

### Highlights of 44<sup>th</sup> GST Council Meeting

The 44<sup>th</sup> GST Council met on 12<sup>th</sup> June 2021 under the Chairmanship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman through video conferencing. The meeting was attended by Union Minister of State for Finance & Corporate Affairs Shri Anurag Thakur, Finance Ministers of States & UTs and senior officers of the Centre & States/ UTs. The meeting was exclusively discussed the recommendations made by the Group of Ministers (GoM) which constituted to examine the GST rates on vaccines, medicines and other items used to fight against Covid-19. The Council has accepted the recommendations of GoM and decided to reduce the GST rates on these items till 30<sup>th</sup> September, 2021.



The details of the items and its recommended GST rates are given below:

#### 1. Medicines

Sl. No.	Description	Present GST Rate	GST Rate recommended
1	Tocilizumab	5%	Nil
2	Amphotericin B	5%	Nil
3	Anti-Coagulants like Heparin	12%	5%
4	Remdesivir	12%	5%
5	Any other drug recommended by MoHFW and Dept. of Pharma for Covid Treatment	Applicable Rate	5%

#### 2. Oxygen, Oxygen generation equipment and related medical devices

Sl. No.	Description	Present GST Rate	GST Rate recommended
1	Medical Grade Oxygen	12%	5%
2	Oxygen Concentrator/ Generator, including personal imports thereof	12%	5%
3	Ventilators	12%	5%
4	Ventilator masks / canula / helmet	12%	5%
5	BiPAP Machine	12%	5%
6	High Flow Nasal Canula (HFNC) device	12%	5%

#### 3. Testing Kits and Machines

Sl. No.	Description	Present GST Rate	GST Rate recommended
1	Covid Testing Kits	12%	5%
2	Specified Inflammatory Diagnostic Kits, namely D-Dimer, IL-6, Ferritin and LDH	12%	5%

#### 4. Other Covid-19 Related Relief Material

Sl. No.	Description	Present GST Rate	GST Rate recommended
1	Pulse Oximeters, incl personal imports thereof	12%	5%
2	Hand Sanitizer	18%	5%
3	Temperature check equipment	18%	5%
4	Gas/Electric/other furnaces for crematorium, including their installation, etc.	18%	5%
5	Ambulances	28%	12%

Source: PIB Press Release dated 12.06.2021

### Notifications

#### Central Tax (Rates)

Notification No.	Subject
04/2021-Central Tax (Rate), dated 14.06.2021	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021.
05/2021-Central Tax (Rate), dated 14.06.2021	Seeks to provide the concessional rate of CGST on Covid-19 relief supplies up to 30.09.2021.

#### Integrated Tax (Rates)

Notification No.	Subject
04/2021- Integrated Tax (Rate), dated 14.06.2021	Seeks to amend notification No. 08/2017- Integrated Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021.
05/2021- Integrated Tax (Rate), dated 14.06.2021	Seeks to provide the concessional rate of IGST on Covid-19 relief supplies up to 30.09.2021.

## Union Territory Tax (Rates)

Notification No.	Subject
04/2021-Union Territory tax(rate), dated 14.06.2021	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 44th meeting held on 12.06.2021
05/2021-Union Territory tax(rate), dated 14.06.2021	Seeks to provide the concessional rate of UTGST on Covid-19 relief supplies up to 30.09.2021.

## Circulars

### Applicability of GST on supply of food in Anganwadis and Schools

It has been clarified that, 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 (*under entry 66(b)(ii) of Notification No. 12/2017-Central Tax (Rate) dated 28<sup>th</sup> June, 2017*).

Source: Circular No. 149/05/2021-GST dated 17.6.2021

### Applicability of GST on the activity of construction of road where consideration is received in deferred payment

As recommended by GST Council, it has been clarified that *entry 23A of Notification No. 12/2017-CT(R)* does not exempt GST on the annuity (deferred payments) paid for construction of roads.

Source: Circular No. 150/06/2021 dated 17.6.2021

### GST on supply of various services by Central and State Boards

It has been clarified that:

- GST is exempt on services provided by Central or State Boards (including the boards such as National Board of Examination) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution (under *S. No. 66 (aa) of Notification No. 12/2017-CT(R)*).
- 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 (under *S. No. 66(b)(iv) of Notification No. 12/2017-CT(R)*).
- 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) so as to authorise them to provide their respective services.

