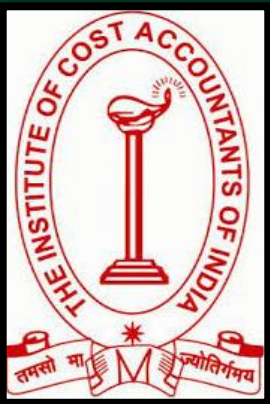




# 53rd GST Council Meeting:

## Impact Analysis



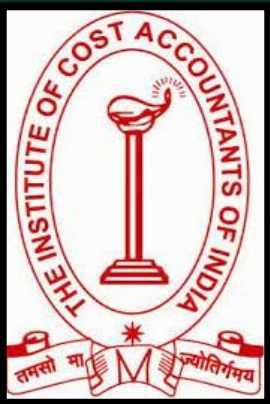


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## **Waiver of Interest & Penalty**

**The GST Council has recommended waiving interest and penalties on demand notices under Section 73 of the CGST Act for fiscal years 2017- 18, 2018-19, and 2019-20.**

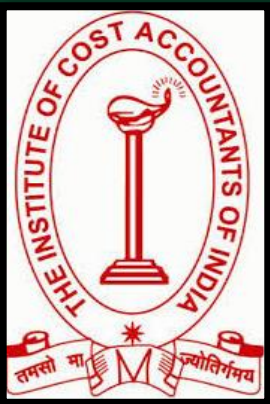
**This waiver applies to cases without fraud, suppression, or willful misstatement, provided that the full tax demanded is paid by March 31, 2025**



## Waiver of Interest & Penalty

*We need to wait for the detailed notifications/circulars but points to ponder....*

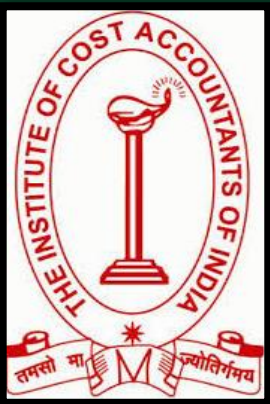
- 1. Will it address the SCNs that are under adjudication?**
- 2. What will happen to the penalty and interest already paid?**
- 3. What will be the impact when the Appeal has been filed and the Order is upheld?**
- 4. What will be the impact when the Appeal has been rejected due to delay in filing?**
- 5. What will be the impact when the Appeal is filed but the order is not passed?**
- 6. Can the taxpayer pay now only the tax amount?**



4

## **Relaxation of Section 16(4)**

**The time limit to avail input tax credit for invoices or debit notes, as per Section 16(4) of the CGST Act, be considered as November 30, 2021. This applies to any GSTR 3B returns filed up to that date for the fiscal years 2017-18, 2018-19, 2019-20, and 2020-21.**

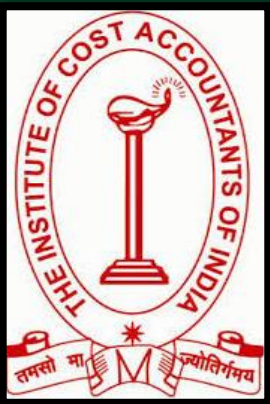


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## Relaxation of Section 16(4)

*We need to wait for the detailed notifications/circulars but points to ponder....*

- 1. Taxpayer has already paid/reversed the input tax credit, interest and penalty?**
- 2. Taxpayer has not paid the amounts, will order be treated as null & void?**
- 3. Taxpayer has filed an Appeal and Order is awated?**
- 4. Taxpayer has filed an Appeal and Order is upheld?**
- 5. Taxpayer has filed an Appeal and rejected due to delay in filing?**



## Interest Computation

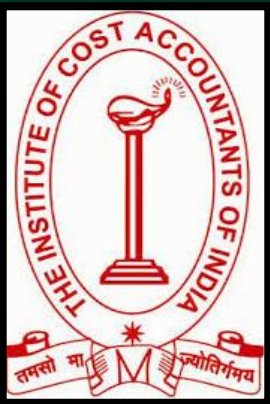
**The GST Council has recommended an amendment to rule 88B of the CGST Rules, stipulating that any amount available in the Electronic Cash Ledger on the due date of a GSTR-3B return, and debited during the filing, should not be considered when calculating interest for delays in filing that return under section 50 of the CGST Act.**



## Interest Computation

*We need to wait for the detailed notifications/circulars but points to ponder....*

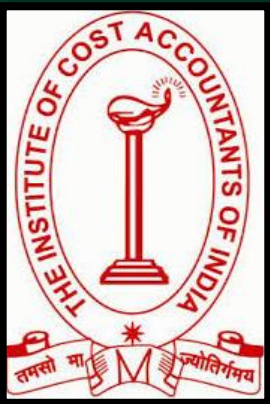
- 1. Taxpayers have already paid interest on the balance available in the Electronic Cash Ledger?**
- 2. If the taxpayer has already availed this option while computing interest, will the notification be retrospective or prospective?**
- 3. Where order is issued for not discharging the interest for delayed filing.**



## **RCM for Previous Years**

**A clarification for supplies received from unregistered suppliers under the reverse charge mechanism (RCM), where the recipient is responsible for issuing the invoice and paying the tax, the relevant financial year for calculating the time limit to avail input tax credit, as per section 16(4) of the CGST Act, is the financial year in which the recipient issues the invoice.**

