

ACCOUNTINGBUZZ

Tax and Compliance updates for April 2019 | newsletter | 01-05-2019
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MONTHLY
UPDATES ON
TAX AND
OTHER
COMPLIANCE

Clear your
old VAT
cases

*Maharashtra
Amnesty Scheme,
2019 for Settlement
of Arrears in Dispute
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Compliance Calendar for FY
2019-20 on page 11

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Changes in New ITR Forms for AY 2018-19

Income tax assessee is set to come across certain changes in the income tax return (ITR) forms. The Income Tax Department has brought about certain changes in select ITR forms meant to be used for assessment year 2019-20. According to tax experts, some sections in the forms have been rationalized and reporting requirements increased. Individuals and businesses are required to file their income tax returns for the income earned in financial year 2018-19 using these forms: ITR-1, ITR-2, ITR-3, ITR-4, ITR-5, ITR-6 and ITR-7. These seven forms - also known as ITR forms - were notified by the Income Tax Department earlier this month.

July 31 is the due date for filing income tax returns (ITR) for assessee not required to get their accounts audited.

Key changes in the income tax forms applicable to individual assessee:

1. Section 80G changes

While there are no changes with respect to reporting of income eligible for benefit under Section 80C of the Income Tax Act, cash and non-cash donations eligible for deduction under Section 80G/80GGA need to be reported, say tax experts. The forms seek bifurcation between donation in cash and other mode for Section 80G deduction purposes.

2. Income tax forms - changes applicable to company directors

Individuals serving as a director in a company can no longer file the income tax return using Form ITR-1 or Form ITR-2. Such individuals will be required to furnish details such as the company's Permanent Account Number (PAN) and Director Identification Number (DIN), and mention whether the shares are listed or unlisted. Additionally, details on investments and transactions undertaken in relation to such shares will also be required.

3. Changes with respect to agricultural income

In case of taxpayers earning agricultural income exceeding Rs. 5 lakh, additional details of the agricultural land need to be provided such as name of district, land area, whether land is owned or leased, whether the land is irrigated or rain-fed.

4. Changes with respect to unlisted company shares

Income tax assesses will be required to furnish details of the investments held, acquired or transferred in unlisted equity shares during the financial year.

An individual/HUF (Hindu Undivided Family) holding unlisted shares needs to disclose name of the company, opening number of shares, cost, details of shares acquired & sold during the year and closing number of shares and cost.

5. Restrictions on ITR-1 and ITR-4

Form ITR-1 - also known as "Sahaj" - cannot be used by an individual serving as director of a company, having investments in unlisted equity shares, or having income on which TDS (tax deducted at source) has been deducted in another person's hands. Form ITR-4 - or "Sugam" - cannot be used by individuals or HUFs non-resident, ordinarily resident, non-resident partnership firms, directors of companies or persons having investment in unlisted equity shares or having more than one house property.

6. Changes applicable to NRIs

Individual taxpayers are now required to select the applicable residential status rule based on the actual physical stay of the individual tax payer, say experts.

Overseas Citizens of India (OCI) and Persons of Indian Origin (PIO) qualifying as non-resident are required to report the actual numbers of days of stay in the country in the relevant financial year as well as preceding four years. Also, individuals qualifying as NRI need to report the jurisdiction of residence and Taxpayer Identification Number, he adds.

7. Changes with respect to sale of capital assets (immovable property)

In case of sale of immovable property during financial year 2018-19, details such as name, PAN, percentage share, the value of sale and address of the buyer need to be furnished.

8. ITR-1 is the simplest form of income-tax return to be filed by an individual taxpayer who earns income from salary/pension, from one house property and from other sources. Further, annual taxable income of the individual taxpayer should not exceed ₹ 50 lakhs and his total income should not include any income from betting, gambling, etc. Unlike last year, the new ITR-1 requires detailed calculation of income from salary and from house property, which was restricted to single figure till last year.

9. The new ITR-1 form has been withdrawn for a non-resident. Therefore, a non-resident will have to choose either from ITR-2 or ITR-3 to file his return of income for the Assessment Year 2018-19.

10. In case a taxpayer opts for presumptive taxation scheme under section 44AD, 44ADA or 44AE, he will have to file the return of income in form ITR 4. The old ITR 4 sought only 4 financial particulars of the business, a) total creditors, (b) total debtors, (c) total stock-in-trade and (d) cash balance. The new ITR 4 form seeks details of 14 financial particulars of business such as amount of secured/unsecured loans, advances, fixed assets, capital account, etc.

11. The new ITR 4 requires a taxpayer to provide the aggregate turnover reported by him in GST Returns. This additional information has been sought

to end the wrong practice of reporting different turnovers in erstwhile sales tax return and income-tax return. If any difference is found in turnover reported in GST return and ITR, presumptive taxpayers can expect a notice from the Dept. to explain the mismatch in turnover.

12. The new ITR Forms introduce specific columns to report each capital gain exemption separately. Details of each capital gains exemption under Sections 54, 54B, 54EC, 54EE, 54F, 54GB and 115F shall be reported in its applicable column now. Further, a taxpayer availing of these capital gains exemptions is required to mention the date of transfer of original capital asset which was missing in earlier ITR Forms.

13. In the case of capital gain arising on transfer of unquoted shares, it would now be mandatory for the investors to obtain the valuation report. To ensure that investors correctly report the capital gains from unlisted shares, the new ITR Forms require the taxpayer to provide figures of actual sales consideration and FMV as determined by a Merchant Banker or CA.

14. Until last year, if a taxpayer failed to file the ITR before end of assessment year, penalty under Section 271F could be imposed by the Assessing Officer only after initiating the penalty proceedings. After omission of this penalty provision by the Finance Act, 2017, late fees are levied under Section 234F if taxpayer does not furnish the ITR in time. The taxpayer shall now be required to pay late filing fees under section 234F along with interest under section 234A, 234B and 234C before filing the ITR.

15. For the Assessment Year 2018-19, an individual or an HUF, who is a partner in a firm, shall be required to file his ITR in Form ITR 3 only. Last year the partners were required to file return in ITR 2.

16. After enactment of GST Act, the new ITR forms have introduced new columns to report CGST, SGST, IGST and UTGST paid by, or refunded to, assessee during the Financial Year.

17. Individual taxpayers who are filing income-tax return in Form ITR 2 or ITR 3 or ITR 4 aren't required to mention the gender, i.e., male or female or transgender, as the column of gender has been removed.

ITR 1 & ITR 4 is available for e-Filing for AY 2019-20

ITR 1 is For Individuals being a Resident (other than Not Ordinarily Resident) having Total Income up to ₹ 50 lakhs, having Income from Salaries, One House Property, Other Sources (Interest etc.), and Agricultural Income up to ₹ 5 thousand (Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares)

ITR 4 is for Individuals, HUFs and Firms (other than LLP) being a Resident having Total Income up to ₹ 50 lakhs and having income from Business and Profession which is computed under sections 44AD, 44ADA or 44AE (Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares).

