

The Tax News

Monthly Newsletter for GST updates

D N A & Co.

Chartered Accountants

The Tax News

GST Updates.

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4 May 2020

From Partners' Desks

Dear *Readers,*

Hope you and your family are doing well and all your loved ones are safe and sound.

As you may be aware that the lockdown has been extended for two more weeks. This lockdown is generally being termed as "Lockdown 3.0". To curb the increasing spread of the Covid-19, the six-week lockdown, which was supposed to end on 03 May 2020, has been extended for another two weeks, with a few relaxations. The country has been divided into three zones Red, Orange and Green.



All the metro cities, including Delhi, Mumbai Bengaluru - have been designated as red zones where most curbs

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remain in place. The classification is made based on number of active coronavirus cases, and the increase in the rate of cases. We are also sharing the some general guidelines for prevention of increase in size of this pandemic.

We should also take a moment to thanks the frontline doctors, nurses and other medical community along with the armed forces & Government officials for their contribution during this pandemic.

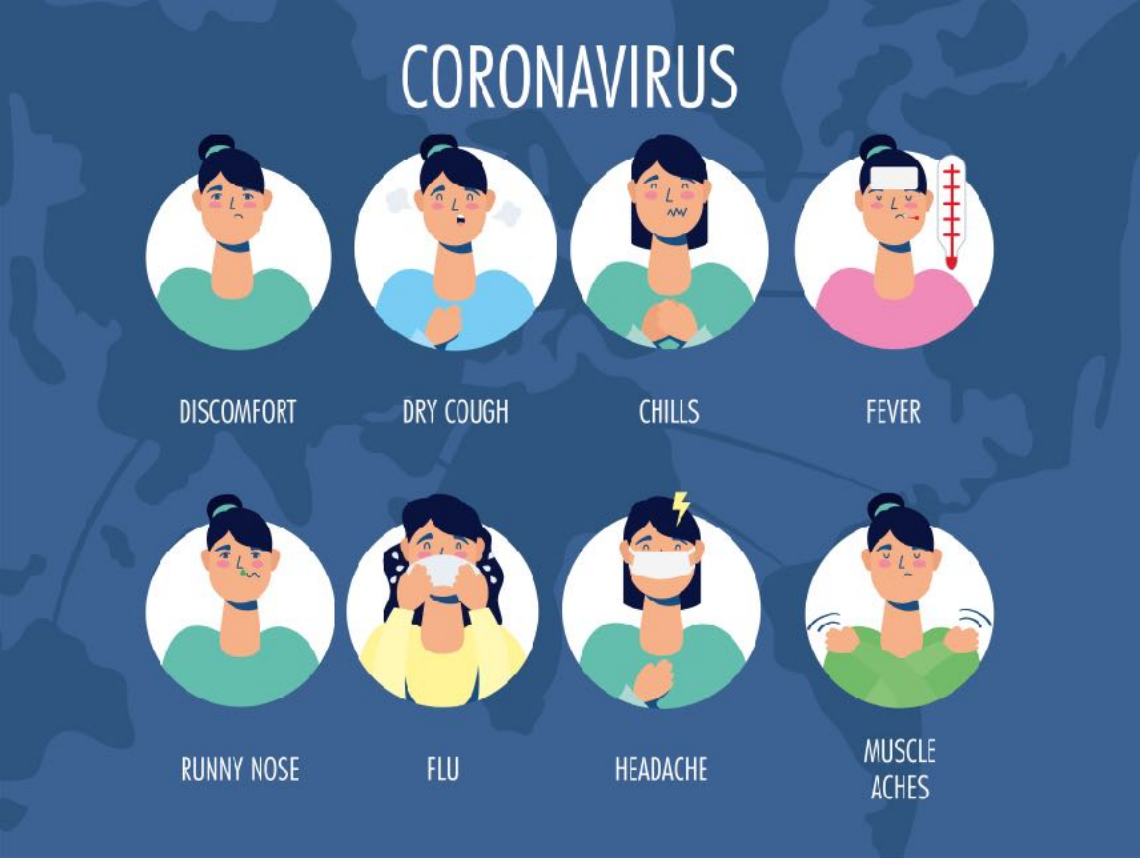
We, here at D N A, bring you the latest GST Tax News till 30 APR 2020. Various notifications and Circulars issued from the last issue of "The Tax News" till 30 APR 2020 have been compiled. Additionally, we have also provided the rates of TDS under Income Tax Act, 1961 applicable FY 2020-21, which might be helpful for you.

You can also contact us anytime regarding your any query/issues over email or phone.

Praying that we all emerge out of this situation and with good health.

Please take care, be Safe.

