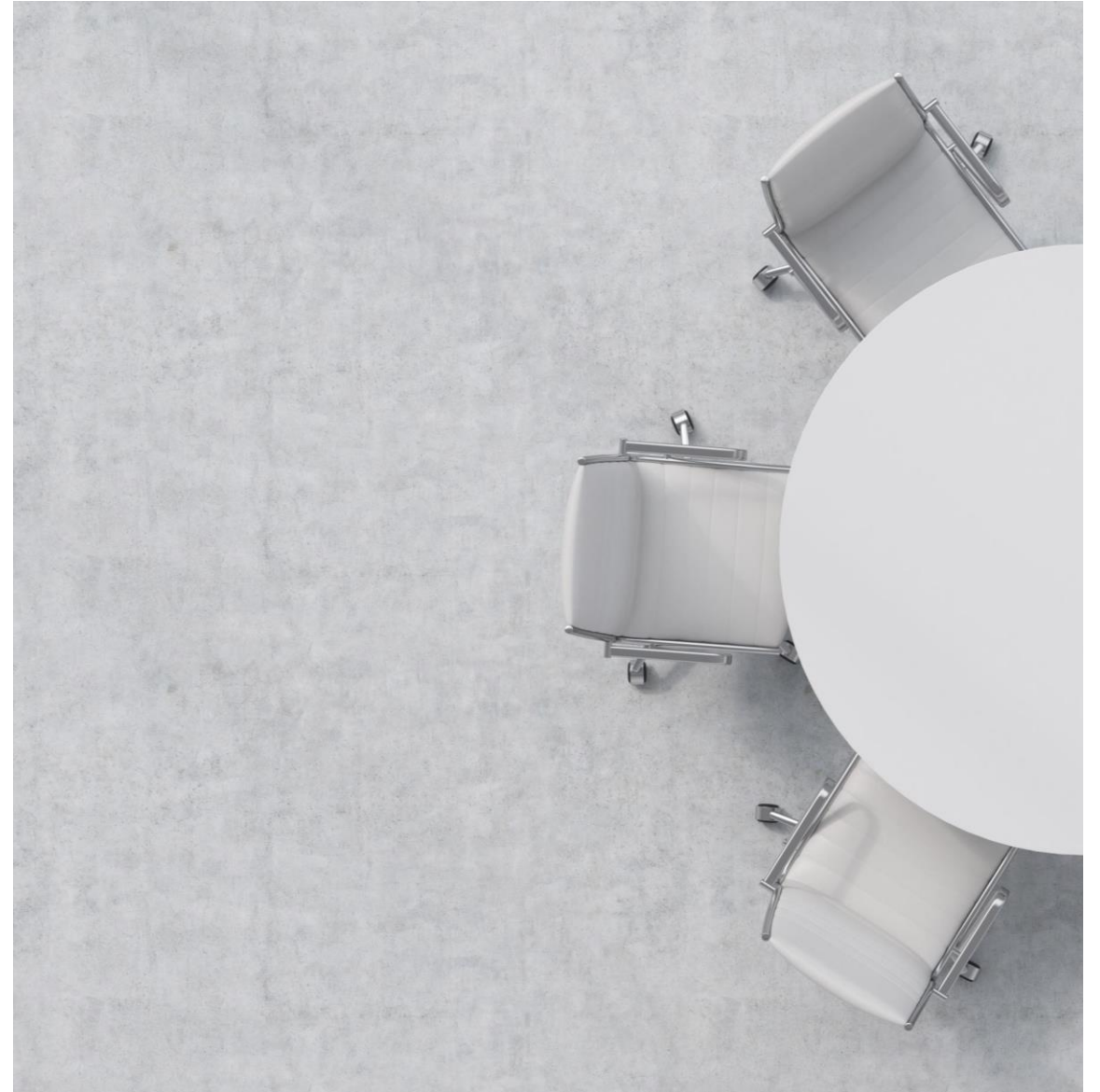


43RD GST COUNCIL MEETING

THINGS YOU MUST KNOW!

CA Pritam Mahure and Associates

[29th May 2021]



KEY POINTS!