I-T dept. revises format of TDS certificate issued by employers

The Income Tax department has revised Form 16 by adding various details, including income from house property and remuneration received from other employers, thereby making it more comprehensive to help check tax avoidance. It will also include segregated information regarding deductions under various tax saving schemes, investments in tax savings instruments, different allowances received by the employee as well as income from other sources. Form 16 is a certificate issued by employers, giving details of employees' TDS (tax deducted at source) usually by mid-June and is used in filing I-T returns.

The revised Form, which has been notified by the Income Tax department, will come into effect from May 12, 2019. This means the income tax returns for financial year 2018-19 will have to be filed on the basis of revised Form 16. Among other things, the revised Form 16 will also include details of deductions in respect of interest on deposits in savings account, and rebates and surcharge, wherever applicable.

The I-T department has already notified income tax return forms for fiscal 2018-19. Salaried class and those who do not have to get their accounts audited will have to file their ITRs by July 31 this year.

CBDT notifies ITR forms for AY 2019-20; ITR-4 can be filed by resident person only

The Central Board of Direct Taxes (CBDT) has notified the new Income-tax return (ITR) forms for Assessment Year 2019-20. Various changes have been incorporated in the new forms. Now a person being director in any company cannot file his return in ITR-1. Further, NR person opted for presumptive taxation scheme cannot file return in ITR-4.

PAN-Aadhaar linkage deadline extended to Sept 30th 2019

The government has extended the cut-off date for linking Aadhaar with Permanent Account Number (PAN) to September 30, 2019. However, it would be mandatory to quote and link Aadhaar number while filing the return of income from April 1, 2019 unless specifically exempted. "The matter has been considered by the Central Government and now the cut-off date for intimating the Aadhaar number and linking PAN with Aadhaar is 30.09.2019, unless specifically exempted," an official statement said on Sunday. The government's statement comes in the wake of reports that PANs not linked with Aadhaar number by March 31, 2019 may be invalidated.

Directors cannot file ITR 1 and ITR 4

CBDT has widened the reporting requirements in most categories, including ITR-1 or Sahaj, which is for the salaried class with income up to ₹ 50 lakh.

Directors and people with investments in unlisted companies and start-ups will now have to make extensive disclosures in the new income-tax return (ITR) forms, according to a Central Board of Direct Taxes notification for assessment year 2019-20. This will help the tax department to clamp down on shell companies and check routing of black money.

Changes in Form 16 and Form 24Q

The CBDT has notified changes in Form 16 (TDS Certificate for Salary Income) and Form 24Q (TDS return in respect of salary). The changes have been made to bring TDS certificate in sync with new ITR forms issued for AY 2019-20. The changes are as follows:

1. Clause-wise reporting of exempt allowances and deduction under Chapter VI-A

In existing Form 16 (Part B), the employer had an option to provide a description of the exempt allowance. Consequently, every organization had created different formats as per their requirements, which resulted in discordant formats of Part B of Form 16. The new Form 16 (Part B) has removed this option to write-down the description of exempt allowances. Now the employers have to mention the amount of exempt allowance before earmarked fields. Similar changes have been made in respect of deduction available under Chapter VI-A and losses under the head house property. These changes would ensure that organizations follow common structure of TDS certificates and employees find it convenient to file the tax return on basis of TDS certificates. Further, it also gives a confirmation that the deductions and exemptions claimed by

the employees in Income-tax return match with the information available in TDS certificate and TDS Statement.

Similar reporting is required in Form 24Q as well. Thus, the employer is required to provide the list of all exemptions and deductions allowed to the employee while calculating the tax to be deducted from salary under Section 192. Following details have been asked by the Dept. from the employer in Form 24Q:

Exemption under Section 10

Leave travel concession [Section 10(5)]
Gratuity [Section 10(10)]
Commuted Pension [Section 10(10A)]
Leave Salary Encashment [Section 10(10AA)]
House Rent Allowance [Section 10(13A)]

Deduction under Chapter VI-A

Life Insurance Premium or contribution to PF etc. [Section 80C]
Contribution to Pension funds [Section 80CCC]
Employee's contribution to Notified Pension scheme (NPS) [Section 80CCD(1) and Section 80CCD(1B)]
Employer's contribution to Notified Pension scheme (NPS) [Section 80CCD(2)]

Medical insurance premium [Section 80D]

Interest on higher education loan [Section 80E]

Donation to notified funds, charitable institution etc. [Section 80G]

Deduction in respect of interest from saving account [Section 80TTA]

2. Standard Deduction

The Finance Act, 2018 introduced the standard deduction of up to Rs. 40,000 for the salaried persons. The new Form 16 and Form 24Q have accordingly been revised to incorporate the effect of this amendment.

3. Reporting of salary received from other employers

If an employee has received salary from his ex-employer or other employer during the previous year and same has been reported to the current employer for TDS purposes, then separate reporting is required for such salary income in new Form 16 and Form 24Q.

4. Furnishing of PAN of the lender in case of home loan

In new Form 24Q, it is mandatory to furnish the PAN of the lender in case any deduction has been claimed in respect of housing loan taken from a person other than a Financial Institution or the Employer. Earlier, it was optional.

CBIC has extended the due date for filing GSTR-7 for the month of March, 2019 to April 12, 2019

CBIC has extended the time limit for filing the return by registered person required to deduct TDS as per Section 51 of the CGST Act, 2017 in Form GSTR-7 for the month of March, 2019 to April 12, 2019.

Service providers can opt for GST composition scheme by April 30, 2019

The tax department has given service providers with turnover of up to ₹ 50 lakh time till April 30 to opt for the composition scheme and pay 6 per cent GST.

The option to pay Goods and Services Tax (GST) at reduced rate of 6 per cent would be effective from the beginning of the financial year or from the date of obtaining new registration during the financial year. Service providers opting for the

composition scheme can charge a lower tax rate of 6 per cent from customers, as against the higher rates of 12 and 18 per cent for most services under GST. In a circular, the Central Board of Indirect Taxes and Customs (CBIC) said suppliers who want to opt for composition scheme would have to file Form GST CMP-02 by selecting 'Any other supplier eligible for composition levy' latest by April 30, 2019. Businesses which apply for new registration may avail the said benefit in Form GST REG-01 at the time of filing application for registration.

The GST composition scheme was so far available to traders and manufacturers of goods with an annual turnover of up to ₹ 1 crore. This threshold too has increased to ₹ 1.5 crore from April 1. Under the scheme, traders and manufacturers are required to pay only 1 per cent GST on goods which otherwise attract a higher levy of either 5, 12 or 18 per cent. Such dealers are also not permitted to charge GST from the purchaser.

