

# NEWSLETTER

**AJAY RATTAN & CO.**

CHARTERED ACCOUNTANTS

*Newsletter Date*

*July, 2020*

*Volume 10, Issue 7*



## IN THIS ISSUE

EDITORIAL	2-3
GST ARTICLE	4-7
COMPLIANCES	8-10
GST	11-14
INCOME TAX	15-20
OTHERS	21-22

## HAPPY CA DAY

1<sup>st</sup> JULY, 2020

## ADVISORY BOARD



CA. Ajay Aggarwal  
B.com. (Hons.), FCA, FCS, LLB  
DISA, Dip. (International taxation)  
Email ID: [ajay@ajayrattanco.com](mailto:ajay@ajayrattanco.com)  
Phone Number: 9810005583



CA. Varun Garg  
B.com. (Hons.), FCA  
Email ID : [varun@ajayrattanco.com](mailto:varun@ajayrattanco.com)  
Phone Number: 9023637000

## EDITORIAL BOARD

CA. Yamini Khola  
Manager (Direct Taxation)

Shimona Agrawal  
B.Com

CA. Gaurav Bansal  
Manager (Indirect Taxation)

Mahek Narang  
B.Com

## **EDITORIAL:**

Friends,

We are pleased to bring to you our latest addition of Newsletter containing salient features of amendments/ notifications announced in June, 2020.

The month of June, 2020 has been very challenging for all of us. The process of unlock – 1 was announced by Government of India. The businesses are trying to open their facilities amid rise in COVID-19 pandemic cases. The transportation is the biggest challenge for the working force due to chances of getting infected despite all safety measures being taken. In an important interim order regarding the case related to the payment of full wages during the lockdown period, the Supreme Court has asked the industrial establishments and workers to negotiate a settlement, while reiterating its earlier order that no coercive action should be taken against employers for non-payment of wages during the 50 days lockdown period.

### **Atma Nirbhar Bharat (Self-reliant India):**

A high level meeting to discuss ways to promote, including cut in import dependence, took place recently in the PMO. The Government has sought product-wise details of cheap imports, comparison with domestic prices and tax disadvantage, if any, from industry to curb low quality inbound shipments and boost domestic manufacturing.

### **Extension of last dates:**

The Government has acted wisely and responsibly and, has timely extended due dates for direct as well as indirect taxes. The businesses are trying to get on their feet amid crisis and the step of extending various due dates is a welcome step. It is felt that with extension of various due dates, the government should have forgone its love for interest income as it has still not waived it on late payment of various taxes.

### **Unsettling the settled:**

Every law takes time to settle down and establish itself. The Goods and Services Tax (GST) law is evolving with passage of time. However, with recent decisions, the settled provisions of GST have been unsettled:

- The controversy over taxability of Directors' Remuneration was ultimately settled by the Government through notification.
- Inclusion of interest income in aggregate turnover even for individuals not engaged in furtherance of business will open Pandora's box of cases.
- Recently, it has been upheld that selling of land after developing the drainage line, water line, electricity line, land levelling, telephone line etc. as per the requirement of the plan passing authority is not covered under Clause 5 of Schedule III of CGST Act, 2017 and accordingly will be liable to tax. It is to be seen, how the character of "sale of land" has changed after performing these activities.
- A domestic company buying goods from abroad and selling to another country will have to pay GST on such transactions even if the said products are not entering the Indian territory. It seems to be far stretched and will have to be resolved by the higher judiciary.

It will take time to understand and implement GST law, it seems.

### **Complicated filing process:**

Filing of income-tax returns (ITR) is an annual affair which is due soon. The government is stressing on simplified process and insisting that filing of ITR is user-friendly and simple. Recently, one Hon'ble Judge of Supreme Court has remarked that "***it took me one full day to file income-tax returns***" which is in contrast to the claims of government and needs its immediate attention.

***Hope you will find the reading insightful and informative.***

***Sincerely yours,***

***CA Ajay Aggarwal  
B. Com. (Hons), FCA, FCS, LLB  
DISA, Dip (International Taxation)***

CONCEPT OF SUPPLY UNDER GST  
(SECTION 7 of CGST Act' 2017)

Introduction:

The taxable event is the key point of any taxation system. It determines the point at which tax would be levied. Under GST, taxable event is "Supply", i.e. GST will be levied on "Supply" of Goods or Services or both.

Supply is defined under section 7 of the CGST Act, 2017 and it includes –

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

Analysis:

- Definition of "Supply" is an inclusive definition i.e. the modes of supply mentioned in Section 7(1)(a) are only examples and the list is not exhaustive.
- Essential ingredients of Supply:
  - Supply should be of Goods or Services or both; -
  - for a consideration;
  - in the course or furtherance of business.

(b) importation of services, for a consideration whether or not in the course or furtherance of business.

