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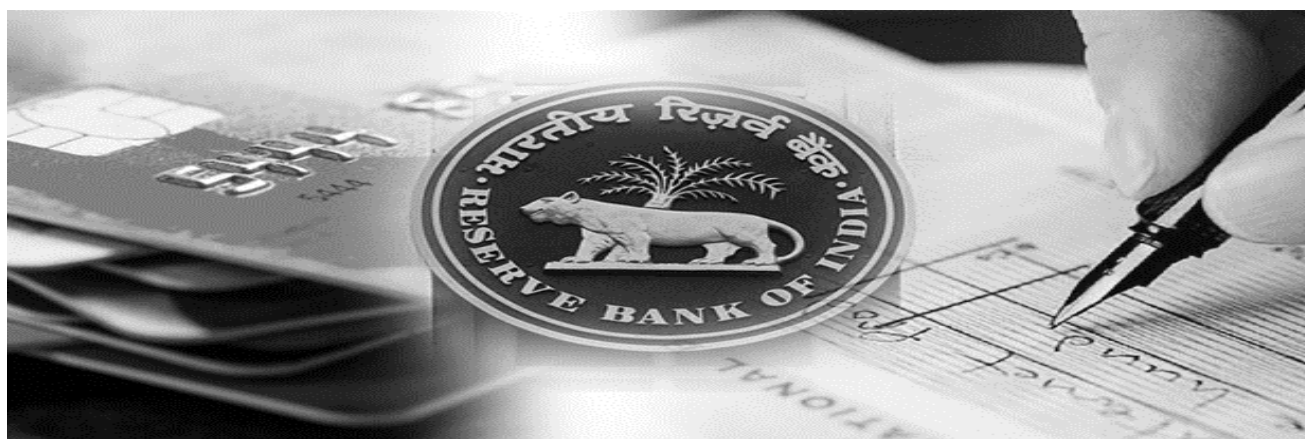
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RBI UPDATES

1. Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC)

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting on February 5, 2021 decided to continue with an accommodative stance of monetary policy till the prospects of a sustained recovery are well secured while closely monitoring the evolving outlook for inflation. Therefore, the MPC has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent.

Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

The decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Main Considerations underlying the decision are set out in the statement below:

Assessment:

➤ Global Economy:

The International Monetary Fund (IMF) in its January 2021 update, has revised upward its estimate of global growth in 2020 to (-) 3.5 per cent from (-) 4.4 per cent and increased the projection of global growth for 2021 by 30 basis points to 5.5 per cent. Global inflation remains benign on weak aggregate demand, although rising commodity prices carry upside risks. Financial markets remain buoyant, supported by easy monetary conditions, abundant liquidity and optimism from the vaccine rollout.

➤ Domestic Economy:

- i. The first advance estimates of GDP for 2020-21 released by the National Statistical Office (NSO) on January 7, 2021 estimated real GDP to contract by 7.7 per cent, in line with the projection of (-)7.5 per cent set out in the December 2020 resolution of the MPC.
- ii. High frequency indicators – railway freight traffic; toll collection; e-way bills; and steel consumption – suggest that revival of some constituents of the services sector gained traction in Q3 (October-December).
- iii. CPI inflation fell to 4.6 per cent in December on the back of easing food prices and favourable base effects. CPI inflation excluding food and fuel remained elevated at 5.5 per cent in December with marginal moderation from a month ago.

- iv. Systemic liquidity remained in large surplus in December 2020 and January 2021, engendering easy financial conditions. Reserve money rose by 14.5 per cent, led by currency demand. Money supply (M3), on the other hand, grew by only 12.5 per cent, but with non-food credit growth of scheduled commercial banks accelerating to 6.4 per cent.
- v. Corporate bond issuances at ₹5.8 lakh crore during April-December 2020 were higher than ₹4.6 lakh crore in the same period of last year. India's foreign exchange reserves were at US\$ 590.2 billion on January 29, 2021 – an increase of US\$ 112.4 billion over end-March 2020.

