

06TH JULY, 2021

VOLUME 38


Weekly Taxation Newsletter

from 29.06.2021 to 05.07.2021




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
- Important Notifications & Circulars
- Important Case-laws
- International Taxation Corner (ITC)
- Knowledge bucket for NRI
- Brain Bites- Do you Know?



Dear Readers,

We are delighted to share our **38th Newsletter** “**Weekly Taxation Newsletter**” dated **06th July, 2021** from **29th June, 2021 to 05th July, 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**

Due Dates under IT Act 1961

Sl.	Compliance Particulars	Due Dates
1	Due date of depositing TDS/TCS liabilities for previous month.	07-07-2021
2	Due date of depositing TDS/TCS liabilities for the period April to June for quarterly deposit of TDS under section 192, 194A, 194D or 194H	07-07-2021
3	TDS certificate to employees in respect of salary paid (extended date vide Circular no. 9/2021, dated 20-05-2021)	15-07-2021
4	Extended Due date of filing of TDS return for TDS deducted during Q4 of FY 2020-21. The due date for furnishing of quarterly statement of TDS has been extended from May 31, 2021 to June 30, 2021 (vide Circular no. 9/2021, dated 20-05-2021), now it is again changed to July 15, 2021	15-07-2021
5	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB and 194M in the month of April, 2021	15-07-2021
6	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2021	15-07-2021
7	Quarterly statement of TCS deposited for the 1st Quarter	15-07-2021

Income Tax Due Date - Extensions

Sl.	Nature of Extension	Provisions of IT Act 1961	Original Due Date	Extended Due Date
1	The Statement of Deduction of Tax for the last quarter of the Financial Year 2020-21	Rule 31A of the Income-tax Rules, 1962	31.05.2021	on or before 15.07.2021

2	The Certificate of Tax Deducted at Source in Form No.16	Rule 31 of the Income-tax Rules, 1962	15.06.2021	on or before 31.07.2021
3	The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64D for the Previous Year 2020-21	Rule 12CB of the Income-tax Rules, 1962	15.06.2021	on or before 15.07.2021

□ Under the GST, 2017

A. Filing Form GSTR-1:

Tax period	Due Date	Remarks
Monthly return (June, 2021)	11.07.2021	1. GST Filing of returns by registered person with aggregate turnover exceeding INR 5 Crores. 2. Registered person, with aggregate turnover of less than INR 5 Crores, opted for monthly filing of return under QRMP

B. Non Resident Tax Payers, ISD, TDS & TCS Taxpayers

Form No.	Compliance Particulars	Timeline	Due Date
GSTR -6	Every Input Service Distributor (ISD)	13th of succeeding month	13.07.2021
GSTR -7	Return for Tax Deducted at source to be filed by Tax Deductor	10th of succeeding month	10.07.2021
GSTR -8	E-Commerce operator registered under GST liable to TCS	10th of succeeding month	10.07.2021

C. Non Resident Tax Payers, ISD, TDS & TCS Taxpayers

Form No.	Compliance Particulars	Timeline	Due Date
Details of outward supply- IFF	Invoice furnishing facility is available for registered person with turnover less than INR 5 Crores	13th of succeeding month	13.07.2021

	and opted for quarterly filing of return.		
--	---	--	--

D. 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. NITI moots 100% I-T exemption for donations to not-for-profit hospitals:

Government think tank Niti Aayog has suggested 100 per cent income tax exemption for donations and provision of working capital loans with lower interest rates for not-for-profit hospitals to strengthen healthcare services in India. "Income-tax exemption could be increased from the current 50 per cent exemption to 100 per cent exemption for philanthropy toward the identified not-for-profit hospitals. This could be a catalyst in channelizing the much-needed funds to deserving hospitals."



2. Businesses need not deduct TDS on share/commodity purchases via exchanges: CBDT

Businesses buying shares or commodities traded through recognised stock or commodity exchanges for any value even above Rs 50 lakh will not be required to deduct TDS on the transaction. With effect from July 1, 2021, the income tax department has introduced a provision relating to Tax Deducted at Source (TDS) which would be applicable to businesses with turnover of over Rs 10 crore.

Such businesses while making any payments for purchase of goods exceeding Rs 50 lakh in a financial year to a resident would be required to deduct a 0.1 per cent TDS. However, this provision would not be applicable on share or commodity transactions done through stock exchanges.

3. I-T Dept extends deadline for manual filing of forms related to foreign remittances till July 15, 2021

The Income Tax Department on Monday extended the deadline till 15th July, 2021 for manual filing of forms related to foreign remittances. As the new I-T portal faced technical issues after its launch on June 7, 2021 and users complained of glitches, the department had allowed manual filings of Form 15CA/15CB (required for foreign remittances) with banks till June 30, 2021.

