

RELAXATION IN COMPLIANCE DUE TO COVID-19 UNDER GST

Government has announced various relief measures to mitigate difficulties caused by the outbreak of COVID-19 across India and insertion of Section 168A in CGST Act, 2017 by way of an Ordinance, 2020 dated 31st March 2020, the Government, on 3rd April 2020 issued 7 Notifications and 1 Circular outlining relief measures under GST, following is a gist of all the notifications:

1. Relaxation in dates for filing GST Returns

Dates for GST Returns						
				Interest and Late fee if filed on or before		
Type of Return	Reference	Return Month	Due Dates	Filed by	Interest	Late Fees
GSTR-3B (FY 2019-20 turnover is below 1.50 Cr)	Notification 31/2020 CT & 32/2020 CT	Feb'20	20-Mar-20	Upto 30-Jun-20	NIL	NIL
				After 30-Jun-20	18% from 21-Mar-20	10/25 per day from 21-Mar-20
		Mar'20	20-Apr-20	Upto 03-Jul-20	NIL	NIL
				After 03-Jul-20	18% from 21-Apr-20	10/25 per day from 21-Apr-20
		Apr'20	20-May-20	Upto 06-Jul-20	NIL	NIL
				After 06-Jul-20	18% from 21-May-20	10/25 per day from 21-May-20
GSTR-3B (FY 2019-20 turnover is between 1.50 Cr to 5.0 Cr)	Notification 31/2020 CT & 32/2020 CT	Feb'20	20-Mar-20	Upto 29-Jun-20	NIL	NIL
				After 29-Jun-20	18% from 21-Mar-20	10/25 per day from 21-Mar-20
		Mar'20	20-Apr-20	Upto 29-Jun-20	NIL	NIL
				After 29-Jun-20	18% from 21-Apr-20	10/25 per day from 21-Apr-20
		Apr'20	20-May-20	Upto 30-Jun-20	NIL	NIL
				After 30-Jun-20	18% from 21-May-20	10/25 per day from 21-May-20
GSTR-3B (FY 2019-20 turnover is more than 5.00 Cr)	Notification 31/2020 CT & 32/2020 CT	Feb'20	20-Mar-20	Upto to 4-Apr-20	NIL	NIL
				5.04.20 to 24.06.20	9% from 05-Apr-20	NIL
				After 24-Jun-20	18% from 21-Mar-20	10/25 per day from 21-Mar-20
		Mar'20	20-Apr-20	Upto to 5.05.20	NIL	NIL
				6.05.20 to 24.06.20	9% from 06-May-20	NIL
				After 24-Jun-20	18% from 21-Apr-20	10/25 per day from 21-Apr-20
		Apr'20	20-May-20	Upto 04-Jun-20	NIL	NIL
				5.06.20 to 24.06.20	9% from 05-Jun-20	NIL
				After 24-Jun-20	18% from 21-May-20	10/25 per day from 21-May-20

Kindly note that the above notifications provide a conditional relief from Interest and Late Fees where the Returns have been filed on or before the designated dates

Further where the GSTR-1 for the period Mar'20, Apr'20, May'20 and Quarter ended on 31st Mar'20 is filed on or before 30th Jun'20, the late fees shall be waived (Notification 33/2020 CT). If the said returns are filed after 30th Jun'20, regular late fees shall be payable

Due Dates for GST Returns			
Type of Return	Reference	Period	Due Dates
GSTR-3B (person having annual turnover more than 5.0 Cr)	Notification 36/2020 CT	May'20	27-Jun-20
GSTR-3B (person having annual turnover less than 5.0 Cr) whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep	Notification 36/2020 CT	May'20	12-Jul-20
whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi			14-Jul-20
Form GST CMP-08 Statement for payment of composition tax	Notification 34/2020 CT	Quarter ended on 31 st Mar'20	07-Jul-20
Form GSTR-4 Return for financial year of registered person who has opted for composition levy or availing benefit of notification No. 02/2019- Central Tax (Rate)	Notification 34/2020 CT	Financial year ending 31st March, 2020	15-Jul-20
Form GST CMP-02 Intimation to opt for composition scheme	Notification 30/2020 CT	FY 2020-21	30-Jun-20
Form GST ITC-03 Declaration for intimation of ITC reversal/payment of tax on inputs held in stock and capital goods while applying for Composition scheme	Notification 30/2020 CT	FY 2020-21	31-Jul-20