E-Forms DPT-3 and MSME to be available on portal w.e.f. May 1, MCA apprises that the revised version of e-Form DPT-3 shall be available on the portal w.e.f. May 1, 2019; Further states that e-Form MSME (i.e. the form for furnishing half yearly return with the RoC w.r.t outstanding payments to Micro or Small Enterprises) will also be available w.e.f. May 1, 2019

Filing of one time return in DPT - 3 Form

As per Rule 16A(3) of the Companies (Acceptance of deposit) Rules, 2014 "every company other than Government company shall file a onetime return of outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 from the 01 April, 2014 to the date of publication of the notification in the Official Gazette, as specified in Form DPT-3 within 90 days from the date of said publication of this notification along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014". It may also be noted that data on deposits should be filed up to 31st March, 2019 (as opposed to 22nd January, 2019 which was originally indicated in the said Rule). Rule change is being issued separately.

Pending the deployment of DPT-3 Form on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, it is stated that the additional fee, as provided under the Companies (Registration Offices and Fees) Rules, 2014, shall be levied after 30 days from the date of deployment of the DPT- 3 form on MCA 21 portal.

MCA introduces e-form AGILE for application of GSTIN, ESIC and EPFO registration at time of Company incorporation

The application (SPiCe) for incorporation of a company shall be accompanied by a linked e-form AGILE (Application for registration of the Goods and Services Tax Identification Number (GSTIN), Employees' State Insurance Corporation (ESIC) registration plus Employees' Provident Fund Organization (EPFO) registration) with effect from 31st March 2019, as notified vide the Companies (Incorporation) Third Amendment Rules, 2019 dated 29th March 2019. Stakeholders may please note and refer to the Instruction Kit for further details.

Amendment in INC-09

Stakeholders are requested to please note that Filing of affidavits (from each of the subscribers to the memorandum and from persons named as the first directors, if any, in the articles that he is not convicted of any offence in connection with the promotion, formation or management of any company, or that he has not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law during the preceding five years and that all the documents filed with the Registrar for registration of the company contain information that is correct and complete and true to the best of his knowledge and belief) as per Section 7(1)(c) of the Companies Act, 2013 read with rule 15 of the Companies (Incorporation) Third Amendment Rules has been dispensed with vide the Companies (Amendment) Act, 2017- from 27th July 2018. **Only declaration by first subscriber(s) and director(s) in INC-9 is mandatory and affidavit is NOT required to be filed.** Stakeholders may kindly note the above provisions while filing SPiCe forms for incorporation of Companies.

DIN holders required to file DIR-3 KYC form every year: MCA Clarification

The Ministry of Corporate Affairs (MCA) has on 13th April, 2019, given the clarification with regards to filling of e-Form DIR - 3 KYC by all Directors holding DIN clarifying that all DIN holders are required to file the DIR-3 KYC form every year, so that they are aware of and confirm the data & information as available in the MCA21 system.

With the objective of making the form more user friendly, the form is presently being modified to enable pre-filling of data & information so that annual filings can be done by DIN holders in a simple and user-friendly manner. The revised form, which will be shortly deployed, can be filed without any fee within a period of 30 days from the date of deployment.

CBIC has extended the due date for filing GSTR-1 for the month of March, 2019 to April 13, 2019

CBIC has extended the time limit for filing details of outward supply of goods or services in Form GSTR-1 for the month of March, 2019 to April 13, 2019.

Hence, it is now clarified that all **DIN holders have to complete their KYC annually by filing e-form DIR 3 KYC every year before 30th April of immediate next financial year.** However, as the form is presently being modified to enable pre-filling of data & information, the time limit for filing e-form DIR 3 KYC for FY 2018-19 has been extended and it can be filed without any fee within a period of 30 days from the date of deployment of the Form on the MCA website. We shall inform you once the form is deployed

on the MCA website. As per rule 12A of the Companies (Appointment and Qualification of Directors) Rules 2014” Every individual who has been allotted a Director Identification Number (DIN) as on 31st March of a financial year as per these rules shall, submit e-form DIR-3-KYC to the Central Government on or before 30th April of immediate next financial year.

CRA-2 Form Amendments

The Ministry has received several representations about extension of last date for filing e-form CRA-2 without additional fees where the company has been mandated to get its cost records audited for the first time under Companies Act, 2013 on account of Companies (Cost Records and Audit) Amendment Rules, 2018 as notified vide G.S.R. I 157(E) dated 03-12-2018. The matter has been examined and it has been decided to extend the last date for filing of e-form CRA-2 in the abovementioned cases without payment of additional fees up to 31.05.2019.

Revised version of the e-Form INC-35
Revised version of the e-Form INC-35 -AGILE (Application for Goods and services tax Identification number, employees state Insurance corporation registration plus Employees provident fund organisation registration) which is filed as linked form with SPICe for incorporation of a Company is available on MCA21 Company Forms Download page. The revised form contains fields relevant to EPFO notified vide the Companies (Incorporation) third Amendment Rules, 2019 dated 29th March 2019. Stakeholders may take note and refer instruction kit for more details.

Provided that every individual who has already been allotted a Director Identification Number (DIN) as at 31st March, 2018, shall submit e-form DIR-3 KYC on or before 5th October, 2018.

However, the DIR-3 KYC e-form presently available on the portal does not cater for the following:

- (i) Filing on annual basis, and
- (ii) Filing in respect of DINs allotted post 31 March 2018. It presently caters only to those individuals who were allotted DINs as on 31st March 2018 and whose DINs have been marked as 'Deactivated due to non-filing of DIR-3 KYC'.

Stakeholders may please note that **DIN holders are required to file the DIR-3 KYC form every year**, so that they are aware of and confirm the data & information as available in the MCA21 system. With the objective of making the form more user friendly, the form is presently being modified to enable pre-filing of data & information so that annual filings can be done by DIN holders in a simple and user-friendly manner.

The revised form, which will be shortly deployed, can be filed without any fee within a period of 30 days from the date of deployment. Accordingly, DIN holders who had filed DIR-3 KYC form earlier and complied with the said provisions may kindly await the deployment of the modified form for fulfilling their compliance requirements.

Due date of filing 'ACTIVE' e-form extended up to June 15, 2019: MCA

In order to provide big relief to the corporate entities, the Ministry of Corporate Affairs has extended the due date of filing e-form INC-22A with the MCA from April 25, 2019 to June 15, 2019.

Deposits) Rules, 2014 (hereinafter referred to as the said rules), in rule 2, in sub-rule (I), in clause (c), in sub-clause (xviii), after the words "Infrastructure Investment Trusts," the words "Real Estate Investment Trusts" shall be inserted.

2. In the said rules, in rule 16, the following Explanation shall be inserted, namely:-

It is hereby clarified that Form DPT-3 shall be used for filing return of deposit or particulars of transaction not considered as deposit or both by every company other than Government company.

Now, every company (other than Banking company, NBFC and Housing finance company) to which these rules apply, shall on or before the 30th day of June, of every year, file with the Registrar, a return in Form DPT-3 and furnish the information contained therein as on the 31st day

of March of that year duly audited by the auditor of the company even if particulars of transaction not considered as deposit.

