

Indirect Tax Update

Summary of GST updates issued on 1st May 2021

Key Highlights:

- ✓ Lowering interest rate for the month of March & April 2021
- ✓ Waiver of late fees for specified taxpayers and specified tax periods
- ✓ Extension of due dates for GSTR-4, ITC-04, GSTR-1 & IFF
- ✓ Rule 36(4) compliance on cumulative basis
- ✓ Extension of compliances falling between 15th April to 30th May

Document Date: 05th May 2021



Rajput Jain & Associates

Chartered Accountants

Rajput Jain & Associates Chartered Accountants

Contents

1.	Waiver/concessional rate of interest and Late fee for delayed filings	3
2.	Extension of various due dates	5
3.	Rule 36(4) compliance on cumulative basis for March & April 2021	6
4.	Extension of time period for compliances under GST	6
5.	Facility to file returns through EVC for companies	7
6.	IGST rate on oxygen concentrators reduced.	8

1. Waiver/concessional rate of interest and Late fee for delayed filings

(Notification No. 8/2021 & 9/2021- Central Tax dated 1st May 2021)

Sl.	Class of registered	Tax	Due	Rate of interest	Late fee
No.	persons	Period	Date	applicability	waiver for
1	Taxpayers having an aggregate turnover of more than Rs. 5 crore in the preceding FY	Mar – 21 Apr – 21	20-04- 2021 20-05- 2021	9 % for the first 15 days from the due date. (i.e., till 05-05-2021 for March & 04-06-2021 for April) 18 % thereafter till the date of filing of return.	First 15 days from the due date (i.e., till 05-05-2021 for March & 04-06-2021 for April)
2	Taxpayers having an aggregate turnover up to Rs. 5 crore in the preceding FY & filing GSTR-3B monthly	Mar – 21 Apr – 21	20-04- 2021 20-05- 2021	Nil for the first 15 days from the due date, (i.e., till 05-05- 2021 for March & 04- 06-2021 for April) 9% for next 15 days (i.e., till 20-05-2021 for March & 19-06- 2021 for April) 18% thereafter till date of filing of return	First 30 days from the due date (i.e., till 20-05-2021 for March & 19-06-2021 for April)
3	Taxpayers having an aggregate turnover up to Rs. 5 crore in the preceding FY for Category A states* and opted for QRMP	Mar – 21 Apr – 21	22-04- 2021 25-05- 2021	Nil for the first 15 days from the due date (i.e., till 07-05- 2021 for March & 09-06-2021 for April)	First 30 days from the due date (i.e., till 22-05-2021 for March & Not Applicable for

Rajput Jain & Associates Chartered Accountants

	¥8	10		1	
				9% for next 15 days	April)
				(i.e., till 22-05-2021	
				for March & 24-06-	
				2021 for April)	
				18% thereafter till	
				date of filing of	
				return	
4	Taxpayers having an	Mar – 21	24-04-	Nil for the first 15	First 30 days
	aggregate turnover up		2021	days from the due date	from the due
	to Rs. 5 crore in the	Apr – 21	25-05-	(i.e., till 09-05- 2021	date (i.e., till
	preceding FY for	_	2021	for March & 09-06-	24-05-2021 for
	Category B states*			2021 for	March & Not
	and opted for QRMP			April)	Applicable for
				9% for next 15 days	April)
				(i.e., till 24-05-2021	
				for March & 24-06-	
				2021 for April)	
				18% thereafter till	
				date of filing of	
				return	
5	Taxpayers who are	Quarter	18-04-	Nil for the first 15	No waiver
	furnishing CMP-08	ending	2021	days from the due date	
	i.e., quarterly	Mar – 21	NO - 1937 - GMG	(i.e., till 03-05- 2021)	
	payment for			9% for next 15 days	
	composition scheme.			(i.e., till 18-05-2021)	
	1 comment (1 comment (18% thereafter till	
				date of filing of return	

^{*}Note – a) Category A states - Taxpayers whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep

b) Category B states - Taxpayers whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi

Rajput Jain Associates comments – A step has been taken considering the situation of COVID-19 pandemic has not been normal, relaxation of interest & late fee has been provided for delayed filing returns in case of regular tax payers and composition tax payers. Further, it has been provided that the notifications would be effective from 18th April (8/2021) & 20th April 2021 (9/2021). The waiver of late fee till certain extent only, thereafter, it would be applicable at Rs. 50/ day for other nil liability returns and Rs. 20/ day for nil liability returns.

Similar to Central Tax notifications, IGST & UTGST notifications were also issued to provided effect for payment of IGST or UTGST. Tax payers would be relieved to certain extent due to these relaxations of interest and late fees for delay filings.

2. Extension of various due dates

(Notification No. 10/2021, 11/2021 & 12/2021 – Central Tax dated 01st May 2021)

Amidst the second wave of Covid-19 pandemic throughout the country and complete/partial lockdown already in force in most parts of the country, CBIC comes out with another set of notifications to extend various GST returns/forms to provide relief to the taxpayers.

Return	Original	Extended	Notification No.
	due date	due date	
GSTR-4 for the FY 2020-21 i.e.,	30-04-2021	31-05-2021	10/2021 Central Tax
return filed by composition tax			which would be effective
payers			from 30-04-2021
ITC-04 for the quarter January to	25-04-2021	31-05-2021	11/2021 Central Tax
March 2021 i.e., details that goods			which would be effective
sent to/ received from			from 25-04-2021
job worker			
GSTR-1 for the tax period April	11-05-2021	26-05-2021	12/2021 Central Tax
2021			which would be effective

			from 01-05-2021
IFF for the tax period April 2021	13-05-2021	28-05-2021	13/2021 Central Tax
i.e., invoice furnishing facility			which would be effective
where registered person has			from 01-05-2021
opted for quarterly return,			
output invoices could be			
uploaded using IFF.			

