

A top-down view of a workspace with a laptop, keyboard, notebooks, and hands working.

GST Relaxations/Amendments proposed on 43rd GST Council Meeting held on 28th May, 2021

Exemption granted to Medical Items related to COVID-19

Exemption granted to Medical Items related to COVID-19

S.No.	Condition to be fulfilled	Description of Goods	Payment Term of import	Proposed Taxability	Exemption Validity
1	Import for donating to the government or on recommendation of state authority to any relief agency	Medical oxygen, oxygen concentrators and other oxygen storage and transportation equipment, certain diagnostic markers test kits and COVID-19 vaccines, etc.	If imported at Free of Cost	Exemption extended further	31-08-2021
2	Import for donating to the government or on recommendation of state authority to any relief agency	Medical oxygen, oxygen concentrators and other oxygen storage and transportation equipment, certain diagnostic markers test kits and COVID-19 vaccines, etc.	If imported on payment to supplier	Exempted	31-08-2021

- Above mentioned goods are already exempted from Basic Custom Duty
- Above exemption from IGST has been extended to Amphotericin B also in view of rising Black Fungus cases
- 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.

Reduction/Clarification on Leviability of Tax Rates on Certain Goods

Reduction/Clarification on Levability of Tax Rates on Goods

GST rate on
Diethylcarbamazine (DEC)
tablets

- ❑ recommended for **reduction to 5%** (from 12%)

On repair value of goods re-
imported after repairs

- ❑ Levability of **IGST** has been proposed

On parts of sprinklers/ drip
irrigation systems falling under
tariff heading 8424
(nozzle/laterals)

- ❑ GST **rate of 12%** to apply even if these goods are sold separately

Clarifications/Clarificatory amendments in Services

Clarifications introduced in respect of certain services

S. No.	Description of Service	Clarifications Introduced
1.	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	➤ Exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.
2.	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	➤ Exempt from levy of GST
3.	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	➤ 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.
4.	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.

Clarifications introduced in respect of certain services

S. No.	Description of Service	Clarifications Introduced
5.	Services supplied to a Government Entity by way of construction of a rope-way	➤ GST at the rate of 18%.
6.	Services supplied by Govt. to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions	➤ Exempt from GST

Clarificatory Amendments in respect of certain services

To extend the same dispensation as 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, -

- GST on MRO services in respect of ships/vessels shall be reduced to 5% from 18%.
- PoS of B2B supply of MRO Services in respect of ships/ vessels would be location of recipient of service

- The land owner promoters could utilize credit of GST charged to them 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.

Amnesty Scheme to provide relief to Taxpayers regarding Late Fees for Pending Returns

Relaxation in late fees for Pending Returns for the period Jul'17 to Apr'21

Late fee for non-furnishing **FORM GSTR-3B** for the tax periods from **July 2017 to April 2021** has been reduced / waived as under:

Taxpayers not having any tax liability for the said tax periods



late fee capped to a maximum of:
Rs 500/- (Rs. 250/- each for CGST & SGST) per return

Taxpayers having tax liability for the said tax periods



late fee capped to a maximum of:
Rs 1000/- (Rs. 500/- each for CGST & SGST) per return

The reduced rate of late fee would apply if GSTR-3B returns for these tax periods are furnished between 01.06.2021 to 31.08.2021.

Rationalization of late fee imposed under section 47 of the CGST Act

Rationalization of late fee on the basis of Turnover for GSTR-3B & GSTR-1

The late fee for delay in furnishing of **FORM GSTR-3B** and **FORM GSTR-1** to be capped, **per return**:

- For taxpayers having nil tax liability;-

Category of Taxpayers	Late Fees to be Capped
Taxpayers having nil tax liability	Rs 500 (Rs 250 CGST + Rs 250 SGST)

- Other Taxpayers

Category of Taxpayers	Late Fees to be Capped
Annual Aggregate Turnover (AATO) in preceding year upto Rs 1.5 crore	Rs 2000 (1000 CGST+1000 SGST)
AATO in preceding year between Rs 1.5 crore to Rs 5 crore	Rs 5000 (2500 CGST+2500 SGST)
AATO in preceding year above Rs 5 crores	Rs 10000 (5000 CGST+5000 SGST)

Note: All the above proposals to be made applicable for prospective tax periods

Rationalization of late fee for GSTR-4 & GSTR-7

For GSTR-4 by Composition Dealer

Category of Taxpayers	Late Fees to be Capped
Taxpayers having nil tax liability	Rs 500 (Rs 250 CGST + Rs 250 SGST)
Other Taxpayers having tax liability	Rs 2000 (Rs 1000 CGST + Rs 1000 SGST)

For GSTR-7 Return for TDS

- ✓ Reduced to Rs.50/- per day (Rs. 25 CGST + Rs 25 SGST)
- ✓ Capped to a maximum of Rs 2000/- (Rs. 1,000 CGST + Rs 1,000 SGST) per return.

