

GST Alert

An e-newsletter from

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The 43rd GST COUNCIL MEETING HAS BEEN EVENTFUL AND A NUMBER OF DECISIONS HAVE BEEN TAKEN. THESE DECISIONS HAVE BEEN IMPLEMENTED THROUGH A NUMBER OF NOTIFICATIONS THAT HAVE BEEN ISSUED. THIS ALERT CAPTURES THE KEY CHANGES.

Notification No.18/2021

<i>Subject</i>	<i>Description</i>		
<i>Interest</i> <i>Rate of interest per annum for the period mentioned therein, for the class of registered persons who are able to pay tax but fail to do so for the months</i>	<i>Class of Registered Persons</i>	<i>Rate of Interest</i>	<i>Months/Quarter</i>
	Taxpayers having an aggregate turnover of more than Rs. 5 crores in the preceding financial year	9% for the first 15 days from the due date and 18% thereafter	March, 2021, April, 2021 and May 2021
	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under Section 39(1)	Nil for the first 15 days from the due date, 9% for the next 45 days, and 18% thereafter	March 2021
		Nil for the first 15 days from the due date, 9% for the next 30 days, and 18% thereafter	April 2021
		Nil for the first 15 days from the due date, 9% for the next 15 days, and 18% thereafter	May 2021
	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under proviso to Section 39(1)	Nil for the first 15 days from the due date, 9% for the next 45 days, and 18% thereafter	March 2021
		Nil for the first 15 days from the due date, 9% for the next 30 days, and 18% thereafter	April 2021
		Nil for the first 15 days from the due date, 9% for the next 15 days,	May 2021

		and 18% thereafter	
	Taxpayers who are liable to furnish the return as specified under Section 39(2)	Nil for the first 15 days from the due date, 9% for the next 45 days, and 18% thereafter	Quarter ending March, 2021

Notification No.19/2021-CT

<i>Subject</i>	<i>Description</i>		
<p>Late Fee Waiver</p> <p>Late fee payable under section 47 shall stand waived, for the tax period as for the class of registered persons who fail to furnish the returns in FORM GSTR-3B by the due date,</p>	<i>Class of Registered Person</i>	<i>Tax Period</i>	<i>Period for which late fee waiver</i>
	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	March, 2021, April, 2021 and May, 2021	Fifteen days from the due date of furnishing return
	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under Section 39(1)	March 2021	Sixty days from the due date of furnishing return
		April 2021	Forty-five days from the due date of furnishing return
	May 2021	Thirty days from the due date of furnishing return	
Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return	January – March 2021	Sixty days from the due date of furnishing return	

	as specified under proviso to subsection (1) of section 39		
The 9 th proviso provides that registered person who fails to furnish Form GSTR - 3B for months / quarter ending July 2017 to April 2021 by the due date but furnishes the same between 01.06.2021 to 31.08.2021, the late fee in excess of Rs. 500 shall stand waived.			
10 th proviso provides that where the total amount of CGST payable in the said return is nil, the total amount of late fee in excess of Rs. 250 shall stand waived for the registered persons who failed to furnish FORM GSTR-3B for the months / quarter of July, 2017 to April, 2021, by the due date but furnish the said return between the period from 01.06.2021 to 31.08.2021.			
11 th proviso provides that the total amount of late fee for the tax period June, 2021 onwards or quarter ending June, 2021 onwards, shall stand waived which is in excess of an amount as specified in column (3) of the Table given below, for the class of registered persons mentioned in the corresponding entry in column (2) of the said Table, who fail to furnish the returns in FORM GSTR-3B by the due date, namely: —			
<i>Sl. No.</i>	<i>Class of Registered Person</i>	<i>Amount</i>	
1.	Registered persons whose total amount of CGST payable in the said return is nil	Rs.250	
2.	Registered persons having an aggregate turnover of up to Rs. 1.5 crores in the preceding financial year, other than those covered under S. No. 1	Rs.1,000	
3.	Taxpayers having an aggregate turnover of more than rupees 1.5 crores and up to rupees 5 crores in the preceding financial year, other than those covered under S. No. 1	Rs.2,500	

IGST NOTIFICATIONS

Notifications have been issued under IGST Act providing for relief in respect of Interest – Notification No.1/2021-IT; Notification No.2/2021-IT

Notification No.17/2021-CT

Time limit for furnishing the details of outward supplies in FORM GSTR-1 of the said rules for the registered persons required to furnish return under Section 39(1) for the tax period April and May 2021, shall be extended till the twenty-sixth day of the month succeeding the said tax period.

<i>Notification No.</i>	<i>Subject</i>	<i>Description</i>	
20/2021-CT	Late Fee in case of Delayed filing of GSTR - 1 Total amount of late fee payable for the tax period June, 2021 onwards or quarter ending June, 2021 onward, shall stand waived for a class of registered persons in excess of a specified amount, who fail to furnish the details of outward supplies in FORM GSTR-1 by the due date,	Registered persons who have nil outward supplies in the tax period	Rs. 250
		Registered persons having an aggregate turnover of up to Rs. 1.5 crores in the preceding financial year, other than those covered under S. No. 1	Rs. 1,000
		Registered persons having an aggregate turnover of more than Rs. 1.5 crores and up to Rs. 5 crores in the preceding financial year, other than those covered under S. No. 1	Rs. 2,500
21/2021 – CT	Waiver of Late fee for delay in filing Form GSTR – 4 for financial year 2021 – 22 onwards	Where total CGST payable in the said return is nil	Excess of Rs.250 waived
		Other than above	Excess of Rs.1000 waived
22/2021 – CT	Waiver of Late fee for delay in filing form GSTR -7 by registered person liable to deduct TDS under Section 51	Failure to furnish from June 2021 onwards by the due date	Waiver of amount in excess of Rs.25 for every day during which

			the failure continues
			Total amount in excess of Rs. 1000 shall stand waived
23/2021 – CT	Exempts government departments and local authorities from the requirement of issuance of e-invoice		
25/2021 - CT	Extends the due date of filing Form GSTR – 4 for financial year 2020-21 to 31.07.2021		
26/2021 – CT	Seeks to extend the due date for furnishing of FORM ITC-04 for QE March, 2021 to 30.06.2021		

