

Following is our analysis of the recommendations made in the 43rd GST Council meeting:

Reduced late fees for taxpayers filing GSTR-3B between 1st June 2021 -31st August 2021

- Late Fees for GSTR-3B of the tax periods from July'17 to April'21 has been capped as below where the same has been filed between 1st June 2021 to 31st August 2021:
 - Taxpayers having no liability for the said periods – Rs. 500 (CGST and SGST of Rs. 250 each)
 - Other taxpayers – Rs. 1000 (CGST and SGST of Rs. 500 each)

Rationalization of Late Fees for prospective tax periods

- Late fees have been rationalized and reduced for small taxpayers for all future tax periods as below:

Turnover	Type of return	Type of Taxpayer	Maximum Late fees
Immaterial	GSTR-1	Nil Outward supply	Rs. 500 (250+250)
Immaterial	GSTR-3B	Nil Liability	Rs. 500 (250+250)
AATO of PFY < =1.5cr	GSTR-1/ GSTR-3B	Normal taxpayers [Not Nil]	Rs. 2,000 (1000+1000)
AATO of PFY > 1.5cr & <=5cr	GSTR-1/ GSTR-3B	Normal taxpayers [Not Nil]	Rs. 5,000 (2500+2500)
AATO of PFY > 5cr	GSTR-1/ GSTR-3B	Normal taxpayers [Not Nil]	Rs. 10,000 (5000+5000)
Immaterial	GSTR-4	Composition Taxpayers- Nil liability	Rs. 500 (250+250)
Immaterial	GSTR-4	Composition Taxpayers [others]	Rs. 2,000 (1000+1000)
Immaterial	GSTR-7	TDS Returns [late fees -Rs. 50/day]	Rs. 2,000 (1000+1000)

AATO – Aggregate Turnover

PFY – Preceding Financial Year

Reduction of Late fees and Interest for returns of March'21 to May'21**Taxpayers having turnover exceeding 5 Crore:**

Period	Return	Due Date	Late Fees	Return Filing Date	Interest
Mar-21	GSTR-3B	20/04/2021	NIL	By 05/05/2021	9% from 21/04/2021-05/05/2021
			Rs. 20/50 (CGST+SGST)	From 06/05/2021	9% from 21/04/2021 -05/05/2021 18% from 06/05/2021 onwards.
Apr-21	GSTR-3B	20/05/2021	NIL	BY 04/06/2021	9% from 21/05/2021-04/06/2021
			Rs. 20/50 (CGST+SGST)	From 05/06/2021	9% from 21/05/2021 -04/06/2021 18% from 05/06/2021 onwards.
Apr-21	GSTR-1	11/05/2021	NIL	By 26/05/2021	NA
			Rs. 20/50 (CGST+SGST)	From 27/05/2021	NA
May-21	GSTR-3B	20/06/2021	NIL	BY 05/07/2021	9% from 21/06/2021-05/07/2021
			Rs. 20/50 (CGST+SGST)	From 06/07/2021	9% from 21/06/2021 -05/07/2021 18% from 06/07/2021 onwards.
May-21	GSTR-1	11/06/2021	NIL	By 26/06/2021	NA
			Rs. 20/50 (CGST+SGST)	From 27/06/2021	NA

Taxpayers having turnover below 5 Crores and have opted for monthly return filing:

Period	Return	Due Date	Late Fees	Return Filing Date	Interest
Mar-21	GSTR-3B	20/04/2021	NIL	By 05/05/2021	NIL from 21/04/2021- 05/05/2021
			NIL	From 06/05/2021 to 19/06/2021	Interest 9% from 06/05/2021 onwards
			Rs. 20/50 (CGST+SGST)	From 20/06/2021	NIL from 21/04/2021 -05/05/2021 9% from 06/05/2021 -19/06/2021 18% from 20/06/2021 onwards.

Apr-21	GSTR-3B	20/05/2021	NIL	By 04/06/2021	Nil from 21/05/2021- 04/06/2021
			NIL	From 05/06/2021 to 04/07/2021	Interest 9% from 05/06/2021 onwards
			Rs. 20/50 (CGST+SGST)	From 05/07/2021	NIL from 21/05/2021 -04/06/2021 9% from 05/06/2021 -04/07/2021 18% from 05/07/2021 onwards.
May-21	GSTR-3B	20/06/2021	NIL	By 05/07/2021	Nil from 21/06/2021- 05/07/2021
			NIL	From 06/07/2021 to 20/07/2021	Interest 9% from 06/07/2021 onwards
			Rs. 20/50 (CGST+SGST)	From 21/07/2021	NIL from 21/06/2021 -05/07/2021 9% from 06/07/2021 -20/07/2021 18% from 21/07/2021 onwards.
Apr-21	GSTR-1	11/05/2021	NIL	By 26/05/2021	NA
			Rs. 20/50 (CGST+SGST)	From 26/05/2021	NA
May-21	GSTR-1	11/06/2021	NIL	26/06/2021	NA
			Rs. 20/50 (CGST+SGST)	From 27/06/2021	NA

Taxpayers having turnover below 5 Crores and under QRMP Scheme:

Period	Return	Due Date	Late Fees	Return Filing Date	Interest
Jan-21 to Mar-21	GSTR-3B (Type A States)	22/04/2021	NIL	By 07/05/2021	NIL from 23/04/2021-07/05/2021
			NIL	From 08/05/2021 to 21/06/2021	Interest 9% from 08/05/2021 onwards
			Rs. 20/50 (CGST+SGST)	From 22/06/2021	NIL from 23/04/2021 -07/05/2021 9% from 08/05/2021 -21/06/2021 18% from 22/06/2021 onwards.
Jan-21 to Mar-21	GSTR-3B (Type B states)	24/04/2021	NIL	By 09/05/2021	NIL from 25/04/2021 to 09/05/2021
			NIL	From 10/05/2021 to 23/06/2021	Interest 9% from 10/05/2021 onwards

