

07TH MARCH, 2021

VOLUME 25

# Weekly Taxation Newsletter

from 26.02.2021 to 06.03.2021



Knowledge Sharing Initiative

## Experts Panel

 CS LALIT RAJPUT

 CA HEER GAJJAR

 CS NISCHAL SURANA

## Weekly Taxation Newsletter

Let's Build Something Together



### Newsletter Contents:

- Upcoming Due Dates
- Weekly Departmental updates
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### Dear Readers,

We are delighted to share our 25<sup>th</sup> Newsletter “Weekly Taxation Newsletter” dated 07<sup>th</sup> March, 2021 from 26<sup>th</sup> February, 2021 to 06<sup>th</sup> March, 2021 with you. This newsletter is a weekly compilation of interesting and latest news related to tax including upcoming Timelines / Due Dates, Notifications / Press Information, Case Laws, International Taxation etc.

- Stay updated, Stay connected

### □ Under the Income Tax act, 1961

| Sl. | Compliance Particulars                                                                                                                                                                                                                                                                                                                 | Due Dates  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1   | Due date of depositing TDS/TCS liabilities for previous month.                                                                                                                                                                                                                                                                         | 07-03-2021 |
| 2   | Equalization Levy is a direct tax, which is withheld at the time of payment by the service recipient where the annual payment made to one service provider (Non Residents only) exceeds Rs. 1,00,000 in one financial year for the specified and notified services.                                                                    | 07-03-2021 |
| 3   | Due date of Fourth instalment of advance tax for FY 2020-21<br>Last date of depositing the fourth instalment of advance tax (if liable to pay any) for FY 2020-21. It is also the due date for making payment of advance tax by those individuals who are covered under the presumptive taxation scheme under sections 44AD and 44ADA. | 15-03-2021 |

### □ Under the GST, 2017

#### A. Non Resident Tax Payers, ISD, TDS & TCS Taxpayers

| Form No.       | Compliance Particulars                                        | Timeline                 | Due Date   |
|----------------|---------------------------------------------------------------|--------------------------|------------|
| <b>GSTR -6</b> | Every Input Service Distributor (ISD)                         | 13th of succeeding month | 13.03.2020 |
| <b>GSTR -7</b> | Return for Tax Deducted at source to be filed by Tax Deductor | 10th of succeeding month | 10.03.2020 |
| <b>GSTR -8</b> | E-Commerce operator registered under GST liable to TCS        | 10th of succeeding month | 10.03.2020 |

**B. Filing Form GSTR-1:**

| Tax period                         | Due Date   | Remarks                                                                                                            |
|------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------|
| Monthly return<br>(February, 2021) | 11.03.2020 | Taxpayers having an aggregate turnover of More than Rs. 1.50 Crores (> Rs 1.50 Cr) or opted to file Monthly Return |

**G. GST Refund:**

| Form No. | Compliance Particulars           | Due Date                                                             |
|----------|----------------------------------|----------------------------------------------------------------------|
| RFD -10  | Refund of Tax to Certain Persons | 18 Months after the end of quarter for which refund is to be claimed |

**□ Weekly Departmental updates: Income Tax**

**1. Govt extends deadline for filing declarations under Vivaad Se Vishwas scheme till Mar 31**

The government has extended the last date for availing of the direct tax Vivaad Se Vishwas dispute resolution scheme to March 31, 2021, from the earlier date of February 28. This is the fifth extension of the scheme.



“CBDT further extends the date for filing of declarations under the Vivaad Se Vishwas Act, 2020 to March 31, 2021. Date for payment without additional amount under VsV extended to 30th April, 2021,” the income tax department said in a Twitter post.

**2. Finance Minister Nirmala Sitharaman says EPS tax limit ‘can be reviewed’**

*Sitharaman has also said there is no plan to merge EPF with the National Pension Scheme and they will continue to remain in their present forms.*

Finance Minister Nirmala Sitharaman said she is “open” to revising the Rs 2.5 lakh annual tax-free deposit cap on Employees’ Provident Fund (EPF) savings announced in the Union Budget 2021.

