

Kreston Opr Newsletter - April 2020

Income tax

1. The taxation and other laws (Relaxation of certain provisions) ordinance 2020

COVID-19 pandemic the President of India has passed an ordinance on 31st March 2020 providing relaxation in provisions of prevailing Acts. Certain provisions including extension of time limit in taxation and other laws. As per point 4 of the ordinance, the donation made to PM-CARES is allowed as deduction u/s 80G. [Read More](#)

2. The few important changes applicable for FY 2020-21

- a) New tax slabs will be applicable along with the old slab rates and assessee has an option to choose between both slabs.
- b) Dividends received from Domestic companies and Mutual funds will be taxable in the hands of recipients.
- c) Employer's contribution exceeding Rs. 7.5 lakhs to NPS, Superannuation funds, EPF will be taxable in the hands of employees.
- d) House purchased up to Rs. 45 lakhs will be eligible to claim additional tax deduction of Rs. 1.5 lakhs on interest in addition to existing deduction of Rs. 2 lakhs.
- e) In a relief to employees of startups, the new tax regime from April 1 allows deferment of tax payment on shares allotted to them under ESOPs or employee stock ownership plan. The new tax regime, from April 1, has deferred the tax payment from the exercise date to 48 months after exercise, cessation of employment or sale of shares, whichever is earliest.

3. CBDT's circular on extension of due date for return filing and lower interest rates.

Through this circular CBDT has extended Validity of lower deduction certificates issued for FY 2019-20 is till 30/06/2020 i.e. it is valid till this date for FY 2020-21. Also has extended due date for ITR filing from 31/03/2020 to 30/06/2020 also delayed interest on these returns is reduced from 12% to 9%. For TDS, the due date is not changed but the interest is reduced from 18% to 9%. [Read More](#)

Goods & Service tax

1. CBIC's clarification under GST law for companies under IBC, 2016

The Board has issued a clarification through circular no 134 pertaining to GST issues faced by the companies which are under proceedings of CIRP and the management of the companies are with IRP or RP. The operations of the companies are run by these professionals till order is passed by NCLT. In order to ensure uniformity in implementation of the provisions of the law across field formations the board has issued clarification. [Read More](#)

2. CBIC' circular clarifying issues related to refunds

As per the circular no 135 issued by CBIC on 31st March 2020, CBIC has removed restriction on bunching of refunds claims across the financial year after observation received from Hon'ble Delhi High Court and several representations made by exporters. Also this circular throws light on refund of accumulated ITC on account of GST rate, modification in the manner in which refund of tax paid on *zero rated supplies*. The guidelines for refund of ITC u/s 54(3) i.e it has been decided that the refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant. [Read More](#)

3. Registration procedure for entities under IBC, 2016

A notification on 11/2020-central tax dated 21st March 2020, the Board has notified a special provision for those entities who are undergoing procedure of CIRP and are managed through RP or IRP.

Registration –

W.e.f. the RP/IRP will be treated as a distinct person of corporate debtor and shall be liable to take new registration within 30 days. In the cases where the RP/IRPs are appointed before this notification are required to take registration within 30 days from commencement of this notification. [Read More](#)

4. Summary of notification no 13/2020 and 14/2020 issued on 21st March, 2020 is tabulated below:

Notification No.	Type of Taxpayer	Turnover Limit	Amendment	Date of Implementation	Notification Link
13/2020	Registered Taxpayer	More than Rs 100 cr in an FY.	Issuing E-invoices.	1st October 2020	https://bit.ly/2yAYQG7
14/2020	Registered Taxpayer	More than Rs 500 cr in an FY	Requirement of a QR code in case of B2C invoices deferred.	1st October 2020	https://bit.ly/3aUOvTE

5. Timelines for annual return and audit for FY 18-19. [Read More](#)

Particulars	Turnover Limit	Annual Return (GSTR-9)	Audit (GSTR - 9C)	Due date
Financial Year 2018-19	Less than 2cr	Not applicable	Not applicable	Not applicable
	Greater than 2cr but less than Rs 5cr	Yes	Not applicable	30th June 2020

6. a) Aadhar authentication mandatory for GST registration w.e.f 1st April, 2020. [Read More](#)

Sr.No	Type of Entity	Aadhar authentication required for
1	Proprietary concern	Proprietor (Individual himself).
2	HUF	Karta of the HUF
3	Partnership Firm / LLP	Managing Partner. Designated Partner. Authorized Signatory. Directors.

