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LUNAWAT BULLETIN

LUNAWAT & CO
CHARTERED ACCOUNTANTS
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WHAT'S INSIDE?

Around the Globe	1
Compliance Due Dates	2
Income Tax	3
Corporate Laws	4
Goods & Services Tax	7
Lunawat Update	8

MARKET WATCH

Sensex : 31/12/2020 : **47751.33**
30/11/2020 : **44149.72**

Nifty :31/12/2020 :**13981.75**
30/11/2020 : **12968.95**

AROUND THE GLOBE

REVENUE CONSTRAINED GOVT. MAY PUSH OIL PSU SHORT ON FY21 CAPEX TO PAY HIGHER DIVIDEND

As of November, the capex of PSU oil companies put together stands at Rs 46,303 crore, less than 50 per cent of the annual target of Rs 98,522 crore. The government has asked companies to complete at least 75 per cent of capex till the end of December quarter. But this looks highly unlikely now pushing the case for higher dividend payout.

CENTRE RELEASES 10TH INSTALLMENT TO STATES TO MEET GST COMPENSATION SHORTFALL

The Centre has released the tenth instalment of Rs 6,000 crore to states as back-to-back loan to meet the goods and services tax (GST) compensation shortfall, taking the total amount released so far through the special borrowing window to Rs 60,000 crore, states the finance ministry. Of this, an amount of Rs 5,516.60 crore has been released to 23 states and Rs 483.40 crore to Delhi and the union territories of Jammu & Kashmir and Puducherry. The remaining five states—Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim—do not have a gap in revenue on account of GST implementation.

OVER 4.84 CRORE ITRS FOR 2019-20 FILED TILL DECEMBER 31

Over 4.84 crore income tax returns (ITRs) for fiscal year 2019-20 have been filed till December 31, 2020 the IT Department tweeted. The government has extended the ITR filing deadline for individuals till Jan 10, and for companies till Feb 15. An analysis of the data showed that filing of tax returns by individuals for 2019-20 has slowed in the current year, while filing by businesses and trusts have increased. Over 2.65 crore ITR-1 have been filed till Dec 31, 2020, lower than the 3.09 crore filed till Aug 31, 2019.

6.03 CRORE GST E-INVOICES GENERATED IN DECEMBER 2020

As many as 6.03 crore GST e-invoices were generated in Dec 2020, higher than 5.89 crore in Nov. The government had made it mandatory for businesses with turnover of over Rs 500 crore to generate e-invoice for B2B transactions, from Oct 1, 2020. It has enabled more than 37,000 taxpayers to generate more than 16.80 crore invoice reference numbers (IRNs) during the last three months from the NIC developed e-invoice system: Starting with 495 lakh (4.95 crore) during Oct 2020, generation of e-invoice has increased to 589 lakh (5.89 crore) in Nov 2020 and 603 lakh (6.03 crore) in Dec 2020.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.01.2021 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of tax deducted/collected for the month of Dec, 2020 .
10.01.2021 (Sunday)	Income Tax	<ul style="list-style-type: none"> Due date for filing of return of income for the A.Y. 2020-21 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or (d) an assessee who is required to furnish a report under section 92E.
10.01.2021 (Sunday)	GST	<ul style="list-style-type: none"> Last Date of filling of GSTR-7 For TDS Deductor of Dec, 2020 Last Date of filling of GSTR-8 For TCS Collector of Dec, 2020
11.01.2021 (Monday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-1 for Dec, 2020 in notified states whose turnover in prev. FY is 5cr or above.
13.01.2021 (Wednesday)	GST	<ul style="list-style-type: none"> Last Date of filling of GSTR-6 for input service distributor of Dec, 2020. Last date for filling of GSTR-1 (Quarterly Oct - Dec2020) whose turnover is upto 1.5 cr.
14.01.2021 (Thursday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for issue of TDS Certificate for tax deducted under section 194-IA, section 194-IB and section 194M in the month of Dec, 2020
15.01.2021 (Friday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Due date for furnishing of various audit reports including tax audit report and report in respect of international/specified domestic transaction for the Assessment Year 2020-21. Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of Nov, 2020 has been paid without the production of a challan . Quarterly statement of TCS for the quarter ending December 31, 2020 Due date for furnishing of Form 15G/15H declarations received during the quarter ending Dec, 2020
20.01.2021 (Wednesday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Dec 2020 is notified states whose turnover in prev. FY is 5cr or above Last Date of filling of GSTR-5(Non resident Foreign tax payer) of Dec 2020 Last Date of filling of GSTR-5 (Non-resident OIDAR service provider) of Dec 2020
22.01.2021 (Friay)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Dec 2020 is notified states whose turnover in prev. FY is less than 5cr (having principal place of business: 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 or Lakshadweep)
24.01.2021 (Sunday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Dec 2020 is notified states whose turnover in prev. FY is less than 5cr (having principal place of business: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi)
30.01.2021 (Saturday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Quarterly TCS certificate in respect of quarter ending December 31, 2020. Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194M in the month of Dec, 2020
30.01.2021 (Saturday)	MCA	<ul style="list-style-type: none"> Due date for filling of form AOC-4 (if AGM held on 30.12.2020) i.e. within 30 days of holding AGM.
31.01.2021 (Sunday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Quarterly statement of TDS for the quarter ending December 31, 2020 .

