

NewsBites

Twenty-Seventh Edition

Greetings!

We are delighted to present our NewsBites for the month of June 2020. This News Bites intends to give an overview of what is happening in the sphere of direct and indirect taxation, audit and assurance, GST and Secretarial Compliances in the industry. We hope you find this useful.

For any feedback you can reach to us at info@sanca.in

Best Regards,
S A N & CO.
Chartered Accountants

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Income Tax

Government further extends tax compliance deadlines:

The extensions have been granted in order to provide further relief to the taxpayers for making various compliances,” the Central Board of Direct Taxes (CBDT) said in a notification dated June 24.

- Original as well as revised income-tax (IT) returns for the FY 2018-19 or assessment year 2019-20 can be filed by **July 31, 2020**.
- Returns of income required to be filed by July 31, and October 31, can be filed to **November 30**, since due date for IT return for the FY 2019-20 or assessment year 2020-21 has been extended to November 30, 2020. Therefore, tax audit report can be furnished by October 31, 2020.
- Self-assessment tax with liability up to Rs. 1 Lakh can be paid till November 30, but no extension has been granted to those having liability of over Rs. 1 lakh, and delayed payment would attract the applicable rate of interest. This will provide relief to small and middle class taxpayers,
- Taxpayers can make investments in various savings instruments such as National Savings Certificate, Public Provident Fund, National Pension Scheme, mediclaim insurance schemes and donations for income tax rebate for FY 2019-20, till **July 31**. The earlier deadline was June 30.
- Deadlines for tax deducted at source (TDS) and tax collected at source (TCS) statements and certificates for FY 2019-20, have been extended till **July 31** and **August 15**, respectively. The statements and certificates are needed by taxpayers to prepare IT returns.
- The date for passing of order or issuance of notice by the authorities and various compliances under various direct taxes and Benami Law which are required to be passed or issued by December 31, 2020 has been extended to **March 31, 2021**.
- The reduced rate of interest of 9% for delayed payments of taxes, levies, etc. shall not be applicable for the payments made after **June 30, 2020**.

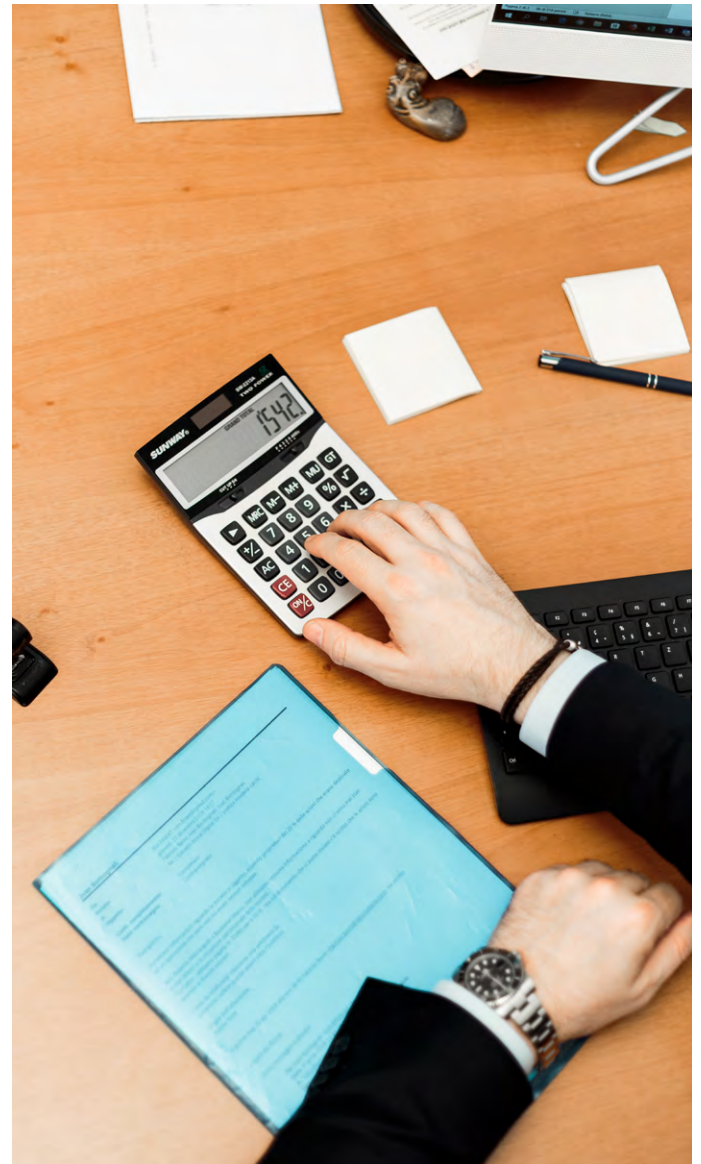


New Registration Regime for Charitable & Religious Trusts & Institutions:

