

GST NEWSLETTER

ISSUE 05 | OCTOBER 2021



**LEADING FINANCIAL
ADVISORY AND BUSINESS
CONSULTING FIRM**

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ABOUT US

In an era of rapid change, heightened scrutiny, and unprecedented technological change, quality of thinking and delivery are more important than ever. Since inception, our mission has been to provide quality services without compromising on ethics and values.

Quality and integrity is at the heart of everything we do. We are continuously investing in technology, people, and innovation to enhance our professional services. This investment of InCorp Advisory will benefit our organization and clients we serve.

**GST Newsletter:
Compiled and Edited by**

INCORP INDIRECT TAX DIVISION

CA PRASANNA K S | ADV. T. R. RAJESH
ADV PRATEEK J | PRAKRUTHI C

ARTICLE

Recent Developments In GST And Changes In GST Rates

Introduction

GST rates constantly undergo changes based on the industry's progress and decisions by the GST Council. On 30th September 2021 several rates of goods and services were notified and made effective from 1st October 2021 as per the recommendations of the 45th GST Council meeting. We have summarized the GST rates along with the earlier GST rates to provide you with a comprehensive reference for your perusal.

Important Decisions

✔ Petrol & Diesel

The GST Council discussed about the inclusion of Petrol, Diesel and other Fuels in GST. This was a result of a PIL filed by the Kerala Pradesh Gandhi Darshanvedhi before the Kerala HC pleading for inclusion of the same in GST. The GST Council took the decision not to include the petroleum products in GST as it was not appropriate at this stage.

✔ Gst Levy Of Passenger Transport & Restaurant Services Supplying Through E-commerce

The GST Council has announced that from 1st January 2022, the levy of GST on supply of passenger transport and restaurant services supplying through an E-commerce



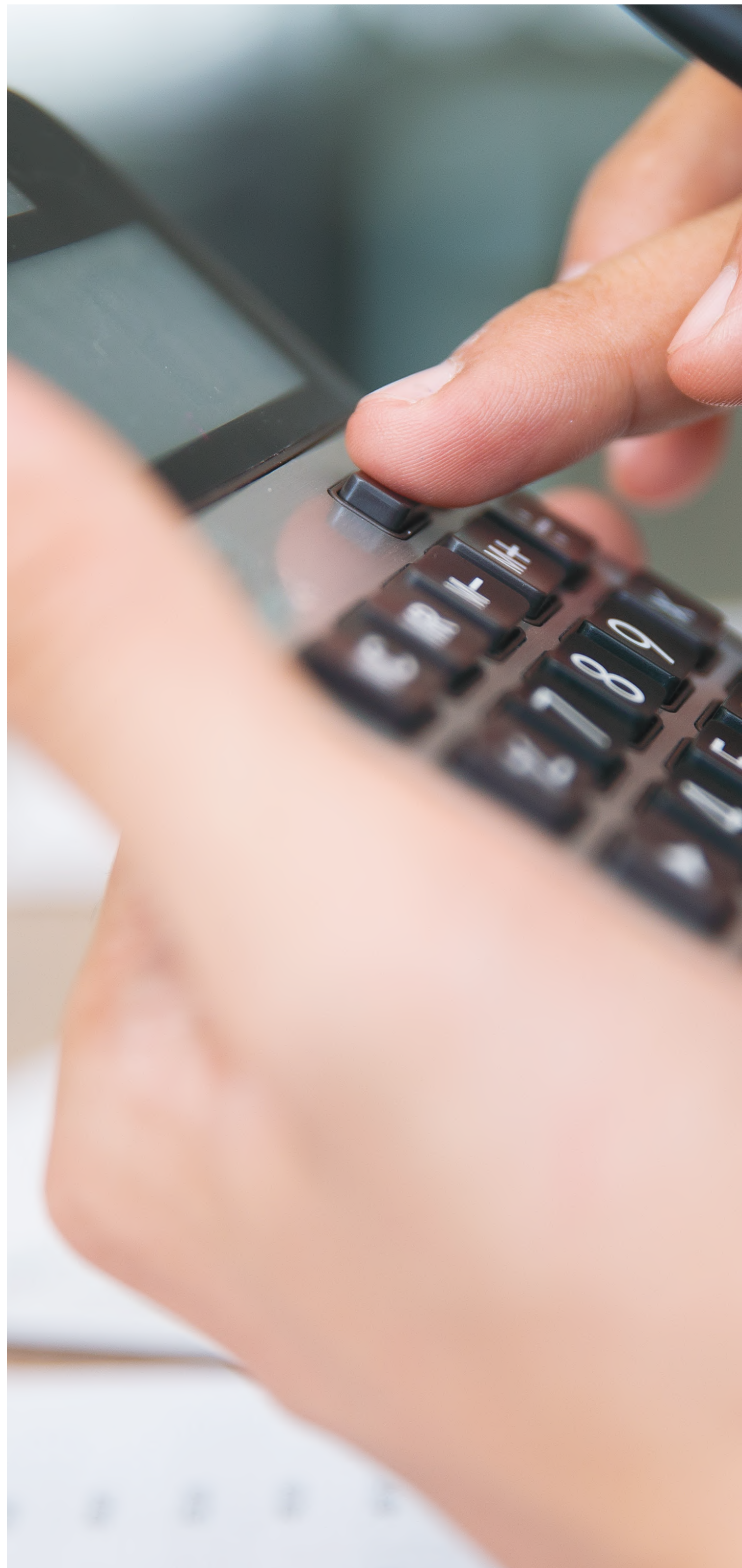
entity. This is being justified by stating that many entities have been evading GST registration and evasion by supplying through these E-commerce operators without payment of taxes.