AMENDMENT TO CGST RULES

Notification No.27/2021-CT

- (i) Amends the fourth proviso to Rule 26(1) of CGST Rules, 2017 to extend the time period during which a registered person registered under the provisions of the Companies Act, 2013 shall also be allowed to furnish the return under section 39 in FORM GSTR-3B and the details of outward supplies under section 37 in FORM GSTR-1 or using invoice furnishing facility, verified through electronic verification code (EVC) to 31.08.2021.
- (ii) Rule 36(4) amended to provide that 5% condition would apply cumulatively for April to June 2021 and the return in Form GSTR – 3B for the tax period June 2021 or quarter ending June 2021 shall be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above
- (iii) In Rule 59(2), a proviso has been inserted to provide that a registered person may furnish details of outward supply in Form GSTR -1 for the Month of May 2021 using IFF from 01.06.2021 till 28.06.2021.

Notification No.24/2021-CT - Amends Notification No. 14/2021 and in exercise of powers conferred by Section 168A

- (i) Notification 14/2021 was issued to extend certain time limits on account of the Covid pandemic. The time limit for completion of proceedings, notice, order, reply, appeal, etc., subject to some exceptions was extended up to 31.05.2021. Notification 24/2021 has extended the time limits up to 30.06.2021 wherever the due date for action falls during the period from 15.04.2021 to 29.06.2021.

Where any time limit falls during the period from 1.05.2021 to 30.06.2021, the time limit stands extended up to 15.07.2021.

- (ii) In cases where a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of order in terms of section 54(5) read with Section 54(7) of the said Act falls during the period from the 15.04.2021 to 29.06.2021, in such cases the time limit for issuance of the said order shall be extended to 15 days after the receipt of reply to the notice from the registered person or 30.06.2021, whichever is later
- (iii) *It is pertinent to note that the Supreme Court vide Order dated 27.04.2021 has restored the order passed by the Supreme Court in Suo moto writ petition titled 'in Re.. cognizance for extension of limitation.' The Supreme Court taking into account the pandemic and the second wave has held that the Order dated 23.03.2020 is restored. The Supreme Court has extended the period of limitation as prescribed under any general or special laws in respect of all judicial and quasi-judicial proceedings whether condonable or not, shall stand extended under further orders. Thus, the period from 14.03.2021 will stand excluded from computing the limitation period until further orders. The Supreme Court has passed this Order in exercise of powers under Article 142. Therefore, the benefit under the Supreme Court Order would be better given the limited time lines in the Notification.*

Notification No.16/2021-CT - Brings into force Section 112 of the Finance Act, 2021 force with retrospective effect from 01.07.2017 to substitute the proviso to Section 50(1) of the CGST Act, 2017

Section 112 inserted a proviso which reads as under “*Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the*

said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.”

Notification No.3/2021-IT – Issued in exercise of powers conferred by Section 13(13) by of IGST Act

- (i) Supply of maintenance, repair or overhaul service in respect of ships and other vessels, their engines and other components or parts supplied to a person for use in the course or furtherance of business
- (ii) The place of supply of the aforesaid services shall be the location of the recipient of service.

RATE OF TAX NOTIFICATIONS

Notification No.1/2021- CTR has been issued amending Notification No.1/2017-CTR.

- (i) In entry 259A which covers toy balloons made of natural rubber latex, the reference to Chapter Heading 4016 has been removed and now only refers to 9503.
- (ii) Entry 180, Notification No. 1/2017 covers drugs or medicines specified in List I where the CGST Rate is 2.5% (matching SGST of 2.5%). In this list, the Notification has added “Diethylcarbazine”.

Notification No.2/2021 – CTR amends Notification No.11/2017

<i>S.No</i>	<i>Chapter, Section or Heading</i>	<i>Description of Service</i>	<i>Rate</i>	<i>Condition</i>
(1)	(2)	(3)	(4)	(5)
3.	Heading 9954 (Construction Services)	(i), (ia), (ib), (ic), (id)		Insertion of the following clause in the 4 th proviso after (ii) in the Explanation “(iii) the landowner-promoter shall be eligible to utilise the credit of tax charged to him by the developer- promoter for

				<i>payment of tax on apartments supplied by the landowner-promoter in such project.” ;</i>
25.	Heading 9987	(i).. (ia)... <i>(ib)Maintenance, repair or overhaul services in respect of ships and other vessels, their engines and other components or parts.</i>	2.5	-

Notification No.3/2021 – CTR - Issued in exercise of powers conferred by Section 148 of CGST Act to amend Notification 6/2019 – CTR

- (i) Notification 6/2019 identifies liability to pay GST under certain circumstances.
- (ii) The Notification stands amended whereby the liability shall arise “*in a tax period not later than the tax period in which the date of issuance of the completion certificate for the project, where required, by the competent authority, or the date of its first occupation, whichever is earlier, falls*”.

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