

WE KEEP IT SIMPLE
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- Alert on **Extension of GST Due dates** & other Relaxations under GST
- Due dates for GST returns
- Updates issued by **Ministry of Corporate Affairs (MCA)**
- Updates issued by **Securities Exchange Board of India**
- **Time limits** for various compliances under the Income Tax Act, 1961 **extended**
- AND MORE...



NEWSLETTER - MAY 2021

LNCO CONNECT

Time limits for various compliances under the Income Tax Act, 1961 extended In view of the severe situation arisen due to the pandemic, Central Board of Direct Taxes vide its circular no. 8/2021 dated 30.04.2021 have extended the time limits for the following compliances:

Compliance	Original Due Date	Extended Due Date
Filing of appeal before Commissioner of Income Tax (Appeals)	Within 30 days from the receipt of notice of demand/order as the case may be	Due-date falling <u>on or after 01.04.2021</u> would be the <u>actual due date or 31.05.2021, whichever is later</u>
Objection to Dispute Resolution Panel u/s 144C	Within 30 days from the receipt of draft order	
Income Tax return in response to notice issued u/s 148	As may be specified in the notice by the assessing officer	
Filing of belated return u/s 139(4) or revised return u/s 139(5)	31 March 2021	31 May 2021
Payment of TDS u/s 194-IA, 194-IB and 194M and filing of challan cum statement which are required to be filed on or before 30.04.2021	Within 30 days from the end of month in which deduction is made	31 May 2021
Statement in form 61, which is due to be furnished on or before 30.04.2021	For declarations received by 31 March 2021 due date is 30 April 2021	31 May 2021

Further extension of due date for payment under Vivad se Vishwas Act ,2020

CBDT vide notification no 39/2021, dated 27.04.2021 has further extended the due date for making the payment under the Vivad Se Vishwas Scheme without additional amount from 30.04.2021 to 30.06.2021.



Reporting in clause 30C and clause 44 of form 3 CD (Tax Audit report u/s 44 AB) further deferred upto 31.03.2022

Form 3 CD was amended vide notification dated 20.07.2018 whereby various new clauses were inserted. 2 of those clauses i.e. 30C (requiring reporting on impermissible avoidance arrangement entered into by assessee) and clause 44 (requiring reporting of break-up of total expenditure based on the categories of entities under Goods and Services Tax law) were kept in abeyance till 31.03.2019 vide circular no. 6/2018 dated 17.08.2018 and subsequently the abeyance was extended to 31.03.2020 vide circular no. 9/2019 and was further extended to 31.03.2021 vide circular no. 10/2020. Now once again in view of the prevailing situation due to the spread of COVID-19, CBDT vide circular no. 05/2021 dated 25.03.2021 has decided to that reporting under these clauses shall be kept in abeyance till 31.03.2022 i.e. the same will not be applicable for the AY 2021-22.

Case Laws

Re-opening beyond 4 years is invalid where the assessment is completed u/s 143(3) and there is no failure on the part of assessee to disclose fully and truly all the material facts
Amrishbhai Hasmukhlal Parikh Vs. Income Tax Officer

High Court of Gujarat order dated 19.03.2021 in R/Special Civil Appln. No. 17893 of 2018 - 5 NYPCTR 212 (Guj)

Assessee has filed original return and before completion of the Assessment, a revised return was filed by the assessee wherein the assessee offered income under the head business income as against income offered under the head other sources in original return and claimed enhanced deduction u/s 35(1)(ii) as against the deduction claimed u/s 80GGA in the original return. The assessment was completed based on the revised return and the information and documents submitted by assessee. All the details required for assessing the income were submitted by the assessee during the course of assessment proceedings and the assessment was completed after due consideration of the material on record. However, the Assessing Officer issued notice for reopening of the assessment beyond 4 years from the end of relevant assessment year.



The hon'ble High Court held that when there is no failure on the part of the petitioner-assessee to disclose, truly and fully, material facts, the AO cannot reopen the assessment on the basis of "mere change of opinion", as there is no tangible material to come to the conclusion that there is escapement of income from assessment.

