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INCOME TAX



EXTENSION OF TIME LIMIT FOR SELECTION OF RETURN FOR COMPULSORY SCRUTINY

2020-21

The CBDT has issued order and extended the date for selection of cases for compulsory Scrutiny on the basis of prescribed parameters from 30th September,2020 to 31st October,2020.(Order Dated 30th September,2020.)

EXTENSION OF RETURN FOR A.Y

2019-20

The CBDT has further extended the due date for filing of revised and belated Income tax return for Assessment year 2019-20 from 30-09-2020 to 30-11-2020. (Order dated 30th September, 2020.)

FORM 15C

The CBDT has issued Notification and amended Rule 29B of Income Tax Rules ,1961 the word banking company and insurer has been substituted and Form 15C is also substituted.(Notification dated 11th September,2020.)

TCS ON SALE OF GOODS

The CBDT has issued circular and clarified that the provisions of section 194-0, and subsection (I H) of section 206C, of the Act shall not be applicable in relation to,-

- (i) transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation, including recognized stock exchanges or recognized clearing corporation located in International Financial Service .Centre;
- (ii) transactions in electricity, renewable energy certificates and energy saving certificates traded through power exchanges registered in accordance with Regulation 21 of the CERC; and For this purpose,-

❖ **Applicability on payment gateway:**

In e-commerce transactions, the payments are generally facilitated by payment gateways. In order to remove this difficulty, it is provided that the payment gateway will not be required to deduct tax under section 194-0 of the Act on a transaction, if the tax has been deducted by the ecommerce operator under section 194-0 of the Act, on the same transaction.

TCS ON SALE OF GOODS

❖ **Applicability of on insurance agent or insurance aggregator:**

In order to remove difficulty it is provided that in years subsequent to the first year, if the insurance agent or insurance aggregator has no involvement in transactions between insurance company and the buyer of insurance policy, he would not be liable to deduct tax under section 194-0 of the Act for those subsequent years. However, the insurance company shall be required to deduct tax on commission payment, if any, made to the insurance agent or insurance aggregator for those subsequent years under the relevant provision of the Act. Calculation of threshold for the financial year 2020-21.

Since both section 194-0 , and sub-section (I H) of section 206C, of the Act would come into effect from 1st October, 2020, it was requested to clarify how the various thresholds specified under these sections shall be computed and whether the tax is required to be deducted/collected in respect of amounts received before 1st October, 2020.

TCS ON SALE OF GOODS

It is hereby clarified that,-

- ❖ Since the threshold of five lakh rupees for an individual/ Hindu undivided family (being ecommerce participant who has furnished his PAN/Aadhaar) is with respect to the previous year, calculation of amount of sale or services or both for triggering deduction under section 194-0 of the Act shall be counted from 1 st April, 2020. Hence, if the gross amount of sale or services or both facilitated during the previous year 2020-21 (including the period up to 30th Sept 2020) in relation to such an individual/ Hindu undivided family exceeds five lakh rupees, the provision of section 194-0 shall apply on any sum credited or paid on or after 1st October, 2020.
- ❖ Since sub-section (1H) of section 206C of the Act applies on receipt of sale consideration, the provision of this sub-section shall not apply on any sale consideration received before 1st October 2020. Consequently it would apply on all sale consideration (including advance received for sale) received on or after 1st October 2020 even if the sale was carried out before 1st October 2020.
- ❖ Since the threshold of fifty lakh rupees is with respect to the previous year, calculation of receipt of sale consideration for triggering TCS under sub-section (1 H) of section 206C shall be computed from 1st April, 2020. Hence, if a person being seller has already received fifty lakh rupees or more up to 30th September 2020 from a buyer, the TCS under sub-section (1 H) of section 206C shall apply on all receipt of sale consideration during the previous year, on or after 1st October 2020, from such buyer.

TCS ON SALE OF GOODS

❖ **Applicability to sale of motor vehicle:**

The provisions of sub-section (1 F) of section 206C of the Act apply to sale of motor vehicle of the value exceeding ten lakh rupees. Sub-section (1H) of section 206C of the Act exclude from its applicability goods covered under sub-section (IF). It has been requested to clarify that whether all motor vehicles are excluded from the applicability of sub-section (IH) of section 206C of the Act. In this regard it may be noted that the scope of sub-sections (IH) and (IF) are different. While sub-section (1 F) is based on single sale of motor vehicle, sub-section (1 H) is for receipt above 50 lakh rupee during the previous year against aggregate sale of good. While sub-section (1F) is for sale to consumer only and not to dealers, sub-section (1H) is for all sale above the threshold.