Source: Circular No. 151/07/2021-GST dated 17.6.2021

### GST on construction services provided to a Government Entity, in relation to construction such as of Ropeway on turnkey basis

Works contract service provided by way of construction such as of rope way fall under *entry no. 3(xii) of notification 11/2017-CT(R) dated 28<sup>th</sup> June, 2017* and attract GST at the rate of 18%.

Source: Circular No. 152/08/2021-GST dated 17.6.2021

### GST on milling of wheat into flour or paddy into rice for distribution by State under PDS

It has been clarified that-

- Public Distribution specifically figures at entry 28 of the 11<sup>th</sup> 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 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 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*).

Source: Circular No. 153/09/2021-GST dated 17.6.2021

### GST on service supplied by State Government to their undertakings or PSUs by way of guaranteeing loans taken by them

It has been re-iterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under *entry No. 34A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017*.

Source: Circular No. 154/10/2021-GST dated 17.6.2021

### GST rate on laterals/parts of Sprinklers or Drip Irrigation System

It has been clarified that that 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.

Source: Circular No. 155/11/2021-GST dated 17.6.2021

### Applicability of Dynamic QR Code on B2C invoices

The applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020-Central Tax dated 21st March, 2020 has been clarified the following issues:

- Invoices issued to UIN holders shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of the dynamic QR Code.
- Details of the bank account and IFSC is not separately required since each UPI ID is linked to a specific bank account of the payee/person collecting money.
- In cases where the payment is collected by a third person, authorized by the supplier to collect the payment, the UPI ID of such person authorised to collect the amount may be provided in the dynamic QR Code, instead of UPI ID of the supplier.
- In case of supply of services to person located outside India where payment is received in foreign currency and place of supply is within India (ie services not considered as an export), QR code is not required since it cannot be used for payment by recipient in such case.
- In case invoices are generated after receipt of payment, unique ID linked to the invoice may be provided in dynamic QR Code for digital display as long as such ID is available on the processing system of the supplier and cross reference of payment is provided on invoice.
- In case of receipt of part payments by way of advance or adjustment (ie using voucher or discount coupon) before QR Code is generated, the code may provide only the balance amount payable and invoice shall contain total invoice value and cross reference to part payment.

Source: Circular No. 156/11/2021 dated 21.6.2021

## GoM on movement of Gold & Precious Stones

The Government has partially modified the Group of Ministers (GoM) constituted on movement of Gold and Precious Stones. The GoM will function under the convenorship of Shri K.N Balagopal, Finance Minister of Kerala. The other members are Shri Tarkishore Prasad, Deputy Chief Minister

of Bihar, Shri Nitinbhai Patel, Deputy Chief Minister of Gujarat, Shri Manpreet Singh Badal, Minister for Finance, Punjab, Shri Basvarai Bommai, Minister for Home, Karnataka, and Dr. Amit Mara, Finance Minister, West Bengal.

Source: Office Memorandum issued by GST Council dated 04.06.2021



➤ **Functionality to register complaint on misuse of PAN in GST Registration**

Functionality to register complaint on misuse of PAN in GST Registration is now available on GST Portal  
Portal Updated on 29.06.2021

amongst new applicants and the existing taxpayers, GSTN is holding various webinars, on 29.06.2021, 1.07.2021 and 2.07.2021. Recording of these sessions will also be available on GSTN's dedicated YouTube channel.  
Portal Updated on 28.06.2021, 17.06.2021 & 16.06.2021

➤ **Webinars on New Functionalities related to Registration, Returns, Refund etc deployed on GST Portal**

GSTN has implemented new functionalities on the GST Portal for the convenience of taxpayers for registration, Returns, Advance Ruling, Payment, Refund and other miscellaneous topics. For creating awareness

➤ **Upcoming functionalities to be deployed on GST Portal for the Taxpayers**

As part of the constant endeavour to provide a smooth and hassle-free experience to the taxpayers and simplify the process for them, to comply with their GST compliances, following functionalities are recently deployed or are being deployed on the portal shortly:

