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Compiled By: CA Ashok Kumar Jain,

FCA, DISA

9810103799

ahpnindia@gmail.com.

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INCOME TAX



CLARIFICATION ON PAYMENT UNDER VSV ACT,2020

The CBDT in order to mitigate undue hardship and remove difficulty that may be caused by the aforesaid requirement of payment within 15 days from the date of receipt of certificate from the designated authority, in exercise of powers conferred under section 10 and 11 of Vivad se Vishwas, it is hereby clarified that where a declarant files a declaration under Vivad se Vishwas on or before 31 st December, 2020, the designated authority, while issuing the certificate under sub-section (I) of section 5 of the Vivad se Vishwas, shall allow the declarant to make payment without additional amount on or before 31st March, 2021.(Circular No 18/2020 dated 28th October,2020.)

EXTENTION OF VIVAD SE VISHWAS SCHEME

The CBDT has issued Notification and extended the date for payment without additional amount under *Vivad se Vishwas* from 31st December, 2020 to 31st March, 2021. The said notification also notified the last date for filing declaration under *Vivad se Vishwas* as 31st December, 2020.(Notification 85/2020 dated 27th October,2020.)

CONDONATION OF DELAY IN FILING

FORM 10BB

The CBDT has issued Circular and with a view to expedite the disposal of applications filed by such entities for condoning the delay and in exercise of the powers conferred under section 119(2) (b) of the Act, the Central Board of Direct Taxes hereby directs that: (i) In all the cases of belated applications in filing of Form No. 10BB for years prior to AY. 2018-19, the Commissioners of Income-tax are authorized to admit such applications for condonation of delay *uls* 119(2)(b) of the Act. The Commissioner will while entertaining such applications regarding filing Form No. 10BB shall satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time. Further, all such applications shall be disposed of by 31.03.2021. (ii) where there is delay of upto 365 days in filing Form 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay under section 119(2) of the Income-tax Act, 1961 and decide on merits. (Circular no 19/2020 dated 3rd November,2020.)

ARM'S LENGTH PRICE U/S 92C

The CBDT has issued Notification and hereby notifies that where the variation between the arm's length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2020-2021.(Notification No 83/2020 dated 19th October,2020.)

AMENDMENT IN INCOME TAX RULES

The CBDT has issued notification and Rule 67 of the Income-tax Rules, 1962 has been amended. The said amendment shall be effective from Assessment Year 2021-22 and subsequent years. (Notification No 84/2020 dated 22nd October,2020.)

AMENDMENT IN EQUALISATION LEVY RULES

The CBDT has issued notification and amended The equalisation Levy Rules 2016. Amendment has been made in Rule 3,4,5,6,7,8 and 9 and form No 1 and Form No 3 substituted.(Notification No 87/2020 dated 28th October,2020.)

EXTENSION OF ITR AND TAX AUDIT REPORT

In order to provide more time to taxpayers for furnishing of Income Tax Returns, it has been decided to further extend the due date for furnishing of Income-Tax Returns as under:

(A) The due date for furnishing of Income Tax Returns for the taxpayers (including their partners) who are required to get their accounts audited [for whom the due date (i.e. before the extension by the said notification) as per the Act is 31st October, 2020] has been extended to 31st January, 2021.

(B) The due date for furnishing of Income Tax Returns for the taxpayers who are required to furnish report in respect of international/specified domestic transactions [for whom the due date (i.e. before the extension by the said notification) as per the Act is 30th November, 2020] has been extended to 31st January, 2021.

(C) The due date for furnishing of Income Tax Returns for the other taxpayers [for whom the due date (i.e. before the extension by the said notification) as per the Act was 31st July, 2020] has been extended to 31st December, 2020

EXTENSION OF ITR AND TAX AUDIT REPORT

Consequently, the date for furnishing of various audit reports under the Act including tax audit report and report in respect of international/specified domestic transaction has also been extended to 31st December, 2020.

