

ROHINI CPE STUDY CIRCLE

(Awarded for "Best Study Circle" for the year 2009-10 & 2010-11)

of

NORTHERN INDIA REGIONAL COUNCIL

of

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

www.rohinistudycircle.com

Compiled By: CA Ashok Kumar Jain,

FCA, DISA

9810103799

ahpnindia@gmail.com.

Dt: 02nd July, 2021

INCOME TAX



FUNCTIONALITY FOT 206AB & 206CCA

The CBDT has issued Circular and prescribed a new functionality "Compliance Check for Sections 206AB & 206CCA". This functionality is made available through reporting portal of the Income-tax Department. The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person. For PAN Search, response will be visible on the screen which can be downloaded in the PDF format. For Bulk Search, response would be in the form of downloadable file which can be kept for record.(Circular No 11/2021 dated 21th June,2021.)

EXTENSION OF INCOME TAX DATES

The CBDT has issued circular and extended the following dates for Income Tax compliances.

- 1) Objections to Dispute Resolution Panel (DRP) and Assessing Officer under section 144C of the Act. for which the last date of filing under that Section is 1st June. 2021 or thereafter, may be filed within the time provided in that Section or by 31 st August. 2021, whichever is later;
- 2) The Statement of Deduction of Tax for the last quarter of the Financial Year 2020-21 , required to be furnished on or before 31 st May, 2021 under Rule 31A of the Income-tax Rules,1962 (hereinafter referred to as "the Rules"), as extended to 30th June, 2021 vide Circular NO.9 of 2021 , may be furnished on or before 15th July. 2021;
- 3) The Certificate of Tax Deducted at Source in Form No.16, required to be furnished to the employee by 15th June, 2021 under Rule 31 of the Rules, as extended to 15th July, 2021 vide Circular NO.9 of 2021 , may be furnished on or before 31 st July. 2021 ;

EXTENSION OF INCOME TAX DATES

- 4) 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 , required to be furnished on or before 15th June, 2021 under Rule 12CB of the Rules, as extended to 30th June, 2021 vide Circular NO.9 of 2021 , may be furnished on or before 15th July. 2021
- 5) The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64C for the Previous Year 2020-21, required to be furnished on or before 30th June, 2021 under Rule 12CB of the Rules, as extended to 15th July, 2021 vide Circular NO.9 of 2021 , may be furnished on or before 31st July 2021
- 6) The application under Section 10(23C), 12AB, 35(1)(ii)(ia)(iii) and 80G of the Act in Form No. 10Af Form No.10AB. for registration! Provisional registration! intimation! approval! provisional approval of Trusts Institutions Research Associations etc. required to be made on or before 30th June. 2021 . may be made on or before 31 st August, 2021 ;
- 7) The compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in Section 54 to 54GB of the Act, for which the last date of such compliance falls between 1st April ,2021 to 29th September, 2021 (both days inclusive), may be completed on or before 30th September, 2021

EXTENSION OF INCOME TAX DATES

- 8) The Quarterly Statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021 , required to be furnished on or before 15th July, 2021 under Rule 37 BB of the Rules, may be furnished on or before 31st July, 2021
- 9) The Equalization Levy Statement in Form No.1 for the Financial Year 2020- 21 , which is required to be filed on or before 30th June, 2021 , may be furnished on or before 31st July,2021
- 10) The Annual Statement required to be furnished under sub-section (5) of section 9A of the Act by the eligible investment fund in Form No. 3CEK for the Financial Year 2020-21 , which is required to be filed on or before 29th June, 2021 , may be furnished on or before 31st July,2021
- 11) Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending on 30th June, 2021 , which is required to be uploaded on or before 15th July,2021 , may be uploaded by 31 st August,2021
- 12) Exercising of option under sub-section (1) of Section 245M of the Act in Form No. 34BB which is required to be exercised on or before 27th June, 2021 may be exercised on or before 31st July, 2021.(Circular No 12/2021 dated 25th June,2021.)

