

GST Update

**Insights of the 43rd
GST Council Meeting
held on 28th May'2021**



**GST Council in 43rd GST Council Meeting held on
28th May, 2021 have made the following
recommendations as listed below:**

<u>S. No.</u>	<u>Recommendations in brief</u>
1.	<ul style="list-style-type: none"> ● Relief items like oxygen concentrators, medical oxygen, COVID-19 vaccines etc., to be exempted from IGST even if imported on payment basis by any person, <i>for donating to the Government or on recommendations of the State Authority to any relief agency.</i> ● Exemptions from IGST has been extended till 31.08.2021 for imports free of cost or on payment basis as above.
2.	Exemption from IGST and Custom Duty on Amphotericin B required for treatment of Black Fungus.
3.	<p>Certain clarification would be issued on following issues as follows:</p> <ul style="list-style-type: none"> ● Leviability of IGST on repair value of goods re-imported after repairs. ● GST rate on parts of sprinklers / drip irrigation systems remains at 12% even if these are sold separately.
4.	Group of Ministers (GoM) to be constituted to decide on need for further relief in terms of rate cut on

import of COVID-19 related relief items by individual importer. The GoM shall give its report by 08.06.2021.

5. **Reduction of compliance burden of taxpayers:**
 Amnesty Scheme reducing / waiving late fees on non-furnishing of FORM GSTR-3B from July, 17 to April, 21 as follows:
 (a) Taxpayers who don't any tax liability- Maximum late fee Rs. 500/ return.
 (b) For others taxpayers– Maximum late fee Rs.1000/return.
 [The above would apply only if GSTR-3B returns are furnished b/w 01.06.2021 to 31.08.2021]

GST Late Fees to reduced permanently for future as follows:

FORM	Liability/Annual Aggregate Turnover (AATO)	Maximum late fees (Rs. per return)
6. GSTR-3B & GSTR-1	Taxpayers having nil tax liability	500
GSTR-3B & GSTR-1	AATO in preceding year up to Rs. 1.5 Cr	2000
GSTR-3B & GSTR-1	AATO in preceding year	5000

		b/w Rs. 1.5 Cr to Rs. 5 Cr	
	GSTR-3B & GSTR-1	AATO in preceding year above Rs. 5 Cr	10000
	GSTR-4	Taxpayers having nil tax liability	2000
	GSTR-7	-	Min- Rs. 50/ day Max- 2000 per return

**Annual Return & Reconciliation Statement for
Financial Year 2020-21:**

7. **Self- Certification** of reconciliation statement by taxable person introduced for FORM GSTR-9C. Requirement of certification by CA done away with. *Resulting into more onus casted on taxable persons.*
- **Annual returns (GSTR-9)** will be optional for small taxpayers having **aggregate turnover < Rs. 2 Crores.**
 - **Reconciliation statement** to be furnished by taxpayers having **aggregate turnover of Rs. 5 Crores or more.**

8. No correction in Inverted Duty.

9. **Quarterly Return Filing and Quarterly Payments:**
The Law Committee will look into the issue involving Quarterly Return Filing and Quarterly Payment

	(“QRQP”).The modalities of this scheme also got to be worked off.
10.	GST Compensation Cess: Same formula of borrowing from RBI will be adopted this year too for shortfall in GST compensation cess.
11.	<p>Changes/clarifications in taxability of <u>Services</u>:</p> <ul style="list-style-type: none"> • Supplied to an educational institution including anganwadi by way serving of food including mid-day meals sponsored by government is exempt irrespective of funding by government grants or corporate donations. • Provided by way of examination including entrance examination, such fees charged by National Board of Examination or similar Central or State Educational Boards and input services relating thereto are exempt. • Land Owner promoters could utilize the credit of GST charged to them by developer promoter against GST liability arising on further selling of such apartments by the land promoter. • Supply of services by way of milling of wheat/ paddy into flour /rice to Government/ local authority etc. for distribution of such flour under PDS is exempt if the value of such composite supply doesn't exceed 25%. Otherwise, it would attract GST at 5% if

supplied by the registered person for payment of TDS.

- To clarify that GST is payable on annuity payments received as deferred payment for construction of road. Benefit of the exemption is for such annuities which are paid for the service by way of access to a road or a bridge.
- Services supplied to Govt. entity by way of construction of a rope-way shall attract 18% GST.
- Services supplied by Govt. to its undertakings/PSUs by way of guaranteeing loans taken by such entities from banks and financial institutions would be exempted.

Extensions of due dates for:

12. • **May, 2021 Return-** Nil rate of interest on payment by *small taxpayers* (aggregate turnover up to Rs. 5 Crores) for first 15 days from due date and reduced rate of 9% interest thereafter for further 15 days. Late fee to be waived for 30 days.
- **May, 2021 Return-** 9% rate of interest on payment by *other than small taxpayers* (aggregate turnover more Rs. 5 Crores) for first 15 days from due date and reduced rate of 9% interest thereafter for further 15 days. Late fee to be waived for 15 days.
- GSTR-1/ IFF for the month of May 2021 extended by 15 days;

	<ul style="list-style-type: none"> ● GSTR-4 for FY 2020-21 extended to 31.07.2021; ● ITC-04 for quarter ending March 2021 extended to 30.06.2021; ● Cumulative effect of GSTR-2A reconciliation of ITC for periods April to June 2021 to be taken in the return for the period June 2021; ● Usage of electronic verification code by companies to file return allowed till 31.08.2021.
<p>13.</p>	<p>Relaxations under section 168A of the CGST Act: Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from 15th April, 2021 to 29th June, 2021, to be extended up to 30th June, 2021, subject to some exceptions. <i>[Wherever the timelines for actions have been extended by the Hon'ble Supreme Court, the same would apply]</i></p>
<p>14.</p>	<p>Interest liability on Net basis: Retrospective amendment in section 50 of the CGST Act with effect from 01.07.2017, providing for payment of interest on net cash basis, to be notified at the earliest.</p>

The above amendments shall be given effect by the issue of relevant Circulars/Notifications.

For more details, Read the Press release from the Link below:

https://www.cbic.gov.in/resources//htdocs-cbec/press-release/PRESS_RELEASE_43.pdf

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