Further, in order to provide relief to small and middle class taxpayers, the said notification dated 24th June, 2020 had also extended the due date for payment of self-assessment tax for the taxpayers whose self assessment tax liability is up to Rs. 1 lakh. Accordingly, the due date for payment of self-assessment tax for the taxpayers who are not required to get their accounts audited was extended from 31st July, 2020 to 30th November, 2020 and for the auditable cases, this due date was extended from 31st October, 2020 to 30th November, 2020.

In order to provide relief for the second time to small and middle class taxpayers in the matter of payment of self-assessment tax, the due date for payment of self-assessment tax date is hereby again being extended.

Accordingly, the due date for payment of self-assessment tax for taxpayers whose self-assessment tax liability is up to Rs. 1 lakh has been extended to 31st January, 2021 for the taxpayers mentioned in para 3(A) and para 3(B) and to 31st December, 2020 for the taxpayers mentioned in para 3(C).

GST/CUSTOM



DATES OF GST FORMS

The Central Board of excise and custom has issued Notification and notified the dates for furnishing Forms Details are follows:

Date	Notification	Particulars	Last Date
15.10.2020 & 10.11.2020	74/2020,83/2020 Central Tax	FORM GSTR-1 of October,2020 to December,2020	13 th January,2021
15.10.2020 & 10.11.2020	74/2020,83/2020-Central Tax	FORM GSTR-1 of January,2021 to March,2021	13th April,2021
15.10.2020 & 10.11.2020	75/2020,83/2020-Central Tax	GSTR-1(Monthly) -October,2020 to March,2021	11 th of Succeeding month
15.10.2020	76/2020-Central Tax	GSTR-3B for the month of October,2020 to March,2021.(More than 5 Crore.)	20 th of Succeeding month

DATES OF GST FORMS

The Central Board of excise and custom has issued Notification and notified the dates for furnishing Forms Details are follows:

Date	Notification	Particulars	Last Date
15.10.2020	76/2020-Central Tax	GSTR-3B for the month of October,2020 to March,2021 for Specified states.(Less than 5 Crore.)	22nd of Succeeding month
15.10.2020	76/2020-Central Tax	GSTR-3B for the month of October,2020 to March,2021 for Specified states.(Less than 5 Crore.)	24th of Succeeding month
15.10.2020	77/2020- Central Tax	Form 9 for the year 2017-18,2018-19 & 2019-20.	Less than 2 crore optional.
15.10.2020	78/2020- Central Tax	HSN code up to 5 Crore	4 Digit
15.10.2020	78/2020- Central Tax	HSN code More than 5 Crore	6 Digit

EXTENSION OF DATE OF 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 31st October,2020 to 31st December,2020.(Notification No 80/2020 dated 28th October ,2020).

EXTENSION OF DATE OF FORM ITC-04

The CBIC has issued Notification and Extended the of Filing of ITC-04 for the period from July,2020 to September,2020 till 30th November, 2020.(Notification No 87/2020 dated 10th November,2020).

CLARIFICATION ON INPUT TAX CREDIT

The CBDT has issued circular and clarified that Taxpayers shall reconcile the ITC availed in their FORM GSTR-3Bs for the period February, 2020 to August, 2020 with the details of invoices uploaded by their suppliers of the said months, till the due date of furnishing FORM GSTR-1 for the month of September, 2020. The cumulative amount of ITC availed for the said months in FORM GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act, till the due date of furnishing of the statements in FORM GSTR-1 for the month of September, 2020. It may be noted that availability of 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act does not mean that the total credit can exceed the tax amount as reflected in the total invoices for the supplies received by the taxpayer i.e. the maximum credit available in terms of provisions of section 16 of the CGST Act. The excess ITC availed arising out of reconciliation during this period, if any, shall be required to be reversed in Table 4(B)(2) of FORM GSTR-3B, for the month of September, 2020. Failure to reverse such excess availed ITC on account of cumulative application of sub-rule (4) of rule 36 of the CGST Rules would be treated as availment of ineligible ITC during the month of September, 2020. (Circular No. 142/12/2020- GST dated 9th October,2020.)