For Example: A Person has subscribed online videos for entertainment from Netflix at an agreed consideration of \$100. The import of service is supply under section 7(1)(b).

(c) the activities specified in Schedule I (Supply without consideration i.e. Deemed Supply), made or agreed to be made without a consideration.

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.

Example: Donation of Business assets to Charitable Organizations, Transfer of business assets for Personal Consumption etc.

2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business.

Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both (Employer and Employee are related persons in the purview of GST).

Example: Stock transfers or branch transfers between different locations (with separate GST registrations) of same legal entity shall qualify as Supply under GST.

3. Supply of goods (and not services) –
  - (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
  - (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
  
4. Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

7(1A) Activities or transactions to be treated as supply of Goods or supply of services (Schedule II)

- Transfer: Transfer of title in Goods to be treated as supply of goods but right to use of goods to be treated as supply of services.
- Land and Building: Lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly to be treated as supply of services.
- Treatment or Process: Job work services to be treated as supply of services.
- Transfer of Business Assets: Goods forming part of assets of a business are transferred or disposed off treated as supply of goods but right to use the assets are to be treated as supply of services. Example: A director using car provided by the company for personal travels.
- Renting of immovable property: treated as supply of services.
- Construction of complex, building, civil structure, etc.: Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier, to be treated as Supply of services.
- Temporary transfer or permitting use or enjoyment of any Intellectual Property Right (IPR): treated as Supply of Services
- Development, design, programming, customization, adaptation, upgradation, enhancement, implementation of Information Technology Software is a supply of service.

- Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act is a supply of service.

7(2) Notwithstanding anything contained in sub-section (1):

(a) Activities/ transactions specified under Schedule III of the CGST Act treated as neither supply of goods or services or both:

- Services by an employee to the employer in the course of or in relation to his employment.
- Services by any Court or Tribunal established under any law for the time being in force.
- Functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities.
- Duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.
- Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- Sale of an immovable property, subject to paragraph 5(b) of Schedule II.
- Actionable claims, other than lottery, betting and gambling.
- Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
- Supply of warehoused goods to any person before clearance for home consumption.
- Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

(b): Activities/ Transactions notified by the Government to be treated neither as supply of goods nor services.

Such activities/ transactions undertaken by the Central Government, a State Government or Union Territory or any Local Authority in which they are engaged as public authorities, as may be notified by the government on the recommendations of the Council shall be treated neither as supply of goods nor supply of services.

Using this power, following activities have been notified which shall be treated neither as supply of goods nor supply of services:

- (i) Services provided by Central Government, State Government, Union territory or any local authority by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the constitution or to a Municipality under article 243W of the constitution.
- (ii) Service provided by State Government by way of grant of alcoholic liquor license, against consideration in the form of license fee or application fee or by whatever name it is called. This special dispensation applies only to supply of service by way of grant of liquor licenses by the State Governments as an agreement between the Centre and States and has no applicability or precedence value in relation to grant of other licenses and privileges for a fee in other situations, where GST is payable.

Circulars/ Clarifications issued in relation to scope of Supply under GST:

- 1) Levy of GST on the Director's Remuneration if such director is not an employee of the company i.e. independent directors or if such director is an employee but the TDS liability is deducted as per Section 194J and not 192 of the IT Act, 1961 (Circular No. 140/10/2020-CGST, dated 10.06.2020).
- 2) Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organizations receiving donation or gifts from individual donors (Circular No. 116/35/2019-CGST, dated 11.10.2019).
- 3) GST will be levied on supply of goods (not services) by the principal to an agent and vice versa if the invoice for further supply of goods is being issued by an agent. (Circular No. 57/31/2018-CGST, dated 04.09.2018).
- 4) GST will be levied on supply of securities under Securities Lending Scheme, 1997, the borrower needs to discharge the tax liability under RCM (Circular No. 19/38/2019-GST, dated 11.10.2019).
- 5) GST will not be levied on inter state movement of various modes of conveyance, carrying goods or passengers or for repair and maintenance (Circular No. 01/01/2017-IGST, dated 07.07.2017).

## COMPLIANCES-JULY 2020

Compliance Due Date	Reporting Period	Compliance Detail	Applicable On
3rd July	March 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Maharashtra, Madhya Pradesh, Gujarat, Karnataka, Goa, Kerala, Tamil Nadu, Puducherry, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Andaman and Nicobar Islands, Telangana, Lakshadweep
5th July			All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state
6th July			April 2020