✔ **Compensation Cess To States**

The GST Council has stated that the Compensation Cess payable to states will end on June 2022. The estimated Cess collected from July 2022 to April 2026 will be needed for payment of borrowings and debt servicing taken for meeting the COVID pandemic requirements in 2020-21 and 2021-22. Hence, the Compensation Cess may not be extended to states beyond June 2022.

✔ **Setting-up Of Two Group Of Ministers To Examine Gst Issues**

The GST Council has decided to set-up two different GoMs for examining issues under GST. One GoM will be involved in examining the issue of inverted duty structure for major sectors, rationalize the rates and review exemptions from the point of view of revenue augmentation. The second GoM will discuss ways and means of using technology to further improve compliance including monitoring through improved e-way bill systems, e-invoices, FASTag data and strengthening the institutional mechanism for sharing of intelligence and coordinated enforcement actions by the Centre and the States.



Changes In GST Rates

The GST Council has made the following changes to the GST rates

Goods

(Refer Notifications No.: 8/2021, 9/2021, 11/2021 & 12/2021 - Central Tax (Rate))



Pharmaceutical & Health Industry

The Pharma industry has received various benefits from the GST council. GST rates have been reduced for life saving cancer drugs and COVID medicines and for medicines for treating muscular atrophy the GST rate on import of the medicines for personal use has been exempted. The rate cuts have been from 12% GST rates to 5% and exempt rates. COVID related medicines and devices were given concessional rate cuts till 30th September 2021 and the GST Council has extended the concessional a. rates for only certain COVID medicines till 31st December 2021.



- Cancer related medicines - Keytruda medicine – GST rate 5%
- Muscular atrophy medicines – Zolgensma & Viltepso – GST exempted if imported for personal use.
- COVID care medicines – Tocilizumab, Amphotericin B are exempted. Remdesivir, Heparin (anti-coagulant), Itolizumab, Posaconazole, Infliximab, Bamlanivimab & Etesevimab, Casirivimab & Imdevimab, 2-Deoxy-D-Glucose and Favipiravir are levied reduced GST rate of 5%. The above concessional rates are till 31st December 2021. All other concessions provided for COVID related use will cease from 30th September 2021.
- Retro fitment kits for vehicles used by the disabled – the GST rate has been reduced to 5% GST rate.



Fuel and Energy

The Fuel and energy industries will mostly see an increase in their GST rates as the GST Council has decided that this was an appropriate time to rationalize and levy GST at higher rates. The substantial increase in the GST rates of alternative sources of energy will make these costlier for the general public.



