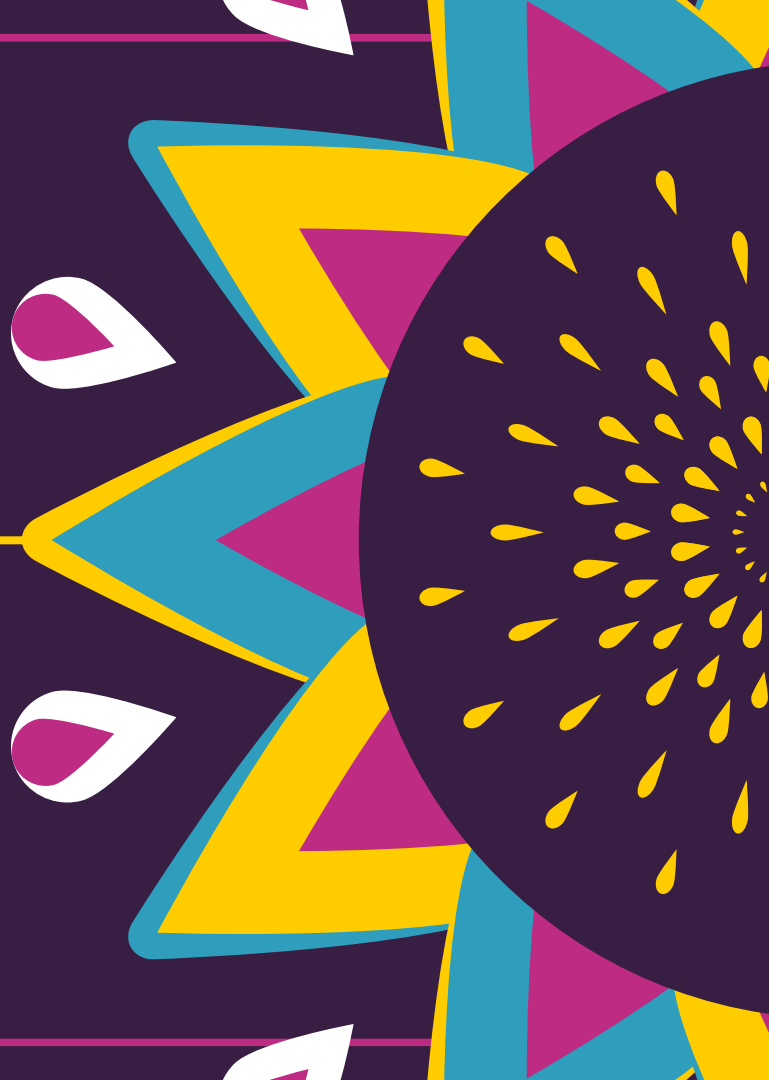


# Tax Updates Alert

November 2020

**AHSG & Co. LLP**



# Happy Diwali

AHSG & Co. LLP wishes you a very Happy Diwali. Our best wishes on the festival of lights and prosperity !

May the warmth and Splendor, that are the part of this auspicious occasion, fill your life with happiness and bright cheers, and brings to you joy and prosperity.

AHSG & Co. LLP



# 1

## Income Tax Updates



# Income Tax

<p>CBDT authorises CIT to condone the delay in filing audit report in Form No. 10BB</p>	<p>CBDT has authorised the CIT to admit belated applications for condonation of delay under section 119(2), where there is a delay of up to 365 days in filing Form 10BB for Assessment Year 2018-19 or any subsequent Assessment Year. Further, for years prior to Assessment Year 2018-19, CIT is also authorised to admit the application for condonation of delay after satisfying himself that applicant was prevented by reasonable cause from filing such application within the stipulated time.</p> <p><b>Circular No. 19 /2020, DATED 3-11-2020</b></p>
<p>CBDT notifies Abu Dhabi's "MIC Redwood 1 RSC Ltd." as sovereign wealth fund for Sec. 10(23FE) exemption</p>	<p>CBDT has notified the MIC Redwood 1 RSC Limited, Abu Dhabi, United Arab Emirates, as sovereign wealth fund for the purpose of section 10(23FE) exemption. Any income in the nature of dividend, interest or LTCG arising from an investment made by it on or after 02-11-2020 but on or before the 31-03-2024 shall be entitled for exemption subject to certain conditions.</p> <p><b>NOTIFICATION S. O. 3952 (E), DATED 2-11-2020</b></p>
<p>CBDT extends due date for furnishing of Tax Audit Report &amp; ITR for AY 2020-21</p>	<p>The CBDT has extended due dates for furnishing tax audit report and filing of Income-tax Return for the Assessment Year 2020-21. The new due date for furnishing of tax audit report is 31-12-2020. The due date for filing of ITR is 31-01-2021 in case where taxpayer is required to get books of account audited or furnish report in respect of international/specified domestic transactions and 31-12-2020 in all other cases.</p> <p><b>NOTIFICATION S.O. 3906 (E), DATED 29-10-2020</b></p>
<p>Govt. extends the due-date for payment under Vivad Se Vishwas Scheme to 31-03-2021</p>	<p>The Central Government has extended the due date for filing a declaration to opt for Vivad Se Vishwas Scheme to 31-12-2020. Further, where tax payment is made on or before 31-03-2021, no additional charges shall be levied. However, where payment is made on or after 01-04-2021, additional charges as specified under section 3 of the Direct Tax Vivad se Vishwas Act, 2020 shall be levied.</p> <p><b>NOTIFICATION S.O. 3847 (E), DATED 27-10-2020</b></p>