Overview



Proposed changes and
its impact

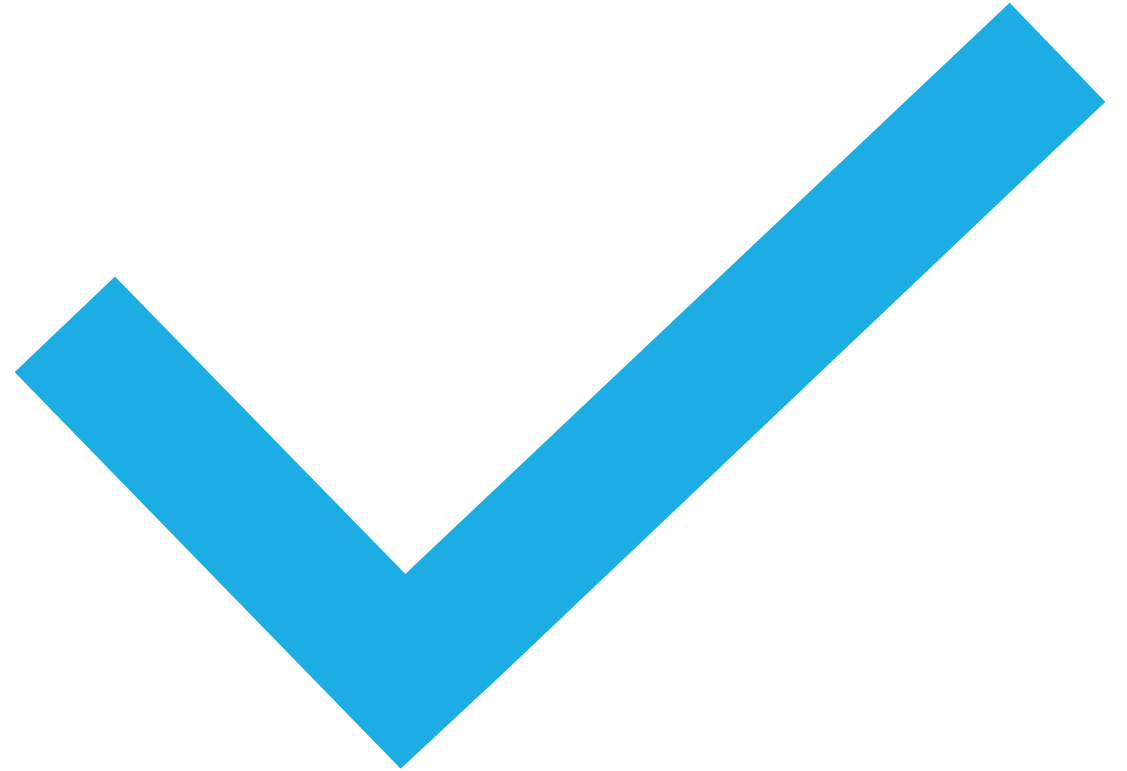


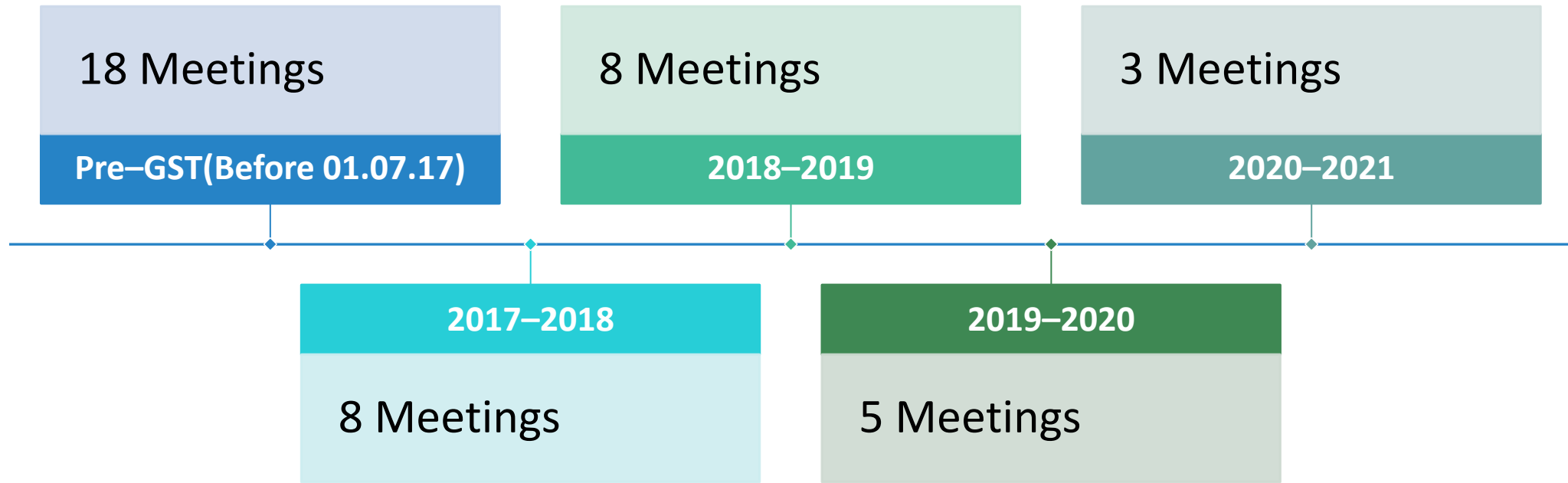
Other Critical Points



Unanswered Questions

