

NEWSLETTER NO 22 (INCLUDING GST) – AUG 1, 2020 TO DEC 31, 2020

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I. Income tax: Updated upto Dec 31, 2020:

1. Press release dt Dec 30, 2020: Due dates extended. Some important ones are:

- AY 20-21 – Tax audit report ('TAR') – Jan 15, 2021
- AY 20-21 - ITR for audit cases – Feb 15, 2021
- AY 20-21 - ITR for non-audit cases – Jan 10, 2021
- Making declaration under VSVS – Jan 31, 2021



- AY 20-21 - Due date for payment of self assessment tax for tax liability upto Rs 1 lac in case of audit cases: Feb 15, 2021
 - GST - Filing annual return in GSTR 9 and GSTR 9C for FY 19-20 – Feb 28, 2021.
2. Cir 21/2020 dt Dec 4, 2020: Some clarifications on provisions related to Vivad se Vishwas Act, 2020.
 3. Important: Cir 20/2020 dt Dec 3, 2020: TDS on salary for FY 2020-21 –
 - a. If employee wants to opt for 115BAC, he shall have to inform his employer. Otherwise, TDS would be deducted by employer as per normal earlier slabs. The intimation to be given every year and cannot be changed for that year.
 - b. It's a very long circular of around 50 pages and it covers almost all the sections applicable to salaried employees.
 4. Press release dt Nov 26, 2020: CBDT to online validate UDIN generated by CAs. It may also be validated within 15 days from submission on online portal.
 5. Cir F. NO. PR. CCIT/NeAC/SOP/2020-21, Dt 23-11-2020: SOP for personal hearing through video conferencing under Faceless Assessment Scheme.
 6. Cir F. NO. PR. CCIT/NeAC/SOP/2020-21, Dt 19-11-2020: SOP for functioning of Verification Unit (VU) under Faceless Assessment Scheme.
 7. Important: Cir F. NO. PR. CCIT/NeAC/SOP/2020-21, Dt 19-11-2020: SOP for functioning of Assessment Unit (AU) under Faceless Assessment Scheme. It is quite a detailed circular of around 16 pages. Careful reading of the same may give some clues for appeals. Generally, response time of minimum 7 days should be given by AU.
 8. Cir F. NO. PR. CCIT/NeAC/SOP/2020-21, Dt 19-11-2020: SOP for functioning of Technical Unit (TU) under Faceless Assessment Scheme.
 9. Cir F. NO. PR. CCIT/NeAC/SOP/2020-21, Dt 19-11-2020: SOP for functioning of Review Unit (RU) under Faceless Assessment Scheme.
 10. Important: Press release dt Nov 13, 2020: Safe harbor limit of 10% u/s 43CA and 56(2)(x) is increased to 20% in respect of primary sale of residential units upto value of Rs 2 crore.
 11. Cir 19/2020 dt Nov 3, 2020: Condonation for delay u/s 119(2)(b) in filing Form 10BB –