- Bio-diesel supplied to Oil Marketing Companies for blending with High-Speed Diesel – GST rate is 5% from earlier 12%.
- Bio-diesel supplied for reasons other than above – GST rate is 12%.
- Bio-gas plant – GST rate is 12% from earlier 5%
- Solar power-based generator and devices, Solar lanterns / lamps – GST rate is 12% from earlier 5%
- Wind mills and wind operated electricity generator - GST rate is 12% from earlier 5%
- Waste to energy plants and devices - GST rate is 12% from earlier 5%
- Ocean waves / tidal waves energy devices / plants - GST rate is 12% from earlier 5%
- Photo voltaic cells, whether or not assembled in modules or made up into panels - GST rate is 12% from earlier 5%.

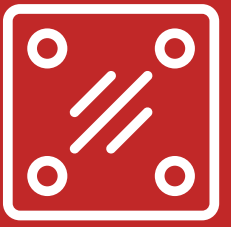


Agriculture, Food and Beverages

There are not too many changes to the agriculture and foods and beverage industry. The changes in the GST rates will only marginally impact the prices of these goods except for Carbonated fruit drinks which sees a substantial increase in GST rates.

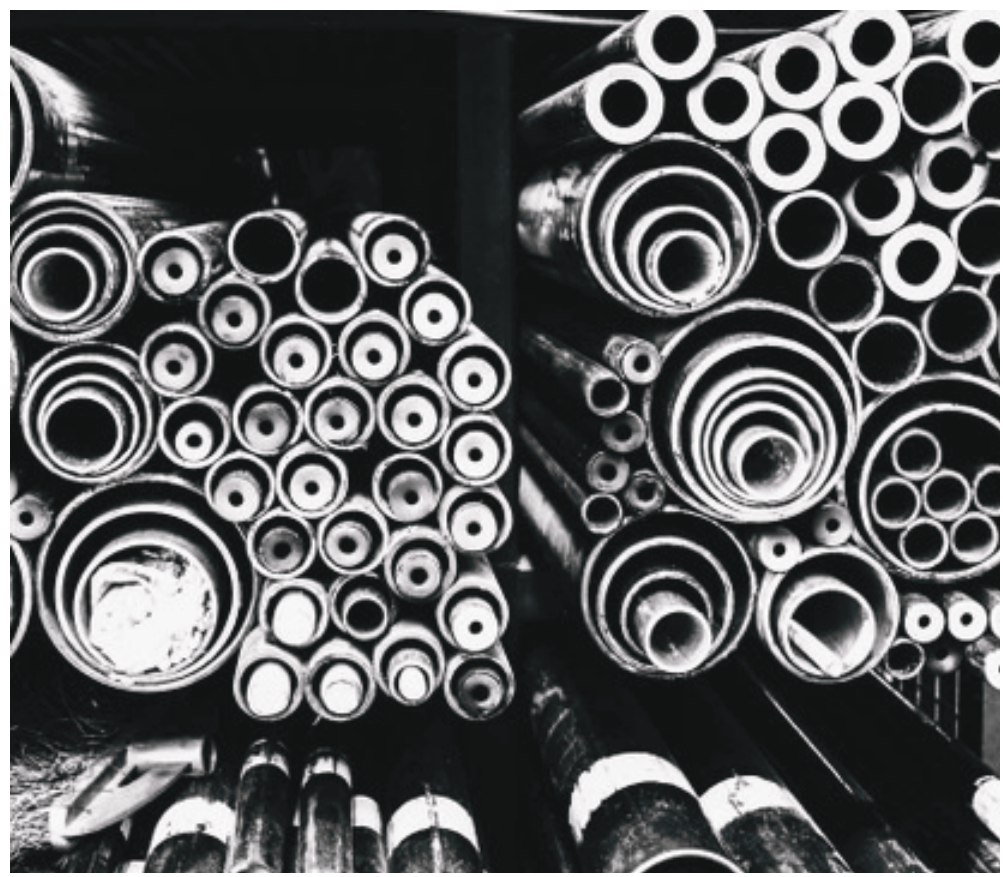


- Seeds, fruit and spores, of a kind used for sowing – GST rate is exempted.
- Tamarind seeds meant for any use other than sowing – GST rate is 5%
- Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice – GST rate is 28% plus 12% Cess from earlier 12%.
- Fortified Rice Kernel (Premix) supply for ICDS or similar scheme duly approved by the Central Government or any State Government (on fulfilment of conditions) – GST rate is 5% from earlier 18%.



