



Masters India



Highlights of 43rd Council Meeting

Changes in GST Rates on supply of goods & services

Description	Recommendation	Caveat
Medical Oxygen	Full exemption from IGST	For donating to the government or on recommendation of state authority to any relief agency, even if imported on payment basis valid till 31/08/2021
Oxygen Concentrators		
Other oxygen storage and transportation equipment		
Certain Diagnostic Markers Test Kits		
COVID-19 vaccines		
Other COVID-19 related goods		
Amphotericin B		
Diethylcarbamazine (DEC) to support Lymphahtic Filariasis	Reduce GST rate from 12% to 5%	
Parts of sprinklers/ drip irrigation systems falling under tariff heading 8424 (nozzle/laterals)	GST rate of 12%	Even when these goods are sold separately
Repair cost of goods re-imported after such repairs	IGST shall be applicable	
Services supplied to an educational institution including anganwadi by way of serving of food	Exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.	
Fees charged on services provided by way of examination by National Board of Examination (NBE), or similar Central or State Educational Board, including input services	Exempt from GST	
MRO services in respect of ships/vessels	Reduce GST rate from 18% to 5%	Place of Supply of B2B supply of MRO Services will be recipient of service
Service by way of milling of wheat/paddy into flour/ rice to Government/ local authority	Exempt	Distribution of such flour or rice under PDS if the value of goods under such composite supply does not exceed 25%.
	5%	In other cases, including distribution to registered persons and persons registered for payment of TDS
Services supplied to a Government Entity by way of construction of a rope-way	18%	
Services supplied by Govt. to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions	Exempt	

Relaxation in late fee

Description	Updated Fee	Tax Period	Conditions
Relaxation in late fee for non-furnishing GSTR-3B	Rs.500 per return	July, 2017 to April, 2021 (Return should be furnished between 01/06/2021 to 31/08/2021)	A taxpayer who did not have any tax liability
	Rs. 1,000 per return		Other taxpayers
Capping of late fee for delay in furnishing GSTR-3B and GSTR-1	Rs.500 per return	Prospective tax periods	A taxpayer who does not have any tax liability/ nil outward supplies in GSTR-1
	Rs. 2,000 per return		Taxpayers having AATO* in preceding year up to Rs 1.5 crore
	Rs. 5,000 per return		Taxpayers having AATO* in preceding year between Rs 1.5 crore to Rs 5 crore
	Rs. 10,000 per return		Taxpayers having AATO* in preceding year above Rs 5 crores
Capping of late fee for delay in furnishing GSTR-4	Rs.500 per return	Prospective tax periods	Composition taxpayers, if tax liability is nil
	Rs. 2,000 per return		Other taxpayers
Capping of late fee for delay in furnishing GSTR-7	Rs.50 per day - Rs. 2,000 per return	Prospective tax periods	

*AATO: Annual Aggregate Turnover

Relaxation in Interest Rates

Taxpayer	Tax Period	Relaxation	
Small Taxpayers with aggregate turnover of up to Rs. 5 crores	March & April '21	NIL rate of interest for first 15 days from the due date of furnishing the return in FORM GSTR-3B or filing of PMT-06 Challan, reduced rate of 9% thereafter for further 45 days and 30 days, respectively	
		Waiver of late fee for delay in furnishing return in FORM GSTR-3B for 60 days and 45 days respectively, from the due date	
		NIL rate of interest for first 15 days from the due date of furnishing the statement in CMP-08 by composition dealers for QE March 2021, reduced rate of 9% thereafter for further 45 days.	
	May ' 21	NIL rate of interest for first 15 days from the due date of furnishing the return in FORM GSTR-3B or filing of PMT-06 Challan, reduced rate of 9% thereafter for further 15 days.	
Waiver of late fee for delay in furnishing return in FORM GSTR-3B for 30 days from the due date	Large Taxpayers with aggregate turnover of more than Rs. 5 crores	May ' 21	Lower rate of interest @ 9% for first 15 days after the due date of filing return in FORM GSTR-3B
Waiver of late fee for delay in furnishing return in FORM GSTR-3B for 15 days from the due date			

Other Relaxations

- Allowing cumulative application under Rule 36(4) for availing ITC for tax periods April, May and June 2021 in the return for the period June, 2021.
- Allowing filing of returns by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till 31.08.2021.
- 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, to be extended up to 30th June, 2021, subject to some exceptions.
- Taxpayers are allowed to self-certify their reconciliation statement under FORM GSTR-9C for FY 20-21.
- Reconciliation statement in FORM GSTR-9C for the FY 2020-21 is required to be filed by taxpayers with annual aggregate turnover above Rs 5 Crore only.
- Filing of annual return in FORM GSTR-9/ 9A for FY 2020-21 is optional for taxpayers having aggregate annual turnover up to Rs 2 Crore.
- GST Council recommended amendments in certain provisions of the Act to make the present system of filing GSTR-1 GSTR-3B as the default return filing system in GST.
- Landowner promoters can utilize credit of GST charged to them by developer promoters in respect of apartments that have been sold after paying GST at any time before or at the time of issuance of completion certificate.

Extension in due dates

GSTR Form	Tax Period	Revised Due Date
GSTR-1/ IFF	May '21	26/06/2021
GSTR-4	FY 2020-2021	31/07/2021
ITC-04	QE March '21	30/06/2021

Other Developments

- The Ministry has also decided to constitute a group of ministers (*"GOM"*) to decide more individual items that should be considered for immediate relief. The GOM is expected to submit their report by 8th June 2021.
- The Finance Ministry has estimated a GST shortfall at Rs 2.69 lakh crore which needs to be distributed to states as GST Compensation. The Finance Ministry has decided to borrow Rs 1.58 lakh crore.