

## Latest GST Updates



**CA CHAULA THAKKAR**  
Practising Chartered Accountant

Goods and Services Tax is the tax levied by the Indian Government on the procurement of goods or services in the country. The tax was introduced in the year 2017. The tax has replaced all the other indirect taxes, like Value Added Tax (VAT), and compressed them into a single tax. GST (Goods and Services Tax) is charged by the government in slabs. The present slabs being 5%, 12%, 18%, and 28%. GST is managed by the Goods and Services Tax Council and is governed by the Goods and Services Tax Act, 2017.

GST is levied on all types of goods and services except petroleum products, alcoholic drinks, and electricity, on which the taxes are levied by the state governments. It is divided into two parts namely, State Goods and Services Tax (SGST) collected by state governments and Central Goods and Services Tax (CGST) collected by the central government. The share of both governments is equal to GST. For example, if 5% GST is being charged on a product the SGST (2.5%) and CGST (2.5%) will be equal. There is another type of tax Integrated Goods and Services Tax

(IGST) that is charged on goods and services supplied inter-state.

The tax was introduced to remove the cascading of taxes, the situation of collecting multiple taxes on every level of production. It is done under GST too, but the manufacturer is refunded back on further levels. It is a destination-based tax, it is collected by the state in which the said good or service is consumed rather than to that state in which the good or service was manufactured.

### Latest GST Updates for Companies & Taxpayers

» Central Tax Notification Number 34/2021

Taxpayers can get extended time up to 30th September 2021 to revoke cancelled GST registration if the last date for the same falls between 1st March 2020 and 31st August 2021. It applies if the GST registration is cancelled under Section 29(2) clause (b) or (c) of the CGST Act via CGST notification number 34/2021 dated 29th August 2021.

Till 29th August, there was no clarification about GSTINs already cancelled due to non-filing of past GSTR-3B returns about when and how it will be revoked or restored where the aggrieved taxpayer preferred an appeal.

» Central Tax Notification Number 33/2021

The GST Amnesty Scheme has been introduced once again by the government to provide relief to taxpayers who missed filing GSTR-3B for the previous tax periods. Back in early 2020, several tax professionals and industry leaders urged the government to reopen the GST amnesty scheme for several months due to the COVID pandemic. The government finally acceded to their request. Time limit to avail GST Amnesty Scheme extended up to 30th November 2021. It continues to apply for GSTR-3B from July 2017 up to April 2021 via CGST notification number 33/2021 dated 29th August 2021. It means that taxpayers who have pending GSTR-3B between July 2017 and April 2021, can file such returns on or before 30th November 2021 with a reduced maximum late fee.

The taxpayers cannot file a particular tax period's GSTR-3B without filing the previous ones. Moreover,

suppose the taxpayer hasn't filed GSTR-3B for six consecutive tax periods or three consecutive quarters. In that case, they may stand the risk of GST registration getting cancelled. The taxpayers will benefit from this relief as they need not pay hefty late fees, which otherwise discourage them from filing any pending GSTR-3B return. Further, it helps taxpayers restore their business after being severely affected by lockdowns and weak economic conditions due to the pandemic.

Although the scheme aims to provide relief to non-filers who want to continue their business by rightfully declaring GST data, it is not free from hurdles. Some challenges and issues came along with the GST Amnesty Scheme.

- **No relaxation in interest dues**
- **Non-admissibility of input tax credit**
- **No relief to late filing of GSTR-1 under the scheme**
- **Revocation of cancelled GST registration**

» Central Tax Notification Number 32/2021

Company taxpayers can continue filing GSTR-1 and GSTR-3B using EVC or DSC up to 31st October 2021 via the

- CGST notification number 32/2021 dated 29th August 2021.
- » From 1st September 2021, taxpayers will not be able to file GSTR-1 or use the IFF for August 2021 on the GST portal if they have pending GSTR-3B filings. It applies if GSTR-3B is pending for the past two months till July 2021 (monthly filer) or for the last quarter ending 30th June 2021 (quarterly filer), as per CGST Rule 59(6).
  - » A GST registered person whose aggregate turnover in the financial year 2020-21 is up to Rs.2 crore has been given exemption from filing Form GSTR-9 (annual return) for the FY 2020-21.
  - » The section 35(5) is omitted and section 44 is amended, so that the taxpayer can submit the reconciliation statement on a self-certification basis instead of being furnished after audit and certification by CA/CMA.
  - » The taxpayers having aggregate turnover up to Rs.5 crore are not required to file self-certified GSTR-9C. Further, changes are notified to the format of Form GSTR-9C from FY 2020-21 onwards.

