

NEWSLETTER NO 19 – APRIL 1, 2019 TO APRIL 30, 2020

Contents

I. Important Circular updates in MVAT, CST and Profession tax: Updated upto Apr 30, 2020.....	1
II. Important Notifications updates in MVAT, CST and Prof tax: Updated upto Apr 30, 2020.....	6
III. Income tax: Updated upto Apr 30, 2020:.....	8
IV. Companies Act and LLP: Updated upto Apr 30, 2020:.....	9
V. Others: Updated upto Apr 30, 2020:	10

I. Important Circular updates in MVAT, CST and Profession tax: Updated upto Apr 30, 2020

1. Cir 6T of 2020 dt Apr 30, 2020: In continuation of Cir 4T of 2020, waiver of late fee for delay filing PTRC returns has been further extended to May 31, 2020 for return periods upto Apr 30, 2020 if tax and interest has been paid within due date.
2. Cir 5T of 2020 dt Mar 19, 2020: This is issued on lines of CBIC Cir No 131/1/2020 GST dt Jan 23, 2020: Standard Operating Procedure (SOP) to be followed by exporters. The exporters whose scrolls have been kept in abeyance should submit the information in the prescribed format – Annexure A and they should expect verification to be completed within 14 working days. Otherwise remedial measures have also been prescribed.
3. Cir 4T of 2020 dt Mar 19, 2020: Exemption of late fee under profession tax act. Late fee in respect of monthly or annual returns pertaining to any periods upto Mar 31, 2020 is exempted if following conditions are satisfied:
 - Amount payable as per return should have been or shall be paid before filing of the return.
 - Returns should be filed on or before Apr 30, 2020.
4. Cir 3T of 2020 dt Mar 17, 2020: Guidelines in view of outbreak of corona virus. Assessments for u/s 23(2) for FY 15-16 and u/s 23(5) for FY 13-14 would be time barred on Mar 31, 2020. Submissions for the same to be done electronically and over phone as far as possible. Physical visits to the dealers POB or place of residence to be avoided and electronic modes to be used as far as possible.



5. Cir 2T of 2020 dt Feb 24, 2020: Last date for electronic uploading of form e704 for FY 18-19 is Feb 28, 2020 and last date of submission of physical documents is Mar 9, 2020.
6. Cir 1T of 2020 dt Feb 6, 2020: Master circular on reimbursement of SGST on tickets of movies. It is issued on same lines as earlier issued for Super 30 and Mission Mangal. GR is issued for two more movies – Panipat and Tanhaji – The Unsung Warrior.
7. Cir 55T of 2019 dt Nov 30, 2019: Go live of SAP based appeal applications under MVAT and CST Act. Detailed procedure explained in this 10 page circular.
8. Important: Cir 54T of 2019 dt Nov 28, 2019: Taxation of unmanufactured tobacco:

Vide Cir 9T of 2012 dt Jun 30, 2012, taxation of unmanufactured tobacco sold in packets under a brand name was retrospectively amended to mean the following:

Period	Sch entry	Tax rate
Apr 1, 2017 to Jun 30, 2009	E-1	12.5%
Jul 1, 2009 to Apr 30, 2012	D-12	20%
May 1, 2012 onwards	E-1	12.5%

However, Bombay HC in writ petition in case of M/s Amar Agencies vide its order dt May 5, 2017 rejected such retrospective amendment. Accordingly, taxation of unmanufactured tobacco stands as under:

Particulars	Period	Sch entry	Tax rate
Whether sold in packets under a brand name or otherwise	Apr 1, 2007 to Mar 31, 2012	A-45A	Nil
Whether sold in packets under a brand name	Apr 1, 2012 to Apr 30, 2012	D-12	20%
Sold otherwise	Apr 1, 2012 to Apr 30, 2012	A-45A	Nil
Whether sold in packets under a brand name	May 1, 2012 to Mar 31, 2013	E-1	12.5%
Sold otherwise	May 1, 2012 to Mar 31, 2013	A-45A	Nil



Whether sold in packets under a brand name or otherwise	Apr 1, 2013 to Sep 16, 2016	E-1	12.5%
Whether sold in packets under a brand name or otherwise	Sep 17, 2016 to Jun 30, 2017	E-1	13.5%

