

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE FOR APRIL 2020

(Circulars/Notifications released in April 2020)

30th April, 2020

[Income Tax](#)

[GST](#)

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Lovi Mehrotra & Associates

21-22, II Floor, Krishna Nagar,
Safdarjung Enclave,
New Delhi – 110029

www.lma.co.in

I. INCOME TAX

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBDT Circular No.C1/2020 dated 13.04.2020	Clarification in respect of option under section 115BAC of the income tax act, 1961	<p>CBDT has provided clarification on the following issues in respect of implementation of section 115BAC of the Act (<i>option to chose scheme of taxation applicable for the year for the purpose of TDS</i>)</p> <p>A] Declaration by the Employee Employee having income other than income from Business or Profession and intending to opt for the concessional rate under section 115BAC, may intimate to the employer, of such intention for each previous year.</p> <p>B] What if No Declaration is received from Employee? If such intimation is not made by the employee, the employer shall effect TDS without considering the provision of section 115BAC of the Act (i.e. apply old tax rates)</p> <p>C] Can Employee Change Declaration during the year ? No, declaration once given cannot be changed for the year. Employer will effect TDS during the year based on such declaration .</p> <p>D] Can Employee Change Method at the time of filing Return? Yes an option is given to employee to choose any method at the time of filing return of income for FY 2020-21.</p> <p>Further, in case of a person who has income under the head "profit and gains of business or profession", the option for taxation under section 115BAC of the Act once exercised for a previous year at the time of filing of return of income cannot be changed for subsequent previous years except in certain circumstances. In case of a person who does not have income under the head profit and gains of business or profession, the option can be exercised each year.</p> <p><u>Circular No.C1</u></p>

2.	CBDT Circular No.8/2020 dated 13.04.2020	Clarification regarding short deduction of TDS/TCS due to increase in rates of surcharge by Finance Act,2019	<p>Finance Act 2019 had increased the rate of surcharge applicable to Individual taxpayer effective 1st April, 2019 .</p> <p>Further, several issues have arisen wherein deductors/ collectors were held to be “assessee in default” for short deduction of TDS/TCS in cases where final transaction was done before laying of the Finance (No.2) Bill, 2019 in the Parliament, i.e. 5th July, 2019.</p> <p>To mitigate such hardships to taxpayers, CBDT has clarified that a person responsible for deduction or collection of tax will not be considered to be an assessee in default in respect of transactions where:</p> <p>1] Such transaction has been completed and entire payment has been made to the deductee or payee on or before 5th July 2019 and there is no subsequent transaction between the deductor & deductee in FY 2019-20 from which shortfall could have been deducted or collected.</p> <p>2] Tax has been deducted and collected on such transaction as per the rates in force prior to the enactment of the Finance Act 2019.</p> <p>3] Tax deducted or collected has been deposited on or before the due date .</p> <p>4] TDS statement has been furnished on or before the due date .</p> <p>5] If shortfall of tax has been deducted or collected after 5th July,2019 from the subsequent transaction then interest for delay in deduction shall not be levied.</p> <p>All the conditions as mentioned above should be fulfilled to take the benefit given under such circular.</p> <p>Above relaxation will not be applicable in respect of advance tax and self-assessment tax in respect of FY 19-20.</p> <p>Circular No.8</p>
3.	CBDT Circular No.9/2020 dated 22.04.2020	Clarifications on provisions of the Direct Tax Vivad se Vishwas Act,2020	<p>Vide this circular, CBDT has issued clarifications in respect of various provisions of the Direct Tax Vivad se Vishwas Act, 2020 (The scheme).</p> <p><u>Gist of the clarifications is as under</u></p> <p>A] The scheme is not available for disputes pending before Authority for Advance Ruling (AAR). However, if the order</p>