INCOME TAX

FINANCE MINISTRY EXTENDS DUE DATE FOR FURNISHING OF INCOME TAX RETURNS AND AUDIT REPORTS FOR AY 2020-21:

- The due date for submission of various forms of audit report under income tax act for the taxpayers, for whom prior due date was 31st December, 2020, has been extended up to 15th January, 2021.
- The due date for furnishing of Income Tax Returns for the taxpayers who are required to get their accounts audited, (including their partners) and who are required to furnish report in respect of international/specified domestic transactions has been extended from 31st January, 2021 to 15th February, 2021.
- The due date for furnishing of Income Tax Returns for the other taxpayers stands extended to 10th January, 2021.

FACELESS ASSESSMENTS: INCOME-TAX DEPARTMENT INVITES FEEDBACK/ GRIEVANCES FROM TAXPAYERS

- The Income-tax Department has set up a dedicated email for taxpayers to register their feedback pertaining to the Faceless Assessment Scheme, 2019. Taxpayers can furnish their feedback/ grievance on the said email id- feedback.notice.neace@incometax.gov.in. It is assured that the emails will be closely monitored by a team of officials at the National e-Assessment Centre

CBDT has extended the due date for filing Income Tax Returns for the Assessment Year 2020-21. And accordingly modified the ITR's to update the 234A interest & 234F Fee calculation.

- The time limit before which UDIN are to be updated with respect to the audit report and certificates uploaded stands extended from 27th April, 2020 to 15th February, 2021. Kindly update the same to avoid invalidation.

CBDT further extends due date for making declaration under the Direct Tax Vivaad se Vishwaas, 2020 to - 31.01.2021 vide Notification no. 92/2020.

CORPORATE LAWS

TO HOLD MEETINGS THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS:

MCA on Dec.30, 2020 has issued the Companies (Meetings of Boards and its Powers) Fourth Amendment Rules, 2020 to further amend the Companies (Meetings of Boards and its Powers) Rules, 2014. Rule 4 (2), which specifies that the meetings can be conducted through audio-visual means, has been substituted, namely: "For the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 and ending on December 31, 2020, the meetings may be held through video conferencing or other audio-visual means."

EXTENSION OF TIME FOR RESERVATION OF NAME:

MCA has vide Companies (Incorporation) Third Amendment Rules, 2020 notified Rule 9A. Extension of reservation of name in certain cases. Under the rule Registrar shall extend the period of a name reserved under rule 9 upto 60 days on Payment of Fees.