MCA issues clarification in respect of filing of one time return of outstanding loan in e-form DPT-3

1. In the Companies (Acceptance of

Deposits) Rules, 2014 (hereinafter referred to as the said rules), in rule 2, in sub-rule (I), in clause (c), in sub-clause (xviii), after the words "Infrastructure Investment Trusts," the words "Real Estate Investment Trusts" shall be inserted.

2. In the said rules, in rule 16, the following Explanation shall be inserted, namely:-

It is hereby clarified that Form DPT-3 shall be used for filing return of deposit or particulars of transaction not considered as deposit or both by every company other than Government company.

Now, every company (other than Banking company, NBFC and Housing finance company) to which these rules apply, shall on or before the 30th day of June, of every year, file with the Registrar, a return in Form DPT-3 and furnish the information contained therein as on the 31st day

MCA debars LLPs from manufacturing & allied services

Manufacturing & allied activities were restricted in LLPs vide OM No. CRC/LLP/e-Forms dated 06.03.2019. This OM invoking the restriction regarding manufacturing & allied activities has been withdrawn with immediate effect.

Ind AS: Key changes applicable from FY 2019-20

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 as well as certain amendments to other Ind AS, such as Ind AS 109, *Financial Instruments*; Ind AS 12, *Income Taxes*; Ind AS 103, *Business Combinations*. All these amendments are effective from financial year beginning on or after April 1, 2019. Further, Ind AS 17, *Leases* shall stand withdrawn after notification of Ind AS 116, *Leases*.

Snapshot of key changes

A. New standard Ind AS 116: Leases

Ind AS 116 shall be applied for recognition, measurement, presentation and disclosure of leases. It provides guidance on accounting of leases by lessor and lessee separately. Principles of Ind AS 116 with respect to accounting of leases by lessor are substantially same as previously provided under Ind AS 17. However, there is significant change in the way a lessee shall account for leases in its books.

Under Ind AS 17, both, lessee and lessor, were required to classify a lease as operating or finance lease and account for it accordingly. But after introduction of Ind AS 116, only lessor is required to do this practice. A lessee shall treat almost all leases, except lease for short-term and leases of low value assets, as finance leases.

An entity, being a lessee, shall recognize a right-of-use asset and a lease liability whenever it takes any asset on lease. The right-of-use of asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred by the entity and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located. The initial value of lease liability shall be determined at the present value of the lease payments due. The

interest rate implicit in the lease or lessee's incremental borrowing may be used to arrive at the present value of due lease payments.

At the date of each balance sheet, right-of-use asset should be measured either using cost model or revaluation model. Under cost model, the carrying amount of the asset is measured at initial cost less any accumulated depreciation or impairment. The amount of depreciation or impairment is debited to profit or loss. Under revaluation model, right-of-use asset shall be revalued at its fair value. Revaluation model shall be followed if the leased asset belongs to a class of property, plant and equipment for which the entity has adopted revaluation model in accordance with Ind AS 16, *Property, Plant and Equipment*. Any gain or loss arising on revaluation shall be recognized as per Ind AS 16.

The value of lease liability, at each balance sheet date, shall be increased by interest amount and decreased by the amount of lease payments made during the year. It shall further be adjusted for lease modifications, if any. The amount of interest is debited to profit or loss. Change in carrying amount of lease liability arising due to lease modifications shall be adjusted with carrying amount of related right-of-use asset where the asset is measured under cost model. Where the

right-of-use asset is measured under revaluation model, change in lease liability due to lease modifications shall be directly recognized in statement of profit and loss.

Consequential amendments to other Ind ASs which contain provisions related to leases have also been notified and are effective from April 1,

B. Amendments to other Ind ASs

i) Amendments to Ind AS 109, *Financial Instruments Prepayment of loans.*

The amendments notified in Ind AS 109 pertain to classification of a financial instrument with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortized cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortized cost in accordance with conditions of Ind AS 109.

ii) Amendments to Ind AS 12, *Income Taxes.*

Deferred taxes on Dividends and uncertain income taxes Amendments to Ind AS 12 relate to recording of tax liability in respect of dividends and tax consequence of an item whose income tax treatment is uncertain. An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognizes a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.
2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.
3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In *vice-versa* case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

iii) Amendment to Ind AS 19, *Employee Benefits.*

Changes in Employee benefit plan, the amendments to Ind AS 19, *Employee Benefits* relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall

2019. These include changes in Ind AS 101, *First Time Adoption of Indian Accounting Standards*; Ind AS 2, *Inventories*; Ind AS 12, *Ind AS 16*, *Ind AS 21*, *The Effects of Changes in Foreign Exchange Rates*, Ind AS 38, *Intangible Assets*, etc.

remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. Earlier, only the benefits offered under the plan and plan assets before the plan amendment, curtailment or settlement were reflected under the remeasurement of net defined liability/asset. Other consequential amendments have also been notified to Ind AS 19, like measurement of current service cost and interest on the net defined benefit liability/asset after the plan amendment, curtailment or settlement.

iv) Amendments to Ind AS 28, *Investments in Associates and Joint Ventures.*

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, *Investments in Associates and Joint Ventures* from its scope. Earlier there was confusion whether Ind AS 109 shall be applied or not to the long-term interests in associates and joint ventures not accounted as per equity method. To do away with this confusion, amendments to Ind AS 28 have been made. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

Enhancements in E-Way Bill System

Auto calculation of route distance based on PIN code for generation of EWB:

E-waybill system is now enabled to auto calculate route distance for movement of goods, based on the Postal PIN codes of source and destination locations given by the user. The e-waybill system will calculate and display the actual distance between the supplier and recipient addresses. User is allowed to edit the distance shown, but it will be limited to 10% more than the displayed distance. In case, source PIN and destination PIN are same, the user can enter up to a maximum of 100 kms only. If PIN entered is incorrect, the system would alert the user as INVALID PIN CODE, but he can continue entering the distance.

Knowing the distance between two PIN Codes:

Taxpayer can now know the distance between source and destination by selecting "PIN to PIN distance" in Search section on the EWB System home page. Search will show approximate distance between the PINs entered.

Blocking of generation of multiple E-Way Bills on one Invoice/document:

EWB system will not allow generation of multiple e-way bills based on one invoice, by any party – consignor, consignee or transporter. That is, once E-way Bill is generated with an invoice number, then no one can generate another E-Way Bill with the same invoice number.

Extension of E-Way Bill in case Consignment is in Transit:

The taxpayer or transporter (who has been assigned an EWB) can now extend E-way Bill validity, when goods are in transit. User can login to the EWB portal and navigate to EWB Module > Extend Validity > Enter EWB Number to fill the form. On selection of In Transit, the address details of the transit place need to be provided by user. On selection of In Movement the system will prompt user to enter Mode and Vehicle details.

Report on EWB which are about to expire soon:

Users of EWB System can now view the list of EWB about to expire in next three days. User can see this after logging into the EWB portal and navigating through Reports > My EWB Reports > EWB about to expire.