2. RELAXATION IN RULE 36(4) [Notification 30/2020-CT]

- Rule 36(4) restricts the claim of ITC in GSTR 3B. ITC claim is restricted to 10% above the ITC as per GSTR 2A. Considering the lock down situation, the Government has relaxed the provisions of Rule 36(4).

- Accordingly for the GST returns relating to periods from February 2020 to August 2020, ITC as per Books can be claimed without considering the ITC as per GSTR 2A.
- However, the ITC claimed has to be matched in a consolidated manner with GSTR 2A before filing GSTR 3B of September 2020.
- Though the above is a welcome measure, we recommend to follow our guidelines vide our GST Alert – 7/2019-20 dated 25.12.2019 – <https://njain.com/wp-content/uploads/2017/07/GST-Alert-7-Restriction-on-ITC-Availment-vide-Rule-36-4.pdf>

3. Extension in validity of E-way bills [Notification 35/2020-CT]

- Where an e-way bill has been generated under Rule 138 of the CGST Rules, 2017 and its validity expires between 20th March 20 to 15th April 20, the validity period of such e-way bill shall be deemed to have been extended till the 30th day of April 2020

4. Relaxation in time limits for other compliances [Notification 35/2020-CT]

- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020
- **However, there is no Relaxation granted to the following**
 - a) Issuance of Tax Invoices as per the applicable time
 - b) Complying to time of supply provisions including tax on advances received in case of services
 - c) Determining the value of Supply as per the time of supply
 - d) Applying for registration on becoming liable to registered (including for Casual Taxable person and Non-Resident Taxable person
 - e) Opting out of composition on crossing the threshold of composition
 - f) "Late fee in case of
 - Final return - GSTR 10 (in case of cancellation of registration)
 - Delayed filing of annual return for FY 2017-18 and
 - Delayed filing of older period returns not relaxed above
 - g) Interest on delayed payment of tax (except as relaxed above)

- h) Power of officers to arrest or invoke penalty provisions for offences
- i) Liability of partners of firm to pay tax
- j) Detention, Seizure and Release of goods and conveyances in transit including inspection of goods in movement
- k) Provisions pertaining to furnishing of outward supplies and returns except to the extent of relaxation provided as above

5. Conclusion

Hope the Pandemic COVID19 doesn't engulf India like it has done in USA, Italy and some other nations, economies across the world will get badly hit like never before, brunt of this will be felt for many months if not years, in such a chaos compliance is the least on ones mind and Government has taken the wise step of deferring all compliances to June 2020. Hope more deferment is not required and we all get out of this hail and healthy.

Wishing all good health, Stay Home Stay Safe.

Formulated by:

N J Jain & Associates

Chartered Accountants

CA Nitesh Jain
Managing Partner

CA Gaurav Khetan
Partner

CA Praveen Maheshwari
Partner

CA Jay Dalwadi
Partner

DISCLAIMER

This GST Alert is only for the purpose of information and does not constitute or purport to be an advise or opinion in any manner. The information provided is not intended to create advisor-client relationship and is not for advertising or soliciting. N J Jain & Associates do not intend in any manner to solicit work through this Tax Alert. The Tax Alert is only to share information based on recent developments and regulatory changes. N J Jain & Associates is not responsible for any error or mistake or omission in this Tax Alert or for any action taken or not taken based on the contents of this Tax Alert. Business decisions are best taken in close consultation with the advisors.