

NEWSLETTER

September 2021

J P Chawla & Co. LLP

Chartered Accountants

Taxation | **Audit** | Outsourcing | Regulatory | **Transaction Advisory** | **Business Intelligence**



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India's economic growth signals an increased demand despite speculations of a slump. Indian economy is coping with the issues of supply shortage in terms of goods and labor. On goods side the pressure is coming from imports, increased prices, and disruption in China, while in case of labor the migration which happened due to covid and re adjustment of thought processes of workers looking for better opportunities in new economy has created a temporary shortage. The inflation in the B2B market is impacting margins of old economy companies, while companies like infotech and pharma continue to prosper. The coming festive season of October to December will create additional demand pressures on Indian companies , with supply chain challenges.

The government has notified the extension of the Foreign Trade Policy 2015-20 by six months to March 31, 2022. Following the outbreak of Covid-19, the policy was first extended by a year to the end of March 2020 and then to September 2020.

According to the Minister of State for Finance, a triple growth is expected in value to INR 6,20,700 crore (US\$ 82.7 billion) by 2025 in the fintech industry. The fintech market in India was valued at INR 1,920 billion (US\$ 26.09 billion) in 2019. India's skilled manpower and technological ability makes it an ideal location for financial technology development.

In Direct taxes the due date of filing of Income Tax returns, reports and various audit reports have been extended. On indirect tax side various clarifications on doubts related to scope of Intermediary have been issued in form of circular also certain clarifications in respect of certain other GST related issues have been issued with a notification of certain GST rate changes.

In regulations, respective ROC's vide their order dated 23.09.2021 extended the time to hold the AGM, other than the first AGM for the Financial year ended as on 31.03.2021 for Companies which are unable to hold their AGM for such period within the due date of holding the AGM by a period of two months from the due date by which the AGM ought to have been held in accordance with the provisions of sub-section (1) to section 96 of the Act, without requiring the Companies to file applications for seeking such extension by filling the prescribed Form No. GNL-1.

We sincerely hope this volume of newsletter will update you regarding new developments in the area of Business, Tax, Assurance & Accounting and regulations.

Happy Reading!!

Sincerely Yours,
Rajat Chawla
Managing Partner & CEO
New Delhi

From launching PLI schemes to good growth in manufacturing sectors, the economy has shown signs of improvement as 'V-shaped recovery', partly driven by increased demand for Indian products.

Economic and Trade highlights in September 2021:

- **Govt extends foreign trade policy till March next year** - The government has notified the extension of the Foreign Trade Policy 2015-20 by six months to March 31, 2022. Following the outbreak of Covid-19, the policy was first extended by a year to the end of March 2020 and then to September 20.
- **India's fintech market to triple to INR 6.2 trillion by 2025: MoS Finance Karad** - According to the Minister of State for Finance, a triple growth is expected in value to INR 6,20,700 crore (US\$ 82.7 billion) by 2025 in the fintech industry. The fintech market in India was valued at INR 1,920 billion (US\$ 26.09 billion) in 2019. India's skilled manpower and technological ability make it an ideal location for financial technology development.
- **India emerges as Dubai's second-biggest trade partner** - According to official news, India has overtaken China as Dubai's second-largest trading partner, with a total volume of INR 773.85 billion (US\$ 10.40 billion) in the first half of 2021. From US \$ 10.40 billion to US\$ 18.12 billion in H1 2020, trade with India increased by 74.5% year on year.
- **Government Notifies PLI Scheme for Automobile & Auto** - The Government has issued notification regarding Production Linked Incentive (PLI) Scheme for Automobile & Auto components to make India future-ready. It is estimated that over a period of 5 years, the PLI Scheme will lead to fresh investments of over INR 42,500 crores, incremental production of over INR 2.3 lakh crore and will create additional employment opportunities of over 7.5 lakh jobs.
- **India, UAE to sign trade pact by Mar 2022** - Official discussions between India and the United Arab Emirates (UAE) have begun on a Comprehensive Economic Partnership Agreement (CEPA), which aims to boost bilateral trade and investment.
An agreement is expected to be clinched within the next 6 months. Within five years of the accord's signing, a new strategic economic agreement between the two countries is projected to grow bilateral trade in goods to US\$ 100 billion and expand trade in services to US\$ 15 billion.
- **India's copper import rises 26% in Q1: Report** - According to the International Copper Association, the June quarter of 2021-22 evidenced a 26% increase to 60,766 tonnes from India's copper import and is projected to see significant recovery from COVID-related limitations. According to the report, the country's copper imports might reach 3 lakh tonnes as economic growth accelerates.
- **India and Singapore to link their digital payment systems, says RBI** - The central banks of India and Singapore announced that they will integrate their digital payment systems for "instant, low-cost cash transactions," with the project expected to be completed by July 2022. Linking Reserve Bank's UPI and Monetary Authority of Singapore's will be a "milestone in the development of infrastructure for cross-border payments", said the Indian central bank in a press statement.

