

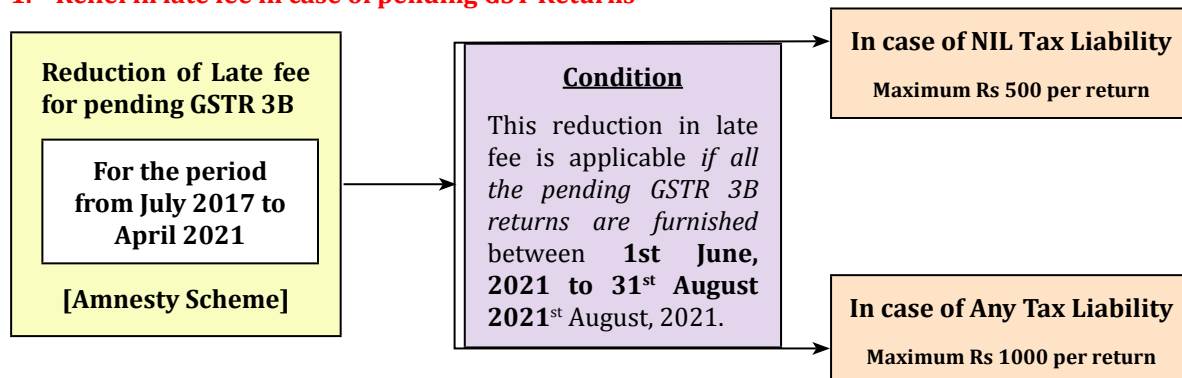
RECOMMENDATIONS OF THE 43rd GST COUNCIL MEETING

TEAM TRD

43rd GST Council Meeting held on 28th May 2021 through Virtual Mode.

The significant decisions of 43rd GST Council meeting are summarized below:-

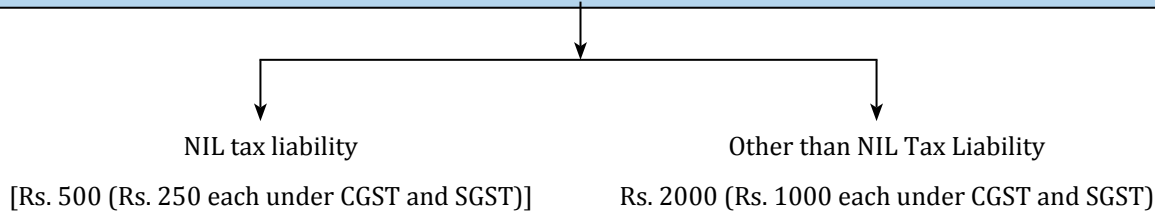
1. Relief in late fee in case of pending GST Returns



Relief in Late fee for delay in furnishing GSTR 3B and GSTR 1 for the period from May 2021 onwards

LATE FEE AMOUNT	NIL tax liability –GSTR 3B/GSTR 1	Annual Aggregate Turnover in previous Financial Year		
	Any turnover	Upto Rs. 1.5 Crores	Between Rs. 1.5 Crores to Rs. 5 Crores	Above Rs. 5 Crores
	Rs. 500 (Rs. 250 each under CGST and SGST)	Rs. 2000 (Rs 100 each under CGST and SGST)	Rs. 5000 (Rs. 2500 each under CGST and SGST)	Rs. 10000 (Rs. 5000 each under CGST and SGST)

Relief in Late fee for delay in furnishing GSTR 4 for prospective tax periods (F.Y 21-22 onwards)



Relief in Late fee for delay in furnishing GSTR 7 for prospective tax periods (June 2021 onwards)

Rs. 50 per day subject to Rs. 2000 (Rs. 1000 each under CGST and SGST)

2. COVID-19 related relief measures for GST Returns

In addition to the relief measures already provided to the taxpayers vide the notifications issued on 01.05.2021, the following further relaxations are being provided to the taxpayers:

Turnover Exceeding Rs 5 Crores in preceding FY (Monthly) – GSTR 3B			
Month	Date without late fees	9% Interest	18% Interest
May 2021	5th July 2021	If return is filed upto 5th July	Return filed post 5th July