		<p>passed by AAR has determined the total income of an assessment year and writ against such order is pending in HC, the appellant would be eligible to apply in terms of the scheme.</p> <p>B] If an appeal has been filed against imposition of fees under sections 234E or 234F of the Act, the appellant would be eligible to file a declaration and the amount payable under the scheme shall be 25% or 30% of the disputed fee.</p> <p>C] The said scheme can be availed by the appellant irrespective of whether the <i>tax arrears have been paid either partly or fully or are outstanding.</i></p> <p>D] Where only notice for initiation of <i>prosecution has</i> been issued <i>without prosecution being instituted,</i> the assessee is eligible to file declaration under the scheme. However, where the prosecution has been instituted with respect to an assessment year, the assessee is not eligible to file declaration for that assessment year under the scheme, unless the prosecution is compounded before filing the declaration.</p> <p>E] With respect to interest u/s 234A, 234B or 234C, if no appeal has been filed but waiver application has been filed which is pending as on 31st Jan, then <i>such waiver application is not covered under the scheme.</i></p> <p>F] Where <i>assessee settles TDS liability as deductor of TDS under the scheme</i> (i.e. against order u/s 201) In such cases, the deductor shall be entitled to get <i>consequential relief of allowable expenditure</i> under proviso to section 40(a)(i)/(ia) in the <i>year in which the tax was required to be deducted.</i></p> <p>G] Disputes relating to <i>delay in deposit of TDS/TCS</i> which are pending in appeal are <i>covered</i> under the scheme. Disputes relating to <i>Wealth tax, STT, CTT or equalization levy</i> are <i>not covered</i> under the scheme.</p> <p>H] Where <i>CIT (Appeals) has issued enhancement notice</i> on or before 31st January, 2020 , the same is <i>covered</i> under the scheme. The disputed tax in such cases shall be increased by the amount of tax pertaining to issues for which notice of enhancement has been issued.</p> <p>I] The <i>due date of payment</i> of the tax amount payable in terms of the said scheme has been <i>extended till 30th June 2020</i> [Earlier the date 31st March 2020]</p> <p><u>Circular No.9</u> & <u>Corrigendum</u></p>
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4.	Press Release dated 4th April 2020 & CBDT Order dated 31st March 2020	Clarification on the compliance of lower TDS/TCS certificate	<p>CBDT has issued directions in respect of applying TDS/TCS lower deduction certificate during FY 20-21:</p> <p>A summary of the directions is as follows</p> <p>1] Lower TDS/TCS certificate for FY19-20 shall be valid till 30th June 2020 provided that assessee has filed the application for lower or nil deduction of TDS/TCS for FY 20-21 and that application is pending for disposal.</p> <p>2] If the assessee could not apply for certificate for FY 20-21 but is having the certificate for FY 19-20 , then such certificate shall be valid till 30th June 2020 . In such cases the assessee will need to apply for the certificate at the earliest.</p> <p>3] If the assessee has not applied for the certificate for FY 20-21 and is also not having any such certificate for FY 19-20, a modified procedure for application is provided in the said order.</p> <p>4] In respect of payment to Non-residents (including foreign companies) having a Permanent Establishment in India , where the application for aforesaid certificate is pending, tax on such payment shall be deducted at the lower rate of 10% including surcharge & cess till 30th June 2020 or till the disposal of their application whichever is earlier</p> <p>5] If assessee has submitted valid Form 15G & 15H to Banks or other institutions for FY 19-20 , such form shall continue to be valid till 30th June 2020.</p> <p><u>Order & Press release</u></p>
5.	CBDT Circular No. 10/2020 dated 24th April 2020	Clarification in respect of reporting requirement under clause 30C & clause 44 of the Form No.3CD (Tax audit report) of the Income tax.	<p>In view of COVID-19 pandemic, CBDT has deferred the reporting requirement of the following clauses of the Tax audit report (Form No.3CD) till 31st March 2021:</p> <p>a) Clause 30C : Pertaining to impermissible avoidance arrangement under section 96 of the Act .</p> <p>b) Clause 44 : Pertaining to breakup of total expenditure into entities registered or not-registered under GST.</p> <p><u>Circular No. 10</u></p>