# Income Tax

CBDT notifies Equalisation levy (Amendment) Rules, 2020; revises Forms for filing statement & appeals	CBDT has notified the Equalisation levy (Amendment) Rules, 2020 to amend the Equalisation levy Rules, 2016. The Rules have been amended considering the changes brought by the Finance Act, 2020 to extend the provisions of Equalisation Levy to the e-commerce supplies. The board has also amended forms for filing statement and appeal before CIT(Appeals) & ITAT. <b>NOTIFICATION NO. S.O. 3865(E), DATED 28-10-2020</b>
CBDT notifies tolerance limit under transfer pricing for AY 2020-21	Central Board of Direct Taxes (CBDT) has notified that the tolerance limit of 1 per cent for wholesale trading and 3 per cent in all other cases for ALP determination during the Assessment Year 2020-21. “Wholesale trading” means an international transaction or specified domestic transaction of trading in goods, which fulfils certain conditions. <b>NOTIFICATION NO. S.O. 3660 (E), DATED 19-10-2020</b>
CBDT issues guidelines for taking intrusive & coercive actions for recovery of taxes by AO/TRO	The CBDT has issued revised guidelines, for Assessing Officer or Tax Recovery Officer, who are authorized to carry out function related to recovery of arrear or current tax demand to take taking intrusive & coercive actions for recovery as per the provisions of Income-tax Act. The revised guidelines comes into effect from immediate effect. <b>CBDT ORDER DATED 16 OCTOBER 2020</b>
Discretionary hearing opportunity under ‘Faceless Appeal Scheme’ challenged before Delhi HC	A writ petition has been filed before the Delhi High Court with a pray to declare that Faceless Appeal Scheme, 2020 is discriminatory, arbitrary and illegal to the extent it provides discretionary hearing opportunity. It was claimed that the right of being heard, even through the videoconferencing mode is subject to the approval of the Chief Commissioner/Director General and thus same is discretionary. <b>W.P.(C) 8044/2020 LAKSHYA BUDHIRAJA v. UNION OF INDIA</b>



# Income Tax

Sum paid to clear encumbrance of inherited property to be treated as part of cost of acquisition	Where assessee had inherited property with encumbrance by way of mortgage, amount paid by assessee to clear that encumbrance to be treated as part of cost of acquisition or cost of improvement under section 48/49. <b>N.RAJARAJAN V. ASSISTANT COMMISSIONER OF INCOME TAX, CHENNAI (MADRAS HC)</b>
No sec. 194C TDS if Co. has control over advertisement space with exclusive rights either to retain it or resell it	Where assessee-company purchased an advertisement space in a local newspaper and exercised control over such space with right to either sell it to other or retain it for itself, payment made by assessee for purchase of such advertisement space would not be liable for tax deduction at source under section 194C. <b>TIMES VPL LTD. V. COMMISSIONER OF INCOME-TAX (KARNATAKA HC)</b>





