

NEWSLETTER NO 25 (INCLUDING GST) – APR 1, 2021 TO JUN 30, 2021

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I. Income tax:

1. Cir 13 of 2021 dt Jun 30, 2021: Guidelines u/s 194Q of IT Act:

- Not applicable to transactions in securities and commodities traded through recognized stock exchanges etc.
- In view of Cir 23 of 2017 dt Jul 19, 2017, TDS would be applicable on net of GST (if it is shown separately), if it is done on credit basis. It would be applicable on gross basis if advance payment is made (because GST amount is not known at that time).
- In case of purchase return, tax deducted may be adjusted against the next purchase against the same seller.
- Not applicable if buyer is non resident provided he doesn't have PE in India.
- Sec 194Q not applicable if seller, as a person, is exempt from income tax (eg Sec 10) or any other Act (eg RBI Act, ADB Act etc). Similarly, TCS u/s 206C(1H) not applicable on sale of goods if buyer, as a person, is exempt from income tax or any other Act.
- Not applicable in the year of incorporation since condition of turnover in the preceding FY is not fulfilled.
- If TDS deducted u/s 194O (e-commerce), including non deduction due to sec 194O(2), then TDS u/s 194Q would not be applicable and also TCS u/s 206(1H) would not be applicable.
- TDS u/s 194-O shall prevail over TDS u/s 194Q.
- TDS u/s 194-O shall prevail over TCS u/s 206(1H). This is because rate of TDS u/s 194-O is higher than rate of TCS u/s 206C(1H).
- Important: If transaction is both within purview of Sec 194Q and 206C(1H), then TDS u/s 194Q would prevail. However, if, **for any reason**, tax has been collected by the seller u/s 206C(1H) before buyer could deduct TDS u/s 194Q on the same transaction, such transaction would not be subjected to



TDS again by buyer. This **concession** is provided to remove difficulty, since tax rate of deduction and collection are same in Sec 194Q and 206C(1H).

2. Cir 12 of 2021 dt Jun 25, 2021: Further extension of some due dates:
 - TDS return for Q4 of FY 20-21 extended to July 15, 2021 and issuance of forms extended to July 31, 2021.
 - Application for re-registration u/s 12AB, 80G etc extended to Aug 31, 2021.
 - To take action for claiming exemption u/s 54 to 54GB for which compliance due date falls between Apr 1, 2021 to Sep 29, 2021 extended to Sep 30, 2021.
 - Adhar PAN linking date extended to Sep 30, 2021.
 - Limit for passing assessment and penalty order extended to Sep 30, 2021.
 - Date for payment under Vivad se Vishwas extended.
 - Some more due dates extended.
3. Cir 11 of 2021 dt Jun 21, 2021: Circular regarding use of functionality u/s 206AB and 206CCA of IT Act.
4. Noti SO 2336 (E) dt Jun 15, 2021: Cost inflation index for FY 21-22 is 317.
5. Cir 225/61/2021 dt Jun 10, 2021: Sec 143 of the Income-tax Act, 1961 - assessment - general - scrutiny assessment - guidelines for compulsory selection of returns for complete scrutiny during financial year 2021-22 - conduct of assessment proceedings in such cases –

Among many other points, it is mentioned that in case of survey u/s 133A, cases where books of accounts, documents, etc. were not impounded and returned income (excluding any disclosure made during the Survey) is not less than returned income of preceding assessment year are not required to be considered for compulsory scrutiny.
6. Noti GSR 395 (E) dt Jun 8, 2021: Income tax (17th amendment) Rules, 2021: TDS return to include some more things. Relevant to us is TDS details u/s 194Q (ie TDS on purchase of goods).
7. Press release dt Jun 5, 2021: New, taxpayer-friendly e-filing portal of the income tax department to be launched on 7th June, 2021 - Several new features introduced - free of cost ITR preparation interactive software also available - new call centre for taxpayer assistance.
8. Cir No 10/2021 dt May 25, 2021: Supreme Court in Suo Motu Writ Petition (Civil) No 3 of 2020 vide order dated Mar 8, 2021 gave certain blanket extension of time



limits. Besides this, CBDT also offered certain date extensions which are less than those declared by SC. Gujarat HC questioned CBDT on this. Accordingly, CBDT clarified that taxpayers would be entitled to relaxation which is more beneficial to them.

Gist of judgement of SC is as below:

In cases where the limitation would have expired during the period between 15.03.2020 till 14.03.2021, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 15.03.2021. In the event the actual balance period of limitation remaining, with effect from 15.03.2021, is greater than 90 days, that longer period shall apply.