Metals and Minerals

The Metals and Minerals industry undergoes a major increase in GST rate with almost all the metals and ores seeing a significant increase in GST rates from 5% to 18% GST. This may result in an increase in the prices of the industries using the following as raw-materials.



- Iron ores and concentrates, including roasted iron pyrites
- Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight
- Copper ores and concentrates
- Nickel ores and concentrates
- Cobalt ores and concentrates
- Aluminium ores and concentrates
- Lead ores and concentrates
- Zinc ores and concentrates
- Tin ores and concentrates
- Chromium ores and concentrates



Printing and Publishing

The printing and publishing industry also sees a major increase in GST rates from earlier 12% to 18%. But the increase in prices will be limited to only the following end products as raw-materials are not affected.



- Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings
- Calendars of any kind, printed, including calendar blocks
- Other printed matter, including printed pictures and photographs; such as Trade advertising material, Commercial catalogues and the like, printed Posters, commercial catalogues, Printed inlay cards, Pictures, designs and photographs, Plan and drawings for architectural engineering, industrial, commercial, topographical or similar purposes reproduced with the aid of computer or any other devices.



Railways

The Railway industry will see an increase in GST rates on procurement and building of rail coaches and locomotives. This increase may impact commuters by way of increase in ticket prices. The GST rates for the following has changed from 12% earlier to 18%.

