

**“What’s
New?”**

GSAP

June 1, 2021

“Recommendations of 43rd GST Council to further relax GST provisions”

The GST Council met for the 43rd time on May 28, 2021 and recommended various changes related to GST law and procedures to provide relief to taxpayers amidst COVID-19 pandemic. These recommendations will be applicable once notified by the government.

In this alert, we have discussed key recommendations made by the GST Council.

Source: https://www.cbic.gov.in/resources//htdocs-cbec/press-release/PRESS_RELEASE_43.pdf

Key recommendations

- Services supplied to an educational institution including Anganwadi will be exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.
- Medical goods related to COVID-19 including Amphotericin B for free distribution given full exemption from IGST upto August 31, 2021.
- Custom duty exemption also given to medical goods including Amphotericin B.
- GST rate on Diethylcarbamazine (DEC) tablets has also been reduced from 12% to 5%.
- Fees charged by National Board of Examination or Central or State Education Boards for examination including entrance examination will be exempt from GST.
- Amnesty in fees for delayed furnishing of GSTR-3B return for the tax period **July 2017 to April 2021**.

Class of Registered Person	Existing total late fees	Revised total late fees	Condition
Taxpayer with no tax liability	INR 20 per day up to maximum of INR 10,000	INR 500 per return	GSTR3B to be furnished between June 1, 2021 to August 31, 2021
Taxpayer with tax liability	INR 50 per day up to maximum of INR 10,000	INR 1,000 per return	

Key recommendations (*contd...*)

- Rationalization and reduction of late fees as per Annual Aggregate Turnover (AATO) under section 47 of the CGST Act from May, 2021 onwards:

Class of Registered Person	Existing total late fees	Revised total late fees
All regular taxpayer with no tax liability (GSTR-3B/ GSTR-1)	INR 20 per day up to maximum of INR 10,000	INR 20 per day up to maximum of INR 500
Taxpayer having AATO in preceding year upto INR 1.5 crore (GSTR-3B/ GSTR-1)	INR 50 per day up to maximum of INR 10,000	INR 50 per day up to maximum of INR 2,000
Taxpayer having AATO in preceding year between INR 1.5 crore to INR 5 crore (GSTR-3B/ GSTR-1)		INR 50 per day up to maximum of INR 5,000
Taxpayer having AATO in preceding year above INR 5 crore (GSTR-3B/ GSTR-1)		INR 50 per day up to maximum of INR 10,000
Composition taxpayer having no tax liability (GSTR-4)	INR 200 per day up to maximum of INR 5,000	INR 200 per day up to maximum of INR 500
Composition taxpayer having tax liability (GSTR-4)		INR 200 per day up to maximum of INR 2,000
Taxpayer required to deduct TDS under GST (GSTR-7)	INR 200 per day up to maximum of INR 10,000	INR 50 per day up to maximum of INR 2,000

Further relief measures related to COVID-19

- In addition to the relief measures already provided to the taxpayers vide the notifications issued on May 1, 2021 the following further relaxations are being provided:

Type of Taxpayer	Rate of Interest			Late fees waived if filed within	Tax Period
	Nil	9% p.a.	18% p.a.		
Turnover more than INR 5 crores in the preceding financial year	-	First 15 days from due date	After 15 days from due date	15 days from due date	May 2021
Turnover upto INR 5 crores in the preceding financial year	First 15 days from due date	Next 45 days from due date	After 60 days from due date	60 days from due date	March 2021
	First 15 days from due date	Next 30 days from due date	After 45 days from due date	45 days from due date	April 2021
	First 15 days from due date	Next 15 days from due date	After 30 days from due date	30 days from due date	May 2021
Composition taxpayer	First 15 days from due date	Next 45 days from due date	After 60 days from due date	-	Quarter ending March 2021

Further relief measures related to COVID-19 (*contd...*)

Return/ Form type	Tax Period	Actual Due date	Revised Due Date
GSTR-4	FY 2020-21	April 30, 2021	June 30, 2021
ITC-04	Jan 2021 to Mar 2021	April 25, 2021	June 30, 2021
GSTR-1	May 2021	June 11, 2021	June 26, 2021
IFF	May 2021	June 13, 2021	June 28, 2021

- As per rule 36(4) a taxpayer can claim provisional Input Tax Credit (ITC) only to the extent of 5% of the eligible credit available in GSTR-2B. Now this rule will not apply to ITC availed by taxpayer in Form GSTR-3B for the months of April 2021 and May 2021 but the said condition shall apply cumulatively in Form GSTR-3B for the month of June, 2021.
- Companies and LLPs shall be allowed to filing return through electronic verification code (EVC) till August 31, 2021.
- Subject to some exceptions, all timelines for completion of various actions falling under the GST law between April 15, 2021 to June 29, 2021 has been extended to June 30, 2021.

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