

Reliefs granted to taxpayers in light of COVID 2nd Wave

Due to the recent surge of COVID Cases across the country, certain reliefs in form of exemptions and extensions have been granted to taxpayers to ease their burden during these difficult times. For this purpose, CBIC has issued various notifications including N.N. 08/2021 – CT to N.N. 14/2021 - CT. We have summarized the GST related reliefs that have been granted/ provided by CBIC to the taxpayers in the pointers mentioned below:

1. Allowed verification through EVC [Notification No. 7/2021 – CT dated 27.04.2021]

For the period 27.04.2021 to 31.05.2021, the businesses are allowed to verify the return in form GSTR-3B, statement in GSTR-1 and the IFF using *EVC* (“electronic verification code”). Currently the verification is done using digital signature.

2. Lowering of interest rate for the month of March and April, 2021 [N No. 08/2021 - CT dated 01.05.2021]

The CBIC has reduced the rate of interest payable on the delayed payment of tax [Section 50(1)] in the following cases:

Class of taxable person	Reduced rate of interest	Period covered
Taxpayers having an aggregate turnover of <u>more than Rs. 5 crores</u> in the preceding FY	First 15 days from due date – 9% Thereafter – 18%	March and April 2021
Taxpayers having an aggregate turnover of <u>up to Rs. 5 crores</u> in the preceding FY [including the QRMP scheme taxpayers]	First 15 days from the due date – Nil Next 15 days – 9% Thereafter – 18%	March and April 2021
<u>Composition dealers</u> paying tax under Section 10	First 15 days from the due date – Nil Next 15 days – 9% Thereafter – 18%	Quarter ending March 21

- The said notification is made effective from 18.04.2021.
- Similar notification has been issued under IGST vide **N. No. 01/2021 – IT** and under UTGST vide **N. No. 01/2021 – UT.**

3. Waiver of late fees [N. No. 09/2021 - CT dated 01.05.2021]

Waiver of penalty/ late fee payable under Section 47 for failure to furnish return in FORM GSTR-3B in the following cases:

Class of taxable person	Tax period	Period for which late fee waived	Due date for furnishing return
Taxpayers having an aggregate turnover of <u>more than Rs. 5 crores</u> in the preceding FY.	March and April 2021	15 days from the due date of furnishing return	20 th of the following month.
Taxpayers having an aggregate turnover of <u>up to Rs. 5 crores</u> in the preceding FY.	March and April 2021	30 days from the due date of furnishing return	20 th of the following month.
QRMP dealers.	January- March 2021	30 days from the due date of furnishing return	22 nd , 24 th of the following month.

- This Notification have come into force with effect from 20.04.2021.

4. Extension of due date for filing specified returns [N. No. 10/2021- CT dated 01.05.2021, N. No. 11/2021 – CT dated 01.05.2021, N. No. 12/2021- CT dated 01.05.2021]

The due date for filing following returns has been extended to provide some relaxation:

Type of return	Period	Original due date	Extension allowed	Relevant Notification
Form GSTR – 4 [Return for FY for the composition dealers].	FY 2020-21	30.04.2021	31.05.2021	N. No. 10/2021 – CT dated 01.05.2021 – effective from 30.04.2021
Declaration in Form GST-ITC - 04 [information regarding goods dispatch to or received from job worker during 01.01.2021 to 31.03.2021]	January - March 2021	25.04.2021	31.05.2021	N. No. 11/2021-CT dated 01.05.2021 – effective from 25.04.2021.
Form GSTR- 1 [Details of outward supplies]	April 2021	11.05.2021	26.05.2021	N. No. 12/2021-CT dated 01.05.2021 – effective from 01.05.2021
IFF [details of outward supplies for first and second month of the quarter in case of QRMP dealers]	April 2021	01.05.2021 – 13.05.2021	01.05.2021 – 28.05.2021	N. No. 13/2021 – CT Dated 01.05.2021 – effective from 01.05.2021

5. Cumulative application of Rule 36(4) [N. No. 13/2021 - CT dated 01.05.2021]

The Condition prescribed in Rule 36(4) of the CGST Rules i.e. ITC can be availed maximum upto 105% of the eligible ITC available in respect of the invoices/ debit notes the details of which is furnished by the supplier under Section 37(1) of the CGST Act shall be applied cumulatively for the period April and May 2021. Also, it is provided that the return for the period May 2021 shall be furnished with the cumulative adjustment of ITC for April and May 2021.

6. Grant of extension in respect of specified compliances [Notification No.14/2021-Central Tax dated 01.05.2021]

A blanket extension of time limit is allowed for completion or compliance of any action, by any authority or by any person, where the limitation falls during the period 15.04.2021 to 31.05.2021. The time limit is extended till 31.05.2021.

In the table below we have summarized the compliances in respect of which the time limit is specially extended and the compliances for which the said extension is not applicable. Time limit is specifically made applicable for

Compliances or action in respect of which the time limit is specifically extended	Compliances in respect of which no time limit is extended
Completion of any proceeding/ passing of any order	Payment of tax
Issuance of any notice/ intimation/ notification/ sanction/ approval/ such other action by any authority, commission or tribunal	Issuance of e-way bill
Filing of any appeal/ reply/ application	Issuance of invoice
Furnishing of any report/ document/ return/ statement/ or such other record	Return under Section 39 except for ISD return, TDS return, return by Non-resident taxable person
Completion of any action by any authority under Rule 9 of the CGST Rules which falls during 01.05.2021 to 31.05.2021 shall be extended till 15.06.2021	Registration requirement

	Outward supply statement in Form GSTR 1
	Section 47, 50, 69, 90, 122, 129

7. Exemption of IGST on the COVID related items imported in India [Ad hoc Exemption Order No. 4/2021-Customs]

Vide ad hoc exemption order No.4/2021 – Cus, IGST exemption has been allowed on goods specified in Notification No. 27/2021 - Cus and Notification No. 28/2021 – Cus, when these goods are imported into India. The said exemption is subject to various conditions which, inter alia, includes that these goods are imported free of cost for the purpose of COVID relief.