

Weekly Finance and Tax News Bulletin by CAclubindia – 26th Dec 2020 to 2nd Jan 2021

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A. EXTENSION OF DUE DATES

Government Extends Due Date for Filing Income Tax Returns, Tax Audit Reports and GST Compliances

In view of the COVID-19 pandemic and the large-scale disruption caused as a consequence of it, the Finance Ministry has decided to extend the due dates for Income Tax Returns, Tax Audit Report, and GST Compliances. The revised due dates are as follows:

Particulars	Extended Due Date
INCOME TAX RETURN (For taxpayers who are required to get their accounts audited) - FY 19-20	15th February 2021
INCOME TAX RETURN (As per the provisions of Section 139(1)) - FY 19-20	15th February 2021
INCOME TAX RETURN (For taxpayers who are not required to get their accounts audited) - FY 19-20	10th January 2021
TAX AUDIT REPORTS - FY 19-20	15th January 2021
GST ANNUAL RETURN - FY 19-20	28th February 2021

B. INCOME TAX UPDATES

CBDT, on The Recommendation of ICAI, Extends the Last Date for Updating UDIN in all Income Tax Forms to 15th February 2021

The Central Board of Direct Taxes, on the recommendation of the Institute of Chartered Accountants of India, has extended the last date for updating UDIN in all Income Tax Forms to 15th February 2021, for treating these forms as valid.

Taxpayers wrongly charged with late fee u/s 234F inspite of extension announcement

It has been communicated by various taxpayers and professionals that the Income Tax Portal is charging a late fee u/s 234F in spite of the [extension announcement dated 31st December 2020](#).

Income Tax - E-Calendar 2021

The Income Tax Department has released the E-Calendar 2021 for Income Tax. This calendar showcases a glimpse of India's growth, through the lens of taxation. [Click here](#) to view the E-Calendar 2021.

CBDT issues refunds of over Rs. 1,56,624 crores to more than 1.33 crores taxpayers between 1st April 2020 to 27th Dec 2020

- Income Tax Refund - Rs. 50,554 crores have been issued in 1,31,11,050 cases
- Corporate Tax Refund - Rs. 1,06,069 crores have been issued in 2,03,334 cases

Income Tax Department clarifies on taxpayers having difficulty in receipt of Aadhaar based OTP

Several taxpayers and professionals experienced difficulty in the receipt of Aadhaar based OTP on the Income Tax Portal while filing their Income Tax Return. In this regard, the department has issued a clarification.

Income Tax Department reminds taxpayers to file their ITR

The Income Tax Department, via their official Twitter handle has reminded taxpayers to file their Income Tax Return, amid the request for due date extension.

Income Tax Department conducts searches in Delhi

The Income Tax Department carried out search and seizure action on a number of hawala operators engaged in the activity of routing and handling unaccounted cash in Delhi region. The search action has resulted in unearthing of incriminating evidences revealing various shell entities being used for raising bogus purchase/sale bills, and routing of unaccounted funds through several layers of bank accounts. Such shell entities are closed after two months, and new ones are formed.

Income Tax Department conducts searches in Kolkata

The Income Tax Department carried out search and seizure action on two Kolkata based Groups engaged in manufacturing & trading of Steel, trading of marbles & stones, food grains etc.

The search action has resulted in seizure of unaccounted cash of Rs. 1 crore and jewelry worth Rs. 1.42 crores.

Income Tax Dept does paid promotion of #ITRFileKaroJhatpat on Twitter

The Income Tax Department recently introduced "Jhatpat Processing" for easy filing and processing of ITRs. The process has started for ITR 1 and 4. Now, the department, in order to promote the initiative, did a paid promotion on the Social Networking Site Twitter.

ICAI introduces One-time Condonation Scheme to regularize UDINs

The Institute of Chartered Accountants of India has decided to allow one-time condonation to its members for their earlier missed or late generated UDINs. In this regard, certain decisions have been taken. To read the same, [click here](#).

