

**SKJ iCAN**

# Newsletter

August 2021

---

## DEAR READERS:

Greetings!!!

India is all set to celebrate country's 75<sup>th</sup> Independence Day on August 15. We wish You and all your near and dear ones, Happy Independence Day in advance! Let us salute our great nation on its Independence Day!

The Reserve Bank of India's circular to banks for the 'need for discipline' led to closure of a large number of current accounts when deadline for compliance ended July 31. MSME are likely to hit due to the account freeze. The apex bank said, "No bank shall open current accounts for customers who have availed credit facilities in the form of cash credit from the banking system and all the transactions shall be routed through the CC/OD account

Recently, MahaRERA authorities published a list of 1182 projects in all over Maharashtra whose registration has expired and directed that the promoters shall not advertise, market, book or sell any units or plots in these projects. This indicates the importance of timely regulatory compliance at regular intervals and consequences of non-compliance.

We look forward to your feedback on the contents of our Newsletter or you can send suggestions at [itski@khandelwaljain.com](mailto:itski@khandelwaljain.com)

Stay Safe and healthy!!!

Jai Hind

With Warm Regards

Team **SKJ iCAN**

*"Description beings in the writer's imagination, but should finish in the reader's"* - Stephen King

# What's Inside?

## DIRECT TAX

- 1 CBDT amends Rule 8AA ,inserts Rule 8AB relating to Sec 45(4) & 9B
- 2 Guidelines issued under Section 45(4) & 9B of I T Act
- 3 CBDT grants further relaxation in filing Forms 15CA/15CB
- 4 Relaxation
- 5 Rule 8AC Notified – Computation of Short term capital gain & WDV u/s 50C

## GOODS & SERVICE TAX

- 1 Changes related to QRMP scheme on GST Portal
- 2 Clarification –Extension of limitation under GST Laws
- 3 New functionality on Annual Aggregate Turnover deployed on GST Portal

## RERA

- 1 Procedure for assigning or transferring promoter's rights
- 2 Clarification reg. formats of consent of allottees- Extension of Project
- 3 Garage. Covered Parking Space, Open Parking Space
- 4 Quarterly update for Registered Projects

## COMPANY LAW

- 1 MCA- Relaxation in levy of additional fees in filing certain forms by Co & LLP

## CUSTOM

- 1 Extension of transitional provisions of Sea, Cargo, Manifest & Transshipment Regulations 2018
- 2 Implementation of 2<sup>nd</sup> Phase of RMS- Duty Drawback Claims
- 3 CBIC- Renewals of license/Registration of Customer broking licensing- abolished

## COMPLIANCE CALENDAR FOR AUGUST 2021



**Due Date-Quarterly Progress Report  
with MahaRERA-15<sup>th</sup> August 2021**

**INCOME TAX****1] CBDT amends rule 8AA and inserts Rule 8AB and Form 5C in the Income-tax Rules, 1962 to provide for rules relating to section 45(4) and 9B of the Income-tax Act, 1961 ('the Act')**

The Finance Act, 2021 inserted section 9B to the Act and also amended section 45(4) of the Act. In pursuance of the same, CBDT has amended rule 8AA by inserting sub-rule 5 to provide for the classification of Capital Gains under section 45(4) of the Act in the hands of the specified entity as short term or long term capital gains.

Further, CBDT has inserted Rule 8AB, which provides for attribution of income taxable under section 45(4) to the capital assets remaining with specified entity, as provided section 48(iii) of the Act.

CBDT has specified that the attribution detail has to be furnished in Form 5C in electronic form on or before due date for filing return of income specified under section 139(1) of the Act for the assessment year in which amount is chargeable to tax under section 45(4) of the Act.