Rajput Jain Associates comments; All the above extensions and relaxations are given effect and the registered person to give sufficient time to manage the situation and file returns accordingly.

3. Rule 36(4) compliance on cumulative basis for March & April 2021

(Notification No. 13/2021 – Central Tax dated 01st May 2021)

The restriction of ITC on invoices not appearing in GSTR 2A to the extent of 5% of eligible ITC appearing in GSTR 2A shall now apply cumulatively for the period March 2021 & April 2021 & the return in GSTR 3B for the tax period May 2021 shall be furnished with cumulative adjustment of input tax credit for the said months.

Rajput Jain Associates comment; This is a major relief for the registered persons with respect to ITC claim as there could be delayed filings from the vendors also. Registered person could apply restriction under rule 36(4) cumulatively for both tax periods of March & April 2021. This may give rise to reconciliation issues (GSTR-2A vs GSTR-3B) while filing annual return of FY 2020-21. Therefore, it is suggested to maintain proper reconciliation of the same.

4. Extension of time period for compliances under GST

(Notification No. 14/2021 – Central Tax dated 01st May 2021)

Where any time limit for completion/compliance of any action, by authority or by person, falling between 15th April 2021 and 30th May 2021, then such time limit shall be extended up to the 31st May 2021, including

 completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by any authority, commission or tribunal etc., or filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record.

However, such extension not be applicable for the compliances as mentioned below-

- a) Chapter IV i.e., Time & Value of Supply
- b) Following sections:
 - ➤ Section 10(3) Composition scheme turnover extension,
 - Section 25 Procedure for registration
 - > Section 27 Special provisions relating to casual taxable person and NRTP
 - > Section 31 & 37 Tax Invoice & Furnishing of outward supplies
 - > Section 47, 50 Levy of late fee Interest respectively
 - ➤ Section 69, 90, 122 & 129 Power to Arrest; Liability of partners of firm to pay tax; Penalties & Detention respectively.
- c) Section 39, except sub-section (3), (4) and (5) i.e., GST returns except GSTR-5, 6, 7:
- d) Section 68 i.e., inspection in so far as e-way bill is concerned; and
- e) rules made under the provisions specified at clause (a) to (d) above;

It is provided that any time limit for any action by an authority/person notified u/r 9, falling between 01st May 2021 & 31st May 2021, then such time limit be extended to the 15th June 2021.

Further, where a notice has been issued for rejection of refund claim and where the time limit for issuance of order falling 15th April 2021 and 30th May 2021, then such time limit shall be extended to 15 days after the receipt of reply to the notice or the 31st May, 2021, whichever is later.

Rajput Jain Associates comments: The notification would be deemed to have effect from 15th April 2021. The government with powers prescribed under section 168A of CGST Act, has given more time to officials and the registered persons to carry out their statutory duties by way of action in view of the raging pandemic.

The notification says any time limit for completion or compliance of any action under GST law subject to few exceptions.

5. Facility to file returns through EVC for companies

(Notification No. 07/2021 – Central Tax dated 27th April 2021

Facility of filing GSTR-3B and GSTR-1/IFF using EVC instead DSC to companies during the period 27th April'21 to 31st May'21 has been provided.

6. IGST rate on oxygen concentrators reduced

(Notification No. 30/2021 – Customs dated 1st May 2021)

CBIC reduces IGST on Import of oxygen concentrators for personal use from 28% to 12% to bring IGST rate on such personal imports at par with commercial imports of the same.

Also, clarifies that this reduced IGST rate for imports of concentrator for personal use shall be applicable up to June 30, 2021.

Rajput Jain Associates comments: DGFT vide Notification No. 04/2015-2020 dated April 30, 2021, has eased the customs clearance exemption to receive oxygen concentrators as gifts from their relatives, friends and through e-commerce portals abroad and the exemption is allowed only for a period till July 31, 2021 for personal use. Demand for oxygen-related equipment has been increasing in the wake of second wave of Covid-19 pandemic. Therefore, it would be a relief for the importers and citizens of India.



CORPORATE OFFICE

P-6/90 Connaught Place, Connaught Circus, New Delhi-11000,India. Phone No+955555480

Business Advisory

Audit & assurance

RJA



RBI 'FEMA SEBI SERVICES

RAJPUT JAIN &
ASSOCIATES

<u>www.carajput.com</u>
P-6/90,Connaught circus
Connaught place
New DELHI 110001 INDIA
PHONE NO. 9555555480

Email; info@caidelhiindia.com

Outsourcing Accountants



We are the exclusive member of in india of the Association of international tax consultants, an association of independent professional firms represented throughout

DISCLAMER

No part of this article may be reproduced ,reprinted or utilized in any form or by any means electronic or mechanical without prior permission of the publisher. While every care is taken in compilation of information contained herein, the publisher cannot accept any responsibility for error or omission or for the use of trademark, copyrights, brand name , logos or other identifying symbol provided in supporting and participating companies and organizations however all possible and reasonable care has been taken to ensure that the information in this newsletter is as accurate and upto-date at the time of printing this newslatter is for internal use only