Income Tax Department conducts searches in Guwahati

Income Tax Department started a Search and Survey action on 22.12.2020 in the cases of three leading contractors of North Eastern India. One of the groups is also into Hospitality business. The Search and Survey actions are being carried out at 14 locations in Guwahati, Delhi, Silapathar and Pathsala (Assam).

Till now, Jewelry to the tune of Rs. 9.79 lakh has been seized. The sources of acquisition of remaining jewelry found exceeding Rs. 2 crores are under verification. Cash of Rs 2.95 crore has also been seized. Overall, undisclosed income to the tune of approximately Rs. 100 crores have been unearthed so far during the Search and Survey operation. One locker has been found, which is yet to be operated.

C. INDIRECT TAX UPDATES

GST Revenue collection for December 2020 recorded all time high since the implementation of GST

Rs. 1,15,174 crores gross GST revenue collected in December. Revenues for December 2020 are 12% higher than the GST revenues in the same month last year

Strong Objections against New Provisions in GST raised by Confederation of All India Traders

The Confederation of All India Traders has raised strong objections against the new GST provisions, especially the introduction of Section 86B which they feel are detrimental to trade. Thus, they have written a representation letter to the Union and Finance Minister Smt. Nirmala Sitharaman requesting to roll back this provision immediately.

Update on Auto-population of e-invoice details into GSTR-1/2A/2B/4A/6A

- The data in GSTR-1 is now available on T+3 day basis, i.e. for example, the data from e-invoices uploaded on 18-12-2020 would be visible in GSTR-1 on 21-12-2020.
- The corresponding reflection of such e-invoice details in GSTR-2A/2B/4A/6A has also started.
- The auto-population of e-invoice data into GSTR-1 is based on date of document (as reported to IRP).

GST Portal provides facility for Communication between the Recipient and the Supplier Taxpayers on the GST Portal

A facility of 'Communication Between Taxpayers' has been provided on the GST Portal, for sending a notification by recipient (or supplier) taxpayers to their supplier (or recipient) taxpayers, regarding missing documents or any shortcomings in the documents or any other issue related to it. This facility is available to all registered persons, except those registered as TDS, TCS or NRTP.

CBIC makes changes in the Tariff Value of Certain Goods

Tariff Notification No. 117/2020-Customs (N.T.) in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver

DGGI Gurugram arrests 3 for fraudulently claiming input tax credit of Rs 12.90 crores

The Directorate General of GST Intelligence (DGGI), North Zone, Gurugram has arrested three persons, namely Shri Alok Bhargava and his sons Shri Akul and Shri Atin Bhargava, owners of M/s Delhi Foils, M/s Abinox Industries and M/s Matalax Industries, Wazirpur, New Delhi.

The above said firms had cumulatively taken Input Tax Credit fraudulently of Rs. 12.90 crores involving invoice value approximating Rs. 72 crores on the strength of invoices issued by non-existent firms without the actual receipt of material with an ulterior motive to defraud the government exchequer.

CBIC amends the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010

The Central Board of Indirect Taxes and Customs has amended the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010. Read the official announcement and amendments made [here](#).

CBIC cautions taxpayers regarding Fraudulent Calls, SMS, and Emails

The Central Board of Indirect Taxes and Customs, via their official Twitter handle, has bewared the taxpayers on not falling prey to fraudulent calls, SMS or emails, and has clarified that the Indian Customs never calls or sends messages for paying duty in a personal bank account.

CBIC makes amendments in the Exchange Rate of Turkish Lira

CBIC has made amendment in the Notification of the Central Board of Indirect Taxes and Customs No.113/2020-CUSTOMS (N.T.), dated 17th December, 2020 with effect from 31st December, 2020

In the SCHEDULE-I of the said Notification, for serial No. 18 and the entries relating thereto, the following shall be substituted, namely:

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Exported Goods)
18.	Turkish Lira	10.25	9.65

GSTN makes taxpayers aware of New Rule 86 (B) on 1% cash payment of the liability

The GST Portal, via their official Twitter handle, has made the taxpayers aware of the New Rule 86(B) on 1% cash payment of the liability. Read the poster released on the same, [here](#).

