

Small firms seek compliance relief

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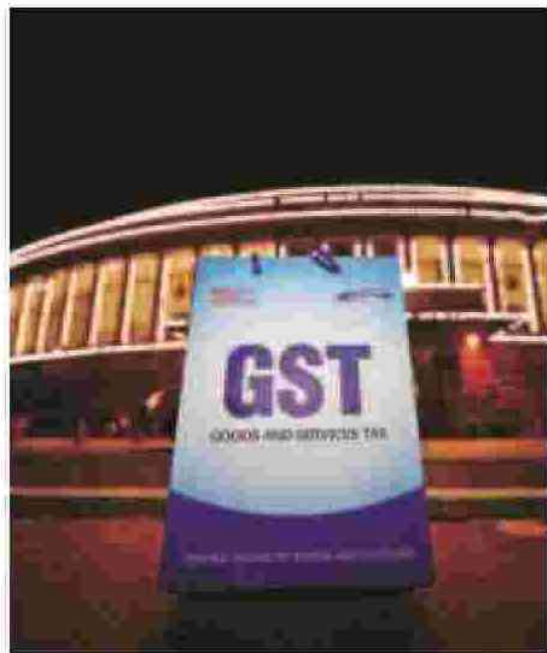
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NEW DELHI

Small enterprises facing business loss and manpower shortage have asked the government to provide more compliance relief and said the economic downturn and the devastating second wave of the pandemic are bringing them to their knees.

Small firms have asked for relaxation in monthly goods and services tax (GST) payments and various filing requirements for the just-concluded fiscal. Regional restrictions on movement and normal business activities make it hard to comply, they said.

On Tuesday, the Central Board of Indirect Taxes and Customs (CBIC) amended the GST rules to allow filing of returns using a one time pass-



Small biz have sought a relaxation in monthly GST payments. **PTI**

word instead of using an electronic signature, in what comes as a relief for small firms.

Last year, the government provided compliance relief on several requirements after the nation went into a complete lockdown in the last week of March. That included exten-

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sion of various due dates, reduction in rate of taxes to be deducted or collected at source, and reduced penalty for late payment of advance tax, GST, securities transaction tax, and commodity transaction tax for specified periods.

The stress in the economy could drive a lot of micro, small, and medium enterprises (MSMEs) to shut between now and June, and there is an urgent need for the government to come out with a package, including compliance relief, Chandrakant Salunkhe, founder and president, SME Chamber of India, said.

“We are going through a serious phase. In Maharashtra, many small firms remain closed and they do not have the systems to meet compliance requirements away from their office premises. I would appeal to the government to give compliance relief on everything, including income tax and GST, till December,” said Salunkhe.

“While large corporations are equipped to meet the compliance requirement, it is small businesses that do not have the digital and network capabilities to make the statutory filings,” said Rajat Mohan, senior partner at chartered accountants firm AMRG & Associates.

An email sent to the finance ministry seeking comments about the industry demand remained unanswered at the time of going to press.

Small businesses account for about 30% of gross domestic product and most of them are in the informal sector. Many of them are at present facing labour shortage due to reverse migration, said an industry executive, who asked not to be named.