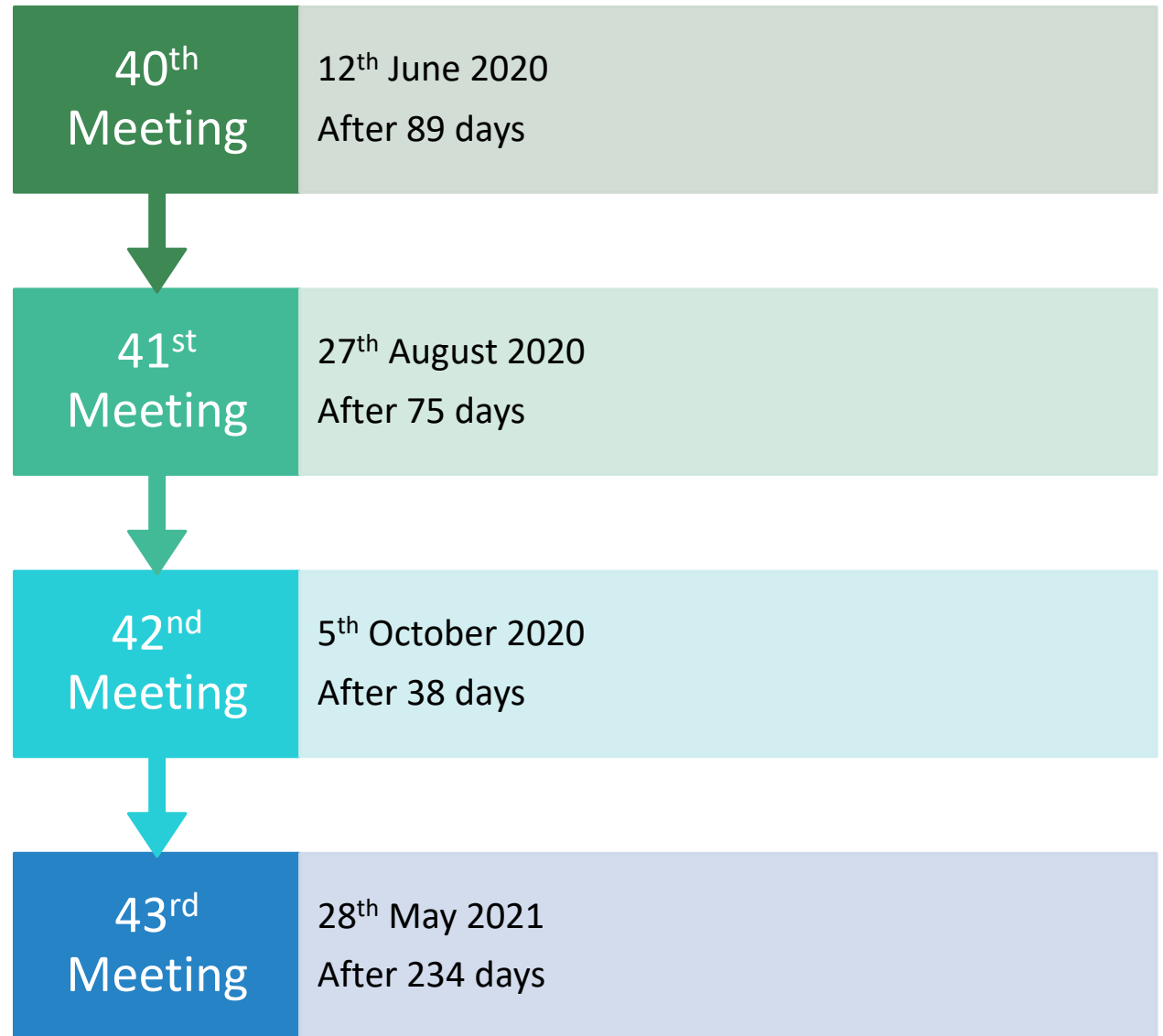
OVERVIEW



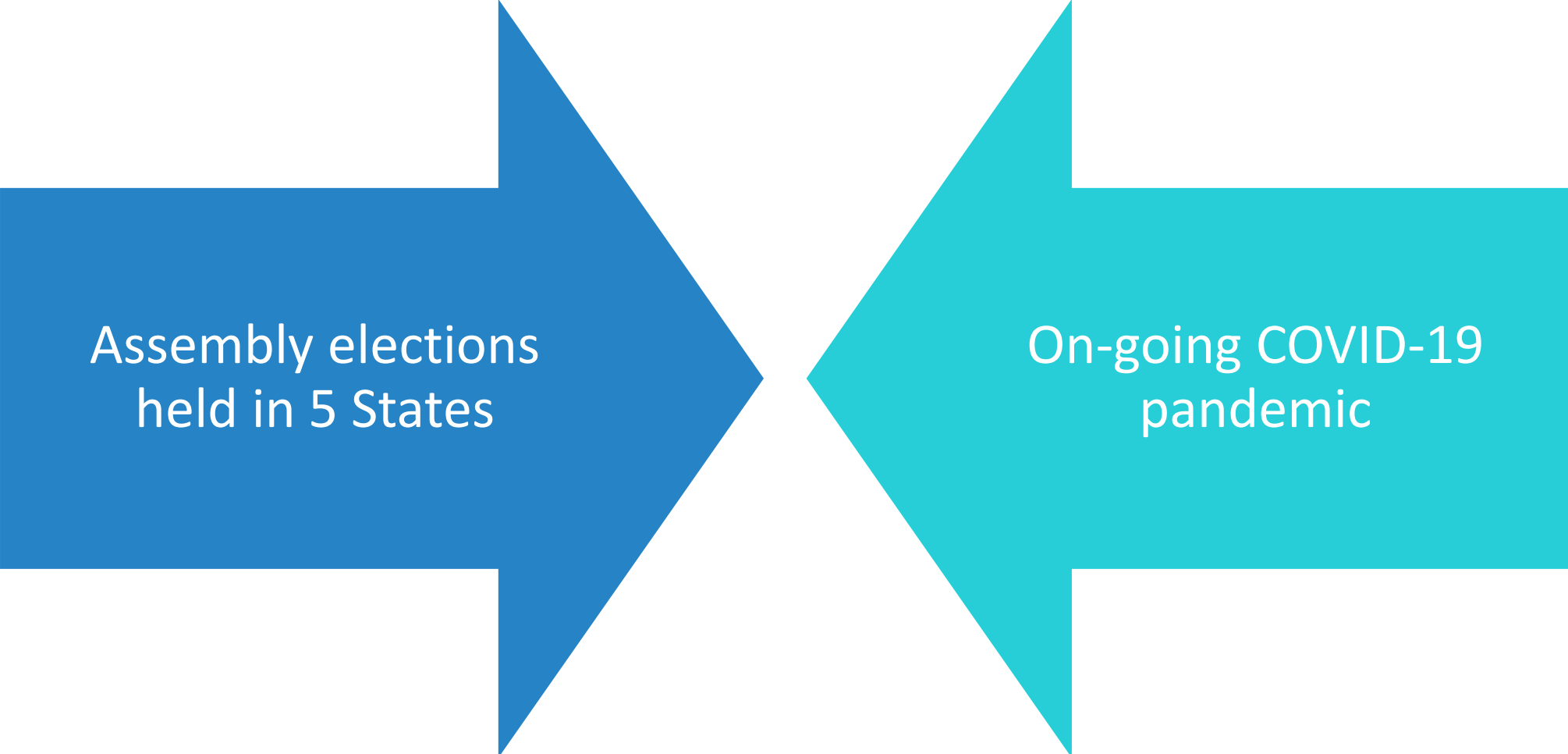


NO. OF GSTC MEETINGS

REDUCING FREQUENCY?



WHY SUCH DELAY?



