

<b>GST</b> <b>CA. Rajiv Luthia, CA. Jinit Shah</b>	
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**CBIC vide notification 16/2021-CT dated 1st June, 2021** has appointed 1st June, 2021 as date on which provision of section 112 of Finance Act, 2021 shall come into force. This is retrospective amendment in section 50 of The CGST Act, 2017 with effect from 01st July,2017, providing for payment of interest on payment of GST from Cash Ledger.

**CBIC vide notification 17/2021-CT dated 1st June, 2021** has extended the due-date to furnish details of outward supplies in FORM GSTR - 1 for month of May, 2021 from 11th June, 2021 to 26th June, 2021.

**CBIC vide notification 18/2021-CT dated 1st June, 2021** has reduced the rate of Interest u/s 50(1) as follows

Particulars	Rate of Interest u/s 50 (1)	Tax Period
Taxpayer having aggregate turnover of more than Rs. 5 crore in preceding financial Year	9% for first 15 days from due-date & 18% thereafter	March, 2021, April, 2021 & May
Taxpayer having aggregate turnover of upto Rs. 5 crore in preceding financial year	NIL for first 15 days from due-date, 9% for next 45 days & 18% thereafter	March, 2021
	NIL for first 15 days from due-date, 9% for next 30 days & 18% thereafter	April, 2021
	NIL for first 15 days from due-date, 9% for next 15 days & 18% thereafter	May, 2021
Taxpayer who are liable to furnish return u/s 39(2) i.e. composite taxpayer	NIL for first 15 days from due-date, 9% for next 45 days & 18% thereafter	Quarter ended March, 2021

The said notification shall deemed to come into effect from 18th May, 2021

**CBIC vide notification 19/2021-CT dated 1st June, 2021** has waived the late fees u/s 47 for filing GSTR 3B as follows

Particulars	Tax Period	Period for which late fees waived
Taxpayer having aggregate turnover of more than Rs. 5 crore in preceding financial Year	March, 2021, April, 2021 & May, 2021	15 days from the due date of furnishing return
Taxpayer having aggregate turnover of upto Rs. 5 crore in preceding financial year	March, 2021	60 days from the due date of furnishing return
	April, 2021	45 days from the due date of furnishing return
	May, 2021	30 days from the due date of furnishing return
Taxpayer who are liable to furnish return u/s 39(2) i.e. composite taxpayer	Jan to March, 2021	60 days from the due date of furnishing return

Further, Late fees payable under section 47 of the said Act for the tax period June, 2021 onwards or quarter ending June, 2021 onwards for delay in filing GSTR 3B shall be as follows

Sr. No.	Class of registered persons	Maximum Late Fees per return
1	Registered persons whose total amount of central tax payable in the said return is nil	Rs. 250/- (equal amount of Rs. 250/- payable as late fees under

		SGST also)
2	Registered persons having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year, other than those covered under S. No. 1	Rs. 1,000/- (equal amount of Rs. 1,000/- payable as late fees under SGST also)
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/- (equal amount of Rs. 2,500/- payable as late fees under SGST also)

Further for the assessee who failed to furnish GST return 3B within due date for month/quarter falling with in July, 2017 to April, 2021 but furnish the said return between 1st June, to 31st August, 2021, the amount of late fees payable shall be as under:2021

Sr. No.	Class of registered persons	Maximum Late Fees per return
1	Registered persons whose total amount of central tax payable in the said return is nil	Rs. 250/- (equal amount of Rs. 250/- payable as late fees under SGST also)
2	Other than 1 above	Rs. 500/- (equal amount of Rs. 500/- payable as late fees under SGST also)

**CBIC vide notification 20/2021-CT dated 1st June, 2021** has reduced the late fees u/s 47 for the tax period June, 2021 onwards or quarter ending June, 2021 onwards for delay in filing GSTR 1 as follows

Sr. No.	Class of registered persons	Maximum Late Fees per return
1	Registered persons who have nil outward supplies in the tax period	Rs. 250/- (equal amount of Rs. 250/- payable as late fees under SGST also)
2	Registered persons having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year, other than those covered under S. No. 1	Rs. 1,000/- (equal amount of Rs. 1,000/- payable as late fees under SGST also)
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/- (equal amount of Rs. 2,500/- payable as late fees under SGST also)

**CBIC vide notification 21/2021-CT dated 1st June, 2021** has reduced the late fees u/s 47 for F.Y 2021-22 onwards for delay in filing GSTR 4 as follows

Sr. No.	Class of registered persons	Maximum Late Fees per return
1	Registered person whose the total amount of central tax payable in the said return is nil	Rs. 250/- (equal amount of Rs. 250/- payable as late fees under SGST also)
2	Other than those covered in 1 above	Rs. 500/- (equal amount of Rs. 500/- payable as late fees under SGST also)

**CBIC vide notification 22/2021-CT dated 1st June, 2021** has reduced the late fees u/s 47 to Rs. 25 per day per return (equal amount of Rs. 25 payable as late fees under SGST) subject to maximum of Rs. 1,000 per return (equal amount of Rs. 1,000/- payable as late fees under SGST) for the delay in filing GSTR 7 for month June, 2021 and onwards.