AMENDMENT IN GST RULES

The CBDT has issued Notification and amended Goods and services Tax Rules,2017. The Following Rules are amended:

Rule 67A Manner of furnishing of return or details of outward supplies by short messaging service facility

Rule 80, in sub-rule (3), for the proviso, the following proviso shall be substituted, namely: - “Provided that for the financial year 2018-2019 and 2019-2020, every registered person whose turnover exceeds five crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C for the said financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

Rule 138E, after the third proviso, the following proviso shall be inserted, namely: - “Provided also that the said restriction shall not apply during the period from the 20th day of March, 2020 till the 15th day of October, 2020 in case where the return in FORM GSTR-3B or the statement of outward supplies in FORM GSTR-1 or the statement in FORM GST CMP- 08, as the case may be, has not been furnished for the period February, 2020 to August, 2020.

Following Forms has been substituted: Form 2A ,Form GSTR 5 ,Form GSTR 5A, Form GSTR 9, Form GSTR 9C.(Notification no 79/2020 dated 15th October,2020.)

NO GST REFUND TO SEZ UNIT/DEVELOPERS

The Hon'ble Appellate Authority, GST, Andhra Pradesh, in Re: Vaachi International Pvt. Ltd. [Order No. 4990 of 2020 dated February 10, 2020] held that the SEZ unit/developers shall not claim any refund against input tax credit (ITC) involved in supplies received by them from non-SEZ suppliers and GST Law facilitates eligibility for refund claim to suppliers who made supplies to SEZ unit/developers with payment of tax as zero rated supply under Section 16(1) of the Integrated Goods and Services Tax Act, 2017 (IGST Act).

DEPOSIT OF AMOUNT TO CONSUMER WELFARE FUND

The Hon'ble Courts and National Anti-profiteering Authority have given order to various firms to deposit the amount to Consumer welfare fund. Till the time proper head of account opened for consumer welfare fund the same may be deposited in the form of demand draft in favor of Commissioner, Trade and Taxes, Delhi and received by concerned ward.

E-INVOICE

The CBIC has issued Notification and Reduced the Turn over limit from 500 crore to 100 Crore wef 1st January,2021 for issue E-Invoice by registered Supplier.(Notification No 88/2020 dated 10th November,2020).

QUARTERLY RETURN MONTHLY PAYMENT SCHEME

Eligibility for the Scheme

In terms of notification No.81/2020, 82/2020, 84/2020, 85/2020- Central Tax, dated 10.11.2020, a registered person who is required to furnish a return in FORM GSTR-3B, and who has an aggregate turnover of up to 5 crore rupees in the preceding financial year, is eligible for the QRMP Scheme. It is clarified that the aggregate annual turnover for the preceding financial year returns by the taxpayer for the tax periods in the preceding financial year. This new Scheme will be effective from 01.01.2021. Further, in case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

Exercising option for QRMP Scheme

Facility to avail the Scheme on the common portal would be available throughout the year. In terms of rule 61A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred as CGST Rules), a registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter. In order to exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

QUARTERLY RETURN MONTHLY PAYMENT SCHEME

For the first quarter of the Scheme i.e. for the quarter January, 2021 to March, 2021, in order to facilitate the taxpayers, it has been decided that all the registered persons, whose aggregate turnover for the FY 2019-20 is up to 5 crore rupees and who have furnished the return in **FORM GSTR-3B** for the month of October, 2020 by 30th November, 2020, shall be migrated on the common portal as below. Therefore, taxpayers are advised to furnish the return of October, 2020 in time so as to be eligible for default migration. The taxpayers who have not filed their return for October, 2020 on or before 30th November, 2020 will not be migrated to the Scheme. They will be able to opt for the Scheme once the **FORM GSTR-3B** as due on the date of exercising option has been filed.

Class of registered person Default Option

- 1 Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished **FORM GSTR-1** on quarterly basis in the current financial year Quarterly return
- 2 Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished **FORM GSTR-1** on monthly basis in the current financial year Monthly Return
- 3 Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial Quarterly return

QUARTERLY RETURN MONTHLY PAYMENT SCHEME

Furnishing of details of outward supplies under section 37 of the CGST Act.