For full order, visit:

https://main.sci.gov.in/supremecourt/2020/10787/10787_2020_31_1501_26732_Judgement_08-Mar-2021.pdf

9. Cir No 9/ 2021 dt May 20, 2021: Important due date extensions:

Sl	Particulars	Original due date	Extended due date
1	ITR for AY 2021-22		
	- Regular Assesseees	July 31, 2021	Sep 30, 2021
	- Tax Audit Assesseees	Oct 31, 2021	Nov 30, 2021
	- Belated/ Revised	Dec 31, 2021	Jan 31, 2022
2	Tax audit report for AY 21-22	Sep 30, 2021	Oct 31, 2021
3	SFT	May 31, 2021	Jun 30, 2021
4	TDS return for QE Mar 31, 2021	May 31, 2021	Jun 30, 2021
5	Issuance of Form 16 to employees	Jun 15, 2021	Jul 15, 2021
6	Form 24G for May 2021	Jun 15, 2021	Jun 30, 2021

Benefit of waiver of interest u/s 234A applicable if tax liability does not exceed Rs 1 lac.

10. Noti GSR 326(E) dt May 12, 2021: Sovereign Gold Bond Scheme 2021-22 notified.
11. Noti SO 1803(E) dt May 7, 2021: Sec 269ST – Hospitals may accept cash of more than Rs 2 lacs provided they obtain PAN or Aadhar of patient and of the person making the payment on behalf of patient. Also, relationship of such person with patient to be maintained.
12. Noti 3 of 2021 dt Apr 30, 2021: Format, procedure and guidelines for submission of SFT for depository transactions.



- SFT for FY 20-21 to be filed by May 31, 2021. From FY 2021-22, it would be filed quarterly.
 - Cost of acquisition would be reported as Nil in case of Off market purchases, IPO, Corporate action or any transaction other than exchange. Assessee would be able to edit the same at the time of filing the return.
 - Filing of correction statement is also possible.
13. Cir 8/2021 dt Apr 30, 2021: Extension of due dates for certain compliances by taxpayers:
- Appeal to CIT (Appeal) – If due date is on or after Apr 1, 2021, then appeal may be filed within due date or May 31, 2021, whichever is later.
 - ITR in response to Notice u/s 148: If due date is on or after Apr 1, 2021, then ITR may be filed within due date or May 31, 2021, whichever is later.
 - Belated return u/s 139(4) or revised return u/s 139(5) for AY 2020-21 may be filed upto May 31, 2021.
 - TDS cum return u/s 194-IA, 194-IB, 194M which are due by Apr 30, 2021 may be filed upto May 31, 2021.
14. Noti 1703 (E) and 1704 (E) dt Apr 27, 2021: Notification for extension of due dates as per press release dt Apr 24, 2021 below.
15. Press release dt Apr 24, 2021: Govt further extends following due dates to Jun 30, 2021 –
- Time limit for completion of assessment or reassessment u/s 153 (which includes Sec 143(3)) or 153B.
 - Issuance of notice u/s 148.
 - Payment under VSV Act without additional amount.
16. Cir 279 dt Apr 7, 2021: Only appeals under Income-tax Act have gone faceless and not under other acts such as Wealth tax etc. For Nagpur Commissionerate, those shall be handled by CIT (Appeal) 3.
17. Important: Noti 1443 (E) dt Apr 1, 2021: Powers related to accepting applications for re-registration, renewal and new registration u/s 10(23C), 12AB, 35 and 80G have been transferred to DIT (CPC) Bengaluru and CIT (Exemption) Bengaluru.