TCS ON SALE OF GOODS

Hence, in order to remove difficulty it is clarified that,

- ❖ Receipt of sale consideration from a dealer would be subjected to TCS under sub-section (I H) of the Act, if such sales are not subjected to TCS under sub-section (1 F) of section 206C of the Act.
- ❖ In case of sale to consumer, receipt of sale consideration for sale of motor vehicle of the value of ten lakh rupees or less to a buyer would be subjected to TCS under sub-section (1 H) of section 206C of the Act, if the receipt of sale consideration for such vehicles during the previous year exceeds fifty lakh rupees during the previous year.
- ❖ In case of sale to consumer, receipt of sale consideration for sale of motor vehicle of the value exceeding ten lakh rupees would not be subjected to TCS under sub-section (IH) of section 206C of the Act if such sales are subjected to TCS under sub-section (IF) of section 206C of the Act.

TCS ON SALE OF GOODS

Adjustment for sale return, discount or indirect taxes :

It is requested to clarify that whether adjustment is required to be made for sales return, discount or indirect taxes including GST for the purpose of collection of tax under sub-section (IH) of section 206C of the Act. It is hereby clarified that no adjustment on account of sale return or discount or indirect taxes including GST is required to be made for collection of tax under sub-section (IH) of section 206C of the Act since the collection is made with reference to receipt of amount of sale consideration.

TCS ON SALE OF GOODS

Fuel supplied to non-resident airlines :

It is requested to clarify if the provisions of sub-section (1H) of section 206C of the Act shall apply on fuel supplied to non-resident airlines at airports in India. To remove difficulties it is provided that the provisions of sub-section (1H) of section 206C of the Act shall not apply on the sale consideration received for fuel supplied to non-resident airlines at airports in India.

FACELESS APPEAL SCHEME,2020

The CBDT has issued notification and notified the faceless appeal Scheme,2020 The National Faceless Appeal Centre to facilitate the conduct of e-appeal proceedings in a centralised manner, which shall be vested with the jurisdiction to dispose appeal in accordance with the provisions of this Scheme.(Notification dated 25th September,2020.)

PRESCRIBED AUTHORITY FOR ASSESSMENT

The Central Board of Direct Taxes hereby authorises the Assistant Commissioner/Deputy Commissioner of Income-tax (National e-Assessment Centre) having his headquarters at Delhi, to act as the Prescribed Income-tax Authority for the purpose of sub-section (2) of section 143 of the Act, in respect of returns furnished under section 139 or in response to a notice issued under subsection (1) of section 142 of the said Act, for the purpose of issuance of notice under sub section (2) of section 143 of the said Act. This notification shall come into force from 13th August 2020

AMENDMENT IN RULES AND FORMS

The Central Board of Direct Taxes has issued notification and amended rules and inserted forms to give effect the provisions of section 115BA, 115BAA, 115BAB, 115BAC and 115BAD. Rule 5, 21AF and Form 3CD, Form 3CEB , ITR 6 has been amended and Form 10IE and 10IF has been inserted.(Notification dated 1st October,2020.)

GST/CUSTOM



GOODS SEND ABROAD ON APPROVAL

The CBIC has issued notification that where, any time limit for completion or compliance of any action, by any person, has been specified in, or prescribed or notified under sub-section (7) of section 31 of the said Act in respect of goods being sent or taken out of India on approval for sale or return, which falls during the period from the 20th day of March, 2020 to the 30th day of October, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall stand extended upto the 31st day of October, 2020.(Notification No 66/2020 dated 21st September,2020.).

FORM GSTR 4

The CBIC has issued Notification and that late fee payable under section 47 of the said Act, shall stand waived which is in excess of two hundred and fifty rupees and shall stand fully waived where the total amount of central tax payable in the said return is nil, for the registered persons who failed to furnish the return in FORM GSTR-4 for the quarters from July, 2017 to March, 2020 by the due date but furnishes the said return between the period from 22th day of September, 2020 to 31st day of October, 2020.(Notification No 67/2020 dated 21st September,2020).

FORM GSTR 10

The CBIC has issued Notification that the Government, on the recommendations of the Council, hereby waives the amount of late fee payable under section 47 of the said Act which is in excess of two hundred and fifty rupees, for the registered persons who fail to furnish the return in **FORM GSTR-10** by the due date but furnishes the said return between the period from 22th day of September, 2020 to 31st day of December, 2020. (Notification No 68/2020 dated 21st September,2020).

FORM GSTR 9 AND 9C

The CBIC has issued Notification and Extended the of Filing of GSTR 9 and GSTR 9C for the year 2018-19 from 30th September,2020 to 31st October,2020.(Notification No 69/2020 dated 30th September,2020).