CBDT decided to extend the aforesaid date to July 15, 2021. In view thereof, taxpayers can now submit the said forms in manual format to the authorised dealers till 15th July, 2021.

As per the Income Tax Act, 1961, there is a requirement to furnish Form 15CA/15CB electronically.

4. New deadline for employers to issue Form 16 to employees is July 31, 2021 and the individual taxpayer can file the Income Tax Return till September 30, 2021.

- The last date to file income tax return (ITR) for the financial year 2020-21 has been extended till September 30, 2021.
- For FY 20-21, CBDT has extended the due date to file Income Tax Return of Individual Taxpayer to September 30, 2021 (generally 15th July).
- For FY 20-21, CBDT has extended the due date to issue Form 16. New deadline for employer to issue Form 16 to employee is July 31, 2021.

5. Section 206AB will not be Applicable for these Transactions

The newly implemented Section 206AB will not be applicable for TDS deducted under Section 192 for salary or withdrawal from Provident Funds under Section 192A. TDS on winning from the card game, crossword, lottery, puzzle or any other games and horse race under Section 194B or 194BB will not come under the purview of new section. It will not be applicable for TDS on cash withdrawal over Rs 1 crore under Section 194N and income against investment in the securitisation trust under Section 194LBC.

It will not be applicable for deducting TDS on lottery under Section 194B and horse race under Section 194BB. The Non Resident Indians, who do not have any permanent establishment in India, will also be exempted.

❑ Important Circulars and Notifications:



Sl.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	Guidelines under section 194Q of the Income-tax Act, 1961 - reg.	Circular No. 13 of 2021	LINK
2.	Guidelines under section 9B and sub-section (4) of section 45 of the Income-tax Act, 1961, - reg.	Circular No. 14 of 2021	LINK
3.	The Income tax Amendment (18th Amendment), Rules, 2021	[Notification No. 76/2021	LINK

❖ **Weekly Departmental updates:**

❑ **GST Updates**

1. “To check the misuses of PAN in GST Registration, a functionality has been provided at GST Portal to register the complaint. Please see the News and Updates”.

2. **GST 4th anniversary: Finance Ministry to issue appreciation certificates to 54,439 GST payers**

The finance ministry on Wednesday said it will issue certificates of appreciation to over 54,000 GST payers for timely filing of returns and cash payment of the tax, to mark the fourth anniversary of the historic tax reform Goods and Services Tax.

3. **No GST on black fungus drug, rates reduced on several Covid-related essentials**

The GST Council on Saturday, 44th GST Council Meeting, waived tax rates on black fungus drug Amphotericin and reduced rates on several other Covid-related essential items like drugs, ventilators, testing kits and others. However, it has decided to continue with 5 per cent GST rate for Covid vaccines. All these revised rates will be valid till September 30, 2021. Tax on medical grade oxygen, oxygen concentrators, ventilators, BiPAP machines and high flow nasal cannula (HFNC) devices has been cut to 5 per cent from 12 per cent.

4. **GSTN enables functionality to lodge complaint of PAN misuse for GST registration**

“To check the misuses of PAN in GST Registration, a functionality has been provided at GST Portal to register the complaint. GSTN, which handles the technology backbone of the Goods and Services Tax, has enabled an utility to lodge complaints relating to misuse of PAN for obtaining GST registration, a move aimed at curbing creation of bogus entities for the purpose of tax evasion. Any person whose PAN has been misused can lodge such a complaint. Following that, it would be sent to the concerned tax officer under whose jurisdiction the registration has taken place fraudulently for further action.

❑ *To read more: [Click Here](#)*

5. **Petrol, diesel under GST: HC asks Centre to decide**

The Kerala high court has asked the central government to decide on a representation seeking to bring petroleum products under goods and services tax (GST) regime.



A division bench comprising chief justice S Manikumar and justice Shaji P Chaly asked the government to take a decision on the representation raising the demand within six weeks after considering a petition (WP-C No. 12481/2021) filed by Kerala Pradesh Gandhi Darshanvedi through advocate Arun B Varghese. It was alleged by the petitioner that petrol and diesel rates differ in various states as the tax levied by each state is different.