CBIC cautions taxpayers on fake matrimonial alliances

The Central Board of Indirect Taxes and Customs, via their official Twitter handle, has bewared the taxpayers of Fake Matrimonial Alliances and clarified that the Indian Customs never calls or sends messages for paying duty in a personal bank account.

CBIC cautions taxpayers on paying duty in a personal bank account

The Central Board of Indirect Taxes and Customs, via their official Twitter handle, has bewared the taxpayers on paying duty in a personal bank account and has clarified that the Indian Customs never calls or sends messages for paying duty in a personal bank account.

9th Instalment of Rs.6,000 crore released to the States as back to back loan to meet the GST compensation shortfall

A total amount of Rs.54,000 crore released so far to all States and UTs with legislation. This is in addition to additional borrowing permission of Rs.1,06,830 lakh crore granted to the States.

CBIC releases "Misconceptions Vs. Reality" under Rule 86B

The Central Board of Indirect Taxes and Customs, via their official Twitter handle, has released "Misconceptions Vs. Reality" under Rule 86B. Read the misconceptions about the 1% payment of tax liability in cash in GST under Rule 86B [here](#).

CBIC Bewares Taxpayers of Free Gifts and Huge Discounts

The Central Board of Indirect Taxes and Customs, via their official Twitter handle, has bewared the taxpayers of Free Gifts and Huge Discounts and clarified that the Indian Customs never calls or sends messages for paying duty in a personal bank account.

D. MCA UPDATES

MCA allows companies to conduct their EGMs through VC or OAVM or transact items through postal ballot up to 30th June 2021

The Ministry of Corporate Affairs has decided to allow companies to conduct their EGMs through VC or OAVM or transact items through the postal ballot in accordance with the framework provided in the below-mentioned circulars up to 30th June 2021.

MCA clarifies that there is no change in the additional fee logic of eForm MGT-7 and AoC-4/AOC-4 XBRL/AOC-4 CFS/AOC-4 NBFC for the FY 2019-20 w.e.f 01 January 2021

The Ministry of Corporate Affairs has clarified that there will be no change in the additional fee logic eForm MGT-7 and AoC-4/AOC-4 XBRL/AOC-4 CFS/AOC-4 NBFC for the FY 2019-20 w.e.f 01 January 2021, since the extension was provided to all the companies for conducting AGM and not for filing the form.

MCA makes optional the Field 'SRN of the application filed for extension' (GNL-1) in eForm MGT-7 for FY 2019-20 w.e.f 01 January 2021

The Ministry of Corporate Affairs has made the Field 'SRN of the application filed for extension' (GNL-1) in eForm MGT-7 optional for FY 2019-20 w.e.f. 1st January 2021 due to blanket extension provided for all companies to conduct AGM.

MCA starts the process of deactivating the non-compliant DINs, who have not filed DIR-3 KYC for FY 2019-20 up to 31.12.2020

The Ministry of Corporate Affairs has clarified that the last date for filing DIR-3 KYC for the Financial Year 2019-20 has expired on 31st December 2020. Consequently, the process of deactivating the non-compliant DINs is in progress and will be completed shortly.

ICAI announces regarding extension of time period, of the name reserved through SPICE+ under Rule 9, upon payment of certain fees

With regard to MCA's announcement dated 24th December 2020, wherein, the [Companies \(Incorporation\) Third Amendment Rules, 2020](#) were released by the competent authority, the Institute of Chartered Accountants of India has announced regarding extension of the time period, of the name reserved through SPICE+ under Rule 9, upon payment of certain fees.

