



**Bombay Chartered Accountants' Society**  
*Harnessing Talent and Providing Quality Service*

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Date: September 24, 2020

To,

The Hon'ble Finance Minister & Chairperson, GST Council

North Block, New Delhi

**Sub: Extension of dates for various provisions under Goods & Services Tax Act 2017**

Respected Madam

As you are aware, the whole country is currently fighting with the COVID-19 epidemic and the resultant lockdown since March 2020. We appreciate that immediately after the announcement of the lockdown, the Central Government, in consultation with various State Governments, proactively granted relaxation in due dates of various compliances under the GST regime, including the extension of time limit to file GSTR 3B, waiver or reduction in interest rates, extending time limits for filing of appeals, refunds etc. We express our sincere gratitude for this positive step.

But you will appreciate that even today, various parts of the country are still under lockdown / are in the process of unlocking. The situation is grim as the country continues to report a “record” surge in positive cases on daily basis. In such circumstances, while the State Governments has announced various phases of lockdown, citizens are responding cautiously. Many are under self-imposed or compulsory quarantine and working from home to the extent possible with its' own sets of limitations. Further, in most of the States, severe restrictions are imposed on the traveling as the essential public transport like Railway and Metro are still not operational/ are available only to valid pass holders/ employees providing essential services and Central/State Government employees. As a result, the businesses are not working routinely and with limited manpower and infrastructure.

In this background, we are making this representation before you requesting the extension of time-limits specified in various sections that get expires in the month of September 2020. We draw your attention to the Exhibit to this letter where we have explained in detail the need for the said extension.

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For BOMBAY CHARTERED ACCOUNTANTS' SOCIETY



CA SUHAS PARANJAPE  
PRESIDENT



CA SUNIL GABHAWALLA  
CHAIRMAN, INDIRECT TAX COMMITTEE

**Bombay Chartered Accountants' Society**

**Exhibit to Representation Letter dated September 24, 2020**

**Provisions where relaxation of timelines is required**

<b>Sr No.</b>	<b>Reference to provisions</b>	<b>Background</b>	<b>Reasons for extension</b>
1	Section 16 (4) of the CGST Act, 2017 and corresponding provisions in the respective SGST Act, 2017	This provision provides that input tax credit in respect of any invoice, debit note, or credit note cannot be taken after the due date of the return for September following the Financial Year to which such document relates or before filing the annual return for the FY to which the document relates to, whichever is earlier.	Your good self will appreciate that the provisions of Section 16 (4) require each taxpayer to follow-up with his supplier and ensure that all suppliers have furnished their details of outward supplies u/s 37 which can then be verified by us and wherever there are disconnect, a recipient of supply or his supplier is required to undertake corrective action, which can be done either by way of making amendment in the details furnished u/s 37 or by the issuance of a credit note, as the case may be.
2	The proviso to section 37 of the CGST Act, 2017, and corresponding provisions in the respective SGST Act, 2017 allowing rectification in the returns furnished under Section 37.	As per this proviso, details furnished by a supplier u/s 37 (1) cannot be amended after furnishing the return u/s 39 for September following the Financial Year to which such detail relates or before filing the annual return for the FY to which the document relates to, whichever is earlier.	Though the Government has announced the Unlock guidelines, in view of the continuous spread of the virus, still all operations have not resumed 100%. In fact, as per MHA guidelines, offices can work only up to 30% of their capacity. You will appreciate that if a company starts its operations, they would prefer to use this sanctioned strength to permit operational staff who actually carry out the core business of the company rather than the finance team, which is more of a support/admin function. For these reasons, finance/tax team members still have to continue to Work from Home and the same has adversely impacted their effective contribution.
3	Section 34 of the CGST Act, 2017, and corresponding provisions in the respective SGST Act, 2017 dealing with the time limit for the issue of credit notes.	As per this proviso, a supplier cannot issue a Credit Note and adjust the tax amount against his tax liability after September following the Financial Year to which such detail relates or before filing the annual return for the FY to which the document relates to, whichever is earlier.	