❑ Important Notifications under Excise / Custom/ GST:



❑ GST UPDATES

Sl. No.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1	Functionality to register complaint on misuse of PAN in GST Registration	GSTN Circular 485	Click Here
2	Important changes related to QRMP Scheme implemented on the GST Portal for the taxpayers	GSTN Circular 486	Click Here
3	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	156/12/2021- GST	Click Here

❑ CUSTOM / EXCISE UPDATES

Notification No. & date of Issue	Links	Notification Particulars
34/2021-Cus,dt. 29-06-2021 (Customs)	Click Here	Seeks to reduce the basic custom duty on Crude Palm Oil [1511 10] and Palm Oil other than Crude Palm Oil [1511 90] till 30th September 2021.
58/2021 – Customs (NT) d.t 01.07.2021 (Customs)	Click Here	CRCL Module-forwarding of samples using electronic Test Memo to CRCL and other Revenue Laboratories –reg
Cir No. 12/2021 F. No. 450/ 58/2015-Cus IV(Pt)	Click Here	Implementation of the Sea Cargo Manifest and Transhipment Regulations.
40/2021-Customs (ADD), dt. 30.06.2021	Click Here	Seeks to amend notification No. 34/2016 - Customs (ADD), dated 14th July 2016 to extend the levy of Anti-Dumping duty on 'Plain Medium Density Fibre Board (MDF) having thickness of 6mm and above' originating in or exported from Vietnam, up to and inclusive of 13th March, 2022 .



□ Important Case-laws

➤ Income Tax

1. CIT v/s. Godha Chemicals (P) Ltd

Sec. 80 HHC(4) : Meaning of “along with the Return of Income

Issue:- What is the meaning of “along with the Return of Income” in Sec. 80HHC(4) ?

Court Held:- High Court has interpreted the above provision in the following words :

Expression ‘along with the return of income’ as occurring in sub section (4) of sec. 80HHC could always be interpreted as directory so far it relates to time of filing report and, hence, even if report is filed during assessment proceedings, assesee cannot be denied claim of deduction.

2. IBM India (P) Ltd. v/s. CIT

Sec. 263 : Jurisdiction to issue notice

Issue :- Mere expression that certain expenses were to be examined would give jurisdiction to CIT to issue notice u/s 263 ?

Court Held :- In the case, assessment was completed u/s 143(3). CIT, issued a notice u/s 263 stating that there was a need to examine assessment order on certain aspects. In absence of recording an opinion over why order of assessment required initiation of revisionary proceedings, mere expression that certain items of expenses etc. were required to be examined did not satisfy the requirement of issue of show cause notice u/s 263. Therefore, impugned notice deserved to be quashed.

□ Important Case-laws

➤ GST Law:



1. Supreme Court: Union of India v. Mohit Mineral (P.) Ltd, October 3,2018

Issue: Constitutional validity of Goods and Services Tax (Compensation to States) Act, 2017.

Judgment in brief:

1. The levy of 'compensation to States' Cess is an increment to 'goods and services' tax which is permissible in law.

2. The petitioner is not entitled for any set off of payments made towards Clean Energy Cess in payment of Compensations to States Cess.

3. The GST Compensation to States Act, 2017 does not violate Constitution (One Hundred and First Amendment) Act, 2016 nor is against the objective of Constitution (One Hundred and First Amendment) Act, 2016 and the compensation to States Act is not a colourable legislation.

✚ **Read judgement at: [Click Here](#)**

2. Supreme Court State of Uttar Pradesh Vs Kay Pan Fragrance (P.) Ltd NOVEMBER 22, 2019

Issue: Issue: The appeal was filed by State of Uttar Pradesh against the interim order of Hon'ble High Court directing State to release seized goods, subject to deposit of security other than cash or bank guarantee or in alternative, indemnity bond equal to value of tax and penalty to satisfaction of Assessing Authority?

Judgment in brief: The Hon'ble apex court held that: There is no reason why any other indulgence need be shown to the assessee, who happens to be the owners of the seized goods. **They must take recourse to the mechanism already provided for in the Act and the Rules for release, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum (even upto the total value of goods involved), respectively, as may be prescribed or on payment of applicable taxes, interest and penalty payable, as the case may be, as predicated in Section 67 (6) of the Act.** In the interim orders passed by the High Court which are subject-matter of assail before this Court, the High Court has erroneously extricated the assessee concerned from paying the applicable tax amount in cash, which is contrary to the said provision.

The orders passed by the High Court which are contrary to the stated provisions shall not be given effect to by **the authorities, instead, the authorities shall process the claims of the concerned assessee afresh as per the express stipulations in Section 67 of the Act read with the relevant rules in that regard.** In terms of this order, the competent authority shall call upon every assessee to complete the formality strictly as per the requirements of the stated provisions disregarding the order passed by the High Court in his case, if the same deviates from the statutory compliances.