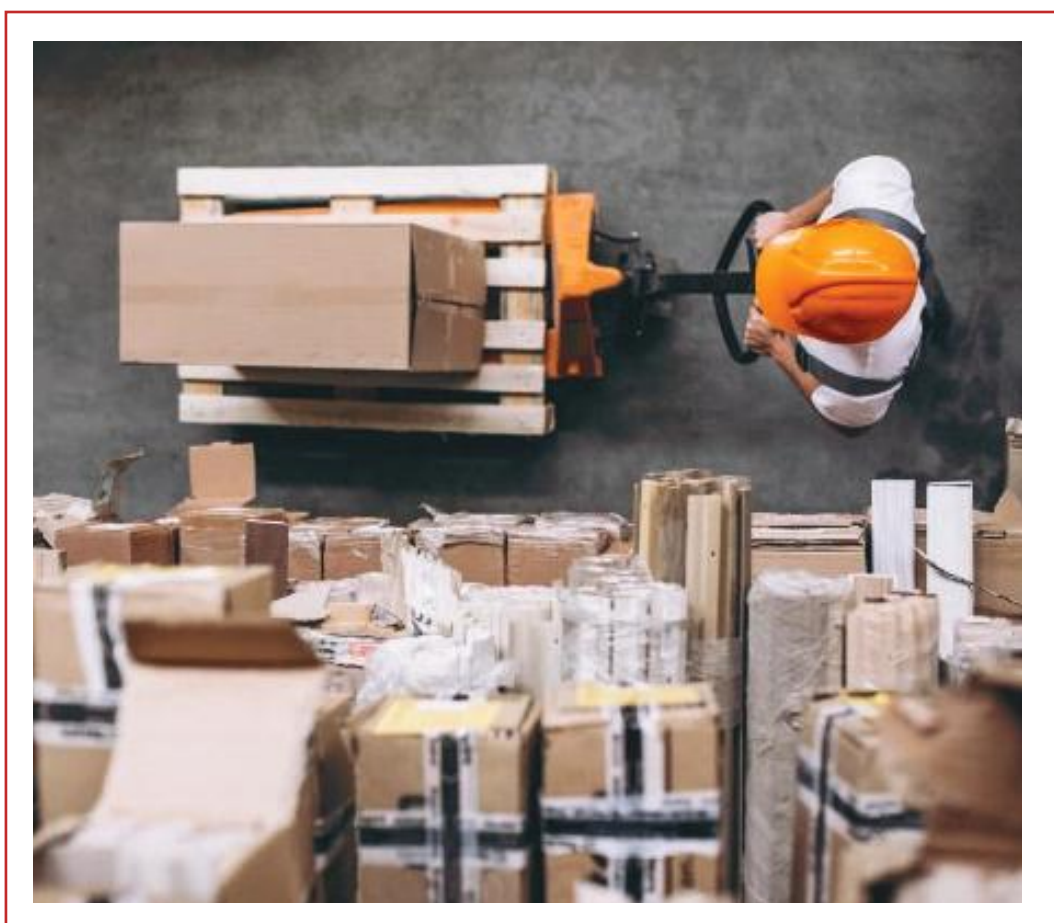


- Rail locomotives powered from an external source of electricity or by electric accumulators.
- Other rail locomotives; locomotive tenders; such as Diesel electric locomotives, Steam locomotives and tenders thereof
- Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604
- Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, track liners, testing coaches and track inspection vehicles)
- Railway or tramway passenger coaches, not self-propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604)
- Railway or tramway goods vans and wagons, not self-propelled
- Parts of railway or tramway locomotives or rolling-stock; such as Bogies, bissel-bogies, axles and wheels, and parts thereof
- Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing.



Paper, Plastic and Packing

The paper, packing and plastic industries see a significant increase in GST rates. However, since these goods are mostly final products rather than raw-materials the impact of price for the paper and plastic industry is not significant. But the increase in GST rates for packing may impact almost every industry which use them for packing and shipping their goods:



- Cartons, boxes, cases, bags and other packing containers, of paper, paper board, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like – GST rate of 18% from earlier 12%
- Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals
- drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing – GST rate of 18% from earlier 12%
- Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title (other than Duty Credit Scrips) – GST rate of 18% from earlier 12%
- Transfers (decalcomanias) – GST rate of 18% from earlier 12%
- Waste, Parings and Scrap, of Plastics - GST rate of 18% from earlier 5%

Services

(refer notifications no. 6/2021 & 7/2021 - Central Tax (Rate))



Transportation

The Transportation industry sees some changes in GST Rates, though this will not severely impact the prices of the industry:



- Multimodal Transport of goods from a place in India to another place in India (New entry) – GST rate of 18%
- Services by way of granting National Permit to a goods carriage to operate through-out India – GST is exempted from earlier 18%
- Transport of goods by vessel and air from India to outside India – Exemption extended till 30/09/2022

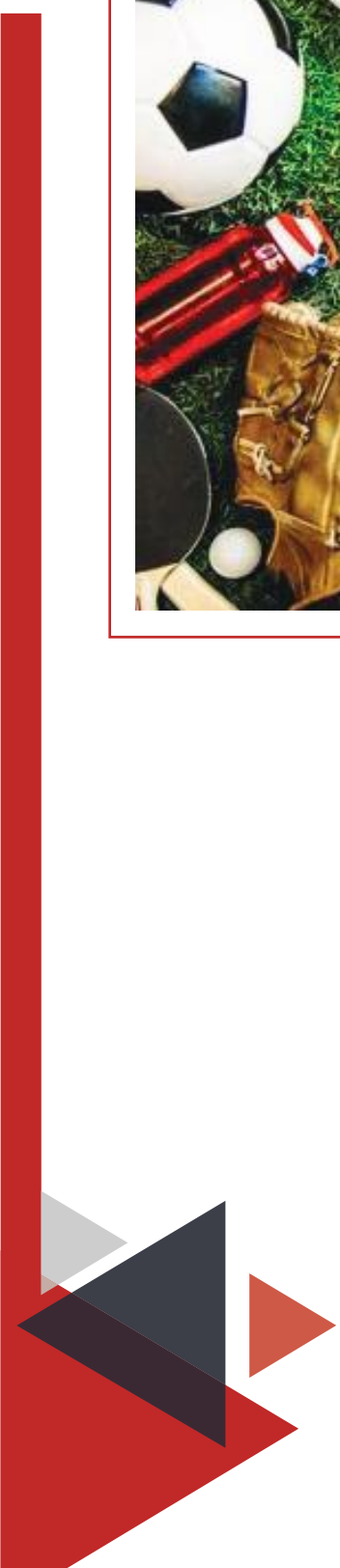


Sports

The GST council has provided some exemptions for competitive sport activities in the interest of the country.



- Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India – Exempted
- Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022 – Exempted.



Others

Some of the other industries that see an increase in GST rates are:

- **Beverages** - Services by way of job work in relation to manufacture of alcoholic liquor for human will attract GST of 18% from earlier 5%
 - **Intellectual property** - Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of goods other than Information Technology software will attract GST of 18% from earlier 12%
 - **Printing** - Services by way of printing of all goods falling under Chapter 48 or including newspapers, books (including Braille books), journals and periodicals, which attract CGST @ 6 per cent. or 2.5per cent. or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer will attract GST of 18% from earlier 12%.
 - **Education** - Services provided to the Central Government, State Government, Union territory administration under any training programme for which 75% or more of the total expenditure is borne by the Central Government, State Government, Union territory administration will now be exempted from GST from earlier services which were exempted only if the total expenditure borne is 100%.
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Important changes in Compliances

- Physical copies of tax invoices not required to be carried if the invoice generated is an E-invoice.
- Taxpayers who have paid taxes under the wrong head (Payment of IGST instead of CGST / SGST) need not wait for an order to be made by the GST department but can make the necessary corrections after finding the error themselves.
- Taxpayers who apply for refund of taxes paid under the wrong head after payment of the same, then the time limit of 2 years applicable will be from the date of payment of tax under the correct head.
- GSTR-1 late fees will be auto-populated in GSTR 3B once the functionality is enabled in the GST portal.
- Refund to be disbursed in the bank account, which is linked with same PAN on which registration has been obtained under GST
- If GSTR 3B of the any month is not filed by the taxpayer then they cannot file GSTR 1 of the next month. This is made effective from 1st January 2022.
- Aadhaar authentication of registration is to be mandatory for filing refund claim and application for revocation of cancellation of registration.

NOTIFICATIONS AND CIRCULARS FOR THE MONTH OF SEPTEMBER 2021

- ✔ Two Central Tax Notification. - [Click here](#)
- ✔ Seven Central Tax (Rate) Notification. - [Click here](#)
- ✔ Seven Integrated Tax (Rate) Notification. - [Click here](#)
- ✔ Seven Union Territory Tax (Rate) Notification. - [Click here](#)
- ✔ One Compensation Cess (Rate) Notification. - [Click here](#)
- ✔ Five Central Tax Circular. - [Click here](#)

Sl. No	Subject	Notifications/Circulars No. Date of Issue
1.	Seeks to amend Notification No. 03/2021 dated 23.02.2021.	36/2021-Central Tax dated 24.09.2021
2.	Seeks to make amendments (Eighth Amendment, 2021) to the CGST Rules, 2017.	35/2021-Central Tax dated 24.09.2021
3.	Seeks to exempt CGST on specified medicines used in COVID-19, up to 31st December, 2021	12/2021-Central Tax (Rate) ,dt. 30-09-2021
4.	Seeks to amend notification No. 39/2017-Central Tax (Rate)	11/2021-Central Tax (Rate) ,dt. 30-09-2021
5.	Seeks to amend notification No. 4/2017-Central Tax (Rate)	10/2021-Central Tax (Rate) ,dt. 30-09-2021
6.	Seeks to amend notification No. 2/2017-Central Tax (Rate)	09/2021-Central Tax (Rate) ,dt. 30-09-2021
7.	Seeks to amend notification No. 1/2017-Central Tax (Rate)	08/2021-Central Tax (Rate) ,dt. 30-09-2021
8.	Seeks to amend notification No. 12/2017-Central Tax (Rate) so as to implement recommendations made by GST Council in its 45th meeting held on 17.09.2021.	07/2021-Central Tax (Rate) ,dt. 30-09-2021

