Reliefs related to COVID and black fungus

- Exemption from IGST on import of COVID related goods such as medical oxygen, oxygen concentrators and other oxygen storage, transportation, equipment and certain diagnostic markers test kits and COVID-19 vaccines, etc. where such goods are imported on payment basis, for donating to the Government or on recommendation of State authority to any relief agency. This exemption shall be valid upto August 31, 2021. Hitherto, the exemption was available only when the goods imported free of cost for free distribution.
- Full exemption from levy of IGST to Amphotericin B (a drug for Black Fungus cases) upto August 31, 2021.
- A Group of Ministers (GoM) be constituted to evaluate the need for further relief to COVID related individual items and give its report by June 8, 2021.

Exemption/clarifications in respect of supply of goods

- Reduction in rate of GST on Diethylcarbamazine (DEC) tablets from 12% to 5%.
- Clarification as regards leviability of IGST on repair value of goods re-imported after repairs.
- GST rate on parts of sprinklers/drip irrigation systems falling under tariff heading 8424 (nozzle/laterals), even when sold separately, fixed at 12%.

Exemption/clarifications in respect of supply of services

- Amendments for allowing land owner promoters to avail credit of GST charged by developer promoters for sale of apartments and utilization of the said credit for payment of GST on subsequent sale of such apartments. It is also stipulated that the time of supply for payment of GST, on sale of apartments by developer promoter, would be any time before or at the time of issuance of completion certificate.
- Reduction in rate of GST from 18% to 5% on supply of MRO services by MRO units of ships/vessels. The Place of supply of MRO service in respect of ships/vessels, supplied on B2B basis to be determined based on location of recipient of service.
- Elucidated that only annuity payments for service by way of access to a road or bridge would be exempt from GST. No GST exemption on annuity payments made for construction of roads.
- Clarified that the services supplied to Government Entity, by way of construction of a ropeway to attract GST at 18%.
- Exempted services supplied by Government for guaranteeing loans taken by its undertaking/PSU from banks and financial institutions.

Measures for Trade Facilitation

- Reduction/waiver of late fee for non-furnishing of GSTR-3B for the period July 2017 to April 2021 provided these returns are furnished between June 1, 2021 to August 31, 2021.

<table>
<thead>
<tr>
<th>Classes of taxpayers</th>
<th>Maximum Late fee (per return)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayers having nil tax liability during July 2017 to April 2021</td>
<td>INR 500</td>
</tr>
<tr>
<td>Other taxpayers</td>
<td>INR 1000</td>
</tr>
</tbody>
</table>
- Rationalization of late fee for delayed filing of GSTR1 and GSTR -3B for prospective tax periods on the basis tax liability/turnover of the taxpayers, including the following -

<table>
<thead>
<tr>
<th>Classes of taxpayers</th>
<th>Type of return</th>
<th>Maximum Late fee (per return)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular taxpayers with Annual Aggregate Turnover in the preceding year above INR 5 crore</td>
<td>GSTR-1, GSTR-3B</td>
<td>INR 10,000</td>
</tr>
<tr>
<td>Persons liable to deduct tax at source</td>
<td>GSTR-7</td>
<td>INR 50 per day subject to a cap of INR 2000</td>
</tr>
</tbody>
</table>

**COVID-19 related relief measures for taxpayers**

- Relaxations regarding delayed filing of GSTR -3B by large taxpayers (having turnover of more than INR 5 crore):

<table>
<thead>
<tr>
<th>Tax Period</th>
<th>Due date</th>
<th>Next 15 days</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2021</td>
<td>June 20, 2021</td>
<td>July 5, 2021</td>
<td>July 6, 2021 onwards</td>
</tr>
<tr>
<td>Interest</td>
<td>Nil</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Late fees</td>
<td>Nil</td>
<td>Nil</td>
<td>As applicable</td>
</tr>
</tbody>
</table>

- Certain relaxations also granted in interest and late fees regarding delayed filing GSTR -3B by small taxpayers (having turnover up to INR 5 crore)

- Extension of due date of filing GSTR-1/IFF for May 2021 by 15 days

- Extension of due date of filing ITC-04 for quarter ending March 2021 to June 30, 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 August 31, 2021

- Time limit for completion of various actions under the GST Act, by any authority or by any person, which falls during the period from April 15, 2021 to June 29, 2021, to be extended upto June 30, 2021, barring certain exceptions

**Other measures**

- Amendments in Section 35 and 44 of CGST Act made through Finance Act, 2021 to be notified. The said amendment allows furnishing of a self-certified (instead of CA certified) reconciliation statement in FORM GSTR-9C for FY 2020-21

- Annual return in FORM GSTR-9/9A for FY 2020-21 to be optional for taxpayers having aggregate annual turnover up to INR 2 crore

- Filing of reconciliation statement in FORM GSTR-9C for FY 2020-21 mandatory for taxpayers with annual aggregate turnover above INR 5 crore

- Retrospective amendment in Section 50 of the CGST Act with effect from July 1, 2017, providing for payment of interest on net cash basis, to be notified

- Amendments to the CGST Act to make return filing in Forms GSTR-1/3B as the default return filing system

*We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com or write to our authors:*

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