

# **LOVI MEHROTRA & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **MONTHLY UPDATE FOR NOV 2019**

(Circulars/Notifications released in November 2019)

**29<sup>th</sup> November 2019**

[Income Tax](#)

[GST](#)

[Customs Duty](#)

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# I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBDT Notification No.95/2019 <b>dated</b> <b>06.11.2019</b>	Allowability of alternatively use of Aadhar number in place of Permanent account number (PAN) in the filing of various Income tax forms/returns.	<p>CBDT has allowed use of Aadhar number in place of Permanent account number in the filing of various Income tax forms/returns as specified in the notification.</p> <p>(deemed to have come into force from <b>1<sup>st</sup> September 2019</b>)</p> <p><a href="#">Notification No. 95</a></p>
2.	CBDT Notification No.96/2019 <b>dated</b> <b>11.11.2019</b>	Exemption to resident of National Capital Territory of Delhi from clause (XI) of the proviso to clause (X) of Section 56(2) of the Act.	<p>Clause x of Section 56(2) states that immovable property received without consideration and having stamp duty value more than Rs. 50,000 will be considered as income under the head 'Income from other sources.'</p> <p>Proviso to the aforesaid clause provides the exception to this.</p> <p>CBDT has now inserted Rule 11UAC which lays down the class of persons exempt under clause XI of the proviso to clause (x) of section 56 (2).</p> <p>The said amendment provides that any immovable property, being land or building or both, received by a resident of an unauthorized colony in the National Capital Territory of Delhi, where the Central Government has regularized the transaction, is exempted from income tax under the head 'income from other sources.'</p> <p>For the purposes of this rule,— (a) "resident" means a person having physical possession of property on the basis of a registered sale deed or other specified documents</p> <p><b>( effective from AY 2020-21).</b></p> <p><a href="#">Notification No. 96</a></p>
3.	CBDT Notification No.98/2019 <b>dated</b> <b>18.11.2019</b>	Challan-cum statement notified for the purpose of section 194M of the Income-tax Act,1961	<p>CBDT has notified the challan-cum statement &amp; TDS deduction certificate which is to be furnished while deducting tax at source on the payment made to a resident for contractual work or professional services availed by an Individual or HUF not covered under tax audit under section 194M of the Act.</p> <p>The due date specified in the notification for furnishing such challan-cum statement is as under:</p>

			<p><b>Form 26QD:</b> within 30 days from the end of the month in which deduction is made.</p> <p><b>Form 16D :</b> within 15 days from the due date of furnishing Form 26QD.</p> <p><a href="#">Notification No. 98</a></p>
4.	CBDT Notification No.100/2019 dated 27.11.2019	Recognition of "National Stock Exchange of India Limited" as a "recognized association" under section 43(5) of the Income Tax Act.	<p>Clause (e) of proviso to section 43(5) states that an eligible transaction in respect of trading in commodity derivatives carried out in a <b>recognized association</b>, which is chargeable to commodities transaction tax <b>shall not be deemed to be a speculative transaction.</b></p> <p>CBIC has now notified "<i>M/s National Stock Exchange of India Limited</i>, Mumbai (PAN: AAACN1797L)" as <i>a recognized association</i> for the purpose of aforesaid clause with effect from 27<sup>th</sup> November 2019 subject to conditions mentioned in the notification.</p> <p><a href="#">Notification No. 100</a></p>

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## **II. GOODS AND SERVICE TAX**

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 56/2019-Central Tax - dated 14.11.2019	Simplification of Annual Return/Reconciliation Statement and Substitution of Various Statement in Annexure 1 of GST RFD-01	<p>The Central Government has amended CGST Rules 2017 effective from 14<sup>th</sup> November 2019. This amendment will be called CGST (Seventh Amendment) Rules, 2019.</p> <p><a href="#">Notification No. 56</a></p> <p>Gist of the amendment is as under:</p> <p>A] Various statements in Annexure-I of Form GST RFD-01 have been substituted with new statements details of which have been specified in the notification.</p> <p>B] Changes have been made in GST Form 9 and Form 9C for simplification. These changes are highlighted in the below table:</p>
	<b>CLAUSE NO.</b>		<b>REMARKS</b>
	<b>FORM GSTR 9</b>		
	4B,4C,4D & 4E and 5A,5B,5C,5D,5E & 5F	Supply made under B2B, Export, SEZ Deemed Supply and Supplies under RCM can be shown net of Credit/Debit Notes	
	4I,4J,4K & 4L	These clauses have been made optional due to change in clauses 4B,4C,4D & 4E.	
	5D, 5E & 5F	Bifurcation of supply under Nil Rated and Non GST Supply has been made optional. These can be shown as consolidated figure under Clause 5D “Exempt Supply”.	
	6B, 6C, 6D & 6E	ITC Bifurcation between Input, Capital Goods and Input Service has been made optional. These can be shown as consolidated figure under head “Input”.	
	7A, 7B, 7C, 7D & 7E	ITC reversal under Clause 7A, 7B, 7C, 7D & 7E can be shown as a consolidated figure under Clause 7H “Other Reversals”.	
	8A	In respect of FY 2018-19, GSTR 2A details as of 01/11/2019 will be auto populated.	
	8A, 8B, 8C & 8D	An option is provided for details required under these clauses to be uploaded in PDF Format with Form 9C.	
	12 & 13	<p>These clauses have been made optional.</p> <p>Also clarification has been provided in the notification to the effect that: In case ITC s reversed in FY 18-19 and reclaimed in FY 19-20, such reclaimed ITC will be shown in Annual Return of FY 19-20 instead FY 18-19.</p>	
	15	Clause 15 related to “Demand and Refunds” has been made optional.	

