



GOODS AND SERVICES TAX ALERT

N. A. SHAH BULLETIN

June 2020

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Chartered Accountants



Government has issued 6 notifications on 24th June, 2020 in order to grant relief to taxpayers in terms of interest and late fees on the delayed payment of tax and filing of the returns. Such relief is linked to payment of tax and filing of returns by prescribed dates.

Further, notifications also bring into effect certain amendments made vide Finance Act, 2020 w.e.f. 30th June, 2020 along with providing rates of tax under composition scheme.

Given below is the gist of notifications issued by Government:

1. GSTR 3B – Lowering of interest rate and Waiver of late fees [Notification No. 51/2020-CT and 52/2020-CT dated 24th June, 2020]:

Earlier, Government had reduced interest rates on delay in payment of taxes (filing of GSTR-3B) subject to condition of filing GSTR-3B within a prescribed date.

Now, the **above condition** of filing GSTR-3B within prescribed date for availing benefit of reduced interest rate is **done away with**. The benefit is provided in absolute manner for specified period.

Further, Government has provided for waiver in late fees payable for delayed filing of GSTR-3B **subject to the condition** that the said returns are filed within the **“Prescribed date”** as mentioned in the below table:

Persons with Agg. T/O in PFY	Period	Lower Rate of interest	Prescribed date (for late fees waiver)
More than Rs.5 Crores	Feb-20 Mar-20 Apr-20	First 15 days from due date – Nil Thereafter – 9% till 24.06.2020	24.06.2020

Upto Rs.5 Crores (Note 1)	Feb-20	Till 30.06.2020 – Nil; Thereafter - 9 % till 30.09.2020	30.06.2020
	Mar-20	Till 03.07.2020 – Nil; Thereafter - 9 % till 30.09.2020	03.07.2020
	Apr-20	Till 06.07.2020 – Nil; Thereafter - 9 % till 30.09.2020	06.07.2020
	May-20	Till 12.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	12.09.2020
	Jun-20	Till 23.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	23.09.2020
	Jul-20	Till 27.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	27.09.2020
Upto Rs.5 Crores (Note 2)	Feb-20	Till 30.06.2020 – Nil; Thereafter - 9 % till 30.09.2020	30.06.2020
	Mar-20	Till 05.07.2020 – Nil; Thereafter - 9 % till 30.09.2020	05.07.2020
	Apr-20	Till 09.07.2020 – Nil; Thereafter - 9 % till 30.09.2020	09.07.2020
	May-20	Till 15.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	15.09.2020
	Jun-20	Till 25.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	25.09.2020
	Jul-20	Till 29.09.2020 – Nil; Thereafter - 9 % till 30.09.2020	29.09.2020

Note 1: *Applicable for the registered persons having business in the states of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep.*

Note 2: *Applicable for the registered persons having business 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 or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi.*

It is to be noted that aforesaid reduced interest benefit is available till 30.09.2020, beyond that date normal interest rate of 18% will apply.

2. GSTR-3B - Waiver of late fees for Jul-17 to Jan-20 [Notification No. 52/2020-CT dated 24th June, 2020]:

The Government has waived / capped late fees in respect of delayed filing of GSTR-3B for the period Jul-17 to Jan-20 as under **subject to the condition** that registered person files the said return between 1st July 2020 to 30th September 2020:

- Full waiver of late fees where GST payable is **NIL**; and
- Maximum late fees payable is Rs. 500 in rest of the cases

3. GSTR 3B – Due date extended for Aug-20 [Notification No. 54/2020-CT dated 24th June, 2020]:

Government has extended the due date for filing GSTR-3B for the month of August'20 as under:

Categories of taxpayers	Due date
Aggregate turnover in PFY less than or equal Rs.5 Crores (Based on location of Principal place of Business):	
Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep <i>(Original Due date – 22.09.2020)</i>	01.10.2020
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, Jammu and Kashmir, Ladakh, Chandigarh or Delhi <i>(Original Due date – 24.09.2020)</i>	03.10.2020

It is to be noted that there is no extension for the registered persons having aggregate turnover in PFY exceeding Rs.5 crores. They will have to file GSTR-3B for the month of August'20 by **20th September 2020**

4. GSTR 1 – Conditional waiver of late fees [Notification No. 53/2020-CT dated 24th June, 2020]:

Government has waived the late fees for delayed filing of GSTR-1 (for the month / quarter) **subject to the condition** that the said returns are filed within the following prescribed date:

Month / Quarter	Last date for filing GSTR-1 (for late fees waiver)
Mar-20	10.07.2020
Apr-20	24.07.2020
May-20	28.07.2020
Jun-20	05.08.2020
Jan-20 to Mar-20	17.07.2020
Apr-20 to Jun-20	03.08.2020

5. Rate of tax for composition scheme [Notification No. 50/2020-CT dated 24th June, 2020] :

The eligible person under composition levy shall pay tax as under w.e.f. 01st April 2020:

Section	Category of registered persons	Effective GST Rate
Section 10(1) & (2)	Manufacturers, other than manufacturers of such goods as may be notified by the Government	1 % of turnover in state / UT
Section 10(1) & (2)	Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II i.e. supply of food or drink (other than alcohol) by way of or as part of any service	5% of turnover in state / UT

Section 10(1) & (2)	Any other supplier eligible for composition levy u/s 10 (1) and (2) in relation to supply of goods	5% of taxable supplies in State / UT
Section 10(2A)	Registered persons not eligible to opt composition scheme as provided above, but eligible to opt composition scheme u/s 10(2A) i.e. mainly in relation to supply of services	6% of taxable supplies in State / UT

6. Provisions of Finance Act 2020 brought into effect [Notification No. 49/2020-CT dated 24th June, 2020]:

Government, vide this notification, has brought into effect following provisions of Finance Act, 2020 **w.e.f. 30.06.2020**:

- New Union Territories (UT's) of Dadra and Nagar Haveli and Daman and Diu **and** Ladakh shall be considered as UT u/s 2(114) of the CGST Act, 2017;
- Reference given u/s 109(6) of the CGST Act, 2017 to deem the State bench constituted under the J & K GST Act, 2017 as the State Appellate Tribunal bench under CGST Act, 2017 has been omitted. Central Government shall have the right to notify the bench for the state of Jammu and Kashmir;
- Government is now empowered to issue Removal of Difficulty Order up to a period of 5 years starting from 1st July, 2017 instead of 3 years.

We are attaching herewith a copy of all the notifications issued for your perusal.

We will be glad to provide any information, elaboration and elucidation you may need in this regard.

From:

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