Upgraded module for online filing and tracking quality complaints/ Trade disputes relating to International Trade – both Indian and foreign entities

The module for online filing and tracking quality complaints/ Trade disputes relating to International Trade is upgraded. Now the Indian entities can also file/ track complaints against foreign entities. The revised protocol is enumerated as below:

For the Indian/ Foreign Complainants

- Go to the DGFT website www.dgft.gov.in>services>File Quality file>Trade dispute>Fill online application form
- Upload documents related to quality complaint/ trade dispute, wherever required (maximum 5MB documents in PDF format)

- Select jurisdiction regional authority of DGFT/SEZ (this jurisdiction should be ascertained with respect to the address of the Indian entity) as per appendix 1 of the handbook of procedures (refer http://dgft.gov.in/sites/default/files/1A_0.pdf)
- Select jurisdictional Indian Mission (this jurisdiction should be ascertained with respect to the address of foreign entity)
- On submission, a Unique Reference Number (URN) starting with "Q" will be generated and sent to the email id of the complainant. Please make sure that the email id is functional as all future correspondence in this regard will be made on this id only.
- The complainant, at a future date, can also provide additional material/correspondence to the Regional Authority/SEZ and Indian Mission. While making any future correspondence, the URN must be quoted invariably in the subject header of the email.
- A link "view status" is also available for the complainant to check current position of the complainant at <http://dgftebrc.nic.in.8090/TradeDispute>
- On receipt of the complaint/ dispute, the concerned Regional Authority/SEZ and Indian Mission, after logging into the online module, on a regular basis, will take necessary steps for its resolution.
- In case the online application form has been submitted incorrectly to the wrong jurisdiction by the complainant, the application should be reassigned to the concerned authority by the RA/SEZ/Mission. Online Application(s) submitted to DGFT Headquarters will also be 'reassigned' to the concerned RA/SEZ. For information of the complainant, details regarding reassignment to another authority has also been provided in the 'update status' link.
- The concerned RA/SEZ/Mission will regularly update position of the cases on the link 'update status' so that the complainant, Foreign Trade Division of the Department of Commerce, Economic Diplomacy Division of Ministry of External Affairs and the DGFT HQ can track the progress made on the complaints/ disputes filed.

For the concerned regional authority of DGFT/SEZ and Indian Mission

Difficulties, if any, in implementation of these provisions may please be brought to the notice of the Directorate immediately. Indian Mission abroad and Export Promotion Councils may give wide publicity to this online filing and tracking facility.

Composition scheme biz to now file simplified self-Assessed GST return quarterly

Giving relief to composition scheme taxpayers under the GST, the finance ministry has allowed such businesses to file 'self-assessed tax' return on quarterly basis in a simplified form. So far, businesses opting for composition scheme had to file tax returns every quarter in GSTR-4 which ran into around seven pages.

As per a Central Board of Indirect Taxes and Customs (CBIC) notification, composition scheme taxpayers will now file GSTR-4 annually by April 30 for the previous financial year ending March 31. The CBIC has notified the simplified 'statement for payment of self-assessed tax' in Form GST CMP08 to be filed by taxpayers who have opted for composition scheme, under which businesses have to pay lower rate of tax on their Turnover.

The CMP08, which has to be filed by the 18th day of the subsequent month following the end of a quarter, will include details like outward supplies, inward supplies attracting reverse charge including import of services; tax, interest payable and taxes and interest paid.

Composition scheme businesses will file the April-June quarter returns in July as per the new format. Small traders and manufacturers with a turnover of up to ₹ 1.5 crore pay a 1 per cent GST, while service providers and suppliers of both goods and services up to a turnover of ₹ 50 lakh pay 6 per cent.

Businesses who have not opted for composition scheme have to file GST returns every month and also pay taxes as per the GST slabs decided for the goods and services, they deal in. Currently, there is a 4-tier GST- 5, 12, 18 and 28 per cent.

ITC balance shall lapse for eligible persons who intend to pay GST @ 6% under new presumptive scheme

CBIC vide its notification no. 09/2019 CT (Rate) and 09/2019 UT (Rate) dated March 29, 2019, has notified that ITC lying in the electronic credit ledger of the eligible person shall lapse and the rules applicable to composition dealers shall apply to service

providers opting to pay GST at 6% as per the new presumptive scheme as per notification no. 02/2019- CT (Rate). This notification shall come into force, w.e.f., April 1, 2019.

Tax dept to share ITR data with GSTN to detect tax evasion by business persons

The data/information to be furnished by the specified income-tax authority shall be:

(a) Request based exchange of data, wherein, important financial fields which are captured in the Income Tax Returns (ITRs) such as (i) status of filing of ITR; (ii) turnover; (iii) gross total income, (iv) turnover ratio; (v) GTI range; (vi) turnover range and (vii) any other field, the modalities of which shall be decided by the concerned specified authorities.

(b) Spontaneous exchange of data, the modalities of which shall be decided by the concerned specified authorities.

(c) Automatic exchange of data, the modalities of which shall be decided by the concerned specified authorities.

While furnishing the information, the specified income-tax authority shall form an opinion that sharing of such information is necessary for the purposes of enabling the specified authority in GSTN to perform its functions under the Goods and Services Tax.

3. To facilitate the process of furnishing information, Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) would enter into a Memorandum of Understanding ('MoU') with nodal officer, GSTN, which inter-alia would include modalities of exchange of data, maintenance of confidentiality, mechanism for safe preservation of data, weeding out after usage etc. The time line for furnishing information shall also be decided by Pr. Director General of Income-tax (Systems) or Director General of Income-tax (Systems) in consultation with concerned nodal officer and included in the said MoU.

Businesses can use IGST credit to settle centre, state tax dues

Businesses that have accumulated Integrated GST (IGST) credit in their books can settle it against central and state tax dues in any proportion. Importers typically pay IGST on goods they bring into the country. Also, IGST is paid on inter-state movement of goods. This tax is supposed to be set-off against the actual GST paid, or may be claimed as refund in certain cases. The Central Board of Indirect Taxes and Customs (CBIC) in March had allowed utilization of input tax credit (ITC) of IGST towards the payment of Central GST and State GST, in any order subject to the condition that the entire IGST liability has been first discharged using the accumulated credit.

The CBIC has now clarified that the IGST credit can be used in payment of CGST or SGST in any order or proportion. Under Goods and Services Tax (GST), the tax levied on consumption of goods or rendering of service is split 50:50 between the center (CGST) and the state (SGST). On inter-state movement of

goods as well as imports, an IGST is levied, which accrues to the center. Ideally, there should be 'nil' balance in the IGST pool at the end of a fiscal since the amount should be used for payment of CGST and SGST. As some businesses are ineligible to claim the benefits of input tax credit (ITC), the balance gets accumulated in the IGST pool.

CBIC has issued clarifications w.r.t order of utilization of input tax credit

CBIC has clarified that order of utilization of input tax credit wherein ITC available on account of IGST shall be first utilized only towards payment of IGST and if any amount remains, it may be utilized towards the payment of CGST or SGST/UTGST, in any order and in any proportion at the option of a registered person.