✚ **Read judgement at: [Click Here](#)**

International Taxation Corner (ITC)



1. Foreign crypto exchanges in India may have to pay 18% GST as the government mulls over taxation

With the Indian government mulling over new laws to regulate cryptocurrencies in the country, the indirect tax department is looking into whether overseas exchanges need to pay the Goods and Service Tax (GST) at 18%.

Key Highlights:

- ✚ The Indian government may ask foreign crypto exchanges to pay 18% Goods and Services Tax (GST) on transactions with its citizens.
- ✚ For local crypto exchanges, the 18% tax is usually built into the trading fee charged to customers — akin to how brokerages charge conventional stock trading.
- ✚ India was also reportedly mulling over charging a 2% equalisation levy on transactions with foreign crypto exchanges earlier this month.

The 18% slab is meant for capital goods and industrial intermediaries, among other things, while the highest slab of 28% applies to luxury goods, like automobiles. It's the same as the tax on brokerage with trading in conventional shares on the stock market. Indian crypto exchanges already charge their users GST. The tax is built into the trading fee that exchanges add to the buying price of Bitcoin, Ethereum and more. The exchanges pay GST to the government as part of their general tax payments.

In order to bring them under the tax umbrella, the Indian government could categorise overseas crypto exchanges with Indian users as Online Information Database Access and Retrieval (OIDAR) services.

2. India sees 'consensus' by Oct. on OECD-G20 global tax deal

Key Highlights: *A total of 130 countries on Thursday agreed to an overhaul of global tax norms to ensure multinationals pay taxes wherever they operate and at a minimum 15% rate.*

The proposed solution consists of two components: Pillar One which is about reallocation of additional share of profit to the market jurisdictions and Pillar Two consisting of minimum tax and subject to tax rules. India and majority of the members OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) have adopted outline of a consensus solution to address the tax challenges arising from the digitalisation of economies.

The Finance Ministry announced significant issues including share of profit allocation and scope of subject-to-tax rules were yet to be addressed, and a 'consensus agreement' was expected by October. It provides an objective definition for "largest (sales more than €20 billion) and most profitable (more than 10% global profitability) MNEs to be subject to new nexus and profit allocation rules.

Knowledge Bucket for NRI's**1. NRI investment opportunities and tax implications**

NRI's often used to find investing in Indian capital markets quite cumbersome, with the advent of Aadhaar based KYC, the process of setting up a Demat account and investing through it became convenient.

Taxation on Interest earned on investment made in fixed deposits

Taxation on Interest earned on investment made in fixed deposits from NRE account and interest earned on investment made in FCNR deposits are tax-free. However, interest earned on a savings account and a fixed deposit made from NRO account is taxable. NRIs based out of the Middle East and other developed nations like the US, Canada, UK, etc conventionally have always preferred investing in fixed deposits of the funds they remit as the interest rate has been attractive and tax-free.

NRIs have also been investing in capital markets through mutual funds, direct equity, PMS and insurance products. NRIs based out of the US and Canada have some restrictions on their investment in mutual funds, direct equities and PMS. NRIs based out of other countries can invest in mutual funds, direct equities, unlisted shares, Government securities, debentures and insurance products either on a repatriation or non-repatriation basis.

The tax rate is based on the type of instruments and the holding period of these instruments.

✚ Source: [Click Here](#) {Yudhajit Baul}

❑ Do you know?

1. CBDT Order designating web portal www.incometax.gov.in as the "designated portal" for the purpose of Faceless Assessment Scheme. ([Click Here](#))
2. Processing of returns with refund claims under section 143(1) of the Income-tax Act, 1961 beyond the prescribed time limits in non-scrutiny cases ([Click Here](#))

❑ Disclaimer:

*Every effort has been made to avoid errors or omissions in this material. In spite of this, errors may creep in. Any mistake, error or discrepancy noted may be brought to our notice which shall be taken care of in the next edition. In no event the author shall be liable for any direct, indirect, special or incidental damage resulting from or arising out of or in connection with the use of this information. *(We consider various sources including ET)*

Thank You

06.07.2021 Vol. 38*

Weekly Taxation Newsletter

To subscribe us

Email us eslalitrajput@gmail.com &
caheergajjar@gmail.com

Contact numbers: +91 8802581290 / +91 8320203823



Our Editorial Experts

EXPERT
ADVICE



CS LALIT RAJPUT



CA HEER GAJJAR

**SAVING
MONEY
AND
REDUCE
TAXES**

**TAX
TIME**



38th Weekly Taxation Newsletter

“When a thing is done, it’s done. Don’t look back. Look forward to your next objective.” –George C. Marshall