



# JDP<sub>ro</sub>

Monthly updates -  
November 2020



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## 1. Goods and Service Tax

# Goods and Services Tax (1/4)

- ❑ CBIC further [extends due date](#) for furnishing Form GSTR-9 (Annual Return) / GSTR-9C (Reconciliation Statement) for Financial Year (FY) 2018-19.
- ❑ CBIC further extends exemption for export freights by a year
- ❑ CBIC issues clarification on Form GSTR-9 and GSTR-9C



- CBIC has further extended [due date](#) for furnishing GST annual return / reconciliation Statement (GSTR-9/GSTR 9C) for FY 2018-2019 from 31st October 2020 to 31st December 2020.
- CBIC [extends](#) the exemption on services provided by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India by 1 year i.e. from 30th September 2020 to 30th September 2021.
- Various representations were filed to seek clarification as to whether transactions pertaining to FY 2017-18 which have already been reported in GSTR 9 for FY 2017-18 are to be reported for FY 2018-19 as well, considering the fact that the auto populated Form GSTR-9 for the FY 2018-19 includes the data for FY 2017-18.
- It has been [clarified](#) that the taxpayers are required to report only the values pertaining to FY 2018-19 and the values pertaining to FY 2017-18 which may have already been reported or adjusted are to be ignored. No adverse action will be taken against taxpayers who have already filed their Form GSTR-9 for the FY 2018-19 capturing details of supply and input tax credit pertaining to FY 2017-18.

## Goods and Services Tax (2/4)

❑ **CBIC makes filing of Form GSTR-9 for the FY 2019-20 optional for small taxpayers.**

- CBIC vide notification No. 47/2019 dated 9th October 2019 had notified that registered persons whose aggregate turnover did not exceed Rs. 2 crore in the FYs 2017-18 and 2018-19 had the option not to furnish their annual return (GSTR-9). Also, if the returns are not furnished before the due date then it would be deemed that the same has been furnished on the due date..
- CBIC has now issued [notification no. 77/2020](#)-Central Tax dated 15th October 2020 to extend such facility for the FY 2019-20 as well.

❑ **CBIC issues notification to amend the number of HSN digits required on tax invoice**

- CBIC has amended the notification no. 12/2017 vide [notification no. 78/2020](#) dated 15th October 2020 as below:
  - 6-digit HSN code for suppliers having aggregate annual turnover > Rs. 5 crore
  - 4-digit HSN code for suppliers having aggregate annual turnover < Rs. 5 crore
  - Furthermore, if the aggregate turnover did not exceed Rs. 5 crore in the preceding FY and the supplies are made to unregistered persons then such taxpayer may not mention the HSN digits on such invoices





## Goods and Services Tax (3/4)

❑ **Due date prescribed for furnishing Form GSTR-1 (Outward supply return) and Form GSTR-3B (Summary Return) for the period October 2020 to March 2021 .**

- Return in Form GSTR-1 (Outward supply return):

Class of Taxpayers	Period	Due Date
Taxable person having aggregate annual turnover > Rs. 1.5 Crore ( <u>monthly return</u> )	October 2020 to March 2021	11 <sup>th</sup> day of succeeding month
Taxable person having aggregate annual turnover < Rs. 1.5 Crore ( <u>quarterly return</u> )	October to December 2020	13 <sup>th</sup> january 2021
	January to march 2021	13 <sup>th</sup> april 2021



# Goods and Services Tax (4/4)

❑ **Return in Form GSTR-3B** ([Summary Return](#)):

Class of Taxpayers	States covered	Due Dates
Aggregate Turnover > Rs. 5 crore in the FY 2019-20	All States	20 <sup>th</sup> day of succeeding month
Aggregate Turnover <Rs. 5 crore in the FY 2019-20	14 States / Union Territories: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep	22 <sup>nd</sup> day of succeeding month
	22 States / Union Territories: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh, Delhi	24 <sup>th</sup> day of succeeding month





## 2. Direct Tax



# Direct Tax (1/3)

## ❑ CBDT further extends due date for filing Income-tax Returns (ITRs) and Tax Audit Reports

- CBDT vide order dated 30th September 2020 has extended the due date for furnishing belated and revised returns for the Assessment Year (AY) 2019-20 from 30th September 2020 to 30th November 2020.

