

CBIC notifies relief to businesses on tax credits, e-way bills

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- **CBIC also notified conditional waiver of late fee and concessional interest rate for late filing of GST returns**

New Delhi: The **Central Board of Indirect Taxes and Customs (CBIC)** late on Friday notified major relief to businesses by offering flexibility in claiming tax rebates and extending the validity of electronic permits for movement of goods. The idea is to help businesses meet the challenges of cash flow and disruption in operations caused by the covid-19 pandemic.

In a notification issued on the advice of federal indirect tax body, the Goods and Services Tax (GST) Council, CBIC said the restriction on businesses availing of tax credits where suppliers have not furnished details of invoice or credit notes, will apply only cumulatively for the period of February to August 2020. This gives them the flexibility to take the full tax credit for the period and ensure compliance by the time they file returns for the tax period of September.

At present, there is a 10% limit to businesses availing of credits for the taxes they have paid on raw materials and other services procured if the supplier has not furnished details of invoices or credit notes.

The notification said that the monthly return for September tax period shall be furnished "with the cumulative adjustment of input tax credit for the said (April-August) months." The move is likely to ease the liquidity pressures businesses are facing due to the ongoing 21 day lockdown and the slowdown in economic growth rate. According to Rajat Mohan, senior partner at law firm AMRG & Associates, the move will ease the cash flow issues of businesses to a large extent.

In a series of notifications, CBIC also gave effect to the compliance relief announced by the government in March by way of extending the due dates for meeting various statutory filings. It also extended the validity of all electronic permits for movement of goods or e-way bills the date of expiry of which fall between 20 March and 15 April to 30 April.

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“It will be a major relief for the goods industry which has been facing the issue of goods remaining stuck in transit due to the urgent lockdown,” said Mohan. CBIC also notified the conditional waiver of late fee and concessional interest rate announced last month for late filing of GST returns.