Outlook

- i. The projection for CPI inflation has been revised to 5.2 per cent in Q4:2020-21, 5.2 per cent to 5.0 per cent in H1:2021-22 and 4.3 per cent in Q3: 2021-22, with risks broadly balanced.
- ii. The fiscal stimulus under AtmaNirbhar 2.0 and 3.0 schemes of government will likely accelerate public investment, although private investment remains sluggish amidst still low-capacity utilisation. The Union Budget 2021-22, with its thrust on sectors such as health and well-being, infrastructure, innovation and research, among others, should help accelerate the growth momentum.
- iii. Real GDP growth is projected at 10.5 per cent in 2021-22 – in the range of 26.2 to 8.3 per cent in H1 and 6.0 per cent in Q3.

2. Prudential Guidelines on Capital Adequacy and Market Discipline – New Adequacy framework (NCAF) - Eligible Credit Rating Agencies- CRISIL Ratings Limited

With regard to the circular RBI/2020-21/86, CRISIL Limited has been accredited for the purpose of risk weighting the banks' claims for capital adequacy purposes along with other credit rating agencies (CRAs) registered with Securities and Exchange Board of India (SEBI). The rating business of CRISIL Limited has since been transferred to CRISIL Ratings Limited, a wholly owned subsidiary of CRISIL Limited in compliance with SEBI's notification dated September 11, 2018 read with SEBI's circular dated September 19, 2018. Banks may therefore, use the ratings of the CRISIL Ratings Limited for the purpose of risk weighting their claims for capital adequacy purposes. The rating-risk weight mapping for the long term and short-term ratings assigned by CRISIL Ratings Limited will be the same as was in the case of CRISIL Limited and there is no change in the rating symbols earlier assigned by CRISIL Limited.

3. Risk Based Internal Audit (RBIA)

The introduction of Risk-Based Internal Audit (RBIA) system was mandated for all Scheduled Commercial Banks (except Regional Rural Banks) vide our circular DBS.CO.PP.BC.10/11.01.005/2002-03 dated December 27, 2002, which was further supplemented vide circular DoS.CO.PPG./SEC.04/11.01.005/2020-21 dated January 07, 2021. It has now been decided to mandate RBIA framework for the following Non-Banking Financial Companies (NBFCs) and Primary (Urban) Co-operative Banks (UCBs):

- a. All deposit taking NBFCs, irrespective of their size;
- b. All Non-deposit taking NBFCs (including Core Investment Companies) with asset size of ₹5,000 crore and above; and
- c. All UCBs having asset size of ₹500 crore and above

The Supervised Entities as indicated above shall implement the RBIA framework by March 31, 2022 in accordance with the Guidelines on Risk-Based Internal Audit provided in the enclosed Annex. The Guidelines are intended to enhance the efficacy of internal audit systems and processes followed by the NBFCs and UCBs.



SEBI UPDATES

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

SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had inter-alia relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") related to general meetings, pursuant to relaxations by the Ministry of Corporate Affairs (MCA).

Subsequently, MCA vide Circular dated December 31, 2020 has further extended relaxations to companies to conduct their Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) (hereinafter referred to in this circular as 'electronic mode') up to June 30, 2021. Further, vide Circular dated January 13, 2021, MCA has also extended these relaxations to Annual General Meeting (AGMs) of companies due in the year 2021 (i.e. till December 31, 2021).

Accordingly, the relaxations in Paras 3 to 6 of the aforementioned SEBI Circular dated May 12, 2020 https://www.sebi.gov.in/legal/circulars/may-2020/additional-relaxation-in-relation-to-compliance-with-certain-provisions-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-covid-19-pandemic_46661.html in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode, are extended for listed entities, till December 31, 2021.

2. Relaxations relating to procedural matters – Issues and Listing

SEBI vide Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 granted one-time relaxations from strict enforcement of certain Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, pertaining to Rights Issue opening up to July 31, 2020.

Based on the representations received from the market participants, the validity of these relaxations, as provided by Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, was further extended for Rights Issues opening up to December 31, 2020.

The relaxation mentioned in point (iv) of the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 is further extended and shall be applicable for Rights Issues opening upto March 31, 2021 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020.



COMPANY LAW UPDATES

1. Clarification on spending of CSR funds for Awareness and public outreach on COVID-19 vaccination:

Ministry of corporate affairs ('MCA') has clarified that spending of CSR funds towards, carrying out awareness campaign/program's or public outreach campaigns on COVID-19 vaccination is an eligible CSR activity under item no. (i), (ii) and (xii) of Schedule VII of Companies Act, 2013('CA-13'). (Promotion of health care, including preventive health care and sanitization, promoting education, and disaster management).