II. GOODS AND SERVICE TAX

S.NO	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 30/2020 of Central Tax - dated 03.04.2020	CGST (Fourth Amendment) Rules, 2020	<p>CBIC has amended the following rules of the CGST Rules, 2017:</p> <p>1] Rule 3 (3) : Extension of due date for filing FORM GST CMP-02 till 30th June, 2020 and FORM GST ITC-03 till 31st July, 2020. [Effective from 31st Mar, 2020]</p> <p>2] Rule 36(4): Provisional tax credit (without invoices on GSTR-2A) can be claimed in GSTR-3B only to the extent of 10% of eligible ITC reflected in the GSTR-2A. Such condition is to be applied cumulatively for the months February, March, April, May, June, July and August, 2020 and the return in FORM GSTR-3B for the month September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above.</p> <p>Notification No.30</p>
2.	CBIC Notification No. 31,32,33,34, 35, 36/2020 of Central Tax - dated 03.04.2020	Relaxation in furnishing the various GSTR Forms along with the waiver/reduction of Late fees & interest in view of COVID-19 pandemic.	<p>In view of COVID-19 Pandemic, CBIC has provided relaxation in furnishing various returns along with waiver/lowering of late fee and interest rate.</p> <p>The revised due dates along with Interest/Late fee are given in Annexure to the Newsletter.</p>
3.	CBIC Circular No. 137/07/2020 of Central Tax - dated 13.04.2020	Clarification on various issues in respect of challenges faced by registered persons in implementation of provisions of GST Laws.	<p>CBIC has issued clarification on various issues raised by taxpayers in respect of implementation of provisions of GST Laws:</p> <p>Gist of such clarification is as under:-</p> <p>A] In cases where there is no output liability against which a credit note can be adjusted, registered persons can apply for a refund of GST paid by filing FORM GST RFD-01 under the category "Excess payment of tax"</p> <p>B] The taxpayer can apply for refund of GST paid on advances received for an event which got cancelled subsequently and for which no invoice has been issued, by filing FORM GST RFD-01 under the category "Refund of excess payment of tax".</p>

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			<p>C] Zero rated supply can be made during FY 20-21 without payment of tax under LUT for FY 19-20 provided that the FORM GST RFD-11 for 2020-21 is furnished on or before 30.06.2020. Reference no of LUT for FY 19-20 is to be quoted in the relevant documents.</p> <p>D] In terms of N/N0. 35/2020 dt 03.04.2020, if period of two years of making application for Refund has expired on 31st March 2020, an application for refund can be filed for the said period till 30.06.2020. (Extension of due date)</p> <p>Circular No.137</p>
4.	CBIC Circular No. 135/05/2020 of Central Tax – dated 31.03.2020	Clarification on GST refund related issues	<p>CBIC has issued clarification on various issues related to the GST refund:</p> <p>A Gist of such clarifications is as under:</p> <p>1] Restriction on clubbing of tax period across different financial years has been removed. Now, taxpayers can claim refund by clubbing different months across successive Financial Years.</p> <p>2] Refund of accumulated ITC under inverted duty structure due to reduction in rate of tax would not be applicable in cases where the input and output supplies are the same.</p> <p>3] Any refund of tax paid on supplies other than zero rated supplies will now be admissible proportionately in the respective original mode of payment i.e. in cases of refund, where the tax to be refunded has been paid by debiting both electronic cash and credit ledgers (other than the refund of tax paid on zero-rated supplies or deemed export), the refund to be paid in cash and credit shall be calculated in the same proportion in which the cash and credit ledger has been debited for discharging the total tax liability for the relevant period for which application for refund has been filed.</p> <p>4] Refund of accumulated ITC shall be restricted to the ITC as per invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and which are reflected in the FORM GSTR-2A of the applicant. Therefore, any input tax credit not reflecting in GSTR-2A would no longer be available as refund.</p> <p>Circular No.135</p>

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5.	<p>CBIC Notification No. 37/2020 dated 28th April 2020 &</p> <p>GSTN website Advisory dated 27th April 2020</p>	Activation of Form GST PMT-09	<p>CBIC has made the provisions of Rule 87(13) effective from 21st April, 2020.</p> <p>Form GST PMT-09 has been activated which will enable the taxpayer to make the intra- head or inter-head transfer of amount available in Electronic Cash Ledger.</p> <p>GST PMT 09 is for transfer of any amount of tax, interest, penalty, fee or others available under one (major or minor) head to another (major or minor) head in the Electronic Cash Ledger.</p> <p>Major Head : IGST, CGST SGST/UTGST and Cess</p> <p>Minor Head : Tax, Interest, Penalty, Fee and Others</p> <p>Illustration: Inadvertently, taxpayer has deposited the amount under head "IGST" instead of "CGST" .Earlier this amount could not be used to discharge the liability under CGST. Now, the amount deposited under "IGST" can be transferred to head "CGST" in the Electronic Cash Ledger by filing Form GST PMT-09.</p> <p>Advisory & Notification No. 37</p>

III. CUSTOMS DUTY

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	CBIC Notification No. 39/2020-Cus (NT) dated 16.04.2020	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 effective from 17-04-2020. Notification No. 39