			Since the situation is unlikely to improve in the near future, it is our humble request that the timelines specified in the referred provisions be extended <b>up to March 2021</b> by issuing a Removal of Difficulty Order.
4	Rule 36 (4) of CGST Rules, 2017 and corresponding provisions in the respective SGST Rules, 2017	Rule 36 (4) of the CGST Rules, 2017 provides that Input Tax Credit to be availed by a Registered Taxable Person in respect of which the supplier has not furnished details u/s 37 (1) shall not exceed 10% of the eligible credit available in respect of details furnished by other suppliers u/s 37 (1).	As a proactive measure, while a relaxation to comply with this provisions was granted by making the applicability of this provisions on a cumulative basis for the period from February 2020 till August 2020, we submit that in many cases, the suppliers have not filed their details of outward supplies u/s 37 resulting in credits not appearing in GSTR 2A of the receiver. This disentitles receiving taxpayers from availing this credit itself and when read with provisions of Section 16 (4), there is a direct bar which would come in effect if the timelines prescribed u/s 16 (4) as well as Rule 36 (4) are not extended till <b>March 2021</b> .  It is, therefore, requested that the relaxation to comply with provisions of Rule 36 (4) be further extended up to <b>March 2021</b> .
5	Rule 48 (4) of CGST Rules, 2017 and corresponding provisions in the respective SGST Rules, 2017	This provision deals with the issuance of e-Invoice. As per notification 61/2020 – CT dated 30.07.2020, all registered taxpayers having aggregate turnover exceeding Rs. 500 crores shall be required to comply with e-invoicing provisions w.e.f 01.10.2020	E-invoicing is a very complex technology that involves substantial development costs as well as a time-consuming process. Besides, business entities are completely dependent upon software companies for developing necessary patches to accommodate the new changes in their invoicing module.  It is, therefore, requested that given the current situation and economic scenario, the

			<p>implementation of e-invoicing be deferred at least till the next Financial Year.</p> <p>Further, we request that a free software utility for generating E-Invoices may be made available to all businesses, and for the first six months of making available such software utility, E-invoicing may be made optional.</p>
6	Section 35(5) and Section 44 of the CGST Act, 2017 and corresponding provisions in the respective SGST Act, 2017	This provision deals with the filing of annual return, Audit Report, and Reconciliation Statement for each financial year. Currently, the annual return for FY 2018-19 is due on 30.09.2020.	Given the lockdown and various restrictions, it is requested that the due date for filing of annual return be extended by <b><i>at least 4 months</i></b> .
7	Section 47(2) Late fees for delay in furnishing the Annual Return u/s 44(1) of the CGST Act and corresponding provisions in the respective SGST Act, 2017	The due date of filing of GSTR-9 for F.Y. 2017-18 was 5 <sup>th</sup> February 2020 / 7 <sup>th</sup> February 2020. However, from 20-03-2020 the country experienced a lockdown. Hence, many taxpayers who could not file the Annual Return before 20-03-2020 also experienced difficulty in filing the same during the lock-down period.	We request that the total maximum Late fees payable for delay in filing of Annual Return be reduced to Rs.5,000 if the said Annual Return for FY 2017-18 is furnished on or before 31 <sup>st</sup> December 2020.
8	Due date of compliance which falls during the period from 20-3-2020 to 30-09-2020	The Notification No.35/2020-CTR extended due dates for certain compliances during the period 20-3-2020 to 29-6-2020 to 30-6-2020. Subsequently, by Notification No.55/2020 – CTR such compliances during the period 20-3-2020 to 30-08-2020 was further extended to 31st August 2020.	Given the lockdown and various restrictions, it is requested that the due date for such compliances during the period 20-3-2020 to 30-12-2020 be extended to 31-12-2020.