Above is as per the General circular No. 01/2021 dated January 13,2021.

2. Scheme of condonation of delay:

- The Company Fresh Start Scheme, 2020 (CFSS-2020) which was extended till December 31,2020 is no longer applicable for various filings under the provisions of the Companies Act,2013.
- MCA received various representations from stakeholders for relief as some companies had preferred appeal under Section 252 of CA-13 "Appeal to Tribunal" against the striking off the names of the companies before the respective benches of the National Company Law Tribunal (NCLT) and the order(s) by the NCLT were issued during the month of December, 2020.
- In view of the above reasons, such companies could not avail the benefit of filing under CFSS-2020 by December 31, 2020 and are liable to be levied for additional fees upon filing of overdue forms.
- Ministry in view of above through vide circular no. 03/2021, dated January 15, 2021 introduced the scheme namely "Scheme for condonation for delay for companies restored on the Register of Companies between 1st December, 2020 and 31st December, 2020 under Section 252 of the Companies Act, 2013" for the purpose of condoning the delay in filing e-forms with the Registrar, insofar as it related to charging of additional fees on account of delay in such filing.
- The details of scheme are as under:
 - Duration of Scheme: Scheme shall be effective from February 01, 2021 till March 31, 2021.

- Applicability: The Scheme shall be applicable to the Companies which have received order for restoration of the name u/s 252 of the Companies Act, 2013 and was disposed of between December 01, 2020 to December 31, 2020.
- Forms for which schemes shall be applicable: The scheme shall be applicable for all the e-forms except for E-form SH-7 Increase in authorized capital and any charge related E-forms CHG-1, CHG-4, CHG-8 & CHG-9.
- Applicable fees: Normal filing fees as per the Companies (Registration Offices and Fees) Rules, 2014

Above is as per the General circular No. 03/2021 dated January 15, 2021

3. CFSS Form:

Companies that have availed the benefits under the Company Fresh Start Scheme are required to file Form CFFS –2020, the said form is an application seeking immunity in relation to belated documents filed. The application is to be filed within 6 months from the closure of the CFSS. The form has been made available for filing as e-Form with effect from ('w.e.f.') January 16, 2021.

4. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021:

MCA through vide circular no. CSR-05/3/2020 dated January 22, 2021 amended the CSR Policy Rules, 2021. These rules have introduced numerous changes. The amendment in the Rules is with regards to Implementation of the CSR activity, amendment to few sections, CSR reporting, also a few fresh concepts have also been introduced in the Rules like registering of implementing agencies by filing E-form CSR-1 with the MCA, certification by Practicing Professional, formulation of the annual action plan by the CSR Committee, Impact assessment for every company having average CSR obligation of 10 cr or more, Set-off of excess expenditure towards CSR in a financial year, ongoing projects (multi-year projects extending between 1-3 years).

The details of the amendment and E-form CSR-1 are available on the official website of the MCA at http://www.mca.gov.in/Ministry/pdf/CSRAmendmentRules_22012021.pdf

Above is as per the Notification No. 05/3/2020 dated January 22, 2021

5. Companies (Incorporation) Third Amendments Rules, 2021:

New 'Extend' functionality has been introduced as part of SPICe+ Part A in line with Rule 9A 'Extension of reservation of name in certain cases' of the Companies (Incorporation) Third Amendment Rules, 2021 with effect from January 26, 2021.

6. Relaxation on levy of additional fees:

MCA upon receiving various representation from stakeholders has provided the relaxation in additional fees for filing of e-form AOC-4, AOC-4 (CFS), AOC-4 XBRL and AOC-4 Non-XBRL in respect of the financial year ended March 31, 2020 and it has been decided that no additional fees shall be levied upto February 15, 2021. Also during the said period only, normal fees shall be payable for filing of the aforementioned E-forms.

Above is as per the General circular No. 04/2021 dated January 28, 2021

7. Companies (Specification of Definitions Details) Amendment Rules, 2021:

The definition of Small Companies has now been revised by increasing their thresholds for Paid up capital from “not exceeding Rs 50 lakh” to “not exceeding Rs 2 crore” & Turnover from “not exceeding Rs 2 crore” to “not exceeding Rs 20 crore”.