Further CBDT vide [press release](#) dated 24th October 2020 has further extended the due dates for furnishing ITR forms and Tax Audit Reports for AY 2020-21 as follows:

Particulars	Extended Due Date
<b>A) Income tax returns for taxpayers:</b>	
a) Who are required to get their accounts audited (including partners of partnership firms)	31 <sup>st</sup> January 2021
b) Who are required to furnish Transfer Pricing Report in Form 3CEB	
c) Other Taxpayers	31 <sup>st</sup> December 2020
<b>B) Income tax reports:</b>	
a) Tax audit report in Form 3CA/3CB-3CD	31 <sup>st</sup> December 2020
b) Transfer Pricing Report in Form 3CEB	



## Direct Tax (2/3)

- ❑ **Due date for payment under Vivadse Vishwas (Dispute to Trust) Scheme extended till 31st March 2021**
- ❑ **CBDT amends ITR form for corporates (ITR-6), tax audit report (Form 3CD) and transfer pricing report (Form 3CEB).**

- Government has [extended](#) the due date for payment without additional amount from 31st December till 31st March 2021 in cases where the declarations are filed timely (i.e., till 31st December 2020).
- CBDT has issued a [notification](#) on 1st October 2020 making necessary amendments pursuant to
  - Introduction of concessional tax rate regime for domestic companies by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) effective from FY 2019-20, and
  - For individuals, Hindu undivided families (HUFs) and co-operative societies by the Finance Act 2020 effective from FY 2020-21.

Particulars	Amendment
Depreciation	<ul style="list-style-type: none"> <li>• Manner of claiming depreciation by assesses availing concessional tax regime had been prescribed</li> <li>• Rules have been introduced to cap rate of depreciation at 40% where the depreciation rate prescribed on a block of assets is higher than 40%, while retaining rates of depreciation on other assets as per existing rules for such assesses</li> </ul>
Brought-forward unabsorbed additional depreciation	Brought-forward unabsorbed additional depreciation allowance as on 1 <sup>st</sup> April 2019 (or 1 <sup>st</sup> April 2020 as applicable in case of individuals, HUFs and co-operative societies) has been enabled to be adjusted to the tax written down value (WDV) of block of assets existing as on 1 <sup>st</sup> April 2019 (or 1 <sup>st</sup> April 2020 as applicable in case of individuals, HUFs and co-operative societies)



## Direct Tax (3/3)

- ❑ **CBDT amends ITR form for corporates (ITR-6), tax audit report (Form 3CD) and transfer pricing report (Form 3CEB).**

Particulars	Amendment
Disclosure of brought forward losses	Changes have been made in ITR 6 and Form 3CD to enable disclosure of brought forward losses which are forfeited due to availing concessional tax regime by the assessee domestic company
Disclosures pertaining to specified domestic transactions resulting in extra-ordinary profits	Form 3CEB has been revised to enable disclosure relating to specified domestic transactions resulting in extra-ordinary profits to newly set-up domestic manufacturing companies availing concessional tax regime
Rules for electronic filing by individuals and HUFs	Rules have been prescribed for electronic filing using digital signature / e-verification code for exercise of concessional tax regime by individuals and HUFs (Form 10-IE) and resident co-operative societies (Form 10-IF)

- ❑ **Transfer Pricing –Tolerance limit for variation of 1% for wholesale trading and 3% in other cases notified by Government**



- Government has [notified](#) that where the variation between arm's length price and the actual price at which the international transaction or specified domestic transaction has taken place, does not exceed 1% of the latter in respect of whole sale trading and 3% in other cases, the actual price at which the transaction has taken place shall be considered as arm's length price for AY2020-21
- For this purpose, 'whole sale trading' means transaction of trading in goods which fulfils the following criteria, namely
  - Purchase cost of finished goods is 80% or more of the total cost relating to trading activities, and
  - Average monthly closing inventory of such goods is 10% or less of sales relating to trading activities



### 3. Company Law



## Company Law (1/3)

❑ **Relaxation in residency requirement for stay in India for minimum 182 days by at least 1 director, for FY 2020-21**

❑ **Amendment in rules relating to private placement of securities to Qualified Institutional Buyers (QIBs)**

❑ **Single window clearance for company incorporation and professional tax registration in the state of Karnataka**



- As per the Companies Act, every company should have at least 1 Resident Director who should have stayed in India for minimum 182 days during each FY.
- In view of COVID-19, MCA vide circular dated 24th March 2020 had exempted the said requirement for FY 2019-20. Now, MCA has [extended](#) the said exemption to FY 2020-21 as well.
- MCA has amended the Companies (Prospectus and allotment of securities) Rules vide [notification](#) dated 16th October 2020 wherein in case of any offer or invitation of any securities to QIBs by way of private placement shall only require a single special resolution passed by the shareholders of the issuer company once in a year and such a resolution shall be valid for all the allotments to such QIBs during the said year. This is in contrast to private placement of securities made to investors other than QIBs wherein a separate special resolution is required every time new allotment of securities is made by the issuer company.
- As a part of Government's Ease of Doing Business (EODB) initiatives, MCA has integrated with Profession Tax [PT] –Karnataka. Under the said collaboration, incorporation applications filed in Form SPICe+ for the State of Karnataka from 8th October 2020 onwards shall mandatorily be issued Profession Tax Registration also by the MCA, thereby providing a single window clearance for both company formation and professional tax registration for Karnataka based companies..