Commenting on the Budget 2021, Sitharaman said she was confident that “every number has been vetted for being achievable”, adding it was “put through the wringer repeatedly”.

On divestment target, she said the target set could appear to be modest, but she would “rather be cautious than stand up and say later that I went wrong”.

## ❑ Important Circulars and Notifications:



| Sl. | Particulars of the Notification(s)                                                                                                    | File No. / Circular No.                                   | Notification Link(s) |
|-----|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------|
| 1.  | Amendments in Direct Tax Vivad se Vishwas Act                                                                                         | [Notification No. 09/2021/ F.No. IT (A)/01/2020-TPL       | <a href="#">LINK</a> |
| 2.  | Amendments in the Jurisdiction Order No.3/2020 dated 22.12.2020                                                                       | F. No. Pro CCIT(IT)/ Delhi/Juris/ Eq. Levy /2020-21/ 1414 | <a href="#">LINK</a> |
| 3.  | CBDT issues notification for extension of due date till 31st March, 2021 for filing DTVSV Forms under DTVSV Act, 2020                 | DTVSV Forms                                               | <a href="#">LINK</a> |
| 4.  | FAQs on Video Conferencing and Seek Adjournment,                                                                                      | FAQs                                                      | <a href="#">LINK</a> |
| 5.  | Partial modification of the notification – “f the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020” | Notification No. 10/ 2021/F. No. 370142/ 35/2020-TPL      | <a href="#">LINK</a> |

## ❖ Weekly Departmental updates:

### ❑ GST Updates

1. Taxpayers are required to select their business activity only once, as - Manufacturer, wholesaler/ Distributor/ Retailer, service providers & others post login based on highest turnover amongst them. You can change the same later.

### **2. GST officers arrest person for defrauding exchequer Rs 13.76 crore**

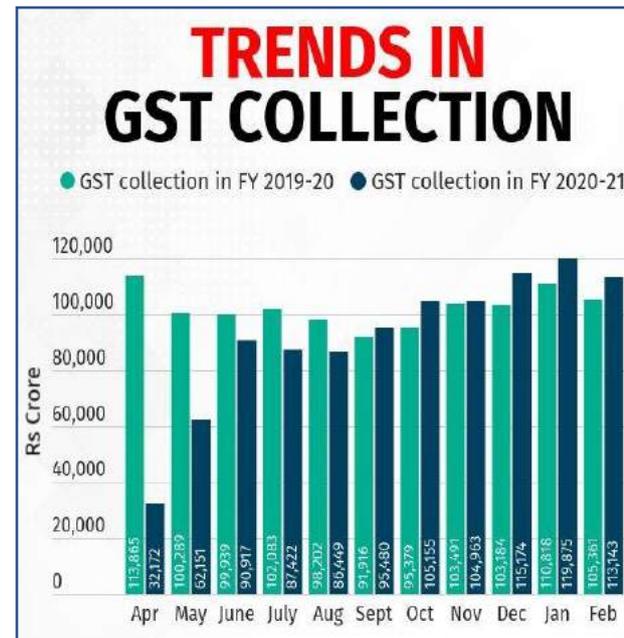
Based on investigation, it appeared that PSR Metals was involved in using bazaar scrap to manufacture battery lead and was using the input tax credit of fresh batteries while clearing these new batteries without issuance of invoices.



### 3. At Rs 1.13 lakh crore, GST collections cross Rs 1 lakh crore mark for 5th month in a row in February

GST collection in February stood at Rs 1.13 lakh crore, 7 percent higher year-on-year, but lower than an all-time high of nearly Rs 1.20 lakh crore in January, official data showed on 01<sup>st</sup> March 2021.

Out of the total for February, Central GST was Rs 21,092 crore, State GST was Rs 27,273 crore, Integrated GST was Rs 55,253 crore (including Rs 24,382 crore collected on import of goods) and compensation cess was Rs 9,525 crore (including Rs 660 crore collected on import of goods).