7th July	January-March 2020	CMP – 08 (Statement-cum-challan for composition dealer)	Composition dealer
	June 2020	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
9th July	April 2020	GSTR-3B (Summary return)	All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state
10th July	March 2020	GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 1.5 crore
15th July	June 2020	Deposit of PF & ESI contribution	All Deductors
	FY 2019-20	GSTR 4 (Annual Return for composition dealer)	Composition dealer
		Annual Return on Foreign Assets & Liabilities (FLA)	Indian companies having Foreign Direct Investment (FDI)
	April-June 2020	Quarterly statement of TCS deposited	All Collectors
17th July	January-March 2020	GSTR-1 (Outward supply return)	Taxable persons having turnover < Rs. 1.5 crore
20th July	June 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20

<b>24th July</b>	<b>April 2020</b>	<b>GSTR-1 (Outward supply return)</b>	<b>Taxable persons having turnover &gt; Rs. 1.5 crore</b>
<b>28th July</b>	<b>May 2020</b>		
<b>31st July</b>	<b>January-March 2020</b>	<b>Quarterly statement of TDS/TCS deposited</b>	<b>All Deductors /Collectors</b>
		<b>Quarterly Financial Results under Regulation 33 of SEBI LODR Regulations.</b>	<b>Listed Companies</b>
	<b>FY 2019-20</b>	<b>Annual Financial Results under SEBI LODR Regulations.</b>	
		<b>Annual Secretarial Compliance report.</b>	
	<b>April-June 2020</b>	<b>Quarterly statement of TDS deposited</b>	<b>All Deductors</b>
	<b>FY 2018-19</b>	<b>Income Tax Return (ITR)</b>	<b>All Assessees</b>



## **GST Compliance Calender July'2020**

### **GSTR-3B**

**(If Turnover more than Rs. 5 Crore)**

Tax Period	Original Due Date	Revised Due Date	No Late Fees**	No Interest	Interest rate @ 9%	Interest rate @ 18%
February'2020	20.03.2020	24.06.2020	No late fees till 24.06.2020	Till 04.04.2020	05.04.2020 to 24.06.2020	From 25.06.2020 i.e. if return filed after 24.06.2020
March'2020	20.04.2020	24.06.2020		Till 05.05.2020	06.05.2020 to 24.06.2020	
April'2020	20.05.2020	24.06.2020		Till 04.06.2020	20.05.2020 to 24.06.2020	
May'2020	27.06.2020	NA			After 27.06.2020	
June'2020	20.07.2020				After 20.07.2020	
July'2020	20.08.2020				After 20.08.2020	
August'2020	20.09.2020				After 20.09.2020	

\*\*Maximum late fees shall be levied Rs. 250 per act i.e. Rs. 250 (CGST) & Rs. 250 (SGST) for the months of February'2020 to July,2020.

(As amended by N.N. 52/2020-CT dated 24th June,2020 & N.N. 57/2020-CT dated 30th June,2020)

**(If Turnover upto Rs. 5 Crore- Category 1\*)**

Tax Period	Original Due Date	Revised Due Date	No Late Fees**	No Interest	Interest rate @ 9%	Interest rate @ 18%
February'2020	22.03.2020	30.06.2020	30.06.2020	30.06.2020	01.07.2020-30.09.2020	From 01.10.2020 i.e. if return filed after 30.09.2020
March'2020	22.04.2020	03.07.2020	03.07.2020	03.07.2020	04.07.2020-30.09.2020	
April'2020	22.05.2020	06.07.2020	06.07.2020	06.07.2020	07.07.2020-30.09.2020	
May'2020	12.07.2020	12.09.2020	12.09.2020	12.09.2020	13.09.2020-30.09.2020	
June'2020	22.07.2020	23.09.2020	23.09.2020	23.09.2020	24.09.2020-30.09.2020	
July'2020	22.08.2020	27.09.2020	27.09.2020	27.09.2020	28.09.2020-30.09.2020	
August'2020	22.09.2020	01.10.2020	01.10.2020	01.10.2020	NA	

- ❖ Category 1\* States: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.
- ❖ \*\*Maximum late fees shall be levied Rs. 250 per act i.e. Rs. 250 (CGST) & Rs. 250 (SGST) for the months of February'2020 to July,2020.
- ❖ (As amended by N.N. 52/2020-CT dated 24th June,2020 & N.N. 57/2020-CT dated 30th June,2020)

**(If Turnover upto Rs. 5 Crore- Category 2\*)**

Tax Period	Original Due Date	Revised Due Date	No Late Fees	No Interest	Interest rate @ 9%	Interest rate @ 18%
February'2020	24.03.2020	30.06.2020	30.06.2020	30.06.2020	01.07.2020-30.09.2020	From 01.10.2020 i.e. if return filed after 30.09.2020
March'2020	24.04.2020	05.07.2020	05.07.2020	05.07.2020	06.07.2020-30.09.2020	
April'2020	24.05.2020	09.07.2020	09.07.2020	09.07.2020	10.07.2020-30.09.2020	
May'2020	14.07.2020	15.09.2020	15.09.2020	15.09.2020	16.09.2020-30.09.2020	
June'2020	24.07.2020	25.09.2020	25.09.2020	25.09.2020	26.09.2020-30.09.2020	
July'2020	24.08.2020	29.09.2020	29.09.2020	29.09.2020	29.09.2020-30.09.2020	
August'2020	24.09.2020	03.10.2020	03.10.2020	03.10.2020	NA	After 03.10.2020

