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LUNAWAT BULLETIN

LUNAWAT & CO
CHARTERED ACCOUNTANTS
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MARKET WATCH

Sensex : 31/01/2021 : **46,285.77**
31/12/2020 : **47,751.33**

Nifty :31/01/2021 :**13634.60**
31/12/2020 : **13981.75**

AROUND THE GLOBE

INDIA EXPORTS UP 5.37% TO \$27.24 BILLION IN JANUARY

The country's exports grew 5.37 per cent year-on-year to \$ 27.24 billion in January 2021, mainly driven by healthy growth in pharmaceuticals and engineering sectors, according to provisional data of the commerce ministry. Imports during the month rose 2 per cent to \$ 42 billion, leaving a trade deficit of \$ 14.75 billion, the data showed. Exports of pharmaceuticals and engineering grew 16.4 per cent (\$ 293 million), and about 19 per cent (\$ 1.16 billion), respectively.

JAN DHAN ACCOUNTS CROSS 41 CRORE: FINANCE MINISTRY

The Finance Ministry states that more than 41 crore people benefited from the Pradhan Mantri Jan Dhan Yojana (PMJDY), a flagship scheme of the government to promote financial inclusion. As on January 6, 2021, the total number of Jan Dhan accounts stood at 41.6 crore. The Jan Dhan Yojana, which was announced by Prime Minister Narendra Modi in his Independence Day address in 2014, was launched on August 28 in the same year. Govt. committed to Financial Inclusion to all citizens. As on 6/1/21, PMJDY accounts cross 41 Cr. and Zero Balance Accounts decline to 7.5% from 58% in March 2015. Clearly showing the use and adaption by every account holder.

WORLD FOOD PRICE INDEX RISES IN JAN, AT HIGHEST LEVEL SINCE JULY 2014

World food prices rose for an eighth consecutive month in January, hitting their highest level since July 2014, led by jumps in cereals, sugar and vegetable oils, states the United Nations food agency. The Food and Agriculture Organization's food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 113.3 points last month versus an upwardly revised 108.6 in December. The December figure was previously given as 107.5.

CENTRE RELEASES 13TH INSTALMENT OF GST COMPENSATION PAYMENT TO STATES

The Central government borrows the funds under a special window and passes it on to states in back-to-back loan arrangement. The CG has released the 13th instalment of Rs 6,000-cr GST compensation payment to the states. The states and Union Territories have so far received Rs 78,000 cr of Rs 1.1 lakh cr to be disbursed by the Centre this fiscal. The Central government borrows the funds under a special window and passed it on to states in back-to-back loan arrangement. The interest rate for the latest loan instalment was 5.31% while the average rate for the entire borrowing so far is at 4.75%.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.02.2021 (Sunday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> Due date for deposit of tax deducted/collected for the month of Jan, 2021 .
10.02.2021 (Wednesday)	GST	<ul style="list-style-type: none"> Last Date of filling of GSTR-7 For TDS Deductor of Jan, 2021 Last Date of filling of GSTR-8 For TCS Collector of Jan, 2021
11.01.2021 (Thursday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-1(Monthly) for Jan, 2021
13.02.2021 (Saturday)	GST	<ul style="list-style-type: none"> Last Date of filling of GSTR-6 for input service distributor of Jan,2021.
14.02.2021 (Sunday)	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 Jan, 2021.
15.02.2021 (Monday)	TDS/TCS/ Income Tax	<ul style="list-style-type: none"> Due date for filing of return of income for the assessment year 2020-21 if the assessee is (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) required to submit a report under section 92E pertaining to international or specified domestic transaction(s). Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of Jan, 2020 has been paid without the production of a challan. Quarterly statement of TDS for the quarter ending December 31, 2020.
15.02.2021 (Monday)	MCA	<ul style="list-style-type: none"> Due date for filing of form AOC-4.(if AGM held on 31.12.2020).
20.01.2021 (Saturday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Jan 2021 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 Jan ,2021. Last Date of filling of GSTR-5 (Non-resident OIDAR service provider) of Jan, 2021.
22.02.2021 (Monday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Jan 2021 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)
24.02.2021 (Wednesday)	GST	<ul style="list-style-type: none"> Last Date of filling GSTR-3B for Jan 2021 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)
28.02.2021 (Sunday)	Income Tax	<ul style="list-style-type: none"> Due date for filing of Vivad se Vishwas under DTVSV Act 2020 .