### 4. Govt extends due date for filing FY20 GST annual returns till March 31

This is the second extension given by the government. The deadline was earlier extended from December 31, 2020, to February 28. Government has decided to further extend the due date for furnishing of GSTR-9 and GSTR-9C.

### 5. Bringing petroleum products under GST will be good move: Chief economic advisor

*Continuous rise in fuel prices has burdened the common man and become a political issue in states where assembly elections are due.*

Chief Economic Advisor K V Subramanian has backed a proposal to bring petroleum products under the ambit of the Goods and Services Tax (GST). “It will be a good move, but the decision rests with the GST Council,” Subramanian said during a recent interaction with FICCI FLO members. Petroleum Minister Dharmendra Pradhan had also urged Union Finance Minister Nirmalya Sitharaman to bring petroleum products under the ambit of the GST.

### 6. GST Amnesty: SC refuses to direct finance ministry to extend scheme

The Supreme Court on Thursday refused to direct the finance ministry to extend the goods and services tax (GST) amnesty scheme till the Covid -19 pandemic exists in India, saying it was “a policy decision exclusively within the domain of the government”.

A Bench led by justice DY Chadrachud rejected one Bilaspur-based trader Satyakam Arya’s plea to direct the central government and the GST Council to extend the amnesty scheme and give more time to small businesses and MSMEs to file their returns.

It would be inappropriate for this court to entertain a petition of this nature, such as extension of the amnesty scheme; a cap on the late fee to be collected; exemption of late fee paid for a period between March 25, 2020, and June 30, 2020, and refund of the amount already collected towards late fee.”

### □ Important Notifications under Excise / Custom/ GST:



| Sl. No. | Department | Particulars of the Notification(s)                                                                                                                                                                                                                                                                                | File No. / Circular No.               | Notification Link(s) |
|---------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------|
| 1.      | GST        | Seeks to notify persons to whom provisions of sub-section (6B) or sub-section (6C) of section 25 of CGST Act will not apply.                                                                                                                                                                                      | 03/2021-Central Tax dated 23.02.2021  | <a href="#">LINK</a> |
| 2       | GST        | Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 31.03.2021.                                                                                                                                                   | 04/2021-Central Tax dated 28.02.2021  | <a href="#">LINK</a> |
| 3.      | GST        | Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 - Reg.                                                                                                                                   | 146/02/2021-GST                       | <a href="#">LINK</a> |
| 4.      | Custom     | Notification in relation to Land Customs Stations and routes "the river route as per the Protocol on Inland Water Transit and Trade between India and Bangladesh connecting Tribeni (Bandel) in India to Bangladesh" by amendment of Principal Notification No. 63/1994-Customs (N.T.) dated 21st November, 1994. | 27/2021 – Customs (NT) d.t 05.03.2021 | <a href="#">LINK</a> |
| 5.      | Custom     | Seeks to further amend notification No. 6/2016-Customs (ADD) dated 8th March, 2016 to extend the levy of Anti-Dumping duty on Phenol originating in or exported from European Union and Singapore, up to and inclusive of 7th June, 2021.                                                                         | 11/2021-Cus (ADD), dt. 03-03-2021     | <a href="#">LINK</a> |
| 6.      | Custom     | Seeks to impose anti-dumping duty on imports of 'Black Toner in powder form' originating in or exported from China PR, Malaysia, and Chinese Taipei for a period of 5 years from the date of imposition of provisional ADD, i.e. from 10th August 2020.                                                           | 12/2021-Cus (ADD), dt. 05-03-2021     | <a href="#">LINK</a> |

## □ Important Case-laws

### ➤ Income Tax



#### **1. R. K. JAIN v. Chairman, Income Tax Settlement Commission**

[\[W.P. \(C\) No. 2939 of 2014, dated : 05-12-2014\], Bench : Vibhu Bakhru, J.](#)