[MCA likely to revise eForm SH-7 w.e.f 25th December 2020](#)

The Ministry of Corporate Affairs has made an announcement that they are likely to revise eForm SH-7 on the MCA21 Company Forms Download page w.e.f 25th December 2020.

E. MINISTRY OF FINANCE UPDATES

[Ministry of Finance releases Prevention of Money Laundering \(Maintenance of Records\) Fourth Amendment Rules, 2020](#)

[Central Government notifies the dealers in precious metals, precious stones as "persons carrying on designated businesses or professions"](#)

[Central Government notifies Real Estate Agents as persons carrying on designated businesses or professions](#)

F. SHARES AND STOCK UPDATES

[CCI approves acquisition by Jamnalal Sons Private Limited of 51% of equity share capital of Mukand Sumi Special Steel Limited](#)

The Competition Commission of India (CCI) approves acquisition by Jamnalal Sons Private Limited ("JSPL/Acquirer") of 51% of the equity share capital of Mukand Sumi Special Steel Limited ("MSSSL/Target") under Section 31(1) of the Competition Act, 2002.

[CCI approves acquisition by TPG Growth V SF Markets Pte. Ltd. of 8% \(approx.\) of the equity shareholding of API Holdings Private Limited](#)

The Competition Commission of India (CCI) approves acquisition by TPG Growth V SF Markets Pte. Ltd. ("TPG/Acquirer") of 8% (approx.) of the equity shareholding of API Holdings Private Limited ("API/Target") under Section 31(1) of the Competition Act, 2002.

G. OTHER UPDATES

[RoDTEP Scheme gets implemented from 1st January 2021](#)

Taking a major step to boost exports, Government has decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021.

[Reserve Bank of India introduces the RBI-Digital Payments Index](#)

The Reserve Bank of India has constructed a composite Digital Payments Index (DPI) to capture the extent of digitization of payments across the country.

[Year End Review - 2020 for Department for Promotion of Industry & Internal Trade](#)

To improve the Ease of Doing Business in the country, the emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient and effective. Check out the entire report [here](#).

RBI releases Report on Trend and Progress of Banking in India 2019-20

This Report presents the performance of the banking sector, including co-operative banks, and non-banking financial institutions during 2019-20 and 2020-21 so far. The broad theme of this year's report is the impact of COVID-19 on banking and non-banking sectors, and the way forward.

Quality Review Board releases Report on Audit Quality Review

The Quality Review Board of India has released a Report on Audit Quality Review wherein, they have reviewed all the aspects of how an audit was performed in entities selected on a risk-based approach and have now, published their findings on the same. To download the report, [click here](#).

IBBI invites applications from eligible candidates for engagement as Research Associates on a contract basis

The Insolvency and Bankruptcy Board of India (IBBI) established under the Insolvency and Bankruptcy Code, 2016 invites applications from eligible candidates for engagement as Research Associates on contract basis to assist the Board in the discharge of its functions under the Insolvency and Bankruptcy Code, 2016.

ICAI Invites Comments on Exposure Drafts of Forensic Accounting and Investigation Standards (FAIS)

The Institute of Chartered Accountants of India is inviting comments on Exposure Drafts of Forensic Accounting and Investigation Standards. The Last Date for Submitting Comments is January 28, 2021.

Provisional List of IPs prepared during the period January 1, 2021 - June 30, 2021

The Insolvency and Bankruptcy Board of India has prepared the Provisional List of IPs prepared during the period January 1, 2021 - June 30, 2021.

PM releases the 7th installment of financial benefit under PM Kisan Samman Nidhi

The Prime Minister, Shri Narendra Modi today released the 7th instalment of financial benefit under PM Kisan Samman Nidhi through a video conference. 9 crore farmer families get the benefit, 18000 crore Rs deposited via DBT.

Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme implemented

The benefit of RoDTEP would be available subject to the conditions, restriction, exclusions, ineligibility, and fulfillment of the procedural requirements as notified.

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