- ❖ **Category 2\* States:** Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.
- ❖ **\*\*Maximum late fees shall be levied Rs. 250 per act i.e. Rs. 250 (CGST) & Rs. 250 (SGST) for the months of February'2020 to July,2020.**
- ❖ **(As amended by N.N. 52/2020-CT dated 24th June,2020 & N.N. 57/2020-CT dated 30th June,2020)**

## GSTR-1

Tax period	Original Due Date	Revised Due Date	No Late Fees If return filed by
March'2020	11.04.2020	10.07.2020	10.07.2020
April'2020	11.05.2020	24.07.2020	24.07.2020
May'2020	11.06.2020	28.07.2020	28.07.2020
June'2020	11.07.2020	05.08.2020	05.08.2020
Jan'2020 to March'2020	30.04.2020	17.07.2020	17.07.2020
April'2020 to June'2020	31.07.2020	03.08.2020	03.08.2020

## Notifications/ Circulars issued in June' 2020

- **Waiver of Late fees for past returns:** The late fees have been waived for the registered person who failed to furnish the return in FORM GSTR-3B for the months of July, 2017 to January, 2020, by the due date but furnishes the said return between the period from 01st July, 2020 to 30th September, 2020. The late fees have been **waived off fully for the Nil return and for other than nil return, the maximum late fees of Rs. 250/- each under CGST and SGST/ UTGST per return period** (N.N.52/2020-CT dated 24.06.2020).
- **EVC:** Following proviso is added in Rule 26(1), which states that a registered person shall be allowed to furnish the Form GSTR-3B and Form GSTR-1 during the period from the 21<sup>st</sup> day of April, 2020 to the 30<sup>th</sup> day of September' 2020 verified through Electronic Verification Code (EVC). These rules may be called as CGST (Sixth Amendment) Rules, 2020 and shall come into force on 27<sup>th</sup> day of May, 2020.
- **SMS Facility:** Nil statement in Form GSTR-1 and GSTR-3B can now be filed via SMS from the 1<sup>st</sup> week of July' 2020 and from 8<sup>th</sup> June' 2020 respectively. (N.N. 44/2020-CT dated 08.06.2020)
- **E-Way Bill:** Where an e-way bill has been generated under rule 138 of the CGST Rules, 2017 on or before the 24<sup>th</sup> March' 2020 and whose validity has expired on or before the 20<sup>th</sup> day of March, 2020, the validity period of such e-way bill shall be deemed to have been extended till 30<sup>th</sup> June, 2020 (The Effective date of notification shall be 31<sup>st</sup> May, 2020) (N.N. 47/2020-CT dated 09.06.2020)

- **Other Adjudication Matters:** (i) extends all the time limits to 31<sup>st</sup> August, 2020 which falls during the period from 20<sup>th</sup> day of March, 2020 to the 29<sup>th</sup> day of June, 2020 for the purpose of:
  - (a) completion of any proceeding or passing of any order or issuance of any notice, Intimation, notification, sanction or approval or such other action; or
  - (b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the Acts stated above.  
(N.N. 55/2020-CT dated 27<sup>th</sup> June,2020)
- **Recent changes in respect of Section 54(5) and (7) of CGST Act' 2017:** Amendment made in N.N. 46/2020-CT dated 09<sup>th</sup> June, 2020 in respect of refund order date falling between 20<sup>th</sup> March to 30<sup>th</sup> August, 2020, in that case refund order can be issued within 75 days (i.e. 60 + 15 Days) of receipt of reply of notice or 31<sup>st</sup> August, 2020, whichever is later (N.N.56/2020 dated 27<sup>th</sup> June,2020).
- **UT Merger:** Extension of date for transition under GST on account of merger of erstwhile Union Territories of Daman and Diu & Dadar and Nagar Haveli till 31<sup>st</sup> July, 2020 (N.N. 45/2020-CT dated 09.06.2020).
- **Composition Dealer:** Amendment made in rates prescribed for the registered persons opting for the composition scheme through Seventh Amendment Rules' 2020 (N.N.50/ 2020 - CT dated 24.06.2020):