Section 18 of the Right to Information Act, 2005, read with section 245BA of the Income-tax Act, 1961 - Power and functions of Information Commission - Administrative order - Petitioner filed an RTI application seeking information with respect to disposal and pendency of matters before Income Tax Settlement Commission (ITSC) - CPIO and Joint Commissioner-ITSC passed an order furnishing certain information - However, certain other information was denied - First Appellate Authority partly allowed appeal - Thereafter, petitioner received an order passed by CPIO denying information sought for on ground that Chairman-ITSC had passed an administrative order nullifying orders passed by CPIO and first appellant authority on ground that they were not designated authorities - HELD: Orders passed under RTI Act in exercise of statutory powers could not be declared as null or void by an administrative order without recourse to hierarchy of authorities as specified in RTI Act - If orders passed by CPIO and first appellate authority were without authority of law, proper and only course would be to file an appeal before Central Information Commission or any other competent judicial forum [Para 6]

✚ [Read Full Judgment at: Click Here](#)

#### **2. Naresh Trehan v. Rakesh Kumar Gupta**

[\[W.P. \(C\) Nos. 85, 202, 206, 207, 214 & 251 of 2010 C.M. Nos. 156, 389, 392, 394, 445 of 2010 & 5560 of 2011, dated : 07-03-2014\], Bench : Vibhu Bakhru, J.](#)

Section 8 of the Right to Information Act, 2005, read with section 138 of the Income-tax Act, 1961 - Exemption from disclosure of information - Personal information - Respondent-departmental informer filed application seeking information and all records available with income-tax department in respect of assesseees for various assessment years on reasoning that he wanted to process information to assist and support Assessing Officer - However, no material was produced to indicate that assessments were not conducted in accordance with law requiring intervention of informant - HELD: Reasoning of respondent was flawed as it would tend to subvert assessment process rather than aiding it and had propensity of interfering in assessment proceedings - If such an idea is accepted, it would enable several bodies to interfere in assessment proceedings and throw up their interpretation of law and

facts as to how an assessment ought to be carried out resulting into multiply litigation - Thus, disclosure of returns and other information relating to assessment of income of an assessee could not be said to be in public interest [Paras 37 and 39].

✚ [Read Full Judgment at: Click Here](#)

## ❑ Important Case-laws

### ➤ GST Law:

#### 1 Authority for Advance Ruling - Karnataka (Advance Ruling)

**Hotel Sandesh Private Limited .**

5% GST applicable for the supply of food inside the restaurant (branch) situated in zoological garden

#### ❑ RULING

The applicable Rate of GST (SGST and CGST) for the supply of food inside the restaurant (branch) situated in zoological garden, Mysuru is 5% (CGST-2.5% & KGST-2.5%), in terms of entry number 7(ii) of the Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended, if separate registration is obtained for the premises or separate account is maintained in respect of the premises.

Alternately, if the applicant maintains common account in respect of both the premises, they need to discharge GST @ 5% (CGST-2.5% & KGST-2.5%) in respect of the supply made at the premises situated at Zoological garden, Mysuru and invariably need to reverse the input tax credit in terms of Section 17 of the CGST Act 2017 read with Rule 42 & 43 of CGST Rules 2017. (Read More at:- [Click Here](#))

#### 2. Authority for Advance Ruling - Karnataka (Advance Ruling)

**Wipro Enterprises Private Limited**

Hand sanitizers are classifiable under Heading 3808 attracting 18% GST

#### ❑ RULING

1. The hand sanitizers are classifiable under Heading 3808 under the Customs Tariff Act.
2. The hand sanitizers are liable to tax at the rate of 9% under CGST Act and at the rate of 9% under the KGST Act.

(Read More at:- [Click Here](#))



## International Taxation Corner (ITC)



### **1. SC ruling: Payments to non-resident firms for software not taxable as royalty**

The Supreme Court on Tuesday ruled that payments made to non-residents for software purchase can't be taxed as royalty, setting at rest a long-standing row. This means tax liability of foreign software seller without a permanent establishment in India would reduce to the 2% equalisation levy introduced via Finance Act 2020, from the 10% royalty tax, which the Indian buyer has hitherto been liable to withhold.

