



Monthly Missive for July, 2024

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CHARTERED ACCOUNTANTS

Key Highlights of 53rd GST Council Meeting held on 22nd June, 2024

- **Waiver of Interest and Penalties:**
GST Council recommends waiving interest and penalties for demand notices issued under Section 73 of the CGST Act (i.e. the cases not involving fraud, suppression or wilful misstatement, etc.) for the fiscal years 2017-18 to 2019-20, if the full tax demanded is paid up to 31.03.2025.
- **Relaxation in ITC Claiming Period:**
GST Council recommends the time limit to avail input tax credit w.r.t. any invoice or debit note under Section 16(4) of CGST Act, through any GSTR 3B return filed up to 30.11.2021 for FY 2017-18 to 2020-21, may be deemed to be 30.11.2021.
- **Monetary Limits for Appeals:**
Council has recommended monetary limit of Rs. 20 lakhs for GST Appellate Tribunal, Rs. 1 crore for High Court and Rs. 2 crores for Supreme Court, for filing of appeals by the Department, to reduce litigation.
- **Reduction in Pre-deposit for Appeals:**
GST Council recommends reduction of the quantum of pre-deposit required to be paid for filing of appeals under GST Act.
- **Extension for Filing Appeals:**
GST Council recommends amending provisions of CGST Act to provide that the three-month period for filing appeals in GST Appellate Tribunal will start from a date to be notified by the Government.
- **Interest Calculation Amendment:**
To ease the interest burden of the taxpayers, GST Council recommends to not levy interest u/s 50 of CGST Act in case of delayed filing of return, on the amount which is available in Electronic Cash Ledger (ECL) on the due date of filing of the said return.
- **Sunset Clause for Anti-Profiteering Applications:**
GST Council recommends Sunset Clause to amend Sections 109 & 117, Sunset clause to be added for anti-profiteering cases pending and decision taken to shift the hearing panel from Competition Commission of India to principal bench of GSTAT. The GST Council has also recommended the sun-set date of 1st April 2025 for receiving any new application regarding anti-profiteering.
- **Exemption from Compensation cess:**
GST Council recommends exemption from Compensation cess leviable on the imports in SEZ-by-SEZ Unit/developer for authorised operations from 1st July, 2017.
- **Option to amend for GSTR-1:**
Rule 59 of CGST Rules has been amended to provide for an optional facility by way of GSTR-1A to amend or add details in GSTR-1 before filing GSTR-3B for the same tax period.
- **Limit for GSTR-9/9A:**
The Council recommended that filing of annual return in FORM GSTR-9/9A for the FY 2023-24 may be exempted for taxpayers having aggregate annual turnover up to two crore rupees.

- **Refund of Additional IGST paid:**
Refund of additional IGST paid on account of upward price revision subsequent to exports needs to be claimed by filing application in GST RFD-01 before expiry of two years from the relevant date.
- **Mandatory filing of form GSTR-7:**
The Council recommended that registered persons who must deduct tax at source under section 51 of the CGST Act file a FORM GSTR-7 return monthly, even if no tax was deducted in that month. It also recommended that no late fee should apply for delayed filing of a Nil FORM GSTR-7 return. Additionally, invoice-wise details should be furnished in the FORM GSTR-7 return.
- **Reduction in TCS Rate for ECOs:**
The TCS rate for Electronic Commerce Operators (ECOs) has been reduced from 1% to 0.5%.