Assembly elections
held in 5 States

On-going COVID-19
pandemic

PROPOSED
CHANGES IN 43RD
GSTC MEETING



PROPOSED CHANGES IN 43RD GSTC MEETING



EXEMPTIONS



OTHER
BENEFITS



REDUCTION IN
RATE



COMPLIANCES

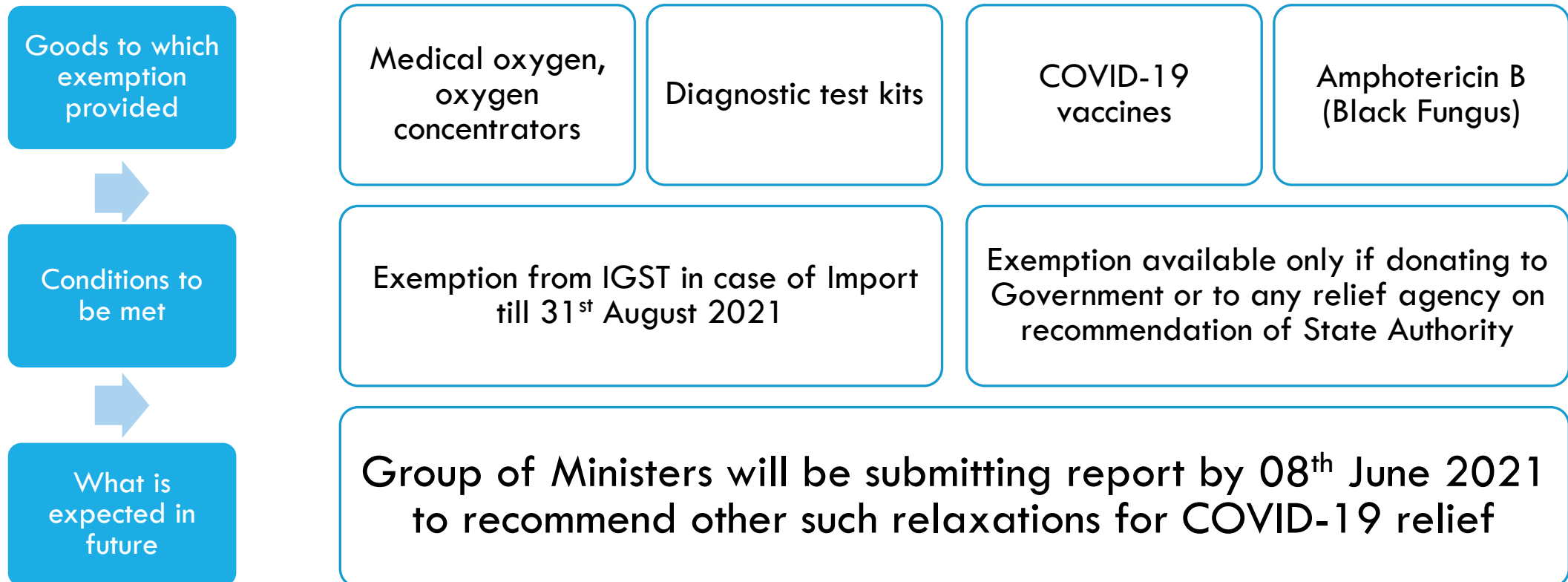


MISCELLANEOUS

EXEMPTIONS



COVID-19 AND BLACK FUNGUS RELIEF



EXEMPTION FOR SERVING FOOD

Entities like Akshay Patra Foundation provide free meals in schools to lakhs of students

Such meals may get funded through Corporate Donations to cover their costs

Typically, in such cases, the fundamental question is who is the service recipient – such corporates or educational institutions

In this regard, likely clarification that Such services of providing food including mid-day meal to an educational institution and Anganwadi would be exempt from GST irrespective of the funding received from Corporates

EXEMPTION FOR EDUCATION

National Board of Examinations (NBE) is responsible for Post-Graduate exams and training for Medical Education in India

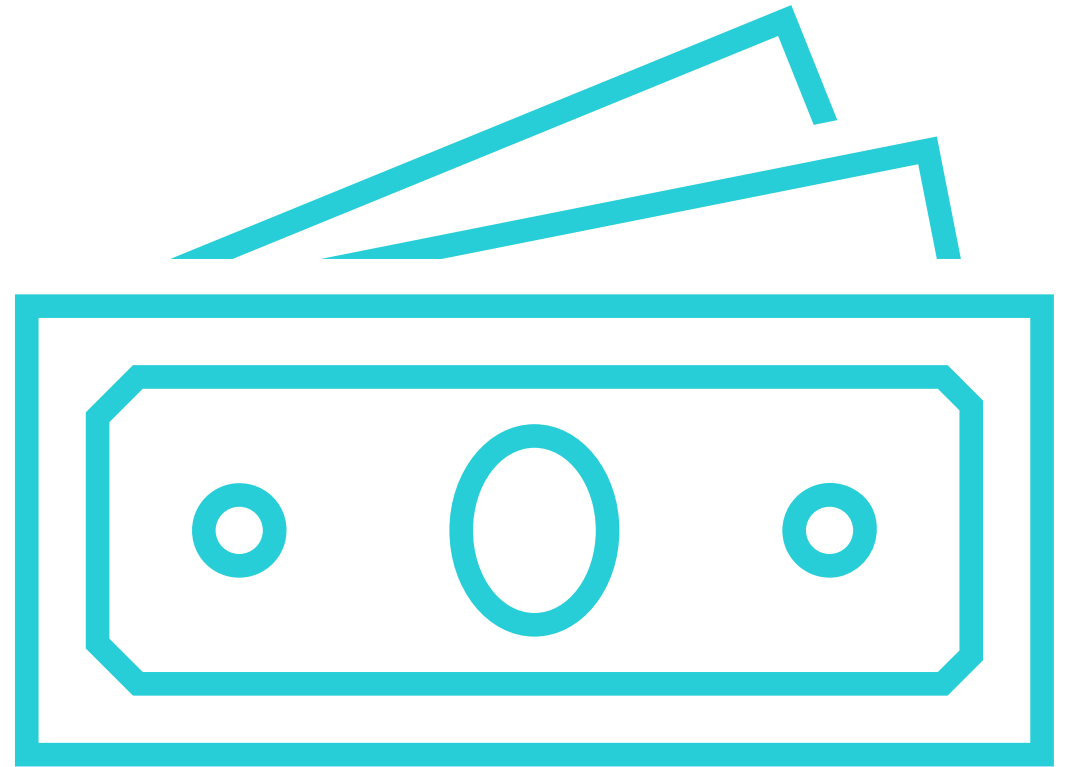
They are established by Ministry of Health and works in the capacity of Educational Institution

Examination fees charged by NBE or similar Central or State Educational Boards, will be exempted from GST

