

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are dark against a light, overcast sky.

M&R NewsBites

October 20, 2020

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Companies Act 2013



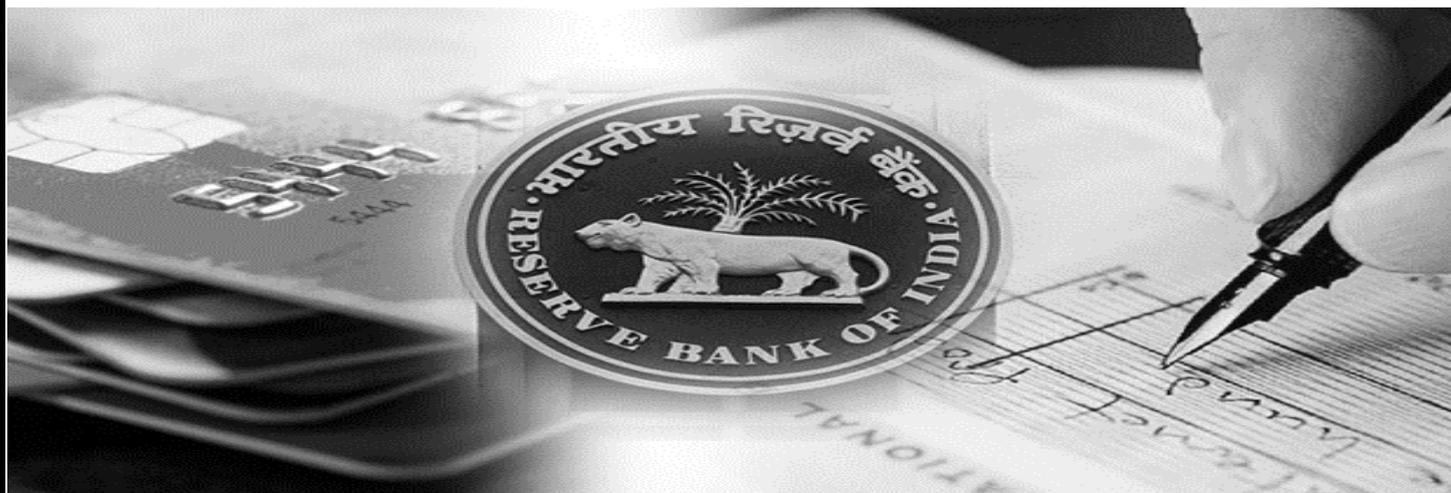
UPDATES IN THE COMPANIES ACT, 2013

1. Amendment to company incorporation services through SPICe+ web form:

As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs has deployed a new web form known as 'SPICe+'. This form is applicable to all new company incorporations w.e.f February 23, 2020.

Initially, this form offered many services apart from company incorporation such as DIN allotment, mandatory issue of PAN, TAN, EPFO, ESIC and PT (Maharashtra), opening of bank account registration.

The mandatory issue of PT registration which was only for the state of Maharashtra, has been extended to the state of Karnataka. This shall be applicable for all company incorporations on or after October 08, 2020.



RBI Updates

1. Interest Subvention Scheme for MSMEs:

During the year 2018, the Government of India, Ministry of MSME had announced Interest Subvention Scheme for MSMEs for Scheduled Commercial Banks. Further the Government had decided to include Co-operative Banks also as Eligible Lending Institutions effective from March 3, 2020.

The scheme provides for an interest relief of two per cent per annum to eligible MSMEs on their outstanding fresh/incremental term loan/working capital during the period of its validity. The coverage of the Scheme is limited to all term loans / working capital to the extent of INR 100 lakhs. The loan accounts on the date of filing claim should not have been declared as NPA as per the extant guidelines in force. No interest subvention shall be admissible for any period during which the account remains NPA.

The scheme was applicable for the period of two financial years i.e., FY 2018-19 and 2019-20.

