

53rd GST Council Meet Recommendations – Goodest of Good News Everywhere

Conditional Waiver of Interest Or Penalty Or Both relating to Demands under section 73 for FY 2017-18 , 2018-19 and 2019-20

The orders under section 73 of the CGST Act 2017 were passed by

- ✓ 31st December 2023 for 2017-18 and 30th April 2024 for FY 2018-19



For the financial year 2019-20 all the Show cause notices under section 73 has been issued by 31st May 2024. The GST Council has recommended that where the taxpayer pays full amount of tax demanded before 31st March 2025 the interest and penalty shall be waived.

Shiva's Take – This is a kind of amnesty scheme to de clog the appellate authority and appellate tribunal. The Full Budget presented in July 2024 should shed light on the conditions that has to be followed for availing this benefit.

In many cases the officers have mechanically passed orders under section 74 , sad that this benefit will not be available to tax payers who faced the high hand of the officers at the adjudication stage.

Relaxation for section 16(4) of the CGST Act, 2017

As per section 16(4) of the CGST Act, 2017 for any invoice / debit note the ITC can be claimed only upto the earlier of

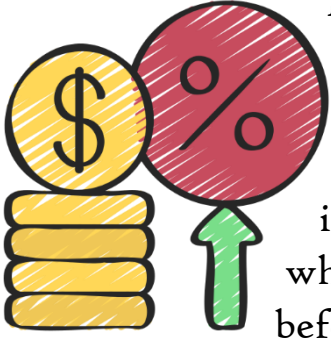
- ✓ Due date of filing GSTR-3B for September of next year (Till 01st October 2022)
- ✓ 30th November of the next year (till today) or
- ✓ The date of filing of annual return



Now for the financial years 2017-18 , 2018-19 , 2019-20 and 2020-21 the ITC can be availed till 30th November 2021.

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If You Have Paid Amount in Your GST Electronic Cash Ledger You Need Not Pay Interest on delayed filing of GSTR-3B



Many a times GST Portal Hangs and is struck on due date of filing GST Returns due to this many people are not able to file returns on time and due to the fault of the GST Portal the tax payers were paying interest and late fees. Now to mitigate the interest liability, the GST Council has given relaxation to say that when the Tax amount is deposited in GST portal through challan before due dates and the GSTR-3B is filed belatedly and the tax amount has been duly paid in the GSTR-3B, there will be no interest liability.

Government wont fight with you in tribunals and courts in the following cases

The government wont pursue the case in higher forum if the value of the case is lesser than the following monetary limits

S.No.	Forum	Limit
1.	GST Tribunal	Rs.20 Lakhs
2.	High Court	Rs. 1 Crore
3.	Supreme Court	Rs.2 Crores

Section 73 and Section 74 to have common time lines

In GST Where a case does not involve fraud, willful misstatement or suppression order can be passed within 3 years from due date of GSTR-9 where in case of frauds, misstatement and suppression the order can be passed within 5 years from due date of GSTR-9. Due to the extended period available in fraud cases (Section 74), the officers mostly invoke section 74 imposing higher penalty on taxpayers.



To curb this practice the time limit for Section 73 and section 74 will now be same from FY 2024-25. Further the window of 30 days for payment of reduced penalty is recommended to be increased to 60 days.

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Ease of Filing Appeals – Reduction in Pre deposit for filing GST Appeals

Under tax laws filing of appeals comes with pre deposit condition. The Pre deposit required as of now and the recommendation of the GST Council are as follows

Particulars	Existing		Recommendation	
	% of tax	Maximum	% of tax	Maximum
Appeal to Appellate Authority	10%	50 Crores	10%	40 Crores
Appeal to GST Tribunal	20%	100 Crores	10%	40 Crores

Shiva’s Take – For Filing appeal to appellate authority under section 107 10% of the tax due has to be paid even now , there is only reduction in maximum amount of pre deposit to be paid. But when it comes to appeal to Appellate Tribunal the rate of pre deposit has been reduced from 20% of tax amount to 10% of tax amount. This is once again a welcome move.

