

NewsBites

Forty-Second Edition

Greetings!

We are delighted to present our news bite for the month of September 2021. This News Bites intends to give an overview of what is happening in the sphere of direct and indirect taxation, company law, government incentives, FEMA and other regulatory laws.

We hope you find this useful. For any feedback you can reach to us at info@sanca.in.

Best Regards,
S A N & CO.
Chartered Accountants

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Income Tax

Extension of due dates for filing of Income Tax Returns and various reports of audit for the Financial Year 2020-21 (AY 2021-22):

On consideration of difficulties reported by the taxpayers and other stakeholders in filing of Income Tax Returns and various reports of audit for the Financial Year 2020-21 under the Income-tax Act, 1961 (the "Act"), Central Board of Direct Taxes (CBDT) has decided to further extend the due dates for filing of Income Tax Returns and various reports of audit for the Financial Year 2020-21. The details are as under:

Furnishing of Transfer Pricing Report U/s 92E for Financial Year 2020-21	31st October 2021	30th November 2021	31st January 2022
Furnishing of return of Income in case of Transfer Pricing	30th November 2021	31st December 2021	28th February 2022
Furnishing of Belated/Revised return of Income Tax for Financial Year 2020-21	31st December 2021	31st January 2022	31st March 2022

Particulars	Original Due date	Extended To (As per Circular No.9/2021 Dated 20.05.2021)	Further Extended (As per Circular No. 17/2021 Dated 09.09.2021)
Furnishing of return of Income for Financial Year 2020-21 (Non-Auditable Assessee)	31st July 2021	30th September 2021	31st December 2021
Furnishing of return of Income For Financial Year 2020-21 (Auditable Assessee)	31st October 2021	30th November 2021	15th February 2022
Furnishing of Audit Report for Financial Year 2020-21	30th September 2021	31st October 2021	15th January 2022

Extension in Certain Timelines to ease compliances:

The Central Government, in continuation of its commitment to address the hardship being faced by various stakeholders on account of the Covid-19 pandemic, has, on consideration of representations received from various stakeholders, decided to extend timelines for compliances under the Income-tax Act, 1961 in the following cases, as under:

Particulars	Extended to	Further Extended
Time limit for intimation of Aadhaar number to the Income tax Department for linking of PAN with Aadhaar	30th September, 2021	31st March 2022
Due date for completion of penalty proceedings under the Act	30th September, 2021	31st March, 2022

Goods & Services Tax

Amendments introduced in CGST Rules based on 45th GST Council Meeting recommendations, and its implications:

Filing of Form GSTR 3B of last month is mandatory for filing Form GSTR 1 (Effective Date: January 01, 2022)

Form GSTR -1 would not be allowed to be filed/furnished where the registered person has not furnished Form GSTR -3B for immediately preceding month.

Refund related amendments

Specific Rule has been inserted in CGST Rules to provide the manner and time limit for claiming the refund of tax paid under the wrong head.

It has been provided that refund can be filed in Form GST RFD-01 within a period of 2 years from the date of payment of tax under the 'correct head'.

Notified category of persons who are not required to do Aadhaar Authentication

The following registered person are exempted from the requirement of Aadhaar authentication:

- a. A person who is not a citizen of India
- b. Department or establishment of the Central Government or State Government
- c. Local authority
- d. Statutory body
- e. Public Sector Undertaking
- f. Person to whom Unique Identification Number is granted

Advisory for Taxpayers from GSTN regarding Generation of EWB where the principal supply is Supply of services