- All applications upto AY 2018-19 shall be accepted by CIT and shall be disposed of on or before Mar 31, 2021. CIT shall satisfy himself that there was sufficient cause for delay.
 - For AY 18-19 and subsequent years, applications for condonation of delay shall be accepted if there is delay upto 365 days and the application shall be decided on merits.
12. Noti 3906 dt Oct 29, 2020: Due date of ITR for audit cases extended to Jan 31, 2021 and for non audit cases to Dec 31, 2020. This Noti is superseded by Noti 4805 dt Dec 31, 2020.
 13. Cir 18/2020 dt Oct 28, 2020: No need to make payment within 15 days of receipt of Form 3. Instead, it could be made upto Mar 31, 2021 without any additional amount.
 14. Noti 3847(E) dt Oct 27, 2020: Due dates under Vivad se Vishwas Scheme (VSVS) extended. New dates:
For filing application: Dec 31, 2020,
For making payment (without additional amount): Mar 31, 2021.
For making payment (with additional amount): Apr 30, 2021.
 15. Press Release dt Oct 24, 2020: Due date for furnishing audit reports and ITR extended. Not elaborated here since again extended later.
 16. ORDER F. NO. 187/3/2020-ITA-I dt Oct 19, 2020: Instruction to subordinate authorities - exercising power of survey under TDS and other cases including exemption. Survey should be opted as last resort when all other options are exhausted. The Pr. CIT/CIT/P.DIT/DIT of the TDS charge or the Investigation Wing should monitor and ensure that the survey does not go beyond the scope as approved.
 17. Order F. No 275/29/2020 – IT(B) dt Oct 16, 2020: Instructions to subordinate authorities exercising power of intrusive or coercive action for recovery of tax demand by assessing officers or tax recovery officers.
 18. Press Release dt Oct 12, 2020: Union Finance Minister announces stimulus to boost demand in economy.
 19. Noti GSR 627(E) dt Oct 9, 2020: Sovereign Gold Bond Scheme 2020-21.
 20. Noti GST 610(E) dt Oct 1, 2020: Income tax (22nd Amendment) Rules, 2020:



- Rule 5(1): Maximum depreciation rate would be 40% if assessee has opted for Sec 115BA/ BAA/ BAB/ BAC or BAD.
 - Rule 21AG: Option to exercise Sec 115BAC shall be in Form 10-IE.
 - Rule 21AH: Option to exercise Sec 115BAD shall be in Form 10-IF.
 - Form 3CD amended to incorporate changes related to opting of Sec 115BAC and 115BAD.
21. Cir 225/126 dt Sep 30, 2020: Date for selection of cases under compulsory scrutiny during FY 2020-21 has been extended from Sep 30, 2020 to Oct 31, 2020.
 22. Cir 225/150 dt Sep 30, 2020: Last date for filing belated income tax return (ITR) for AY 2019-20 further extended to Nov 30, 2020.
 23. Press release dt Sep 30, 2020: Certain minor clarifications regarding new TDS/ TCS provisions u/s 194O and 206C(1H).
 24. Order No 225 dt Sep 29, 2020: Information relating to GST return would be updated in 26AS on quarterly basis. Principal DGIT (Systems) shall specify the procedures, formats and standards for uploading.
 25. Cir 17 of 2020 dt Sep 29, 2020: Some clarifications on applicability of Sec 194O (TDS by e-commerce operator) and 206(1H) (TCS on sale of goods). Relevant for us is: Annual limit for applicability would be from Apr 1, 2020 but deduction/ collection would be applicable from Oct 1, 2020.
 26. Press release dt Sep 26, 2020: Script wise details are not required to be reported in ITR in case of short term capital gain/ business income in shares.

The Finance Act, 2018 allowed exemption to the gains made on the listed shares/specified units up to 31-1-2018 by introducing grandfathering mechanism for computation of long-term capital gains for these shares. The scrip wise details in the return of income for AY 2020-21 is required to be filled up only for the reporting of the long-term capital gains for these shares/units **which are eligible for the benefit of grandfathering.**
 27. Noti SO 3297(E) dt Sep 25, 2020: Procedure for application of appeal with respect to faceless appeal scheme, 2020. Refer to notification for details.
 28. Noti SO 3296(E) dt Sep 25, 2020: Notifies Faceless Appeal Scheme, 2020. For details, refer to the notification.
 29. Noti GSR 508(E) dt Aug 17, 2020: IT (20th Amendment) Rules, 2020: Rule 2DB and 2DC inserted related to approval u/s 10(23FE).