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- b) Alternate means have also been provided for identification and authentication of Aadhar. [Read More](#)

Type of Taxpayer	Tax Period	GSTR 3B			GSTR 1
		T/o upto Rs 1.5cr	T/O between Rs 1.5 cr to Rs 5 cr	T/O more than Rs 5 cr	All Taxpayers
Normal Tax payer	Feb-20	30-06-20	29-06-20	04-04-20	11-03-20
	Mar-20	03-07-20	29-06-20	05-05-20	30-06-20
	Apr-20	06-07-20	30-06-20	04-06-20	30-06-20
	May-20	12th & 14th July – State Wise		27-06-20	30-06-20
	Late fees	Nil if filed up to the above mentioned due date		Nil if filed by 24th Jun, 20	Nil if filed up to above due date

	Interest		9% if filed between revised due date to 24-06-20	N/A
The above interest and late fees waiver is not applicable for May, 2020 GSTR 3B.				

7. Deferment of ITC restriction - Notification No 30/2020 CT:

The restriction levied on availment of ITC in respect of invoices not appearing in GSTR 2A has been deferred for the tax period of Feb, 20 to Aug, 20.

The taxpayers can now avail ITC without any restriction and reconciliation of GSTR 2A.

The deferred restriction shall apply cumulatively for the tax period of Sept, 20.

8. Due dates for Composition Taxpayers [Read More](#)

Type of Taxpayer	Tax Period	Return Type	Revised Due Date
Composition Taxpayer	FY 20-21	CMP-02	30-06-20
	Jan, 20 to Mar-20	CMP-08	07-07-20
	FY 19-20	GSTR 04	15-07-20

9. E-way bills extended

Any e-way bill expiring during the lockdown period the validity of such e-way bill has been extended till 30th April 2020.

10. Time limit extension for any appeal, notice, intimation etc.

By notification no 35/2020 dated 3rd April 2020, the Board has extended the time limit for any compliance or completion action to 30th June 2020 . [Read More](#)

11. Recommendation of GST council pertaining to GST rates

GST council has taken decisions related to change in rate on supply of goods & services such as mobile phone, fertilizers & textile. Rate of GST on matches (handmade and other than handmade) has been rationalized. [Read More](#)

They have recommendations of GST council related to law & procedure with respect to trade facilitation, deferment of e-invoice & QR code and deferment of wallet scheme. [Read More](#)

12. Filing of GSTR 1 made optional for composition taxpayers.

The Board through its notification no 12 dated 21st March 2020 has inserted a new proviso to section 3 (1). As per this new proviso, those who have filed form GST CMP-08 furnishing details of self-assessment tax paid and furnished return in GSTR-3B for FY 2019-20 shall not be required to file form GSTR-1 furnishing statement of outward supply of goods & services. [Read More](#)

13. Amendment in CGST rules, 2017

The CBIC has vide its notification no. 16 dated 23rd March 2020 has amended following rules:

Rule no.	Amendment
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Rule 8 – Application for registration	Insertion of sub-rule (4A)
Rule 9 -Verification and approval of application	Insertion of sub-rule w.e.f. 01.04.2020 in sub-rule (1)
Rule 25 – Physical verification	Substitution of Rule
Rule 43 – Manner of determination of ITC in respect of capital goods & reversal thereof in certain cases	Substitution of sub-rule (1) with effect from the 1st April, 2020
Rule 80 – Annual Return	Insertion of proviso in sub-clause (3)
Rule 86 - Electronic Credit Ledger	Insertion of sub-rule (4A)
Rule 89 - Application for refund of tax, interest, penalty, fees or any other amount	Substitution of sub-rule (4) clause (C)
Rule 92 - Order sanctioning refund	Insertion of sub-rule (1A)
Rule 96 - Refund of integrated tax paid on goods or services exported out of India	Insertion of Explanation in in rule 96, in sub-rule (10),in clause (b) with effect from the 23rd October, 2017
Rule 96B - Recovery of refund of unutilised input tax credit or integrated tax paid on export of goods where export proceeds not realized	Insertion of Rule 96B
Rule 141 - Procedure in respect of seized goods	Amendments in sub-rule (2)