**CBIC vide notification 23/2021-CT dated 1st June, 2021** has excluded government departments and local authorities from the requirement of issuance of e-invoice.

**CBIC vide notification 24/2021-CT dated 1st June, 2021** has amended notification 14/2021-CT dated 1st May, 2021 to provide that

Where, any time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the said Act, which falls during the period from the 15th day of April, 2021 to the 29th day of June, 2021, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the 30th day of June, 2021, including for the purposes of—

- (a) completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of the Acts stated above; or
- (b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the Acts stated above;

The above extension of time-limit for compliance shall not apply to following provision of the Act

Section /Chapter	Particulars
Chapter IV	Time & value of supply
Section 10(3)	Composition scheme lapse in case aggregate turnover exceed prescribe limit
Section 25	Procedure for registration
Section 27	Special provisions relating to casual taxable person and non-resident taxable person.
Section 31	Tax invoice
Section 37	Furnishing details of outward supplies
Section 47	Levy of late fee.
Section 50	Interest on delayed payment of tax.
Section 69	Power to arrest.
Section 90	Liability of partners of firm to pay tax.
Section 122	Penalty for certain offences.
Section 129	Detention, seizure and release of goods and conveyances in transit
Section 39 (Except sub section 3, 4 & 5)	Furnishing of returns. (GSTR 3B)
Section 68 in so far related to E-way bill	Inspection of goods in movement.

#### Rules in respect of above section

- Provided that where, any time limit for completion of any action, by any authority or by any person, specified in, or prescribed or notified under Rule 9 of the CGST Rules, 2017 (I.e. Verification of registration application & approval thereof) , falls during the period from the 1st day of May, 2021 to the 30th day of June, 2021, and where completion of such action has not been made within such time, then, the time limit for completion of such action, shall be extended upto the 15th day of July, 2021
- 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 the section 54 (5) read with section 54 (7) of the CGST Act falls during the period from the 15th day of April, 2021 to the 29th day of June, 2021, in such cases the time limit for issuance of the said order shall be extended to fifteen days after the receipt of reply to the notice from the registered person or the 30th day of June, 2021, whichever is later.

This notification shall come into force with effect from the 30th day of May, 2021

**CBIC vide notification 25/2021-CT dated 1st June, 2021** has extended the due date for furnishing return in Form GSTR 4 for financial year ending 31st March, 2021 till 31st July, 2021.

**CBIC vide notification 26/2021-CT dated 1st June, 2021** has extended the due date for furnishing Form ITC 04 for quarter ended 31st March, 2021 till 30th June, 2021

**CBIC vide notification 27/2021-CT dated 1st June, 2021** has amended CGST Rule, 2017 as follows

- EVC - A persons registered under The Companies Act, 2013 shall be allowed to furnish the return under section 39 in Form GSTR-3B and details of outward supplies under section 37 in Form GSTR-1 or furnishing invoices details using IFF, verified by way of electronic verification code (EVC) instead of signing digitally by a DSC during the period from 27th April 2021 to 31st August, 2021.
- Relaxation of restriction of ITC under Rule 36(4) – The restriction of 5% under Rule 36(4) shall apply cumulatively for tax period April, 2021, May, 2021 & June, 2021 and the cumulative adjustment of ITC for the said months can be done in Form GSTR-3B of the tax period June, 2021.
- Extension of time-limit for furnishing detail of IFF – The details of Invoice furnishing facility (IFF) for month of May, 2021 can be furnished from 1st June, 2021 till 28th June, 2021.

**CBIC vide notification 2/2021-CT (Rate) dated 2nd June, 2021** has inserted explanation (ii) for clause 3(i), 3(ia), 3(ib), 3(ic), 3(id) to provide that the landowner-promoter shall be eligible to utilise the credit of tax charged to him by the developer promoter for payment of tax on apartments supplied by the landowner-promoter in such project

Further, a new entry (ib) has been inserted in Entry 25 to provide that Maintenance, repair or overhaul services in respect of ships and other vessels, their engines and other components or parts shall attract GST at rate of 5% (2.5% - CGST + 2.5%- SGST). Consequently, amendment has been made in entry 25(ii) to exclude entry 25(ib).

CBIC vide notification 3/2021-CT (Rate) dated 2nd June, 2021 has amended notification 6/2019-CT (Rate) dated 29th March, 2019 to provide that promoter may be allowed to pay GST in cases covered under notification 6/2019-CT (Rate) in a tax period not later than the tax period in which the date of issuance of the completion certificate by competent authority (wherever required) for the project falls, or the date of its first occupation, whichever is earlier.