The registered persons opting for the Scheme would be required to furnish the details of outward supply in FORM GSTR-1 quarterly as per the rule 59 of the CGST Rule.

For each of the first and second months of a quarter, such a registered person will have the facility (Invoice Furnishing Facility- IFF) to furnish the details of such outward supplies to a registered person, as he may consider necessary, between the 1st day of the succeeding month till the 13th day of the succeeding month. The said details of outward supplies shall, however, not exceed the value of fifty lakh rupees in each month. It may be noted that after 13th of the month, this facility for furnishing IFF for previous month would not be available. As a facilitation measure, continuous upload of invoices would also be provided for the registered persons wherein they can save the invoices in IFF from the 1st day of the month till 13th day of the succeeding month. The facility of furnishing details of invoices in IFF has been provided so as to allow details of such supplies to be duly reflected in the FORM GSTR-2A and FORM GSTR-2B of the concerned recipient.

QUARTERLY RETURN MONTHLY PAYMENT SCHEME

Monthly Payment of Tax

The registered person under the QRMP Scheme would be required to pay the tax due in each of the first two months of the quarter by depositing the due amount in FORM GST PMT-06, by the twenty fifth day of the month succeeding such month. While generating the challan, taxpayers should select “Monthly payment for quarterly taxpayer” as reason for generating the challan. The said person can use any of the following two options provided below for monthly payment of tax during the first two months -

(a) Fixed Sum Method: A facility is being made available on the portal for generating a pre-filled challan in FORM GST PMT-06 for an amount equal to thirty five per cent. of the tax paid in cash in the preceding quarter where the return was furnished quarterly; or equal to the tax paid in cash in the last month of the immediately preceding quarter where the return was furnished monthly.

(b) Self-Assessment Method: The said persons, in any case, can pay the tax due by considering the tax liability on inward and outward supplies and the input tax credit available, in FORM GST PMT-06. In order to facilitate ascertainment of the ITC available for the month, an auto-drafted input tax credit statement has been made available in FORM GSTR- 2B, for every month.

QUARTERLY RETURN MONTHLY PAYMENT SCHEME

Quarterly filing of FORM GSTR-3B

Such registered persons would be required to furnish FORM GSTR-3B, for each quarter, on or before 22nd or 24th day of the month succeeding such quarter. In FORM GSTR-3B, they shall declare the supplies made during the quarter, ITC availed during the quarter and all other details required to be furnished therein. The amount deposited by the registered person in the first two months shall be debited solely for the purposes of offsetting the liability furnished in that quarter's FORM GSTR-3B. However, any amount left after filing of that quarter's FORM GSTR-3B may either be claimed as refund or may be used for any other purpose in subsequent quarters. In case of cancellation of registration of such person during any of the first two months of the quarter, he is still required to furnish return in FORM GSTR-3B for the relevant tax period.

MISCELLANEOUS



Miscellaneous

EXTENTION OF LLP SETTLEMENT SCHEME,2020

The MCA issued Circular that in continuation to this Ministry's General Circular No. 13/2020 dated 30.03.2020 and in the General Circular No. 31/2020 dated 28.09.2020 the scheme was extended till 31st December 2020, in view of large scale disruption caused by the COVID-19 pandemic and after due examination, it has been decided to extend the date on applicability to defaulting LLP and therefore, in serial number 3, para 8A, sub-para (iii) of the said circular dated 30.03.2020, belated documents due for filing till 30th November 2020 shall be substituted. All other requirements provided in the said circulars shall remain unchanged. 2. If a statement of account and solvency for the financial year 2019-2020 has been signed beyond the period of six months from the end of financial year but not later than 30th November, 2020, the same shall not be deemed as non-compliance.(Circular No 37/2020 dated 9th November,2020.)

RELAXATION IN 182 DAYS REQUIREMENT

The MCA has issued Circular and clarified that non-compliance of minimum residency in India for a period of at least 182 days in a year, by at least one director in every company , under section 149 shall not be treated as non-compliance for the financial year 2020-21 also.(Circular No 36/2020 dated 20th October,2020.)

