

GOODS & SERVICES TAX / IDT UPDATE – 125

1. Retrospective amendment in section 50 of the CGST Act, 2017 providing for interest on net tax dues notified from 1st June, 2021

A proviso was inserted in section 50(1) of the CGST Act, 2017 vide the Finance Act, 2021 to lay down that interest shall be payable on net tax dues (i.e., after adjusting the available ITC) where such tax dues are declared in the returns filed after the due date (except where the returns are filed after the commencement of proceedings under sections 73 or 74 of the CGST Act, 2017). Such proviso has been added with retrospective effect from 1st July, 2017. Now [Notification No. 16/2021 – Central Tax, dated 1st June, 2021](#) has been issued to appoint 1st June, 2021 as the date from which such amendment shall come into force.

2. Extension of due date for filing of GSTR-1

[Notification No. 83/2020-Central Tax, dated 10th November, 2020](#) has been amended vide [Notification No. 17/2021- Central Tax, dated 1st June, 2021](#) to extend the time limit for furnishing the details of outward supplies in Form GSTR-1 for the month of May, 2021 to June 26, 2021.

3. Lowering of interest rates for delayed payment of tax

[Notification No. 13/2017- Central Tax dated 28th June, 2017](#) has been further amended vide [Notification No. 18/2021-Central Tax dated 1st June, 2021](#) to reduce the rate of interest for delayed payment of CGST (u/s 50 of the CGST Act, 2017) for the **month of May, 2021** as under:

Class of registered persons	Rate of interest
Taxpayers whose aggregate turnover in the preceding FY > Rs. 5 crores	9% for the first 15 days from the due date and 18% thereafter
Taxpayers whose aggregate turnover in the preceding FY ≤ Rs. 5 crores [Both taxpayers filing monthly returns and taxpayers filing quarterly returns under QRMP scheme]	Nil for the first 15 days from the due date, 9% for the next 15 days, and 18% thereafter

The above amendment shall be deemed to be effective from 18th May, 2021.

Interest rate for delayed payment of IGST has also been lowered parallelly vide [Notification No. 2/2021 – Integrated Tax dated 1st June, 2021](#).

4. Waiver of late fees on delayed filing of GSTR-3B

[Notification No. 76/2018-Central Tax dated 31st December, 2018](#) has been further amended vide [Notification No. 19/2021- Central Tax dated 1st June, 2021](#) to waive off

late fees payable on belated furnishing of GSTR-3B for the months of March 2021, April 2021, May, 2021 and for the quarter January-March 2021 as under:

Class of registered persons	Applicable tax period	Period for which late fee waived
Taxpayers whose aggregate turnover in the preceding FY > Rs. 5 crores	May, 2021	15 days from the due date of furnishing return
Taxpayers whose aggregate turnover in the preceding FY ≤ Rs. 5 crores and who have opted to file monthly returns	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
Taxpayers whose aggregate turnover in the preceding FY ≤ Rs. 5 crores and who have opted to file quarterly returns	January – March, 2021	60 days from the due date of furnishing return

The above amendment shall be deemed to be effective from 20th May, 2021.

5. Amnesty Scheme regarding late fee for pending Form GSTR-3Bs

An amnesty scheme has been introduced vide [Notification No. 19/2021 – Central Tax dated 1st June, 2021](#) by way of capping the late fees for non-furnishing of Form GSTR-3B for the tax periods from July 2017 to April 2021 as under:

Taxpayer	Maximum late fees
Nil liability	Rs 250/- (plus Rs. 250/- for SGST)
Other than nil liability	Rs 500/- (plus Rs. 500/- for SGST)

The reduced rate of the late fee would apply if GSTR-3B returns for these tax periods are furnished between 01.06.2021 to 31.08.2021.

6. Reduction in late fee in case of delayed filing of Form GSTR-3B

The CBIC has issued [Notification No. 19/2021 – Central Tax dated 1st June, 2021](#) to reduce the late fee payable on delay in furnishing of Form GSTR-3B for June, 2021 onwards or quarterly returns from the quarter ending June, 2021 onwards as below:

- (i) For taxpayers having nil tax liability in GSTR-3B, the late fee shall be capped at Rs 250 (plus Rs. 250 for SGST)

(ii) For other taxpayers:

Annual aggregate turnover in previous year	Maximum late fee
Upto Rs. 1.5 Crore	Rs. 1,000 (plus Rs. 1,000 for SGST)
Rs. 1.5 Crore to Rs. 5 Crore	Rs. 2,500 (plus Rs. 2,500 for SGST)

7. Reduction in late fee in case of delayed filing of Form GSTR-1

The CBIC vide [Notification No. 20/2021-Central Tax, dated 1st June, 2021](#) has amended [Notification No. 4/2018– Central Tax, dated the 23rd January, 2018](#) to reduce the late fee payable on delay in furnishing of Form GSTR-1 for the tax period June, 2021 onwards or quarter ending June, 2021 onwards as under:

S. No.	Class of registered persons	Maximum late fee
1.	Registered persons who have nil outward supplies in the tax period	Rs. 250 (plus Rs. 250/- for SGST)
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 (plus Rs. 1000/- for SGST)
3.	Registered persons 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 (plus Rs. 2,500/- for SGST)