## Company Law (2/3)

### ❑ Notification of Companies (Amendment) Act, 2020 from 28th September 2020 onwards

- The [Companies \(Amendment\) Act, 2020](#) received President's assent on 28th September, 2020 and came into effect to amend certain sections of the Companies Act, 2013. Certain provisions of the Amendment Act shall, however, be notified on such date(s) as may be published by the MCA in this regard.

#### Key Amendments

- Decriminalization of certain offences under the Companies Act which lack element of fraud or do not pose any threat to public interest at large
- Empowerment to Central Government to exclude, in consultation with the Securities Exchange Board of India (SEBI), certain class of companies from the definition of 'listed company', mainly for listing of debt securities
- Clarification on the jurisdiction of trial court on the basis of place of commission of offence u/s 452 of the Companies Act for wrongful withholding of property of a company by its officers or employees, as the case may be
- To incorporate a new Chapter XXIA in the Companies Act relating to Producer Companies
- To make provisions for allowing payment of adequate remuneration to non-executive directors in case of inadequacy of profits
- To exempt any class of persons from complying with the requirements of section 89 relating to declaration of beneficial interest in shares



## Company Law (3/3)

### ❑ Notification of Companies (Amendment) Act, 2020 from 28th September 2020 onwards



#### Key Amendments

- To reduce time limit for applying for rights issues u/s 62 of Companies Act
- To exempt certain classes of non-banking financial companies and housing finance companies from filing resolutions pertaining to grant of loan, guarantee or security in respect of such loans u/s 117 of the Act
- To provide that the companies which have Corporate Social Responsibility (CSR) spending obligation up to Rs.50 lakh shall not be required to constitute the CSR Committee and to allow eligible companies u/s 135 to set off any amount spent in excess of their CSR spending obligation in a particular FY towards such obligation in subsequent FYs
- To allow direct listing of securities by Indian companies in permissible foreign jurisdictions as per rules to be prescribed
- To provide for specified classes of unlisted companies to prepare and file their periodical financial results



## 4. Securities Exchange Board of India (SEBI)

# Securities Exchange Board of India (1/3)

## ❑ SEBI issues Listing Obligations and Disclosure Requirements (LODR) (3rd Amendment) Regulations, 2020



- SEBI has issued [LODR amendment Regulations](#), 2020 on 8th October, 2020, key highlights given below.
  - In a bid to improve transparency in sharing information, SEBI has mandated all listed companies to make disclosures about their forensic audit reports to stock exchanges. The companies will be required to disclose their final forensic audit report, other than the forensic audit initiated by regulatory or enforcement agencies, on receipt by the listed entity, along with comments of the management, if any.
  - All listed entities will now have to maintain 100% asset cover or asset cover as per the terms of the offer document, sufficient to discharge the principal amount at all times for the non-convertible debt securities issued. SEBI has removed the framework that said maintenance of 100% asset cover will not be applicable in case of unsecured debt securities issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.
  - Furthermore, the listed entities will have to promptly forward to debenture trustees a half-yearly certificate regarding maintenance of 100% asset cover, or asset cover as per the terms of the offer document, in respect of listed non-convertible debt securities, by the statutory auditor along with the half-yearly financial results. The submission of half-yearly certificates will be exempted only where bonds are secured by a government guarantee.

## Securities Exchange Board of India (2/3)

### SEBI issues Debenture Trustees Amendment Regulations, 2020

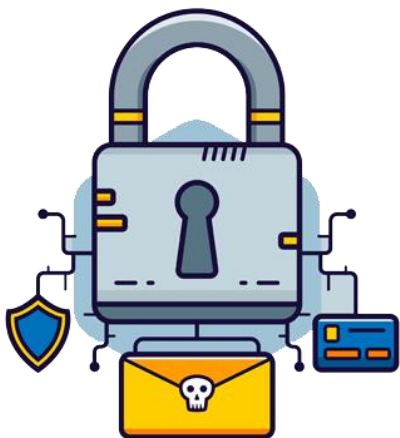


- SEBI has issued the [Debenture Trustee Amendment Regulations, 2020](#) on 8th October, 2020, key highlights given below.
  - Every Debenture Trustee shall amongst other matters, accept the trust deeds which shall contain the matters as specified in section 71 of Companies Act, 2013, and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014
  - Such a trust deed shall consist of 2 parts, Part A containing statutory/standard information pertaining to the debt issue, and Part B containing details specific to the particular debt issue
  - The amended regulation now provides that before creating a charge on the security for the debentures, the debenture trustee shall exercise independent due diligence to ensure that such security is free from any encumbrance or that it has obtained the necessary consent from other charge-holders if the security has an existing charge, in the manner as may be specified by the Board from time to time..