FAQs of GSTR-9C Offline Utility

1. What is Form GSTR-9C?

Form GSTR-9C is a reconciliation statement, duly verified and signed by Chartered Accountant/ Cost Accountant, and required to be furnished along with filing of annual return in Form GSTR-9 by the taxpayer whose turnover is above Rs.2 Crores during a financial year.

2. Who needs to file Form GSTR-9C?

Every taxpayer is supposed to file GSTR-9C and required to get his accounts audited by Chartered/Cost Accountant when turnover during a financial year exceeds the prescribed limit, along with filing of his/her annual return in Form GSTR-9. This requirement is not applicable to Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.

3. Who needs to get his accounts audited by Chartered/Cost Accountant?

Normal taxpayer (including SEZ unit and developer) with aggregate turnover exceeding 2 crore rupees during the financial year is required to get its accounts audited.

4. What details are to be filed in Form GSTR-9C?

Form GSTR-9C is a reconciliation statement reconciling the turnover declared in audited Annual Financial Statement with Turnover declared in the furnished Annual Return (GSTR9).

5. Will I be allowed to file Form GSTR-9C if I have not filed my annual return?

No, Form GSTR-9C can be filed only after filing the annual return in Form GSTR-9.

6. What are the pre-conditions for filing Form GSTR 9C?

User should be registered and should have a valid GSTIN.

- User should have valid login credentials (i.e., User ID and password)
- User has filed GSTR-9 for the relevant financial year.
- The aggregate turnover of such registered person during the financial year exceeds two crore rupees
- He should have got his accounts audited as specified.

7. By when do I need to file the Form GSTR-9C?

The due date for filing Form GSTR-9C for a particular financial year is 31st December of subsequent financial year or as notified by Government.

8. When does the system enable filing of Form GSTR 9C?

GSTR-9C tile shall be enabled only after successful filing of GSTR-9 for the financial year. Form GSTR-9C shall be made available to all taxpayers to whom GSTR-9 is applicable for the financial year. System shall not validate whether the turnover of taxpayer exceeds 2 crore rupees or not.

9. How do I fill details in Form GSTR 9C?

The taxpayer, or the auditor can download GSTR-9C offline tool (.zip file) from GST Portal and unzip the downloaded file to open excel based offline tool. Fill details in the downloaded offline sheet and validate sheet.

10. From where can I download and use the GSTR-9C Offline Utility in my system?

To download and open the GSTR-9C Offline Utility in your system from the GST Portal, perform following steps:

1. Access the GST Portal: www.gst.gov.in.
2. Go to Downloads > Offline Tools > GSTR-9C Offline Tool option and click on it.

3. Unzip the downloaded Zip file which contain GSTR_9c_Offline_Utility.xls excel sheet.

4. Open the GSTR_9c_Offline_Utility.xls excel sheet by double clicking on it.

5. Read the 'Read Me' instructions on excel sheet and then fill the worksheet accordingly.

11. Do I need to login to GST Portal to download the GSTR-9C Offline Utility?

No. You can download the GSTR-9C Offline Utility under 'Downloads' section without logging in to the GST Portal.

12. Do I need to login to GST Portal to upload the generated JSON file using GSTR-9C Offline Utility?

Yes. Taxpayer must login in to the GST Portal to upload the generated JSON file using GSTR-9C Offline Utility.

Log in to GST portal → Annual return → Select Financial year and click on Search → Click on 'Prepare Offline' option in GSTR-9C tile → Go to 'upload' tab.

13. What are the basic system requirements/configurations required to use GSTR-9C Offline Tool?

The offline functions work best on Windows 7 and above and MS EXCEL 2007 and above.

14. Is Offline utility mobile compatible?

As of now GSTR-9C Offline utility cannot be used on mobile. It can only be used on desktop/laptops.

15. Will there be any system computed fields and data auto populated in Form GSTR 9C?

Taxpayer can download the 'System generated summary based on GSTR-9' in PDF file from the portal by clicking on 'Download GSTR-9C tables derived from GSTR-9(PDF)' button. Downloaded PDF can be handed over/passed on to auditor. Auditor can use the same to fill the GSTR-9 related fields in GSTR-9C.

'System generated summary based on GSTR-9' filed shall have the following fields:

Turnover as declared in Annual return (GSTR-9)

- Taxable turnover as per liability declared in Annual Return (GSTR-9)
- Total amount of Tax paid as declared in Annual Return (GSTR-9)
- ITC claimed in Annual Return (GSTR-9)
- ITC claimed in Annual Return (GSTR-9)

16. How would Form GSTR 9C be verified and signed by Chartered Accountant/ Cost Accountant?

Chartered Accountant/Cost Accountant shall use the offline tool to fill up the required details and the Certificate. He would generate a JSON file after validation and upload the file. After generating JSON the Auditor shall affix his digital signature.

17. Who would upload the Form GSTR 9C?

Chartered Accountant/ Cost Accountant after verification and signing shall pass on the signed JSON file to taxpayer for upload of Form GSTR 9C. It is to be uploaded on GST portal by the taxpayer, after verification, along with a copy of the following documents: Balance Sheet, Income and Expenditure Account/ Profit and Loss Account and any other document.

18. Can I download draft Form GSTR 9C before filing?

Yes. Draft GSTR-9C in PDF format can be downloaded after the upload of JSON file.

19. What is the format to be used for upload of Form GSTR 9C?

Upload format allowed for GSTR-9C is JSON only and upload format allowed for Balance Sheet, Profit and Loss Account/ Income and Expenditure Account and any other document is PDF only.

20. Is there any limit on the size of documents required to be uploaded?

Limit of upload for following documents under each section shall be 2 files and each file size should not exceed 5 MB:

- Balance Sheet
- Profit and Loss Account/Income and Expenditure Account
- Other document 1, if any
- Other document 2, if any

21. Can I make any changes in the JSON file uploaded by the Auditor?

No, you cannot make any changes in the JSON file uploaded by the Auditor. System shall validate that no changes have been made by taxpayer in JSON signed by auditor.

22. What can I do if Auditor has made recommendation on additional liability to be discharged by taxpayer?

You are given an option to navigate to GST DRC 03 for making payment towards additional liability. After making payment through GST DRC 03, you will be navigated back to Form GSTR 9C.

23. What can I do in case of any error shown by system on uploading the Form GSTR 9C with necessary documents?

Download the JSON error file and handover it to auditor. Auditor has to open it in offline tool by clicking on "Open downloaded error JSON file". He would correct errors as per details mentioned in "GST Validation errors" and sign it again after generating JSON. On upload of signed JSON; system shall validate that no changes have been made in signed JSON by taxpayer.

24. Can I track the status of Form GSTR 9C?

Taxpayer can track the status of form GSTR-9C through 'Track return status' option in Services menu. Once return is filed successfully, then you can check the details in 'View e-filed returns' option under Services menu.

25. Can I save and download the filed Form GSTR 9C?

Yes, you can save/ download the filed form for future reference. ARN and date of ARN will also be shown on summary downloaded after filing the form.