AMENDMENT IN E-INVOICE

The CBIC has issued Notification and inserted following in original notification as :

- (i) for the words “a financial year”, the words and figures “any preceding financial year from 2017-18 onwards” shall be substituted;
- (ii) after the words “goods or services or both to a registered person”, the words “or for exports” shall be inserted. (Notification No 70/2020 dated 30th September,2020).

QR CODE FOR B₂C INVOICE

The CBIC has issued Notification and extended the implementation of Dynamic QR code on B2C invoices till 1st December,2020.(Notification No 71/2020 dated 30th September,2020).

AMENDMENT IN GST RULES

The CBIC has issued Notification and amended Goods and services Rules, in rule 46, after clause (q), the following clause shall be inserted, namely:-

“(r) Quick Reference code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48.”. In the said rules, in rule 48, in sub-rule (4), the following proviso shall be inserted, namely:- “Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.”.

In the said rules, in rule 138A, for sub-rule (2), the following sub-rule shall be substituted, namely:- “(2) In case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.”. (Notification No 72/2020 dated 30th September,2020)

FORM GSTR INV 01

The CBIC has issued Notification and hereby notifies the registered persons required to prepare the tax invoice in the manner specified under sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017, who have prepared tax invoice in a manner other than the said manner, as the class of persons who shall, during the period from the 1st day of October, 2020 to the 31st day of October, 2020, follow the special procedure such that the said persons shall obtain an Invoice Reference Number (IRN) for such invoice by uploading specified particulars in **FORM GST INV-01** on the Common Goods and Services Tax Electronic Portal, within thirty days from the date of such invoice, failing which the same shall not be treated as an invoice. (Notification No 73/2020 dated 1st October,2020).

GST COUNCIL RECOMMENDATION

The GST Council has made the following recommendations:

Levy of Compensation Cess to be extended beyond the transition period of five years i.e. beyond June, 2022, for such period as may be required to meet the revenue gap.

Enhancement in features of return filing:

To this end the Council recommended / decided the following:

Due date of furnishing quarterly GSTR-1 by quarterly taxpayers to be revised to 13 of the month succeeding the quarter w.e.f. 01.1.2021;

GST COUNCIL RECOMMENDATION

Roadmap for auto-generation of GSTR-3B from GSTR-1s by:

- i. Auto-population of liability from own GSTR-1 w.e.f. 01.01.2021; and
- ii. Auto-population of input tax credit from suppliers' GSTR-1s through the newly developed facility in FORM GSTR-2B for monthly filers w.e.f. 01.01.2021 and for quarterly filers w.e.f. 01.04.2021; In order to ensure auto population of ITC and liability in GSTR 3B as detailed above, FORM GSTR 1 would be mandatorily required to be filed before FORM GSTR3B w.e.f. 01.04.2021.

The present GSTR-1/3B return filing system to be extended till 31.03.2021 and the GST laws to be amended to make the GSTR-1/3B return filing system as the default return filing system.

As a further step towards reducing the compliance burden particularly on the small taxpayers having aggregate annual turnover < Rs. 5 cr., the Council's earlier recommendation of allowing filing of returns on a quarterly basis with monthly payments by such taxpayers to be implemented w.e.f. 01.01.2021. Such quarterly taxpayers would, for the first two months of the quarter, have an option to pay 35% of the net cash tax liability of the last quarter using an auto generated challan.

GST COUNCIL RECOMMENDATION

Revised Requirement of declaring HSN for goods and SAC for services in invoices and in FORM GSTR-1 w.e.f. 01.04.2021 as under: a. HSN/SAC at 6 digits for supplies of both goods and services for taxpayers with aggregate annual turnover above Rs. 5 crores;
HSN/SAC at 4 digits for B2B supplies of both goods and services for taxpayers with aggregate annual turnover up to Rs. 5 crores;

Government to have power to notify 8 digit HSN on notified class of supplies by all taxpayers.

Amendment to the CGST Rules: Various amendments in the CGST Rules and FORMS have been recommended which includes provision for furnishing of Nil FORM CMP-08 through SMS.

Refund to be paid/disbursed in a validated bank account linked with the PAN & Aadhaar of the registrant w.e.f. 01.01.2021.

EXTENTION OF EXEMPTION

The CBIC has issued notification and Extended the CGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto 30.09.2021.(Notification no 01/2020-C.T (Rate) dated 30th September,2020)

BLOCKING OF ITC

The Commissioner of Commercial Taxes issued a Circular, regarding the blocking of credits under Rule 86A. Depts may, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of liability under Section 49 or for claim of any refund of any unutilized amount. (Circular No. 8 / 2020 (PP2/2305/2020) dated September 21, 2020.)