30. Noti 173/ 165/ 2020 ITA-I dt Aug 14, 2020: CBDT issued guidelines for implementation of Faceless Assessment Scheme, 2019.
31. Noti SO 2745(E) and SO 2746(E) dt Aug 13, 2020: E-assessment Scheme, 2019 was introduced vide Noti SO 3264(E) dt Sep 12, 2019. It is now changed to Faceless Assessment Scheme. Also, there are changes in some paras of the earlier scheme.
32. Order No 187/3/2020 ITA-I dt Aug 13, 2020: This order shall be effective from Aug 13, 2020.
- All assessment orders except as assigned to central charges or international tax charges would be passed by National e-Assessment Centre only.
 - Power of Survey u/s 133A shall be with Directorates of Investigation (Investigation Wing) and Commissionarates of TDS only. Approval of DGIT (Inv) for investigation wing and Pr CCIT/ CCIT (TDS) for TDS charges would be required.
33. The scope of Statement of Financial Transactions (SFT) has been expanded to widen the tax base. Once the CBDT releases the notification in this regard, the notified persons should report the following transactions in their SFT:
- i. Payment to hotels above Rs. 20,000
 - ii. Payment of property tax above Rs.20,000
 - iii. Payment of health insurance premium above Rs.20,000
 - iv. Payment of rent above Rs.40,000
 - v. Payment of life insurance premium above Rs.50,000
 - vi. Electricity consumption above Rs.1 lakh
 - vii. Payment of educational fee/donations above Rs.1 lakh p.a
 - viii. Purchase of jewellery, white goods, painting, marble etc. above Rs.1 lakh
 - ix. Deposit/credits in the current account above Rs.50 lakh
 - x. Deposit/credits in the non-current account such as savings accounts above Rs.25 lakh
 - xi. Domestic business class air travel or foreign travel
 - xii. Share transactions/D-MAT accounts/Bank lockers

Also, it is to be noted that the following persons should file their SFT return mandatorily:

- i. A person having bank transactions above Rs.30 lakhs
 - ii. All professionals and business having turnover above Rs 50 lakhs
34. Noti GSR 499(E) [58/2020] dt Aug 10, 2020: Income tax (18th amendment) Rules, 2020:
- Amendment in Rule 37BC – not much related to us.



II. Central Tax ('CT') Notifications: Updated upto Dec 31, 2020

1. Noti 95/2020 CT dt Dec 30, 2020: Due date for GST Annual return for FY 19-20 extended from Dec 31, 2020 to Feb 28, 2021.
2. Noti 94/2020 CT dt Dec 22, 2020: CGST (14th amendment) Rules, 2020:
 - Rule 8(4A) substituted but would be implemented from date to be notified: Biometric based Aadhar authentication etc for registration.
 - Rule 9(1) amended to increase time limit of registration from 3 working days to 7 working days. Further, where Aadhar authentication is not done or where officer thinks it is necessary, physical verification of premises needs to be done and in such cases, registration may be granted within 30 working days.
 - Rule 9(2) amended to increase above time limits for informing the deficiency, if any, also.
 - Rule 21 amended to increase scope of cancellation of registration in certain cases – ITC availed in violation of Sec 16(4); furnishes more supply in GSTR-1 compared to 3B; violates Rule 86B (utilization of more than 99% ITC).
 - Rule 21A(2) (suspension of registration) amended to provide that if proper officer has reason to believe that registration of a person should be cancelled u/s 29 or Rule 21, then he may, without giving an opportunity of being heard, suspend his registration. In my opinion, this is nothing but dictatorship.

Further, Rule 21A(2A) added to state that if there are significant differences between 3B and 1 or in ITC claimed and 2A, then registration may be suspended without giving an opportunity of being heard.

- Rule 210(4) – proper officer may revoke suspension if he finds it fit.
- Rule 36(4) amended to reduce the amount of ITC that can be availed in GSTR-3B from 110% of amount as per 2A to 105%.
 - Rule 59(5) inserted – Monthly GSTR-1 cannot be filed if preceding two month 3B are not filed.
Quarterly GSTR-1 or IFF cannot be filed if 3B of preceding tax period is not filed.
 - Rule 86B inserted – Restriction on utilisation of ITC upto maximum of 99% of tax liability if taxable supply in a month exceeds Rs 50 lacs.
This provision shall not apply to some cases as given in the Rule. These mainly include:



- a. where the said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, has paid more than Rs 1 lac as income tax in last two years.
- b. The registered person has received refund of more than Rs 1 lac in preceding year on account of unutilized ITC under clauses (i) of (ii) of first proviso to Sec 54(3).
- c. The registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year.
- d. The registered person is Government department, PSU, local authority or a statutory body.