Turnover up to Rs 5 Crores in preceding FY (Monthly/Quarterly) – GSTR 3B				
Month	Date without late fees	NIL Interest	9% Interest	18% Interest
March 2021	19th June, 2021	If filed till 5th May	6th May to 19th June	Filed post 19th June
April 2021	4th July, 2021	If filed till 4th June	5th June to 4th July	Filed post 4th July
May 2021	20th July, 2011	If filed till 5th July	6th July to 20th July	Filed post 20th July

Extension of Due dates for below forms		
Return	Return Period	Relaxation/ Extended due date
GSTR 1/IFF	May 2021	15 days
GSTR 4	FY 2020-21	31st July, 2021
ITC 04 Return	Quarter ended Mar 21	30th June, 2021

3. Other relief measures

- ❖ Cumulative application of **rule 36(4)** for availing ITC for tax periods April, May and June, 2021 in the return for the period June, 2021. 5.
- ❖ Allowing filing of returns by taxpayers registered under companies act using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till 31.08.2021.
- ❖ **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, will be extended upto 30th June, 2021, subject to some exceptions.
- ❖ **Payment of Interest on net cash 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
- ❖ **Recognising GSTR 1/3B as default return filing system** - GST Council recommended amendments in certain provisions of the Act so as to make the present system of GSTR-1/3B return filing as the default return filing system in GST

4. Simplification of Annual Return for Financial Year 2020-21

- ❖ Amendments in section 35 and 44 of CGST Act made through Finance Act, 2021 to be notified. This would ease the compliance requirement in furnishing reconciliation statement in FORM GSTR-9C, as taxpayers would be able to self-certify the reconciliation statement, instead of getting it certified by chartered accountants. This change will apply for Annual Return for FY 2020-21.

- ❖ The filing of annual return in **FORM GSTR-9 / 9A for FY 2020-21** to be *optional* for taxpayers **having aggregate annual turnover upto Rs 2 Crore;**
- ❖ The reconciliation statement in **FORM GSTR-9C for the FY 2020-21** will be *required* to be filed by taxpayers with **annual aggregate turnover above Rs 5 Crore.**

5. Reliefs declared for COVID Items –

- ❖ **IGST Relief on Covid Related Goods** - A number of specified COVID-19 related goods such as medical oxygen, oxygen concentrators and other oxygen storage and transportation equipment, certain diagnostic markers test kits and COVID-19 vaccines, etc., have been recommended for full exemption from IGST, even if imported on payment basis, for donating to the government or on recommendation of state authority to any relief agency. This exemption shall be valid upto 31.08.2021. It may be mentioned that these goods are already exempted from Basic Customs duty. Further in view of rising Black Fungus cases, the above exemption from IGST has been extended to Amphotericin B b.
- ❖ **Constitution of Group of Ministers (GoM)** – For exemptions to individual items, the Council decided to GoM to analyze the need for further relief to COVID-19. The GoM shall give its report by 08th June, 2021
- ❖ **Reduction of GST rate on DEC Tablets** - To support the Lymphahtic Filarisis elimination, the GST rate on Diethyl carbamazine (DEC) tablets has been recommended for reduction to 5% from 12%

6. Certain clarifications/clarificatory amendments have been recommended in relation to GST rates.

Goods –

- IGST is levied on repair value of goods re-imported after repairs
- 12% GST on parts of sprinklers/ drip irrigation systems falling under tariff heading 8424 (nozzle/ laterals) to apply even if these goods are sold separately

Services –

- **Exemption of GST is provided to Services supplied to an educational institution** including anganwadi (which provide pre-school education also), by way of serving of food including midday meals under any midday meals scheme, sponsored by Government irrespective of the funding of such supplies from government grants or corporate donations
- **Exemption provided services provided by way of examination** - The services provided by way of examination including entrance examination, where fee is charged for such examinations, by National Board of Examination (NBE), or similar Central or State Educational Boards, and input services relating thereto are exempt from GST
- **Reduction of GST rate to MRO units of Ships/Vessels** - To extend the benefit provided to MRO units of aviation sector to MRO units of ships/vessels so as to provide level playing field to domestic shipping MROs vis a vis foreign MROs and accordingly, -
 - Reduction of GST on MRO services in respect of ships/vessels from 18% to 5%.
 - PoS of B2B supply of MRO Services in respect of ships/ vessels would be location of recipient of service
- **Services supplied to a Government Entity** for construction of a rope-way to attract GST at 18%.
- **Services supplied by Govt. to its undertaking/PSU** by way of guaranteeing loans taken by such entity from banks and financial institutions is exempt from GST