The notification shall be applicable from April 01,2021.

Above is as per the Notification No. F. No. 1/13/2013 CL-V, dated February 01,2021

8. Companies (Compromises, Arrangements and Amalgamations) Rules, 2021:

As per section 233 of CA-13 “Merger or Amalgamation of Certain Companies”, scheme of merger or amalgamation may be entered into between two or more small companies or between a holding company and its wholly-owned subsidiary company or such other class or classes of companies as may be prescribed under Rule 25 “Merger or Amalgamation of certain companies” of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

As per companies (Compromises, Arrangements and Amalgamations) Rules, 2021 the Ministry hereby inserts the following subrule in Rule 25

“(1A) A scheme of merger or amalgamation under section 233 of the Act may be entered into between any of the following class of companies, namely: -

- (i) two or more start-up companies; or
- (ii) one or more start-up company with one or more small company.

Above is as per the Notification No. F. No. 2/31/CAA/2013 CL-V, dated February 01,2021

9. Companies (Incorporation) Second Amendment Rules, 2021:

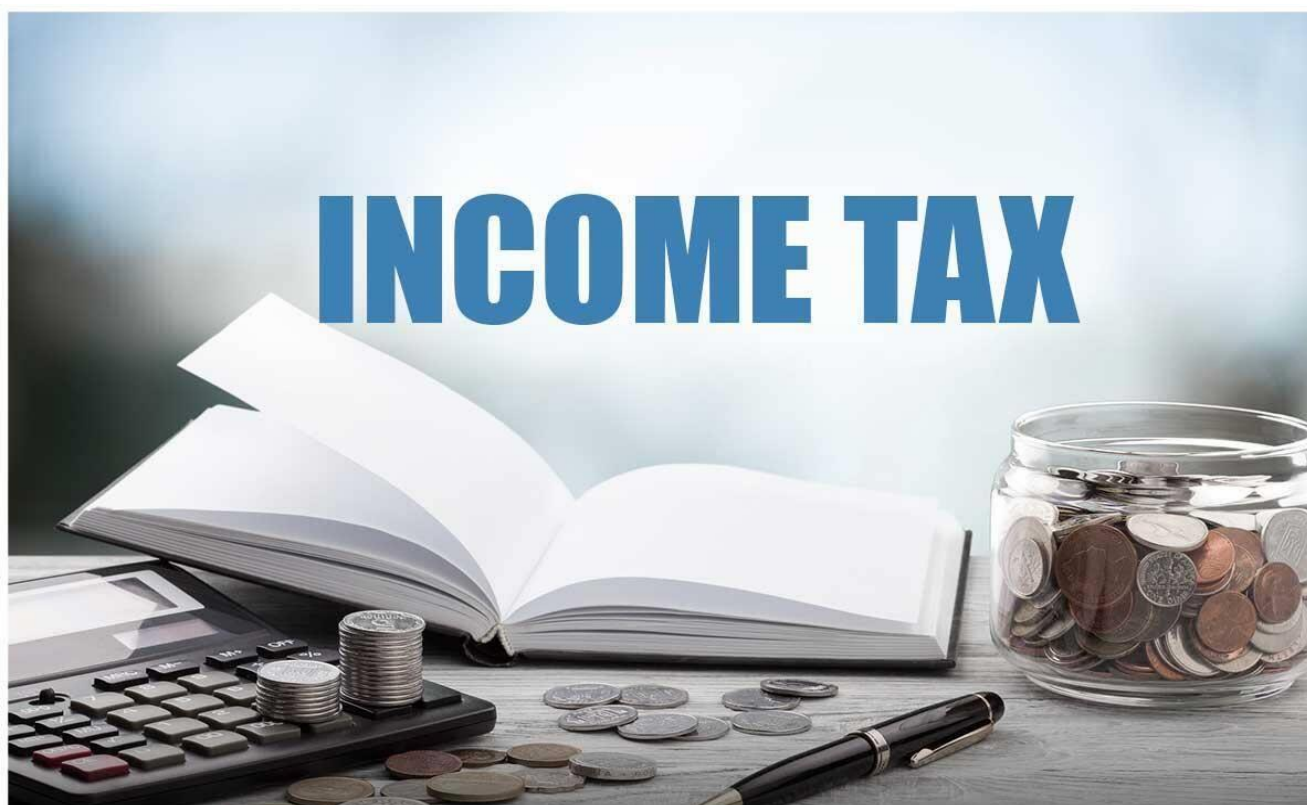
The MCA has amended Rule 6 “One Person Company to Convert Itself into a Public Company or a Private Company in Certain Cases” and Rule 7 “Conversion of private company into One Person Company” of Companies (Incorporation) Rules, 2014.