In order to claim the benefit that its income is not included in total income, Charitable & Religious Trusts and Institutions are required to obtain registration under section 12AA of the Income Tax Act, 1961 (hereinafter called 'Act'). Prior to section 12AA coming into force, such trusts were required to obtain registration under section 12A. Recent amendments brought out by the Finance Act, 2020 in section 11(7), section 12A & insertion of new section 12AB have changed the provisions of registrations in substantial manner. Hon'ble Finance Minister in her Budget Speech reiterated the fact of the new method of registration. The extract of her Budget Speech is reproduced below:

Further, in order to claim the tax exemption, the charity institutions have to be registered with the Income Tax Department. In the past, the process of the registration was completely manual and scattered all over the country.

In order to simplify the compliance for the new and existing charity institutions, department propose to make the process of registration completely electronic under which a unique registration number (URN) shall be issued to all new and existing charity institutions.



Goods & Services Tax

Extension in GST Due Dates and Relief Measures for taxpayers under GST due to COVID-19 pandemic

In response to outbreak of Covid-19 pandemic, the government has issued various notifications extending certain due dates under GST and granting relief to taxpayers in terms of waiver of interest cost on delayed payment of tax and late fees on late filing of returns. The analysis of all such relief granted by the government to the taxpayers in a summarized manner is as under:

Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY:

Tax Period	Due date	Extended Due Date	Interest			Late fees waived if return filed on or before*#
			No interest payable till	Interest payable @ 9% p.a. from & till	Interest payable @ 18% p.a. from	
Feb., 2020	20th Mar., 2020	Not extended	4th Apr., 2020	5th Apr. to 24th June, 2020	25th June, 2020	24th June, 2020
Mar., 2020	20th Apr., 2020	Not extended	5th May, 2020	6th May to 24th June, 2020	25th June, 2020	24th June, 2020
Apr., 2020	20th May, 2020	Not extended	4th June, 2020	5th June to 24th June, 2020	25th June, 2020	24th June, 2020
May, 2020	20th June, 2020	27th June, 2020	27th June, 2020	NA	28th June, 2020	NA
June, 2020	20th July, 2020	Not extended	20th July, 2020	NA	21st July, 2020	NA
July, 2020	20th Aug., 2020	Not extended	20th Aug., 2020	NA	21st Aug., 2020	NA
Aug., 2020	20th Sep., 2020	Not extended	20th Sep., 2020	NA	21st Sep., 2020	NA



Taxpayers having turnover up to Rs. 5 Cr. in P.Y.

Tax Period	Due date	Extended Due Date	Interest			Late fees waived if return filed on or before*#
			No interest payable till	Interest payable @ 9% p.a. from & till	Interest payable @ 18% p.a. from	
Feb., 2020	22nd Mar., 2020	Not extended	30th June, 2020	1st July to 30th Sep., 2020	1st Oct., 2020	30th June, 2020
Mar., 2020	22nd Apr., 2020	Not extended	3rd July, 2020	4th July to 30th Sep., 2020	1st Oct., 2020	03rd July, 2020
Apr., 2020	22nd May, 2020	Not extended	6th July, 2020	7th July to 30th Sep., 2020	1st Oct., 2020	06th July, 2020
May, 2020	22nd June, 2020	12th July, 2020	12th Sep., 2020	13th Sep. to 30th Sep., 2020	1st Oct., 2020	12th Sep., 2020
June, 2020	22nd July, 2020	Not extended	23rd Sep., 2020	24th Sep. to 30th Sep., 2020	1st Oct., 2020	23rd Sep., 2020
July, 2020	22nd Aug., 2020	Not extended	27th Sep., 2020	28th Sep. to 30th Sep., 2020	1st Oct., 2020	27th Sep., 2020
Aug., 2020	24th Sep., 2020	1st Oct., 2020	1st Oct., 2020	NA	2nd Oct., 2020	NA