Provided further that the Commissioner or an officer authorised by him in this behalf may remove the said restriction after such verifications and such safeguards as he may deem fit.

- Rule 138(10) amended – Distance to be travelled per day as per e-way bill increased from 100 km to 200 km.
 - Rule 138E amended – Earlier e-way bill could not be generated if 3B is not filed for two months. Now it is changed to two tax periods. Also, if GSTR-1 is not filed for two consecutive tax periods, e-way cannot be generated under existing provisions. Now, e-way cannot be generated if registration is suspended.
3. Noti 93/2020 CT dt Dec 22, 2020: Late fee for GSTR-4 waived in UT of Ladakh for FY 2019-20.
 4. Noti 92/2020 CT dt Dec 22, 2020: Certain amendments as per Finance Act 2020 are made applicable wef Jan 1, 2021. Those are:
 - Sec 10(2) – Certain persons shall not be eligible to opt for composition scheme for **services**. Thus, among other things as per Sec 10(2), wef Jan 1, 2021, a service provider who enters into inter-state supply of services shall not be eligible to opt for composition scheme @6%.
 - Sec 16(4) – Delinking of ITC on debit note/ credit note related to invoice.
 - Sec 29 – Voluntarily registered person can also apply for cancellation in the year of registration itself.
 - Sec 30 – Additional time limit for application for revocation of cancellation by Addl or Joint Comm.



- Sec 51(4) – No penalty if deductor does not issue TDS certificate.
 - Sec 122 – Scope of this penalty section enhanced.
 - Sec 132 – Scope of punishment under this section enhanced.
 - Amendment in Para 4 of Sch II – Transfer of business assets is transfer of goods. The words ‘whether or not for consideration’ have been deleted because it was creating confusion whether even without consideration, it would be supply. Now, it would mean that first it has to be decided whether it is supply and then it will be treated as supply of goods.
5. Noti 91/2020 CT dt Dec 14, 2020: Seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.
 6. Noti 90/2020 CT dt Dec 1, 2020: Amends Noti 12/2017 CT dt Jun 28, 2017 – For certain prescribed list of chemicals, sellers would have to give 8 digits of HSN code in their Tax Invoice.
 7. Noti 89/2020 CT dt Nov 29, 2020: Penalty u/s 125 for non-compliance of QR code which was made applicable vide Noti 14/2020 CT dt Mar 21, 2020 is waived till Mar 31, 2021 provided it is complied from Apr 1, 2021.
 8. Noti 88/2020 CT dt Nov 10, 2020: E-invoicing made compulsory wef Jan 1, 2021 for persons having turnover exceeding Rs 100 crore. It is applicable in case of sale to a registered person, ie B2B sales.

To my knowledge, it is not applicable in case of exempt supply. But, e-invoice is applicable for export of even exempt goods.

Json file of e-invoice to be uploaded at www.einvoice1.gst.gov.in.

Question:

Whether individual invoice would have to be converted to json or it can be done for bulk invoices?

Ans: It can be done either way.

9. Noti 87/2020 CT dt Nov 10, 2020: Extends due date of filing ITC-04 (job work) for period from July 2020 to Sep 2020 – extended to Nov 30, 2020.
10. Noti 86/2020 CT dt Nov 10, 2020: Rescinds Noti 76/2020 CT dt Oct 15, 2020 which prescribes due dates for filing 3B for Oct 2020 to Mar 2021.
11. Noti 85/2020 CT dt Nov 10, 2020: Specifies procedure for making payment of 35% as tax liability in first two months.