Sl. No.	Module	Form/ Functionality	Functionality released/to be released for Taxpayers	Present Status
1	Ledgers	Negative liability statement made available to composition taxpayers	In case of a negative liability in any tax period of a composition taxpayer (and if no amount is required to be paid by the taxpayer (during that period)), the said negative liability will be maintained in Negative liability statement. This negative balance lying in the negative liability statement will be automatically adjusted against the liabilities of subsequent tax period(s). The statement would be accessible to them, post-login, by navigating to <b>Services &gt; Ledgers &gt; Negative Liability Statement</b> .	Deployed on the Portal
2	Returns	Download of Form GSTR-4A in excel and auto-population of its details in Form GSTR-4 of the composition taxpayer	Form GSTR-4A is an auto-drafted statement generated for Taxpayers opting for Composition levy, containing details reported by their registered suppliers in their Form GSTR-1/ GSTR-5 and by their TDS deductors in their Form GSTR-7. A facility to download the details of Form GSTR-4A, in an Excel file would be made available to the taxpayers, soon. This Excel file would contain consolidated summary of the supplies at GSTIN level, for the complete financial year, which are required to be reported in Annual Return filed by them in Form GSTR-4. This summary will also be auto-populated in Table 4A and 4B of their Form GSTR-4.	---
3	Front Office	Inclusion of common names in the HSN Directory and its download in excel format by the taxpayers	The currently available HSN Master has been updated on the GST Portal and it now includes product names commonly used in Trade corresponding to a particular HSN code. A download facility for the entire HSN directory in Excel Format has also been provided to the taxpayers under the link "Download HSN in Excel Format". This facility is available as a part of the 'Search HSN' functionality, available both in Pre and Post Login, on the GST Portal.	Deployed on the Portal

Portal updated on 11.06.2021

➤ **Table-12 of GSTR-1 (Advisory)**

Table-12 of GSTR-1 pertains to the data related to the HSN-code wise supplies of goods & services declared in the aforesaid GSTR-1. It has been reported that in the GSTR-1 for the tax period of May 2021, the 'Total Invoice value' field in the preview PDF is displaying a value as '0' (zero) instead of N.A., in the cases where the taxpayer has not reported any value in the concerned Table-12 of GSTR-1.

Technical team is working towards resolving this issue at the earliest. Meanwhile, taxpayers are requested to kindly proceed with their filing

of GSTR-1 & ignore this error for the time being, till it is being fixed.  
Portal updated on 08.06.2021

➤ **Relief to taxpayers, regarding late fee, for delay in filing Form GSTR-3B returns**

Vide Notification No. 19/2021, dated 1st June, 2021, inter alia, has waived the late fee payable, in excess of amount as specified in the GST portal. For the registered persons who have failed to furnish the return in FORM GSTR-3B, for the months / quarter of July, 2017 to April, 2021, by the due date.

Sl. No.	Return in FORM GSTR-3B for the month/ quarter of	Amount of Central & State/ UT tax payable in the return	If Return furnished between	Late fee payable waived in excess of (Rs)
1	July, 2017 to April, 2021	NIL	1st June, 2021 and 31st August, 2021	500
2	July, 2017 to April, 2021	Not NIL	1st June, 2021 and 31st August, 2021	1000

For the tax period of June, 2021 onwards or quarter ending June, 2021 onwards:

Sl. No	Class of registered persons	Late fee payable waived in excess of (Rs)
1	Registered persons whose total amount of Central Tax & State/UT tax payable in the said return is Nil	500
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	2,000
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	5,000

(Note: Please refer to respective State/UT Notifications for waiver of State/UT tax).

Portal updated on 05.06.2021

➤ **Waiver of interest and late fee for normal taxpayers (filing return on monthly or quarterly basis) and composition taxpayers (Part I & Part II)**

Government has granted waiver from payment of interest and/or late fee to normal (Monthly / Quarterly) & composition taxpayers for the tax periods of March, April & May, 2021, vide Notifications. Nos. 18/2021 & 19/2021, both dated 1st June, 2021.

Portal Updated on 04.06.2021 & 05.06.2021

➤ **Extension in dates of various GST Compliances for GST Taxpayers**

Government has extended the dates of various compliances by Taxpayers under GST vide Notification No 12/2021-CT, dated 1st May, 2021, Notification No 17/2021-CT dated 1st June, 2021, Notification No 14/2021-CT, dated 1st May, 2021, Notification No 24/2021-CT, dated 1st June, 2021, Notification No 25/2021-CT, dated 1st June, 2021, Notification No 26/2021-CT, dated 1st June, 2021.