II. Central GST:

1. Noti 28/2021 CT dt Jun 30, 2021: No penalty for non-compliance of QR code requirement of invoice during the period Dec 1, 2020 to Sep 30, 2021.
2. Press release dt Jun 28, 2021: Functionality to check misuse of PAN for obtaining GST registration.
3. Cir 156/12/2021 dt Jun 21, 2021: Clarification in respect of applicability of dynamic quick response (QR) code on B2C invoices and compliance of notification no. 14/2020- Central Tax, dated 21-3-2020:
 - Sale to UIN holder would be treated as B2C supply.
 - If UPI ID is given and since UPI ID is linked to a specific bank account of the payee/ person collecting money, separate details of bank account and IFSC may not be provided in the Dynamic QR Code.
 - If payment is collected by some other authorized person, then UPI ID of such other person may be given.
 - Wherever an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of IGST Act 2017, and the payment is received by the supplier in foreign currency, through RBI approved mediums, such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier.
 - Where the invoice number is not available at the time of digital display of dynamic QR code in case of over the counter sales and the invoice number and invoices are generated after receipt of payment, the unique order ID/unique sales reference number, which is uniquely linked to the invoice issued for the said transaction, may be provided in the Dynamic QR Code for digital display, as long as the details of such unique order ID/sales reference number linkage with the invoice are available on the processing system of the merchant/supplier and the cross reference of such payment along with unique order ID/sales reference number are also provided on the invoice.
 - The purpose of dynamic QR Code is to enable the recipient/customer to scan and pay the amount to be paid to the merchant/supplier in respect of the said supply. When the part-payment for any supply has already been received from the customer/ recipient, in form of either advance or adjustment through voucher/discount coupon etc., then the dynamic QR code may provide only the remaining amount payable by the customer/recipient against "invoice value". The details of total invoice value, along with details/ cross reference of the part-



payment/advance/adjustment done, and the remaining amount to be paid, should be provided on the invoice.

- Circular No. 146/2/2021-GST, dated 23-2-2021 stands modified to this extent.

4. Cir 155/11/2021 dt Jun 17, 2021: Clarification regarding GST rate on laterals/parts of sprinklers or drip irrigation system:

Laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading.

5. Cir 154/10/2021 dt Jun 17, 2021: Guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.

6. Cir 153/9/2021 dt Jun 17, 2021: Clarification regarding GST on milling of wheat into flour or paddy into rice for distribution by state governments under PDS:

- If value of goods does not exceed 25% of composite supply, it would be exempt under entry 3A of Noti 12/2017 CTR.
- If value of goods exceed 25% of composite supply, it would be taxable at 5% as job work under entry 26 of Noti 12/2017 CTR. Important: Recipient being registered even for TDS would be considered as registered person.

7. Cir 152/8/2021 dt Jun 17, 2021: Clarification regarding rate of tax applicable on construction services provided to a government entity, in relation to construction such as of a ropeway on turnkey basis –

Surprisingly, it is clarified that this would not fall under entry 3(vi) of Noti 11/2017 CTR. So, benefit of GST rate @ 12% would not be available to such activity. Accordingly, it would attract 18% GST.

8. Cir 151/7/2021 dt Jun 17, 2021: Clarification regarding gst on supply of various services by central and state board (such as National Board of Examination) -

- GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational



institution [under S. No. 66 (aa) of notif No. 12/2017-CT(R)]. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations.

- GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under S. No. 66 (b) (iv) of notif No. 12/2017-CT(R)].
 - GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional (accreditation fee or registration fee such as fee for FMGE screening test) so as to authorise them to provide their respective services
9. Cir 150/6/2021 dt Jun 17, 2021: It is clarified that Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads.
10. Cir 149/5/2021 dt Jun 17, 2021: It is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66 (b)(ii)]. Educational institutions as defined in the notification include aganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.
11. Noti 5/2021 CTR dt Jun 14, 2021: Seeks to provide the concessional rate of GST on Covid-19 relief supplies, up to 30th September 2021.
12. Noti 4/2021 CTR dt Jun 14, 2021: During the period from Jun 14, 2021 to Sep 30, 2021, GST rate on works contract supplied by way of construction, repair etc of a structure meant for funeral, burial or cremation of deceased is reduced from 12% to 5%.
13. NIC Press Release dt Jun 10, 2021: Related to e-invoice portal – some relevant points:
- IRN can be generated if supplier GSTN is active. It cannot be generated if supplier GSTN is suspended, provisional, inactive or cancelled.
 - IRN can be generated if recipient GSTN is **active or suspended**. It cannot be generated if recipient GSTN is provisional, inactive or cancelled.
 - Reverse charge is applicable for the e-invoices where the 'IGST on Intra' is set as 'YES'.