Category of Registered persons	Rate of Tax
<b>Manufacturers</b> , other than manufacturers of such goods as may be notified by the Government (i.e. other than ice cream, pan masala, tobacco and cold drinks)	(0.5% + 0.5%) = 1% of the turnover in the State or Union Territory
Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II [i.e. supply by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink] <b>[Restaurant &amp; Outdoor Catering Services]</b>	(2.5% + 2.5%) = 5% of the turnover in the State or Union Territory
Any other supplier eligible for composition levy under section 10 of CGST Act and Chapter-II [Composition Rules] of Central Goods and Services Tax (CGST) Rules, 2017 <b>[i.e. Traders]</b>	(0.5% + 0.5%) = 1% of the turnover of taxable supplies of goods and services in the State or Union Territory
Registered persons <b>not eligible</b> under the composition levy under sub-sections (1) and (2), <b>but eligible to opt to pay tax under sub-section (2A)</b> of section 10	(3% + 3%) = 6% of the turnover of taxable supplies of goods and services in the State or Union Territory



**Due to COVID-19, Further extensions have been made for the due dates by the Ministry of Finance pertaining to Direct Taxes vide Notification No. 35/2020[F.No.370142/23/2020-TPL]/SO2033(E), dated 24.06.2020 that shall come into force from 30.06.2020:**

<b>S. No.</b>	<b>Particulars</b>	<b>Existing Compliance Date</b>	<b>Extended Date</b>
1.	Filing of belated or revised income tax return u/s 139 for A.Y. 2019-20	30 <sup>th</sup> June, 2020	31 <sup>st</sup> July, 2020
2.	Filing of income tax return u/s 139 for A.Y. 2020-21 (For the purpose of interest u/s 234A, in case where tax payable exceeds Rs. 1 Lakh, the extended due date shall not be considered)	31 <sup>st</sup> July 2020/ 30 <sup>th</sup> September 2020/ 30 <sup>th</sup> November 2020 (It was declared vide Press Release dated 13.05.2020 that these dates shall be extended to 30 <sup>th</sup> November 2020)	30 <sup>th</sup> November 2020 (Notified now)
3.	Filing of TDS or TCS return for 4 <sup>th</sup> Quarter of F.Y. 2019-20 (For non-government entities)	30 <sup>th</sup> June 2020	31 <sup>st</sup> July 2020
4.	Furnishing of Tax Audit Report for F.Y. 2019-20	30 <sup>th</sup> September 2020	31 <sup>st</sup> October 2020
5.	Issuance of Form 16 for F.Y. 2019-20 to employees	30 <sup>th</sup> June 2020	15 <sup>th</sup> August 2020
6.	Time limit for making investments u/s 54 to 54GB* to claim capital gains exemption during A.Y. 2020-21 *In the ordinance, the time limit was extended for Section 54 to 54GB, however, in the Notification, a typographical error appears as instead of terms "54 or 54GB" have been mentioned	30 <sup>th</sup> June, 2020	30 <sup>th</sup> September 2020

7.	Time limit for making compliance to claim Chapter-VIA deductions for A.Y. 2020-21	30 <sup>th</sup> June 2020	31 <sup>st</sup> July 2020
8.	Time limit to file declaration under the Direct Tax Vivad Se Vishwas Scheme, 2020 (However, the date for making payment without the additional amount under the DTVV Scheme which was required to be extended to 31 <sup>st</sup> December, 2020 as per the <b>press release dated 13.05.2020</b> has still not been amended vide this notification)	31 <sup>st</sup> December 2020 (as per the press release dated 13.05.2020)	31 <sup>st</sup> December 2020 (Notified now)
9.	Time limit for completion of any proceedings under the Income Tax Act, 1961 including assessment proceedings which fall within the period 20 <sup>th</sup> March, 2020 to 31 <sup>st</sup> December, 2020	30 <sup>th</sup> June 2020	31 <sup>st</sup> March 2021
10.	Aadhar-PAN linking	30 <sup>th</sup> June 2020	31 <sup>st</sup> March 2021

**Central Board of Direct Taxes (CBDT) notifies Income-tax Return (ITR) forms for FY 2019-20 (Assessment Year 2020-21)**

CBDT vide notification dated 29th May 2020 has notified following ITR forms for the FY 2019-20, corresponding to Assessment Year (AY) 2020-21.

ITR Form	Who can file	Who cannot file
ITR-1 (SAHAJ)	Resident taxpayers (ordinarily residents – ROR) having: <ul style="list-style-type: none"> <li>Total income &lt; INR 50 Lakh;</li> <li>Income from salaries;</li> <li>Income from 1 house property.</li> <li>Income from other sources.</li> <li>Agriculture income &lt; INR 5,000</li> </ul>	Following individuals having and/or: Total Income > INR 50 Lakh; <ul style="list-style-type: none"> <li>Director in a company;</li> <li>Who held any unlisted equity shares at any time during the previous FY;</li> <li>Resident but not ordinary resident (RNOR) and Non-resident (NR);</li> <li>More than 1 house property;</li> <li>Brought forward loss or loss to be carried forward under any head of income;</li> <li>Income from lotteries, horse races;</li> <li>Capital gain or business/profession income;</li> <li>Agriculture income &gt; INR 5,000;</li> <li>An asset/signing authority in any account located outside India/ income from any source outside India, or</li> </ul>