The operational guidelines for the Scheme have been further modified by the Government as under:

- i. The validity of the scheme has been extended till March 31, 2021.
- ii. Acceptance of claims in multiple lots for a given half-year by eligible institutions is permitted.
- iii. Requirement of Udyog Aadhaar Number (UAN) may be dispensed with for units eligible for GST. Units not required to obtain GST may either submit Income Tax Permanent Account Number (PAN) or their loan account must be categorized as MSME by the concerned bank.
- iv. Trading activities have also been allowed to be covered under the scheme without UAN.

Detailed notification is available at:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/ISS5D09963F430140329CD88683ACC7707F.PDF>



INDIRECT TAX UPDATES

A. Goods and Services Tax Updates:

- Notification No. 69/2020-Central Tax dt. September 30, 2020:** Due date of filing of annual returns in Form GSTR 9 & 9C for the financial year 2018-19 extended till October 31, 2020
- Notification No 70/2020-Central Tax dt. September 30, 2020:** Amendment to Notification No. 13/2020 dt. March 21, 2020. A registered person is required to issue e-invoicing in case

Sl. No	Existing Provision	Amended Provision
1.	Whose aggregate turnover in a financial year exceeds INR 500 Crore rupees.	Whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds INR 500 Crore rupees.
2.	In respect of supply of goods or services or both to a registered person	In respect of supply of goods or services or both to a registered person or for exports.

- Notification No. 71/2020-Central Tax dt. September 30, 2020:** Amendment to Notification No. 14/2020 dt. March 21, 2020. An invoice issued by a registered person to an unregistered person (B2C Invoice) shall have Dynamic Quick Response (QR) code in case:

Sl. No	Existing Provision	Amended Provision
1.	Whose aggregate turnover in a financial year exceeds INR 500 Crore rupees.	Whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds INR 500 Crore rupees.
2.	Effective from October 01, 2020	Effective from December 01, 2020

- Notification No. 72/2020-Central Tax dt. September 30, 2020:** Following amendment has been made to CGST Rules, 2017:

Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-72-central-tax-english-2020.pdf>

Sl. No	Existing Provision	Amended Provision
1.	Rule 46 – Contents of Tax Invoice	Rule 46(r) – Quick Response Code, having Invoice Reference Number to be mentioned in cases of E-Invoices
	Rule 138A (2) – (E-Way Rules): Invoice Reference Number obtained from the common portal may be produced at the time of verification by the proper officer in lieu of the tax invoice	In case of E-invoices Quick Response (QR) code having embedded Invoice Reference Number in it, may be produced electronically, for verification by the proper officer in lieu of the tax invoice

5. **Notification No. 73/2020-Central Tax dt. October 01, 2020:** Tax payers who are required to issue e-invoices and have not prepared the invoices in the manner as prescribed U/s 48(4) the CGST Act, shall obtain an Invoice Reference Number (IRN) by uploading specified particulars in Form GST INV-01 for the invoices issued during the period October 01, 2020 to October 31, 2020.

Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-73-central-tax-english-2020.pdf>

6. **Notification No. 74/2020 - Central Tax dt. October 15, 2020:** Due date for filing GSTR1 quarterly returns by Registered persons having aggregate turnover of up to INR 1.5 Crores in the preceding financial year or the current financial year

Sl No	Quarter	Due Date
1.	October 2020-December 2020	January 13, 2021
2.	January 2021-March 2021	April 13, 2021

7. **Notification No. 75/2020-Central Tax dt. October 15, 2020:** Due date for filing GSTR1 by Registered persons having aggregate turnover of more than Rupees 1.5 Crores in the preceding financial year or the current financial year for each of the months from October 2020 to March 2021 is 11th of succeeding such month.

8. **Notification No. 76/2020-Central Tax dt. October 15, 2020:** Due date for filing GSTR 3B for the period October 2020 to March 2021 and payment of taxes, interest and late fees.

