

JUNE 2020

NEWSLETTER

TAX

- Income Tax
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- Important Rulings



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Income Tax

1. Cost Inflation Index-2021

CBDT
Notification No.32/2020 dated 12.06.2020

CBDT has specified the **Cost Inflation Index** for FY 2020-21 as “**301**”.

[Notification No.32](#)

2. Extension of various due dates [Taxation & Other Laws (Relaxation of Certain Provisions) Ordinance, 2020]

CBDT
Notification No.35/2020 dated 24.06.2020

The Government had brought the **Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020** on 31st March, 2020 which extended various time limits of Income tax compliances due to outbreak of COVID-19.

In order to provide further relief to the taxpayer, the Government has further extended various time limits of Income tax compliances.

The updated table in respect of the amended due dates is as under:

Particulars	Standard Due Date (As per Income Tax Act)	Revised Old Due Dates (As per Ordinance,2020)	Revised New Due Dates (Notification No. 35 dt 24.6.20)
Belated & Revised ITR for FY 18-19	31 st March,2020	30 th June,2020	31 st July,2020
ITR for FY 19-20:			
An Individual	31 st July,2020	30 th Nov,2020	30 th Nov,2020
A person other than company to whom tax audit applies	31 st October,2020	30 th Nov,2020	30 th Nov,2020
A partner of a firm to whom tax audit applies	31 st October,2020	30 th Nov,2020	30 th Nov,2020
A Company	31 st October,2020	30 th Nov,2020	30 th Nov,2020
Assessee to whom transfer pricing provision applies	30 th November,2020	30 th Nov,2020	30 th Nov,2020
Assessee to whom transfer pricing provision not applies	30 th Nov,2020	30 th Nov,2020	30 th Nov,2020
Tax Audit Report	30 th September,2020	-	31 st October,2020
Payment of Self-Assessment Tax upto Rs 1 Lakh(i.e. waiver of interest u/s 234A)	Before the date of filing Income tax return i.e. 31 st Oct,20 or 31 st July,20 as the case may be.	-	30 th Nov,2020
Payment of Self-Assessment Tax exceeding Rs 1 Lakh (i.e. No waiver of interest u/s 234A)	Before the date of filing Income tax return i.e. 31 st Oct,20 or 31 st July,20 as the case may be.	-	No change
Investment for deduction u/s 80C, 80D & 80G etc in Chapter VIA-B for FY 19-20	31 st March,2020	30 th June,2020	31 st July,2020
Investment/Construction/Purchase for deduction of capital gain u/s 54	Within the time limit as specified in the	30 th June,2020	30 th Sept,2020

to 54GB for FY 19-20	section		
Commencement of operation for the SEZ units for claiming deduction u/s 10AA and got approval by 31 st March,2020	31 st March,2020	30 th June,2020	30 th Sep,2020
Date for furnishing of TDS/TCS statements for the quarter ending on 31 st March, 2020	31 st May,2020	30 th Jun,2020	31 st July,2020
Date for furnishing of TDS/TCS certificate for FY 19-20	15 th June,2020	30 th June,2020	15 th August,2020
Completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action by any authority , commission or Tribunal	Within Time limit as specified in the relevant section of the Income tax Act	30 th June,2020	31 st March,2021
Various other compliances under Direct tax & Benami Law which are required to be passed /issued/made by 31 st Dec,20	Within Time limit as specified in the relevant section of the Income tax Act	30 th June,2020	31 st March,2021
Time limit for completion or compliances of the action under "Vivad Se Vishwas" Scheme	Within Time limit as specified in the scheme	30 th June,2020	31 st December,2020
Aadhar linking with PAN number	31 st March,2020	30 th Jun'2020	31 st March,2021

- ✚ The reduced rate of interest of 9% for delayed payment of taxes, levies, etc specified in the Ordinance shall not be applicable for payment made after 30th June,2020.
- ✚ Implementation of new procedure for approval/registration/notification of entities u/s 10(23C), 12AA, 35 and 80G has been extended from 1st June to 1st October, 2020. Old procedure shall continue to apply during the period till 30th September,2020.
- ✚ Reduced TDS rates (by 25%) as announced on 13th May,2020 will continue to be applicable till 31st March,2021.