ALTERATIION OF SHARE CAPITAL FORM NO. SH-7 HAS BEEN SUBSTITUTED:

The Ministry of Corporate Affairs (MCA) on December 24, 2020 has issued the Companies (Share Capital and Debentures) Second Amendment Rules, 2020 to further amend the Companies (Share Capital and Debentures) Rules, 2014 Form No. SH-7 which specify the Notice to Registrar of any alteration of share capital, has been substituted.

MCA NOTIFIES COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) SECOND AMENDMENT RULES, 2020:

The amendment seeks to include the word "corporate action", which means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares namely, bonus shares, split, consolidation, fraction shares and right issue to the acquirer. The MCA seeks to insert Rule 26A which is in respect of the purchase of minority shareholding held in demat form. As per the new Rule 26 A, the company shall within two weeks from the date of receipt of the amount equal to the price of shares to be acquired by the acquirer, under section 236 of the Act, verify the details of the minority shareholders holding shares in dematerialised form. After verification the company shall send notice to such minority shareholders about a cut-off date, which shall not be earlier than one month after the date of sending of the notice, on which the shares of minority shareholders shall be debited from their account and credited to the designated DEMAT account of the company, unless the shares are credited in the account of the acquirer, as specified in such notice, before the cut-off date.

CORPORATE LAWS

MCA AMENDS PROVISIONS OF THE COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014

MCA vide its notification dated 18th December 2020 amended few provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2020 with effect from December 18, 2020.

Summary of Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2020:

- MCA has given relief in the time period to pass the online proficiency exam. Now, an individual shall pass the online proficiency exam within a period of two years from the date of inclusion of his/ her name in the database.
- MCA has given relief to Foreign Directors who are also now eligible for exemption for writing the test. This will enable Indian Companies to retain and attract high calibre professionals as Directors.
- MCA has given relief to Bureaucrat/ Public officials who are also now eligible for exemption for writing the test. This will enable Indian Companies to retain and attract high calibre public officials as Directors.
- Exemption from passing the online proficiency test is given to an individual who has served for a total period of not less than 3 years in any of the designations and organizations specified by the Central Government as against the earlier specified period of 10 years.
- As per the amendment, only 50% mark is sufficient to pass the online proficiency test.

Important Points of Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2020:

- An Independent Director has to mandatorily get himself registered in the database on or before 31st December 2020.
- Online proficiency test needs to be completed within 2 years from the date of inclusion of his name in the database.
- An individual who obtain a score of 50 or more shall be deemed to have passed such test.
- Exemption from passing the online proficiency test is given to an individual who has served for a total period of not less than 3 years as KMP in public Companies/Body corporates or holding a Designation in organizations specified by the Central Government.

CORPORATE LAWS

CLARIFICATION ON PASSING OF ORDINARY & SPECIAL RESOLUTION BY MCA ON ACCOUNT OF COVID-19 OUTBREAK

The MCA has encouraged the companies to take all decisions of urgent nature which requires the approval of members, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot or e-voting in accordance with the provisions of the Companies Act, 2013 without holding a general meeting, which requires physical presence of members at a common venue. The circular also provides the procedure which shall be adopted by the companies in case holding of an extra ordinary general meeting (EGM) which is unavoidable. It shall be noted that such procedure needs to be adopted by the company for conducting an extra ordinary general meeting (EGM) on or before 30th June, 2020.

MCA relaxes additional fees and extends last date of filing of CRA-4 (form for filing of cost audit report) to 31st December, 2020 for FY 2019-20 under The Companies Act, 2013.

COMMENCEMENT NOTIFICATION DATED 21.12.2020.

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2020 (29 of 2020), the Central Government hereby appoints the 21st day of December, 2020 as the date on which the various provisions of the said Act shall come into force.

MCA FURTHER EXTENDS APPLICABILITY OF CARO 2020 BY ONE YEAR TO FINANCIAL YEAR COMMENCING ON OR AFTER 1.4.2021

MCA deffers Applicability of CARO 2020 to FY 2021-22. MCA vide order dated 17.12.2020 has changed the applicability date of Companies (Auditor's Report) Order, 2020 to the financial years commencing on or after the 1st April, 2021. So, Companies (Auditor's Report) Order, 2020 (CARO 2020) will be applicable from FY 2021-22. CARO 2016 will continue to be applicable for Financial Year 2020-21.

