

# NEWSLETTER

**AJAY RATTAN & CO.**

CHARTERED ACCOUNTANTS

*Newsletter for  
October, 2020  
Volume 10, Issue 10*



## IN THIS ISSUE:

| TITLE       |      |
|-------------|------|
| EDITORIAL   | 1-2  |
| COMPLIANCE  | 3-4  |
| GST         | 5-6  |
| INCOME TAX  | 7-8  |
| COMPANY LAW | 9-10 |

*"GST in reality is Good and Simple Tax"*

## ADVISORY BOARD



CA. Ajay Aggarwal  
B.com. (Hons.), FCA, FCS, LLB  
DISA, Dip. (International Taxation)  
Email ID: [ajay@ajayrattanco.com](mailto:ajay@ajayrattanco.com)  
Phone Number: 9810005583



CA. Varun Garg  
B.com. (Hons.), FCA  
Email ID: [varun@ajayrattanco.com](mailto:varun@ajayrattanco.com)  
Phone Number: 9023637000

## EDITOR

Shimona Agrawal  
B.Com

Friends,

We are pleased to bring to you our latest edition of Newsletter highlighting the salient features of amendments/ notifications announced in the month of September, 2020.

**Direct Tax updates:**

- A. The Government of India has introduced a new section Section 206C(1H) with regards to “Tax Collection at Source”. Applicable to everyone from 01.10.2020 having turnover exceeding Rs. 10 crores in last financial year. Every seller who has received any amount as sale consideration from one buyer above Rs. 50 lakhs has to collect additional 0.10% [Relaxed rate for FY 2020-21 - 0.075%] of bill amount, collect PAN and pay as TCS every month. TCS returns have to be filed just like TDS returns on quarterly basis. So everyone is advised to complete accounting for half year till 30.09.2020 and separate parties with whom sale of Rs. 50 lakhs is made.

The exception to this rule are Central Government, State Government, an Embassy, a High Commission, Consulate, and the trade representation of foreign states, local authority, person importing goods or any other person as notified by the Government.

**EDITOR'S COMMENTS:**

The industry is apprehensive of additional burden of another compliance. The seller is required to keep track of every buyer and as soon as its purchases cross Rs. 50 lakhs, TCS is applicable. The TCS provision is applicable on receipt of consideration from buyer.

- B. Finance secretary said preparations are being made to implement faceless income tax appeals from September 25. The income tax department has already rolled out pan-India faceless assessment facilities for all taxpayers from August 13. “It is completely doable... there may be some teething troubles, but they can be addressed. Suitable measures are already taken and notifications are issued.

**EDITOR'S COMMENTS:**

The present government is committed to bring faceless assessments and appeals which is a very welcome step. It not only reduces harassment to the assesseees, but also brings money to the exchequer as tax evaders will not get a chance to collude with officers in income-tax department.

**Indirect Tax updates:**

Faceless Assessment ('FA') in Customs: All ports of import and goods shall be governed under 'FA' by 31.10.2020.

**EDITOR'S COMMENTS:**

It is a welcome step.

**MCA:**

The time allowed to hold Annual General Meeting (AGM) by companies has been extended till 31st December, 2020 in view of pandemic.

Hope you will find the reading insightful and informative.

Sincerely yours,

CA Ajay Aggarwal  
B. Com. (Hons), FCA, FCS, LLB  
Dip (Systems Audit), Dip (International Tax)