Time for Filing Appeals in GST Appellate Tribunal

Order 09/2019 – Central Tax dated 03rd December 2019 was issued to state that appeal to GST Appellate Tribunal can be made *within 3 months from the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office.*



It is not practically feasible for the tax payer to keep checking if the president has entered the office or not. So the Council has recommended that time for filing appeal to GST Tribunal shall start from the date it is notified.

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Reduction in TCS to be collected by E commerce Operators

The E commerce operators at present collect TCS under GST at the rate of 1%. This rate is now being reduced to 0.5%.



Shiva's Take – There are many businessperson supplying goods through E Commerce Operators , this move will ease the working capital blockage by way of TCS for suppliers supplying goods through E commerce Operators.

Even if you have paid tax under RCM for FY 2018-19 in current financial year you are eligible for ITC



The Council has recommended that where the supplies are received from unregistered persons the Recipient of the supply should create a self invoice and pay tax under Reverse charge for such supplies. Even though the supply relates to older financial year the self invoice can be issued in current year and the ITC on the same can be availed.

Introduction of GSTR-1A

GSTR-1A has recommended to allow tax payers to

- ✓ Amend details in GSTR-1 for a tax period or
- ✓ To declare additional details , if any

Before filing GSTR-3B for the said tax period.

Shiva's Take - The facility has been given only to amend or add details missed out in GSTR-1 . The light on whether taxpayer will be able to reduce the liability and whether the amendments made will be reflected in GSTR-2B of the recipient in the same month or in the next month will be clear once the notification in this regard is issued.

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GSTR-9 and GSTR-9A for the financial year 2023 – 24 shall not be filed if the aggregate turnover is upto Rs.2 Crores

Every year the GSTR-9C is applicable for taxpayers whose aggregate annual turnover in a financial year exceeds Rs. 5 Crores. This is given in the Rule 80 of the CGST Rules , 2017.

But when it comes to GSTR-9 , every tax payer has to file GSTR-9. Each and Every year the exemption is being given for taxpayers with aggregate annual turnover upto Rs.2 Crores only by way of notification. For FY 2023-24 too similar exemption notification has been recommended by the council.

Amount paid through form GST DRC-03 can be used for Appeal Pre deposit

At present for filing Appeals the appeal pre deposit have to be paid in Form GST APL-01. This means that even if you have paid 100% of the tax demand in the notice through form GST DRC-03 and the officer has without considering your payment created a demand through form GST DRC-07 , you will once again have to pay 100% of the tax demand as pre deposit.



And there are many cases where the tax payers have erroneously paid appeal pre deposit through form GST DRC-03 instead of Form GST APL-01.

To reduce the burden and hassles in this regard the method to use the amount paid through form GST DRC-03 for appeal pre deposit is being recommended.

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Rate Related Changes

All Milk Cans will be taxed at 12%

Milk cans made of Steel , Iron and aluminium will be taxed at 12% irrespective of the purpose for which it is used. A manufacturer can say that he has manufactured a milk can and it could be used for storing someother products , the milk can will still be taxed at 12%.



- ✓ GST Rates on Carton Boxes of both corrugated and non corrugated paper or paper boards will be taxed at 12%
- ✓ Accommodation service having value of supply upto Rs.20,000 per month per person will be exempted if the accommodation service is supplied for a minimum continuous period of 90 days.

GSTR-4 for Composition Dealers can be filed till 30th June

For Annual returns normal tax payers have time till 31st December of the next financial year.



But when it comes to composition dealers the time limit for filing annual return in form GSTR-4 is set as 30th April of the next year , giving them only 30 days to file the annual return.

Now this time line is being extended to 30th June of the next year. To give them around 91 days to file their annual returns.

This will be applicable from the financial year 2024-25 onwards.