9. Cir 53T of 2019 dt Nov 21, 2019: Participation of Taxpayers and GST Practitioners in user Acceptance Testing of New Returns Offline Tool and online version of Form GST ANX-1 and Form GST ANX-2.
10. Internal Cir 35A of 2019 dt Oct 19, 2019: Detailed guidelines relating to verification of TRAN 1 credits. This circular issues revised guidelines for verification credit as per revised return under MVAT, verification of CST declarations, verification of mis-matches/ un-matches etc, verification of MVAT credit in respect of cases allotted to central tax authorities, TRAN 1 verification process and Interest u/s 50 on excess credit availed in TRAN 1.
11. Cir 52T of 2019 dt Oct 7, 2019: Making available option of making e-payment under PTRC and PTEC together.
12. Cir 51T of 2019 dt Oct 5, 2019: The revamped helpdesk module is elaborated in detail. In this 10 page circular, it is explained how to raise an issue electronically.
13. Cir 50T of 2019 dt Oct 1, 2019: Grant of administrative relief under profession tax to un-registered employer. It shall be granted by Jt Comm of Sales tax (Adm). The delay must be on account of technical difficulties arising due to computerized system and should not be result of attempt to evade or delay payment of legitimate tax.
14. Cir 49T of 2019 dt Oct 1, 2019 (Noti VAT 1519/ CR 89/ Taxation 1 dt Aug 8, 2019): Rule 17(4B): Periodicity for filing VAT returns for the periods starting on or after Apr 1, 2019 is changed as follows:

Regd dealer whose tax liability during the previous year had not exceeded Rs 25,000	Annually within 21 days from end of year
Regd dealer whose tax liability during the previous year had exceeded Rs 25,000 but not exceeding Rs 10 lacs, or	Quarterly within 21 days from end of quarter.



Whose entitlement for refund during the year had not exceeded Rs 1 crore	
Regd dealer whose tax liability during the previous year had Rs 10 lacs, or Whose entitlement for refund during the year had exceeded Rs 1 crore	Monthly within 21 days from end of month.

15. Cir 48T of 2019 dt Sep 13, 2019: Reimbursement of SGST applicable on tickets of Mission Mangal movie. Tickets issued should show proper break up of SGST, CGST and discount given due to reimbursement. Tax is to be paid first and then refund is to be claimed. Very strict, time bound supported by various documents and other things procedure is prescribed in the circular. In my opinion, this is another fantastic way of harassing the taxpayers.
16. Cir 47T of 2019 dt Aug 26, 2019: Submission of correct return under GST. For the purpose of internal settlement between state and center, it is important that certain details should be properly reported. The most important being non-reporting or part reporting of ineligible or blocked credit and reporting only net effect may result in short settlement of ITC. Such type of error in filing 3B may also attract penal consequences.
17. Cir 46T of 2019 dt Aug 23, 2019: Important circular related to ITC under VAT:
- Ledger confirmation utility as referred to in Cir 30T of 2018 extended for FY 16-17 and FY 17-18 also.
 - From FY 16-17, invoice level reporting of sales and purchases was required in the returns. The dealers have also filed their audit reports along with Annexures J1 and J2. Department has developed J1*J2 and J2*J1 mis-match, un-match report taking into consideration returns and audit report both and it is made available to jurisdictional officer. This report is based on the returns filed by dealers till Feb 6, 2019. Modus operandi prescribed for officers for returns filed after Feb 6, 2019.
 - Guidelines and procedures for allowance/ disallowance of ITC provided under Internal Cir 11A of 2017 dt May 3, 2017 is hereby made applicable to FY 16-17 and first quarter of FY 17-18.
 - It is re-iterated that for any assessment period upto June 30, 2017, the AO shall not insist for physical or online ledger confirmation for un-match or mis-



match of an amount upto Rs 5000 per supplier per year – both in case of comprehensive and transaction based assessment.

- Guidelines of cross checking of ITC for FY 05-06 to FY 07-08 is given. During this period, return and audit filing was not electronic.
 - Instructions in this circular shall apply for pending appeal proceedings also.
18. Cir 45T of 2019 dt Aug 16, 2019: Very important circular related to CQB Trade circular no 25A of 2018 dt Dec 22, 2008 was issued to clarify calculation of CQB on purchases used in manufacture of goods in respect of which set off u/r 41F of BST Rules is admissible. This circular 25A now stands withdrawn.
19. Cir 44T of 2019 dt Aug 16, 2019: Relaxation in documents required for VAT/ CST registration: As per Cir 20T of 2017, there was requirement that “In case of LICENSED commodities, license showing name of the licensee, period of license, signature, stamp and seal of competent authority”. It is now deleted.
20. Cir 43T of 2019 dt Aug 7, 2019: Reimbursement of SGST applicable on tickets of Super 30 movie. Tickets issued should show proper break up of SGST, CGST and discount given due to reimbursement. Tax is to be paid first and then refund is to be claimed. Very strict, time bound supported by various documents and other things procedure is prescribed in the circular. In my opinion, this is another fantastic way of harassing the taxpayers.
21. Cir 42T of 2019 dt Aug 5, 2019: Date for payment/ submission of application extended to Aug 9/ Aug 14, 2019 for those who faced technical glitches.
- This due date was further extended to Aug 23, 2019 vide Noti GST 1019/ CR 34/ Taxation 1 dt Aug 14, 2019.
- This due date was even further extended to Aug 30, 2019 vide Noti GST 1019/ CR 34/ Taxation 1 dt Aug 23, 2019.
22. Cir 41T of 2019 dt Aug 1, 2019: Amendments to MVAT Act –