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	16	Clause 16 related to “Supply Received from Composition Tax Payer and Deemed Supply etc.” has been made optional.																									
	17 & 18	Disclosure of HSN wise Inward and Outward supply has been made optional.																									
	Para 2 of Instruction of Annual Return 9	Filing of GSTR 3B & GSTR 1 is mandatory before filing the Annual Return of FY 18-19.																									
	FORM GSTR 9C																										
	5B TO 5N	Clause 5B TO 5N under “Reconciliation of Gross Turnover” has been made optional . Now a consolidated figure can be shown under Clause 50 “Adjustment in turnover due to reason not listed above”.																									
	12B & 12C	Clause 12B & 12C related to “ITC booked in Previous/Current FY and claimed in Current/Subsequent FY”, has been made optional.																									
	14	Clause 14 related to Bifurcation of ITC expense head wise has been made optional.																									
	Certification Part I & Part II	Certification Part I & II: (a) The cash flow statement has been made optional ( the words “if available” have been added in the certificate in respect of cash flow statement).  (b) Opinion paragraph has been changed. ( i.e. a word “true and correct” is substituted with “true and fair”)																									
2.	CBIC Notification No. 57/2019, 58/2019, 59/2019, 60/2019 and 61/2019 of Central Tax – dated 26.11.2019	Extension of the due date for furnishing FORM GSTR-1, GSTR-3B and GSTR-7 for registered persons in Jammu and Kashmir.	Central Government has extended the due date of filing the following GST Forms by a registered person whose principal place of business lies in the state of Jammu & Kashmir:																								
			<table><tr><th>GST Form</th><th>Extended due date of filing</th></tr><tr><td>GSTR-1 (July’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-1 (August’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-1 (September’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR- 1 (October’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-1(Qtr. July-September’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-3B (July’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-3B (August’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-3B (September’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-3B (October’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-7 (July’2019)</td><td>30<sup>th</sup> November,2019</td></tr><tr><td>GSTR-7 (August’2019)</td><td>30<sup>th</sup> November,2019</td></tr></table>	GST Form	Extended due date of filing	GSTR-1 (July’2019)	30 <sup>th</sup> November,2019	GSTR-1 (August’2019)	30 <sup>th</sup> November,2019	GSTR-1 (September’2019)	30 <sup>th</sup> November,2019	GSTR- 1 (October’2019)	30 <sup>th</sup> November,2019	GSTR-1(Qtr. July-September’2019)	30 <sup>th</sup> November,2019	GSTR-3B (July’2019)	30 <sup>th</sup> November,2019	GSTR-3B (August’2019)	30 <sup>th</sup> November,2019	GSTR-3B (September’2019)	30 <sup>th</sup> November,2019	GSTR-3B (October’2019)	30 <sup>th</sup> November,2019	GSTR-7 (July’2019)	30 <sup>th</sup> November,2019	GSTR-7 (August’2019)	30 <sup>th</sup> November,2019
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			GSTR-7 (September'2019)	30 <sup>th</sup> November,2019
			GSTR-7 (October'2019)	30 <sup>th</sup> November,2019
			<a href="#">Notification No. 57</a> <a href="#">Notification No. 58</a> <a href="#">Notification No. 59</a> <a href="#">Notification No. 60</a> <a href="#">Notification No.61</a>	
3.	CBIC Notification No. 62/2019 of Central Tax – dated 26.11.2019	Transition plan with respect to J&K reorganization w.e.f. 31.10.2019	<p>To implement the transition plan with respect to GST on account of J&amp;K reorganization, the Central Government has notified persons whose principal place of business or place of business lies in the erstwhile State of Jammu and Kashmir till the 30th October, 2019; and lies in the Union territory of Jammu and Kashmir or in the Union territory of Ladakh from the 31st October, 2019 onwards, <b><i>as the class of persons who shall follow the special procedure with respect to GST till the 31st December, 2019 as mentioned in the notification.</i></b></p> <a href="#">Notification No. 62</a>	
4.	CBIC Circular No. 122/2019-Central Tax – dated 05.11.2019	Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the CBIC to tax payers and other concerned persons.	<p>CBIC has made it mandatory to generate and quote DIN on any communication issued by the officers of the department to the Assessors. DIN would be used for Search Authorization, summons, arrest memo, inspection notices and letters issued in the course of any enquiry.</p> <a href="#">Circular No.-122/41/2019</a>	
5.	CBIC Circular No. 123/2019-Central Tax – dated 11.11.2019	Clarification on restrictions in availment of input tax credit in terms of sub-rule (4) of rule 36 of CGST Rules, 2017.	<p>Sub-rule (4) to rule 36 of the CGST Rules, 2017 has been inserted vide notification No. 49/2019 dated 09.10.2019. The said sub-rule provides restriction in availment of input tax credit (ITC) in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under section 37 (1) of the CGST Act.</p> <p>Further, CBIC has clarified various issues in respect of availment of ITC. The table below highlights the summary of such clarification :</p> <a href="#">Circular No. 123/2019</a>	
	<b>ISSUE</b>		<b>CLARIFICATION IN RESPECT OF ITC AVAILMENT</b>	
	What are the invoices/debit notes on which the restriction under rule 36(4) of the CGST Rules shall apply?		The restriction of 20% is imposed only on invoices/debit notes which though required to be uploaded by the suppliers have not been uploaded and are consequently not reflecting in GSTR 2A.	