SELECTION AND COMPLETION OF INCOME TAX CASES

The CBDT has issued Notification that the completion of any action, referred to in clause (a) of subsection (1) of section 3 of the said Act, relates to passing of any order :

(a) for assessment or reassessment under the Income-tax Act, and the time limit for completion of such action under section 153 or section 153B thereof, expires on the 30th day of June, 2021 due to its extension by the said notifications, such time limit shall further stand extended to the 30th day of September, 2021;

(b) for imposition of penalty under Chapter XXI of the Income-tax Act, —

(i) the 29th day of September, 2021 shall be the end date of the period during which the time limit specified in, or prescribed or notified under, the Income-tax Act falls for the completion of such action; and

(ii) the 30th day of September, 2021 shall be the end date to which the time limit for completion of such action shall stand extended;

SELECTION AND COMPLETION OF INCOME TAX CASES

(ii) the compliance of any action, referred to in clause (b) of sub-section (1) of section 3 of the said Act, relates to intimation of Aadhaar number to the prescribed authority under sub-section (2) of section 139AA of the Income-tax Act, the time-limit for such the compliance of such action shall stand extended to the 30th day of September, 2021;

(B) where the specified Act is the Chapter VIII of the Finance Act, 2016 (28 of 2016) (hereinafter referred to as the Finance Act) and the completion of any action, referred to in clause (a) of sub-section (1) of section 3 of the said Act, relates to sending an intimation under sub-section (1) of section 168 of the Finance Act, and the time limit for completion of such action expires on the 30th June, 2021 due to its extension by the said notifications, such time limit shall further stand extended to the 30th day of September, 2021. (Notification No 74/2021 dated 25th June, 2021).

EXTENSION OF VIVAD SE VISHWAS SCHEME

The CBDT has issued Notification and extended the last date of payment under scheme extended up to 31st August,2021 without additional amount and 31st October,2021 with additional amount.(Notification 75/2021 dated 25th June ,2021.)

CLARIFICATION ON SECTION 194Q

The CBDT has issued Circular and clarified that:

- Section not applicable on transaction through recognised stock exchange and power exchange
- If the events had happened before 1st July 2021 , that transaction would not be subjected to the provisions of section 194Q of the Act.
- The threshold of fifty lakh rupees is with respect to the previous year, calculation of sum for triggering TDS under section 194Q shall be computed from 1stApril, 2021.
- Tax shall be deducted under section 194Q of the Act on the amount credited without including GST
- The provisions of section 194Q of the Act shall not apply to a non-resident whose purchase of goods from seller resident in India
- The provisions of section 194Q of the Act shall not apply on purchase of goods from a person, being a seller, who as a person is exempt from income tax under the Act (like person exempt under section 10) or under any other Act passed by the Parliament (Like RBI Act, ADB A)

CLARIFICATION ON SECTION 194Q

- The provisions apply on payment or credit whichever is earlier, the provisions of section 194Q of the Act shall apply to advance payment made by the buyer to the seller.
- Total sales or gross receipts or turnover from the business carried on by him exceeding ten crore rupees during the financial year immediately preceding the financial year in which the purchase of good is carried out. Since this condition would not be satisfied in the year of incorporation, the provisions of section 194Q of the Act shall not apply in the year of incorporation.
- The sales or gross receipts or turnover from business carried on by him must exceed Rs 10 crore. His turnover or receipts from non-business activity is not to be counted for this purpose.
- If tax has been deducted by the e-commerce operator on a transaction under section 194-0 of the Act [including transactions on which tax is not deducted on account of sub-section (2) of section 194-0], that transaction shall not be subjected to tax deduction under section 194Q of the Act.
- Though sub-section (IH) of section 206C of the Act provides exemption from TCS if the buyer has deducted tax at source on goods purchased by him, to remove difficulties it is clarified that this exemption would also cover a situation where instead of the buyer the e-commerce operator has deducted tax at source on that transaction of sale of goods by seller to buyer through e-commerce operator.