- **Drugs and Pharma sectors lead growth in exports from SEZs** - With an increase of 41.5% (YOY), India's exports from special economic zones (SEZs) to INR 2.15 lakh crore (US\$ 29.45 billion) in Q1FY22, led by drugs and pharmaceuticals. Strong performance of the drugs and pharmaceuticals sector claimed the main cause for the increase in SEZ exports in the April-June quarter to satisfy the global demand for medicines in the pandemic.

Goods and Service Tax

Notification No. 35/2021 – Central Tax

Amendment in Rules

Linking of PAN with bank account made mandatory

It is now mandatory for the registered person to provide the details of the bank account while making application for registration, which is in the name of the registered person and obtained on the Permanent Account Number of the registered person.

Also, in case of proprietorship concern, the permanent account number of proprietor shall also be required to link with the Aadhaar number of the proprietor.

Aadhar Authentication

Every registered person shall require to undergo the authentication of Aadhaar number of the following person in case of respective entities in order to be eligible for filling of application for revocation of cancellation of registration, for filling of refund application under rule 89 and 96 of CGST Rules 2017.

Entity	Person required for Aadhaar Authentication
Proprietorship Firm	Proprietor
Partnership Firm	Partner
Hindu Undivided Family	Karta
Company	Managing Director or Any Whole time Director
Association of Person (AOP) or Body of Individuals (BOI) or Society	Member of Managing Committee
Trust	Trustee in the Board of Trustee

If Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents:

- (a) her/his Aadhaar Enrolment ID slip and
- (b) (i) Bank passbook with photograph or
- (ii) Voter identity card issued by the Election Commission of India or
- (iii) Passport or
- (iv) Driving license issued by the Licensing Authority under the Motor Vehicles Act, 1988 (59 of 1988)

Provided further that such person shall undergo the authentication of the Aadhaar number within a period of thirty days of the allotment of the Aadhaar number.

Circular No. 159/15/2021-GST

Clarifying on doubts related to scope of Intermediary

The primary requirement for intermediary Services

1. Minimum of three parties

There are three parties involved in the said intermediary services. two of them transacting in the supply of goods or services or securities (the main supply) and one arranging or facilitating (the ancillary supply) the said main supply. An activity between only two parties can, therefore, NOT be considered as an intermediary service. An intermediary essentially “arranges or facilitates” another supply (the “main supply”) between two or more other persons and, does not himself provide the main supply.

2. Two Distinct Supplies

1) Main supply, between the two principals, which can be a supply of goods or services or securities

2) Ancillary supply, which is the service of facilitating or arranging the main supply between the two principals. This ancillary supply is the supply of intermediary service and is clearly identifiable and distinguished from the main supply.

A person involved in the supply of main supply on principal-to-principal basis to another person cannot be considered as a supplier of intermediary service.

3. Intermediary service provider to have the character of an agent, broker or any other similar person

The role of intermediary is only supportive in nature. The intermediary shall be act as an agent or broker which itself provided in the definition of intermediary. The use of the expression “arranges or facilitates” in the definition of “intermediary” suggests a subsidiary role for the intermediary. It must arrange or facilitate some other supply, which is the main supply, and does not himself provides the main supply.

4. Does not include a person who supplies such goods or services or both or securities on his own account

The intermediary should supply the supporting services to the main supplier and should not be involved in the business of the supply of similar services on its own. It implies that in cases wherein the person supplies the main supply, either fully or partly, on principal-to-principal basis, the said supply cannot be covered under the scope of “intermediary”.