[Notification No.35](#)

3. Income tax (13th Amendment) Rules,2020

CBDT
Notification No.38/2020 **dated 26.06.2020**

CBDT has amended the following rule of Income tax rules:

Rule 2BB: Taxpayer who is opting for the new tax regime, can claim exemption of the following allowances:

- a) Allowance to meet cost of travel and daily expenses on transfer,
- b) Tour allowance for travel for official purpose to meet the travel and daily expense, and conveyance allowance for meeting conveyance expenditure incurred in course of performing official duties.
- c) Transport allowance for handicapped employee to commute to and from office.

Rule 3: Exemption for free meals/beverages/meals coupons given in proviso to rule 3(7)(iii) is not allowable to the taxpayer who is opting for the new tax regime u/s 115BAC.

Tax treatment of other perquisites specified in rule 3 , such as rent free accommodation, motor cars, free/concessional education facility, telephone, concessional loan, gift, club membership etc. provided by employer will remain the same under both old tax regime as well as under new tax regime.

[Notification No.38](#)

<u>Goods and Services Tax</u>	
1. Validation of GSTR 3B & GSTR 1 through electronic verification code (EVC) for Corporate tax payer	
	CBIC Notification No. 48/2020 of Central Tax – dated 19.06.2019
CBIC has amended the following rules of the CGST Rules,2017:	
Rule 26(1):	
a) A registered person being a Company registered under Companies Act'2013, can furnish the return under section 39 in FORM GSTR3B verified through electronic verification code (EVC) during the period from the 21 st April, 2020 to the 30 th September, 2020.	
b) A registered person being a Company registered under Companies Act'2013, can furnish the return under section 39 in FORM GSTR-1 verified through electronic verification code (EVC) during the period from the 27 th May, 2020 to the 30 th September, 2020.	
[Effective from 27th May,2020]	
Notification No.48	
2. Extension of the validity of e-way bills.	
	CBIC Notification No. 47/2020 of Central Tax – dated 09.06.2020
CBIC has further <i>extended the validity of E-way bills</i> generated on or before the 24 th March, 2020 and where the period of validity expires on or after the 20 th March,2020, <i>till the 30th June, 2020 (Earlier date was 31st May,2020)</i>	
Notification No.47	
3. Extension of the period to pass order under Section 54(7) of CGST Act	
	CBIC Notification No. 46/2020 & 56/2020 of Central Tax – dated 09.06.2020 & 27.06.2020
Section 54(7) of CGST Act provides that final order in GST refund shall be issued within sixty days from the date of receipt of application.	
CBIC has notified that If GST refund order date falls between 20th March to 30th Aug, 2020 , the same can be issued within 75 days (i.e. 60 + 15 Days) of receipt of reply of notice or 31st Aug, 2020, whichever is later	
[Effective from 20th March.2020].	
Notification No.46 Notification No.56	
4. Extension of the date for transition under GST	
	CBIC Notification No. 45/2020 of Central Tax – dated 09.06.2020
CBIC has further extended the date for transition under GST on account of merger of erstwhile UTs of Daman and Diu & Dadar and Nagar Haveli till July 31, 2020 [Earlier date was 31st May,2020]	
Notification No.45	
5. Furnishing a nil return in FORM GSTR-3B by SMS	
	CBIC Notification No. 44/2020 of Central Tax – dated 08.06.2020
CBIC had added Rule 67A for manner of furnishing of return by short messaging service facility vide Central Goods and Services Tax (Fifth Amendment) Rules, 2020 vide notification no. 38/2020 – Central Tax dated.	

05.05.2020.

Vide this notification, CBIC has appointed **8th June 2020** as the date on which provision of Rule 67 A shall come into force.