General Guidelines for Covid-19



CORONAVIRUS PREVENTION



CGST Notifications

1. As per Notification No. 30/2020 (CGST) dated 03.04.2020, amendment in the CGST Rules by CGST (Fourth Amendment) Rules, 2020 is made so as to allow taxpayers opting for the Composition Scheme for the financial year 2020-21 to file their option in FORM CMP-02 till 30.06.2020 and shall furnish the statement in FORM GST ITC-03 upto 31.07.2020. Cumulative application of the condition in rule 36(4) for the months of February, 2020 to August, 2020 in the return for tax period of September, 2020.
2. As per Notification No. 31/2020 (CGST) dated 03.04.2020, The rates of interest has been defined for the following tax period. The rates are as follows:

S No.	Class of Registered persons	Rate of Interest	Tax Period	Due Dates
1	Taxpayers having an aggregate turnover of rupees 5 crores in the preceding financial year	Nil for the first 15 days from the due date, 9 percent thereafter.	Feb'2020 to Apr'2020	On or before the 24th day of June 2020
2	Taxpayers having an aggregate turnover of more than rupees 1.5 crores and up to rupees five crores in the preceding financial year	Nil	Feb'2020 and Mar'2020	On or before the 29th day of June, 2020
			Apr'2020	On or before the 30th day of June, 2020
3	Taxpayers having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year	Nil	Feb'2020	On or before the 30th day of June, 2020
			Mar'2020	On or before the 3rd day of July, 2020
			Apr'2020	On or before the 6th day of July, 2020

3. As per Notification No. 32/2020 (CGST) dated 03.04.2020, late fee for delay in furnishing returns in FORM GSTR-3B for the tax periods of February, 2020 to April, 2020 is waived provided the return in FORM GSTR-3B by the date as specified in the above Notification.

4. As per Notification No. 33/2020 (CGST) dated 03.04.2020, late fee for delay in furnishing the statement of outward supplies in FORM GSTR-1 for taxpayers for the tax periods March, 2020 to May, 2020 and for quarter ending 31.03.2020 is waived if the same are furnished on or before 30th day of June, 2020.



5. As per Notification No. 34/2020 (CGST) dated 03.04.2020, due date of furnishing statement, containing the details of payment of self-assessed tax in FORM GST CMP08 for the quarter ending 31.03.2020 has been extended till the 07.07.2020 and filing FORM GSTR-4 for the financial year ending 31.03 2020 till the 15.07 2020.

6. As per Notification No. 35/2020 (CGST) dated 03.04.2020,

6.1. Where, any time limit for completion or compliance of any action, by any authority or by any person, which falls during the period from the 20.03 2020 to the 29.06.2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the 30.06.2020.

6.2. Where an e-way bill is generated and its validity expires during the period 20.03.2020 to 15.04.2020, then the validity of such e-way bill is extended to 30.04.2020.

7. As per Notification No. 36/2020 (CGST) dated 03.04.2020, last date for furnishing of GSTR-3B for the month of May, 2020 is extended in staggered manner:

<u>Class of registered persons</u>	<u>States</u>	<u>Due Date</u>
Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding	All	On or before 27.06.2020

Taxpayers having an aggregate turnover of upto rupees 5 crores in the preceding financial year	Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	On or before 12.07.2020
	Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	On or before 14.07.2020

8. The Notification No. 37/2020 (CGST) dated 28.04.2020, appoints 21.04.2020 as the date to give effect to the provisions of rule 87 (13) and FORM GST PMT-09 of the CGST Rules, 2017.

Circulars and Order

1. Circular No. 136/06/2020 (CGST) dated 03.04.2020, clarifies the issue:

1.1. Assesses who have opted to pay tax under composition scheme or those availing to pay tax under special composition scheme have been allowed to:

1.1.1.furnish the statement of details of payment of self-assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and

1.1.2.furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.

1.2. Assesses who want to opt composition scheme for the financial year 2020-21, have been allowed to:

1.2.1.file an intimation in FORM GST CMP-02 by 30.06.2020; and

1.2.2.furnish the statement in FORM GST ITC-03 till 31.07.2020.

1.3. The due dates for furnishing FORM GSTR-3B for the months of February, March and April, 2020 has not been extended but the rate of interest has been prescribed and late fees has been waived if returns are furnished by the prescribed dates.

1.4. Assesses who are required to deduct tax at source under section 51, Input Service Distributors and Non-resident Taxable persons have been allowed to furnish the respective returns for the months of March, 2020 to May, 2020 on or before the 30.06.2020.



1.5. Assesses who are required to collect tax at source under section 52, have been allowed to furnish the respective returns for the months of March, 2020 to May, 2020 on or before the 30.06.2020.