Sl No	Taxpayers	Due Date
1.	Having an aggregate turnover More than INR 5 Crores in the previous financial year	20 th day of succeeding such month

2.	<p>Having an aggregate turnover of less than INR 5 Crores in the previous financial year and principle place of business:</p> <p>In the states of 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.</p> <p>In the states of 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</p>	<p>22nd day of succeeding such month</p> <p>24th day of succeeding such month</p>
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9. **Notification No. 77/2020-Central Tax dt. October 15, 2020:** Filing of Annual returns in form GSTR 9 & GSTR 9C is optional for the small tax payers having an aggregate turnover of less than Rupees 2 crores for the financial year 2019-20 and such returns shall be deemed to be furnished on the due date if it has not been furnished before the due date.
10. **Notification No. 78/2020 – Central Tax & 06/2020-Integrated Tax dt. October 15, 2020:** Number of HSN digits required to be mentioned on tax invoice effective from April 01, 2021.

Sl. No	Aggregate Turnover in the preceding Financial Year	Number of digits of HSN Code	
		B2B Invoice	B2C Invoice
1.	Up to rupees five crores	4	Not Required
2.	More than rupees five crores	6	6

11. **Notification No 79/2020-Central Tax dt. October 15, 2020:** Amendment to CGST rules, 2017:

Sl. No	Rule No	Existing Provision	Amended Provision
1.	46 – Contents of Tax Invoice	Class of registered person to mention number digits of HSN code for goods or services for such period	Class of registered person to mention number digits of HSN code for goods or services Class of supply of goods or services for which specified

		Class of registered person not required to mention HSN code for goods or services for such period	number of digits of HSN code shall be required to mention Class of registered person not required to mention HSN code for goods or services
2.	67A – Manner of Furnishing of return or details outward supplies by SMS	Filing of Nil return in Form GSTR3B/GSTR1 through SMS	Filing of Nil return in Form GSTR 3B/GSTR 1 or nil statement in form GST CMP 08
3.	80 – Annual Return	Every registered person whose aggregate turnover during the FY 2018-19 exceeds five crore rupees shall get his accounts audited and furnish audited annual accounts and reconciliation statement duly certified in Form GSTR 9C	Every registered person whose aggregate turnover during the FY 2018-19 & 2019-20 exceeds five crore rupees shall get his accounts audited and furnish audited annual accounts and reconciliation statement duly certified in Form GSTR 9C
4.	138E- EWay bill Rules – Restriction on furnishing of information in Part A of GST EWB 01 (Generation of E-way Bill)		With effect from March 2020, restrictions are not applicable for the period March 20, 2020 to October 15, 2020 in case where the return in FORM GSTR 3B/GSTR 1 or statement in CMP-08 has not been furnished for the period February 2020 to August 2020

Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>

- 12. Relaxation in compliance with E-Invoicing through press release dt September 30, 2020:** Invoices issued by such taxpayers during the month of October 2020, without following the manner as prescribed under CGST rule, shall be deemed to be valid and penalty leviable U/s 122 of CGST Act (i.e. Rs. 10000 or amount equal to tax evasion whichever is higher) shall be waived off if the Invoice Reference Number (IRN) for such invoices is obtained from Invoice Reference Portal (IRP) within 30 days of date of invoice.
- 13. Notification No. 04/2020-Central Tax (Rate) & 04/2020-Integrate Tax (Rate) & 04/2020-Union Territory Tax (Rate) dt. September 30, 2020:** Tax exemption on supply of services by way of

transportation of goods by air or sea from customs station of clearance in India to a place outside India has been extended till September 30, 2021.