5. Sub-contracting for a service is not an intermediary service

An important exclusion from intermediary is sub-contracting. The supplier of the main service may decide to outsource the supply of the main service, either fully or partly, to one or more sub-contractors. Such sub-contractor provides the main supply, either fully or a part thereof, and does not merely arrange or facilitate the main supply between the principal supplier and his customers, and therefore, clearly is not an intermediary.

6. The specific provision of a place of supply of ‘intermediary services’ under section 13 of the IGST Act shall be invoked only when either the location of supplier of intermediary services or location of the recipient of intermediary services is outside India.

Circular No. 160/16/2021-GST

Clarification in respect of certain GST related issues

Issue 1: Section 16 (4), as amended with effect from 01.01.2021, provides that a registered person shall not be entitled to take the input tax credit in respect of any invoice or debit note for the supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Doubts have been raised seeking following clarification:

1. Which of the following dates are relevant to determine the 'financial year' for the purpose of section 16(4):

- (a) date of issuance of debit note, or
- (b) date of issuance of underlying invoice.

2. Whether any availment of the input tax credit, on or after 01.01.2021, in respect of debit notes issued either prior to or after 01.01.2021, will be governed by the provisions of the amended section 16(4), or the amended provision will be applicable only in respect of the debit notes issued after 01.01.2021?

Clarification

1. With effect from 01.01.2021, section 16(4) of the CGST Act, 2017 was amended vide the Finance Act, 2020, so as to delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit. The amendment made is shown as below:

“A registered person shall not be entitled to take the input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of the financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.”

As can be seen, the words “invoice relating to such” were omitted w.e.f. 01.01.2021.

2. The intent of law as specified in the Memorandum explaining the Finance Bill, 2020 states that “Clause 118 of the Bill seeks to amend sub-section (4) of section 16 of the Central Goods and Services Tax Act so as to delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit.

3. Accordingly, it is clarified that:

- a) w.e.f. 01.01.2021, in the case of debit notes, the date of issuance of debit note (not the date of underlying invoice) shall determine the relevant financial year for the purpose of section 16(4) of the CGST Act.
- b) The availment of ITC on debit notes in respect of amended provision shall be applicable from 01.01.2021. Accordingly, for availment of ITC on or after 01.01.2021, in respect of debit notes issued either prior to or after 01.01.2021, the eligibility for availment of ITC will be governed by the amended provision of section 16(4), whereas any ITC availed prior to 01.01.2021, in respect of debit notes, shall be governed under the provisions of section 16(4), as it existed before the said amendment on 01.01.2021.

Issue 2

Whether carrying physical copy of invoice is compulsory during movement of goods in cases where suppliers have issued invoices in the manner prescribed under rule 48 (4) of the CGST Rules, 2017 (i.e. in cases of e-invoice).

Clarification

1. Rule 138A (1) of the CGST Rules, 2017 inter-alia, provides that the person in charge of a conveyance shall carry— (a) the invoice or bill of supply or delivery challan, as the case may be; and (b) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.
2. Further, rule 138A (2) of CGST Rules, after being amended vide notification No. 72/2020-Central Tax dated 30.09.2020, states that “In case, invoice is issued in the manner prescribed under sub-rule (4) of rule 48, the Quick Reference (QR) code having an embedded Invoice Reference Number (IRN) in it, maybe produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice”
3. A conjoint reading of rules 138A (1) and 138A (2) of CGST Rules, 2017 clearly indicates that there is no requirement to carry the physical copy of tax invoice in cases where e-invoice has been generated by the supplier. After amendment, the revised rule 138A (2) states in unambiguous words that whenever e-invoice has been generated, the Quick Reference (QR) code, having an embedded Invoice Reference Number (IRN) in it, maybe produced electronically for verification by the proper officer in lieu of the physical copy of such tax invoice.
4. Accordingly, it is clarified that there is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier in the manner prescribed under rule 48(4) of the CGST Rules and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice.

Issue 3

Whether the first proviso to section 54(3) of CGST / SGST Act, prohibiting refund of unutilized ITC is applicable in case of exports of goods which are having NIL rate of export duty.