LIST OF HOLIDAYS

DATE	DAY	HOLIDAY
26/01/2021	Tuesday	Republic Day

GOODS & SERVICES TAX

RESTRICTION FOR OPTING COMPOSITION SCHEME:

Registered person being a supplier of Services shall not be eligible to opt for composition scheme, if:-

- he is engaged in making any supply of services which are not leviable to tax.
- he is engaged in making any inter-state outward supply of services.
- he is engaged in making any supply of service through an ECO.

CBDT enables person who voluntarily took registration under GST to cancel their registration by filling an application to proper officer for w.e.f 1st January 2021.

PENALTIES FOR CERTAIN OFFENCES:

Any person who:-

- supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;
- issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;
- takes or utilizes input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;
- takes or distributes input tax credit in contravention of section 20, or the rules made thereunder,

shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.

WAIVER OF LATE FEES

Late fee payable for delay in furnishing of FORM GSTR-4 for the Financial Year 2019-20 from the 1st November, 2020 till the 31st December, 2020 shall stand waived for the registered person whose principal place of business is in the Union Territory of Ladakh.

Due date for furnishing of the annual return for financial year 2019-20 stands postponed to is 28th February 2021.

LUNAWAT UPDATE

Presentations:

During December 2020 , CA Pramod Jain gave following presentations:-

- Presentation Practical Aspects of Tax Audit made during webinar organised by Himachal Pradesh Branch of NIRC of ICAI
- Presentation on Practical Aspects of Tax Audit made during Webinar organised by East Delhi CPE Study Circle of NIRC of ICAI
- Presentation on Practical Aspects of Tax Audit - Ludhiana made during Webinar organised by Ludhiana Branch of NIRC of ICAI
- PPT on Overview & Practical Aspects of Accounting Standards and Assurance Standards made during Webinar organised by West Delhi Study Circle of NIRC of ICAI
- PPT on Practical Aspects of Tax Audit made during webinar organised by ITBA, Raipur.

During December 2020, CA Rajesh Saluja gave following presentations:-

- Webinar on "Finance for Non Finance" for Suzuki Motorcycle, Gurgaon.
- Webinar on Retirement Planning for BSES Yamuna.
- Webinar on Sales Planning & Forecasting for Indofil Industries Ltd.

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CONTACT US

Paschim Vihar, New Delhi

A-2/132, Prateek Apartments, Paschim Vihar,
New Delhi - 110 063

Tel: + 91 11 25278405, + 91 11 25278406, + 91 11 45581263, + 91 11 45581264

Email: pvoffice@Lunawat.com

Karampura, New Delhi

109, Magnum House-1, Karampura Complex,
New Delhi-110 015

Tel: + 91 11 41427356 + 91 11 42068101

Email: karampura@Lunawat.com

Keshopur, New Delhi

WZ-339, 2nd Floor, Street No. 19, Santgarh, Keshopur,
Outer Ring Road, New Delhi - 110 018

Tel: +91 11 28333914 Fax: + 91 11 28331602

Email: keshopure@Lunawat.com

Mumbai

No. J/ 7, First Floor, Mangal Kunj, Opp. Jain Derasar,
Jambali Gali, Borivali (W) Mumbai - 400 092

Tel: + 91 93205 71421 + 91 98692 85628

Email: mumbai@Lunawat.com

Daryaganj, New Delhi

54, Daryaganj, New Delhi - 110 002

Tel: +91 11 23270624 + 91 11 23279414

Email: dgoffice@Lunawat.com

We also have ASSOCIATES at :

Amritsar, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Cochin, Jaipur, Jodhpur,
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**Editorial Team: CA Vikas Yadav, CS Divya Khurana, Urvi Gupta,
Jatin Arora, Mukul Gupta, Rakesh Chand**