# COMPLIANCE | OCTOBER 2020

| Compliance Due Date      | Concerned (Reporting) Period | Compliance Detail   | Applicable To  |
|--------------------------|------------------------------|---|--|
| 1 <sup>st</sup> October  | August 2020                  | GSTR-3B (Summary return)  | All taxable persons (except composition dealer) having annual turnover up to Rs. 5 crore and principal place of business in 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 |
| 3 <sup>rd</sup> October  | August 2020                  | GSTR-3B (Summary return)  | All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and principal place of business in any other state  |
| 7 <sup>th</sup> October  | September 2020               | a) TDS/ TCS deposit<br>b) Equalization Levy deposit   | a) Non-government Deductors<br>b) All Deductors  |
| 10 <sup>th</sup> October | September 2020               | a) GSTR-7 (TDS return under GST)<br>b) GSTR-8 (TCS return under GST)  | a) Person required to deduct TDS under GST<br>b) Person required to deduct TCS under GST   |
| 11 <sup>th</sup> October | September 2020               | GSTR – 1 (Outward Supply Return)  | Taxable persons having turnover > Rs. 1.5 crore  |
| 13 <sup>th</sup> October | September 2020               | GSTR-6 [Return by input service distributor (ISD)]  | Person registered as ISD   |
| 15 <sup>th</sup> October | September 2020               | Deposit of PF and ESI contribution  | All deductors  |
| 20 <sup>th</sup> October | September 2020               | a) GSTR – 5 (Return by Non-residents)<br>b) GSTR – 5A (online information database access and retrieval services return)<br>c) GSTR 3B (Summary return) | a) Non-resident taxable person<br>b) OIDAR service provider<br><br>c) All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20   |
| 22 <sup>nd</sup> October | September 2020               | GSTR 3B (Summary return)  | All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and principal place of business in 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   |
| 24 <sup>th</sup> October | September 2020            | GSTR 3B (Summary return)  | All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and principal place of business in any other state  |
| 30 <sup>th</sup> October | FY 2019-20                | Filing of Annual Accounts in Form 8 (ROC)   | Limited Liability Partnerships (LLPs)  |
| 31 <sup>st</sup> October | a) FY 2019-20             | a) Filing of Tax Audit Report u/s 44AB of Income-tax Act  | a) Applicable in case annual turnover exceeds threshold limit as below: <ul style="list-style-type: none"> <li>• For businesses – (a) Rs. 1 crore, (b) Rs. 5 crores in case cash receipts / cash payments does not exceed 5% of aggregate receipts / payments during the year</li> <li>• For professionals – Rs. 50 lakh</li> </ul> b) Applicable in case of international transaction with associated enterprises / specified domestic transactions |
|                          | b) April - September 2020 | Details of MSME dues outstanding for more than 45 days from the date of acceptance of goods or services in MSME Form I. | All Companies having MSME dues outstanding for more than 45 days from the date of acceptance of goods or services.   |
|                          | c) July-September 2020    | GSTR-1 (Outward supply return)  | Taxable persons having annual turnover < Rs. 1.5 crore   |



➤ **Extension for filing of GSTR-9 & 9C for FY 2018-19:**

Extension has been given for filing of Annual Return (GSTR-9) & Audit Report (GSTR-9C) for FY 2018-19 from 30.09.2020 till 31.10.2020 vide Notification No. 69/2020 – Central Tax, dated 30-09-2020.

➤ **Extension of exemption to transportation of goods outside India:**

Extension has been given for exemption to transportation of goods by air or sea to a place outside India for one more year upto 30.09.2021 vide Notification No. 04/2020 – Central Tax (Rates) & 04/2020 – Integrated Tax (Rates), both dated 30-09-2020.

➤ **Requirement for Dynamic Quick Response (QR) code on B2C Invoices deferred to 1<sup>st</sup> December, 2020:**

Government has deferred the requirement to mention Dynamic Quick Response (QR) code on invoices issued by a registered person whose aggregate turnover in a financial year from 2017-18 exceeds Rs. 500 crores to an unregistered person (B2C invoices) from 1-10-2020 to 31-12-2020, vide Notification No. 71/2020 – Central Tax, dated 30-09-2020.

➤ **Relaxation granted in case of non-issuance of E-invoice during October, 2020:**

Relaxation has been given to taxpayers from the requirement to generate Invoice Reference Number (IRN) in respect of invoices issued during the month of October, 2020. In these cases, 'IRN' for such invoices can be generated from Invoice Reference Portal ('IRP') within 30 days from the date of invoice, vide Notification No. 73/2020 – Central Tax, dated 01-10-2020.

➤ **Extension of time allowed to complete Anti-profiteering enquiry:**

Extension has been given till 30<sup>th</sup> November, 2020 for completion of action under anti-profiteering measures which was falling due between 20<sup>th</sup> March, 2020 and 29<sup>th</sup> November, 2020 vide Notification No. 65/2020 – Central Tax, dated 01-09-2020.

➤ **Extension (One time) for invoicing for goods sent on approval:**

Extension has been given till 31<sup>st</sup> October, 2020 for issuance of invoices in case of goods sent on approval vide Notification No. 66/2020 – Central Tax, dated 21-09-2020.

➤ **Extension for filing of GSTR-4 for FY 2017-18 & FY 2018-19:**

Waiver / reduction in late fee for not furnishing FORM GSTR-4 (quarterly return for registered person opting for composition levy) for 2017-18 and 2018-19 has been given, subject to the condition that the returns are filed between 22.09.2020 to 31.10.2020 vide Notification No. 67/2020 – Central Tax, dated 21-09-2020.