Penalty Notice issued without striking off the irrelevant portion vitiates the penalty proceedings

Mohd. Farhan A. Shaikh Vs. Deputy Commissioner Of Income Tax

High Court of Bombay at Goa order dated 11.03.2021 in Tax Appeals No. 51 of 2012 - 5 NYPCTR 203 (Bom)

Hon'ble High Court held that :

A mere defect in the notice-not striking off the irrelevant matter-vitiates the penalty proceedings; the assessee must be informed of the grounds of the penalty proceedings only through statutory notice; an omnibus notice suffers from the vice of vagueness

TDS is not applicable on sales commission paid to foreign agents for the services rendered outside India and consequently no disallowance u/s 40(a)(i) is attracted



Modern Threads India Ltd. Vs. Assistant Commissioner of Income Tax & Anr.

ITAT Jaipur order dated 15.02.2021 in ITA No.s 198 & 199/Jp/2019

Honorable ITAT Jaipur held that **Sales commission** paid to non-resident entities outside India for services rendered outside India did not fall in the category of income received or deemed to be received in India as well as income accruing or arising or deemed to accrue or arise in India and, therefore, the said commission not

being chargeable to tax in India, there was no liability on the assessee to deduct tax at source under s. 195(1) and consequently, the payment of commission cannot be disallowed by invoking the provisions of s. 40(a)(i).

Updates issued by Ministry of Corporate Affairs (MCA):

Clarification on spending of CSR funds for setting up temporary COVID Care facilities and makeshift hospitals-reg.

With effect from 07th April 2021, In continuation to Ministry General Circular No. 10/2020 dated 23.02.2020 wherein it was clarified that **spending of CSR funds for COVID-19 is an eligible CSR activity**, it is further clarified that spending of CSR funds for 'Setting up makeshift hospitals and temporary COVID care facilities' is an eligible CSR activity under item no (i) and (xii) of Schedule VII of The Companies Act, 2013 relating to promotion of health care, including preventive health care, and , disaster management respectively.

Interested parties can refer the below link http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5_22042021.pdf

Postpone of Implementation of Accounting Software with Audit Trail

Last month, the MCA directed all businesses to maintain books of accounts in an accounting software which have audit trail features that includes recording audit trail and creating an edit log of each change made in the books of account along with the date when such change was made. Also the audit trail cannot be disabled.

With effect from 01st April 2021, The ministry of corporate affairs (MCA) has given companies a year to implement its latest regulation which mandates the use of accounting software that records each and every transaction made by them. **Companies will now have time till**

March 31, 2022 for deploying the software.

Interested parties can refer the below link
http://www.mca.gov.in/Ministry/pdf/AccountsSecondAmendmentRules_13042021.pdf

Updates issued by Securities Exchange Board of India: -

Circular on Regulatory Reporting by AIFs (Alternative Investment Funds):

With effect from 07th April 2021, based on consultation with various stakeholders and recommendation of Alternative Investment Policy Advisory Committee, it has been decided that all AIFs shall submit report on their activity as an AIF to SEBI on quarterly basis within **10 calendar days from the end of each quarter** in the revised formats as specified in Annexure I. Further, Category III AIFs shall also submit report on leverage undertaken, on quarterly basis in the revised formats as specified in Annexure II. AIFs shall submit these reports online through SEBI intermediary Portal.

Interested parties can refer the below link
<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

Circular on Reporting Formats for Mutual Funds:

With effect from 12th April 2021, Pursuant to regulatory revamp exercise of SEBI (Mutual Funds) Regulations 1996 (hereinafter called as "MF Regulations") and various circulars issued thereunder, a circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 has been issued. Further, based on the consultation with industry the formats for the following reports i.e. reports to be submitted by AMCs to Trustees, by AMCs to SEBI and by Trustees to SEBI have been reviewed

and revised.

Interested parties can refer the below link
https://www.sebi.gov.in/legal/circulars/apr-2021/circular-on-reporting-formats-for-mutual-funds_49813.html



Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments

With effect from 27th April 2021, Market regulator Securities and Exchange Board of India (SEBI) has issued new guidelines to strengthen policies on provisional rating by credit rating agencies (CRAs) for debt instruments. As per new guidelines, CRAs cannot assign a rating, including provisional decisions, to an issuer or client evaluating strategic decisions.