[Notification No.44](#)

6. Clarification in respect of levy of GST on Director's Remuneration.

CBIC Circular No.
140/10/2020 of Central Tax – **dated 10.06.2020**

CBIC has made the following clarifications in respect of levability of GST on Director's Remuneration :-

1] *Leviability of GST on remuneration paid by companies to independent directors or those directors who are not employee of the company.*

In respect of such directors who are not employees of the company, the services provided by them to the Company, in lieu of remuneration as the consideration for the services, are outside the scope of Schedule III of the CGST Act (i.e. employer-employee relationship) and ***are therefore taxable under GST*** and the recipient of the services i.e. **the Company**, is liable to **discharge applicable GST thereon under reverse charge basis**.

2] *Leviability of GST on remuneration paid by companies to the Whole time directors including Managing director, who are also employee of the company*

In respect of such directors, the part of Director's remuneration which is **declared as "Salaries"** in the books of a company and **TDS deducted under Section 192** of the IT Act, ***are not taxable under GST*** being consideration for services by an employee to the employer in relation to his employment in terms of Schedule III of the CGST Act.

It has been further clarified that such part of the employee Director's remuneration which is declared separately other than salaries in the Company's accounts and subjected to **TDS under Section 194J** of the IT Act **as Fees for professional or Technical Services** shall be treated as consideration for providing services which are outside the scope of Schedule III (i.e. employer-employee relationship), and ***is therefore, taxable under GST*** and the recipient of the services i.e. the **Company**, is liable to **discharge applicable GST thereon under reverse charge basis**.

[Circular No.140](#)

7. Clarification on Refund Related Issue

CBIC Circular No.
139/09/2020 of Central Tax – **dated 10.06.2020**

Circular no. 135/05/2020 dated 31st Mar,2020, restricted the refund of accumulated ITC for those invoices which are reflecting in the GSTR -2A implying that invoices the details of which are not reflecting, will be ineligible for refund.

However, refund sanctioning authorities were rejecting the refund of accumulated ITC in respect of ITC availed on Imports , ISD invoices & RCM etc where requirement for invoice details in GSTR 2A is not required. citing the above mentioned circular

CBIC has vide this circular further clarified that refund of ITC relating to imports, ISD invoices and RCM will be admissible based on invoice available with the taxpayer even if the invoice details are not reflecting in GSTR 2A.

[Circular No.139](#)

8. Relaxation in furnishing the various GSTR Forms along with the waiver/reduction of Late fees

CBIC Notification No.

51 to 55 of Central Tax – **dated 24.06.2020**CBIC Circular No. 141 - **dated 24.06.2020**

In view of COVID-19 Pandemic, CBIC has provided relaxation in furnishing various returns along with waiver/lowering of late fee and interest rate. The revised due dates along with Interest/Late fee are as under :

Return	Turnover (INR)	Months (Year 2020)	Revised Due Date (Old)	Revised Due Date (New)	Interest	Late Fee
GSTR -3B	> 5 Cr.	Feb'20	4 th Apr'2020	24 th June,2020	- No Interest if filed before old due date - 9% Intt. From 5 th Apr to 24 th Jun. - 18% Intt. From 25 th June'20	No late fee
		Mar'20	5 th May'2020	24 th June,2020	- No Interest if filed before old due date - 9% Intt. From 6 th May to 24 th Jun. - 18% Intt. From 25 th June'20	No late fee
		Apr'20	4 th Jun'2020	24 th June,2020	- No Interest if filed before old due date - 9% Intt. From 5 th Jun to 24 th Jun. - 18% Intt. From 25 th June'20	No late fee
		May'20	27 th Jun'2020	27 th June,2020	- No Interest if filed before 27 th June - 18% Intt. From 28 th June'20	No late fee
		Jun'20	20 th July,2020 (Regular due date)	20 th July,2020 (Regular due date)	No change	No change
		Jul'20	20 th Aug,2020 (Regular due date)	20 th Aug,2020 (Regular due date)	No change	No change
		Aug'20	20 th Sep,2020 (Regular due date)	20 th Sep,2020 (Regular due date)	No change	No change
GSTR -3B (Group A States)	< 5 Cr	Feb'20	30 th Jun'2020	30 th Jun'2020	- No Interest if filed before old due date - 9% Intt. From 1 st Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Mar'20	3 rd Jul'2020	3 rd Jul'2020	- No Interest if filed before old due date - 9% Intt. From 4 th Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Apr'20	6 th Jul'2020	6 th Jul'2020	- No Interest if filed before old due date - 9% Intt. From 7 th Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		May'20	12 th Jul'2020	12 th Sep'2020	- No Interest if filed before old due date - 9% Intt. From 13 th Sep to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Jun'20	22 nd Jul'2020	23 rd Sep'2020	- No Interest if filed before 23 rd Sep.	No late fee