14. Noti 3/2021 CTR dt Jun 2, 2021: Amendment in Noti 6/2019 CTR – liability in case of purchase of additional FSI or long term lease of land – wordings made little more clear.
15. Noti 2/2021 CTR dt Jun 2, 2021: Noti 11/2017 CTR suitably amended to make it clear that land owner promoter could utilize credit of GST charged to them by developer promoter if such apartment is subsequently sold by land owner and on which GST is paid.
16. Noti 1/2021 CTR dt Jun 2, 2021: The medicine ‘Diethylcarbamazine’ is included in list of medicines at 5%.
17. Noti 27/2021 CT dt Jun 1, 2021: CGST (5th amendment) Rules, 2021:
 - Rule 26(1) – GSTR 1 and 3B filed during the period from Apr 27, 2021 to Aug 31, 2021 may be authenticated by EVC also (where otherwise DSC compulsory).
 - Rule 36(4) – Cumulative application of Rule 36(4) for April, May and June 2021.
 - Rule 59(2) – IFF for the month of May 2021 may be furnished upto June 28, 2021.
18. Noti 26/2021 CT dt Jun 1, 2021: Due date of filing ITC 4 for for January to March 2021 quarter further extended to June 30, 2021.
19. Noti 25/2021 CT dt Jun 1, 2021: Due date of filing GSTR 4 for year ending March 31, 2021 further extended to July 31, 2021.
20. Noti 24/2021 CT dt Jun 1, 2021: Vide Noti 14/2021 CT, specified compliances falling between 15.04.2021 to 30.05.2021 were extended till 31.05.2021. Now, the specified compliances falling between 15.04.2021 to 29.06.2021 are extended till 30.06.2021.
21. Noti 23/2021 CT dt Jun 1, 2021: Government department and local authorities are exempted from provisions for e-invoice.
22. Noti 22/2021 CT dt Jun 1, 2021: (As per 43rd GST council meeting) From June 2021 onwards GSTR 7 (TDS) returns, late fee to be reduced to Rs 50 per day (Rs 25 CGST and SGST each) and max late fee would be Rs 2,000 (Rs 1,000 each under CGST and SGST).



23. Noti 21/2021 CT dt Jun 1, 2021: (As per 43rd GST council meeting) From FY 2021-22 GSTR 4 (composition) returns, max late fee would be Rs 2,000 (Rs 1,000 each under CGST and SGST).
24. Noti 20/2021 CT dt Jun 1, 2021: (As per 43rd GST council meeting) From the month or quarter ending June 2021 onwards, late fees in respect of GSTR 1 is reduced as below:

Nil outward supply in tax period	Max late fee Rs 250 each.
Outward supply upto Rs 1.50 cr in preceding financial year.	Max late fee Rs 1,000 each.
Outward supply above Rs 1.50 cr upto Rs 5 cr in preceding financial year.	Max late fee Rs 2,500 each.
Outward supply above Rs 5 cr in preceding financial year.	Max prescribed late fee u/s 47 (i.e. Rs 5,000 each)

25. Noti 19/2021 CT dt Jun 1, 2021: Concession of late fee and Amnesty for late fees for 3B as per 43rd GST council meeting suggestions:

Concession:

Class of persons	Tax period	Period for which late fee waived
Turnover more than Rs 5 cr in preceding financial year	March, April and May 2021	15 days from due date
Turnover upto Rs 5 cr in preceding financial year (for monthly 3B)	March 2021, April 2021 and May 2021	60 days, 45 days, 30 days Respectively from due date
Turnover upto Rs 5 cr in preceding financial year (for quarterly 3B - QRMP)	Jan – Mar 2021 quarter	60 days from due date

Amnesty:

Applicable to: 3B returns for months or quarters starting right from July 1, 2017 and ending upto April 30, 2021.

Condition: Returns are filed between June 1, 2021 and August 31, 2021.

Maximum late fee would be:

Tax payable in tax period is Nil	Max late fee would be Rs 250 each.
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Tax is payable in the tax period	Max late fee would be Rs 500 each.
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Rationalisation of late fees:

From the month or quarter ending June 2021 onwards, late fees in respect of GSTR 3B is rationalized as below:

Nil tax liability in tax period	Max late fee Rs 250 each.
Tax is payable in tax period and turnover in preceding FY is upto Rs 1.50 cr.	Max late fee Rs 1,000 each.
Tax is payable in tax period and turnover in preceding FY is above Rs 1.50 cr upto Rs 5 cr.	Max late fee Rs 2,500 each.
Tax is payable in tax period and turnover in preceding FY is above Rs 5 cr.	Max prescribed late fee u/s 47 (i.e. Rs 5,000 each)

26. Noti 18/2021 CT dt Jun 1, 2021: Interest rate concession due to Covid for certain period as per 43rd GST council meeting suggestions:

Class of persons	Tax period	Concessional rate of interest
Turnover above Rs 5 cr in preceding FY	March, April and May 2021	9% of first 15 days and 18% thereafter
Turnover upto Rs 5 cr in preceding FY (same for filing monthly 3B or quarterly 3B)	March 2021, April 2021 and May 2021	Nil for 15 days, 9% for next 45 days; Nil for 15 days, 9% for next 30 days; Nil for 15 days, 9% for next 15 days; Respectively and 18% thereafter.
Composition persons	Qtr ending Mar 2021	Nil for 15 days, 9% for next 45 days and 18% thereafter.