			Rs. 20/50 (CGST+SGST)	From 24/06/2021	NIL from 25/04/2021 -09/05/2021 9% from 10/05/2021 -23/06/2021 18% from 24/06/2021 onwards.
Apr-21	PMT-06	25/05/2021	NA	By 09/06/2021	NIL
				From 10/06/2021 to 09/07/2021	Interest 9% from 10/06/2021 onwards
				From 10/07/2021	NIL from 26/05/2021 -09/06/2021 9% from 10/06/2021 -09/07/2021 18% from 10/07/2021 onwards.
May-21	PMT-06	25/06/2021	NA	By 10/07/2021	NIL
				From 11/07/2021 to 25/07/2021	Interest 9% from 11/07/2021 onwards
				From 26/07/2021	NIL from 26/06/2021 -10/07/2021 9% from 11/07/2021 -25/07/2021 18% from 26/07/2021 onwards.
Apr-21	IFF (All states)	01/05/2021- 13/05/2021	NA	01/05/2021- 28/05/2021	NA
May-21	IFF (All states)	01/06/2021- 13/06/2021	NA	01/06/2021- 28/06/2021	NA

Composition taxpayers:

Period	Return	Due Date	Rate of Interest	Return Filing Date	Remark
January -March 2021	GST CMP-08	18/04/2021	NIL	By 03/05/2021	NIL from 19/04/2021 to 03/05/2021
			9%	From 04/05/2021 to 18/06/2021	Interest 9% from 04/05/2021 onwards
			18%	From 19/06/2021	NIL from 19/04/2021 -03/04/2021 9% from 04/05/2021 -18/06/2021 18% from 19/06/2021 onwards.

Extension in filing of ITC-04 and GSTR-4

Period	Return Type	Description	Due Date	Extended Due Date
Apr'20 - Mar'21	GSTR-4	Annual Return for Composition Tax Payers	30/04/2021	31/07/2021
Jan'21-Mar'21	ITC-04	Intimation of goods sent on job work	25/04/2021	30/06/2021

Cumulative Application of condition specified in Rule 36 (4)

- Rule 36(4) of the CGST Act, 2017, restricts availment of ITC to 105% of the ITC reflected in GSTR-2B / 2A as on the due date of filing GSTR-1 by the supplier. With the extensions in GSTR-1 dates, government has provided that the said restriction shall apply cumulatively for the period April '21, May '21 and June '21 in GSTR-3B of June'21.

Due date of other compliances extended to 31st May 2021

- Where the time limit of any of the following actions fall between 15th April 2021 to 29th June 2021 for completion of various actions by any authority or any person, the due date of the same would get extended to 30th June 2021 subject to certain exceptions
- The Supreme Court order had extended the period of limitation with effect from 15th March 2020 till further orders for filing of petitions / applications / suits / appeals / all other proceedings. This is the current status as per the order dated 27th April 2021. Such timelines of the order of Supreme Court will have to be adhered wherever applicable.

Changes in Annual Return and Reconciliation Statement

- With effect from FY 2020-21, it is proposed to have self-certification of GSTR-9C by taxpayers

- The limit for filing annual return and reconciliation will be the same as earlier for FY 2020-21:
 - Upto Rs. 2 crores – Form GSTR-9 and 9A to be optional
 - From 2 crores to 5 cores – Form GSTR 9 mandatory but 9C optional
 - More than Rs. 5 crores – Both GSTR-9 and 9C mandatory

Retrospective applicability of interest on net tax liability paid in cash

- Retrospective application of Section 50 for applicability of interest on net tax liability i.e. for amount paid through cash only is proposed to be notified at the earliest

GST Act to be amended to make GSTR-1 and 3B as default return

- It is proposed to make relevant changes in the provisions of the Act in order to make GSTR-1 and 3B as the default return filing system in GST

ITC to landowner promoter from construction services provided by developer promoter for utilization in subsequent sale by landowner

- After 1st April 2019 the government had provided that the developer promoter will be paying GST on apartments provided to land owners at the time of issuance of completion certificate.
- However, the landowner was not able to utilize the complete ITC as most of his consideration for subsequent sale of apartments were received before issuance of completion certificate
- It is proposed that appropriate changes would be made in the relevant provisions to provide an explicit provision for utilization of ITC by landowners. This will enable them to utilize such ITC for subsequent sale of flats on which GST is payable.
- At the same time the developer promoter will be allowed to pay GST any time before or at the time of issuance of completion certificate.

Applicability of GST exemption on Milling of Rice/ Paddy

- 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 $\leq 25\%$.
 - if supplied to any person registered in GST, including a person registered for payment of TDS, such services would attract GST at the rate of 5%

Exemption of GST on Covid-19 related relief

- Import of COVID-related relief items including AmphotericinB (required for treating Mucormycosis), even if purchased or meant for donating to Govt. or to any relief agency upon recommendation of State authority, to be exempted from IGST till 31st August 2021
- As regards individual items, it was decided to constitute a Group of Ministers (GoM) to go into the need for further relief to COVID-19 related individual items immediately. The GOM shall give its report by 08.06.2021

Certain exemptions inserted for educational sector

- Services supplied to an educational institution including anganwadi (which provide pre-school education also), by way of serving of food including mid- day meals under any midday meals scheme, sponsored by Government are to be exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations
- 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 to exempt from GST.

Other amendments relating to government supplies

- 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
- To clarify those services supplied to a Government Entity by way of construction of a ropeway attract GST at the rate of 18%.
- To clarify those 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.

Clarificatory amendments in relation to GST Rates

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

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