MISCELLANEOUS



Miscellaneous

EXTENTION OF COMPANIES FRESS START

SCHEME ,2020

The MCA issued Notification that in continuation to this Ministry's General Circular No.12/2020 dated 30.03.2020, in view of the large scale disruption caused by the COVID-19 Pandemic and after due examination, it has been decided to extend aforesaid scheme till 31st December, 2020. All other requirements provided in the said circular shall remain unchanged. (General circular No 30/2020 dated 28th September,2020.)

EXTENTION OF LLP SETTLEMENT SCHEME ,2020

The MCA issued Notification that in continuation to this Ministry's General Circular No.13/ 2020 dated 30.03.2020, in view of large scale disruption caused by the COVID-19 pandemic and after due examination, it has been decided to extend aforesaid scheme till 31st December, 2020. All other requirements provided in the said circular shall remain unchanged.(General circular No 31/2020 dated 28th September,2020.)

EXTENTION OF FORMS RELATED TO CHARGE

The MCA issued Notification that In continuation to this Ministry's General Circular No.23/2020 dated 17.06.2020 [G.C] and after due examination and it has been decided to extend scheme till 31.12.2020. Accordingly, the figures '30.09.2020" and "01.10.2020" wherever they appear in the G.C. shall be substituted with figures "31.12.2020" and "01.01.2021" respectively..(General circular No 32/2020 dated 28th September,2020.)

EXTENTION OF EGMS THROUGH VC

The MCA issued Notification that In continuation to this Ministry's General Circulars No.14/2020 dated 8th April, 2020, No.17 /2020 dated 13th April, 2020 and No.22/2020 dated 15.06.2020 and after due examination and it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in the aforesaid Circulars upto 31 st December, 2020. All other requirements provided in the said Circulars shall remain unchanged..(General circular No 33/2020 dated 28th September,2020.)

THE COMPANIES (AMENDMENT) ACT,2020

The Ministry of law and Justice has issued notification and notified The Companies (Amendment) Act,2013 which will de criminalise various offences under 48 sections of the companies act 2013 (Notification dated 28th September,2020.)

CODE ON SOCIAL SECURITY, 2020

The Ministry of Law and Justice has issued notification and notified Code on Social Security 2020, The Code on Wages, The Social Security Code, Industrial Relations Code and The Occupational Safety and Health Code, subsuming 29 existing regulations.

COP AND MEMBERSHIP FEES

The ICAI considering the request from Members at large has decided to extend the last date for payment of Membership/ COP fee from 30th September, 2020 to 30th November, 2020.

MEF FOR 2020-21

The Multi-Purpose Empanelment Form (MEF) for 2020-21 is now live. You can register for the same at meficai.org. The Last date for registration is 23rd October, 2020.

COMPLIANCE DATES FOR OCTOBER,2020

10th October	File GSTR-8 for the Month of September,2020.
10th October	File GSTR-7 for the Month of September,2020.
11th October	File GSTR-1 Return for the month of September, 2020.
13th October	File GSTR-6 for the Month of September,2020.
15th October	Deposit of ESI for the month of September, 2020.
15th October	Deposit of Provident Fund for the Month of September, 2020.
15th October	File TCS Quarterly statement for quarter ended 30th September,2020.
18th October	File CMP-08 for the Quarter ended 30th September,2020.
20th October	File GSTR-3B Return for the month of September, 2020.(Turnover Above 5 crore) .
20th October	File GSTR-5 Return for the month of September, 2020.

DISCLAIMER : Although due care has been taken while compiling the above details, yet the author carries no responsibility for any inadvertent misquoting. Please check the relevant source before relying on any of the compilations. The notification and circulars covered under the compilation are chosen which are considered important and not all, issued under the relevant statute

COMPLIANCE DATES FOR OCTOBER, 2020

20th October	File GSTR-5A Return for the month of September, 2020.
22nd October	File GSTR-3B Return for the month of September, 2020.(Turnover Below 5 crore) for specified states.
24th October	File GSTR-3B Return for the month of September, 2020.(Turnover Below 5 crore) for specified states.
25th October	File ITC 04 for the Quarter ended 30th September,2020.
31st October	File GSTR-9 for the year 2018-19.
31st October	File GSTR-9C for the year 2018-19.
31st October	File Tax Audit Report for the Assessment year 2020-21.
31st October	File GSTR-1 Return for the Quarter ended September, 2020.
31st October	File GSTR 4 for FY 2017-18 to 2019-20.

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Thank
you