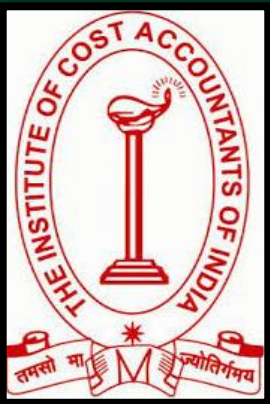




# RCM for Previous Years

*We need to wait for the detailed notifications/circulars but points to ponder....*

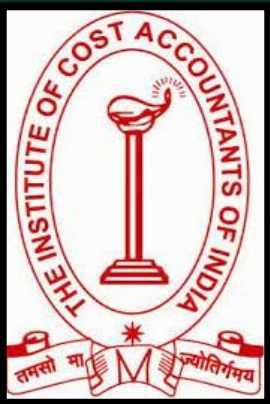
- 1. Where the input tax credit on invoice issued is rejected through SCN and the order is passed, can the taxpayer claim the refund?**
- 2. Order is passed but input tax credit or interest and penalty not discharged?**
- 3. Appeal is filed, order is upheld?**
- 4. Appeal is filed and rejected due to delay in filing?**
- 5. Appeal is filed and Order is awaited?**



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# **Accommodation Services less than Rs 20,000 per month**

**The Council recommended adding a provision in notification No. 12/2017-CTR dated June 28, 2017, under heading 9963, to exempt accommodation services priced up to Rs. 20,000 per month per person, provided these services are supplied continuously for at least 90 days. This exemption is also proposed to be applied retroactively to similar past cases.**

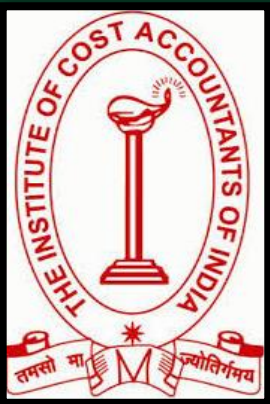


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# Accommodation Services less than Rs 20,000 per month

*We need to wait for the detailed notifications/circulars but points to ponder....*

- 1. Will the taxes be refunded if the stay is beyond 90 days?**
- 2. is food and other services provided by the hostels is part of this Rs 20,000?**
- 3. If the cost of food and other services are charged separately and falls a composite supply and the amount crosses Rs 20,000, then the services are taxable @ 18% or what rate?**



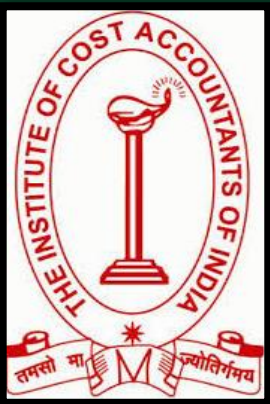
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# Introduction of Form GSTR-1A

**The Council recommended the introduction of a new optional facility, FORM GSTR-1A, to help taxpayers amend or add details in FORM GSTR-1 for a specific tax period before submitting the FORM GSTR-3B. This facility aims to ensure that any overlooked particulars or necessary amendments from the current tax period, including those declared in IFF for the first and second months of a quarter for quarterly filers, are correctly reflected and auto-populated in FORM GSTR-3B, thus ensuring accurate liability reporting.**

Tax Research Department

THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

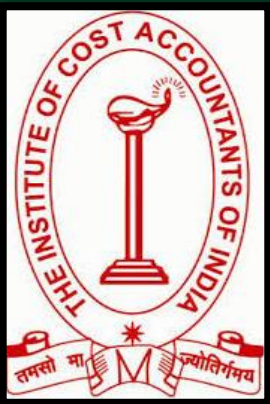


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# **Introduction of Form GSTR-1A**

*We need to wait for the detailed notifications/circulars but points to ponder....*

- 1. Does it have any impact on the ITC claim based on Form GSTR-2B if the supplier has updated post-generation of Form GSTR-2B?*
- 2. Will there be any impact for the Recipient if some suppliers have opted for the optional feature of Form GSTR-1A and the rest not opted?*
- 3. How will the system track and update the auto populated values for “all other ITC” in Form GSTR-3B*



# Other Recommendations

*We need to wait for the detailed notifications/circulars for the other recommendations on*

- 1. Clarification on taxability of re-imbursment of securities/shares as ESOP/ESPP/RSU provided by a company to its employees.**
- 2. Clarification in respect of Warranty/ Extended Warranty provided by Manufacturers to the end customers.**
- 3. Clarification on taxability of loans granted between related person or between group companies.**



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## Other Recommendations

*We need to wait for the detailed notifications/circulars for the other recommendations on*

**4. Clarification relating to place of supply of goods supplied to unregistered persons, where delivery address is different from the billing address**

**5. Clarification on mechanism for providing evidence by the suppliers for compliance of the conditions of Section 15(3)(b)(ii) of CGST Act, 2017 in respect of post-sale discounts, to the effect that input tax credit has been reversed by the recipient on the said amount.**



*Thank You*

**Tax Research Department**  
**The Institute of Cost Accountants of India**  
(Statutory Body under an Act of Parliament)