- a. Representations have been received from various trade bodies stating that they are not able to generate EWB bill for movement of those goods where their principle supply is classifiable as a service, since there is no provision for generating E-way Bill by entering SAC (Service Accounting Code-Chapter 99) alone on the E- way bill portal.
- b. To overcome this issue, the taxpayers are advised as below:
 - Rule 138 of CGST Rules, 2017, inter alia, states "Information to be furnished prior to commencement of movement of goods and generation of e-way bill. (1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees...." Thus, E way bill is required to be generated for the movement of Goods.
 - Therefore, in cases where the principal supply is purely a supply of service and involving no movement of goods, the e-way bill is not required to be generated.
 - However, in cases where along with the principal supply of service, movement of some goods is also involved, e-way bill may be generated. Such situations may arise in cases of supply of services like printing services, works contract services, catering services, pandal or shamiana services, etc. In such cases, e-way bill may be generated by entering the details of HSN code of the goods, along with SAC (Service Accounting Code) of services involved.



Companies Act

Companies Act

Extension of time for holding of Annual General Meeting (AGM) for the financial Year 20–21:

Every Company (other one-person Company) is required to hold its Annual General Meeting AGM within 6 months from the end of Financial Year pursuant to section 96(1) of the companies Act, 2013.

Due to COVID-19 Pandemic, MCA has decided to extend the time to hold AGM, other than first AGM for the Financial Year ended on 31-03-2021 by the period of **two months (i.e till 30th November 2021)** from the due date by which the AGM ought to have been held in accordance with the provisions of the Act.

Extension of last date of filling of Cost Audit Report to the board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014:

Due to COVID-19 Pandemic, MCA has decided to extend the date of Cost Audit Report for the Financial Year 2020-21 to be submitted by the Cost Auditor to the Director of the Companies till **31st October, 2021**.

Thereafter, the Cost Audit report shall be filed in e-form CRA-4 within 30 days from the date of receipt of the copy of Cost Audit Report by the Company.

Corporate Insolvency Resolution Process:

The Insolvency and Bankruptcy Board of India vide notification dated September 30, 2021, makes following regulation to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016:

These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2021.

The amendment regulations enhance the conduct, timeliness, and value maximization in corporate insolvency proceedings.

The Code puts in place a creditor-in-control process under the Corporate Insolvency Resolution Process (CIRP).

The committee of creditors (CoC) has a statutory role and it discharges a sort of public function.

The committee and members of the committee shall discharge functions and exercise powers under the Code and these regulations in respect of the CIRP in compliance with the guidelines as may be issued by the Board.

Government Scheme Updates

Industry News:

Subsidy for Large Scale Industries in C Zone:

The Subsidy available for manufacturing units & food processing units for Large Scale Industries under package scheme of incentive – 2019 are as follows:

Coverage under the PSI – 2019

- Manufacturing Enterprises
- IT Manufacturing Units registered with DIC/MIDC/STPI
- Bio-Technology Manufacturing Units
- Mechanized Food / Agro Processing Industries

Quantum of Incentives for LSI Projects

Taluka / Area Classification	Minimum Qualifying Fixed Capital Investment (INR crore)	Minimum Direct Employment (Number of people)	Maximum Ceiling of basket as % of FCI	Incentive period in years
C	500	750	40%	7

- Large Scale projects based on employment criteria shall be required to maintain the qualifying direct employment (on the roll and in premises of the eligible Unit) throughout the year and 80% of such employees should be local persons.
- If the employment criteria are not maintained in any month of the year for which Industrial Promotion Subsidy is claimed, then Industrial Promotion Subsidy shall not be admissible for such year.
- Minimum Direct Employment should be created within a period of two years from the date of commencement of commercial production.

Additional subsidy for food / Agro processing units:

- 20% over and above the limits mentioned above
- two more years of eligibility to avail the incentives

Basket of Incentives for LSI Projects:

- Industrial Promotion Subsidy: 50% of Gross SGST refund for new/expansion units.
- Stamp Duty Exemption for Land & Term Loan: New Units as well as Units undertaking Expansion / Diversification will be exempted from payment of Stamp duty during the Investment period.
- Electricity duty exemption for new unit: All Eligible New Units will be exempted from payment of Electricity Duty during applicable eligibility period.

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