**[Source- NOTIFICATION NO G.S.R. 470(E) [NO. 76/2021/F. NO. 370142/22/2021-TPL], DATED 2-7-2021]**

**2] CBDT issues guidelines under section 9B and sub-section (4) of section 45 of the Income-Tax Act, 1961**

The Finance Act, 2021 inserted section 9B to the Act and also amended section 45(4) of the Act. Section 9B authorised the Central Government to issue guidelines in case of any difficulty in giving effect to the provisions of section 9B as well as section 45(4) of the Act. In pursuance of the same, CBDT, with the approval of the Central Government has issued the below guidelines for the purpose of removing the difficulty under section 9B and section 45(4)-

1. The term 'capital asset' wherever appearing in the rule 8AB of the Income-tax Rules, 1962, it refers to capital asset whose capital gains is computed under section 48 of the Act as well as capital asset forming part of block of assets. Further, wherever reference is made for the purposes of section 48 of the Act such reference may be deemed to include reference for the purposes of sub-clause (c) of clause (6) of section 43 of the Act and section 50 of the Act.
2. Capital asset remaining with the specified entity forming part of a block of asset, the amount attributed to such capital asset shall be reduced from the full value of the consideration received or accruing as a result of subsequent transfer of such asset by the specified entity, and the net value of such consideration shall be considered for reduction from the written down value of such block.

**[Source- CIRCULAR NO 14 OF 2021, DATED 2-7-2021]**

### **3] CBDT Grants Further Relaxation in Electronic Filing of Income Tax Forms 15CA/15CB**

In order to provide relief to the taxpayers, the CBDT had allowed the taxpayers to submit Forms 15CA/15CB in manual format to the authorised dealer till 30th June, 2021 which was further extended till 15<sup>th</sup> July, 2021.

CBDT has now extended the said relaxation till 15<sup>th</sup> August, 2021 i.e. taxpayers can submit Form 15CA/CB in manual format to the authorised dealer till 15<sup>th</sup> August, 2021.

**[Source- Press release dated 05-07-2021 - Press release dated 20-07-2021]**

### **4] Relaxation for prescribed time frame for Processing of Returns with Refund Claims under Section 143(1)**

Due to certain technical issues, several returns for various assessment years up to the assessment year 2017-18 filed validly could not be processed under sub-section (1) of section 143 of the Act resulting into non-receipt of legitimate refund in accordance with provisions of the Act.

CBDT to resolve the above issue has relaxed the time-frame to send intimation under section 143(1) till 30/09/2021 and can be processed now with prior approval of concerned Pr.CCIT/CCIT.

The relaxation accorded above shall not be applicable to the following returns:

- (a) Returns selected in scrutiny;
- (b) Returns remain unprocessed, where either demand is shown as payable in the return or is likely to arise after processing it;
- (c) Returns remain unprocessed for any reason attributable to the assessee.

**[Source- ORDER F. NO.225/98/2020IITA-II, DATED 5-7-2021]**

### **5] CBDT inserts Rule 8AC in the Income-tax Rules, 1962 providing for computation of short term capital gains and written down value under section 50 of the Act**

In exercise of the powers conferred under section 50 read with section 295 of the Act, CBDT has inserted Rule 8AC which provides for computation of short term capital gains and written down value under section 50 where depreciation on goodwill has been obtained.

**[Source – NOTIFICATION G.S.R. 472(E) [NO. 77/2021/F. NO. 370142/23/2021-TPL], DATED 7-7-2021]**

## GOODS AND SERVICE TAX

### 1] Important changes related to QRMP Scheme implemented on the GST Portal for the taxpayers

Few important changes related to QRMP Scheme implemented on the GST Portal for the taxpayers are as given below:

#### A. Auto population of GSTR-3B liability from IFF and Form GSTR 1:

A taxpayer under **QRMP Scheme** can declare their liability through optional IFF for Month 1 and Month 2 of a quarter & Form GSTR-1 for Month 3 of that quarter. Declaration of liability in these forms would now be auto-populated in their Form GSTR-3B (Quarterly) for that quarter, based on their filed Form GSTR-1 and IFF. These fields are editable and in case their values are revised upwards or downwards, the edited field(s) would be highlighted in red colour and a warning message will be displayed to the taxpayer. However, the system would not prevent taxpayer from filing of Form GSTR-3B with edited values.

#### B. Nil filing of Form GSTR-1 (Quarterly) through SMS:

Nil filing of Form GSTR-1 (Qtrly) through SMS has been enabled for taxpayers under QRMP Scheme. They can now file it by sending a message in specified format to 14409. The format of the message is **< NIL > space < Return Type (R1) > space < GSTIN > space < Return Period (mmyyyy) >**.

#### C. Impact of cancellation of registration on liability to file Form GSTR-1:

In case registration of a taxpayer under QRMP Scheme is cancelled, with effective date of cancellation being any date after 1st day of Month 1 of a quarter, they would be required to file Form GSTR-1 for the complete quarter, as the last applicable return. For example if the taxpayer's registration is cancelled w.e.f. 1st of April, he/she is not required to file Form GSTR-1 for Apr-June quarter and Form GSTR-1 for Jan-Mar Quarter shall become the last applicable return. However, if the registration is cancelled on a later date during the quarter, the taxpayer would be required to file Form GSTR-1 for Apr-June quarter. In such cases the filing will become open on 1st of month following the month with cancellation date i.e. if cancellation has taken place on 20th May, Form GSTR-1 for Quarter Apr-June can be filed anytime on or after 1st of June

[7<sup>th</sup> July 2021]

### 2] Clarification regarding extension of limitation under GST Law in terms of Hon'ble Supreme Court's Order dated 27.04.2021.

CBEC has issued notifications under Section 168A of the CGST Act, 2017, wherein the time limit for completion of various actions, by any authority or by any person, under the CGST Act, which falls during the specified period, has been extended up to a specific date, subject to some exceptions as specified in the said notifications. In this context, various representations have been received seeking clarification regarding the cognizance for extension of limitation in terms of **Hon'ble Supreme Court Order** under the GST law.

In view of the above, CBEC has clarified the issues hereunder:

On the basis of the legal opinion, CBEC has clarified that various actions/compliances under GST can be broadly categorised as follows: –

**(a) Proceedings that need to be initiated or compliances that need to be done by the taxpayers:-**

These actions would continue to be governed only by the statutory mechanism and time limit provided/ extensions granted under the statute itself. Various Orders of the Hon'ble Supreme Court would not apply to the said proceedings/ compliances on part of the taxpayers.

**(b) Quasi-Judicial proceedings by tax authorities:-**

The tax authorities can continue to hear and dispose off proceedings where they are performing the functions as quasi-judicial authority. This may inter alia include disposal of application for refund, application for revocation of cancellation of registration, adjudication proceedings of demand notices, etc.

Similarly, appeals which are filed and are pending, can continue to be heard and disposed off and the same will be governed by those extensions of time granted by the statutes or notifications, if any.

**(c) Appeals by taxpayers/ tax authorities against any quasi-judicial order:-**

Wherever any appeal is required to be filed before Joint/ Additional Commissioner (Appeals), Commissioner (Appeals), Appellate Authority for Advance Ruling, Tribunal and various courts against any quasi-judicial order or where a proceeding for revision or rectification of any order is required to be undertaken, the time line for the same would stand extended as per the Hon'ble Supreme Court's order.

In other words, the extension of timelines granted by Hon'ble Supreme Court vide its Order dated 27.04.2021 is applicable in respect of any appeal which is required to be filed before Joint/ Additional Commissioner (Appeals), Commissioner (Appeals), Appellate Authority for Advance Ruling, Tribunal and various courts against any quasi-judicial order or where proceeding for revision or rectification of any order is required to be undertaken, and is not applicable to any other proceedings under GST Laws.

**[Circular No. 157/13/2021- GST Dated 21<sup>st</sup> July 2021]**

### **3] New functionality on Annual Aggregate Turnover (AATO) deployed on GST Portal for taxpayers**

GSTN has implemented a new functionality on taxpayers' dashboards with the following features:

- The taxpayers can now see the exact Annual Aggregate Turnover (AATO) for the previous FY, instead of just the two slabs of above or up to Rs. 5 Cr.

- The taxpayers can also see the Aggregate Turnover of the current FY based on the returns filed till date.

- The taxpayers have also now been provided with the **Facility of turnover update** In case taxpayers feel that the system calculated turnover displayed on their dashboard varies from the turnover as per their records.

- This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in their turnover shall be summed up for computation of Annual Aggregate Turnover for each of the GSTINs

- The taxpayer can amend the turnover **twice within** a period of **one month** from the date of roll out of this functionality. Thereafter, the figures will be sent for review of the Jurisdictional Tax Officer who then can amend the values furnished by the taxpayer.

Note: For details, the taxpayers may check out the 'Advisory' section of the aforementioned functionality on their respective dashboards.

**[GSTN Update Dated 27<sup>th</sup> July 2021]**

## **RERA**

### **1] Procedure for assigning or transferring Promoter's Rights**

MahaRERA in suppression of Circular 11/2017 dated 8-11-2017 issued revised guidelines and procedure for the purpose of transfer of promoter's rights and liabilities to third parties. The authorities prescribed the list of documents to be filed with MahaRERA in case of change of developers

**[Circular No. 24A/2021 dated 23-7-2021]**

### **2] Clarification regarding formats for consent of allottees**

MahaRERA earlier issued circular 28/2021 dated 8<sup>th</sup> March 2021 providing format for making an application under Section 7(3) for obtaining consent at least 51% of allottees and application format. Vide Circular No 28/A /2021, the authorities issued clarification



in cases, the allottees details and consent do not fit into single page. Further clarified that, approval of allottees can be taken through email and copy of email to be annexed to the application

**[Circular 28A/2021 dated 22-7-2021]**

### **3] Garage, Covered Parking space, and open parking areas,**

In terms of powers vested under Section 25 of RERA Act, MahaRERA authorities issued circular clarifying various points relating to Garage, Open Parking Areas, garage, selling of or allotment of opening parking areas for monetary consideration etc.

**[Circular 36/2021 dated 30-7-2021]**

### **4] Quarterly update for Registered Projects**

MahaRERA to implement “Financial Quarter Based Project Progress Reporting System” for all projects registered with MahaRERA. Now, promoters have to file quarterly progress reports within 7 days of the Quarter end. The promoters to file details which include status of projects, increment changes in building plans, present status of booking of plots/apartments, changes in professionals, change in encumbrance if any, changes in any other details of the project provided during project registration etc. The order says, that any non-compliance by the promoters will have restriction in availing services from MahaRERA including project extension.

**[Order 18/2021 dated 28-7-2021]**

## **COMPANY LAW**

### **1] MCA further relaxes levy of additional fees for delay in filing certain Forms by Companies and LLP till 31st August 2021**

MCA has issued General Circular No. 11/2021 dated 30th June 2021 giving relaxation on levy of additional fees in filing of certain Forms under the Companies Act 2013 and LLP Act 2008

MCA give further extension of time for filing e-Form

Earlier, MCA has issued **General Circular No .06/2021 dated 03.05.2021** extending the dates for filing various e-forms without levy of additional fees to 31st July 2021. Various stakeholders have made further requests for extending the various timelines as specified in the said Circular No. 06/2021.

Considering the requests made, MCA has decided to grant additional time up to 31st August 2021 to companies/LLPs to file forms under the Companies Act, 2013/ LLP Act, 2008 (other than a CH6-1 Form. CH6-4 Form and CH6-9 Form) which were/are due for filing during 1st April, 2021 to 31st July 2021 without any additional fees.

Accordingly, only normal fees shall be levied up to 31st August, 2021 for forms (other than charge related forms referred above) required to be filed during 1st April 2021 to 31st July, 2021

## CUSTOMS

### **1] Extension of transitional provisions of Sea Cargo Manifest & Transshipment Regulations 2018. Authorized sea carrier to continue to deliver the cargo declaration in old Forms**

**[Notification No. 56/2021-Customs (N.T.) dated 30<sup>th</sup> June 2021]**

### **2] Implementation of 2nd Phase of RMS for processing of Duty Drawback claims**

Risk Management System (RMS) in export was introduced with effect from 15.7.2013 by CBEC **Circular No. 23/2013-Customs dated 24.06.2013**. At that time it had been decided to implement RMS in export in two phases. In the first phase of implementation, RMS processed the data and provided output to ICES up to goods examination stage. Export RMS thus allowed low risk consignments to be cleared based on self-assessment of the declarations by exporters.

#### **Second phase of RMS for processing of Duty Drawback claims**

Now, in the second phase which has been taken up by the CBEC, RMS will process the **shipping bill** data after the Export General Manifest (EGM) is filed electronically and will provide required output to ICES for selection of shipping bills for risk-based processing of duty drawback claims.

The above-referred risk-based processing of shipping bills with claim of duty drawback is being initiated with effect from 26.07.2021.

**[19<sup>th</sup> July 2021]**

### **3] CBIC abolishes renewals of License/Registration in Customs Brokers Licensing Regulations, 2021 and Sea Cargo Manifest and Transshipment Regulations, 2018 to reduce the compliance burden for citizens and business activities.**

CBIC has undertaken a series of next generation reforms under the umbrella of '**Turant Customs**' initiative to enable Faceless, Paperless and Contactless clearance, leading to enhanced Ease of Doing Business.

According to CBIC, one key area which imposes compliance was the necessity of seeking periodic renewal of the licenses/registrations issued under the Customs Act. The period of validity of licenses/registrations under the said regulations was for a certain period after which such licenses/registrations are required to be renewed. Such renewals were legacy requirement, essentially a ground to review the compliance behaviour of the license holder/registration holder.

The renewal exercise was an avoidable interface between the licensee and Customs officers, which is not in sync with the objective of our 'Contactless Customs' programme. Also it was a burden on the licensee/registration holder to get it renewed every time. The above reasons justified dispensing with the periodic renewals meaning thereby that the licenses/registrations once issued would be valid for lifetime.

The CBIC has abolished renewals of License / Registration in Customs Brokers Licensing Regulations, 2021 and Sea Cargo Manifest and Transhipment Regulations, 2018 incorporating the following changes:

- a. To provide lifetime validity of the licenses/registrations;
- b. To enable provision for making the licenses/registrations invalid in case the licensee/registration holder is inactive for the period exceeding 1 year at a time;
- c. To empower Principal Commissioner or Commissioner of Customs to renew a license/registration which has been invalidated due to inactivity; and
- d. To provide for voluntary surrender of license/registration.

Accordingly, the CBIC has issued the Customs Brokers Licensing (Amendment) Regulations, 2021 and The Sea Cargo Manifest and Transhipment (Fifth Amendment) Regulations, 2021

**[Notification No. 62/2021-Customs (N.T.) New Delhi 23rd July, 2021 & Notification No. 61/2021-Customs (N.T.) New Delhi 23rd July, 2021]**

*"If you want to walk fast, walk alone. But if you want to walk far, walk together-Ratan Tata"*

**COMPLIANCE CALENDAR FOR AUGUST 2021**

<b>Due Date</b>	<b>Particulars</b>
	<b>INCOME TAX</b>
7	TDS/TCS Deposit - for the month of July 2021
14	Issue of TDS Certificate for tax deducted u/s 194IA/IB/N in June 2021
15	Quarterly TDS Certificate in respect tax deducted for quarter ended June 2021
30	Furnishing of Challan cum Statement for tax deducted u/s 194IA/IB/N in July 2021
31	Payment of tax under VsV Act 2020 without additional charge
31	Uploading of Form 15G/15H received during quarter ending June 2021
	<b>RERA</b>
15	Filing of Quarterly Progress Report for registered Projects
	<b>PF/ESI</b>
15	PF Contribution – July month
15	ESI Contribution- July month
25	PF return filing for July month
	<b>MVAT</b>
21	Due date for furnishing Monthly Return & Payment
	<b>GOODS &amp; SERVICE TAX</b>
10	GSTR 7 for July 2021
10	GSTR 8 for July 2021
11	GSTR 1 for July 2021- Monthly
13	GSTR 6 for July 2021
13	Reporting of Outward Supplies in IFF- QRMP Scheme
20	GSTR 3B for July 2021- Monthly
20	GSTR 5 for July 2021
20	GSTR 5A for July 2021