In order to strengthen and standardize the policies on provisional rating, subsequent to consultation with various stakeholders, including credit rating agencies following guidelines are issued by SEBI.

All Provisional Ratings ('long term' or 'short term') for debt instruments shall be prefixed as '**Provisional**' before the rating symbol in all communications viz. rating letter, press release / rating rationale, etc.

Interested parties can refer the below link
<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

Disclosure of the following only w.r.t schemes which are subscribed by the investor:

(a) risk-o-meter of the scheme and the benchmark along with the performance disclosure of the scheme vis-à-vis benchmark

and

(b) Details of the portfolio

Based on circular dated 29th April 2021 **with applicability effect from 01st June 2021**, On the recommendation of Mutual Fund Advisory Committee (MFAC) and to enhance the quality of disclosure w.r.t. risk and performance and portfolio of the schemes, without creating information overload on the investor, it has been decided that the following disclosures shall be made to the investor only for the schemes in which the unitholders are invested as on the date on which the disclosures are stipulated:

Mutual Fund/AMCs shall also disclose **risk-meter** of the scheme and **benchmark** while disclosing the performance of scheme vis-à-vis benchmark

Mutual Funds/ AMCs shall send the details of the scheme portfolio while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email.

Interested parties can refer the below link
<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 due to the CoVID-19 pandemic

With effect from 29th April 2021, SEBI is in receipt of representations from listed entities, professional bodies, industry associations, market participants etc. requesting extension of timelines for various filings and relaxation from certain compliance obligations under the LODR Regulations inter-alia due to ongoing second wave of the CoVID-19 pandemic and restrictions imposed by various state governments.

After consideration, it has been decided to grant

the following relaxations from compliance with certain provisions of the LODR Regulations:

1. Annual Secretarial Compliance report
2. Quarterly financial results / Annual audited financial results
3. Statement of deviation or variation in use of funds

*** See table in the next page**

Listed entities are permitted to use digital signature certifications for authentication/certification of filings/submissions made to the stock exchanges under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for all filings until December 31, 2021.

Interested parties can refer the below link
<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>
Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 / other applicable circulars due to the CoVID-19 pandemic

With effect from 29th April 2021, SEBI is in receipt of representations from listed entities, professional bodies, industry associations, market participants etc. requesting extension of timelines for various filings and relaxation from certain compliance obligations under the LODR Regulations inter- alia due to ongoing second wave of the CoVID-19 pandemic and restrictions imposed by various state governments.

For entities that have listed their debt securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-convertible Redeemable Preference Shares Regulations, 2013, and SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008

For entities that have listed their bonds under the SEBI (Issue and Listing of Municipal Bonds) Regulations, 2015

For entities that have listed Commercial Paper



Regulation	Requirement	Due date	Extended deadline for the quarter / half year / year ending March 31, 2021
Regulation 24A read with circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 relating to Annual Secretarial Compliance report	Sixty days from end of the financial year	May 30, 2021	June 30, 2021
Regulation 33 (3) - Quarterly financial results / Annual audited financial results	Forty-five days from end of the quarter / Sixty days from end of the financial year	May 15, 2021 / May 30, 2021	June 30, 2021
Regulation 32 (1) read with SEBI circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019 on Statement of deviation or variation in use of funds	Along with the financial results (within 45 days of end of each quarter / 60 days from end of the financial year)	May 15, 2021 / May 30, 2021	June 30, 2021

Interested parties can refer the below link:

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

Relaxation in timelines for compliance with regulatory requirements

With effect from 29th April 2021, In view of the prevailing situation due to Covid-19 pandemic and representation received from the Association of National Exchanges Members of India (ANMI), Stock Exchanges and Depositories, it has been decided to **extend** the timelines for compliance with the regulatory requirements by the Trading Members / Clearing Members / Depository Participants / KYC Registration Agencies.

Interested parties can refer the below link

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=1&ssid=7&smid=0>

Updates issued by Reserve Bank of India:

Enhancement of limit of maximum balance per customer at end of the day from ₹1 lakh to ₹2 lakh – Payment Banks.

