

# Summary

S & B  
S(aturday) B(reaking)  
Weekly updates  
From Suresh and Balaji  
Chartered accountants  
[www.sandbca.com](http://www.sandbca.com)

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## Contents

- Out come of GST council meeting on 12<sup>th</sup> June 2020
- Just for fun – Is parotos are Rotis
- Welcome clarification on Directors remuneration
- Cost inflation Index number for FY 20 21

## RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL MEETING

### MEASURES FOR TRADE FACILITATION

#### Reduction in Late Fee for Past Returns:

- As a measure to clean up pendency in return filing, late fee for non-filing Form GSTR-3B for the tax period from July 2017 to January 2020 has been reduced/ waived as under:
  - Nil, late fee if there is no tax liability;
  - Maximum late fee capped at Rs. 500/- per return if there is any tax liability.
- The reduced rate of late fee would apply for all the GSTR-3B returns furnished between 01.07.2020 to 30.09.2020

## Just for Fun – Is Paroto – roti ? S & B

- This was interesting issue before AAR, Karnataka.
- To give a small background – Khakhra, Chappatis or rotis come under Entry no 99A of schedule 1 to GST Notifications rotis are subject to GST at the rate of 5%.
- Most of us are familiar with the brand “ID” ( thanks to satyram cinema) sought an AR on rate at which Malabar parotos and whole wheat parotos are subject to GST. ( On the lighter side, may be they are not aware they are approaching authority of adverse ruling ).
- AAR observed rotis are already prepared and ready to use food preparation. But parotos need to be heated before consumption. ( Yes of course it's a very big difference (?). Hence they do not merit classification under 99A. ( Now)
- Hence the GST rate????? you have got it right 18 %
- Never thought Roti / Parota will have such a big difference. Luckily, I don't like both.



## GST on Director Remuneration

Analysis of Issue and Solution - By S & B


- CBC clarified that the Remuneration paid to a Director - employee is not liable to GST.
- This is necessitated on account of conflicting rulings of AAR. The above circular [ 140/10/2020-GST ] as notified the Karnataka AAR ruling.
- It should be noted Remuneration paid to Non employee director will attract GST on reverse charge.
- Detailed note will be mailed soon.

## S & B Cost Inflation Indx Number

- The benefit of Indexation of Cost of acquisition and cost of improvement is introduced from Asst. Year 93-94 for Long-term capital gains.
- If an assessee sells a residential house (purchased in 2001-02 for 10 lacs) for 100 lacs in the year 20 21, the real gain is not 90 lacs. ( Due to inflation ). To compensate for the inflation, Cost of acquisition and cost of improvement are indexed by CII numbers notified by the government every year.
- For the FY 20 21, CII has been notified as “ 301 ”

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Mylapore , Chennai 4





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Weekly updates

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# Contents



Out come of GST council meeting on  
12<sup>th</sup> June 2020



Just for fun – Is parotos are Rotis



Welcome clarification on Directors  
remuneration



Cost inflation Index number for FY 20 21



## RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL MEETING



# S & B

### MEASURES FOR TRADE FACILITATION

Reduction of late fee for  
past return



#### Reduction in Late Fee for Past Returns:

- As a measure to clean up pendency in return filing, late fee for non-furnishing **FORM GSTR-3B** for the tax period from **July, 2017 to January, 2020** has been reduced / waived as under: -
  - **'NIL'** late fee if there is no tax liability;
  - Maximum late fee capped at **Rs. 500/- per return** if there is any tax liability.
- The reduced rate of late fee would apply for all the GSTR-3B returns furnished between **01.07.2020 to 30.09.2020**



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## RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL MEETING



- Relief on late filing fee

### MEASURES FOR TRADE FACILITATION

#### **Further relief for small taxpayers for late filing of returns for February, March & April 2020 Tax periods:**



For small taxpayers (aggregate turnover upto Rs. 5 crore) for the supplies effected in the month of February, March and April, 2020, the rate of interest for late furnishing of return for the said months beyond specified dates (staggered upto 6<sup>th</sup> July 2020) is reduced from 18% per annum to 9% per annum till 30.09.2020. In other words, for these months, small taxpayers will not be charged any interest till the notified dates for relief (staggered upto 6<sup>th</sup> July 2020) and thereafter 9% interest will be charged till 30.09.2020..



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Relief for small tax payer for subsequent tax periods

NATION  
TAX  
MARKET

## RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL MEETING



### MEASURES FOR TRADE FACILITATION

#### Relief for small taxpayers for subsequent tax periods (May, June & July 2020)

In wake of COVID-19 pandemic, for taxpayers having aggregate turnover upto Rs. 5 crore, further relief provided by waiver of late fees and interest if the returns in **FORM GSTR-3B** for the supplies effected in the **months of May, June and July, 2020** are furnished by September, 2020 (staggered dates to be notified).



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## RECOMMENDATIONS OF 40<sup>th</sup> GST COUNCIL MEETING



### MEASURES FOR TRADE FACILITATION

#### One time extension in period for seeking revocation of cancellation of registration:

- To facilitate taxpayers who could not get their cancelled GST registrations restored in time, an opportunity is being provided for filing of application for revocation of cancellation of registration up to **30.09.2020**, in all cases where registrations have been cancelled till 12.06.2020.



One time extension for revocation  
of cancellation of registration



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# GST on Director Remuneration

Analysis of Issue and Solution · By

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<b>FY</b>	<b>CII</b>	<b>FY</b>	<b>CII</b>
<b>2001-02</b>	<b>100</b>	<b>2010-11</b>	<b>167</b>
<b>2002-03</b>	<b>105</b>	<b>2011-12</b>	<b>184</b>
<b>2003-04</b>	<b>109</b>	<b>2012-13</b>	<b>200</b>
<b>2004-05</b>	<b>113</b>	<b>2013-14</b>	<b>220</b>
<b>2005-06</b>	<b>117</b>	<b>2014-15</b>	<b>240</b>
<b>2006-07</b>	<b>122</b>	<b>2015-16</b>	<b>254</b>
<b>2007-08</b>	<b>129</b>	<b>2016-17</b>	<b>264</b>
<b>2008-09</b>	<b>137</b>	<b>2017-18</b>	<b>272</b>
<b>2009-10</b>	<b>148</b>	<b>2018-19</b>	<b>280</b>
<b>2019 -20</b>	<b>289</b>	<b>2020 21</b>	<b>301</b>

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Cost Inflation  
Index Numbers (  
All years)  
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