Clarification

1. The term ‘subjected to export duty’ used in the first proviso to section 54(3) of the CGST Act, 2017 means where the goods are actually leviable to export duty and suffering export duty at the time of export. Therefore, goods in respect of which either NIL rate is Notification No. 32/2021 – Central Tax specified in Second Schedule to the Customs Tariff Act, 1975 or which are fully exempted from payment of export duty by virtue of any customs notification or which are not covered under Second Schedule to the Customs Tariff Act, 1975, cannot be considered to be subjected to any export duty under Customs Tariff Act, 1975.
2. Accordingly, it is clarified that only those goods which are actually subjected to export duty i.e., on which some export duty has to be paid at the time of export, will be covered under the restriction imposed under section 54(3) from avilment of refund of accumulated ITC. Goods, which are not subject to any export duty and in respect of which either NIL rate is specified in Second Schedule to the Customs Tariff Act, 1975 or which are fully exempted from payment of export duty by virtue of any customs notification or which are not covered under Second Schedule to the Customs Tariff Act, 1975, would not be covered by the restriction imposed under the first proviso to section 54(3) of the CGST Act for the purpose of avilment of refund of accumulated ITC.

Earlier a proviso has been inserted in April to provide that the GSTR-1 and GSTR-3B of a company during the period 27th Day of April 2021 to 31st May 2021 shall be allowed to verify through electronic verification code (EVC). Now the government vide this notification further extend this period as 27th Day of April 2021 to 31st October 2021.

Further it has been clarified that from 1st November 2021 the said proviso shall stand omitted.

Circular No. 161/17/2021-GST

Clarification in respect of certain GST related issues

It is clarified that a company incorporated in India and a body corporate incorporated by or under the laws of a country outside India, which is also referred to as a foreign company under the Companies Act, are separate persons under CGST Act, and thus are separate legal entities. Accordingly, these two separate persons would not be considered as “merely establishments of a distinct person in accordance with Explanation 1 in section 8.

Therefore, supply of services by a subsidiary/ sister concern/ group concern, etc. of a foreign company, which is incorporated in India under the Companies Act, 2013 (and thus qualifies as a ‘company’ in India as per Companies Act), to the establishments of the said foreign company located outside India (incorporated outside India), would not be barred by the condition (v) of the sub-section (6) of the section 2 of the IGST Act 2017 for being considered as export of services, as it would not be treated as supply between merely establishments of distinct persons under Explanation 1 of section 8 of IGST Act 2017. Similarly, the supply from a company incorporated in India to its related establishments outside India, which are incorporated under the laws outside India, would not be treated as supply to merely establishments of the distinct person under Explanation 1 of section 8 of IGST Act 2017. Such supplies, therefore, would qualify as ‘export of services’, subject to fulfilment of other conditions as provided under sub-section (6) of section 2 of IGST Act.

Important Rate Changes Notifications

Description	Old Rate	New Rate
Sub-contractors providing works contract services on buildings owned by an entity registered under section 12AB of the Income Tax Act, and used for carrying out the activities of providing, centralized cooking or distribution, mid-day meals under the mid-day meal scheme sponsored by the Central Government, State Government, Union territory or local authorities	18%	12%
All transfers of intellectual property rights, or permitting usage of such rights, whether permanent or temporary	12%	18%
Services by way of job work in relation to manufacture of alcoholic liquor for human consumption	12%	18%
Services by way of printing of all goods falling under Chapter 48 or 49 including newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	12%	18%

Important Rate Changes Notifications

Description	Old Rate	New Rate
Services by way of charitable activities, running old age homes, renting of religious places, rehabilitation, therapy or counselling and training or coaching relating to arts or culture or sports, provided by an entity registered under Section 12AB of the Income Tax Act	18%	Nil
Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India.	-	Nil
Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	Nil	18%
Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022	-	Nil

Direct Tax

Notification of Specified Banks for Section 194P

The Central Government notifies specified Banks to mean a banking company which is a scheduled bank and has been appointed as agents of Reserve Bank of India under section 45 of the Reserve Bank of India Act, 1934 (2 of 1934).

- [Notification No. 98 /2021]

Notification of Procedure for Section 194P

The CBDT has specified the furnishing of declaration in Form 12BBA and providing evidence of claims by specified Senior citizens to the specified bank for the purpose of TDS deduction u/s 194P.

- [Notification No. 99 /2021]

Authentication of an electronic record under Electronic Verification Code (EVC) in Faceless Assessment

The CBDT has inserted a new rule "Rule 14C" which prescribes the manner of authentication of electronic records under the Electronic Verification Code (EVC). The rule specifies when an assessee or other person submits document under Faceless Assessment by logging into his registered account in the designated portal of the Income-tax Department, it shall be deemed that the electronic record has been authenticated under electronic verification code (EVC).