26. Can I revise Form GSTR 9C or make any changes in it?

Form GSTR-9C once filed cannot be revised. However, changes can be made till filing even post payment through GST DRC-03.

27. I am uploading GSTR-9C JSON File again, after making changes. What will happen to details of the previous upload?

If some details exist from previous upload, it will be updated with latest uploaded details. All new entries will be added as new entries.

28. Do I need to click on 'save' button in 'upload relevant documents page' after every upload?

Yes. You need to click on 'Save' button after the status is 'Processed'. Save button shall be enabled only after successful upload of mandatory documents (Balance sheet and Profit & loss statement/Income & expenditure statement)

29. What will happen if I click on 'proceed to file' without clicking on 'save' button.

Error message shall be displayed if you click on 'proceed to file' without clicking on 'Save' button.

30. When proceed to file button shall be enabled?

'Proceed to file' button shall be enabled only after successful upload of

1. Signed JSON file
2. Balance sheet in PDF/JPEG format
3. Profit & Loss statement/ Income & Expenditure statement in PDF/JPEG format and save.

31. When 'File GSTR-9C' button will be enabled?

File GSTR-9C' button will be enabled only after Proceed to file and select the declaration/verification check box.

32. Can I add/delete the uploaded PDF/JPEG file after clicking on 'Proceed to file' or 'File GSTR-9C' button?

Yes. You can add/delete PDF/JPEG file till successful filing of GSTR-9C. If you have deleted/added any documents, then you have to click on save and proceed file again.

33. Can I download the reconciliation statement in excel format before/after filing of GSTR-9C?

Yes. You can download the reconciliation statement details in excel format.

34. Can I download the uploaded PDF/JPEG (Balance sheet, profit & loss statement etc.) and JSON file after successful filing?

Yes. You can download the GSTR-9C JSON/PDF/Excel files by clicking on 'Download GSTR-9C' button in GSTR-9C tile on the and PDF/JPEG uploaded by taxpayer can be downloaded by clicking on 'View GSTR-9C' button in GSTR-9C tile.

Maharashtra Amnesty Scheme, 2019 for Settlement of Arrears in Dispute

The Maharashtra government has issued an ordinance to bring into effect a scheme that provides for settlement of dues (Assessed or Unassessed) under various state levies including VAT, CST, Bombay sales tax act, profession tax and luxury tax etc.

Duration of Scheme:

Particulars	First Phase	Second Phase
Payment of the requisite amount to be paid	On or after 1st April 2019 to 30 th June 2019	On or after 1 st July 2019 to 31 st July 2019
Duration for submission of application	On or after 1st April 2019 to 30 th June 2019	On or after 1 st July 2019 to 31 st July 2019

Note: Any payment made under any statutory order either in an appeal or otherwise before 31st March 2019 will be first adjusted against:

- Amount of tax
- Interest

After that, any balance amount will be adjusted against

- Penalty
- Late fee

After the adjustment of the amount, any amount outstanding under any order either in appeal or otherwise as on 1st April 2019 will be considered for settlement.

Eligibility Criteria for settlement:

Any person who is registered or not registered, who is liable to pay arrears of tax, interest, penalty or late fee levied or imposed under the relevant act.

Eligible Amount:

- Disputed tax means other than undisputed tax.
- No need to file appeal in order to determine disputed tax.

Undisputed tax means

- Taxes Collected separately under relevant act or
- The deduction allowed by authorities in the statutory order for the taxes collected separately under relevant act or
- Taxes shown payable in the return or revised return under the relevant act or
- an amount claimed by the dealer as deductions or allowed by the designated authority as per rule 57 of the Maharashtra Value Added Tax Rules or similar rules made under other Relevant Act or
- an amount forfeited under the statutory order or excess tax collection shown in the return, revised return or, Audit report submitted under the Relevant Act; or
- any amount of tax, interest or late fee determined and recommended to be payable by the auditor, in the audit report submitted as per section 61 of the Maharashtra Value Added Tax Act, and accepted by the assessee either wholly or partly; or
- the tax deducted at source (TDS) by the employer under the Relevant Act; or
- the tax collection made under section 31A of the Value Added Tax Act;

No amnesty will be available for undisputed tax. One can avail amnesty for partial amount of tax. Amnesty can be available on the basis of issue of notice or/and by filling of revised or original return.

Conditions for settlement of arrears:

- 1) A separate application shall be made for each class of arrears:
 - a) Arrears as per any statutory order
 - b) Any arrears admitted in return or revised return
 - c) Determined and recommended by the auditor in audit report submitted under Value Added Tax, and accepted by assessee wholly or partly
 - d) Arrears about any notice issued under the act
 - e) Determined to be payable on a self-assessment basis
- 2) The application shall be made to designated authority in the prescribed form
- 3) Where an applicant desires to settle the arrears of return in respect of a specified period, a separate application shall be made for each such return or revised return
 - a) Provided where an application to settle dues under any return pertains to a single financial year then he can make one single application
 - b) No application shall be made for a Revised return made after 6th March 2019 which results in a reduction of tax or interest of both admitted, including due to adjustment of set-off.
However, this condition does not apply if the reduction is due to the payment of tax or interest by cash and the same was declared under revised return.
 - c) Every application shall be accompanied by the proof of payment of the requisite amount.
 - d) There will be no waiver in respect of the undisputed tax.
 - e) No application shall be made in respect of, who has taken credit of set-off in the electronic credit ledger unless the credit equivalent to the amount for which the settlement application is made is reversed by debiting the electronic ledger on or before the date of submission of an application for settlement.

Withdrawal of Appeal:

- Any appeal pending before the appellate, or the tribunal or the Court shall be withdrawn unconditionally by the applicant. Said Application for withdrawal of appeal should be submitted to the authorities as mentioned earlier or the court.

Determination of requisite amount and extent of waiver:

For Period up to the 31st March 2010

	First Phase		Second Phase	
	Amount to be Paid	Amount of Waiver	Amount to be Paid	Amount of Waiver
Un-disputed Tax Amount	100%	NIL	100	NIL
Disputed Amount of Tax	50%	50%	60%	40%
Amount of Interest	10%	90%	20%	80%
Outstanding Penalty as per Order	5%	95%	10%	90%
Amount of post assessment interest or penalty or both	0%	100%	0%	100%
Late fee	0%	100%	0%	100%

For Period on or after 1st April 2010 to 30th June 2017

	First Phase		Second Phase	
	Amount to be Paid	Amount of Waiver	Amount to be Paid	Amount of Waiver
Un-disputed Tax Amount	100%	NIL	100	NIL
Disputed Amount of Tax	70%	30%	80%	20%
Amount of Interest	20%	80%	30%	70%
Outstanding Penalty as per Order	10%	90%	20%	80%
Amount of post assessment interest or penalty or both	0%	100%	0%	100%
Late fee	0%	100%	0%	100%

Bar on Re-opening of settled cases:

Any order issued shall be conclusive as to the settlement of arrears covered, and the matter covered by such order shall not be re-opened in any proceeding or review or revision.