		<ul style="list-style-type: none"> <li>• Claimed relief under Double Taxation Avoidance Agreement (DTAA), or</li> <li>• Dividend income &gt; INR 10 Lakh subject to tax u/s</li> <li>• 115BBDA</li> </ul>
<b>ITR-2</b>	<p>Taxpayers (being Individuals and Hindu Undivided Families (HUFs) having:</p> <ul style="list-style-type: none"> <li>• Income from salary or family pension;</li> <li>• Income from house property (1 or more house property);</li> <li>• Income from capital gain;</li> <li>• Income from other source (Including lottery, horse races);</li> <li>• Agriculture income &gt; INR 5,000;</li> <li>• Foreign assets/ Foreign income;</li> <li>• Director in a company;</li> <li>• Any unlisted equity shares at any time during the financial year;</li> <li>• RNOR and NR;</li> <li>• Who has dividend income &gt; INR 10 Lakh subject to tax u/s 115BBDA</li> </ul>	<p>Individuals and HUFs:</p> <ul style="list-style-type: none"> <li>• Having income from Business or Profession;</li> <li>• Individuals who are eligible to file ITR-1 Form</li> </ul>
<b>ITR-3</b>	<p>Taxpayers [being individuals, HUFs and partner in a partnership/ limited liability partnership (LLP) firm] having:</p> <ul style="list-style-type: none"> <li>• Income from business or profession;</li> <li>• Return may include income from salary/pension, house property, capital gain and income from other source.</li> </ul>	<p>Individuals and HUFs:</p> <ul style="list-style-type: none"> <li>• Who are eligible to file ITR-4 (SUGAM) form i.e. presumptive business or profession income</li> </ul>

<p><b>ITR-4 (SUGAM)</b></p>	<p>Resident taxpayers (being individuals, HUFs and firms other than LLP) having:</p> <ul style="list-style-type: none"> <li>• Total income from business and/or profession &lt; INR 50 Lakh computed u/s 44AD or 44ADA or 44AE of the Income Tax Act, 1961 (the Act) relating to presumptive taxation;</li> <li>• Income from salary;</li> <li>• Income from one house property;</li> <li>• Income from other sources</li> </ul>	<p>Following taxpayers having and/or: Total income more INR 50 Lakh;</p> <ul style="list-style-type: none"> <li>• Director in a company;</li> <li>• Any unlisted equity shares at any time during the financial year;</li> <li>• RNOR and NR;</li> <li>• More than 1 house property;</li> <li>• Brought forward loss or loss to be carried forward under any head of income;</li> <li>• Income from lotteries, horse races;</li> <li>• Income from capital gain;</li> <li>• Agriculture income &gt; INR 5,000;</li> <li>• An asset/signing authority in any account located outside India/ any income from any source outside India;</li> <li>• Claimed relief under DTAA;</li> <li>• Dividend income &gt; INR 10 lakh subject to tax u/s 115BBDA</li> </ul>
<p><b>ITR-5</b></p>	<p>Following taxpayers:</p> <ul style="list-style-type: none"> <li>• Partnership firms;</li> <li>• LLPs;</li> <li>• AOPs (Association of persons) &amp; BOIs (Body of Individuals);</li> <li>• Artificial judicial person;</li> <li>• Co-operative society;</li> <li>• Local authority</li> </ul>	<p>Following taxpayers:</p> <ul style="list-style-type: none"> <li>• Individuals</li> <li>• HUFs</li> <li>• Company</li> <li>• Person filing form ITR-7</li> </ul>
<p><b>ITR-6</b></p>	<p>Companies</p>	<p>Companies having income from property held for charitable or religious purpose and claiming exemption u/s 11 of the Act</p>
<p><b>ITR-7</b></p>	<p>Applicable on return to be filed:</p> <ul style="list-style-type: none"> <li>• u/s 139(4A) of the Income-tax Act (Act) by charitable or religious trust</li> <li>• u/s 139(4B) by political party</li> <li>• u/s 139(4C) of the Act by scientific research association/ news agency /hospitals etc.</li> <li>• u/s 139(4D) of the Act by university, college, other institute which is not required to furnish return under any other provision of this act</li> <li>• u/s 139(4E) of the Act by every business trust which is not required to furnish return under any other provision of this act</li> <li>• u/s 139(4F) of the Act by investment fund which is not required to furnish return under any other provision of this act.</li> </ul>	<p>Taxpayers filing form ITR 1 to 6</p>