# 2

## Goods and Service Tax Updates

# Goods and Service Tax

Due date of GSTR-9 & GSTR-9C for F.Y. 2018-19 extended to 31 December 2020	The due date to file annual return in Form GSTR-9 and reconciliation statement in Form GSTR-9C for the F.Y. 2018-19 has been further extended from 31 October, 2020 to 31 December, 2020. <b>NOTIFICATION NO. 80 /2020 - CENTRAL TAX, DATED 28-10-2020</b>
Satellite launch services exempted from GST	The Govt. has exempted satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited from the levy of GST. <b>NOTIFICATION NO. 05/2020 - CENTRAL TAX (RATE), DATED 16-10-2020</b>
Small taxpayers not required to furnish reconciliation statement (GSTR-9C) for FY 2019-20 as well	The Govt. has relaxed the requirement to furnish a copy of audited annual accounts and a reconciliation statement in Form GSTR-9C for the FY 2019-20 for every registered person having aggregate turnover of upto Rs. 5 crores. Earlier, this relaxation was only for the FY 2018-19 which has also been extended to FY 2019-20. <b>NOTIFICATION NO. 79/2020 - CENTRAL TAX, DATED 15-10-2020</b>
Govt. mandates HSN Code for all class of taxpayers w.e.f April 1, 2021	The requirement to furnish HSN code in tax invoice has been revised w.e.f. 1-4-2021. The small taxpayers having aggregate turnover in the preceding FY upto Rs. 5 crore shall furnish 4 digit HSN code and in case of large taxpayers having turnover of more than Rs. 5 crore, 6 digit HSN code shall be required to be furnished. On supplies made to unregistered persons, small taxpayers may not require to mention HSN code on invoice issued by it. <b>NOTIFICATION NO. 78/2020 - CENTRAL TAX, DATED 15-10-2020</b>
Due date of filing GSTR-3B has been prescribed for the period October, 2020 to March, 2021	The due date to file GSTR-3B by registered persons has been prescribed for each of months from October, 2020 to March, 2021 which shall be 20th day of the month succeeding such month. Small taxpayers having aggregate turnover of upto Rs. 5 crore in the previous financial year, in the specified category of states shall furnish GSTR-3B on or before 22nd or 24th day of the of the next succeeding month, as the case may be. <b>NOTIFICATION NO. 76/2020 - CENTRAL TAX, DATED 15-10-2020</b>





# Goods and Service Tax

Due date prescribed to furnish GSTR-1 for monthly filers for the period October, 2020 to March 2021	<p>The due dates to furnish GSTR-1 by registered persons having aggregate turnover of more than Rs. 1.5 crore in the preceding financial year or current financial year has been prescribed for months of October, 2020 to March, 2021 and it shall be 11th of the next succeeding month.</p> <p><b>NOTIFICATION NO. 75/2020 - CENTRAL TAX, DATED 15-10-2020</b></p>
New due dates prescribed for furnishing GSTR-1 for quarterly return filers	<p>The due dates to furnish GSTR-1 by registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or current financial year for the quarter October to December, 2020 shall be 13-1-2021 and for the quarter January to March, 2021 shall be 13-4-2021.</p> <p><b>NOTIFICATION NO. 74/2020 - CENTRAL TAX, DATED 15-10-2020</b></p>
CBIC clarifies application of Rule 36(4) of the CGST Rule for months of February to August, 2020	<p>CBIC has clarified the cumulative application of Rule 36(4) of the CGST Rule for months of February to August, 2020. It explained that cumulative ITC availed for the said months in GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices/debit notes uploaded by the suppliers in GSTR-1, till the due date of furnishing of GSTR-1 for the month of September, 2020.</p> <p><b>CIRCULAR NO. 142/12/2020, DATED 9-10-2020</b></p>
Credit of EC, SHEC & KKC cannot be carried forward under GST regime, judgment of single judge set aside	<p>The Madras High Court held that the assessee was not entitled to carry forward and set off of unutilized credit of Education Cess, Secondary and Higher Education Cess, and Krishi Kalyan Cess against the Output Liability of GST in terms of Section 140 of the CGST Act, 2017. The appeal of the revenue is allowed and the judgment of the single judge dated 05-09-2019 has been set aside.</p> <p><b>WA NO.53 OF 2020 , ASST. COMMISSIONER OF CGST &amp; CENTRAL EXCISE V. SUTHERLAND GLOBAL SERVICES PRIVATE LIMITED &amp; OTHERS</b></p>



# Goods and Service Tax

GST Revenue Collections for the month of October, 2020 is Rs. 1,05,155 crores	<p>The Government vide press release issued data for GST collections. The GST Revenue Collections for the month of October, 2020 is Rs. 1,05,155 crores. The revenues for the month are 10% higher than the GST revenues in the same month last year.</p> <p><b>PRESS RELEASE DATED 1 NOV 2020</b></p>
ITC cannot be disallowed to purchaser if seller has collected tax but not paid to Govt.	<p>Input tax credit cannot be disallowed on ground that seller has not paid tax to Government, when purchaser is able to prove that seller has issued proper invoices to purchaser and collected tax.</p> <p><b>SRI RANGANATHAR VALVES (P.) LTD. V. ASSISTANT COMMISSIONER (CT) (FAC) (MADRAS HC)</b></p>
Act of agreeing to grant easement rights of pathway is a service of agreeing to tolerate an act, taxed @18% GST	<p>Chennai Metro Rail Ltd. owns pathway and has agreed through an MOU with individual to permit her to use pathway to access main road from her residential property which is adjacent to pathway, this is an easement right given by applicant to individual to enjoy her residential property for a period of time for a consideration and applicant has agreed through a MOU to tolerate her use of this pathway for a period of time for consideration - Thus, act of agreeing to grant easement rights of pathway by applicant to individual by way of shared access is classifiable under SAC 999794 and is taxable at 18 % under GST.</p> <p><b>CHENNAI METRO RAIL LTD., IN RE , AAR TAMIL NADU</b></p>



# Thank You

In case of any query or question



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