Circular No.141/11/2020-GST

CBEC-20/06/04-2020 -GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, dated the 24th June, 2020

To

The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners / Commissioners of Central Tax (All)

The Principal Director Generals / Director Generals (All)

Madam/Sir,

Subject: Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19) - Reg.

Circular No. 136/06/2020-GST, dated 03.04.2020 was issued by the Board on the subject issue clarifying various issues relating to the measures announced by the Government providing relief to the taxpayers. The GST Council, in its 40th meeting held on 12.06.2020, recommended further relief to the taxpayers and accordingly, following notifications have been issued:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Notification No.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Notification No.51/2020-Central Tax, dated 24.06.2020.</td>
<td>Seeks to provide relief to taxpayers by reducing the rate of interest from 18% per annum to 9% per annum for specified period.</td>
</tr>
<tr>
<td>2.</td>
<td>Notification No.52/2020-Central Tax, dated 24.06.2020.</td>
<td>Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing FORM GSTR-3B for specified period.</td>
</tr>
<tr>
<td>3.</td>
<td>Notification No.53/2020-Central Tax, dated 24.06.2020.</td>
<td>Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing FORM GSTR-1 for specified period.</td>
</tr>
</tbody>
</table>

The above referred notifications have amended the parent notifications through which the relief from interest for late payment of GST and late fee for delay in furnishing of FORM GSTR-3B / FORM GSTR-1 was provided for the tax periods of February, March and April, 2020. Accordingly, the clarifications issued vide Circular No. 136/06/2020-GST, dated 03.04.2020 stand modified to the extent as detailed in the succeeding paragraphs to incorporate the decisions of the 40th meeting of the GST Council. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise
of its powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017
(herinafter referred to as the “CGST Act”) clarifies the issues detailed below:

**Manner of calculation of interest for taxpayers having aggregate turnover above Rs. 5 Cr.**

3.1 Vide notification No.31/2020- Central Tax, dated 03.04.2020, a conditional lower rate of
interest was provided for various class of registered persons for the tax period of February,
March and April, 2020. The same was clarified through Circular No. 136/06/2020-GST, dated
03.04.2020 (para 3, sl. No. 3, 4 and 5). It was clarified that in case the return for the said months
are not furnished on or before the date mentioned in the notificationNo.31/2020- Central Tax,
dated 03.04.2020, interest at 18% per annum shall be charged from the due date of return, till
the date on which the return is filed.

3.2 The Government, vide notification no 51/2020- Central Tax, dated 24.06.2020 has
removed the said condition. Accordingly, a lower rate of interest of NIL for first 15 days after
the due date of filing return in FORM GSTR-3B and @ 9% thereafter till 24.06.2020 is
notified. After the specified date, normal rate of interest i.e. 18% per annum shall be
charged for any further period of delay in furnishing of the returns.

3.3 The calculation of interest in respect of this class of registered persons for delayed filing
of return for the month of March, 2020 (due date of filing being 20.04.2020) is as illustrated
in the Table below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date of filing GSTR-3B</th>
<th>No. of days of delay</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>02.05.2020</td>
<td>12</td>
<td>Zero interest</td>
</tr>
<tr>
<td>2</td>
<td>20.05.2020</td>
<td>30</td>
<td>Zero interest for 15 days, thereafter interest rate @9% p.a. for 15 days</td>
</tr>
<tr>
<td>3</td>
<td>20.06.2020</td>
<td>61</td>
<td>Zero interest for 15 days, thereafter interest rate @9% p.a. for 46 days</td>
</tr>
<tr>
<td>4</td>
<td>24.06.2020</td>
<td>65</td>
<td>Zero interest for 15 days, thereafter interest rate @9% p.a. for 50 days</td>
</tr>
<tr>
<td>5</td>
<td>30.06.2020</td>
<td>71</td>
<td>Zero interest for 15 days, thereafter interest rate @9% p.a. for 50 days and interest rate @18% p.a. for 6 days</td>
</tr>
</tbody>
</table>