Providing facility of Registration under Profession Tax Act, MVAT Act and CST Act through MAITRI Portal of Industries Department, Govt. of Maharashtra

1. Government of Maharashtra has launched MAITRI (Maharashtra Industry Trade & Investment Facilitation Cell) Portal as part of Ease of Doing Business in India and Ease of Doing Business in the State of Maharashtra. This portal allows Investors seek clearances, apply for Registrations/Services, of various Departments/Agencies of the Government of Maharashtra, required for establishment and operation of ventures, through a single window.
2. Now Applicants can also apply for registration under PT Act or MVAT Act or CST Act or all on the MAITRI Portal. This is the step towards a Single Window System for all necessary registrations required for doing business in the State of Maharashtra.
3. It is to be noted that if email ID is already used while registering on MAITRI Portal in respect of a Taxpayer, then such email ID cannot be used again for the registration of another Taxpayer through MAITRI Portal.
4. It is to be further noted that if mobile number and email ID is already used while obtaining registration under PT Act/MVAT Act/CST Act of a Taxpayer, on the portal of MGSTD (<https://mahagst.gov.in>), then such mobile and/or email ID cannot be used again for the registration under any of the above Acts in respect of another Taxpayer through MAITRI Portal.

5. Procedure for obtaining registration under PT Act/MVAT Act/CST Act through MAITRI portal is explained below:

Step-1: Registering on MAITRI portal:

- i. Visit MAITRI Portal <https://maitri.mahaonline.gov.in>
- ii. Click on "LOGIN"
- iii. Click on "New Registration". Applicant will be directed to "Registration" Select correct "Type of Constitution" as this is very important step in the entire process.
- iv. Fill all other information to get registered on the MAITRI Portal.
- v. Note: The fields provided for "Applicant's PAN" and "Entity PAN" are not mandatory for registration on MAITRI Portal. However, for getting registration under various Acts administered by MGSTD (MVAT/CST/PT), field provided for applicant's PAN is mandatory if the applicant is HUF/Proprietor, and field provided for Entity PAN is mandatory if applicant is other than Proprietor/HUF.

Step-2: Filing Combined Application Form (CAF) on MAITRI Portal:

- I. Login using MAITRI credentials on MAITRI Portal,
- II. Click on Tab "CAF and Services" under Dashboard on upper-left corner.
- III. Click on option "CAF" (Combined Application Form) which has three pages as under:
 - a. Applicant Details
 - b. Industry Details Part-1 Industry Details Part-2
- IV. Applicant is required to fill in the relevant information in above pages.
- V. Notes:
 - a. The fields provided for "Applicant's PAN" in Applicant Details Page and "Entity PAN" in Industry Details Part-2 page are non-mandatory while filling CAF.
 - b. However, if "Entity PAN" is entered while Registering on MAITRI under Step-1, then it will be auto-populated in CAF.
 - c. Whereas, if "Applicant's PAN" is entered while Registering on MAITRI under Step -1, it will not be auto-populated in CAF. Applicant has to re-enter this field.
- VI. Applicant has to upload Documents which are mandatory for completion of CAF.
- VII. After Successful completion of CAF, applicant is required to make online Payment for availing Services of the MAITRI Portal. These services are available in "Services Provided" Tab under Dashboard on the upper-left corner of the screen.

- VII. It is to be noted that once CAF is filled, applicant cannot make any changes in CAF. Hence utmost care must be taken while filling in the

Step-3: Applying for registration under MVAT/CST/PT through MAITRI portal:

- A. Applicant has to select "Services Provided" Tab under Dashboard on the upper-left corner of the screen.
- B. "Apply for Services" screen displays list of Departments providing services through MAITRI Portal.
- C. Applicant has to select "Registration under Profession Tax (Individual)/Profession Tax (Employer)/MVAT/CST" for registering under various Acts administered by MGSTD. Applicant has to click on "Apply" button for making application under various Acts administered by the MGSTD.
- D. Since PAN is mandatory for obtaining Registration under various Acts administered by the MGSTD, if applicant has not entered "Applicant PAN" or "Entity PAN" then, applicant is provided screen to update "Applicant PAN" or "Entity PAN" on the basis of Type of Constitution.
- E. If applicant has already entered PAN or, Applicant updates PAN details as per Step-3 (D) above, then applicant is directed to MAHAGST Portal Registration Page. If PAN is correct then:
 - i. if applicant has not previously created profile on MAHAGST Portal using the same PAN, then PAN will be validated real time from NSDL and applicant will be asked a "Security Question". After this step, profile of the dealer will be created on MAHAGST Portal. Then applicant is required to click on "Click here to Log-in".
 - ii. if applicant has previously created profile on MAHAGST Portal using the same PAN, and already registered under any one of the Acts administered by MGSTD then applicant will get message "Either Temporary Profile or TIN has been generated for this PAN". In such cases, applicant has to login to MGSTD Portal using his User ID and Password. Thereafter, he may apply for new registration under any other act through an option provided "New Registration".
 - iii. Rest of the registration procedure is same as described in Trade Circular 16T of 2016.
- F. If the PAN is not correct, then no profile will be generated. Applicant will get message "PAN not registered with NSDL". As no changes are allowed in CAF, applicant cannot correct his PAN in CAF. In such cases he has to create another profile on MAITRI and he has to fill separate CAF.
6. If the applicants face any issues while obtaining registration under PT Act/MVAT Act/CST Act from the MAITRI Portal, it is requested to mail the issue(s) on the following email ID: newregonmaitri@mahagst.gov.in
7. This Trade Circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law.

Businesses can apply for revoking cancellation of GST registration by July 22 – CBIC

The revenue department has allowed businesses whose GST registration has been cancelled due to non-filing of tax returns to apply for its revocation by July 22, provided they file their pending returns and pay due taxes. In a letter to field offices, the Central Board of Indirect Taxes and Customs (CBIC) said it is providing a "onetime opportunity" to apply for revocation of cancellation of GST registration by July 22, 2019, for those entities for whom cancellation order has been passed up to March 31, 2019.

The CBIC said where the registration has been cancelled with effect from the date of the order, all returns due till the date of such cancellation are required to be furnished before the revocation application is filed. In cases where the registration has been cancelled with retrospective effect, the CBIC has allowed filing of revocation application, subject to the condition that all returns relating to the period from the effective date of cancellation till the date of revocation order will be filed within a period of 30 days from the date of the revocation order.

The CBIC officers have recently cancelled a large number of registrations on account of non-compliance, including non-filing of returns. Earlier this month, the CBIC had asked its field officers to be cautious while processing application for fresh GST registration by those businesses whose earlier registration has been cancelled due to non-compliance, as it sought to crack down on tax evaders. The CBIC missive came after taxmen noticed that businesses whose registration has been cancelled continue to operate without any registration and are not applying for revocation and are instead applying for fresh registration, so as to evade taxes which were due under earlier registration.

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