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[Daily Newsletter related to Profession]

No 446 | Saturday 29 May 2021

Most Authentic Newsletter of India

Direct & Indirect Taxes | ICAI & ICSI Updates | Corporate laws | Insolvency | SEBI | RBI | Economy & Finance

Initiative by

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Indirect Taxes

- **Notifications / Circulars / Press releases / FAQs / Portal Updates / Write-ups by Board "CBIC" and Government.**

❖ **Few major recommendations of 43rd GST Council meeting.**

GST Rate related	▪ COVID-19 related medical goods including Amphotericin B for free distribution given full exemption from IGST up-to 31.08.2021. ▪ Leviability of IGST on repair value of goods re-imported after repairs. ▪ GST rate of 12% to apply on parts of sprinklers/ drip irrigation systems falling under tariff heading 8424 (nozzle/laterals) to apply even if these goods are sold separately.
Services related	▪ landowner 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. ▪ supply of 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 is 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. ▪ 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. ▪ services supplied to a Government Entity by way of construction of a ropeway attract GST at the rate of 18%. ▪ services supplied by Govt. to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions is exempt from GST.

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<td>Trade facilitation measures</td>
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Amnesty Scheme for late fee for non-furnishing FORM GSTR-3B for the tax periods from July 2017 to April 2021: -

If did not have any tax liability for the said tax periods, maximum late fee capped to Rs 500/- (Rs. 250/- each for CGST & SGST) <u>per return</u>.
If have tax liability of any amount, maximum late fee is Rs 1000/- (Rs. 500/- each for CGST & SGST) <u>per return</u>.

➢ Can avail scheme only by filing pending GSTR-3B returns for these tax periods between 01.06.2021 to 31.08.2021.

Rationalization of late fee imposed under section 47 of the CGST Act. [Applicable for prospective tax periods]

<table>
<tr><td>Nil tax liability in GSTR-3B or nil outward supplies in GSTR-1</td><td>Maximum late fee Rs 500 (Rs 250 CGST + Rs 250 SGST)</td></tr>
<tr><td>Annual Aggregate Turnover (AATO) in preceding year up-to Rs 1.5 crore</td><td>Maximum late fee Rs. 2000 (1000 CGST+1000 SGST)</td></tr>
<tr><td>AATO in preceding year between Rs 1.5 crore to Rs 5 crore</td><td>Maximum late fee Rs. 5000 (2500 CGST+2500 SGST)</td></tr>
<tr><td>AATO in preceding year above Rs 5 crores</td><td>Maximum late fee Rs. 10000 (5000 CGST+5000 SGST)</td></tr>
<tr><td>Delay in furnishing of FORM GSTR-4 by composition taxpayers- if tax liability is nil</td><td>Maximum late fee Rs. 500 (250 CGST+ 250 SGST) per return</td></tr>
<tr><td>Delay in furnishing of FORM GSTR-4 by composition taxpayers- if tax liability is not nil.</td><td>Maximum late fee Rs. 2000 (1000 CGST+ 1000 SGST) per return</td></tr>
<tr><td>Delayed furnishing of FORM GSTR-7</td><td>Rs.50/- per day (Rs. 25 CGST + Rs 25 SGST) and to be capped to a maximum of Rs 2000/- (Rs. 1,000 CGST + Rs 1,000 SGST) per return.</td></tr>
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<td>COVID-19 related relief measures</td>
<td>In addition to the relief measures already provided to the taxpayers vide the notifications issued on 01.05.2021.

1. For small taxpayers (aggregate turnover up-to Rs. 5 crore)

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<td>March & April 2021 tax periods.</td>
<td>• 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 for March,2021 and April 2021, respectively.
• Waiver of late fee for delay in furnishing return in FORM GSTR-3B for the tax periods March / QE March 2021 and April 2021 for 60 days and 45 days respectively, from the due date of furnishing FORM GSTR-3B.
• 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, and reduced rate of 9% thereafter for further 45 days.</td>
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<tr>
<td>For May 2021 tax period</td>
<td>▪ 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, and reduced rate of 9% thereafter for further 15 days.
▪ Waiver of late fee for delay in furnishing returns in FORM GSTR-3B for taxpayers filing monthly returns for 30 days from the due date of furnishing FORM GSTR-3B.</td>
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2. For large taxpayers (aggregate turnover more than R. 5 crore)

▪ interest @ 9% for first 15 days after due date of filing return in FORM GSTR-3B for the tax period May 2021.
▪ Waiver of late fee for delay in furnishing returns in FORM GSTR-3B for the tax period May 2021 for 15 days from the due date of furnishing FORM GSTR-3B.</td>
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COVID-19 related other relief measures.	• Extension of due date of filing GSTR-1/ IFF for the month of May 2021 by 15 days. • Extension of due date of filing GSTR-4 for FY 2020-21 to 31.07.2021. • Extension of due date of filing ITC-04 for QE March 2021 to 30.06.2021. • Cumulative application of 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. • Relaxations under section 168A of the CGST Act: 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.
Simplification of Annual Return for Financial Year 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. This change will apply for Annual Return for FY 2020-21. ▪ The filing of annual return in FORM GSTR-9 / 9A for FY 2020-21 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 Crore.
Other measures	▪ 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.