					- 9% Intt. From 24 th Sep to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	
		Jul'20	22nd Aug'2020	27th Sep'2020	- No Interest if filed before 27 th Sep. - 18% Intt. From 28 th Sep'2020	No late fee
		Aug'20	22nd Sep'2020	1st Oct,2020	- No Interest if filed before 1 st Oct. - 18% Intt. From 1 st Oct'2020	No late fee
GSTR -3B (Group B States)	< 5 Cr	Feb'20	30th Jun'2020	30th Jun'2020	- No Interest if filed before old due date - 9% Intt. From 1 st Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Mar'20	5th Jul'2020	5th Jul'2020	- No Interest if filed before old due date - 9% Intt. From 6 th Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Apr'20	9th Jul'2020	9th Jul'2020	- No Interest if filed before old due date - 9% Intt. From 10 th Jul to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		May'20	14thJul'2020	15th Sep'2020	- No Interest if filed before 15 th Sep - 9% Intt. From 16 th Sep to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Jun'20	24th Jul'2020	25th Sep'2020	- No Interest if filed before 25 th Sep. - 9% Intt. From 26 th Sep to 30 th Sep'. - 18% Intt. From 1 st Oct'2020	No late fee
		Jul'20	24th Aug'2020	29th Sep'2020	- No Interest if filed before 29 th Sep. - 18% Intt. From 30 th Sep'2020	No late fee
		Aug'20	24th Sep'2020	3rd Oct,2020	- No Interest if filed before 3 rd Oct. - 18% Intt. From 4 th Oct'2020	No late fee
GSTR- 1	>1.5 Cr.	Mar'20	30TH Jun'2020	10th Jul'2020	Not Applicable	No late fee
		Apr'20	30TH Jun'2020	24th Jul'2020	Not Applicable	No late fee
		May'20	30TH Jun'2020	28th Jul'2020	Not Applicable	No late fee
		Jun'20	11th Jul'2020	5th Aug'2020	Not Applicable	No late fee
GSTR- 1	<1.5 Cr.	Qtr.Jan-Mar'20	30th Jun'2020	17th Jul'2020	Not Applicable	No late fee
		Qtr.Apr-Jun'20	31st Jul'2020	3rd Aug'2020	Not Applicable	No late fee
GSTR 9C (GST Audit)	More than 5 Cr.	2018-19	30th Jun'2020	30th Sep'2020	-	-
GSTR 9 (Annual Return)	More than 2 Cr.	2018-19	30th Jun'2020	30th Sep'2020	-	-

Note:

- 1) **Group A States-** 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.
- 2) **Group B States-** 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
- 3) Taxpayers who are yet to file Form GSTR-3B for any month(s) **from July, 2017 till Jan., 2020**, can now file **Form GSTR-3B** from **1st July, 2020 till 30th Sept., 2020**, without any late fee, for those months in which they did not have any tax liability. However, for the months they had a tax liability, **their late fee is capped at Rs 500 per return.**
- 4) If the Form GSTR-3B and Form GSTR-1 for the period mentioned in Tables above is not filed by the notified dates, late fee will become payable from the due dates for these returns.
- 5) Any due date for completion or compliance of any action by any authority or by any person specified under the GST laws, which falls **between 20th March 2020 to 30th Aug 2020** shall be **extended to 31st Aug, 2020.**

[Notification No.51](#) [Notification No.52](#) [Notification No.53](#) [Notification No.54](#) [Notification No.55](#) [Circular No.141](#)

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.

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