Late filing fees:

If the GSTR-3B is filed after the dates prescribed for waiver of late fees but on or before 30th Sep, 2020, then the late fees will be levied as under:

Tax Period	Taxpayer	Tax liability for the month	Late Fees for the month
Feb., 2020 to July, 2020	All taxpayers	NIL	NIL
		Other than NIL	Rs. 50 per day (Rs. 25 CGST and Rs. 25 SGST) subject to maximum Rs. 500 (Rs. 250 CGST and Rs. 250 SGST)

Goods & Services Tax

Sample Calculation of Interest:

The calculation of interest for delayed filing of return for the month of March 2020 for a taxpayer whose aggregate turnover for the preceding financial year was up to Rs. 5 crores and for whom the due date of filing was 22nd April 2020 is as under:

Tax Period	Rate of interest	Date of filing GSTR-3B	No. of days of delay	Interest
March 2020	Nil till the 3rd day of July 2020, and 9% p.a. thereafter till the 30th day of September 2020 and 18% p.a. thereafter	24.06.2020	63	NIL
		22.09.2020	153	NIL for 72 days, thereafter interest rate @9% p.a. for 81 days
		30.10.2020	191	NIL for 72 days, thereafter interest rate @9% p.a. for 89 days and interest rate @18% p.a. for 30 days

GSTR 1:

Tax Period (M=Monthly Filers, Q=Quarterly Filers)	Due Date	Extended due date	Late fees waived if return filed on or before#
Feb., 2020 (M)	11th Mar., 2020	Not extended	NA
Mar., 2020 (M)	11th Apr., 2020	Not extended	10th July, 2020
Jan. to Mar., 2020 (Q)	30th Apr., 2020	Not extended	17th July, 2020
Apr., 2020 (M)	11th May., 2020	Not extended	24th July, 2020
May., 2020 (M)	11th June, 2020	Not extended	28th July, 2020
June, 2020 (M)	11th July, 2020	Not extended	5th Aug., 2020
Apr. to June, 2020 (Q)	31st July, 2020	Not extended	3rd Aug., 2020
July, 2020 (M)	11th Aug., 2020	Not extended	NA
Aug., 2020 (M)	11th Sep, 2020	Not extended	NA

Please note that late fees will not be levied only if the returns are filed on or before the dates prescribed as above. If the returns are filed after the dates prescribed, late fees will be levied and that too from the due date/ extended due date of the filing of the return.

Annual Return and GST Audit:

Form	Purpose	Tax Period	Due Date	Extended Due Date
GSTR-9	Annual Return	FY 2018-19	31st Dec., 2019	30th Sep., 2020
GSTR-9C	GST Audit	FY 2018-19	31st Dec., 2019	30th Sep., 2020

For Composition Taxpayers:

(a) Regarding returns:

Form	Purpose	Tax Period	Due Date	Extended Due Date
GST CMP-08	Quarterly statement for payment of self assessed tax	Jan. to Mar., 2020	18th Apr., 2020	7th July, 2020
GSTR-4	Annual return	FY 2019-20	30th Apr., 2020	15th July, 2020

(b) Regarding registration:

Form	Purpose	Tax Period	Due Date	Extended Due Date
GST CMP-02	Intimation to pay tax under section 10 (composition levy)	FY 2020-21	Prior to commencement of FY	30th June, 2020
GST ITC-03	Declaration for intimation of ITC reversal/ payment of tax on inputs held in stock, inputs contained in semi-finished and finished goods held in stock and capital goods under Section 18(4) of CGST Act, 2017 (i.e. on opting for composition levy)	As on 31st Mar., 2020	30th May, 2020	31st July, 2020

Relief to non-filers of GSTR 3B of previous months:

Tax Period	Period of filing the return	Interest	Late Fees
July, 2017 to Jan., 2020	Returns to be filed between 1st July, 2020 to 30th Sep., 2020	18% p.a. applicable on net liability	1. If there is no tax liability for the month 2. If there is a tax liability for the month
			NIL CGST Rs. 250/- & SGST Rs. 250/- for that month

The Companies Act, 2013

Scheme for relaxation of time for filling forms related to creation or modification of charges under the Companies Act, 2013:

MCA vide circular no. 23/2020 dated 17th June, 2020, allows companies to file their forms related to creation and modification of charge after providing following relaxation:

1. Applicability: The scheme shall be applicable in respect of filling of Form CHG-1 and Form CHG-9 by a company or charge holder, where date of creation / modification of charge:

- I. Is before March 01, 2020, but the timeline for filling such forms had not expired as on March 01, 2020;
- II. Falls on any date between March 01, 2020 to September 30, 2020.

