

KEY HIGHLIGHTS OF THE 43rd GST COUNCIL MEETING

The 43rd GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister, Smt. Nirmala Sitharaman, on May 28, 2021 through video conferencing.

Recommendations made by the GST Council in its 43rd Meeting:

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:

SI	Goods / Services	Existing	Proposed
1	Diethylcarbamazine (DEC) tablets relating to the LymphaeticFilarisis (an endemic) elimination programme being conducted in collaboration with World Health Organization	12%	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	18%	5%

C. KEY CLARIFICATORY AMENDMENTS:

SI	Goods / Services	GST applicability / Rates
1	Repair value of goods re-imported after repairs	IGST leviable
2	Parts of sprinklers / drip irrigation systems falling under tariff heading 8424 (nozzle / laterals) even if these goods are sold separately	12%
3	Serving food / mid-day meals to an educational institution (including Anganwadi) sponsored by Government	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	Exempt

5	Services by way of milling of wheat / paddy into flour / rice provided to Government / local authority for distribution under Public Distribution System	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	18%
7	Services supplied by Government to Public Sector Undertaking by way of guaranteeing loans taken by such entity from banks and financial institutions	Exempt
8	Annuity payments received as deferred payment for construction of road Annuities which are paid for the service by way of access to a road or a bridge	GST applicable 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	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 COMPLIANCES

1. Extension of Due Dates:

- i. Relaxation to regular taxpayers in filing of monthly GST Return in Form GSTR-3B (Summary Return)

Additional relaxations have been recommended in continuation to Notification issued on May 1, 2021:

Taxpayer / Annual Turnover in previous FY	Tax Period	Due date of filing Form GSTR-3B	Relief announced					Late Fee Waiver Up to (from the due date of GSTR 3B)
			First 15 days from due date	Interest			From 60 th day onwards	
				Next 15 days	Next 15 days	Next 15 days		
Small Taxpayer Annual Turnover up to Rs 5 crores	March 2021	April 20, 2021	Nil	9%			18%	60 days (June 19, 2021)
	April 2021	May 20, 2021		9%		18%		45 days (July 4, 2021)
	May 2021			9%	18%			30 days (July 20, 2021)
Large Taxpayer having aggregate turnover > Rs 5 crores	May 2021	June 20, 2021	9%	18%			15 days (July 5, 2021)	

- ii. Relaxation in filing of Quarterly Form GSTR-3B by taxpayers under Quarterly Return Monthly Payment Scheme (QRMP) Scheme

Particulars	Period	Due dates	Relief announced					Late Fee Waiver Up to (from the due date of GSTR 3B)
			Interest					
			First 15 days from due date	Next 15 days	Next 15 days	Next 15 days	From 60 th day onwards	
Form GSTR-3B (Quarterly)	March 2021	April 22 / 24, 2021	Nil	9%			18%	60 days (June 21 / 23, 2021)
GST PMT-06 Challan	April 2021	May 25, 2021		9%		18%		NA
	May 2021	June 25, 2021		9%	18%			

- iii. Relaxations for Composition Taxpayers in filing Quarterly Return in Form CMP-08

Tax Period	Existing Due Date	Relief on Interest		
		First 15 days from due date	Next 45 days	From 60 th day onwards
Jan - March 2021	April 18, 2021	NIL (till May 3, 2021)	9% (till June 17, 2021)	18% (from June 18 onwards)

- iv. Relaxations in filing of Form GSTR-1 / IFF by regular taxpayers

Particulars	Tax Period	Due date	Extended due date
Form GSTR-1 (Monthly)	May 2021	June 11, 2021	15 days (June 26, 2021)
Form IFF (Invoice Furnishing Facility)		June 13, 2021	15 days (June 28, 2021)

- v. Relaxations in other GST Compliances

Particulars	Tax Period	Due date	Extended due date
Form GSTR-4 (Annual Return for Composition Taxpayers)	FY 2020-21	April 30, 2021	July 31, 2021
Form ITC-04 (to be filed by Principal / Manufacturer, for goods sent / received / supplied from Job Worker)	Jan-March, 2021	April 25, 2021	June 30, 2021

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

E. SIMPLIFICATION OF ANNUAL RETURN FOR FY 2020-21:

Amendments made through Finance Act, 2021 to be notified to give effect to the following:

- Filing of Annual Return in Forms GSTR-9 / 9A for FY 2020-21 continues to be optional for taxpayers having aggregate annual turnover up to Rs 2 crores
- The Reconciliation Statement in Form GSTR-9C for the FY 2020-21 will be required to be filed by taxpayers with annual aggregate turnover above Rs 5 crores
- Reconciliation Statement in Form GSTR-9C to be self-certified by the taxpayer from FY 2020-21 instead of getting it certified by Chartered Accountants

F. MEASURES FOR TRADE FACILITATION:

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

Tax liability	Maximum late fee	Provided that
NIL	Rs 500/- per Return	GSTR-3B Returns to be furnished between June 1, 2021 to August 31, 2021
Exists	Rs 1000/- per Return	

- 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	Existing Maximum late fee	Proposed Maximum late fee
Form GSTR-1	Rs 10,000/- per Return	Rs 500/- per Return
Form GSTR-3B		

- ii) Other Taxpayers

Delay in filing Forms	Taxpayers Annual Aggregate Turnover in the preceding year	Existing Maximum late fee	Proposed Maximum late fee
Form GSTR-3B & Form GSTR-1	Up to Rs 1.5 crores	Rs 10,000/- per Return	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 Forms	Tax liability	Existing Maximum late fee	Proposed Maximum late fee
Form GSTR-4	NIL	Rs 10,000/- per Return	Rs 500/- per Return
	Exists		Rs 2,000/- per Return

iv) For Taxpayers deducting TDS under GST

Delay in filing Forms	Existing Maximum late fee	Proposed Maximum late fee
Form GSTR-7	Rs 100/- per day	Rs 50/- per day
	Rs 10,000/- per Return	Rs 2,000/- per Return

G. OTHER MEASURES:

- 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
- Make the present system of GSTR-1/3B return filing as the default return filing system in GST

The recommendations of the GST Council have been presented in this release in simple language for information of all stakeholders. The same would be given effect through relevant Circulars / Notifications which alone shall have the force of law.

Please [Click Here](#) to read the Press Release dated May 28, 2021

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