8. Reduction in late fee in case of delayed filing of Form GSTR-4 (Annual Return filed by composition taxpayers)

[Notification No. 73/2017-Central Tax dated 29th December, 2017](#) has further been amended vide [Notification No. 21/2021- Central Tax dated 1st June, 2021](#) to reduce the late fees for delay in furnishing of Form GSTR-4 for financial year 2021-22 onwards as under:

Composition taxpayer	Maximum late fees
Having nil liability	Rs 250/- (plus Rs. 250/- for SGST)
Other than nil liability	Rs 1,000/- (plus Rs. 1,000/- for SGST)

9. Reduction in late fees in case of delayed filing of Form GSTR-7

The CBIC vide [Notification No. 22/2021- Central Tax dated 1st June, 2021](#) has reduced the amount of late fees payable on delay in furnishing the return in Form GSTR-7 (TDS return) for the month of June, 2021 onwards, to Rs 25 (plus Rs 25/- for SGST) subject to maximum of Rs 1000 (plus Rs. 1000/- for SGST).

10. No e-invoicing for Government department & local authority

Notification No. 13/2020-Central Tax, dated 1st June, 2020 has been amended vide [Notification No. 23/2021- Central Tax, dated 1st June, 2021](#) to exempt Government department and local authority from the requirement of issuing e-invoice.

11. Due date of filing Form GSTR 4 extended upto 31st July, 2021

The due date of filing of Form GSTR 4 for the financial year 2020-21 has been extended up to 31st July, 2021 vide [Notification No. 25/2021 – Central Tax, dated 1st June, 2021](#). This amendment shall be deemed to have come into force with effect from the 31st May, 2021.

12. Extension of due date for furnishing declaration in Form GST ITC-04

Notification No. 11/2021- Central Tax, dated 1st May, 2021 has been amended vide [Notification No. 26/2021- Central Tax, dated 1st June, 2021](#) to extend the time period for furnishing the declaration in Form GST ITC-04 (job work movements) for the period January 2021 to March, 2021, up to 30th June, 2021. This amendment shall be deemed to have come into force with effect from the 31st May, 2021.

13. Extension granted for specified compliances falling due between 15.04.2021 to 29.06.2021 till 30.06.2021

Notification No. 14/2021- Central Tax, dated 1st May, 2021 has been amended vide [Notification No. 24/2021- Central Tax, dated 1st June, 2021](#) to extend the time limit for completion or compliance of any action, by any authority or by any person which falls due during the period from the 15th April 2021 to the 29th June 2021, up to 30th June 2021 subject to some exceptions specified in the notification.

However, the time limit for verification of the registration application by the authorities which falls due during the period from the 1st May 2021 to 30th June 2021 shall be extended up to 15th July 2021.

Also, in cases where a notice has been issued for rejection of refund claim, in full or in part, and the time limit to issue the order falls due from 15th April 2021 to 29th June 2021 the said time limit shall be extended to fifteen days after the receipt of the reply to the notice from the registered person or 30th June 2021, whichever is later.

Detailed notification can be accessed at: <https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-24-central-tax-english-2021.pdf>

14. Amendments in CGST Rules, 2017

The CGST Rules, 2017 have been amended vide [Notification No. 27/2021- Central Tax dated, 1st June 2021](#) as under:

- (i) **Amendment in rule 26:** Companies have been permitted 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 (IFF), verified through electronic verification code (EVC) instead of DSC during the period 27th April 2021 to 31st August 2021.
- (ii) **Amendment in rule 36(4):** The condition of availing 105% of eligible ITC (i.e., ITC reflecting in GSTR-2A) shall apply cumulatively for the period April, May and June, 2021 while taking credit in Form GSTR-3B for the tax period of June, 2021.
- (iii) **Amendment in rule 59(2):** A registered person under QRMP scheme may furnish details of outward supplies for the month of May, 2021 using IFF from 1st June, 2021 till 28th June, 2021.

15. Place of supply of B2B supply of maintenance, repair & overhaul services in respect of ships/vessels notified

The CBIC vide [Notification No. 03/2021-Integrated Tax dated June 02, 2021](#) has amended [Notification No. 04/2019- Integrated tax dated September 30, 2019](#) to notify place of supply for the following service under section 13(13) of the IGST Act, 2017:

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

This notification shall come into force with effect from 2nd June, 2021.

16. Time of payment of tax for a builder promoter in case of a joint development agreement (JDA)

The CBIC vide [Notification No. 03/2021- Central Tax \(Rate\), dated 2nd June, 2021](#) has amended [Notification No.06/2019- Central Tax \(Rate\), dated the 29th March, 2019](#) to make the following amendments in the said notification:

- (i) for the words “in whose case the liability to”, the words “, who shall” shall be substituted;
- (ii) for the words “shall arise on the date of issuance of completion certificate for the project, where required, by the competent authority or on its first occupation, whichever is earlier”, the words “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”

shall be substituted.

This notification shall come into force with effect from 2nd June, 2021.

Parallel amendment has been made for IGST vide [Notification No. 03/2021- Integrated Tax \(Rate\), dated 2nd June, 2021](#)

As per GST Council recommendation, the above amendment will allow the developer promotor to pay GST relating to such apartments any time before or at the time of issuance of completion certificate.

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