**THE KEY CHANGES IN ITR FORMS COMPARED TO LAST YEAR ARE CAPTURED BELOW:**

Particulars/ITR Schedule	Key Changes
<b>Interchangeability of Permanent Account Number (PAN) and Aadhaar number</b>	Aadhaar number can be quoted instead of PAN and/or tax deduction account number (TAN) in case of following individuals: <ul style="list-style-type: none"> <li>• An individual taxpayer not having PAN but filing ITR</li> <li>• Details of tenant(s) in case of let-out property</li> <li>• Individual owner / co-owners of house property</li> <li>• The auditor while furnishing audit information in ITR-3, ITR-5, ITR-6 and ITR-7</li> <li>• Resident shareholders / key management personnel (KMP)</li> <li>• Details of buyer of an immovable property</li> </ul>
<b>Part A - General information [for individuals required to file ITR under seventh proviso to section 139(1) of the Act i.e. they qualify as high spender]</b>	The following information in relation to deposit/spend needs to be provided: <ul style="list-style-type: none"> <li>• Details of deposit exceeding INR 1 Cr. in one or more current account(s)</li> <li>• Details of foreign travel expenditure exceeding INR 2 Lakh for self or for any other person</li> <li>• Details of electricity expenses exceeding INR 1 Lakh</li> </ul>
<b>Part A - General (filing status)</b>	<ul style="list-style-type: none"> <li>• In case of defective return being modified, the receipt number and date of filing original return needs to be provided</li> <li>• The taxpayer will have to provide the unique number/the documentation identification number (DIN) if the income-tax return is filed in response to a notice / an order under section 139(9) / 142(1) / 148 / 153A / 153C /119(2)(b) of the Act</li> </ul>
<b>Details of bank account of NR for refund</b>	Now there is a separate table to disclose following bank account details in case of NR who is claiming tax refund and does not have bank account in India. <ul style="list-style-type: none"> <li>• SWIFT Code</li> <li>• Name of the Bank</li> <li>• Country of Location</li> <li>• IBAN (bank a/c no.)</li> </ul>
<b>Details of multiple bank accounts for refund</b>	Assessee may select multiple bank accounts for tax-refund. The Central Processing Centre (CPC) will credit the refund to any one of selected bank accounts.
<b>Audit Information</b>	The following details need to be reported: <ul style="list-style-type: none"> <li>• Whether the taxpayer is declaring only presumptive income u/s 44AD/44AE/44ADA/44B/44BB/44BBA/44BBA?</li> <li>• If no, whether during the year total sales / turnover / gross receipt of business exceeds INR 1 Crore but does not exceed INR 5 Crore?</li> <li>• If yes, whether total amount received in cash during the year does not exceed 5% of total amount received?</li> <li>• whether total amount paid in cash during the year does not exceed 5% of total payments?</li> <li>• (Relevant for ITR-3, ITR-5 and ITR-6)</li> </ul>

<b>Schedule BP (i.e. computation of income from business or profession)</b>	The following details need to be provided in case of taxpayers in insurance business: <ul style="list-style-type: none"> <li>• Net profit from life insurance business</li> <li>• Additions and deductions u/s 30 to 43B of the Act</li> <li>• Resultant income u/s 115B of the Act</li> <li>• (Relevant for ITR-5 and ITR-6)</li> </ul>
<b>Part A – OI (i.e. other information)</b>	The details regarding interest paid to a deposit-taking non-banking financial company (NBFC) or systemically important non-deposit taking NBFC, debited to profit and loss account but not allowable u/s 43B of the Act will need to be reported. (Relevant for ITR-3, ITR-5 and ITR-6)
<b>Schedule DPM (i.e. depreciation on plant and machinery)</b>	New block of asset* eligible for depreciation @ 45% provided.*Motor buses, motor lorries and motor taxis acquired (by a taxpayer engaged in the business of running the vehicles on hire) on or after 23 <sup>rd</sup> August 2019 but before 01st April 2020 and put to use in such hire business before 01st April 2020. (Relevant for ITR-3, ITR-5 and ITR-6)
<b>Schedule 112A (for resident taxpayers) and Schedule 115AD(1)(b)(iii) proviso (for non-resident taxpayers)</b>	Both resident and non-resident taxpayers need to provide script wise details of long-term capital gains earned on sale of equity share(s) in a company or unit(s) of equity-oriented fund or unit(s) of business trust on which securities transaction tax (STT) is paid u/s 112A of the Act. (Relevant for ITR-2, ITR-3 and ITR-5)
<b>Deductions under Chapter VI-A</b>	Individual taxpayers need to report the amount of deduction claimed u/s 80EEA of the Act, for interest paid on home loan for affordable housing (Relevant for ITR-1 to ITR-4)
<b>Schedule TPSA (i.e. details of tax on secondary adjustment)</b>	Details of tax on secondary adjustment as per section 92CE(2A) of the Act needs to be reported (Relevant for ITR-3, ITR-5 and ITR-6)
<b>Schedule DI (i.e. details of investment)</b>	Break-up of investment / deposit / payments eligible for deduction under Part B to Chapter VI-A of the ITA in the following manner: <ul style="list-style-type: none"> <li>• Eligible amount of deduction during FY 2019-20 and Deduction attributable to investment / expenditure made between 01<sup>st</sup> April 2020 and 30<sup>th</sup> June 2020 (out of amount reported in Point A).</li> </ul> (Relevant for ITR-1 to ITR-6)