INCOME TAX

FACELESS PENALTY SCHEME, 2021:

- The Central Board for Direct taxes (CBDT) vide Notification No. 3 of 2021 dated January 12, 2021, has notified the "Faceless Penalty Scheme" for conducting penalty proceedings under the Income-tax Act, 1961 (Act) in a faceless manner. The said scheme is in alignment with the Faceless Assessment Scheme and the Faceless Appeal Scheme.

CBDT RELAXES REQUIREMENT OF REMUNERATING FUND MANAGERS OF OFFSHORE FUNDS :

- The Central Board of Direct Taxes (CBDT) vide circular dated 15.01.2021, has relaxed the requirement of remunerating fund managers of certain offshore funds because of the amended Rule 10V for availing the special taxation regime under Section 9A. The Section provides for a special taxation regime with respect to certain offshore funds in the context of their fund managers being located in India.
- The CBDT has stated that for F.Y. 2019-20 and 2020-21 in cases where the remuneration paid to the fund manager is lower than the amount of remuneration prescribed under sub-rule (12) of Rule 10V, but is at arm's length, there is no need to take CBDT nod for that lower amount to be paid as the amount of remuneration.

CBDT LAUNCHES E-PORTAL FOR LODGING COMPLAINTS ON TAX EVASION, BENAMI ASSETS :

- The Central Board of Direct Taxes (CBDT) has launched a dedicated e-portal to receive and process complaints on tax evasion, foreign undisclosed assets and benami properties. The public can file a tax evasion petition through a link on the e-filing website of the income tax department.
- Upon successful filing of the complaint, the income tax department will allot a unique number to each complaint and the complainant would be able to view the status of the complaint on the Department's website.

CBDT extends due date for filing of Vivad se Vishwas under DTVSV Act 2020 till 28th February 2021.

CORPORATE LAWS

MCA NOTIFIES COMPANIES (INCORPORATION) AMENDMENT RULES, 2021 FOR CONVERSION OF PUBLIC COMPANY INTO PRIVATE COMPANY:

The notification specified that where an objection has been received and Regional Director on examining the application has specific objection under the provisions of the Act, the same shall be recorded in writing and the Regional Director shall hold a hearing or hearings within a period of 30 days as required and direct the company to file an affidavit to record the consensus reached at the hearing, upon executing which, the Regional Director shall pass an order either approving or rejecting the application along with the reasons within 30 days from the date of hearing.

In case where no consensus is received, the Regional Director may approve the conversion, if he is satisfied having regard to all the circumstances of the case, that the conversion would not be against the interests of the company or is not being made with a view to contravene or to avoid complying with the provisions of the Act, with reasons to be recorded in writing. However, the conversion shall not be allowed if any inquiry, inspection or investigation has been initiated against the company or any prosecution is pending against the company under the Act.

RELAXATION OF ADDITIONAL FEE IN FILING ALL AOC-4 E-FORMS

Keeping in view of various requests received from stakeholders regarding relaxation on levy of additional fees for annual financial statement filings required to be done for the financial year ended on 31.03.2020, it has been decided that no additional fees shall be levied upto 15.02.2021 for the filing of e-forms AOC- e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL and AOC-4 Non-XBRL for the financial year ended on 31.03.2020 under the Companies Act, 2013.