The ruling will lower the cost of software purchases for Indian firms as the overseas sellers may chose to lower prices, taking advantage of the tax relief. Software firms such as IBM India, Samsung Electronics, GE India, Hewlett Packard India, Mphasis and others, which import software for sale in India, are among the principal beneficiaries.

After the SC ruling, such software firms have now been exempted from deducting TDS for purchase of software from foreign software suppliers.

### **2. Relief to NRIs facing double taxation: Information to be submitted by this date**

The Central Board of Direct Taxes (CBDT) has received various representations requesting for relaxation in the determination of residential status for the previous year 2020-21 from individuals who had come on a visit to India during the previous year 2019-20 and intended to leave India but could not do so due to the suspension of international flights.

In this context, CBDT has issued a circular where it has been provided that if any individual is facing double taxation even after taking into account the relief provided by the relevant Double Taxation Avoidance Agreement (DTAA), he/she may furnish the specified information by 31st March, 2021. The information has to be submitted in Form -NR and is to be submitted electronically to the Principal Chief Commissioner of Income-tax (International Taxation).

### **3. Foreign Investors Forum seeks rationalization of tax norms for foreign nationals living in India**

The Foreign Investors India Forum has urged the government to relax tax provisions for foreign nationals working in India and align them with similar provisions in countries like Singapore and China, in a bid to attract investment and encourage high-

flying corporate executives and fund managers having overseas incomes to stay in the country.

Under the current income tax (I-T) provisions, the global income of foreigners is taxed if they stay in India for more than 182 days in a year, thus increasing their personal tax liability in the country. This provision acts as disincentive for foreign nationals, having global income, to stay in India for longer periods.

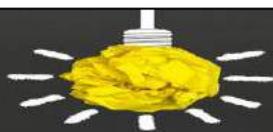
## ➤ Knowledge Bucket for NRI's

### **1. The US tax dept is investigating possible evasion of federal income taxes by the American residents of Indian origin.**

Global banking major HSBC has said it may face "significant" penalties from the US authorities with regard to an ongoing probe into suspected tax evasion by the US-based clients of its Indian unit, among other cases. The US tax department is investigating possible evasion of federal income taxes by the American residents of Indian origin through use of their accounts with HSBC India. (*Read more at: [Click Here](#)*)

### **2. Residential Status**

Residency status, under Indian law, is determined by the duration of physical presence in the country: a person is considered resident if the period of stay in India is 182 days or more; or, if the person has more than Rs15 lakh domestic income and stays for 120 days or more. Unlike a resident whose global income is taxed, NRIs have to pay tax on income earned in India but not on income earned outside India. So, most NRIs plan their visit and duration of stay in India to meet the residency condition and avoid paying tax in India on what they earn outside India.



## DO YOU KNOW?

1. The Central Board of Direct Taxes (CBDT) has ruled out any reconsideration of the equalisation levy, which is popularly referred to as Google tax, as it is imposed on internet and e-commerce firms.
2. Centre Govt. allows import, export of Covid-19 vaccine without any value limitation
3. *PPF stays out of tax on EPF interest*

“The cap is not applicable on PPF because there is already a limit of ₹1.5 lakh contribution in a year to PPF,” the official said. The government has proposed changing taxation rules for provident funds by levying income-tax on the interest earned on contributions exceeding ₹2.5 lakh in a financial year.

4. In the case between S Kumars Nationwide and Chief Commissioner of Income Tax, the NCLAT ruled the liquidator is not required to prepare a balance sheet and profit & loss account and get it audited during the liquidation process.
5. Finance minister Nirmala Sitharaman had announced in the Budget presented on Monday that employee contributions to EPF over ₹2.5 lakh a year would be taxable from April 1. The move is set to impact people with high incomes and high contributions to EPF, but the government has argued that it will affect less than 1% of contributors.

### **Disclaimer:**

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**Thank You**

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**Email us** [cslalitrajput@gmail.com](mailto:cslalitrajput@gmail.com) &  
[caheergajjar@gmail.com](mailto:caheergajjar@gmail.com)

**Contact numbers:** +91 8802581290 / +91 8320203823

**07.03.2021** Vol. 25