12. Noti 85/2020 CT dt Nov 10, 2020: Specifies procedure for making payment of 35% as tax liability in first two months. Tax may be paid by 25th of next month and it would be equal to -
- 35% of liability paid by debiting electronic cash ledger in the return for preceding quarter if return is filed quarterly.
 - liability paid by debiting electronic cash ledger in the return for last month of preceding quarter if return is filed monthly.

However, above payment would not be required to be made if there is sufficient balance in cash ledger and/ or credit ledger.

Question:

- a. There may be a situation where tax was paid in cash in previous quarter and there is no cash or credit ledger balance but due to current month's purchases, there is no net tax payable.

Ans: It seems in such situation, tax deposit might have to be done.

- b. How interest would be calculated if tax is not paid for first two months' of the quarter?

Ans: If fixed sum method is followed, interest would be calculated on shortfall as per 35% method. If self assessment method is followed, then interest would be calculated on actual monthly tax liability.

13. Noti 84/2020 CT dt Nov 10, 2020: Persons with turnover upto Rs 5 crore are eligible for opting QRMP. Department has done default migration as follows:

Sl	Class of Person		Default option
1	Turnover upto Rs 1.50 crore	and who have filed quarterly GSTR-1 in current year (ie FY 20-21)	Quarterly (ie QRMP)
2	- do -	and who have filed monthly GSTR-1 in current year (ie FY 20-21)	Monthly
3	Turnover more than Rs 1.50 crore but upto Rs 5 crore	Whether filed monthly or quarterly GSTR-1	Quarterly (ie QRMP)



If anyone wants to change the option, it will have to make such amendment online before Jan 31, 2021.

14. Noti 83/2020 CT dt Nov 10, 2020: Permanent due dates for GSTR-1 prescribed as 11th for monthly and 13th for quarterly.
15. Noti 82/2020 CT dt Nov 10, 2020: CGST (13th amendment) Rules, 2020:
 - Rule 59 (form and manner of furnishing outward supplies) substituted wef Jan 1, 2021:
 - Turnover upto Rs 5 crore in previous year or current year – Quarterly 3B returns and monthly tax payment (QRMP) scheme applicable. In case of B2B transactions, they would have option to file Invoice Furnishing Facility ('IFF') upto 13th of next month. This facility shall be restricted to Rs 50 lacs for every month. Cases reported in IFF would not be again reported in GSTT-1.
 - Above turnover of Rs 5 crores would be auto-calculated by system.
 - On the basis of various returns filed by suppliers and TDS deductors, appropriate data shall be reflected in Part A, B or C of GSTR-2A of recipient.
 - Tax paid on import of goods shall be reflected in Part D of GSTR-2A.
 - Auto-drafted statement containing details of ITC received during the period would be available in Form GSTR-2B.
 - GSTR-2B would be available one day after due of furnishing GSTR-1 or IFF whichever is later.
 - Rule 60 (form and manner of furnishing inward supplies) substituted wef Jan 1, 2021.
 - Rule 61 (form and manner of furnishing of return) substituted wef Jan 1, 2021.:
 - It more clearly specified due dates for 3B in respect of various persons based on their turnover.
 - In case of persons opting for QRMP, monthly payment to be done by 25th of next month in PMT-06. While making payment by PMT-06, cash ledger shall not be debited and it shall be debited only at the time of filing quarterly 3B. So, registered person shall have to manually keep track of balance in cash ledger while making payment by PMT-06.
 - Rule 61A inserted: Manner of opting for QRMP:
 - Regd persons having turnover less than Rs 5 crore may opt for this upto end of first month of the quarter from which option is to be availed.
 - Option once availed shall continue till turnover crosses Rs 5 crore or monthly option is chosen.
 - All due returns should have been filed before opting for this.