SCHEME FOR CONDONATION OF DELAY FOR COMPANIES RESTORED DURING DEC 2020 U/S 252 OF THE CA 2013

"Scheme for condonation of delay for companies restored on the Register of Companies between 1st December, 2020 and 31st December, 2020 under Section 252 of the Companies Act, 2013" for the purpose of condoning the delay in filing e-forms with the Registrar, insofar it related to charging of additional fees on account of delay in such filing.

Due date for filing of form AOC-4 is 15.02.2021(if AGM held on 31.12.2020) & for MGT-7 is 02.03.2021(if AGM held on 31.12.2020)

CORPORATE LAWS

CLARIFICATION ON HOLDING OF AGM THROUGH VC OTHER OAVM

Ministry of Corporate Affairs has issued Circular no. 02/2021 dated 13th January, 2021 wherein companies whose AGMs were:

- due to be held in the year 2020, or
- become due in the year 2021

are allowed to conduct their AGM on or before 31st December 2021 through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) i.e. in accordance with the requirements as provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5th May, 2020.

Further, it has been clarified, that the circular shall not be considered as any extension of time for holding of AGMs by the companies under the Companies Act, 2013 and the companies which have not adhered to the relevant timelines shall remain subject to legal action under the Companies Act, 2013.

CLARIFICATION ON SPENDING OF CSR FUNDS FOR AWARENESS AND PUBLIC OUTREACH ON COVID-19 VACCINATION PROGRAMME

Businesses can use their corporate social responsibility (CSR) funds to create awareness about covid-19 but cannot use such funds exclusively on activities that benefit employees and family, the government said in a clarification. Spending CSR funds for carrying out "awareness campaigns/programmes or public outreach campaigns on covid-19 vaccination programme is an eligible CSR activity" under provisions of law, the ministry of corporate affairs said in a communication to field officials and public.

MCA HAS INTRODUCED COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY), AMENDMENT RULES, 2021. AND IMPORTANTLY CSR SPENDING MADE MANDATORY FROM VOLUNTARY W.E.F. FINANCIAL YEAR 2020-21.

MCA has introduced major changes in Companies (Corporate Social Responsibility Policy), Amendment Rules, 2021 like if any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of 180 days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than 90 days with the approval of the Board based on reasonable justification and other major amendments.

GOODS & SERVICES TAX

RESTRICTION IMPOSED ON FILING OF GSTR-1:

As per Central Goods and Services Tax (Amendment) Rules 2021, dated 1st January, 2021, (vide Notification No. 01/2021 – Central Tax):

- a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding two months.
- a registered person, required to furnish return for every quarter under the proviso to sub-section (1) of section 39, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the return in FORM GSTR-3B for preceding tax period.
- a registered person, who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of ninety-nine per cent. of such tax liability under rule 86B, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the return in FORM GSTR-3B for preceding tax period.

**“How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case.”
– Robert G. Allen**

GST ₹ TAX

LUNAWAT UPDATE

Presentations:

During January 2021 , CA Pramod Jain gave following presentations:-

- PPT on Faceless Assessment & Appeal made during Webinar organised by Rohtak Branch of NIRC of ICAI
- PPT on Loans & Deposits under Companies Act made during Webinar organised by Hisar Branch of NIRC of ICAI
- PPT on Valuation of Shares under Income Tax made at Sub-Regional Conference, Ranchi organised by Ranchi Branch of CIRC of ICAI
- PPT on Key Findings of QRB made during Webinar organised by Alaknanda & GK CPE Study Circle of NIRC of ICAI
- Presentation on Overview & Practical Aspects of Accounting Standards and Assurance Standards made during Webinar organised by Pusa Road CPE Study Circle of NIRC of ICAI
- Presentation on Various Govt. Schemes for MSME made at Hotel Le Meridien, Delhi during MSME National Conclave organised by ICAI



Union Budget 2021 – A publication by lunawat summarising the main features of Budget 2021.

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