Important: Proviso added to Sec 23(5)(a) – In case where refund is not claimed by filing e-501, the refund claimed by the dealer in returns or as mentioned in audit report in Form-704, can be considered while transaction-wise assessments. The return or audit report, whichever is filed later (but not later than Mar 31, 2019) would only be considered for adjustment. This provision has been given retrospective amendment wef Apr 1, 2005. This amendment may be used for



pending appeals also. Detailed description is given in the circular for better understanding.

Sec 61 - No need to file audit report in Form-704 for the dealers, having turnover more than Rs. 1 crore if net tax liability is less than Rs. 25,000 or less in a year. Audit would not be applicable to EC holder units also if their net tax liability is less than Rs 25,000. This would be applicable from FY 2019-20. The word 'net' is not used in this circular. It is taken from wordings of budget proposals.

23. Cir 40T of 2019 dt July 20, 2019: Important information and FAQ on settlement scheme.
24. Cir 20T of 2019 dt May 15, 2019: Clarification and FAQ on amnesty scheme (Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019).
25. Cir 19T of 2019 dt May 8, 2019: In case of builders who wish to continue the old scheme of taxation in case of ongoing projects, are required to file one time option in Annexure IV by May 10, 2019.
26. Cir 18T of 2019 dt May 7, 2019: Provisions related to Casual Taxable Person (CTP) and Non Resident Taxable Person (NRTP) are explained in this circular.
27. Cir 17T of 2019 dt May 6, 2019: Dealers dealing in any of the six commodities (eg petrol, diesel, liquor etc) and whose registration was deemed to be cancelled wef July 1, 2017 can apply for revocation of such cancellation.
28. Cir 16T of 2019 dt May 6, 2019: Circular clarifies the amendments carried out by Ordinance No VI of 2019 dt Mar 6, 2019. Sec 24(2A) inserted to provide for filing of rectification application in case of disallowance of set off also. However, sufficient documents would need to be submitted.
29. Cir 15T of 2019 dt Apr 25, 2019: Cir 30T of 2018 related to submission of details of sales through online ledger confirmation utility would continue till further instructions.

II. Important Notifications updates in MVAT, CST and Prof tax: Updated upto Apr 30, 2020

1. Noti VAT 1520/ CR 35/ Taxation 1 dt Mar 30, 2020: VAT rate on High Speed Diesel Oil (petrol and diesel) revised wef Apr 1, 2020:

	Upto Mar 31, 2020	From Apr 1, 2020
--	-------------------	------------------



When sold in Mumbai, Thane or Navi Mumbai	24%	24% plus Re 1 per litre
When sold in other areas	21%	21% plus Rs 1 per litre

2. Noti VAT 1520/ CR 34/ Taxation 1 dt Mar 30, 2020: VAT rate on all kinds of motor spirits revised wef Apr 1, 2020:

	Upto Mar 31, 2020	From Apr 1, 2020
When sold in Mumbai, Thane or Navi Mumbai	26% plus Rs 7.12 per litre	26% plus Rs 8.12 per litre
When sold in other areas	25% plus Rs 7.12 per litre	25% plus Rs 8.12 per litre

3. Noti VAT 1519/ CR 35/ Taxation 1 dt Jul 19, 2019: Maharashtra Value Added Tax (Second Amendment) Rules, 2019.

Rule 8(13) inserted: Details of current account (bank account) are not required at the time of registration. Those should be updated within 6 months of due date of first return if registration is obtained on or after Apr 1, 2019. For earlier registrations, it should be updated till Sep 30, 2019.

4. LA Bill No XXXVII of 2019 dt Jun 28, 2019:

- Sec 5 of Profession tax Act: Penalty of Rs 5 per day may be levied if there is delay in applying for registration by employer.
- Sec 8 of Profession tax Act: Due date for payment of profession tax (PTEC) extended to March 31 of the year. Till now, it was required to be paid by Jun 30 of the year.
- Sec 9(3A) of Profession tax Act: If there is delay in applying for PTEC, then interest @ 1.25% pm shall be levied from Jul 1 of the year of liability till date of payment. Provision of penalty for late application deleted.
- Important amendments in MVAT Act discussed in Cir 41T of 2019 dt Aug 1, 2019.