- If turnover exceeds Rs 5 crore, person shall opt for monthly return from first month after end of quarter in which turnover exceeds Rs 5 crore.
16. Noti 81/2020 CT dt Nov 10, 2020: New return filing system as proposed u/s 97 of Finance Act, 2019 (ie Sec 39 of CGST Act) shall come into force wef Nov 10, 2020.
17. Noti 80/2020 CT dt Oct 28, 2020: Amendment to Noti 41/2020 CT dt May 5, 2020 - Seeks to further extend the due date for furnishing of FORM GSTR 9/9C for FY 2018-19 from Oct 31, 2020 till Dec 31, 2020.
18. Noti 79/2020 CT dt Oct 15, 2020: CGST (12th amendment) Rules, 2020:
- Rule 67A: Provision for filing Nil returns by SMS extended to 3B, GSTR 1 and CMP 08.
- Rule 80: Limit of turnover for getting GST audit (reconciliation statement in GSTR 9C) for FY 2019-20 shall also be Rs 5 crore.
- Rule 142(1A): The word 'shall' replaced with 'may'.
19. Noti 78/2020 CT dt Oct 15, 2020: Requirement of mentioning no of digits of HSN code increased from Apr 1, 2021. Now 4 digit HSN code would be required for persons having turnover upto Rs 5 core in preceding FY; and 6 digits for turnover more than Rs 5 crore.
- However, in case of persons having turnover upto Rs 5 crore, mentioning of HSN code would be optional in case sale to unregistered persons.
20. Noti 77/2020 CT dt Oct 15, 2020: Amendment in Noti 47/2019 CT – For persons having turnover upto Rs 2 crore, annual return in GSTR 9 would be optional for FY 19-20 also.
21. Noti 76/2020 CT dt Oct 15, 2020: In state of Maharashtra, monthly due dates for GSTR 3B for persons having turnover upto Rs 5 crore for the months from Oct 2020 to Mar 2021 shall be 22nd of subsequent month.
- And for persons having turnover more than Rs 5 crore, it will be 20th of subsequent month.
22. Noti 75/2020 CT dt Oct 15, 2020: Monthly due dates for GSTR 1 for persons having turnover more than Rs 1.50 crore for the months from Oct 2020 to Mar 2021 shall be 11th of subsequent month.
23. Noti 74/2020 CT dt Oct 15, 2020: Quarterly due dates for GSTR 1 for persons having turnover upto Rs 1.50 crore shall be as below:



Oct 2020 to Dec 2020: Jan 13, 2021.

Jan 2021 to Mar 2021: Apr 13, 2021.

24. Noti 73/2020 CT dt Oct 1, 2020: If applicable person has not issued e-invoice during Oct 1, 2020 to Oct 31, 2020, then such person shall have to obtain IRN (invoice reference number) within 30 days from date of such invoice.
25. Noti 72/2020 CT dt Sep 30, 2020: CGST (11th amendment) Rules, 2020: Some amendments in Rule 46(r) and Rule 48(4) related to QR code.
26. Noti 71/2020 CT dt Sep 30, 2020: Applicability of Dynamic QR code in case of B2C supplies extended to Dec 1, 2020. It would be applicable to persons having turnover exceeding Rs 500 crore in any preceding FY from 17-18.
27. Noti 70/2020 CT dt Sep 30, 2020: Some changes in applicability of e-invoice. Applicable to persons having turnover exceeding Rs 500 crore in any preceding FY from 17-18 and including exports.
28. Noti 69/2020 CT dt Sep 30, 2020: Due date for annual return in GSTR 9 and 9C for FY 18-19 extended to Oct 31, 2020.
29. Noti 68/2020 CT dt Sep 21, 2020: Maximum late fee Rs 500 for late filing of GSTR 10 (final return) if such returns are filed between Sep 22, 2020 to Oct 31, 2020.
30. Noti 67/2020 CT dt Sep 21, 2020: Maximum late fee Rs 500 for late filing of GSTR 4 (composition returns) for the periods from July 2017 to March 2020 (corrected to March 2019 by corrigendum) if such returns are filed between Sep 22, 2020 to Oct 31, 2020. No such late fee in case of Nil returns.
31. Noti 66/2020 CT dt Sep 21, 2020: In case of goods sent on approval out of India, time limit for issuance of tax invoice for the period from Mar 20, 2020 to Oct 30, 2020 extended to Oct 31, 2020.
32. Noti 65/2020 CT dt Sep 1, 2020: Seeks to amend notification no. 35/2020-Central Tax in order to extend due date of compliance which falls during the period from "20.03.2020 to 29.11.2020" till 30.11.2020.
33. Noti 64/2020 CT dt Aug 31, 2020: Due date of filing GSTR 4 (annual return for composition persons) for FY 19-20 further extended to Oct 31, 2020.
34. Noti 63/2020 CT dt Aug 25, 2020: Proviso to Sec 50(1) which states that interest would be applicable on net liability and not on gross liability is made effective