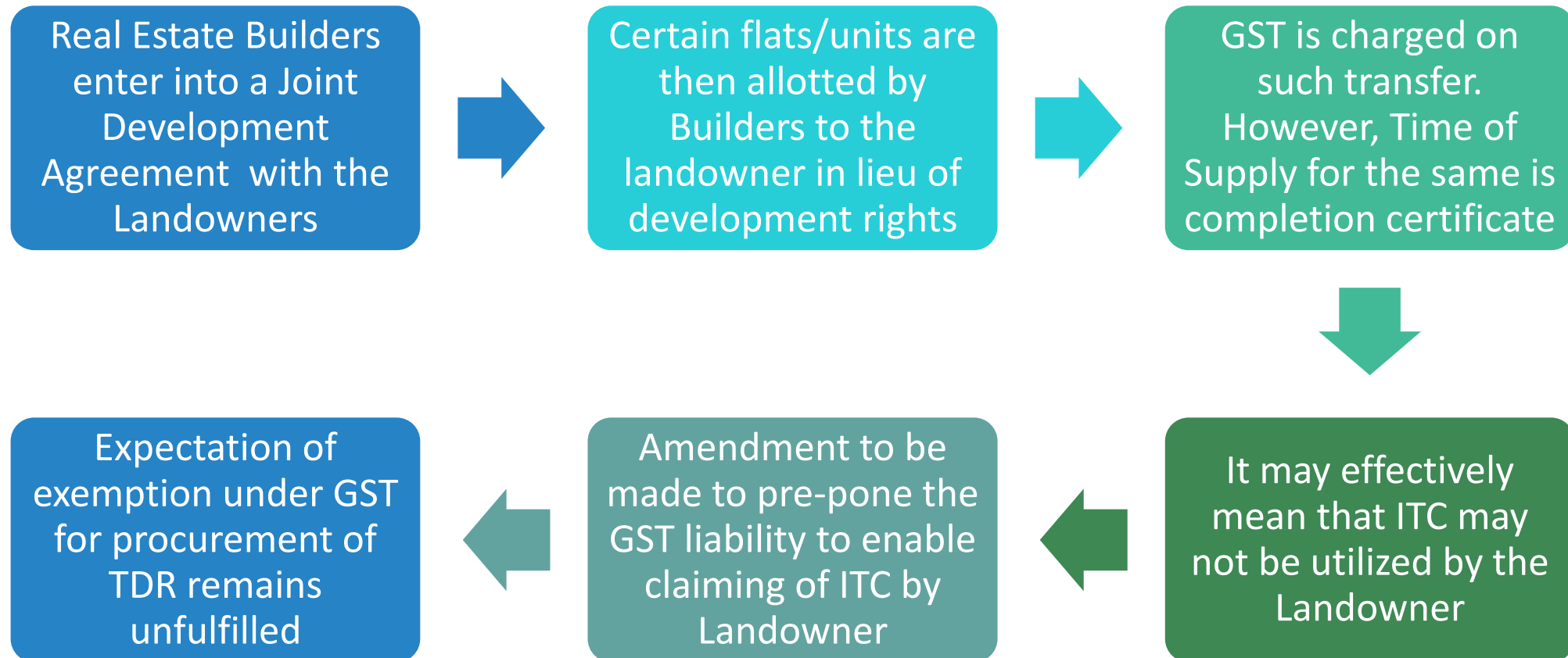
Input services relating to such services thereto would also be exempt from GST.

This would lead to reduction in cost of such institutions and hence ultimately making educational more affordable

SECTORAL BENEFITS



REAL ESTATE – TIME OF SUPPLY FOR JDA



SHIPPING INDUSTRY – POS AND RATE CHANGES

GST reduced from 12% to 5% on Maintenance, Repair and Operation Supplies in respect to Ship and vessel supplies

Similar benefit was already granted to Aircraft Industry

Place of Supply in case of such services shall be the location of recipient of services

It implies that foreign vessels availing such services in India may qualify as Export of Services and thus entitled to claim benefit of Zero-rating

It will give competitive advantage to the industry as compared to neighboring countries

MILLING AND TOLL RELATED!

Clarification could be issued regarding supply of service by way of **milling** of wheat/paddy into flour (**fortified** with minerals etc. by millers or otherwise)/rice to Government/ Local Authority etc. for distribution of such flour or rice under **PDS** is exempt from GST if the value of goods in such composite supply does not exceed 25%. Otherwise, such services would attract GST at the rate of 5% if supplied to any person registered in GST, including a person registered for payment of TDS!

Clarification could be issued regarding 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!

GOVERNMENT RELATED!

Clarification could be issued regarding those services supplied to a Government Entity by way of construction of a rope-way may attract GST at the rate of 18%.

Clarification could be issued regarding 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

REDUCTION
IN GST
RATES FOR
GOODS



REDUCTION IN RATE OF DEC TABLETS

DEC tablets is used in treatment of Lymphatic Filariasis (an endemic)

Reduction in GST rate from 12% to 5%

CLARIFICATION REGARDING VALUE FOR IMPORT OF GOODS

Many goods like heavy machineries are sent out of India for repairs

When such goods are imported back into India – At present, there is debate regarding the value of such goods for levy of IGST

Will it be the value of repairs or value of goods (machine) imported

Clarification to be issued that IGST would be levied on value of repairs

COMPLIANCES



GSTR-2 NO MORE!



Current GST returns i.e. GSTR-1 and GSTR-3B to continue!
Effectively GSTR-2 may not see light of the day and Section 38 and other related provisions may become redundant!
This may jeopardies the rights of buyer!
What recourse to the recipient if the supplier defaults payment of GST to Government?

Current GST returns i.e. GSTR-1 and GSTR-3B to continue!

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This may jeopardies the rights of buyer!

What recourse to the recipient if the supplier defaults payment of GST to Government?

ANNUAL RETURN AND AUDIT

GSTR-9C – Reconciliation i.e. GST Audit not to be certified by CAs/ CWAs for 2020-21 and onwards

Taxpayers needs to self-certify such Reconciliation Statement. This may lead to substantial increase in responsibility of concerned Authorized Signatory

GSTR-9 optional for taxpayers having turnover upto 2 crores

GSTR-9C applicable for taxpayers having turnover exceeding 5 crores

MISCELLANEOUS



UNMET EXPECTATIONS!

Extension of Time
limit for issuing credit
notes

Extension of Time
limit for availing of
ITC (u/s 16(4))

ITC availment even if
payment to vendor
made after 180 days

Faceless GST Audit
and Assessment

Zero-rating of
vaccines

Restoration of
cancelled/suspended
registration

Support to sectors
like Real Estate,
Restaurants, Hotels,
Bakers etc still
missing!

UNANSWERED QUESTIONS!



When will be the relevant Notification and Circulars will be issued?

Any other reliefs to be provided?

Implication of exclusive meeting on compensation cess?

Whether COVID-19 cess would be levied?

FOR OTHER
RELAXATIONS IN
COMPLIANCES,
KINDLY REFER
ANNEXURES!