The Companies (Incorporation) Second Amendment Rules, 2021 allows One person company (‘OPC’) to grow without any restrictions on paid up capital and turnover, allowing their conversion into any other type of company at any time, reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and also allow Non-Resident Indians (NRIs) to incorporate OPCs in India.

The details of the amendment are available on the official website of the MCA at:

http://www.mca.gov.in/Ministry/pdf/SecondAmndtRules_02022021.pdf

Above is as per the Notification No. 1/13/2013 CL-V dated February 01,2021



DIRECT TAX UPDATES

1. Further extension of Due dates under the “Vivad Se Vishwas” scheme by the government of India.

The due date for filing of Income Tax Returns, Audit Reports and declarations under the “Vivad Se Vishwas” scheme has been further extended by the government of India from 31st January, 2021 to 28th February, 2021 vide notification no. 04/2021 (S.O 471-E) dated 31st January, 2021.

2. Relaxation provided to the amount of remuneration prescribed under section 9A(3)(m) of the Income-tax Act, 1961.

Circular No. 1/2021

The Finance (No 2) Act, 2019, had amended clause (m) of sub-section (3) of section 9A of the Income-tax Act, 1961 w.e.f 01.04.2019 to provide for payment of remuneration by an eligible investment fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf to be not less than the amount calculated in such manner as may be prescribed.

Accordingly, rule 10V of the Income-tax Rules, 1962 has been amended w.e.f 01.04.2019, vide Notification No 29/2020 dated 27.05.2020 by way of inserting sub-rules (12) and (13) therein. Sub-rule (12) provides for the amount of remuneration to be paid by the fund to a fund manager. 2nd proviso of the said sub-rule provides that the fund may seek Board’s approval in case where the amount of remuneration is lower than the amount so prescribed.

In this regard, representations have been received expressing inability to comply with the provisions of sub-rule 12 of rule 10V of the Rules regarding the amount of remuneration to be paid by the fund to a fund manager for the financial year 2019-20 as the said Notification No 29/2020 was notified after the financial year got over and the financial year 2020-21 had already commenced.

In order to avoid genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, has decided to provide that for the financial years 2019-20 and 2020-21 in cases where the remuneration paid to the fund manager is lower than the amount of remuneration prescribed under sub-rule (12) of the rule 10V of the Rules, but is at arm's length, it shall be sufficient compliance to clause (m) of sub-section (3) of section 9A of the Act.

It is stated that the remuneration to be paid to the fund manager, for the financial year 2021-22 shall be in accordance with sub-rule (12) of rule 10V of the Rule and the application for lower remuneration in terms of 2nd proviso for this year, if any, may be filed not later than 1st February, 2021.

https://www.incometaxindia.gov.in/news/circular_1_2021.pdf



INDIRECT TAX UPDATES

1. Notification No. 83/2020-Central Tax dt. November 10, 2020:

Due date for filing for Form GSTR 1 who have opted for filing of Form GSTR 3B on quarterly basis has been extended to 13th day of succeeding month, effective from January 01, 2021.

2. Notification No. 88/2020-Central Tax dt. November 10, 2020:

E-invoicing for the taxpayers having aggregate turnover exceeding Rs. 100 Cr effective from January 01, 2021.

3. Circular No.143/13/2020 dt. November 10, 2020:

Currently periodicity of filing GSTR-3B return along with payment of GST is monthly. In order to facilitate small tax payers, they will be allowed file GSTR 3B return on quarterly basis, however payment of GST will be required to be made on monthly basis, this scheme is known as Quarterly Return Monthly Payment Scheme (QRMP) effective from January 01, 2021 and it is an optional scheme.