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14. Finance minister's press conference announcing extension of due dates of other indirect taxes. [Read More](#)

Due dates

Particulars	Due date
Excise returns for the months of March, April May 2020	30/06/2020
Refund applications, appeals etc. under Central Excise Act, 1944	30/06/2020
Refund applications, appeals etc. under Customs Act, 1962	30/06/2020
Refund applications, appeals etc. under Service Tax Act	30/06/2020
Extension of Payment date under SVLDRS	30/06/2020

MCA updates

1. As per the new circular issued by MCA, CSR funds can be utilized for COVID-19

The Government of India has set up the PM CARES Fund with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID 19 pandemic and has also altered Schedule VII of the Companies Act, 2013 by clarifying that contributions made to PM CARES funds shall qualify as CSR expenditure. [Read More](#)

2. Special measure for under Companies Act, 2013 & LLP Act, 2008 for COVID-19 outbreak

With this circular the additional fees will be charged for late filing during the moratorium period from 01/04/2020 to 30/09/2020 in respect of any documents. The mandatory holding of meetings of the Board of Companies are also extended by a period of 60 days. Newly incorporated companies are required to file declaration of commencement of business and are given an extension of additional 180 days for compliance. [Read More](#)

3. Modification in LLP settlement scheme 2020

In pursuance for taking necessary action to address COVID-19 threat and to reduce the burden of compliance the settlement scheme is modified. The para no 8 & 9 are modified with insertion of words “after 30th September 2020” also new para 8A is inserted modifying definitions, modes of payments, immunity etc. [Read More](#)

4. Companies Fresh Start Scheme, 2020

To give inactive and defaulting companies to start with clean state the Government has introduced a scheme Companies Fresh Start Scheme 2020 (CFSS-2020)

Eligibility – Any defaulting company/inactive company can file belated returns by paying normal fees applicable on filing of the returns.

It is pertinent to note that this scheme provides for immunity from launch of proceedings or prosecution on account of delay associated with certain filings. Also in case where prosecution(s) pending before adjudicating authorities shall be deemed to be completed without further action on the part of Designated Authority.

Scheme will not apply in following cases –

- Companies against which proceedings of striking off is initiated by Designated authority.
- Where the applicant has already made application for striking off of the company from ROC.
- Companies amalgamated under scheme of arrangement or compromise under the Act
- Application u/s 455 is already filed for obtaining Dormant Status
- Vanishing companies
- The application for increase of authorised capital is involved and also charge related documents

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5. DIN holders of DINs marked as ‘Deactivated’ due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as “ACTIVE non-compliant”

due to non-filing of Active Company Tagging Identities and Verification(ACTIVE) e-form are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5000/INR 10000 respectively.

6. Limit for filing claim as Operational Debtor under IBC increased from 1 Lac to 1 Crores;

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Miscellaneous updates

1. Dates for issue of notice, intimation, orders, filing of return, appeal, rollover of Capital Gains tax, STT, CTT, order including making Investments, dates under PMLA, etc. extended to 30/6/2020
2. Debit Card Holders allowed to withdraw cash from any ATM for 3 Months without additional charges
3. No charge for Minimum balance charge
4. Reduction of bank charges for e-payments
5. For all commerce related matters, Extension of time shall be allowed for procedural and eligibility timelines but not any modification of scheme guidelines.
6. Aadhar PAN linking date extended to 30/6/2020
7. During this period, Custom clearance till 30/6/2020 will operate 24/7 as essential service

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