14. Circular No. 142/12/2020-GST dt. October 09, 2020: Clarification relating restriction in availment of input tax credit:

- i. Taxpayers shall reconcile cumulative ITC availed in GSTR 3B for the period Feb 2020 to Aug 2020 shall not exceed 110% of ITC available in GSTR 2A till due date of furnishing of the statement in Form GSTR-1 for the month of September 2020.
- ii. Total credit cannot exceed the tax amount as reflected in the total invoices for the supplies received by the taxpayer.
- iii. The excess ITC availed arising out of reconciliation during this period if any, shall be required to be reversed in Form GSTR 3B for the month of September 2020.
- iv. Failure reverse such excess availed amount would be treated as availment of ineligible ITC during the month of September 2020.

Detailed circular is available at: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_142_11_2020.pdf

15. GST Council Recommendations: 42nd GST council meeting held on October 05, 2020:

- i. Levy of Compensation Cess to be extended beyond June 2022
- ii. Enhancement in features of return filing:

Sl. No	Features	Effective from
1.	Due date for furnishing quarterly GSTR 1 by small tax payers to be revised to 13 th of month of succeeding the quarter	January 01, 2021
2.	Auto-generation of GSTR 3B from GSTR 1 <ul style="list-style-type: none"> - Auto-population of liability - Auto-population of input tax credit from suppliers GSTR 1 for monthly tax filers - Auto-population of input tax credit from suppliers GSTR 1 for quarterly tax filers 	January 01, 2021 April 01, 2021
3.	Mandatory filing of GSTR 1 before filing of GSTR 3B	April 01, 2021
4.	Present GSTR1/3B return filing system to be extended till March 31, 2021	

- iii. Small tax payers having aggregate turnover of less than Rs. 5 Crores allowing filing of returns (GSTR1/3B) on quarterly basis with monthly payments to be implemented from January 01, 2021. Such tax payers would for the first two months of the quarter, have an option to pay 35% of net cash tax liability of the last quarter using auto generated challan.

- iv. Refund to be paid/disbursed in a validated bank account linked with the PAN & Aadhaar of the registrant with effect from January 01, 2021.
- v. To encourage domestic launching of satellites particularly by young start-ups, the satellite launch services supplied by ISRO, Antrix Corporation Ltd. and NSIL would be exempted.

Detailed press release is available at: <http://www.gstcouncil.gov.in/sites/default/files/Press-Dynamic/PIB1661827.pdf>

16. Advance Ruling:

Ruling No	In the Case of	Ruling
KAR ADRG 49/2020 Dt 30/09/2020	In re Yulu Bikes Pvt Ltd	Renting of e-bikes/bicycles without operator cannot be classified under SAC 9973-Leasing or rental services without operator and to be classified under SAC 9966 – Rental services of transport vehicles with or without operators

B. Customs:

1. **Notification No. 35/2020-Customs dt. September 30, 2020:** 5% Basic Customs Duty on Open Cell for LED/LCD TV Panels
2. **Notification No. 36/2020-Customs dt. October 05, 2020:** Validity of RoSCTL (Rebate of State and Central Levies and Taxes) scheme extended from March 31, 2020 to March 31, 2021 or until such date the RoSCTL scheme is merged with RoDTEP (Remission of Duties and Taxes on Exported Products) scheme whichever is earlier.
3. **Notification No. 94/2020-Cus (NT) dt. September 30, 2020:** The Sea Cargo Manifest and Transshipment Regulations, 2018 has been amended.

Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt94-2020.pdf>

4. **Notification No. 99/2020-Cus (NT) dt. October 15, 2020:** Exchange Rates Notification
Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt99-2020.pdf>
5. **Notification No. 30/2020-Customs (ADD) dt. October 13, 2020:** The levy of Anti-dumping duty on imports of Plain Medium Density Fibre Board of thickness 6mm and above originating in or exported from China PR, Malaysia, Srilanka and Thailand has been extended up to January 20, 2021.

6. **Notification No. 02/2020-Customs (CVD) dt. October 09, 2020:** Provisional countervailing duty has been imposed on import of Flat rolled products of stainless steel, originating in or exported from Indonesia.

Detailed notification is available at: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-others2020/csot02-2020.pdf>

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