Sl. No	Particulars	Details
1.	Notifications relating to scheme issued on November 10, 2020	<ul style="list-style-type: none"> 81/2020- Central Tax: Amendment to Sect 39 of CGST – Provides power to Central Government to notify certain class of persons for the scheme & Payment of Tax under the scheme 82/2020 – Central Tax: Manner of opting for furnishing quarterly returns 84/2020-Central Tax: Class of persons eligible for the scheme 85/2020 – Central Tax: Special procedure for making payment of tax liability in the first two months of the quarter <p>Detailed notification is available at:</p>

Sl. No	Particulars	Details	
		https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-81-central-tax-english-2020.pdf https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-82-central-tax-english-2020.pdf https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-84-central-tax-english-2020.pdf https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-85-central-tax-english-2020.pdf	
2.	Eligibility for the scheme	<ul style="list-style-type: none"> Registered person whose aggregate turnover is upto 5 crore rupees in the preceding financial year. In case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, this scheme is not applicable from subsequent quarter 	
3.	Opting for the scheme	<ul style="list-style-type: none"> Facility to avail the scheme is available throughout the year. Registered person can opt in/out for any quarter from 1st day of 2nd month of the preceding quarter to the last day of the 1st month of the quarter. Ex: For July-Sep – May 01 to Jul 31 	
4.	Furnishing of details of outward supplies	<ul style="list-style-type: none"> Form GSTR 1 has to be filed on quarterly basis Invoice Furnishing Facility (IFF) is available for furnishing details of outwards supplies for the 1st and 2nd months of the quarter between 1st of the succeeding month till 13th day of the month and is optional Outward supplies details shall not exceed 50 Lakhs rupees in each month Details furnished under IFF are not required to be furnished again in Form GSTR 1 Default Option: For the quarter Jan 2021 to March 2021, registered person whose aggregate turnover for the FY 2019-20 is upto 5 crore rupees and who have furnished Form GSTR 3B for the month of October 2020 on or before November 30, 2020 shall be migrated on the common portal as below, however he can change the below option from December 05, 2020 to January 31, 2021, extended till February 13, 2021 	
		Class of Registered Person	Default option
		Registered persons having aggregate turnover of up to 1.5 crore rupees, who have furnished FORM GSTR1 on quarterly basis in the current financial year	Quarterly Return
		Registered persons having aggregate turnover of up to 1.5 crore rupees, who have furnished FORM GSTR1 on monthly basis in the current financial year	Monthly Return

Sl. No	Particulars	Details	
		Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial year	Quarterly Return
5.	Monthly Payment of Tax	<ul style="list-style-type: none"> Tax has to be paid on monthly basis in Form GST PMT-06 by 25th day of succeeding month While generating the challan taxpayers should select “Monthly payment for quarterly taxpayer” as reason for generating challan Two options are provided for monthly payment of tax, registered persons are free to avail either of the method in any two months of the quarter Fixed Sum Method: Pre-filled challan in Form GST PMT-06 for an amount equal to 35% of the tax paid in cash in the preceding quarter or Tax paid in cash in the last month of the immediately preceding quarter, in case monthly return was filed. Self-Assessment Method: Tax can be paid by considering tax liability on inward and outward supplies and the input tax credit available. Any refund claim in respect of the amount deposited for the first two months of a quarter payment of tax shall be permitted only after the return in Form GSTR 3B for the said quarter has been filed. Amount deposited cannot be used by the taxpayer for any other purpose till the filing of return for the quarter 	
6.	Quarterly filing of Form GSTR 3B	<ul style="list-style-type: none"> Form GSTR 3B has to be filed on or before 22nd or 24th of day of the month succeeding the quarter. In case of cancellation of registration of such person during any of the 1st two months of the quarter, he is still required to furnish return in Form GSTR 3B for the relevant tax period 	
7.	Interest	<p>Registered person opting Fixed Sum Method:</p> <ul style="list-style-type: none"> No interest is payable if the tax has been paid by due date. If tax not paid within the due date, interest would be payable at the applicable rate, from the due date of furnishing Form GST PMT 06 till the date of making payment In case GSTR 3B is filed after the due date, interest would be payable as per provisions of the Section 50 of CGST Act for the net tax liability <p>Registered person opting Self-Assessment Method:</p> <ul style="list-style-type: none"> Interest would be payable as per provisions of Section 50 of CGST Act, for the tax or any part thereof which remains unpaid/paid beyond the due date for the first two months of quarter. 	

