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GST NOTIFICATIONS ON REDUCTION OR WAIVER OF INTEREST

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2024

Reduction in late fee for belated filing of GST Returns

1. Reduction in late fee for filing GSTR 9 Annual Return- (Notification No.07/2023 dated 31/03/2023)

The Central Government on the recommendation of the council has waived the amount of late fee under section 47(2) in case of late filing of GSTR 9 Annual Returns, which is prescribed under section 44. The details of the amendment are given in the table below:

Assessee with Aggregate Turnover	Late Fee applicable from 01-04-2023 (FY 2022-23 onwards)	Late Fee before 01-04-2023
Assessee with Aggregate Turnover	Twenty-five rupees per day, subject to a maximum of an amount calculated at 0.02 per cent of turnover in the State or Union territory. So total interest is Rs.50 per day (Rs.25 each for CGST and SGST)	Hundred rupees per day, subject to a maximum of an amount calculated at 0.25 per cent. of turnover in the State or Union territory. So total interest is Rs.200 per day (Rs.100 each for CGST and SGST)
More than Rs.5 Crores	Fifty rupees per day, subject to a maximum of an amount calculated at 0.02 per cent. of turnover in the State or Union territory. So total interest is Rs.100 per day (Rs.50 each for CGST and SGST)	Hundred rupees per day, subject to a maximum of an amount calculated at 0.25 per cent. of turnover in the State or Union territory. So total interest is Rs.200 per day (Rs.100 each for CGST and SGST)

The due date for filing GSTR 9 is 31st December for the respective FY (which may be extended by notification).

For registered persons who have failed to furnish the Annual Return for the FYs 2017-18 to FY 2021-22, the late fee shall stand waived which is in excess of Rs. 20,000. However, the registered person shall file the Annual Return for the said period within 30th day of June 2023 for availing the benefit provided under this notification. Otherwise, the late fee shall be levied based on the provisions which were applicable earlier.

It is to be noted that the late fee under IGST has not been notified till date.

2. Reduction in late fee for filing GSTR 10 Final Return- (Notification No.08/2023 dated 31/03/2023)

A taxable person whose GST registration is cancelled or surrendered must file a return in the form GSTR-10. This return is called a final return. GSTR 10 must be filed within three months from the date of cancellation or date of cancellation order whichever is later.

The late fee for filing belated GSTR 10 within due date is reduced to Rs.500 (CGST and SGST each), if the same is filed within 30th day of June 2023.

(Provision before amendment: If the GSTR 10 is not filed within the due date, a notice will be sent to such a registered person. The person will be given 15 days' time for filing the return with all the documents required. If the person still fails to file the return, the tax officer will pass the final order for the cancellation with the amount of tax payable along with interest or penalty.)

Now, the penalty is capped at Rs.500 (CGST and SGST each).

3. Reduction in late fee for filing GSTR 4 (Notification No.02/2023 dated 31/03/2023)

GSTR-4 is a GST Return that has to be filed by a composition dealer. Unlike a normal taxpayer who needs to furnish 3 monthly returns, a dealer opting for the composition scheme is required to furnish only 1 return which is GSTR 4 once in a year by 30th of April, following a financial year.

For composition dealers who have failed to furnish the Annual Return for the FYs 2017-18 to FY 2021-22, the late fee shall stand waived if the registered person shall file the Annual Return for the said period within 30th day of June 2023. Otherwise, the late fee shall be levied based on the provisions which were applicable earlier.

4. Amnesty scheme for deemed withdrawal of assessment orders issued under Section 62.

Taxpayers, who failed to furnish return within 30 days of order u/s 62 (assessment for non-filers) now have an opportunity to file the suitable reply without much of penalty. The order shall be withdrawn if the taxpayer furnishes the return by 30-06-2023. However, the return shall be accompanied by payment of interest due under sub-section (1) of section 50 of the said Act and the late fee payable under section 47 of the said Act.