

SUMMARY OF POINTS OF PRESS RELEASE POST GST COUNCIL 43RD MEETING:

✓ **Exemptions to Covid relief items and other proposals:**

1. 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, Amphotericin B etc. have been recommended for full exemption from IGST apart from Basic customs duty, even if imported on payment basis for donating to the Government or on recommendation of state authority to any relief agency. Said exemption is valid up to 31st August 2021
2. GST rate on Diethylcarbamazine (DEC) tablets has been recommended for reduction to 5% (from 12%).
3. An amendment is proposed to impose IGST on repair value of goods re-imported after repairs
4. GST would be applicable at the rate of 12% to apply on parts of sprinklers/ drip irrigation systems (falling under tariff heading 8424 -nozzle/laterals), even if these goods are sold separately.

✓ **Clarifications proposed in GST:**

1. An exemption under GST for serving of food to educational institution including anganwadi including mid-day meals under any midday meals scheme, sponsored by Government irrespective of funding of such supplies from Government grants or corporate donations.
2. An exemption under GST for 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 also proposed to be exempted from GST.

3. Amendment in relevant notification is proposed enabling the landowner promoters to utilize credit of GST charged by developer promoters in respect of such apartments that are subsequently sold by the land promotor and on which GST is paid. The developer promotor shall be allowed to pay GST relating to such apartments any time before or at the time of issuance of completion certificate.
4. Reduction of GST rate from 18% to 5% on MRO services in respect of ships/vessels and to specify the place of supply for B2B would be location of recipient of service.
5. An exemption under GST for the service 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 if value of goods in composite supply does not exceed 25%. Otherwise, GST rate applicable will be 5% if supplied to registered person, including registered for payment of TDS.
6. To clarify that GST is payable on annuity payments received as deferred payment for construction of road as benefit of the exemption is for such annuities which are paid for the service by way of access to a road or a bridge.
7. To clarify that services supplied to a Government Entity by way of construction of a rope-way to attract GST at the rate of 18%.
8. To clarify that 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.

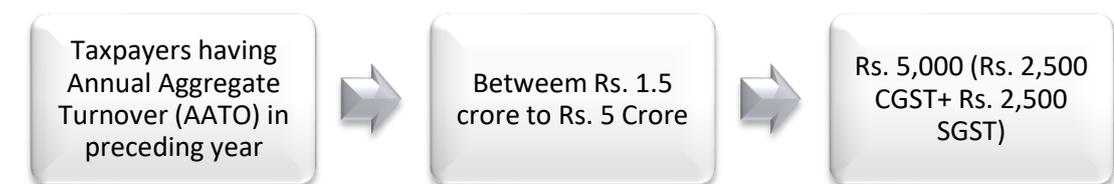
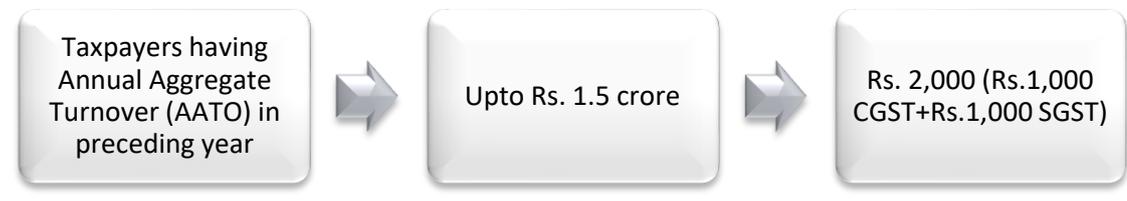
✓ **Measures for Trade facilitation:**

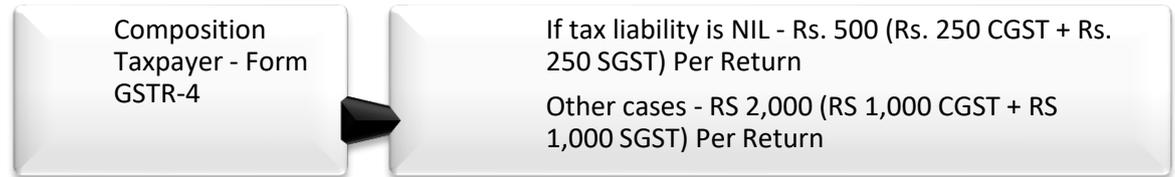
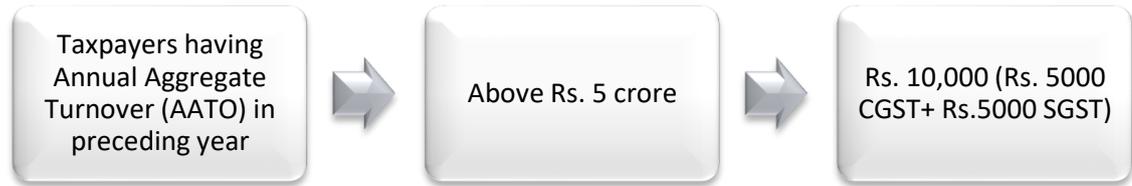
1. **Amnesty Scheme – Relief to taxpayers on late fees for pending GST returns**