Portal Updated on 03.06.2021

The details are summarized below:

**A. Filing of Form GSTR-1/IFF by Normal Taxpayers:**

Sl.No.	Form Type	To be filed by	Tax period	Due Date/last date	Due Date/Last Date Extended till
1	Form GSTR-1 (Monthly)	Normal Taxpayer filing Monthly returns	May,2021	11.06.2021	26.06.2021
2	Form IFF (optional)	Normal Taxpayers under QRMP Scheme	May,2021	13.06.2021	28.06.2021

**B. Filing of Returns by Composition, NRTP, ISD, TDS & TCS Taxpayers:**

Sl. No.	Return Type (Form)	To be filed by	Tax period	Due Date/last date	Due Date/Last Date Extended till
1	GSTR-4	Composition Taxpayers (Annual Return)	FY 2020-21	30th April, 2021	31st July, 2021
2	GSTR-5	Non-Resident Taxpayers (NRTP)	March/April/May, 2021	20th April/May/June, 2021	30th June, 2021
3	GSTR-6	Input Service Distributors (ISD)	April/May, 2021	13th May/June, 2021	30th June, 2021
4	GSTR-7	Tax Deductors at Source (TDS deductors)	-do-	10th May/June, 2021	30th June, 2021
5	GSTR-8	Tax Collectors at Source (TCS collectors)	-do-	10th May/June, 2021	30th June, 2021

**C. Filing of Form ITC-04:**

The due date for filing of Form GST ITC-04 (to be filed by Principal/Manufacturer for goods sent/received/supplied from Job

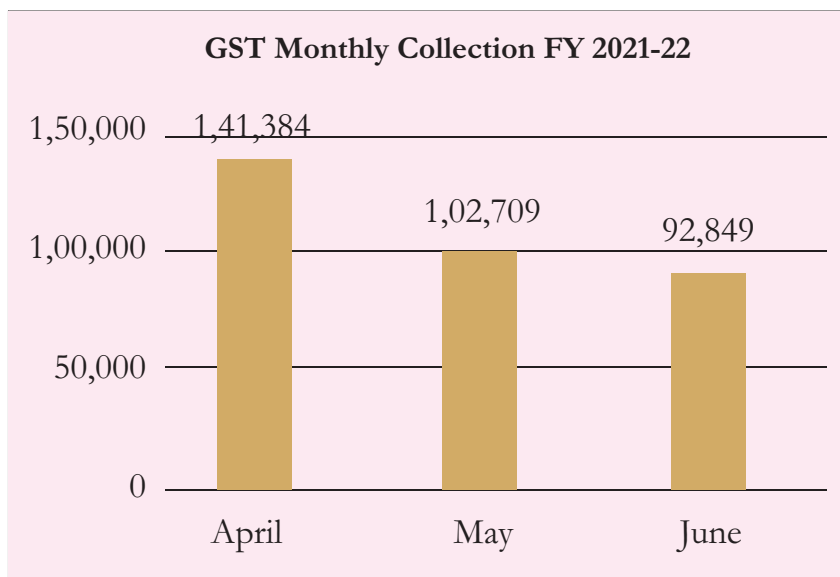
Worker) for the quarter Jan-March, 2021, (due date 25th April, 2021) has been extended till 30th June, 2021.

Portal Updated on 03.06.2021

**GST Revenue collection for June, 2021**

The gross GST revenue collected in the month of June 2021 was ₹ 92,849 crore of which CGST is ₹ 16,424 crore, SGST is ₹ 20,397, IGST is ₹ 49,079 crore (including ₹ 25,762 crore collected on import of goods) and Cess is ₹ 6,949 crore (including ₹ 809 crore collected on import of goods). The above figure includes GST collection from domestic transactions between 5<sup>th</sup> June to 5<sup>th</sup> July'2021 since taxpayers were given various relief measures in the form of waiver/reduction in interest on delayed return filing for 15 days for the return filing month June'21 for the taxpayers with the aggregate turnover upto ₹ 5 crore in the wake of covid pandemic second wave. During this month the government has settled ₹ 19,286 crore to CGST and ₹ 16,939 crore to SGST from IGST as regular settlement.

GST collection after posting above Rs. 1 lakh crore mark for eight months in a row, the collection in June'2021 dropped below ₹ 1 lakh crore. The GST collection for June'2021 is related to the business transactions made during May'2021. During May'2021, most of the States/UTs were under either complete or partial lock down due to COVID. The e-way bill data for the month of May 2021 shows that during the month, 3.99 crore e-way bills were generated as compared to 5.88 crore in the month of April 2021, down by more than 30%.



Source: PIB Press Release dated 06.07.2021