27. Noti 17/2021 CT dt Jun 1, 2021: Due date of GSTR 1 for April and May 2021 extended by 15 days each, ie upto 26th of next month.
28. **Important:** Noti 16/2021 CT dt Jun 1, 2021: Finally, amendment in Sec 50(1) is made effective wef Jul 1, 2017. Interest would be applicable on payment made by debiting cash ledger (ie net liability), except when paid after initiation of Sec 73, 74.



29. Important - NIC press release dt Jun 1, 2021: With reference Notification 15/2021-CT dated 18-5-2021, to blocking of GSTIN for e-Way Bill generation is now considered only for the defaulting Supplier GSTIN and not for the defaulting Recipient or Transporter GSTIN.
30. 43rd GST council meeting Press release dt May 28, 2021: Important updates –
- Certain Covid 19 related goods are recommended for exemption till Aug 31, 2021. Recommended for exemption even when imported on payment basis for donating to Government or to any relief agency as recommended by Government. Currently, it is exempt if imported free of cost for free distribution and this will also continue till Aug 31, 2021.
 - Clarification – GST rate of 12% to apply on parts of sprinklers/ drip irrigation systems even if sold separately.
 - More appropriate changes to be made to make it clear that land owner promoter could utilize credit of GST charged to them by developer promoter if such apartment is subsequently sold by land owner and on which GST is paid.
 - **Amnesty scheme** regarding late fee for pending returns:
 - For 3B from July 2017 to April 2021
 - maximum late fee would be Rs 500 (Rs 250 each under CGST and SGST) per return if tax liability is Nil.
 - Max late fee of Rs 1,000 (Rs 500 each under CGST and SGST) per return in case there is tax liability.
 - Amnesty would be applicable only if returns are filed **between June 1, 2021 and August 31, 2021**.
 - Rationalisation of late fee imposed u/s 47:
 - Applicable for 3B and 1 and capping of amount would be per return.
 - If tax liability in 3B is Nil or if there is Nil outward supply in GSTR 1, the late fee would be capped at Rs 500 ((Rs 250 each under CGST and SGST).
 - For other taxpayers (ie if there is some tax liability in 3B or there is some supply in GSTR 1), then there would be 3 sub-classifications as below:



- Taxpayers having Annual Aggregate Turnover ('AATO') in preceding year upto Rs 1.50 crore – max late fee would be Rs 2,000 (Rs 1,000 each under CGST and SGST).
 - AATO in preceding year between Rs 1.50 crore to Rs 5 crore – max late fee would be Rs 5,000 (Rs 2,500 each under CGST and SGST).
 - AATO in preceding year above Rs 5 crore – max late fee would be Rs 10,000 (Rs 5,000 each under CGST and SGST).
- For composition taxpayer, late fee for GSTR 4 - max late fee would be Rs 2,000 (Rs 1,000 each under CGST and SGST).
 - For GSTR 7 (TDS returns) – late fee to be reduced to Rs 50 per day (Rs 25 CGST and SGST each) and max late fee would be Rs 2,000 (Rs 1,000 each under CGST and SGST).
 - All above proposals to be made **applicable for prospective tax periods.**
 - Question: If AATO is Rs 10 crore but turnover Nil for a particular month, then what would be maximum late fee applicable – Rs 500 or Rs 10,000?
- Further relaxation in interest and late fee in addition to Noti 12/2021 CT dt May 1, 2021. Updated relaxations are as below:

Sl	Month	Return form	Due date	Late fee waiver	Interest rate
1	March 2021	3B	Apr 20 (for monthly)/ Apr 22 (for QRMP)	Upto 5 cr – 60 days Above 5 cr – 15 days. (upto 5 cr – waiver same for monthly & QRMP).	Upto 5 cr – 0% for first 15 days, 9% for next 45 days, 18% thereafter. Above 5 cr – 9% for first 15 days, 18% thereafter.
2	March 2021	1	April 11/ Apr 13 (QRMP)	Upto 5 cr – 30 days Above 5 cr – 15 days. (upto 5 cr – waiver same for	NA