- [Notification No. 101 /2021]

Insert of New clause in Rule 11UAC

Rule 11UAC prescribes the specified class of persons on whom the provisions of Section 56(2)(x) are not applicable. The CBDT has inserted a new clause in Rule 11UAC, "any movable property, being equity shares, of the public sector company, received by a person from the Central Government or any State Government under strategic disinvestment".

- [Notification No. 105 /2021]

Notification of Income Tax Authority for Section 142

The CBDT has prescribed the income tax authority, not below the rank of Income-tax Officer who has been authorised by Central Board of Direct Taxes for the purpose of issuing the notice u/s 142(1).

- [Notification No. 109 /2021]

Exemption from deduction of TDS u/s 194A in case of Scheduled Tribe

The Central government has notified that no TDS is required to be deducted u/s 194A when the payment of interest is being made by a scheduled bank located in the specified area to the Scheduled Tribe. Following are the conditions prescribed

- a) The bank satisfies that the receiver is a member of Scheduled Tribe residing in a specified area and payment is arising under Section 10(26) of the Income Tax Act. The receiver is provide the necessary documentary evidence for the amount received u/s 10(26) of the Income Tax Act.
- b) The bank is required to report the above transactions in the TDS return.
- c) The maximum amount does not exceed INR 20 lakhs.

- [Notification No. 110 /2021]

Extension of Safe Harbour Rules

The CBDT has extended the safe harbour rules for the AY 2021-22.

- [Notification No. 110 /2021]

Extension of ITR and Audit Reports

The due date of filing of Income Tax Reports and various audit reports have been extended

S.no.	Compliance	Extended Due Date
1.	Filing of ITR of Individual, HUF and other entities who are not required to get its books of accounts audited	December 31st, 2021
2.	Filing Tax Audit Report and other Income Tax reports	January 15th, 2022
3.	Filing of Transfer Pricing Certificate (Form 3CEB)	January 31st, 2022
4.	Filing of ITR of Entities who are required to get books of accounts audited but not required to file Transfer Pricing Certificate	February 15th, 2022
5.	Filing of ITR of Entities who are required to file Transfer Pricing Certificate	February 28th, 2022
6.	Filing of Revised/Belated ITR for AY 2021-22	March 31st, 2022

- [Circular No. 17 of 2021]

Extension of Compliances

The following compliances have been extended

- a) Time limit for intimation of the Aadhaar number to the Income-tax Department for linking of PAN with Aadhaar has been extended from September 30th, 2021 to March 31st, 2022.
- b) The due date for completion of penalty proceedings under the Act has also been extended from September 30th, 2021 to March 31st, 2022.
- c) The time limit for issuance of notice and passing of the order by the Adjudicating Authority under the Prohibition of Benami Property Transactions Act, 1988 has also been extended to March 31st, 2022.

- [Notification No. 113 of 2021]

Assurance & Accounting

Indian Accounting Standards (Ind AS)/ Accounting Standards (AS)

Exposure Draft of Revised AS 36, Impairment of Assets

The Indian Accounting Standards (Ind AS), as notified by the Ministry of Corporate Affairs in February 2015, and as amended from time to time are applicable to the specified class of companies as per Ind AS Roadmap. Accounting Standards notified under Companies (Accounting Standards) Rules, 2021 and those issued by the ICAI are applicable to entities to whom Ind AS are not applicable. However, on the basis of the discussions held at various standard setting forums, it has been decided to revise Accounting Standards (AS). Accordingly, ASB is working on the project of revision of these standards which will be applicable to entities to whom Ind AS are not applicable. While formulating these Accounting Standards, the ASB decided to maintain the consistency in the numbering of AS with Ind AS numbering.

In this regard, it may be mentioned that the entire set of revised Accounting Standards will consist of 32 standards which are at various stages of formulation. So far Exposure Drafts of 22 revised standards have been issued. The entire set of revised standards replacing the existing standards will be implemented together from a future date.

In this direction, the Exposure Draft of revised AS 36, Impairment of Assets, has been issued by the ASB for comments.