Download Finance Ministry Press Release here

- **The DGFT has issued notice to provide that Fees of Rs. 200 shall be charged for issuing Certificate of Origin (NP).**
  The fees are increased from Rs. 100 to Rs. 200 per certificate.

Insolvency & Bankruptcy

- **Legal Updates- NCLTs / NCL-ATs / Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision
1	[2021] 127 taxmann.com 273 ISGEC Heavy Engineering Ltd. v. Cane Agro Energy (India) Ltd. I. A. NO. 1025 OF 2020 C.P. NO. 3010/I & B/NCLT/2019 FEBRUARY 16, 2021 Order copy here	NCLT Mumbai	**Corporate debtor released from rigour of CIRP as withdrawal plea was filed within 3 days receiving form FA.** Where IRP had filed an application for withdrawal, within 3 days of receiving Form FA, corporate debtor was to be released from rigour of CIRP.

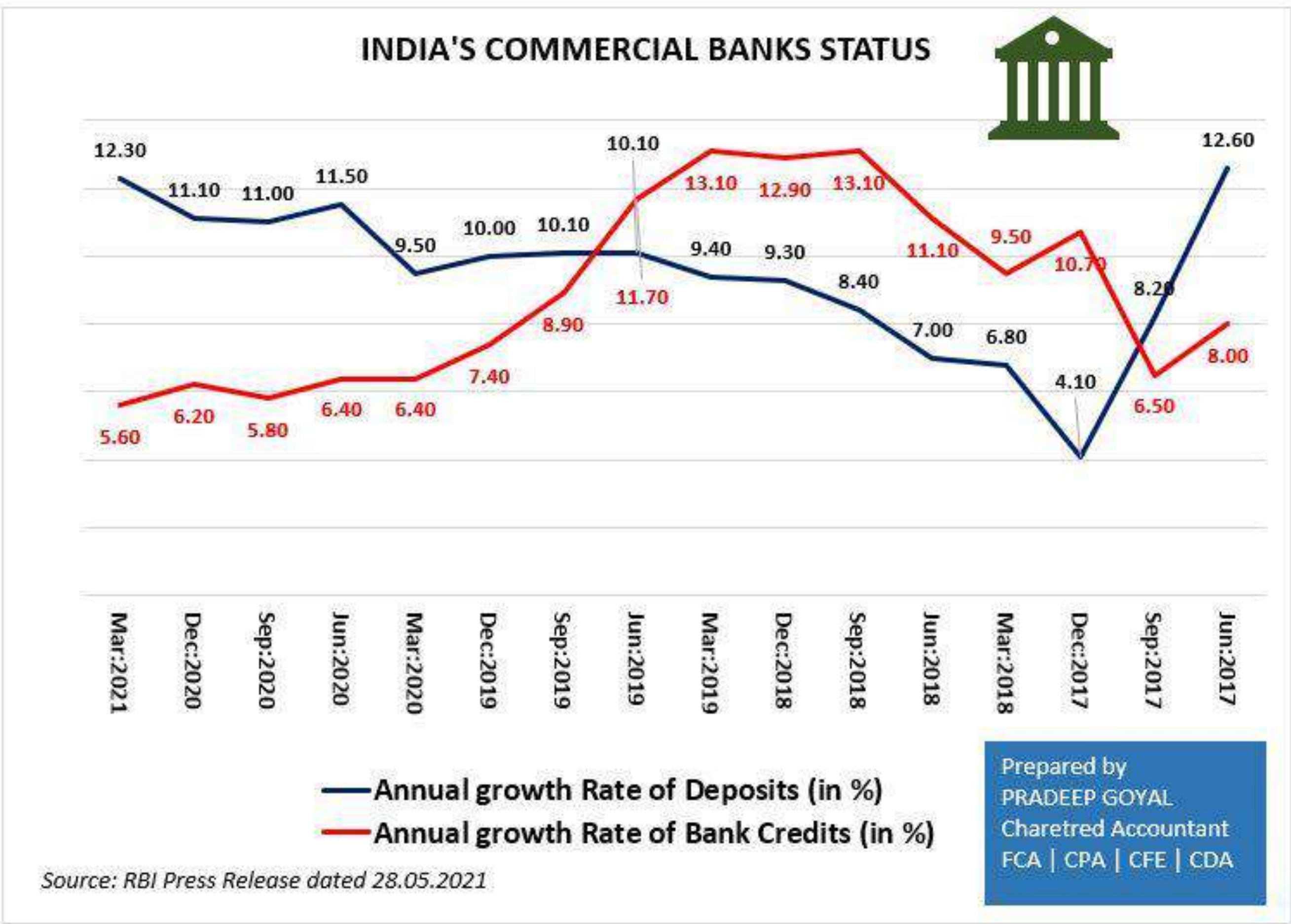
Reserve Bank of India

- **Reserve Bank of India imposes monetary penalty of ₹10.00 crore (Rupees ten crore only) on HDFC Bank Limited.**
  More details here

- **RBI releases 'Quarterly Statistics on Deposits and Credit of SCBs: March 2021.**
  Read here for more

Economy & Finance

❖ **As per Quarterly Statistics on Deposits & Credit of SCBs: March 2021 released by RBI, in March 2019- Bank credit growth rate was 13.10% & deposit growth rate was 9.40% but in March 2021 it got reversed as Bank credit growth rate 5.60% & deposit growth rate was 12.30%.**



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