## Securities Exchange Board of India (3/3)

- SEBI announces uniform timeline for listing of securities issued on private placement basis, to come into force from 1st December 2020 onwards



- SEBI has been receiving requests from market participants for clarification on the time period within which securities issued on private placement basis under various SEBI Regulations need to be listed after completion of allotment. Consequently, the following [timelines](#) have been issued relating to the day of closure of issue.

Activities	Due Date
Closure of issue	T day
Receipt of funds	To be completed by T+2 trading day
Allotment of securities	
Issuer to make listing application to Stock Exchange(s)	To be completed by T+4 trading day
Listing permission from Stock Exchange(s)	

- In case of delay, issuer is liable to pay penal interest @ 1% per annum over the coupon rate for the period of delay to the investor (i.e. from date of allotment till the date of listing).



# INSOLVENCY AND BANKRUPTCY CODE

## 6. Insolvency and Bankruptcy Code (IBC)

# Insolvency and Bankruptcy Code (1/1)

❑ **IBBI issues meetings norms of Disciplinary Committee and Appellate Panel of RVOs**

- The Insolvency Regulator, Insolvency and Bankruptcy Board of India (IBBI) has standardised meetings norms of the disciplinary committee (DC) and appellate panel (AP) of Registered Valuers Organisations (RVOs).
- The standardisation has come up with a series of directions to be followed by the DC and AP of the RVO while conducting their meetings including stipulation that meetings be held only if there is an agenda and preferably through a video conferencing facility, keeping in view the current pandemic. It has been observed that the RVOs have been following different practices in conducting the meetings of the DC and AP.
- Accordingly, the Board advises the RVOs to ensure the various aspects while conducting the meetings of the DC and AP of the RVOs.

❑ **IBBI directs all Insolvency Professionals to Serve copy of the application**



- The Insolvency and Bankruptcy Board of India (IBBI) directed all the Insolvency Professionals to Serve copy of the application as mandated under Rules 4, 6 and 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.
- The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, as amended vide notification No. G.S.R. 583(E) dated 24th September, 2020 requires an applicant to provide a copy of the application for initiating corporate insolvency resolution process against a corporate debtor, inter alia, to the Board, before filing the same with the Adjudicating Authority.



## 7. Compliance Calendar

## Compliance Calendar – October 2020 (1/2)

Nature of Compliance	Act	Due Date/Extended Due Date
Depositing of TDS/ TCS for October 2020	Income Tax	07.11.2020
Depositing of equalization levy for the month of October 2020	Income Tax	07.11.2020
Filing of GSTR-7 (TDS Deductor) for the month of October 2020	GST	10.11.2020
Filing of GSTR-8 (TCS Collector) for the month of October 2020	GST	10.11.2020
Filing of GSTR-1 (for turnover of more than 1.5 cr.) for October 2020	GST	11.11.2020
Filing of GSTR-6 (Input Service Distributor) for the month of October 2020.	GST	13.11.2020
Due Date for payment of Provident fund contribution for October 2020	Provident Fund	15.11.2020





## Compliance Calendar – October 2020 (2/2)

Nature of Compliance	Act	Due Date/Extended Due Date
Due Date for payment of Provident fund and ESI contribution for October 2020	ESI	15.11.2020
Filing of GSTR-3B (for turnover more than 5 Cr.) for October 2020	GST	20.11.2020
Due date of filing of GSTR-5 (Non-Resident Taxable Person) for the month of October 2020	GST	20.11.2020
Filing of GSTR-5A (OIDAR Service Provider) the month of October 2020.	GST	20.11.2020
Filing of GSTR-3B (for turnover up to 5 Crore) for October 2020 for State category I	GST	22.11.2020
Filing of GSTR-3B (for turnover up to 5 Crore) for October 2020 for State category II	GST	24.11.2020
Belated Return of Income for A/Y 2019-20	Income Tax	30.11.2020
Revised Return of Income for A/Y 2019-20	Income Tax	30.11.2020

- **State Category I:** Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman, and the Nicobar Islands and Lakshadweep
- **State Category II:** Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh, and Delhi.



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