With effect from 08th April 2021, The Reserve Bank of India ([RBI](#)) in its Statement on Developmental and Regulatory Policies issued on April 7, 2021, has stated that there will be an enhancement of limit of maximum balance per customer at end of the day from Rs **1 lakh** to Rs **2 lakh** for Payments Banks.

Interested parties can refer the below link

https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx

External Commercial Borrowings (ECB) Policy – Relaxation in the period of parking of unutilized ECB proceeds in term deposits:

With effect from 07th April 2021, Based on requests from stakeholders, including Industry associations, and with a view to providing relief

to the ECB borrowers affected by the Covid-19 pandemic, it has been decided to relax the above stipulation as a one-time measure.

Accordingly, unutilized ECB proceeds drawn down on or before March 01, 2020 can be parked in term deposits with AD Category-I banks in India prospectively for an additional period up to March 01, 2022.



The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Interested parties can refer the below link https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx

Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package:

With effect from 07th April 2021, The Hon'ble Supreme Court of India has pronounced its judgement in the matter of Small-Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021. In this connection, it is advised hereunder:

Refund/adjustment of 'interest on interest'

All lending institutions shall immediately put in place a Board-approved policy to refund/adjust

the 'interest on interest' charged to the borrowers during the moratorium period, i.e.

March 1, 2020 to August 31, 2020 in conformity with the above judgement

The above reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed.

II. Asset Classification

Asset classification of borrower accounts by all lending institutions following the above judgment shall continue to be governed by the extant instructions as clarified.

Interested parties can refer the below link https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx

Updates issued by Direct General Of Foreign Trade:-

Late cut for MEIS applications for exports made in the Financial Year 2019-20:

With effect from 09th April 2021, MEIS applications for Shipping bills with Let Export date from 01.04.2019 to 31.03.2020 can be submitted without any late cut up to **30.09.2021**. However, any such application submitted after 30.09.2021, the last date for submitting applications shall be as per para 3.15 (a) (i) above and late cut applied accordingly. “

Interested parties can refer the below link <https://www.dgft.gov.in/CP/>

Updates issued by Ministry of Labour and Employment:

No Notifications released during the period of April 2021.

(Source: <https://labour.gov.in/latest-notificationamendments>)

Updates issued by Employee State Insurance Corporation:-

No Notifications released during the period of April 2021.

(Source:

<https://www.esic.nic.in/circulars/index/page:1>)

Updates issued by Institute Of Chartered Accountants of India Website:-

No Notifications released during the period of March 2021.

(Source: <https://www.icai.org/indexbcp.html>)

Updates issued by Employee Provident Fund Organization (EPFO):-

No Notifications released during the period of March 2021.

https://www.epfindia.gov.in/site_en/circulars.php

Updates issued by Insolvency and Bankruptcy Code :-

THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ORDINANCE, 2021:

With effect from 04th April 2021, The President promulgated the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021. The Cabinet had approved on 31st March 2021 the proposal to make amendments in the Insolvency and Bankruptcy Code, 2016 (Code), through the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021.

The amendments aims to provide an efficient alternative insolvency resolution framework for corporate persons classified as micro, small and medium enterprises (MSMEs) under the Code, for ensuring quicker, cost-effective and value maximising outcomes for all the stakeholders, in

a manner which is least disruptive to the continuity of MSMEs businesses and which preserves jobs. The initiative is based on a trust model and the amendments honour the honest MSME owners by trying to ensure that the resolution happens and the company remains with them.

Interested parties can refer the below link

(Source: <https://www.ibbi.gov.in/whats-new>)

The Insolvency and Bankruptcy (pre-packaged insolvency resolution process) Rules, 2021:

With effect from 09th April 2021, In exercise of the powers conferred by sub-section (1) and clause (fd) of sub-section (2) of section 239 read with sub-section (2) of section 54C of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (3 of 2021), the Central Government hereby makes **Insolvency and Bankruptcy (pre-packaged insolvency resolution process) Rules, 2021.**

Interested parties can refer the below link

(Source: <https://www.ibbi.gov.in/whats-new>)