Sl. No	Particulars	Details
8.	Late Fee	Late fee applicable for delay in filing of quarterly returns and no late fee for delay in payment of tax in first two months of the quarter

4. Notification No. 89/2020-Central Tax dt. November 29, 2020:

Penalty shall be waived off for non-compliance of Dynamic QR code for B2C invoices for the period December 01, 2020 to March 31, 2021 provided the taxpayer complies with the said provisions from April 01, 2021.

5. Notification No. 92/2020-Central Tax dt. December 22, 2020:

Following sections of the Finance Act, 2020 has been made effective January 01, 2021:

Section of Finance Act	Section of GST	Amendment
119	10 – Composition Scheme	The word Services has been included in the provisions relating to persons not eligible for opting composition scheme.
120	16(4) – Time limit for availing ITC	ITC on Debit notes relating to the previous year issued in current year even after the due date of filing Sept GSTR 3B or Annual return can be claimed
121	29(1) (C) - Cancellation/suspension of registration	A registered person is now allowed to cancel the registration voluntarily even while running the business
122	30(1)- Revocation of Cancellation of Registration	The Additional/Joint Commissioner can now condone the delay in filing application for revocation of cancellation of registration for a maximum period of 30days and commissioner can further condone the delay for another 30 days
123	31 – Tax Invoice	The Government may, on the recommendations of the Council, can specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.
124	51- Tax deduction at source	TDS certificate will be issued in form specified, further no late fees will be charged if the deductor fails to issue TDS certificate
126	122- Penalty for certain cases	Any person who retains the benefit of a transaction and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on
127	132 – Punishment for certain offences	The government wants to screw and penalize even the persons who retains the benefit intentionally or unintentionally the benefit or at whose instance such transaction is conducted or fraudulently avails input tax credit without any invoice or bill
131	Schedule II	Have removed the word whether or not for a consideration from the transfer of assets

6. Notification No. 94/2020-Central Tax dt. December 22, 2020:

Following amendment made to CGST Rules 2017 effective from date yet to be notified.

Sl. No	Rule No	Amendment
1	8(4A) – Application for Registration	Registration application is required authenticated by <ul style="list-style-type: none"> - Biometric based aadhar authentication along with taking a photograph (Aadhar Based authentication) or - Biometric information, photograph, verification of KYC documents as notified
2	9(1) – Verification of Registration application & Approval	Time limit for granting registration <ul style="list-style-type: none"> - Where documents are in order – 7 working days - In case of physical verification – 30 days from the date of submission of application
3	21 – Cancellation of Registration	Registration can be cancelled on the following grounds <ul style="list-style-type: none"> - ITC availed in violation of Section 16 - Outward supplies furnished in GSTR 1 is more as compared to GSTR 3B for one or more tax periods - Violation of Rule 86B (compulsory payment of 1% of tax liability in cash)
4	21A – Suspension of Registration	<ul style="list-style-type: none"> - Registration shall be suspended without giving reasonable opportunity of being heard - In case there is a significant deviation/anomaly between details of outward supplies between GSTR 3B and GSTR 1 or inward supplies between GSTR 3B & GSTR 2B - No refund shall be granted during the period of suspension
5	36(4) – Input Tax Credit – Effective from January 01, 2021	ITC claim in respect of invoices which are not uploaded by vendors in their GSTR 1 or through Invoice Furnishing Facility will be allowed maximum upto 5% of the invoices furnished by the vendors in their GSTR1 or IFF
6	59 (5) – Form & Manner of Furnishing Returns – Effective from January 01, 2021 (Notification No 01/2021 Dt. January 01, 2021	Restriction on furnishing of Outward supplies by a registered person <ul style="list-style-type: none"> - who has not filed GSTR-3B for preceding two months, shall not be allowed to file GSTR-1 - Filing quarterly returns cannot file GSTR-1, if he has not filed GSTR-3B for the preceding tax period. - Who is required to pay 1% of tax liability through cash, shall not be allowed to file GSTR-

