

## Recommendations made by the GST Council in its 43rd Meeting Held at New Delhi on 28<sup>th</sup> May 2021

### A. COVID-19 RELIEF MEASURES:

- Integrated Goods and Service Tax (IGST) exemption on import of COVID-19 relief goods free-of-cost, for donation to the Government or specified relief agency, even if imported on payment basis, till August 31, 2021
- The relief material includes medical oxygen, oxygen concentrators and other oxygen storage & transportation equipment, diagnostic markers test kits, vaccines etc. Further, in view of rising Black Fungus cases, the above exemption has been extended to Amphotericin B also.
- GST Council constituted a Group of Ministers to submit a report by June 8, 2021 on the need for further relief to COVID-19 related items

### B. CHANGE IN GST RATES:

1 Diethylcarbamazine (DEC) tablets relating to the Lymphahtic Filarisis (an endemic) elimination program being conducted in collaboration with World Health Organization

**Existing Tax rate 12%**

**Proposed Tax rate 5%**

2 Maintenance, Repair and Overhaul (MRO) service in respect of ships / vessels Place of supply for B2B MRO services will be the location of the recipient

**Existing Tax rate 18%**

**Proposed Tax Rate 5%**

### C. KEY CLARIFICATORY AMENDMENTS:

1. Repair value of goods re-imported after repairs

**Gst Applicability IGST leviable**

2. Parts of sprinklers / drip irrigation systems falling under tariff heading 8424 (nozzle / laterals) even if these goods are sold separately

**Gst Rate 12%**

3. Serving food / mid-day meals to an educational institution (including Anganwadi) sponsored by Government

**Gst Applicability Exempt irrespective of funding from Government grants or corporate donations**

4. Examination Services Fee charged by National Board of Examination (NBE) or similar Central or State Educational Boards and input services relating thereto

**Gst Applicability Exempt**

5. Services by way of milling of wheat / paddy into flour / rice provided to Government / local authority for distribution under Public Distribution System

**Gst Applicability Exempt if the value of goods in composite supply does not exceed 25%**

**Otherwise, GST @ 5% if supplied to any person registered in GST including a person registered for payment of TDS**

6. Services supplied to a Government Entity by way of construction of a rope-way

**Gst Rate 18%**

7. Services supplied by Government to Public Sector Undertaking by way of guaranteeing loans taken by such entity from banks and financial institutions

**Gst Applicability Exempt**

8. Annuity payments received as deferred payment for construction of road

**Gst Applicable**

Annuities which are paid for the service by way of access to a road or a bridge

**Benefit of exemption available**

9. GST charged by Developer Promoters to Land Owner Promoters in respect of apartments that are subsequently sold by the Land Owner Promoters on which GST is paid

**Gst Applicability The Developer Promotor can pay GST relating to such apartments any time before or at the time of issuance of Completion Certificate**

**Input Tax Credit shall be available to the Land Owner Promoters**

## **D. RELIEF IN GST FILINGS AND COMPLIANCES**

1. Extension of Due Dates : Pls Read

<https://taxguru.in/goods-and-service-tax/gst-due-dates-gst-compliances-43rd-gst-council-meeting.html>

2. Permitting filing of returns by companies using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till August 31, 2021.
3. Cumulative application of provisional credit rules (restriction of unmatched credits) for availing Input Tax Credit for tax periods April, May and June, 2021 to be applied in the Return for the tax period June, 2021

4. Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from April 15, 2021 to June 29, 2021 to be extended up to June 30, 2021 subject to exceptions. The timelines for actions extended by the Supreme Court vide its order dated April 27, 2021, would apply.
5. Simplification of Annual Returns for financial year 2020-21.

## **E. AMNESTY SCHEME ON LATE FEES ON FILING OF PENDING AND PROSPECTIVE GST RETURNS**

1. Amnesty Scheme on Late Fee for non-furnishing of Form GSTR-3B for the tax period from July 2017 to April 2021

If Tax liability is NIL

Maximum late fee Rs 500/- per Return

If Tax Liability Exists

Maximum late fee Rs 1000/- per Return

Provided that GSTR-3B Returns to be furnished between June 1, 2021 to August 31, 2021

2. Rationalization of Late Fee for prospective tax period

- i) **For Taxpayers having NIL tax liability in Form GSTR-3B or NIL outward supplies in GSTR-1**

Delay in filing Forms Being GSTR-1 & GSTR-3B

Existing Maximum late fee Rs 10,000/- per Return

Proposed Maximum late fee Rs 500/- per Return

- ii) **Other Taxpayers Form GSTR-3B & Form GSTR-1**

Delay in filing -Form Being Gst 3B & Gst 1  
Taxpayers Annual Aggregate Turnover in the preceding year  
Existing Maximum late fee Rs 10,000/- per Return  
Proposed Maximum late fee  
Up to Rs 1.5 crores Rs 2,000/- per Return  
Between Rs 1.5 crore to Rs 5 crores Rs 5,000/- per Return  
Above Rs 5 crores Rs 10,000/- per Return

**iii) For Composition Taxpayers**

Delay in filing Form Being GSTR-4

If Tax liability is Nil

Existing Maximum late fee Rs 10,000/- per Return

Proposed Maximum late fee Rs 500/- per Return

If Tax liability Exists

Existing Maximum late fee Rs 10,000/- per Return

Proposed Maximum late fee Rs 2,000/- per Return

**iv) For Taxpayers deducting TDS under GST**

Delay in filing Forms Form GSTR-7

Existing Maximum late fee Rs 100/- per day/ Rs 10,000/- per Return

Proposed Maximum late fee Rs 50/- per day/ Rs 2,000/- per Return

**F. MISCELLANEOUS MEASURES**

1. Retrospective amendment w.e.f. July 1, 2017 for levy of interest in case of late payment of tax on net cash liability as against gross tax liability.
2. Make the present system of GSTR-1/3B return filing as the default return filing system in GST