to revised requirement of HSN (goods)/SAC (service)**

- Uptill now a taxpayer having annual turnover of more than 5 crores was required to declare only 4 digit HSN/ SAC in invoices and GSTR-1. From 01<sup>st</sup> April, 2021 they would have to declare 6 digit HSN/SAC in their invoice and GSTR-1.
- Uptill now where a taxpayer had annual turnover not exceeding 1.5 crore there was no requirement to declare HSN/SAC code. This requirement was restricted to 2 digit HSN/SAC for taxpayers having turnover not exceeding 5 crore. However, from 01<sup>st</sup> April, 2021 the aforesaid taxpayer would mandatorily be required to declare 4 digit HSN/SAC for B2B supplies.
- The Government to have power to notify 8 digit HSN on notified class of supplies by all taxpayers.

#### **Credit of Refund**

- From 1st January, 2021 taxpayers claiming refund should ensure that the bank account they select for refund is linked with PAN and Aadhar.

*This publication contains information for general guidance only. It is not intended to address the circumstances of any particular individual or entity. Although the best of endeavour has been made to provide the provisions in a simpler and accurate form, there is no substitute to detailed research with regard to the specific situation of a particular individual or entity. S. Khaitan & Associates or any of its officials do not accept any responsibility for loss incurred by any person for acting or refraining to act as a result of any matter in this publication*



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