Sl. No	Rule No	Amendment
		1, if he has not furnished the return in GSTR 3B for the preceding tax period.
	86B – Electronic Credit Ledger – Effective from January 01, 2021	<p>The tax payer shall pay 1% of his tax liability in cash if his taxable turnover exceeds Rs 50 lac in a month excluding exempt supply and zero-rated supply.</p> <p>Exception to the above rule:</p> <ul style="list-style-type: none"> - Registered person or proprietor or Managing Director or any of its two partners or Whole Time Director have paid more than 1 lakh rupees as income tax in each of the last two preceding financial year - Registered person has received a refund amount of more than 1 lakh rupees in the preceding financial year on account of unutilized input tax credit - Registered person has discharged his tax liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability cumulatively upto the said month in the current financial year - Registered person is Government Department or PSU or Local Authority or Statutory Body
8	138(10) – E way bill	<p>E way bill or a consolidated e-way bill valid for</p> <ul style="list-style-type: none"> - One day for distance upto 200 KM - Two Days for distance more than 200 KM
9	138E – E Way Bill	<p>Registered person is restricted from generating E-way bill</p> <ul style="list-style-type: none"> - if he has not furnished the GST returns for two tax periods or - Whose registration has been suspended

Detailed notification is available at-

<http://www.gstcouncil.gov.in/sites/default/files/Notifications-dynamic/notfctn-94-central-tax-english-2020.pdf>

7. Notification No. 95/2020-Central Tax dt. December 30, 2020:

Due date for filing of Annual returns in Form GSTR 9 & 9C for the financial year 2019-20 has been extended till February 28, 2021

Case Law:

In the Case of	Date of ruling	Matter Related to	GIST of the case
Krishna Kumar Vs. Assistant State Tax officer, Thiruvananthapuram. High Court of Kerala	August 19, 2020	Detention of Goods in case of non-mention of tax payable in E-way Bill	Consignment of goods could not be detained for non-mention of IGST payable in e-way bill that accompanied transportation of goods when details of tax paid were shown in invoice
Loafers Corner Café Vs. Union of India. High Court of Kerala	October 20, 2020	Delay in processing of applications relating to registration cannot deprive taxpayer to avail benefit of composition scheme	Taxpayer has initially opted for payment of tax on normal basis, subsequently they applied for cancellation of its original registration and applied for a new registration and opted for composition scheme. During the period between date of application of new registration and cancellation of earlier registration, assessee could not upload the returns under composition scheme, since system recognised only earlier registration under normal scheme. Court has held that delay in processing of application submitted by the taxpayer cannot be a reason to deprive the taxpayer of the statutory benefit available to him and necessary changes in the portal has to be made so that tax payer can file the returns for the said period without charging any late fee or other charges.

Advance Ruling:

Ruling No	In the Case of	Ruling
MAH/AAAR/RS-SK/28/2020-21 (Maharashtra)	M/s Apsara Co-operative Housing Society	Co-operative Housing society providing services to its members against consideration named as "society charges" in course of furtherance of business, activities would be considered as supply and the same would be liable for GST subject to condition that monthly subscription/contribution charged by society from its members is more than Rs. 7500 per month per member and annual aggregate turnover of society is by way of supplying of services and goods is also Rs. 20 Lakhs or more.
02/2020-21/11.11.2020 (AAAR Uttarakhand)	M/s Vardhaman Holidays	AAR has rejected application filed by applicant on issue of admissibility of ITC in respect of goods/services received while constructing Hotel including restaurant and banquet hall, on ground that it was pending decision in Writ Petition (WP No. 1898/2019) before High Court of Uttarakhand in case of Rosewood Hospitality (P) Ltd, it was held that the above said ruling was non-speaking and unverified information since AAR had not discussed anywhere about having gone through referred writ petition of Rosewood Hospitality and the application was summarily rejected without in depth scrutiny. Therefore, AAR

Ruling No	In the Case of	Ruling
		are required to examine referred cases and all six issues individually on merits and pass a detailed speaking order.
HAR/HAAR/R/2019-20/18 (Haryana)	Musashi Auto Parts Ltd	<p>Applicant is engaged in business of manufacturing and supply of auto parts incurring lots of expenses on maintenance of canteen facility for its employees, purchase of sweets, dry fruits etc and gifts like electronics, gold & silver coins for purpose of business promotion.</p> <p>It is held that the applicant is not engaged in the business of provision of food or catering applicant is not eligible for claim of input tax credit with respect to canteen facility and on business promotion expenses</p>

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