2. Circular No. 137/07/2020 (CGST) dated 13.04.2020, clarifies the issue:

2.1. An advance is received by a supplier for a service contract which subsequently got cancelled. The supplier has issued the invoice before supply of service and paid the GST thereon.

2.1.1. The supplier is required to issue a “credit note” in terms of section 34 of the CGST Act.

2.1.1.1. Details of such credit notes shall be declared in the return for the month during which such credit note has been issued.

2.1.1.2. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act.

2.1.1.3. No need to file a separate refund claim

2.1.2. In cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.

2.2. An advance is received by a supplier for a Service contract which got cancelled subsequently. The supplier has issued receipt voucher and paid the GST on such advance received.

2.2.1. He is required to issue a “refund voucher” in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules.

2.2.2. The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category “Refund of excess payment of tax”.

2.3. Goods supplied by a supplier under cover of a tax invoice are returned by the recipient.

2.3.1. The supplier is required to issue a “credit note” in terms of section 34 of the CGST Act.

2.3.1.1. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued.



2.3.1.2.The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act.

2.3.1.3.There is no need to file a separate refund claim in such a case.

2.3.2.In cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.

2.4.Letter of Undertaking (LUT) furnished for the purposes of zero-rated supplies has expired on 31.03.2020.

2.4.1.In terms of Notification No. 35/2020-Central Tax, time limit for filing of LUT for the year 2020-21 shall stand extended to 30.06.2020 and the taxpayer can continue to make the supply without payment of tax under LUT provided that the FORM GST RFD-11 for 2020-21 is furnished on or before 30.06.2020.

2.4.2.Taxpayers may quote the reference no of the LUT for the year 2019-20 in the relevant documents.

2.5.While making the payment to recipient, amount equivalent to one per cent was deducted as per the provisions Tax Deducted at Source.

2.5.1.As per notification No. 35/2020-Central Tax dated 03.04.2020, where the timeline for any compliance required falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020.

2.5.2.The due date for furnishing of return in FORM GSTR-7 along with deposit of tax deducted for the said period has also been extended till 30.06.2020 and no interest shall be leviable if tax deducted is deposited by 30.06.2020



2.6.As per section 54 (1), a person is required to make an application before expiry x two years from the relevant date. If in a particular case, date for making an application for refund expires on 31.03.2020, can such person make an application for refund before 29.07.2020?

2.6.1.As per notification No. 35/2020-Central Tax dated 03.04.2020, where the timeline for any compliance required as per sub-section (1) of section 54 falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020.

2.6.2.The due date for filing an application for refund falling during the said period has also been extended till 30.06.2020.

TDS Rates (IT)for FY 2020-21

<u>Nature of payment</u>	<u>Threshold Limit</u>	<u>Individual/ HUF Rates (%)</u>	<u>Company / Firm / LLP / Co-op Society / Local Authority Rates (%)</u>
192 - Salaries	Slab Rates	Slab Rates	Slab Rates
194C- Payment to Contractor - Single Transaction	30,000	1	2
194C-Payment to Contractor - Aggregate During the Financial year	1,00,000	1	2
194C- Contract - Transporter not covered under 44AE	30,000 / 75,000	1	2
194C- Contract - Transporter covered under 44AE & submit declaration on prescribed form with PAN	-	-	-
194H - Commission/ Brokerage	15,000	5	5
194I - Rent - Land and Building - furniture - fittings	2,40,000	10	10
194I - Rent - Plant/ Machinery/ equipment	2,40,000	2	2
194IA -Transfer of certain immovable property other than agriculture land	50,00,000	1	1
194IB - Rent - Land or building or both	50,000 per Month	5	-

<u>Nature of payment</u>	<u>Threshold Limit</u>	<u>Individual/ HUF Rates (%)</u>	<u>Company / Firm / LLP / Co-op Society / Local Authority Rates (%)</u>
194IC - Payment of Monetary consideration under Joint development agreement	-	10	10
194J - Professional Fees for technical services (w.e.f. from 1.4.2020)	30,000	2	2
194J - Professional Fees in all other cases	30,000	10	10
194K- Payment of any income in respect of Units of Mutual fund as per section 10(23D) or Units of administrator or from a specified company	-	10	10
194LA - TDS on compensation for compulsory acquisition of immovable Property	2,50,000	10	10
194M - Payment of Commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C, 194H, or 194J.	50,00,000	5	5
194O- Applicable for E-Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.	-	1	1

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Our Presence

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Disclaimer: The above updates have only been compiled. For any detailed clarifications, one may refer to exact notification, circulars and relevant judgements, orders. For any other clarifications/ help, Kindly contact us for the complete analysis.