5. LA Bill No XXXIII of 2019 dt Jun 26, 2019: Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2019 enacted. Important provisions already discussed in Cir 9T of 2019 dt Mar 8, 2019.

6. Noti Sett/ MMB-2019/ 1/ ADM 8 dt May 22, 2019: Amendment in settlement act to enhance meaning of an issue under the ordinance.



III. Income tax: Updated upto Apr 30, 2020:

1. Order u/s 119 dt Apr 24, 2020: Reporting under clauses 30C (GAAR) and 44 (GST) of Form 3CD has been kept in abeyance till Mar 31, 2021 (ie for FY 19-20). Clause 30C refers to impermissible avoidance arrangement as referred to in section 96 and clause 44 relates to break-up of total expenditure of entities registered or not registered under the GST in the prescribed format.
2. Cir C1 of 2020 dt Apr 13, 2020: Deduction of TDS under salary for FY 20-21 onwards would be as per intimation given to the employer by employee. If such intimation is not given, the employer shall continue to deduct TDS as per old regime and not u/s 115BAC. The employee can change his option at the time of actual filing of return as per provisions of law.
3. Press release dt Mar 24, 2020 regarding relief measures in view of Covid 19:
 - Extend last date for income tax returns for (FY 18-19) from 31st March, 2020 to 30th June, 2020.
 - Aadhaar-PAN linking date to be extended from 31st March, 2020 to 30th June, 2020.
 - Vivad se Vishwas scheme - no additional 10% amount, if payment made by June 30, 2020.
 - Due dates for issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of capital gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Vivad Se Vishwas law where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.
 - For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT made between 20th March 2020 and 30th June 2020, reduced interest rate at 9% instead of 12%/18% per annum (i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged for this period. No late fee/penalty shall be charged for delay relating to this period.
4. Credit of TDS u/s 194N shall be available to deductee in year of deduction: CBDT Notification No. 74/F. No. 370142/18/2019-TPL – Dated 27.09.2019
Rule 37BA of the Income-tax Rules, 1962, provides that the credit for the tax deducted at source shall be given to the person to whom payment has been made



or credit has been given. Such credit shall be allowed in the year in which income is assessable to tax. It also provides that where the income is assessable in the hands of a person other than the deductee, credit shall be allowed to such other person on filing of a declaration by the deductee to the deductor.

Now, the CBDT has inserted a new sub rule (3A) to provide that the credit for the tax deducted at source from cash withdrawal under section 194N shall be allowed to the person from whose account it has been deducted. Further, such credit shall be allowed in the year of deduction.

Note: Section 194N deals in deduction of tax at source by a banking company or co-op. bank or post office at the rate of 2% from the amount withdrawn in cash from any account (saving or current account) if aggregate of amount withdrawn from one or more accounts exceeds Rs. 1 crore during the previous year.

5. Domestic Co. can claim benefit of MAT Credit or b/f losses due to additional depreciation & then opt for 22% tax in future years. CBDT Circular 29 of 2.10.19.
6. Noti SO 3427(E) dt Sept 20, 2019 issued by CBDT, Ministry of Finance: **TDS u/s 194N** (for withdrawal of cash in excess of Rs 1 crore during the year) would not be applicable to **commission agent or trader** operating under APMC. Bank/ Co-op Soc or Post office giving cash would have to ensure that PAN provided is correct and would have to obtain necessary evidence that he is commission agent or broker (like his license etc).
7. Cir 26 of 2019 dt Sep 26, 2019: Some important clarifications in respect of income tax return forms (mainly ITR-5, 6 and 7) for AY 19-20. Earlier Cir 18 of 2019 dt Aug 8, 2019 was issued.
8. Cost inflation index for FY 19-20 is notified as 289.

IV. Companies Act and LLP: Updated upto Apr 30, 2020:

Covered only those amendments which are considered as important for our practice.

1. Some reliefs given vide Press release dt Mar 24, 2020 due to Covid 19. Among other relief measures, Applicability of CARO 2020 would be made applicable from FY 20-21 instead of FY 19-20 notified earlier.
2. No additional late fees for late filing of any forms/ returns with MCA for LLP and Companies from Apr 1, 2020 to Sep 30, 2020 – Source: CS. Ram Thakkar.



V. Others: Updated upto Apr 30, 2020:

1. Due date for filing online financials with charity commissioner of Maharashtra was extended from Sep 30, 2019 to Oct 31, 2019 and it is further extended to Nov 15, 2019.

Disclaimer:

All efforts have been made to ensure completeness of data. However, readers are advised to confirm from their own sources also. Further, interpretations given above are our personal opinions at M/s Umesh Agrawal and Associates. We are not responsible for any loss arising due to the above information.