				monthly & QRMP).	
3	Qtr ending Mar 2021	CMP 08 (Qtrly challan)	Apr 18	NA	0% for first 15 days, 9% for next 45 days, 18% thereafter.
4	April 2021	3B	May 20	Upto 5 cr – 45 days Above 5 cr – 15 days. (upto 5 cr – waiver same for monthly & QRMP).	Upto 5 cr – 0% for first 15 days, 9% for next 30 days, 18% thereafter. Above 5 cr – 9% for first 15 days, 18% thereafter.
5	April 2021	1	May 11	Upto 5 cr – 30 days Above 5 cr – 15 days. (upto 5 cr – waiver same for monthly & QRMP).	NA
6	April 2021	IFF	May 28	NA	NA
7	May 2021	3B	Jun 20	Upto 5 cr – 30 days Above 5 cr – 15 days. (upto 5 cr – waiver same for monthly & QRMP).	Upto 5 cr – 0% for first 15 days, 9% for next 15 days, 18% thereafter. Above 5 cr – 9% for first 15 days, 18% thereafter.

- Extension of due date of GSTR 1 and IFF for May 2021 by 15 days.
- Extension of due date for GSTR 4 for FY 20-21 to July 31, 2021.
- Due date for ITC 04 for QE Mar 2021 extended to Jun 30, 2021.



- Cumulative application of Rule 36(4) for April, May and June 2021.
 - Returns of companies may be filed with EVC instead of DSC till Aug 31, 2021.
 - Time limit for completion of various actions by any authority or by any person which fall between Apr 15, 2021 to Jun 29, 2021 extended to Jun 30, 2021 (subject to some exceptions).
 - **Very important: Wherever the timelines for actions have been extended by Hon Supreme Court, the same would apply.**
 - CA certified GSTR 9C not required from FY 2020-21.
 - GSTR 9/9A for FY 20-21 would be optional if AATO upto Rs 2 crore.
 - GSTR 9C for FY 20-21 would be applicable if AATO above Rs 5 crore.
 - **Important: Retrospective amendment in Sec 50 of the CGST Act with effect from July 1, 2017, providing for payment of interest on net basis, to be notified at the earliest.**
 - GSTR 1/ 3B would be made default return filing system.
31. Central Board of Indirect Taxes and Customs issued guidelines regarding cancellation of registration u/r 22(3) on May 24, 2021:
- Since cancellation of registration does not affect liability of applicant, the officers are instructed to accept all the application for cancellation within 30 days except in two situations – application in Form REG 16 is incomplete and in case of transfer, amalgamation etc, the new entity has not got registered with the tax authority before application for cancellation.
32. Noti 15/2021 CT dt May 18, 2021: CGST (4th amendment) Rules, 2021.
- Rule 90(3) – In case of refund claim application, if any deficiency is communicated vide RFD 03, then fresh application in RFD 01 is to be filed. In such cases, time period between original RFD 01 and issuance of RFD 03 is to be excluded.
 - New Rule 90(5) - The applicant may, at any time before issuance of provisional refund sanction order in FORM GST RFD-04 or final refund sanction order in FORM GST RFD-06 or payment order in FORM GST RFD-05 or refund withhold order in FORM GST RFD-07 or notice in FORM GST RFD-08, in respect of any refund application filed in FORM GST RFD-01,



withdraw the said application for refund by filing an application in FORM GST RFD-01W.

- Rule 90(6) – on filing RFD 1W, amount which was debited to cash or credit ledger shall be re-credited.
- Rule 92 and 96 – Some procedural amendments related to adjustment, withholding and release of refund.
- Rule 138E - in rule 138E, for the words “in respect of a registered person, whether as a supplier or a recipient, who, —” the words „in respect of any outward movement of goods of a registered person, who, —” shall be substituted.

33. Cir 148/4/2021 dt May 18, 2021: Application for revocation of cancellation can be made upto 30 days. Condonation of 30 + 30 days has been provided in Sec 30 wef Jan 1, 2021. However, necessary amendments are not yet made in Form REG 21 required to be filed for revocation of cancellation of registration.

Till the time the functionality is developed, the applicant should write **letter or e-mail to proper officer**, who shall forward to the respective authority.