Minimum default amount for pre-packaged insolvency resolution process would be Rs 10 lakhs:

With effect from 09th April 2021, In exercise of the powers conferred by the second proviso to section 4 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (3 of 2021), the Central Government hereby specifies **ten lakh rupees** as the minimum amount of default for the matters relating to the pre-packaged insolvency resolution process of corporate debtor under Chapter III-A of the Code

Interested parties can refer the below link

(Source: <https://www.ibbi.gov.in/whats-new>)

Due dates for GST returns - Aggregate turnover upto Rs. 5 Crore

Particulars	Month	Actual due date	No late fee upto – Not. No. 09/2021 dated 01 st May 2021	Interest upto Not. No. 08/2021 dated 01 st May 2021	
Monthly returns (GSTR-3B)	March-21	22/04/2021(Group-A)/ 24/04/2021(Group-B)	22/05/2021(Group-A)/ 24/05/2021 (Group-B)	NIL	07/05/2021/ 09/05/2021
				9%	22/05/2021/ 24/05/2021
	April-21	20/05/2021	19/06/2021	NIL	04/06/2021
				9%	19/06/2021
QRMP [Quarterly Return]	Jan'21 -Mar-21	22/04/2021(Group-A)/ 24/04/2021(Group-B)	22/05/2021(Group-A)/ 24/05/2021 (Group-B)	Not applicable	
QRMP [Payment]	March-21	22/04/2021(Group-A)/ 24/04/2021(Group-B)	Not applicable	NIL	07/05/2021/ 09/05/2021
				9%	22/05/2021/ 24/05/2021
	April-21	22/04/2021(Group-A)/ 24/04/2021(Group-B)	Not applicable	NIL	04/06/2021
				9%	19/06/2021
Composition [Return] - Not. No. 10/2021 dated 01 st May 2021	April'20 to Mar'21	30/04/2021	31/05/2021	Not applicable	
Composition [CMP-08] [Payment]	Jan'21 to March'21	18/04/2021	No clarity available at present*	NIL	03/05/2021
				9%	18/05/2021

Group A - 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

Group B - 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

Due dates for GST returns - Aggregate turnover more Rs. 5 Crore & Other due dates

Particulars	Month	Actual due date	No late fee upto – Not. No. 09/2021 dated 01 st May 2021	Interest upto Not. No. 08/2021 dated 01 st May 2021	
Monthly returns (GSTR-3B)	March-21	20/04/2021	05/05/2021	9%	05/05/2021
	April-21	20/05/2021	04/06/2021	9%	04/06/2021

Other dues dates under GST

Particulars	Period	Actual Due date/Provision	Revised due date/Provision
ITC-04 – Return for Goods sent of Job work - Not. No. 11/2021 dated 01 May 2021	Jan -21 -Mar-21	25/04/2021	31/05/2021
GSTR-1 - Not. No. 12/2021 dated 01 May 2021	April-21	11/05/2021	26/05/2021
QRMP (IFF) - Not. No. 13/2021 dated 01 May 2021	April-21	13/05/2021	28/05/2021
Rule 36(4) - Not. No. 13/2021 dated 01 May 2021	April-21 & May-21	Rule 36(4) restricts the ITC available to max. of 5% of credit auto-populated	Rule 36(4) has to be checked cumulatively for April-21 & May-21 at the time of filing May-21 returns in June-2
Using of EVC instead of DSC for companies – Not. No. 07/2021 dated 27 April 2021	27-04-21 to 31-05-21	Companies are mandatorily required to use DSC of Authorised signatory	Companies are allowed to file GSTR-3B & GSTR-1 using EVC instead of DSC for returns filed during said period.

Other relaxations

[Notification No. 14/2021- CT dated 01 May 2021]

Time limit for completion or compliance of any action, by any authority or by any person, which falls during the period from the 15th April, 2021 to the 30th May, 2021 is extended up to 31st May, 2021.

- Time limit for completion of any proceeding or passing of any order or issuance of any notice-
- Time limit for filing of any appeal, reply or application
- Time limit for verification of application for fresh GST registration and approval thereof
- Time limit for passing order of GST Refund



**WE KEEP IT SIMPLE
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