➤ **Extension for filing of GSTR-10:**

Waiver / reduction in late fee for not furnishing FORM GSTR-10 (final return by taxable person whose registration has been cancelled or surrendered) has been given, subject to the condition that the returns are filed between 22.09.2020 to 31.12.2020 vide Notification No. 68/2020 – Central Tax, dated 21-09-2020.



## **NOTIFICATION AND UPDATES:**

➤ **CBDT further extends due date for filing of ITR for Assessment year 2019-20 to 30-11-2020**

Considering the difficulties being faced by taxpayers due to the Covid-19 pandemic, the CBDT has further extended the due date for filing of revised and belated Income tax return for Assessment year 2019-20 from 30-09-2020 to 30-11-2020.

➤ **CBDT extends time limit for compulsory selection of returns for complete scrutiny to 31-10-2020**

Considering the difficulties faced due to COVID-19 pandemic and PAN migration related issues, the CBDT has extended the date for selection of cases for compulsory scrutiny on the basis of the parameters prescribed in the CBDT Circular No. 225/126/2020/ITA-II, dated 17-9-2020, from 30-09-2020 to 31-10-2020.

➤ **Income Tax Department launches Faceless Income-tax Appeals:**

The Income Tax Department has launched faceless Income-tax appeals named **Faceless Appeals Scheme, 2020** vide Notification No. 76/2020-Income Tax dated 25<sup>th</sup> September 2020. Under it, all income tax appeals will be finalized in a faceless manner with the exception of appeals relating to serious frauds, major tax evasion, sensitive and search matters, International tax and Black Money Act.

The Faceless Appeal system will include the allocation of cases through Data Analytics and Artificial Intelligence under the dynamic jurisdiction with central issuance of notices which would be having Document Identification Number. As part of dynamic jurisdiction, the draft appellate order will be prepared in one city and will be reviewed in some other city resulting in an objective, fair and just order.

Under faceless scrutiny assessment, a central computer picks up tax returns for scrutiny based on risk parameters and mismatch and then allots them randomly to a team of officers. This



allocation is reviewed by officers at another randomly selected location and only if concurred, a notice is sent by the centralised computer system. All such notices need to be responded to electronically without the requirement of visiting a tax office or meeting any official. There will be no physical interface between the taxpayer or their counsel and the Income Tax Department. The taxpayers can make their submissions from the comfort of their home and save their time and resources.

The Faceless Appeals system aims to streamline the income tax collection process and check corruption and unfair practices during the resolution of the appeals of the taxpayers.

"The faceless appeal will provide taxpayers with not only great convenience, but will also ensure just and fair appeal orders and minimise any further litigation. The new system will also be instrumental in imparting greater efficiency, transparency and accountability in the functioning of the Income Tax Department," the tax department said.

The CBDT said that as on date there is a pendency of almost four lakh sixty thousand appeals at the level of the Commissioner of Income Tax (Appeals). Out of this, about 88% of the total appeals will be handled under the Faceless Appeal mechanism. It said that almost 85% of the present strength of Commissioners (Appeals) shall be utilized for disposing off the cases under the Faceless Appeal mechanism.

➤ **CBDT lays down guidelines for compulsory selection on Income-tax Returns for complete scrutiny for FY 2020-21 under faceless assessment scheme:**

Keeping in view the Faceless Assessment Scheme, 2020 and difficulties being faced amid COVID-19 pandemic, CBDT has prescribed 5 broad parameters as below for compulsory selection of returns for complete scrutiny during FY 2020-21 and conduct of assessment proceedings in such cases:

- 1. Cases pertaining to survey u/s 133A of the Act – Where assessee has retracted from disclosure made during the survey, such cases will be considered for scrutiny.**
- 2. Cases pertaining to Search and Seizure**
- 3. Cases in which notices u/s 142(1) (calling for return) have been issued**
- 4. Cases in which notices u/s 148 have been issued**
- 5. Cases related to registration/ approval under various sections of the Act**

Further, CBDT has mandated that the exercise of the selection of cases for compulsory scrutiny on the basis of above defined parameters shall be completed by 30th September 2020.



➤ Scope of Corporate Social Responsibility (CSR) activities expanded to include Research & Development (R&D) activity of new vaccines, Drugs and medical devices related to COVID-19:

Ministry of Corporate Affairs (MCA) vide **E- F. No. CSR-07/2/2020-CSR-MCA** dated 24<sup>th</sup> August 2020 has amended CSR Rules to provide that any company engaged in R&D activity of new vaccine, drugs and medical devices in their normal course of business if undertakes R&D activity of new vaccine, drugs and medical devices related to COVID then the same shall qualify for CSR for **FYs 2020-21, 2021-22 and 2022-23** respectively subject to the following conditions:

Such R&D activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Companies Act, 2013 (Act) and; Details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report.