**❖ Cost of Inflation Index (CII) for Financial Year (FY) 2020-21 notified  
The CII for FY 2020-21 has been notified as 301.**

CII is used to arrive at the inflation-adjusted purchase price of capital assets and thereby calculating the long-term capital gains (LTCG) on sale of capital assets.

Few years back the base year (100) for arriving at indexed cost of acquisition for capital assets was revised from 1981-82 to 2001-02.



**Ministry of Corporate Affairs (MCA) extends timeline for name reservation / resubmission of forms for companies**

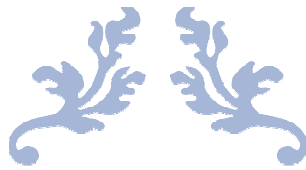
Due to COVID-19, MCA has hosted details of period / days of extension for name reservation and re-submission of forms on its website as below (similar extension was provided in April 2020).

<b>Filing</b>	<b>Period / Days of extension</b>
<b>Names reserved for 20 days for new company incorporation. SPICe+ Part B needs to be filed within 20 days of name reservation.</b>	Names expiring any day between 15th March 2020 to 30th June would be extended by 20 days beyond 30th June 2020.
<b>Names reserved for 60 days for change of name of company. INC-24 needs to be filed within 60 days of name reservation.</b>	Names expiring any day between 15th March 2020 to 30th June would be extended by 60 days beyond 30th June 2020.
<b>Extension of RSUB validity for companies</b>	SRNs where last date of Resubmission (RSUB) falls between 15 <sup>th</sup> March 2020 to 30th June 2020, additional 15 days beyond 30 <sup>th</sup> June 2020 would be allowed. However, for SRNs already marked under 'Not to be taken on Record' (NTBR), extension would be provided on case to case basis. <i>Note: Forms will not get marked to NTBR due to non-resubmission during this extended period as detailed above. It also includes IEPF Non-STP eForms (IEPF3, IEPF-5 and IEPF-7).</i>
<b>Names reserved for 90 days for new LLP incorporation / change of name. FiLLiP/Form 5 needs to be filed within 90 days of name reservation.</b>	Names expiring any day between 15th March 2020 to 30th June would be extended by 20 days beyond 30th June 2020.
<b>RSUB validity extension for LLPs</b>	RSUB falls between 15th March 2020 to 30th June, additional 15 days would be allowed from 30th June 2020 for resubmission. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. <i>Note: Forms will not get marked to NTBR due to non-resubmission during this extended period as detailed above.</i>

**Extension for marking IEPF-5 SRNs to 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)'**

SRNs where last date of filing eVerification Report (for both Normal as well as Resubmission filing) falls between 15<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020, would be allowed to file the form till 30<sup>th</sup> September 2020. However, for SRNs already marked under 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)', extension would be provided on case to case basis.

*Note: Status of IEPF-5 SRN will not change to 'Pending for Rejection u/r 7(3)' and 'Pending for rejection u/r 7(7)' till 30<sup>th</sup> Sep'20.*



## DISCLAIMER

While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Ajay Rattan & Co. assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/ substitute professional advice that may be required before acting on any matter. All logos and trademarks appearing in the newsletter are property of their respective owners.

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited.



### BRANCH OFFICES:

MCBZ-4,01716, BHATTI ROAD,  
BATHINDA 151001, PUNJAB  
EMAIL: [BATHINDA@AJAYRATTANCO.COM](mailto:BATHINDA@AJAYRATTANCO.COM)

#754, SECTOR 38, SUBHASH CHAWK  
GURUGRAM, HARYANA- 122001  
EMAIL: [PIYUSHJINDA\\_CA@YAHOO.COM](mailto:PIYUSHJINDA_CA@YAHOO.COM)

#1131, SECTOR 4 PANCHKULA,  
HARYANA-134112  
EMAIL: [SAHIL.GARG@GSTCONNECT.IN](mailto:SAHIL.GARG@GSTCONNECT.IN)

LG CS-36, ANSAL PLAZA MALL, KAMMA-1  
VAISHALI, GHAZIABAD, UTTAR PRADESH  
EMAIL: [CA.PRAKHARSRIVASTAVA@GMAIL.COM](mailto:CA.PRAKHARSRIVASTAVA@GMAIL.COM)