Exposure Draft of upgraded Accounting Standards for Public Comments

On the basis of the discussions held at various standard setting forums, such as, NACAS (now replaced by NFRA), Ministry of Corporate Affairs, and Accounting Standards Board (ASB) of ICAI, it has been decided to revise Accounting Standards (AS). Accordingly, ASB has initiated the process of revision of these standards which will be applicable to all entities to whom Ind AS are not applicable. While formulating these Accounting Standards, the ASB decided to maintain the consistency with the numbering of Standards of Ind AS numbering.

In this direction, the Exposure Draft of revised AS 21, *The Effects of Changes in Foreign Exchange Rates*, has been issued by the ASB for comments with the last date being **December 3, 2020**, which can be assessed at the below link: <https://www.icaai.org/resource/61666asb031120.pdf>

PEER REVIEW CERTIFICATE

The ICAI has given Further extensions regarding the validity of Peer Review Certificate in the wake of COVID -19 spurt across the country. If the Peer Review Process needs to be initiated and the validity of the certificate is expiring after Lockdown till February 28, 2021 the effective date of validity of Peer Review Certificate has been extended to March 31, 2021 and in these cases the Practice units have to get their peer review completed and submit the final clean report to the Board before March 31, 2021.

UDIN VERIFICATION BY INCOME TAX DEPARTMENT

In line with the ongoing initiatives of the Income Tax Department for integrating with other Government agencies and bodies, Income-tax e-filing portal has completed its integration with the Institute of Chartered Accountants of India (ICAI) portal for validation of Unique Document Identification Number (UDIN) generated from ICAI portal by the Chartered Accountants for documents certified/attested by them.

If for any reason, a Chartered Accountant was not able to generate UDIN before submission of audit report/certificate, the Income-tax e-filing portal permits such submission, subject to the Chartered Accountant updating the UDIN generated for the form within 15 calendar days from the date of form submission in the Income-tax e-filing portal. If the UDIN for the audit report/certificate is not updated within the 15 days provided for the same, such audit report/certificate uploaded shall be treated as invalid submission.

Amalgamation of 'Lakshmi Vilas Bank' with 'DBS Bank

Effective from 27.11.2020; All Bank Branches of 'Lakshmi Vilas Bank' shall operate as the Branches of 'DBS Bank India Limited'.

COMPLIANCE DATES FOR DECEMBER, 2020

30th November	Last date for filing of original and revised returns for AY 19-20
7th December	Pay TDS/TCS for the Month of November, 2020.
10th December	File GSTR-8 for the Month of November, 2020.
10th December	File GSTR-7 for the Month of November, 2020.
11th December	File GSTR-1 Return for the month of November, 2020.
13th December	File GSTR-6 for the Month of November, 2020.
15th December	Deposit of ESI for the month of November, 2020.
15th December	Deposit of Provident Fund for the Month of November, 2020.
15th December	Pay Advance Tax for A.Y 2021-22.
18th December	File CMP-08 for the Quarter ended 30th November, 2020.
20th December	File GSTR-3B Return for the month of November, 2020. (Turnover Above 5 crore) .

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COMPLIANCE DATES FOR DECEMBER, 2020

20th December	File GSTR-5 Return for the month of November, 2020.
20th December	File GSTR-5A Return for the month of November, 2020.
22nd December	File GSTR-3B Return for the month of November, 2020.(Turnover Below 5 crore) for specified states.
24th December	File GSTR-3B Return for the month of November, 2020.(Turnover Below 5 crore) for specified states.
31st December	Last date of LLP settlement Scheme,2020,
31st December	File GSTR-9 for the year 2018-19.
31st December	File GSTR-9C for the year 2018-19.
31st December	File Tax Audit Report/TP Report for the Assessment year 2020-21.
31st December	Last date of Companies Fresh Start Scheme,2020.
31st December	File Income Tax Return (Non-Audit Cases) for The A.Y 2020-21.

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Thanks!