34. Press release dt May 11, 2021: New functionalities made available on GST portal:
- a. Auto Generation of Form GSTR-2B, for the taxpayers under QRMP scheme. A hyperlink '**View advisory**' has also been provided, which on clicking displays the criteria/ cut-off dates considered for generation of quarterly GSTR-2B.
 - b. Use of Matching Offline Tool by the taxpayers under QRMP scheme.
 - c. Auto-population in Form GSTR-3B of ITC, for taxpayers in QRMP Scheme. It would be editable. Liability would be auto calculated on the basis of IFF and GSTR 1 filed and ITC would be on the basis of GSTR 2B. Data saved/ submitted in Form GSTR-1 or in IFF, will not be auto-populated as Liability, in Table-3 of Form GSTR 3B.
 - d. Webinars Conducted - New Taxpayer Functionalities related to Registration and Returns - <https://youtu.be/IgFpQ5HaC1A>
35. Feb 16, 2021: In Bhumi Associate v UOI, Gujarat HC directed CBIC to issue guidelines that no recovery is to be made at time of search – [2021] 124 taxmann.com 429.
36. May 4, 2021: Madras High Court in the case of D.Y. Beathel Enterprises has recently given some relief to the recipient of goods from the reversal of ITC when



no action was taken by the GST department against the defaulting Seller who has not paid the tax collected from the recipient.

37. Noti 14/2021 CT dt May 1, 2021: Where, any time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the said Act, which falls during the period from the 15th day of April, 2021 to the 30th day of May, 2021, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the 31st day of May, 2021.

However, such extension shall not be applicable for certain sections as mentioned in the notification including e-way bill etc.

38. Noti 13/2021 CT dt May 1, 2021: CGST (3rd amendment) Rules, 2021:
- Rule 36(4) (ie ITC as per 3B cannot be more than 105% of 2A) would apply for the months of April and May 2021 cumulatively. It means, it would not apply for the month of April 2021 provided sufficient credit is received till the due date for May 2021.
 - Rule 59(2) – IFF for the month of April 2021 may be filed from May 1, 2021 to May 28, 2021.
39. Noti 12/2021 CT dt May 1, 2021: Due date for filing GSTR 1 for the month of April 2021 extended to May 26, 2021. Thus, the chart till this notification is as below: (However, further extensions are given vide Press release dt May 28, 2021. So, this may be ignored.)

Sl	Month	Return form	Due date	Late fee waiver	Interest rate
1	March 2021	3B	Apr 20 (for monthly)/ Apr 22 (for QRMP)	Upto 5 cr – 30 days Above 5 cr – 15 days. (upto 5 cr – waiver same for monthly & QRMP).	Upto 5 cr – 0% for first 15 days, 9% for next 15 days, 18% thereafter. Above 5 cr – 9% for first 15 days, 18% thereafter.



2	March 2021	1	April 11/ Apr 13 (QRMP)	Same as above.	NA
3	April 2021	3B	May 20	Same as above.	Same as Sl 1 above.
4	April 2021	1	May 11	Same as above.	NA
5	April 2021	IFF	May 28	NA	NA
6	FY 20-21	GSTR 4	May 31	No concession.	No concession.

40. Noti 11/2021 CT dt May 1, 2021: Due date for filing ITC 04 (for job worker) for January to March 2021 quarter extended to May 31, 2021.
41. Noti 10/2021 CT dt May 1, 2021: Due date for filing GSTR 4 (composition person) for FY 20-21 extended to May 31, 2021.
42. Noti 9/2021 CT dt May 1, 2021: Relief in **late fees** due to Covid second wave-
- TO more than 5 Cr – For returns for months of Mar and Apr 2021, late fees waived for first 15 days of delay.
 - TO upto 5 Cr – For returns for months of Mar and Apr 2021, late fees waived for first 30 days of delay.
 - Quarterly return filers – For returns for quarter ended Mar 2021, late fees waived for first 30 days of delay.
43. Noti 8/2021 CT dt May 1, 2021: Relief in **interest** rate due to Covid second wave-
- TO more than 5 Cr – For returns for months of Mar and Apr 2021, interest rate would be 9% for first 15 days of delay and 18% thereafter.
 - TO upto 5 Cr – For returns for months of Mar and Apr 2021, interest rate would be Nil for first 15 days of delay, 9% for next 15 days and 18% thereafter.
 - Quarterly return filers – For returns for quarter ended Mar 2021, interest rate would be Nil for first 15 days of delay, 9% for next 15 days and 18% thereafter.
44. Noti 7/2021 CT dt Apr 27, 2021: Registered persons who are also registered under Companies Act are required to file their returns u/s 39 in 3B, 1 or IFF by using DSC. Those have been given an option to file the same with EVC during the period Apr 27, 2021 to May 31, 2021.



