

GST reliefs announced in Press Conference dated March 24, 2020 on COVID- 2019

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As the Country is facing difficulties on account of widespread disease caused by COVID-19 virus, a comprehensive announcement on relief for statutory compliance regulations under the Goods and Service Tax law has been made by the Hon'ble [Finance Minister Nirmala Sitharaman on March 24, 2020](#). A section-wise analysis thereof is given in succeeding paras for understanding purposes.

Section 10 – Composition Levy

1. The date for opting composition scheme has also been extended to 30th June, 2020. Further, the last date for making payments for the quarter ending 31st March, 2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.

Comments:

- i. As per [rule 3\(3\)](#) of the [CGST Rules, 2017](#), registered person who opts to pay tax under [section 10](#) is required to file an intimation in [Form CMP-02](#) prior to the commencement of financial year for which said option is exercised. It has been learnt that Reserve Bank of India has decided that the fiscal year 2019-20 will end on June 30, 2020 while fiscal year 2020-21 will be beginning on July 1, 2020 but end on March 31, 2021. Thereafter, all fiscal year will begin on April 01 every year. Therefore, date of filing of [Form CMP-02](#) for FY 2020-21 will automatically follow.
- ii. As per [rule 62](#) of [CGST Rules, 2017](#) a composition dealer is required to furnish a statement in [Form CMP-08](#) till 18th day of the month succeeding the quarter and furnish a return in [Form GSTR-4](#) till 30th day of April following the end of financial year. As per press release, said timelines shall stand extended to last week of June, 2020.

Section 39 read with [rule 61\(5\)](#) – Furnishing of returns

2. The returns in [Form GSTR – 3B](#) **due in** March, April and May has been can be filed by last week of June, 2020.

Comment:

- i. The recent tweet of CBIC on [@cbic_india](#) clarifies the ambiguity of extension of the due date of GST Return for the month of February 2020. It states that the extension has been given for the returns **due in** the months of March, April and May 2020 i.e. returns for the supplies made in the months of February, March, and April 2020. _
- ii. Further, segregation has been made between registered persons with aggregate turnover below ₹ 5 crores and others having at or above said limit. It appears that instead of extending the due dates for filing [GSTR-3B](#), full or part exemption/waiver from payment of late fee, penalty and interest would be

given by the Government. These exemptions and ceiling of turnovers are discussed in succeeding paras.

Section 44 - Annual Returns

3. The date for filing annual returns (GSTR – 9 & GSTR – 9C) of FY 2018-19, which was to be due on 31st March, 2020 is prolonged till the last week of June, 2020.

Comment: The extension of GST return filing timelines together with the deferment of e-invoicing and new returns announced earlier in the 39th Council Meeting would allow businesses to focus on resumption of business processes once normalcy resumes in future.

Section 47, 50 and 125

4. Waiver of interest, late fees and penalty is announced as under:

- I. Taxpayers having aggregate turnover less than ₹ 5 crores: No interest, late fees and penalty will be charged.

Comment: Government has allowed filing of return in Form GSTR-3B which fall due in the month of March, April and May till last week of June, 2020. The waiver of interest, late fees and penalties for SMEs would enable them to focus on reviving their businesses once things are back to normal.

- II. Taxpayers having aggregate turnover of or more than ₹ 5 crores: No late fee and penalty to be charged, if complied before till 30th June 2020. However, it will attract reduced rate of interest @9 % per annum from 15 days after due date (current interest rate is 18 % per annum).

Comment: Government has allowed filing of return in Form GSTR-3B which fall due in the month of March, April and May till last week of June, 2020. The waiver of late fees and penalties for these registered persons is subject to condition that compliances are required to be made before 30.06.2020. Further, rate of interest has also been reduced to bare minimum.

Section 73, 74, 83, 87, 107, 112 & other compliance related sections

The due date for issuing notice, notification , approval order, sanction order, filing of appeal, furnishing of returns, statements, applications, reports , any other documents, time limit for any compliance under the GST laws where the time limit is lapsing between 20th March, 2020 to 29th June, 2020 has been extended till 30th June,2020.

Comment: Supreme Court's Order dated 23.03.2020

- i. The Supreme Court in Suo motu writ petition (Civil) No(s). 3/2020 has suo-moto taken an initiative to obviate the difficulties caused by widespread pandemic and accordingly has ordered that the dates for filing of petitions/ applications/ suits/ appeals/ all other proceedings falling, irrespective of the limitation prescribed under the general law or special laws, whether condonable or not, shall stand extended w.e.f. 15th March 2020 till further order/s to be passed by the Court. Said order has been passed deriving powers under Article 142 read with Article 141 of the Constitution of India and declared as a binding order on all Courts/ Tribunals and authorities.

- ii. Also, the GST Council during press conference on GST related measures announced that due dates falling between the period March 20, 2020 to June 29, 2020 shall stand extended till June 30, 2020.
- iii. Therefore, due dates for the GSTR-1 etc. which falls due within the above mentioned period, shall stand extended upto June 30, 2020.
- iv. However, as far as time limits related to filing of appeal under GST law are concerned, the deadline announced by Hon'ble Supreme Court i.e. 15.03.2020 shall be followed. Therefore, if any appeals falls due for filing between the time period March 15, 2020 to March 19, 2020, due dates thereof shall also be deemed to be extended till further orders of the Apex Court.

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

5. The payment date under Sabka Vishwas Scheme (for settling disputes of Indirect taxes) has been extended to 30th June, 2020 and no interest for this period shall be charged, if paid by 30th June, 2020.

Comment: The extended time for payment under the Sabka Vishwas Scheme is a welcome measure as the companies were struggling for making the payment in the lockdown scenario.

Note:

6. Necessary legal circulars and legislative amendments to give effect to the aforesaid GST relief shall follow with the approval of GST Council.

A Social Appeal

The novel coronavirus is causing terrible financial stress to the poor, daily wagers, drivers, office boys, maids, delivery staff, labourers, shop promoters and those who are on the verge of poverty. While all of us with secure jobs will be able to tide over this difficult period, these people might face existential crisis. It is a call for responsibility and solidarity – as nation united and as people united. In these 21 days of lockdown, we will save a decent amount on our conveyance, movies, food etc. Let's pledge this amount for all these people around and do our bit. A few thousand rupees will not matter to most of us but it will make a massive difference to their lives.

(Article assisted by Ms. Sanskriti Naruka, student of the Institute of Chartered Accountants of India)

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