2. Relaxation of time: relaxation is provided in following manner:

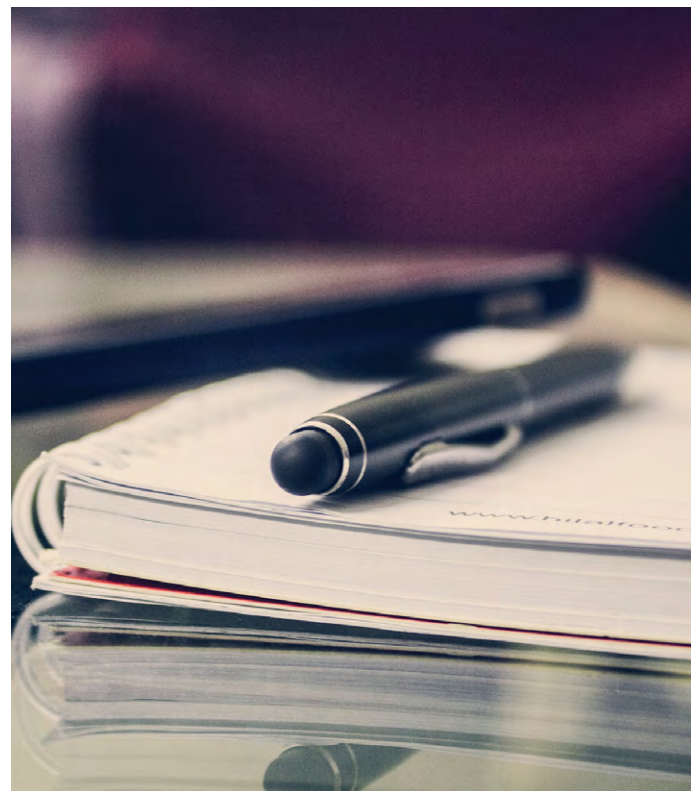
- I. In case the form is filled as per point 1(i) & 1(ii) above, the period from March 01, 2020 to September 30, 2020 shall not be considered while counting number of days under Section 77 and 78;

3. Applicable fees:

- I. If the form is filled between March 01, 2020 to September 30, 2020, the fees payable as on February 29, 2020 shall be levied;
- II. If the form is filled after September 30, 2020, the fees payable as on February 29, 2020 plus fees per day after September 30, 2020 to till the date of filling shall be levied.

4. Scheme shall not apply to following:

- I. Form CHG-1/Form CHG-9 has already been filed before the date of this circular;
- II. Timeline for filling these forms has already expired under Companies Act, 2013 as on March 01, 2020;
- III. Timeline for filing the form expires at a future date, despite the exclusion of relaxation period of March 01, 2020 to September 30, 2020.
- IV. Filling of Form CHG-4 for satisfaction of charge.





Period/days of extension for names reserved and resubmission of forms:

Ministry of Corporate Affairs has further allowed additional period on following secretarial activities:

1. Name reservation, for incorporation of new company or LLP or in case of change of name of existing LLP, expiring between 15th March, 2020 to 31st July, 2020 will be given **additional 20 days** after July 31, 2020.
2. Any SRN expiring between 15th March, 2020 to 31st July, 2020 will be given **additional 15 days** after July 31, 2020.
3. Name reservation, for change of name of existing company, expiring between 15th March, 2020 to 31st July, 2020 will be given **additional 60 days** after July 31, 2020.

Several relaxations in lieu of Covid-19:

Ministry of Corporate Affairs has notified further relaxation in respect to the matters in which relaxation was earlier provided:

1. Board Meetings:

MCA earlier allowed conducting of Board Meeting for approving of financial statement through Video Conferencing or other Audio-Visual means till June 30, 2020. Now this relaxation has been extended till September 30, 2020.

2. Passing of Ordinary / Special Resolution:

MCA has allowed companies to conduct their Extra ordinary general meeting through Video Conferencing or other Audio-Visual means or pass ordinary / special resolution through postal ballot up to September 30, 2020.



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