THANK YOU

CA Pritam Mahure and Associates

We would love to hear your feedback and suggestions!

Contact – CA Sahil Tharani – 9098890333

Website – pmaconsulting.in

LinkedIn -

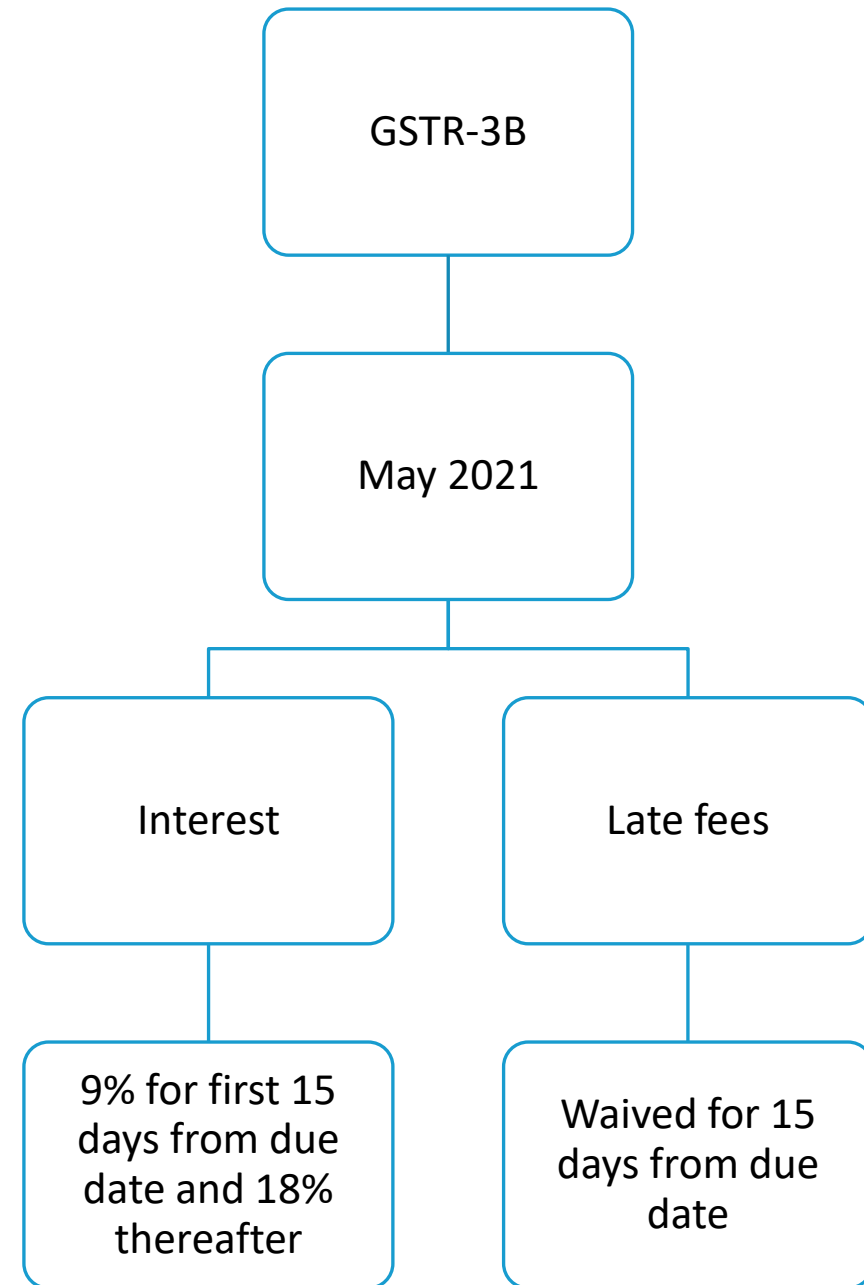
<https://www.linkedin.com/in/ca-pritam-mahure-66a2441a/>