Note: All the above proposals to be made applicable for prospective tax periods

Addition to GST Relaxations/Extensions notified vide Notifications issued on 01st May,2021

Relaxations regarding GSTR-3B

For businesses having aggregate turnover up to 5cr in preceding Financial Year i. e. FY 2020-21(Monthly Filers of GSTR-3B)

S.No.	Month	Due Date	Late Fee Relaxation	Interest Relaxation		
				No Interest	Interest @ 9%	Interest @ 18%
1	Mar'2021	20th April 2021	60 days from due date- till 19th June 2021	15 days from due date - till 5th May 2021	Next 45 days – (6 th May to 19 th Jun'2021)	From 20 th June 2021 onwards
2	April'2021	20th May 2021	45 days from due date- till 04th Jul 2021	15 days from due date- till 4th June 2021	Next 30 days – (5 th Jun to 04 th Jul'2021)	From 05 th July 2021 onwards
3	May,2021	20 th June 2021	30 days from due date- till 20th July 2021	15 days from due date- till 05th July 2021	Next 15 days – (6 th July to 20 th Jul'2021)	From 21 st July 2021 onwards

Relaxations regarding GSTR-3B

For businesses having aggregate turnover up to 5cr in preceding Financial Year i. e. FY 2020-21 -Quarterly Filers(QRMP Scheme) of GSTR-3B

S.No.	Month	Due Date	Late Fee Relaxation	Interest Relaxation		
				No Interest	Interest @ 9%	Interest @ 18%
1	Jan-Mar'2021 (Category-1)	22 nd April	60 days from due date- till 21 st July 2021	15 days from due date - till 7 th May 2021	Next 45 days – (8 th May to 21 st June'2021)	From 22 nd June 2021 onwards
2	Jan-Mar'2021 (Category-2)	24 th April	60 days from due date- till 23 rd June 2021	15 days from due date - till 9 th May 2021	Next 45 days – (10 th May to 23 rd June'2021)	From 24 th June 2021 onwards

Category-1:- Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep

Category-2:- Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi

Relaxations regarding GSTR-3B

For businesses having aggregate turnover up to 5cr in preceding Financial Year i. e. FY 2020-21 -Quarterly Filers(QRMP Scheme) of GSTR-3B-Payment through PMT-06

S.No.	Month	Due Date	Interest Relaxation		
			No Interest	Interest @ 9%	Interest @ 18%
1	Mar'21	25 th April	15 days from due date - till 10 th May 2021	Next 45 days – (11 th May to 24 th June'2021)	From 25 th June 2021 onwards
2	Apr'21	25 th May	15 days from due date - till 9 th June 2021	Next 30 days – (10 th June to 09 th July'2021)	From 10 th July 2021 onwards
3	May'21	25 th June	15 days from due date - till 10 th July 2021	Next 15 days – (10 th July to 25 th July'2021)	From 26 th July 2021 onwards

Relaxations regarding GSTR-3B

For businesses having aggregate turnover of 5cr or more in preceding Financial Year i. e. FY 2020-21:

S.No.	Month	Due Date	Late Fee Relaxation	Interest Relaxation		
				No Interest	Interest @ 9%	Interest @ 18%
1	May'2021	20th June 2021	15 days from due date- till 5th Jul 2021	No such relaxation	15 days from due date- till 5th Jul 2021	From 06 th July 2021 onwards

Relaxations regarding CMP-08

For Quarterly Return under Composition Scheme : CMP-08

S.No.	Month	Due Date	Interest Relaxation		
			No Interest	Interest @ 9%	Interest @ 18%
1	Jan-Mar'2021	18 th April'21	15 days from due date - till 3 rd May 2021	Next 45 days – (4 th May to 17 th June'2021)	From 18 th June 2021 onwards

Relaxations regarding GSTR-4 (FY 2020-21) for person under Composition Scheme

S.No.	Period	Due Date	Extended Due Date
1	FY 2020-21	30th April'21	31st July'21

Relaxations regarding ITC-04 Statement for Inputs and Capital Goods sent to Job worker

S.No.	Period	Due Date	Extended Due Date
1	Jan'21 to Mar'21	25th April'21	30 th June'21

Relaxations regarding GSTR-1 Statement for Outward Supplies

S.No.	Period	Due Date	Extended Due Date
1	May'21	11 th June'21	26 th June'21

Relaxations regarding IFF Return Filing

S.No.	Period	Due Date	Extended Due Date
1	May'21	1st -13th June'21	1st to 28th June'21

Relaxations regarding Rule 36(4)

S.No.	Period	Original Rule	Proviso Inserted as relaxation for May'21
1	May'21	❖ ITC to be availed by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers in FORM GSTR-1 or using the IFF shall not exceed 5% of the eligible credit available in respect of invoices or debit notes the details of which have been furnished by the suppliers under GSTR-1 or using IFF.	❖ Such condition shall apply cumulatively for the period April , May and June'21 ❖ Return in FORM GSTR-3B for the period Jun'21 shall be furnished with the cumulative adjustment of ITC for the said months

Other Relaxations

1. Allowing filing of returns by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till **31.08.2021**.

2. Relaxations under section 168A of the CGST Act:

S.No.	Compliance	Due Date Falling between	Extended Due Date
1	Time limit for completion of various actions, by any authority or by any person, under the GST Act (subject to some exceptions)	15th April 2021 to 29th June 2021	30 th June'2021

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

Simplification of Annual Return for FY 2020-21

Annual Return GSTR-9 & 9C FY 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

Applicable from Annual Return of FY 2020-21

Annual Aggregate Turnover	FORM GSTR-9/9A	FORM GSTR-9C
Above Rs.5 crore	Mandatory	Mandatory
Upto Rs.2 crore	Optional	Not Applicable

Other Changes proposed in Meeting

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.

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.

The recommendations would be effective through relevant Circulars/Notifications which shall have the force of law.

Thank you

AAP & CO.



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