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Annexure

Goods & Service Tax

Revised due dates of various GST Forms as per Notifications (listed at the end of the table) in view of COVID-19 pandemic

Returns	Turnover (INR)	Months (Year 2020)	Regular Due Date	Revised Due Date	Interest	Late fees
GSTR-3B	Up to 1.5 Cr	Feb	22 th (G I) & 24 th (G II)day of next month	30 th June 2020	<ul style="list-style-type: none">- No Interest if return filed by revised due date- Interest @ 18% will be levied from 23rd (G I) / 25th (G II) of the month of regular due date if return not filed by revised due date.	No late fee if return filed by revised due date
		March	*Group I & II (G1 & II) states specified below	3 rd July, 2020		
		April		6 th July, 2020		
		May		12 th July 2020 (G I) & 14 th July (G 2)		
	More than 1.5 Cr but up to 5 Cr	Feb	22 th (G I) & 24 th (G II)day of next month	29 th June, 2020	<ul style="list-style-type: none">- No Interest if return filed by revised due date- Interest @ 18% will be levied from 23rd (G I) / 25th (G II) of the month of regular due date if return not filed by revised due date.	No late fee if return filed by revised due date
		March		29 th June, 2020		
		April	*Group I & II (G1 & II) states specified below	30 th June, 2020		
		May		12 th July 2020 (G I) & 14 th July (G 2)		
GSTR-3B	More than 5 Cr	Feb	20 th Mar, 20	4 th April, 2020	<ul style="list-style-type: none">- Interest @ 9% from 05/04/2020- 24/06/2020- Interest @ 18% from 21/03/2020 till the date of filing , if return not filed by 24/6/20	No late fee if return filed on

		March	20 th Apr,20	5 th May, 2020	- Interest @ 9% from 06/05/2020- 24/06/2020 - Interest @ 18% from 21/04/2020 till the date of filing , if return not filed by 24/6/20	or before 24 th June, 2020.
		April	20 th May,20	4 th June, 2020	- Interest @ 9% from 05/06/2020- 24/06/2020 - Interest @ 18% from 21/05/2020 till the date of filing , if return not filed by 24/6/20	
		May	20 th Jun,20	27 th June,2020	No interest if paid by 27 th June,2020	No late fees if filed by 27 th June,2020
GSTR-1	More than 1.5 Cr.	For the month Feb, March, April & May	11 th of next month	30 th June,2020	Not Applicable	No late fee if return filed on or before 30.06.2020.
	Less than 1.5 Cr.	Quarter ended 31st March 2020	30 th April 2020	30 th June,2020		
GSTR 9C (GST Audit)	More than 5 Cr.	2018-19	31 st March 2020	30 th June 2020	No Change	No Change
GSTR 9 (Annual Return)	More than 2 Cr.	2018-19	31 st March 2020	30 th June 2020	No Change	No Change
GST CMP-08	Composition Dealer	Quarter ended March'2020	18 th April 2020	7 th July 2020	No interest	No late fees
GSTR-4		FY 19-20	30 th April 2020	15 th July 2020	No interest	No late fees
GST CMP -02	Filing of Option for Composition	FY 2020-21	31 st March 2020	30 th June 2020	No change	No change

GST ITC-03 (Reversing ITC)	n Scheme	FY 2019-20 (As on 31.3.20)	31 st March 2020	31 st July 2020	No change	No change
GSTR-5	Non Resident Taxpayer	March, April & May	20 th of succeeding month	30 th June 2020	No change	No change
GSTR-6	Input Service Distributors	March, April & May	13 th of succeeding month	30 th June 2020	No change	No change
GSTR-7	TDS Deductors	March, April & May	10 th of succeeding month	30 th June 2020	No change	No change
GSTR-8	TCS Collectors	March, April & May	10 th of succeeding month	30 th June 2020	No change	No change
<ul style="list-style-type: none"> E-way bills (EWB), whose expiry date lies between 20th March, 2020, and 15th April, 2020, would also be deemed to be valid till 30th April, 2020. 						

- Group I States/UTs:** Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
- Group II States/UTs:** Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi

[Notification No.31](#) [Notification No.32](#) [Notification No.33](#) [Notification No.34](#) [Notification No.35](#) [Notification No.36](#)
[Circular No. 136](#)

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.