from Sep 1, 2020. Due to this confusion is again created about applicability for periods upto Aug 31, 2020. Vide press release dt Aug 26, 2020, it is clarified that due to technical difficulties, it is amended prospectively. However, even for earlier periods, interest shall be collected on net liability only.

35. Noti 62/2020 CT dt Aug 20, 2020: CGST (10th amendment) Rules.

- Rule 8(4A) amended to state that date of application shall be date of authentication of aadhar or 15 days from the date of submission of application in Part B of Form REG 01, whichever is earlier.
- Proviso to Rule 9(1) amended to state that where aadhar authentication is not done, registration shall be granted only after physical verification of place of business along with applicant. It also provides that in lieu of physical verification of POB, the officer with previous approval of Joint Commissioner carry out verification of such documents as he may deem fit.
- Proviso added in Rule 9(2) to state that if aadhar authentication is not done, deficiency memo may be issued in 21 days instead of 3 days in other cases.
- Amendment in Rule 9(4): If response to deficiency is not found satisfactory, the proper officer was duty bound to reject the application. Now, the word 'shall' is replaced with 'may'.
- Rule 9(5) amended so that period of deemed approval is changed in view of above amendments.



III. **Central Tax (Rate) ('CTR') Notifications: Updated upto Dec 31, 2020**

1. Noti 5/2020 CTR dt Oct 16, 2020: Satellite services provided by ISRO and two others would be exempt under entry no 19C.
2. Noti 4/2020 CTR dt Sep 30, 2020: Extension of CGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto Sep 30, 2021.



IV. Integrated GST ('IT') Imp Notifications: Updated upto Dec 31, 2020

Subject matter of many of the notifications is already covered under Central Tax notifications. Also, some notifications are administrative or not related to our practice. Therefore, only important notifications as considered by us are covered here.

1. No such notifications.

V. Integrated GST – Rate ('ITR') Imp Notifications: Updated upto Dec 31, 2020

Most of the rate notifications are replica of Central Tax Rate notifications which we have enumerated above. Effort has been to exclude such duplicate notifications and cover only those notifications which are relevant for us as independent IGST Rate notifications.

1. No such notifications.



VI. Compensation Cess ('CS') Notifications: Updated upto Dec 31, 2020

1. Nil

VII. Compensation Cess Rate ('CSR') Notifications: Updated upto Dec 31, 2020

1. Nil

VIII. Circulars (clarifications) under CGST: Updated upto Dec 31, 2020

1. Cir 144/14/2020 dt Dec 15, 2020: Waiver from recording of UIN on the invoices was given upto March 2020. It is now extended upto March 2021.
2. Cir 143/13/2020 dt Nov 10, 2020: QRMP scheme introduced from Jan 1, 2021. It is tried to be explained in simple words. It is also explained how interest liability shall be calculated.
3. Cir 142/12/2020 dt Oct 9, 2020: Clarification of issues relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017, cumulatively for the months of February, 2020 to August, 2020: Provisions as per Noti 30/2020 CT dt Apr 3, 2020 to continue. No more relaxation due to Covid.