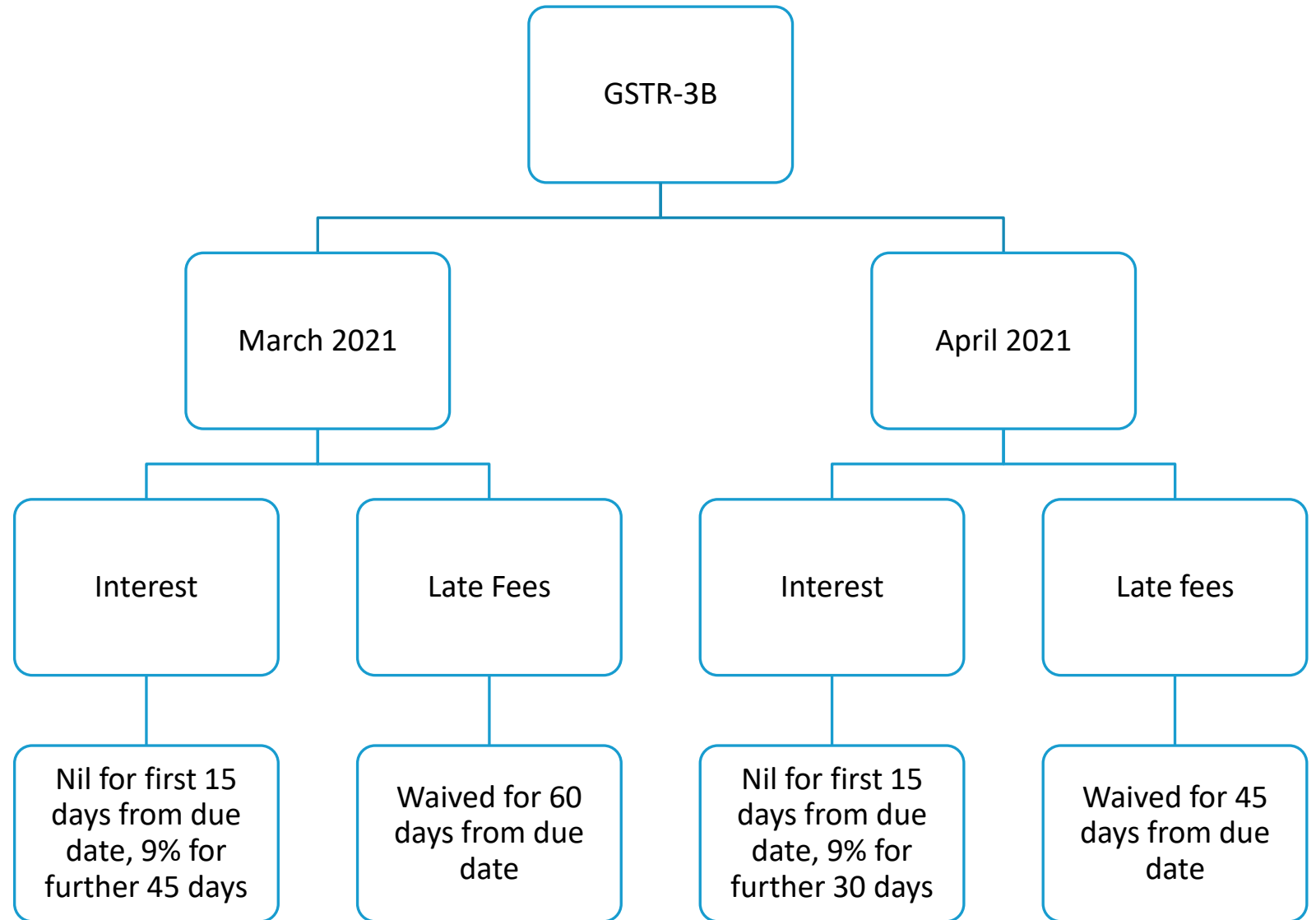
ANNEXURES



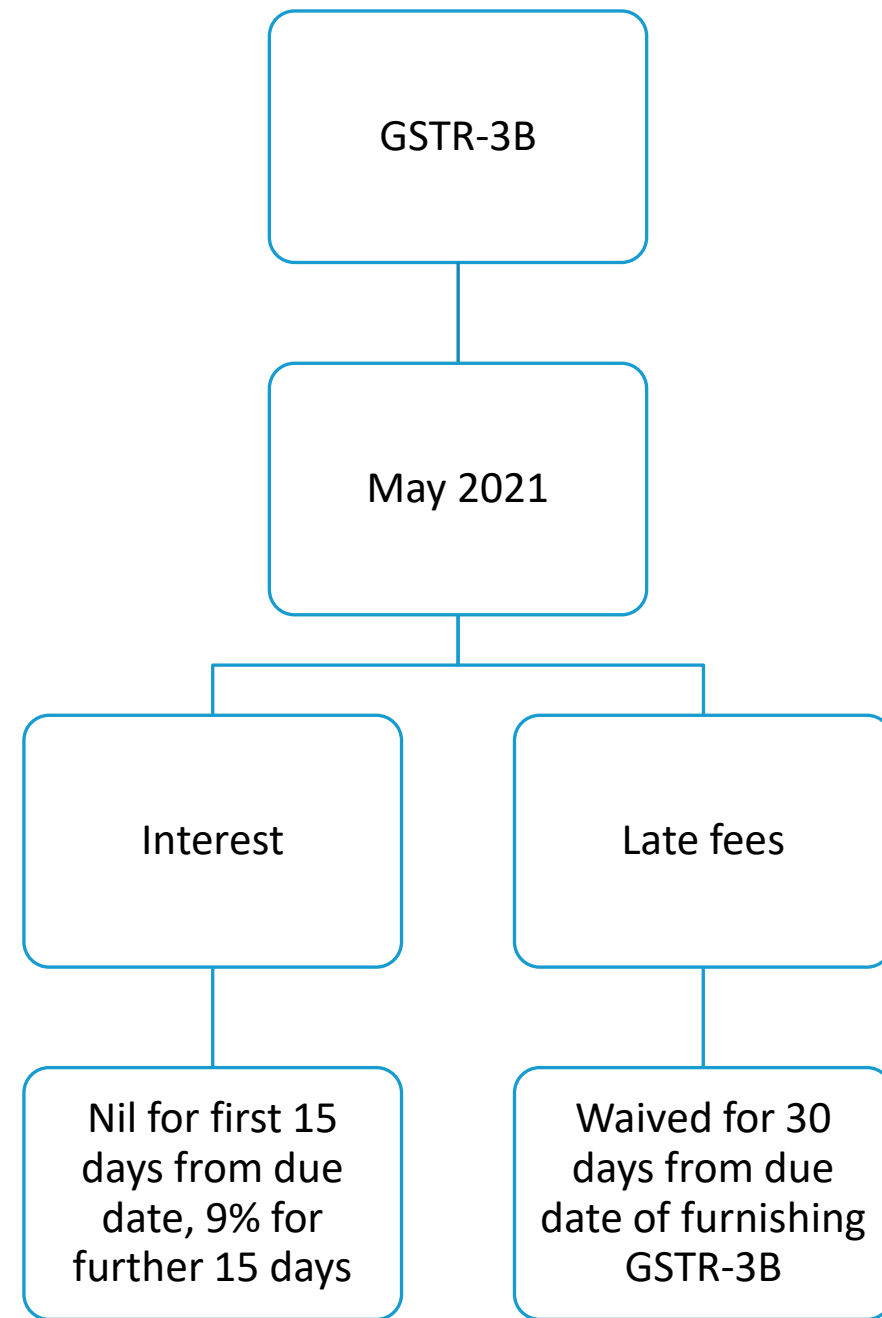
LARGE TAXPAYERS (TURNOVER ABOVE 5 CRORE)