9.	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 45th meeting held on 17.09.2021.	06/2021-Central Tax (Rate) ,dt. 30-09-2021
10.	Seeks to exempt CGST on specified medicines used in COVID-19, up to 31st December, 2021	12/2021- Integrated Tax (Rate) ,dt. 30-09-2021
11.	Seeks to amend notification No. 40/2017-Integrated Tax (Rate)	11/2021- Integrated Tax (Rate) ,dt. 30-09-2021
12.	Seeks to amend notification No. 4/2017-Integrated Tax (Rate)	10/2021- Integrated Tax (Rate) ,dt. 30-09-2021
13.	Seeks to amend notification No. 2/2017-Integrated Tax (Rate)	09/2021- Integrated Tax (Rate) ,dt. 30-09-2021
14.	Seeks to amend notification No. 1/2017-Integrated Tax (Rate)	08/2021- Integrated Tax (Rate) ,dt. 30-09-2021
15.	Seeks to amend notification No. 09/2017-Integrated Tax (Rate) so as to implement recommendations made by GST Council in its 45th meeting held on 17.09.2021.	07/2021- Integrated Tax (Rate) ,dt. 30-09-2021
16.	Seeks to amend notification No. 08/2017-Integrated Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 45th meeting held on 17.09.2021.	06/2021- Integrated Tax (Rate) ,dt. 30-09-2021
17.	Seeks to exempt CGST on specified medicines used in COVID-19, up to 31st December, 2021	12/2021-Union Territory tax(rate), dt. 30-09-2021
18.	Seeks to amend notification No. 39/2017-Union territory Tax (Rate)	11/2021-Union Territory tax(rate), dt. 30-09-2021
19.	Seeks to amend notification No. 4/2017- Union territory Tax (Rate)	10/2021-Union Territory tax(rate), dt. 30-09-2021

20.	Seeks to amend notification No. 2/2017- Union territory Tax (Rate)	09/2021-Union Territory tax(rate), dt. 30-09-2021
21.	Seeks to amend notification No. 1/2017- Union territory Tax (Rate)	08/2021-Union Territory tax(rate), dt. 30-09-2021
22.	Seeks to amend notification No. 12/2017- Union Territory Tax (Rate) so as to implement recommendations made by GST Council in its 45th meeting held on 17.09.2021.	07/2021-Union Territory tax(rate), dt. 30-09-2021
23.	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 45th meeting held on 17.09.2021.	06/2021-Union Territory tax(rate), dt. 30-09-2021
24.	Seeks to amend notification No. 1/2017- Compensation Cess (Rate).	01/2021- Compensation Cess (Rate),dt. 30-09-2021
25.	Clarification in respect of refund of tax specified in section 77(1) of the CGST Act and section 19(1) of the IGST Act.	162/18/2021- Circular no dt.25-09-2021
26.	Clarification relating to export of services-condition (v) of section 2(6) of the IGST Act 2017	161/17/2021- Circular no dt.20-09-2021
27.	Clarification in respect of certain GST related issues	160/16/2021- Circular no dt.20-09-2021
28.	Clarification on doubts related to scope of "Intermediary"	159/15/2021- Circular no dt.20-09-2021
29.	Clarification regarding extension of time limit to apply for revocation of cancellation of registration in view of Notification No. 34/2021-Central Tax dated 29th August, 2021	158/14/2021- Circular no dt.06-09-2021

DUE DATES OF GST FOR THE MONTH OF OCTOBER 2021

OCTOBER

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
* GSTR-7 & GSTR-8 10	* GSTR-1 11	12	* IFF 13	14	15	16
17	* CMP-08 18	19	* GSTR-3B/5/5A 20	21	* GSTR-3B 22	23
24	25	26	27	28	29	30
31						

2021

* Monthly return for taxpayers with Annual Turnover more than Rs.1.50 Crores or Taxpayer who has opted Monthly return option.

* For taxpayers with Annual Turnover less than Rs.1.50 Crores or Taxpayer who has opted quarterly return option (QRMP).



CONTACT US

Mumbai Address

2nd Floor, Gita Building,
Sion Circle, Sion (East),
Mumbai – 400022

Bangalore Address

No.8, 3rd Floor,
VK COMMERCE, 3rd Main
Rajajinagar 6th Block, Opp.
IT Park, Bangalore - 560010

 +91 7738066622

 info@incorpadvisory.in

 www.incorpadvisory.in

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