



Confederation of Indian Industry

Representation made to CBIC and GST Council on COVID-19, seeking waiver of interest and late fee on GST compliances

We refer to the captioned notifications issued by CBIC on 01st May 2021, whereby the Board has inter-alia granted some much needed relaxations to the taxpayers across India facing the second wave of COVID 19 pandemic.

We are thankful to the CBIC for being cognizant of the challenges imposed on the businesses by the sudden second wave of COVID 19 pandemic and for your prompt action with respect to the same. While the relaxations introduced by the captioned notifications are well received by the industry, however, considering the severity of the ongoing pandemic and in the interest of trade, the relaxations given at present needs to be further extended for the GST compliances pertaining to the return period upto June, 2021. Also, it must be kept identical for both large tax payers (having aggregate turnover exceeding 5 Cr in preceding financial year) and small tax payers (having aggregate turnover less than 5 Cr in preceding financial year), as all industry players are equally impacted by the second wave of the pandemic.

With this representation, we wish to bring to your kind notice the difference in relaxation as available to large taxpayers vis-à-vis small taxpayers and relaxations as introduced last year vis-à-vis this year and our request for grant of further relief measures.

Accordingly, at the outset, in the table below we have summarized the relaxations as introduced presently for FY 2021-22 and as introduced last year for both small and large taxpayers:

Sl.No.	Particulars	Present Relaxations (FY 21-22) (Return Period March and April, 2021)*	Previous Relaxations (FY 20-21) (Return Period February 2020 onwards)**
A.) Large Taxpayers			
1.	Interest waiver/ concessional rate	<ul style="list-style-type: none">• No relief of interest on delayed filing of returns, however interest at a lower rate (i.e. 9%) will be payable for first 15 days from the due date• Post the above normal interest rate @ 18% will be applicable	<ul style="list-style-type: none">• Complete waiver of interest was given for the first 15 days delay• Post the above, lower interest rate @ 9% subject to filing of return within the prescribed date (i.e. 24th June, 2020)• For returns filed post above date, 18% interest was applicable

2.	Late fee waiver on GSTR – 3B	<ul style="list-style-type: none"> • Waived, if filed upto 15 days from the due date 	<ul style="list-style-type: none"> • Waived, if filed upto 24th June 2020
3.	Filing of GSTR – 1	<ul style="list-style-type: none"> • For the month of April, 2021 the due date for filing has been extended upto 26th May 2021 	<ul style="list-style-type: none"> • Late fee waived, if filed upto 30th June 2020/other specified dates
B.) Small Taxpayers			
1.	Interest waiver/ concessional rate	<ul style="list-style-type: none"> • Complete waiver of interest for the first 15 days delay from the due date • After 15 days, a lower interest @ 9% will be applicable for the next 15 days delay • Any delay after 30 days, will be subject to interest @ 18% 	<ul style="list-style-type: none"> • Complete waiver of interest, if the return was filed within the various extended due dates as prescribed (June, 2020 onwards) • Post the above, lower interest @ 9% was applicable for the returns filed upto the next specified due dates • Any delay post that the above, was subject to normal interest @ 18%
2.	Late fee waiver on GSTR – 3B	<ul style="list-style-type: none"> • Waived, if filed 30 days from the due date 	<ul style="list-style-type: none"> • Waived, if filed within various specified due dates (June, 2020 onwards)
3.	Filing of GSTR – 1	<ul style="list-style-type: none"> • Same as above 	<ul style="list-style-type: none"> • Same as above

*FY 21-22 – Refer Notification No. 8/2021, 9/2021 and 12/2021 – Central Tax dated 1st May 2021

**FY 20-21 – Refer Notification No. 31/2020, 32/2020 and 33/2020 – Central Tax dated 3rd April 2020 and Notification No. 51/2020 and 52/2020, dated 24th June, 2020

A perusal of the table above, clearly highlights that the relaxations being given this year is lesser as compared to last year and also the large taxpayers have not been given identical benefit as compared to small tax payers (eg: such as no complete waiver of interest for the delay in filing of returns for first 15 days, etc.), even though all the businesses are facing identical challenges and the economic disruption owing to this second wave of COVID 19 pandemic is much worse than last year.

Our Request

Your good self will appreciate that the second wave of the COVID 19 pandemic is exponential than the first wave, both in terms of coverage and severity. The second wave has been so rapid and sudden that it gave no time to the industry to prepare operationally or financially, thus bringing all businesses whether large and small to a standstill.

Your good self would also appreciate that it would take some time for the situation to return to normalcy. Accordingly, while relaxations have been extended by the Board,

but considering the severity of the challenges being faced by businesses which are similar for all, we humbly request your good self to re-consider the relaxations given by CBIC, considering the following recommendations:

- Extend the interest and the late fee waiver for both small and large taxpayers on filing of GSTR 3B pertaining to the return period of April, 2021 May, 2021 and June, 2021 till 31st July 2021;
- Notify the extended due date for filing of GSTR – 1 pertaining to the return period of April, 2021, May, 2021 and June, 2021 i.e. upto 31st July, 2021. Similar extension should also be granted for the other returns/statement to be filed by composition taxpayers (GSTR-4), non-resident tax payers (GSTR-5), input service distributors (GSTR-6), TDS and TCS compliances (GSTR-7 & 8); and
- While providing such relaxations, it shall be noted that both small and large taxpayers must be kept at the same footing and identical relaxations must be provided to both, as the present COVID 19 pandemic has impacted all business irrespective of their size.

We would be happy to discuss the above with you, if required, in the interest of the industries and businesses across India.