45. Advisory 8/2021 refunds dt Apr 20, 2021: As per Rule 86(4A), refund of excess tax paid is to be done in the same mode in which tax was paid. So, excess tax paid by way of debiting electronic cash ledger is to be credited to bank account of tax payer by issuing RFD 05. Tax paid by way of debiting credit ledger is to be re-credited to that ledger by using PMT 03.

Till now, PMT 03 was enabled only for re-crediting rejected refund claims. Now it is developed for the above also.



III. Imp updates in Maha GST, MVAT, CST and Prof tax:

1. Noti PFT 1221/ CR 16 dt Jun 17, 2021: Late fee for PTRC returns for the month of March, April and May 2021 waived if such returns are filed along with payment of tax and interest upto June 30, 2021
2. Noti 1521/ CR 55 dt Jun 3, 2021: Late fee for VAT returns for the month of March, April and May 2021 waived if such returns are filed along with payment of tax and interest upto June 30, 2021.
3. Cir 10T of 2021 dt May 31, 2021: In case of administrative relief applications, as per Cir 36T of 2009, the dealer is required to file returns for URD period and pay applicable taxes along with interest before filing an application for administrative relief.

However, as per SAP system, it is not possible to file returns for URD period. So, the condition of filing returns is waived and now dealer is only required to make payment of tax along with interest. Such waiver of condition would be applicable to all pending applications also.

4. Important: Cir 9T of 2021 dt May 31, 2021: Some dealers who wrongly filed quarterly returns even though they were required to file annual return for FY 19-20 and 20-21, they would be entitled to waiver of late fees if their pending quarterly returns are filed before June 30, 2021.

The dealers who were eligible to file annual return wrongly filed quarterly returns with payment of late fees **would be eligible for refund as per provisions of law.**

5. Noti 1521/ CR 39 dt Apr 20, 2021: Rule 17(4B) – due date for filing annual return for dealers whose annual tax liability is upto Rs 25,000 is extended. For FY 19-20 and FY 20-21, it would be Jun 30, 2021.

Corresponding amendment in Rule 41 for time of payment in above cases.

6. Important: Noti 1521/ CR 1 dt Apr 1, 2021: Maharashtra VAT criteria for withdrawal (on the basis of probable revenue involved) of the Assessment Proceedings Scheme, 2021. All pending assessment proceedings (whether notice issued or not) where probable revenue loss is less than Rs 10 lacs, would be withdrawn if accepted by Commissioner on the recommendation of a committee.



List of cases in which assessment is withdrawn would be published on the official website of the department.

7. Noti VAT 1521/ CR 1A dt Apr 1, 2021: Limit of Rs 2.50 lacs increased to Rs 10 lacs under Maharashtra Criteria for selection (on the basis of probable revenue earnings) of the cases for Assessment (Amendment) Scheme, 2021.

This notification shall not be applicable to those dealers whose registration is not cancelled due to implementation of GST, viz, liquor dealers etc.

IV. Companies Act and LLP:

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

1. Cir 5/2021 dt Apr 22, 2021: Setting up makeshift hospitals and temporary COVID Care facilities included in CSR activities.
2. Press release dt Apr 15, 2021: Clarification with regard to applicability of provisions of section 139 of the Companies Act, 2013, read with rules 5 and 6 of the Companies (Audit and Auditors) rules, 2014:
 - Auditor appointment shall be for 5 years.
 - Public companies, unlisted public companies having paid up share capital equal to or more than Rs 10 cr, private limited companies having paid up share capital equal to or more than Rs 50 cr, or any company having public borrowing from financial institutions, banks or public deposits of Rs 50 crore or more – shall not appoint an individual auditor for more than one term of 5 years and shall not appoint firm of auditors for more than two terms of 5 years.
3. Important: Noti GSR 247(E) dt Apr 1, 2021: Implementation of Rule 3(1) of Companies (Accounts) Rules, 2014 is deferred to financial years commencing from Apr 1, 2022. It requires companies to maintain accounting software which has audit trail (edit log) and such audit trail should not be disabled.
4. Important: Noti GSR 248(E) dt Apr 1, 2021: Implementation of Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is deferred to financial years commencing from Apr 1, 2022. It requires auditors to comment whether the company is maintaining accounting software which has audit trail (edit log) and whether it is preserved.



V. Others:

1. Press release dt Jun 23, 2021: UDIN amnesty scheme – All UDINs generated from Oct 1, 2019 to Jun 30, 2021 can be generated upto June 30, 2021.

Disclaimer:

All efforts have been made to ensure correctness of data. However, readers are advised to confirm from their own sources also. Above updates are mainly confined to the general needs of clients associated with our office. 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.