Period	Maximum Late Fees	Taxpayer	Condition
July 2017 to April 2021	Rs.500 Per Return (Rs.250 CGST and Rs.250 SGST)	NIL tax liability	If GSTR-3B returns are filed between 1 st June 2021 to 31 st August 2021
	Rs.1000 Per Return (Rs.500 CGST and Rs.500 SGST)	Other than above	

2. **Proposed Rationalization of late fee imposed under section 47 of the CGST Act to be capped with prospective effect:**

For Form GSTR-3B and Form GSTR-1 – Per Return





✓ **Extensions of COVID -19 related relief measures for taxpayers**

- Small taxpayers (aggregate turnover upto Rs. 5 crore)

Month Return	Rate of Interest	Filing of Return	Late Fee
March 2021– GSTR-3B & PMT- 06 Challan	NIL	Furnishing within 15 days from due date	Waiver for delay in Furnishing GSTR-3B – If filed within 60 days from Due date (Including quarterly return)
	9% p.a.	Furnishing within further 45 days from due date	
April 2021 – GSTR-3B & PMT- 06 Challan	NIL	Furnishing within 15 days from due date	Waiver for delay in Furnishing GSTR-3B – If filed within 45 days from Due date
	9%	Furnishing within further 30 days from due date	
CMP-08 Composition	NIL	Furnishing within 15 days from due date	-

Taxpayer for March and April 2021	9%	Furnishing within further 45 days from due date	
May 2021– GSTR-3B & PMT-06 Challan	NIL	Furnishing within 15 days from due date	Waiver for delay in Furnishing GSTR-3B – If filed within 30 days from Due date
	9%	Furnishing within further 15 days from due date	

- Large taxpayers (aggregate turnover more than Rs. 5 crore)

Month Return	Rate of Interest	Filing of Return	Late Fee
May 2021– GSTR-3B	9%	Furnishing within 15 days from due date	Waiver for delay in Furnishing GSTR-3B – If filed within 15 days from Due date

- Due date for filing of GSTR-1 /IFF of MAY 2021: It is proposed to extend due date by 15 Days
- Due date for filing of GSTR-4 for FY 2020-21: proposed to extend up to 31st July 2021
- Due date for filing of ITC -04 for the quarter ended March 21: proposed to extend up to 30th June 2021
- It is proposed that Rule 36(4) of CGST Rules 2017 would be applicable cumulatively for the tax periods April, May and June 2021 in the return for the period June, 2021
- It is proposed to allow filing of returns by companies using Electronic Verification Code (EVC) till 31st August 2021
- 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, proposed to be extended upto 30th June, 2021, subject to some exceptions.

[Wherever the timelines for actions have been extended by the Hon'ble Supreme Court, the same would apply]

✓ **Simplification of Annual Return for Financial Year 2020-21:**

- Filing of Annual Return in Form GSTR-9/9A to be optional for taxpayers having aggregate turnover up to Rs. 2 Crores
- Reconciliation Statement in Form GSTR-9C will be required to be filed for taxpayers having aggregate turnover up to Rs. 5 Crores
- From FY 2020-21 onwards, taxpayers would be able to **self-certify** the Reconciliation statement in Form GSTR-9C instead from chartered accountants

GSC's comments:

Though the condition of self-certification of reconciliation statement by a CA has been dispensed with, however it will be in the interest of business to get annual return and reconciliation statement reviewed from GST experts as annual return is the last chance to correct errors/omissions caused if any and also to avoid tax demands including penalties by the tax department later.

- ✓ **Retrospective amendment in section 50 of CGST Act w.e.f. 1st July 2017 – providing for payment of interest on net cash basis is to be notified at the earliest.**
- ✓ **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**