This document of exposure draft is available at <https://resource.cdn.icai.org/66263asb53539.pdf> and comments on this can be offered by 30th September 2021.

Exposure Draft of Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12, Income Taxes

The Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB). In this regard, it may be noted that IFRS Standards are being issued/revised by the IASB from time to time. As a part of convergence with IFRS Standards, Ind AS may be issued/revised corresponding to the IFRS Standards. Accordingly, whenever any amendments are made or new IFRS Standard/IFRIC by the IASB, the Accounting Standards Board (ASB) of the ICAI considers and issues amendments to Ind AS. While doing so, keeping in view the Indian conditions and circumstances, wherever considered appropriate, necessary changes are also proposed to the Ind AS.

In this regard, the Accounting Standards Board has issued Exposure Draft of amendments in Ind AS 12 corresponding to IASB's amendments in IAS 12 on Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The draft amendments aim at narrowing the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The aim of the draft amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

This document of exposure draft is available at <https://resource.cdn.icai.org/66631asb53794.pdf> and comments on this can be offered by 25th October 2021.

Exposure Draft of Guidance Note on Division I, II and III- Non Ind AS Schedule III to the Companies Act, 2013

Schedule III to the Companies Act, 2013 ('the Act') provides the manner in which every company registered under the Act shall prepare its Balance Sheet, Statement of Profit and Loss and notes thereto. In the light of various economic and regulatory reforms that have taken place for companies over the last several years, there was a need for harmonizing and synchronizing the notified Accounting Standards as applicable ('AS'/'Accounting Standard(s)').

Recently MCA has made major amendments/additions in schedule III. ICAI has issued a guidance note on schedule III. This Guidance Note also incorporates the changes made by various MCA notifications up to 31 March 2021 to Division I to Schedule III (hereinafter, referred to as 'Schedule III'). Guidance notes are issued on all three divisions (i.e., Division I, II and III).

Currently, these guidance notes are issued in draft form and available for public comments. Following are the details for guidance notes:

Section	Link for access
Exposure draft of revised guidance note on division I – Non-IND AS Schedule III to the Companies Act, 2013	https://resource.cdn.icai.org/66368clcg53609-a.pdf
Exposure draft of revised guidance note on division II – IND AS Schedule III to the Companies Act, 2013	https://resource.cdn.icai.org/66369clcg53609-b.pdf
Exposure draft of revised guidance note on division III –Schedule III to the Companies Act, 2013 (For NBFC- on which Ind AS is applicable)	https://resource.cdn.icai.org/66370clcg53609-c.pdf

Comments on these guidance notes can be offered by 10th September 2021.

Regulations

Company/LLP Law Updates

Extension of Time for Holding of Annual General Meeting for the Financial Year Ended as On 31.03.2021 in Terms of Third Proviso to Section 96(1) of The Companies Act, 2013(The Act)

Respective ROC's vide their order dated 23.09.2021 extended the time to hold the AGM, other than the first AGM for the Financial year ended as on 31.03.2021 for Companies which are unable to hold their AGM for such period within the due date of holding the AGM by a period of two months from the due date by which the AGM ought to have been held in accordance with the provisions of sub-section (1) to section 96 of the Act, without requiring the Companies to file applications for seeking such extension by filling the prescribed Form No. GNL-1.

It is hereby further clarified that the extension granted under this order shall also cover the:

1. Pending applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, which are yet to be approved.
2. Applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, which were rejected.
3. Applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, where the extension approved was for a period of less than two months.

It is also clarified that the extension granted under this order shall not cover the applications filed in form GNL-1 for the extension of AGM for the financial year ended as on 31.03.2021, where the extension approved was for a period of more than Two months.

Extension of Last Date of Filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014

Ministry of Corporate Affairs vide General circular no. 15/2021 has decided that if the cost audit report for the financial 2020-21 is submitted by the cost auditor to the Board by 31.10.2021, it would not be viewed as violation of rule 6(5) of Companies (cost records and audit) Rules, 2014. Further, in case a Company has got extension of time for holding Annual General Meeting under section 96(1) of the Act then e-Form CRA-4 may be filed within the timeline provided under the proviso to rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014.

TAX CALENDER																																		
October-2021																																		
	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31			
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Regulation																																		
Obligation																																		
7	FEMA																																	
7	Income Tax																																	
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