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		Therefore, taxpayers may avail full ITC in respect of IGST paid on import, documents issued under RCM, credit received from ISD etc. The restriction on ITC under rule 36(4) will be applicable only on the invoices / debit notes on which credit is availed after 09.10.2019.	
	Whether the said restriction is to be calculated supplier wise or on consolidated basis?	The restriction of 20% will be calculated on a consolidated basis and not supplier wise. This means that 20% is to be applied on the Total amount of eligible input credit available in GSTR 2A. ITC which is reflected in GSTR 2A and is not eligible to be availed due to other provisions of the Act (like Sec 17(5) block credit etc.) would be excluded from the total amount of eligible input credit before calculating the 20% restriction.	
	Date on which details of ITC from GSTR-2A to be taken.	Assessee is required to import the GSTR 2A as available <b>on the due date of filing of GSTR 1</b> of the related tax period to ascertain the total amount of eligible input credit while computing the 20% restriction.	
	When can balance ITC be claimed in case availment of ITC is restricted as per the provisions of rule 36(4)?	ITC in respect of the invoices/debit notes which are not uploaded by supplier/not reflected in GSTR 2A can be availed in subsequent months as and when these invoices will be uploaded by the supplier and reflect in GSTR 2A  However it should remain under 20% of eligible ITC available in GSTR 2A. This means that 20% clause will have to be checked every time as and when assessee gets input credit.  Further Assessee has to maintain the tracker of invoices which were not uploaded earlier and ITC was not availed and was subsequently uploaded by supplier.	
	<i>CBIC has also provided illustration of ITC availment in the notification.</i>		
6.	CBIC Circular No. 125/2019-Central Tax – <b>dated 18.11.2019</b>	Clarification on the fully electronic refund process through <b>FORM GST RFD-01</b> and single disbursement.	CBIC has modified the guidelines for the procedure of electronic submission and processing of refund applications in supersession of earlier applicable Circulars.  However, the provisions of the said Circulars shall continue to apply for all refund applications filed on the common portal <b>before 26.09.2019</b> and the said applications shall continue to be processed manually as prior to deployment of new system.  The modified process of filing of refund application in Form GST RFD-01 will be effective from 26.09.2019.  <a href="#">Circular No. 125/2019</a>
7.	CBIC Press Release <b>dated 14.11.2019</b>	Extension of due date of filing Annual Return (GSTR 9) and Reconciliation Statement (GSTR 9C).	Due date of filing of Form <b>GSTR-9</b> (Annual Return) and Form <b>GSTR-9C</b> (Reconciliation Statement) for FY 2017-18 and FY 2018-19 has been <b>extended till 31<sup>st</sup> December 2019 and 31<sup>st</sup> March 2020</b> respectively.  <a href="#">Press Release</a>

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### III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 85/2019-Cus (NT) <b>dated</b> <b>21.11.2019</b>	Rate of Exchange	CBIC has notified the rate of exchange of conversion of foreign currency for import and export of goods for 20 currencies specified in Schedule I & Schedule II <b>effective from 22-11-2019.</b> <a href="#">Notification No. 85</a>

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#### **Disclaimer:**

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important