**Manner of calculation of interest for taxpayers having aggregate turnover below Rs. 5 Cr.**

4.1 For the taxpayers having aggregate turnover below Rs. 5 Crore, notification
No.31/2020- Central Tax, dated 03.04.2020 provided a conditional NIL rate of interest for the
tax period of February, March and April, 2020. The Government, vide notification no 52/2020-
Central Tax, dated 24.06.2020 provided the NIL rate of interest till specified dates in the said
notification and 9% per annum thereafter till 30th September, 2020. Similar relaxation of
reduced rate of interest has been provided for the tax period of May, June and July 2020 also
for the said class of registered persons having aggregate turnover below Rs. 5 Crore in the
preceding financial year. The notification, thus, provides NIL rate of interest till specified
dates and after the specified dates lower rate of 9% would apply till 30th September 2020. After 30th September, 2020, normal rate of interest i.e. 18% per annum shall be charged for any further period of delay in furnishing of the returns.

4.2 The calculation of interest in respect of this class of registered persons for delayed filing of return for the month of March, 2020 (for registered persons for whom the due date of filing was 22.04.2020) and June, 2020 (for registered persons for whom the due date of filing is 22.07.2020) is as illustrated in the Table below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Tax period</th>
<th>Applicable rate of interest</th>
<th>Date of filing GSTR-3B</th>
<th>No. of days of delay</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>22.06.2020</td>
<td>61</td>
<td>Zero interest</td>
</tr>
<tr>
<td>2</td>
<td>March, 2020</td>
<td>Nil till the 3rd day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020</td>
<td>22.09.2020</td>
<td>153</td>
<td>Zero interest for 72 days, thereafter interest rate @9% p.a. for 81 days</td>
</tr>
<tr>
<td>4</td>
<td>March, 2020</td>
<td>Nil till the 3rd day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020</td>
<td>22.10.2020</td>
<td>183</td>
<td>Zero interest for 72 days, thereafter interest rate @9% p.a. for 89 days and interest rate @18% p.a. for 22 days</td>
</tr>
<tr>
<td>4</td>
<td>June, 2020</td>
<td>Nil till the 23rd day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020</td>
<td>28.08.2020</td>
<td>37</td>
<td>Zero interest</td>
</tr>
<tr>
<td>5</td>
<td>June, 2020</td>
<td>Nil till the 23rd day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020</td>
<td>28.09.2020</td>
<td>68</td>
<td>Zero interest for 63 days, thereafter interest rate @9% p.a. for 5 days</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td>28.10.2020</td>
<td>98</td>
<td>Zero interest for 63 days, thereafter interest rate @9% p.a. for 7 days and interest rate @18% p.a. for 28 days</td>
</tr>
</tbody>
</table>

Manner of calculation of late fee

5.1 Vide notification No. 32/2020- Central Tax, dated 03.04.2020, a conditional waiver of late fee was provided for the tax period of February, March and April, 2020, if the return in FORM GSTR-3B was filed by the date specified in the said notification. The same was clarified through Circular No. 136/06/2020-GST, dated 03.04.2020.

5.2 The Government, vide notification No. 52/2020- Central Tax, dated 24.06.2020 has provided the revised dates for conditional waiver of late fee for the months of February, March
and April, 2020 and extended the same for the months of May, June and July, 2020 for the small taxpayers.

5.3 It is clarified that the waiver of late fee is conditional to filing the return of the said tax period by the dates specified in the said notification. **In case the returns in FORM GSTR-3B for the said months are not furnished on or before the dates specified in the said notification, then late fee shall be payable from the due date of return, till the date on which the return is filed.**

6. The contents of the Circular 136/06/20-GST, dated 03.04.2020 are modified to this extent. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

7. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Yogendra Garg)  
Principal Commissioner  
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