CBIC vide notification 4/2021-CT (Rate) dated 14th June, 2021 has reduced the rate of GST on Composite supply of works contract supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a structure meant for funeral, burial or cremation of deceased to 5% (2.5% - CGST +2.5% - SGST) for period beginning from the 14th June, 2021 and ending with the 30th September, 2021

CBIC vide notification 5/2021-CT (Rate) dated 14th June, 2021 has reduced the GST rate for several Covid-19 relief items, including medicines, hand sanitizers, pulse oximeters and temperature checking equipment etc. The lowered rates will be effective for period beginning from the 14th June, 2021 and ending with the 30th September, 2021

CBIC vide notification 3/2021-IT dated 2nd June, 2021 has inserted entry 3 in notification 4/2019-IG dated 30th Sept, 2019 to provide that the place of supply shall be the location of the recipient of service for 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. The said amendments is w.e.f. 2nd June,2021.

CBIC vide Circular 149/05/2021-GST dated 17th June, 2021 has clarified that Aganwadi is covered by the definition of educational institution (as pre-school) as defined under notification 12/2017-CT (Rate) and services provide by Aganwadi to student, staff and faculty shall be covered in exemption.

Further, it is also clarified those services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations

Thus, service by way of catering, including mid-day meal scheme to Aganwadi shall also be exempt under notification 12/2017-CT (Rate).

CBIC vide Circular 150/06/2021-GST dated 17th June, 2021 has clarified that under entry 23 & 23A of notification 12/2017-CT (Rate) exemption is granted for access to road or bridge, whether the consideration are paid in the form of toll or annuity.

Entry 23A does not apply to services falling under heading 9954 (it specifically covers heading 9967 only). Therefore, plain reading of entry 23A makes it clear that it does not cover construction of road services (falling under heading 9954), even if deferred payment is made by way of instalments (annuities).

Thus it is now clarified that said Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads.

### **CBIC vide Circular 151/07/2021-GST dated 17th June, 2021 has clarified that as under**

- GST is exempt on services provided by Central or State Boards (including the boards such as NBE (National Board of examination) for service by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations
- GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards.
- GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional ( accreditation fee or registration fee such as fee for FMGE screening test ) so as to authorise them to provide their respective services

**CBIC vide Circular 152/08/2021-GST dated 17th June, 2021** has clarified that Entry 3(vi) of notification 11/2017-CT (Rate) dated 28th June, 2017 does not apply to any works contract that is meant for the purposes of commerce, industry, business of profession, even if such service is provided to the Central Government, State Government, Union Territory, a local authority a Governmental Authority or a Government Entity.

The doubt seems to have arisen in the instant cases as Explanation to the said entry states, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities. However, this explanation does not apply to Governmental Authority or Government Entity, as defined in clause (ix) and (x) of the explanation to said notification.

Further, civil constructions, such as rope way for tourism development shall not be covered by said entry 3(vi) not being a structure that is meant predominantly for purposes other than business. While road, bridge, terminal, or railways are covered by entry No. 3(iv) and 3(v) of said notification, structures like ropeway are not covered by these entries too. Therefore, works contract service provided by way of construction of rope way shall fall under entry at sl. No. 3(xii) of notification 11/2017-(CTR) and attract GST at the rate of 18%.

CBIC vide Circular 153/09/2021-GST dated 17th June, 2021 has clarified that Public Distribution specifically figures at entry 28 of the 11th Schedule to the constitution, which lists the activities that may be entrusted to a Panchayat under Article 243G of the Constitution. Hence, said entry No. 3A of notification 12/2017-CT (rate) would apply to composite supply of milling of wheat and fortification thereof by miller, or of paddy into rice, provided that value of goods supplied in such composite supply (goods used for fortification, packing material etc) does not exceed 25% of the value of composite supply. It is a matter of fact as to whether the value of goods in such composite supply is up to 25% and requires ascertainment on case-to-case basis

In case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3 A of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 11/2017- Central Tax (Rate) dated 28.06.2017).

Combined reading of the definition of job-work [section 2(68), 2(94), 22, 24, 25 and section 51] makes it clear that a person registered only for the purpose of deduction of tax under section 51 of the CGST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate.

**CBIC vide Circular 154/10/2021-GST dated 17th June, 2021** has clarified that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A of notification 12/2017-CT (Rate) dated 28th June, 2017.

**CBIC vide Circular 155/11/2021-GST dated 17th June, 2021** has clarified that the intention of entry 195B under schedule II of notification 1/2017-CT (Rate) dated 28th June, 2017 has been to cover laterals (pipes to be used solely with sprinklers/drip irrigation system) and such parts that are suitable for use solely or principally with 'sprinklers or drip irrigation system', as classifiable under heading 8424 as per Note 2 (b) to Section XVI to the HSN. Hence, laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading.