

SKJ iCAN

Newsletter

May 2021

DEAR READERS:

Greetings!!!

The war against Covid continues. In order to provide the necessary fiscal stimulus to the economy, the Reserve Bank of India has announced, amongst other measures, a funding of Rs 50,000 crores to the Banks for extending credit facilities to the Pharma industry.

The RBI has also asked all commercial banks to restrict dividend pay-outs to 50% to conserve capital and stay resilient amid the COVID-19 crisis. Cooperative banks, however, will be permitted to pay dividend on equity shares from the profits of the financial year. RBI did not permit banks to pay any dividends in 2019-20 as well.

In the light of hardships faced by various stakeholders during second wave of COVID-19, the Government has extended time barring due dates under Income Tax Act and GST. The time limit to file belated and to file revise returns has been extended to 31st May 2021 from 31st March 2021. Those who want to rectify and revise their original returns or file belated returns can avail this extended window

We look forward to your feedback on the contents of our Newsletter or you can send suggestions at itskj@khandelwaljain.com

Stay Safe and healthy!!!

Jai Hind

With Warm Regards

Team **SKJ iCAN**

*“In a conflict between the heart and the brain,
follow your heart- Swami Vivekananda”*

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COMPLIANCE CALENDAR FOR MAY 2021



**Extended Date to file Belated Return
and Revised Return -31st May 2021**

INCOME TAX

1] CBDT notifies new Income Tax Return Forms for AY 2021-22

CBDT has notified new Income tax returns for AY 2021-22.

Keeping in mind the spread of the novel covid-19 no significant change have been made to the ITR Forms in comparison to the last year's ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 have been made.

Further, there is no change in the manner of filing of ITR Forms as compared to last year. The notified ITR Forms are available on <http://egazette.nic.in/WriteReadData/2021/226336.pdf>.

[Source: Press Release, dated 01-04-2021]

2] CBDT authorizes authorities for passing registration orders for trusts, institutions and funds

The CBDT has authorized the Director of Income Tax(Centralized Processing Centre), Bengaluru and Commissioner of Income Tax (Exemption), Bengaluru, for the following purposes:-

- i. For receiving applications for provisional registration or registration or provisional approval or approval or intimation in Form 10A;
- ii. For passing order granting provisional registration or registration or provisional approval or approval in Form 10AC;
- iii. For issuing Unique Registration Number (URN) to the applicants;
- iv. For cancelling the approval granted in Form 10AC and Unique Registration Number (URN).

[Source: Notification S.O. 1443(E) [NO. 30 /2021/F. NO. 370142/4/2021-TPL], DATED 1-4-2021]

3] CBDT amends Rule 6G and Form 3CD to inter-alia, provide for revision of Form 3CD in certain cases

CBDT has amended Rule 6G to provide that a person can file revised audit report in Form 3CD on or before the end of the relevant assessment year, duly signed and verified by such accountant, only in the following scenario:

If there is payment by such person after furnishing of original audit report which necessitates recalculation of disallowance under section 40 or section 43B.

Further, CBDT has made following below amendments in Form 3CD:

- i. Added clause in relation the Assessee who has opted for taxation under section 115BA /115BAA /115BAB /115BAC /115BAD;
- ii. Added clause where details of any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C is to be provided;
- iii. In clause related to depreciation allowable as per the Income-tax Act, 1961, following are additional sub clauses to be reported:
 - a. Adjustment made to the written down value under section 115BAC/115BAD (for assessment year 2021-22 only);
 - b. Adjustment made to written down value of Intangible asset due to excluding value of goodwill of a business or profession;
 - c. Adjusted written down value.
- iv. In clause 32 of the Form, details in relation to brought forward loss or depreciation allowance considering the impact of opting section 115BAA/115BAC/115BAD. Also separate details of amount assessed needs to be provided (for AY 2021-22 only)
- v. Clause 36 of the Form related to Dividend Distribution Tax has been omitted.

[Source: Notification No. G.S.R. 246(E) [NO. 28/2021/F. NO 370142/9/2018-TPL], DATED 1-4-2021]

4] Amendment in rules 10DA and 10DB, and Form No. 3CEAB (Related to Master File and Country-by-country reporting)

CBDT has amended rules 10DA(2) and rule 10DA(4) of the Income-tax Rules, 1962 ('the Rules') wherein for the words "*constituent entities resident in India of an international group*" the words "*constituent entities of an international group required to file the information and document under sub-rule (2),*" have been substituted. The effect of this amendment is that Form 3CEAA is now required to be filed by any one of the entities designated in Form 3CEAB for both resident and non-resident entities, which provision

was erstwhile applicable to only resident entities and non-resident entities had to separately file Form 3CEAA.

Further, rule 10DB of the Rules has been amended to increase the threshold of consolidated group turnover for filing of Form 3CEAC, Form 3CEAD, Form 3CEAE to exceed Rs. 6400 Crores in place of Rs. 5,500 crores during an accounting year

[Source: Notification G.S.R 250(E) [NO. 31/2021/F.NO.370142/19/2019-TPL], dated 05-04-2021]

5] CBDT grants approval for notifying Commissioners of Income-tax (Appeals) over cases pertaining to Direct Taxes other than Income-tax Act, 1961

The CBDT has directed that the Faceless Appeals Scheme, 2020 is applicable only to the Income-tax Act, 1961 and not to any other Direct Tax/Direct Tax Act. In view of the same, the CBDT has granted approval for notifying the Commissioners of Income-tax (Appeals) who would have jurisdiction over appeals pertaining to other Direct Taxes/Direct Tax Acts.

[Source: CIRCULAR F. NO. 279/MISC./M-44/2018-ITJ, DATED 7-4-2021]

6] CBDT issues directions to harmonize section 144B of the Act related to Faceless Assessment with the Faceless Assessment Scheme, 2019

In a bid to harmonize the Faceless Assessment Scheme, 2019 and section 144B of the Act, the CBDT has directed that any notices/orders/letters/instructions/any communication issued by National Faceless Assessment Centre ('NaFAC') on or after 1-4-2021 bearing the logo and name 'National e-Assessment Centre' (NeAC) shall be deemed to have been issued by NaFAC.

In addition to the above, CBDT has also directed that in the notices, communications and orders etc. issued by the NaFAC, wherever the sections 143(3A) and/or 143(3B) are mentioned, the same shall be read as Section 144B of the Act.

[Source: Circular No. 187/3/2020-ITA-I, dated 8-4-2021]

7] Cabinet approves amendments to the Finance Bill, 2021

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has given ex-post facto approval for the Government amendments to the Finance Bill, 2021 (enacted on 28 March, 2021 as the Finance Act, 2021).

The Press release states that the amendments were essential to clarify and rationalise the proposals further and address stakeholders' concerns arising out of amendments proposed in the Finance Bill.

[Source: Press release dated 20-4-2021]

GOODS AND SERVICE TAX

1] Module wise new functionalities deployed on the GST Portal for taxpayers – GSTN Advisory

Various new functionalities are implemented on the GST Portal, from time to time, for GST stakeholders. These functionalities pertain to different modules such as Registration, Returns, Advance Ruling, Payment, Refund and other miscellaneous topics. Various webinars are also conducted as well informational videos prepared on these functionalities and posted on GSTNs dedicated YouTube channel for the benefit of the stakeholders.

To view module wise functionalities deployed on the GST Portal and webinars conducted/ Videos posted on our YouTube channel.

[Dated April 6 2021.]

2] HSN Code/ Service Accounting Code mandatory on invoices as per revised requirement from 1st April 2021 for GST taxpayer with turnover of more than Rs 5 crore

With effect from the 1st April, 2021, it has been made mandatory for a GST taxpayer, having turnover of more than Rs 5 crore in the preceding financial year, to furnish 6 digits HSN Code (Harmonised System of Nomenclature Code), or as the case may be, SAC (Service Accounting Code) on the invoices issued for supplies of taxable goods and services. A taxpayer having turnover of upto Rs 5 crore in the preceding financial year is required to mandatorily furnish 4 digits HSN code on B2B invoices. Earlier, the requirement was 4 digits and 2 digits respectively. For more details, **notification No. 78/2020-Central Tax, dated 15.10.2020** may be referred to (accessible at <https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>)

Accordingly, with effect from the 1st April, 2021, GST taxpayers will have to furnish HSN/SAC in their invoices, as per the revised requirement. HSN codes for goods at 6 digits are universally common. Therefore, common HSN codes apply to Customs and GST. Accordingly, codes prescribed in the Customs tariff are used for the GST purposes too (as has been specifically mentioned in the GST rate schedule). In Customs Tariff, HS code is prescribed as heading (4 digits HS), sub-heading (6 digits HS) and tariff items (8 digits). These documents are accessible on the CBIC web-site. The Customs Tariff may

be accessed at <https://www.cbic.gov.in/htdocs-cbec/customs/cst2021-020221/cst-idx> for HSN codes.

GST rate schedule for goods and services may be accessed at <https://www.cbic.gov.in/htdocs-cbec/gst/index-english> and then follow the path ♦GST Rates/Ready reckoner-Updated Notifications/Finder ♦ GST Rates Ready Reckoner/Updated Notifications. Further, HSN search facility is also available on the GST portal.

3] GSTN Clarification on 4-digit/6-digit HSNs not accepted on e-invoice/e-Way bill Portal. Number of HSN digits as per Notifications No. 12/2017 & 78/2020 are *minimum* number of HSN digits to be mentioned on the invoice.

In terms of the **Notification No. 12/2017-Central Tax dated June 28, 2017**, as amended vide **Notification No. 78/2020 – Central Tax, dated October 15, 2020**, taxpayers are required to declare specified digits, as *follows*, of Harmonised **System of Nomenclature (HSN)** / Service Accounting Code (SAC) Code on raising of tax invoices, w.e.f. April 1, 2021.

S. No.	Aggregate Turnover in the preceding Financial Year	Number of Digits of HSN Code
1.	Upto INR 5 crores	4
2.	More than INR 5 crores	6

It may be noted that *specific* 6-digit HSNs, as available in the HSN/Customs Tariff (with corresponding description of goods) are allowed in the system. It also follows that the declaration of HSN at 4/6 Digits has to be out of valid HSN codes only.

As per advisory, GST helpdesk received some tickets wherein it was reported that certain 6-digit HSN codes are not available in HSN Master/ not accepted on e-invoice/e-Way bill portals.

It has been stated that there are instances that some taxpayers are trying to report truncated first 6-digits out of an otherwise valid 8-digit HSN; which are actually not available in Tariff at *6-digit level and with no corresponding description of goods*; these are invalid and hence not being allowed in the System.

Tax payers have been advised that based on the harmonious interpretation of the above mentioned Notifications, read with Customs Tariff Act, 1975, as made applicable to GST; the number of digits of HSN, as specified vide Notifications No. 12/2017 & 78/2020 (Central Tax), are the *minimum* number of digits of HSN to be mentioned on the invoice.

Example: Where HSN 6 digits are specified to be reported in invoice, valid HSN codes as available in tariff, at both 6-digits and 8-digits can be mentioned. Similarly, where HSN

at 4-digits are specified, valid HSN codes as available in tariff, at 4-digit, 6-digit and 8-digit can be mentioned. However, the 4/6 Digit HSN Codes, which are not available in the tariff; along with specific description, Unit and GST Rate; are not allowed to be mentioned.

[April 13th 2021]

4] Filing GSTR-1 (Q) for Jan-Mar 2021 under QRMP Scheme – GSTN Advisory

The taxpayers under **QRMP scheme** have a facility to file Invoice Furnishing Facility (IFF) in first two months of the quarter and file **Form GSTR-1** in third month of the quarter. As IFF is an optional facility it cannot be filed after the end date (13th of the month succeeding the IFF period). The document saved in IFF, where taxpayer has not filed by the end date, cannot be filed anymore. Hence taxpayers are requested to declare such document in the GSTR-1 for the quarter. Hence, before filing of GSTR-1 for Jan-Mar-2021 quarter, the taxpayer must ensure that:

1. Any saved but not Filed/Submitted IFF records for the first two months of the quarter i.e. month of Jan-2021 or Feb-2021 must be deleted using RESET button before filing GSTR-1 for Jan-Mar-2021 quarter. The deleted records should be added in GSTR-1 for Jan-Mar-2021 quarter after deleting the saved records from IFF. In future this may not be required as invoices already saved in any of the months on the quarter may be either deleted/moved to quarterly GSTR-1 by a functionality to be introduced shortly.
2. Any submitted but not filed IFF for the month of Jan-2021 or Feb-2021 must be filed before filing GSTR-1 for Jan-Mar-2021 quarter.

[Advisory dated 31-3-2021]

5] Companies allowed to furnish FORM GSTR-3B and FORM GSTR-1 using invoice furnishing facility, verified through EVC during period from the 27th day of April, 2021 to the 31st day of May, 2021

[Notification No. 07/2021–Central Tax New Delhi, 27th April, 2021]

RERA

1] Standardized Formats for Legal Title Report, Extension u/s 7(3) and Correction u/s 14(2) of MahaRERA Act

Vide Circular No. 8/2021 dated 8th March 2021, MahaRERA Authorities have prescribed specific format while uploading documents at the time of project registration or making an application for extension. Specific formats have been prescribed for Legal Title Report in Format A, Format B for making project extension application u/s 7(3) and

Format C for making an application for major alterations or additions in the sanctioned plans, layout plans and specifications.

(Maha RERA Circular No. 28/2021 dated 8th March 2021)

COMPANY LAW

1] Requirement of mandatory audit trail in company accounting software postponed to financial year commencing on or after 01.04.2022.

In exercise of the powers conferred by sections 139, 143, 147 and 148 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Audit and Auditors) Rules, 2014, namely:—

1. (1) These rules may be called the Companies (Audit and Auditors) Second Amendment Rules, 2021.

(2) They shall come into force with effect from the 1st day of April, 2021.

2. In **the Companies (Audit and Auditors) Rules, 2014**, in rule 11, in clause (g), for the words “Whether the company”, the words, figures and letters “Whether the company, in respect of financial years commencing on or after the 1st April, 2022,” shall be substituted.

[F. No.1/33/2013-CL-V (Part)]

(Notification dated 1st April 2021)

DGFT

1] Electronic filing and Issuance of Preferential Certificate of Origin (CoO) for India's Exports under India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (IMCECPA) w.e.f. 01st April 2021

In continuation to the earlier Trade Notice(s) 34/2015-2020 dated 19.09.2019, 41/2019-2020 dated 12.12.2020, 53/2019-2020 dated 02.03.2020, 01/2020-2021 dated 07.04.2020, 30/2020-2021 dated 13.10.2020 and 43/2015-2020 dated 23.02.2021, it is informed that the electronic platform for Preferential **Certificate of Origin (CoO)** is being expanded further to facilitate electronic application of Preferential Certificates of Origin under the India Mauritius Comprehensive Economic Cooperation and Partnership Agreement (IMCECPA)

2. The Preferential Certificate of Origin for exports to Mauritius under India-Mauritius CECPA shall be applied and issued from the CoO e-platform with effect from **01st April 2021**.

3. It is informed that for the applications under the above mentioned Trade Agreement, the e-CoO system shall generate three (3) copies i.e. Original, Duplicate and triplicate along-with an additional copy i.e. electronic copy. The electronic copy shall bear the

image signature of the officer and stamp of the issuing agency. The exporter may however get the remaining (3) copies duly signed in wet-ink by the issuing officer along with the stamp of the issuing office. The paper copies of the CoOs so issued may be collected by post or in person, for any submission to the Trade Partner Country's authorities.

4. The concerned Indian Exporters may please take note of the following points with regard to the process being notified herewith:

- Digital Signature Certificate (DSC) would be required for the purpose of electronic submission. The digital signature would be the same as used in other DGFT applications;
- The digital signature may be Class III and should have the Importer Exporter Code (IEC) of the firm embedded in the DSC;
- Any new applicant exporter would be required to initially register at the portal. The password would be sent on the email and mobile number of the IEC holder. In case the IEC holder desires to update their email on which communication is to be sent, the same may be done by using the 'IEC Profile Management' service on the DGFT website <https://dgft.gov.in>
- Once registration is completed, the IEC details would be auto-populated as per the DGFT-IEC database. Applicant is required to ensure that updated IEC details are available in the DGFT system. Necessary steps may be taken to modify the IEC details online, whenever required.

[Trade Notice No. 01/2021-2022 dated 1-4-2021]

2] MEIS applications for Shipping bills with Let Export date from 01.04.2019 to 31.03.2020 can be submitted without any late cut upto 30.09.2021

Late cut for MEIS applications for exports made in the Financial Year 2019-20

In exercise of powers conferred under paragraph 1.03 of the **Foreign Trade Policy (2015- 2020)**, the Director General of Foreign Trade hereby inserts in the Handbook of Procedures, 2015-20 at the end of para 3.15 (a) as below:

"Further, MEIS applications for **Shipping bills** with Let Export date from 01.04.2019 to 31.03.2020 can be submitted without any late cut upto 30.09.2021. However any such application submitted after 30.09.2021, the last date for submitting applications shall be as per para 3.15 (a) (i) above and late cut applied accordingly."

Effect of this Public Notice: A relaxation in the late cut provisions have been provided for shipping bill (s) of the period 01.04.2019 to 31.03.2020, so that if such shipping bills are submitted on or before 30.09.2021, for an MEIS claim, no late cut would be applicable.

[Public Notice No. 53 /2015-2020 Dated the 9th April 2021]

3] No fee shall be charged on application for updation of IEC between April -June of each year. IEC data is required to be updated electronically yearly during April-June even when there is no changes. Non updation would result in deactivation of IEC

[Public Notice No. 49/2015-20]

4] Operationalisation of DGFT ‘COVID-19 Helpdesk’ for International Trade related Issues’

The Department of Commerce, Government of India and DGFT have undertaken to monitor the status of export and imports and difficulties being faced by trade stakeholders in view of the surge of **COVID-19** cases. DGFT has accordingly operationalised a **‘COVID-19 Helpdesk’ to support and seek suitable resolutions to issues arising in respect of International Trade.**

2. This ‘COVID-19 Helpdesk’ would look into issues relating to Department of Commerce/DGFT, Import and Export Licensing Issues, Customs clearance delays and complexities arising thereon, Import/Export documentation issues, Banking matters etc. Helpdesk would also collect and collate trade related issues concerning other Ministries/Departments/Agencies of Central Government and State Governments and will co-ordinate to seek their support and provide possible resolution(s).

3. **EXIM community may submit information on the DGFT website** and submit information relating to their issues on which support is required using the following steps—

- i. Navigate to the DGFT Website (<https://dgft.gov.in>) > Services > DGFT Helpdesk Service
- ii. ‘Create New Request’ and select the Category as ‘Covid-19’
- iii. Select the suitable sub-category, enter the other relevant details and submit.

Alternatively, you may send your issues to email id: dgftedi@nic.in with the subject header: Covid-19 Helpdesk or call at Toll Free No 1800-111-550

[Trade Notice No. 02/2021-2022 dated 26th April 2021]

“Talk to yourself once in a day, otherwise you may miss meeting an excellent person in this world- Swami Vivekananda”

COMPLIANCE CALENDAR FOR MAY 2021

Due Date	Particulars
	INCOME TAX
7	TDS/TCS Deposit by the Office of the Government- for the month of April 2021
15	Issue of TDS Certificate for tax deducted u/s 194IA/IB/N in March 2021
15	Quarterly statement of TCS deposited for the quarter ending March 31, 2021
30	Furnishing of Statement in Form 49C by Non Resident having liaison office in India for the FY 2020-2021
30	Challan cum Statement in respect of Tax deducted u/s 194-IA/IB/M in the month of April 2021
30	Issue of TCS Certificates for the 4 th Quarter of FY 2020-21
31	Quarterly Statement of TDS deposited for the quarter ended Mar 2021
31	Furnishing of statement of Financial Transaction in Form 61A for FY 20-21
31	Application for allotment of PAN in case of Non Individual resident who enters into a financial transaction of 250000 or more in FY 20-21 and has not been allotted PAN
	PF/ESI
15	EPF Contribution –April Month
15	ESI Contribution- April Month
25	PF Return filing for April Month
	MVAT
21	Due date for furnishing Monthly Return & Payment
	GOODS & SERVICE TAX
10	GSTR 7 for the month of April 2021
10	GSTR 8 for the month of April 2021
11	GSTR 1 for the month of April 2021 (Monthly Returns) *
13	GSTR 6 for the month of April 2021
13	Reporting of Outward Supplies of April 2021in Invoice Furnishing Facility (IFF) – QRMP Scheme#
20	GSTR 3B for the month of April 2021
20	GSTR 5 & 5A for the month of April 2021
25	PMT -06 for April 2021- QRMP Scheme
*26	Extended Date- GSTR 1 for the month of April 2021 (Monthly Returns)
#28	Extended Date- Reporting of Outward Supplies of April 2021in Invoice Furnishing Facility (IFF) –QRMP Scheme
31	ITC-04- Jan – March 2021 Quarter