IX. Circulars (clarifications) under IGST and Comp Cess: Updated till Dec 31, 2020

1. Nil

X. Orders under GST: Updated till Dec 31, 2020

1. Nil.

XI. Removal of Difficulty Orders under GST: Updated till Dec 31, 2020

1. Nil

XII. Mah State Govt Imp GST Notifications/ Amdmts: Updated upto Dec 31, 2020

1. Trade Cir ARA-01T of 2020 dt Nov 2, 2020: Guidelines for online e-hearing before the Advance Ruling Authority under MGST Act, 2017.



XIII. Press Releases: Updated upto Dec 31, 2020

1. **Important:** Oct 9, 2020: Press Release on Annual Return (GSTR-9) and Reconciliation Statement (GSTR 9C) for FY 2018-19: Since there is no place to bifurcate data for FY 17-18 and FY 18-19, taxpayers are required to report only the values pertaining to Financial Year 2018-19 and the values pertaining to Financial Year 2017-18 which may have already been reported or adjusted are to be ignored.
2. 41st GST council meeting was held on Aug 27, 2020. Discussion was held on how to compensate states for their losses due to Covid 19.
3. In a press release dated Aug 26, 2020, it was clarified that although Noti 63/2020 CT dt Aug 25, 2020 is prospective from Sep 1, 2020, interest would be applicable on net liability only right from July 1, 2017.

XIV. Other GST related Update: Updated upto Dec 31, 2020

1. Nil

XV. Important Circular updates in MVAT, CST and Profession tax: Updated upto Dec 31, 2020

1. Cir 13T of 2020 dt Dec 21, 2020: General procedure of GST Audit u/s 65 of MGST Act quite neatly explained in this four page circular.
2. Cir 12T of 2020 dt Sep 14, 2020: e-Submission and e-Hearing in assessment proceedings given in this circular.

XVI. Important Notifications updates in MVAT, CST and Prof tax: Updated upto Dec 31, 2020

1. VAT 1520/CR 73/Tax 1 dt Oct 23, 2020: Proviso inserted in Rule 17(4B) of MVAT Rules: From return periods starting from Apr 1,2020, registered retail outlets not owned by Oil Company who have effected sales of petrol, diesel purchased from registered dealers in Maharashtra shall not be liable to file return under Rule 17(4B).



2. VAT 1520/CR 73/Tax 1 dt Oct 6, 2020: Advance ruling authority members under MVAT notified.

XVII. Companies Act and LLP: Updated upto Dec 31, 2020:

Covered only those amendments which are considered as important for our practice.

1. Nil

XVIII. Others: Updated upto Dec 31, 2020:

1. Norms for allotment of bank branch audits revised. Refer to this link for details: https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=946.
2. FCRA (Amendment) Act, 2020 passed to amend following major changes:
 - Public servants not allowed to accept any foreign contribution (FC).
 - Prohibition to transfer of FC to any association/ person.
 - For renewal, aadhar of all directors/ trustees would be required.
 - Provision of surrender of certificate introduced.
 - Bank account to be opened in SBI, New Delhi Main branch as per public notice dated Oct 13, 2020. No need to visit Delhi personally for it.
3. The Reserve Bank has vide Circular dated 5th September, 2020 came up with **revised long format audit report (LFAR) norms** with a view to improving efficacy of internal audit and risk management systems.
4. Due date for payment of PF for the month of March 2020 has been extended to May 15, 2020. No extension found for Feb 2020 as in case of ESI.
5. Due dates for payment of ESI for the months of February and March 2020 have been extended to May 15, 2020.

Disclaimer:

All efforts have been made to ensure completeness of data. However, readers are advised to confirm from their own sources also. Further, interpretations given above are our personal opinions at M/s Umesh Agrawal and Associates. We are not responsible for any loss arising due to the above information.