The amendment further classifies the institutes to which such funding can be made, which are as follows:

- a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government, and
- b) Contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

➤ **Extension of time limit for filing Cost Audit Report in Form CRA-4 with ROC:**

In accordance with Rule 6(5) of Companies (Cost Records and Audit) Rules, 2014, every Cost Auditor is required to submit the signed cost audit report to the company within 180 days from the close of the FY i.e. on or before 30<sup>th</sup> September of each year. However due to hardship caused due to COVID-19, MCA has extended the said time limit for submission of cost audit report by auditor to company till 30<sup>th</sup> November 2020 for the FY 2019-20 vide Circular No. 29/2020, dated 10<sup>th</sup> September, 2020. Consequently, the time limit for filing cost audit report in prescribed Form CRA-4 for FY 2019-20, which under the provisions of the Act is required to be filed within 30 days from the date of receipt of audit report by company has also been extended from 30<sup>th</sup> October 2020 till 30<sup>th</sup> December 2020. However, in case a company has availed extension of time for holding Annual General Meeting (AGM) then Form CRA-4 may be filed within the resultant extended period of filing financial statements i.e. 30 days from the date of extended AGM.

➤ **Extension of due date for holding Annual General Meeting (AGM) for the FY 2019-20 by ROC:**

As per section 96(1) of The Companies Act, 2013 every company is required to hold its AGM within 6 months from the closing of each financial year or 9 months from the closing of financial year in case of 1st AGM of newly incorporated company.

Accordingly, AGM for Financial Year 2019-20 is required to be held on or before 30th September 2020. However, in view of the difficulties posed due to pandemic, various representations were received by Registrar of Companies (ROC) from all over the country regarding difficulty in being able to hold AGMs within the stipulated due date of 30th September 2020. Accordingly, ROCs of all the States and UTs in India have granted extension to hold the AGM for the FY 2019-20 by 3 more months from the due date i.e. on or before 29th December 2020 vide circular dated 8<sup>th</sup> September 2020. It is also clarified that the said extension of 3 months is granted to all companies who wish to avail this extension irrespective of the fact whether any AGM extension applications in Form GNL-1 were filed by them with respective ROCs or not. Further it is also clarified that in case of 1st AGMs the due date of holding AGMs shall be 9 months from close of FY i.e. 31st December 2020 and the extension of 3 months shall not apply in such cases.

➤ **Extension of due dates under Fresh Start Scheme, 2020:**

The Ministry of Corporate Affairs had introduced a new scheme known as the Companies Fresh Start Scheme, 2020, valid from 01.04.2020 to 30.09.2020 to enable companies to make good their previous defaults. This Scheme has now been extended till 31.12.2020 in view of large scale disruption caused by the COVID – 19 pandemic vide circular dated 28<sup>th</sup> September, 2020.



## DISCLAIMER

While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Ajay Rattan & Co. assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/ substitute professional advice that may be required before acting on any matter. All logos and trademarks appearing in the newsletter are property of their respective owners.

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited.



**HEAD OFFICE: E – 115, 11<sup>TH</sup> FLOOR, HIMALAYA HOUSE,**

**KASTURBA GANDHI MARG, NEW DELHI – 110001**

**BRANCH OFFICE: 1113, 11<sup>TH</sup> FLOOR, ARUNACHAL BUILDING,**

**BARAKHAMBA ROAD, NEW DELHI - 110001**

### BRANCH OFFICES:

MCBZ-4,01716, BHATTI ROAD,  
BATHINDA 151001, PUNJAB  
EMAIL: [BATHINDA@AJAYRATTANCO.COM](mailto:BATHINDA@AJAYRATTANCO.COM)

#754, SECTOR 38, SUBHASH CHAWK  
GURUGRAM, HARYANA- 122001  
EMAIL: [PIYUSHJINDA\\_CA@YAHOO.COM](mailto:PIYUSHJINDA_CA@YAHOO.COM)

SCO-10, SECOND FLOOR, INDUSTRIAL  
AREA, PHASE 2, CHANDIGARH-160002  
EMAIL: [SAHIL.GARG@GSTCONNECT.IN](mailto:SAHIL.GARG@GSTCONNECT.IN)

LG CS-36, ANSAL PLAZA MALL, KAMMA-1  
VAISHALI, GHAZIABAD, UTTAR PRADESH  
EMAIL: [CA.PRAKHARSRIVASTAVA@GMAIL.COM](mailto:CA.PRAKHARSRIVASTAVA@GMAIL.COM)