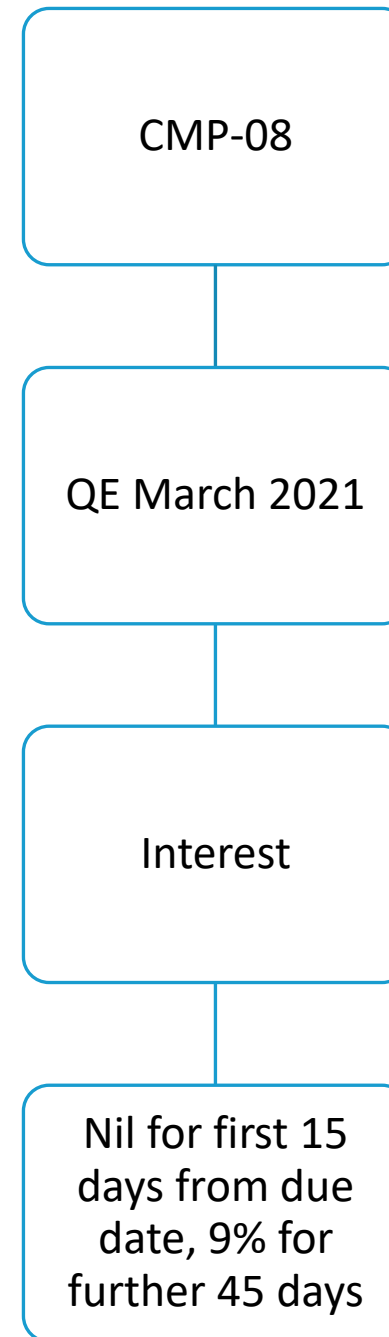
SMALL TAXPAYERS (TURNOVER BELOW 5 CRORE)



SMALL TAXPAYERS (TURNOVER BELOW 5 CRORE)



COMPOSITION TAXPAYERS



DUE DATE RELAXATIONS

1

Due Date of GSTR-1/ IFF

- For month of May 2021
- Extension by 15 days

2

Due Date of GSTR-4

- For FY 2020-21
- Extension upto 31/07/2021

3

Due Date of ITC-04

- For QE March 2021
- Extension upto 30/06/2021

PROVISIONAL INPUT TAX CREDIT

Rule 36 (4): Condition for ITC being restricted to 5% over and above what is reflected in GSTR-2A

To apply **cumulatively** for the period April 2021, May 2021 and June 2021 i.e., it should be complied with in GSTR-3B of **June 2021**

Recommended that ITC as per GSTR-2B is claimed to avoid any litigation and reconciliation

OTHER COVID 19 EXEMPTIONS

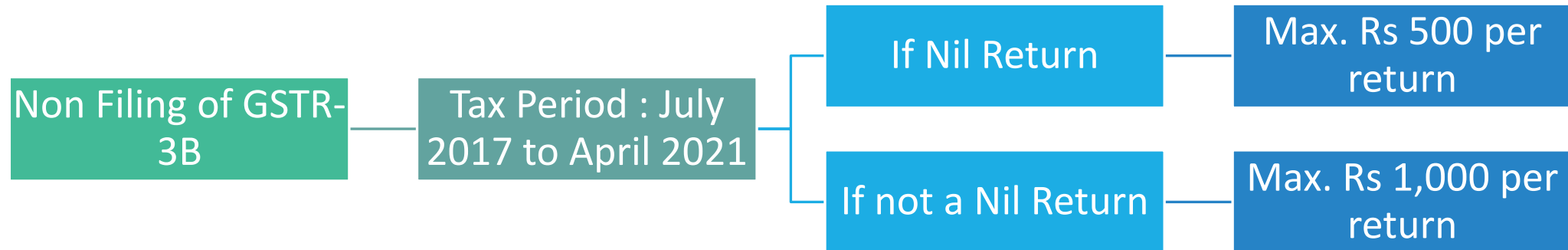
Time limit of completion of actions of Authorities or by any person

- Falling in period from 15th April 2021 to 29th June 2021 to be extended upto 30th June 2021

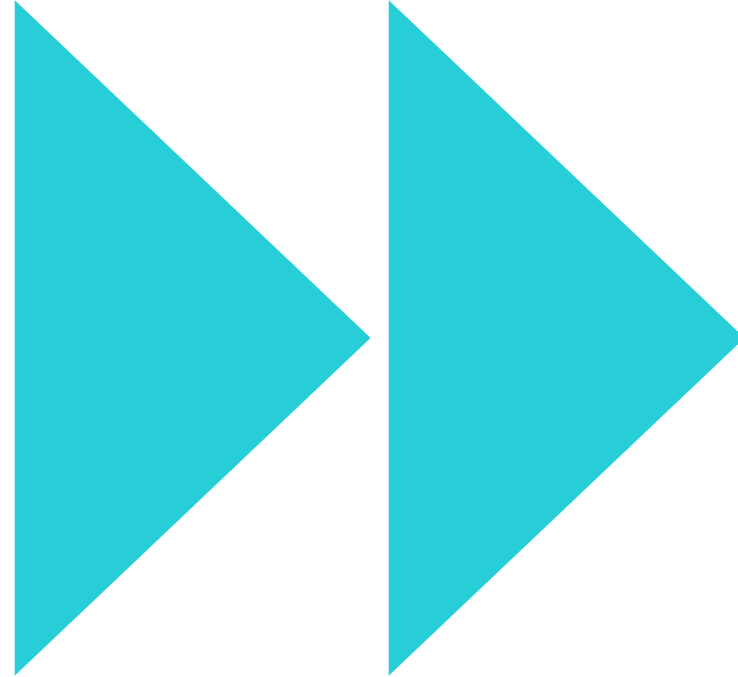
Filing of Returns

- Allowed using EVC instead of DSC till 31.08.2021

AMNESTY SCHEME FOR GSTR-3B (IF FURNISHED BETWEEN 01/06/2021 TO 31/08/2021)



PROPOSED
CHANGES
FOR
PROSPECTIVE
PERIOD!



LATE FEES FOR NIL RETURNS

GSTR-1

- Amended : Max. Rs 500 per return

GSTR-3B

- Amended : Max. Rs 500 per return

GSTR-4

- Amended :Max. Rs 500 per return

LATE FEES FOR OTHER THAN NIL RETURNS (GSTR-1 AND GSTR-3B)

For Annual Aggregate Turnover (AATO) in PY upto 1.5 crore

- Amended: Max. Rs 2,000 per return

For AATO in PY between 1.5 crore to 5 crore

- Amended: Max. Rs 5,000 per return

For AATO in PY above 5 crores

- Amended: Max. Rs 10,000 per return

Other than Nil return

- Max. Rs 2,000 per return

LATE FEES FOR GSTR-4

Rs 50 per day

Max. Rs 2,000 per
return

LATE FEES FOR GSTR-7

43RD SLIDE AS A
TRIBUTE TO 43RD
GSTC MEETING!