CLARIFICATION ON SECTION 194Q

- If a transaction is both within the purview of section 194-0 of the Act as well as section 194Q of the Act, tax is required to be deducted under section 194-0 of the Act and not under section 194Q of the Act.
- The primary responsibility is on e-commerce operator to deduct the tax under section 194-0 of the Act and that responsibility cannot be condoned if the seller has collected the tax under sub-section (I H) of section 206C of the Act. This is for the reason that the rate of TDS under section 194-0 is higher than rate of TCS under sub-section (I H) of section 206C of the Act.
- If a transaction is both within the purview of section 194-Q of the Act as well as sub-section (I H) of section 206C of the Act, the tax is required to be deducted under section 194-Q of the Act. The transaction shall come out of the purview of sub-section (1 H) of section 206C of the Act after tax has been deducted by the buyer on that transaction. Once the buyer has deducted the tax on a transaction, the seller is not required to collect the tax under sub-section (I H) of section 206C of the Act on the same transaction. However, if, for any reason, tax has been collected by the seller under sub-section (I H) of section 206C of the Act, before the buyer could deduct tax under section 194-Q of the Act on the same transaction, such transaction would not be subjected to tax deduction again by the buyer. This concession is provided to remove difficulty, since tax rate of deduction and collection are same in section 194Q and subsection (IH) of section 206C of the Act. (Circular no 13/2021 dated 30th June ,2021.).

UDIN UPDATION

- The CBDT has extended the last date for updating UDINs for all the IT forms at the e-filing portal to 31st August,2021.

GST/CUSTOM



GST ON ANGANWADI

The CBIC has issued Circular and it is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations Educational institutions as defined in the notification include aganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporate. (Circular No 149/05/2021 dated 17th June,2021.)

GST ON ANNUITY

The CBIC has issued Circular and it is hereby clarified that Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads. (Circular No 150/05/2021 dated 17th June,2021.)

GST ON ROPEWAY

The CBIC has issued Circular and it is hereby clarified that, works contract service provided by way of construction such as of rope way shall fall under entry at sl. No. 3(xii) of notification 11/2017-(CTR) and attract GST at the rate of 18%. (Circular No 152/08/2021 dated 17th June,2021.)

GST ON SUPPLY OF FLOUR & RICE TO GOVT

The CBIC has issued Circular and it is hereby clarified that in case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3 A of Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 11/2017- Central Tax (Rate) dated 28.06.2017). Combined reading of the definition of job-work makes it clear that a person registered only for the purpose of deduction of tax under section 51 of the CGST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate. (Circular No 153/09/2021 dated 17th June,2021.)

GST ON GOVT GUARANTEE ON LOANS

The CBIC has issued Circular and it is hereby clarified that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.(Circular No 154/10/ 2021 dated 17th June,2021.)

GST ON DRIP IRRIGATION SYSTEM

The CBIC has issued Circular and it is hereby clarified that laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading. (Circular No 155/11/ 2021 dated 17th June,2021.)

CLARIFICATION ON DYNAMIC Q.R CODE

The CBIC has issued Circular and it is hereby clarified that any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code.

Given that UPI ID is linked to a specific bank account of the payee/ person collecting money, separate details of bank account and IFSC may not be provided in the Dynamic QR Code. In such cases where the payment is collected by some person, authorized by the supplier on his/ her behalf, the UPI ID of such person may be provided in the Dynamic QR Code, instead of UPI ID of the supplier.

In such cases, where the invoice number is not available at the time of digital display of dynamic QR code in case of over the counter sales and the invoice number and invoices are generated after receipt of payment, the unique order ID/ unique sales reference number, which is uniquely linked to the invoice issued for the said transaction, may be provided in the Dynamic QR Code for digital display.

(Circular No 156/12/ 2021 dated 21st June,2021.)

WAIVER OF PENALTY FOR NON COMPLIANCE OF QR CODE

The CBIC has issued Notification and wave the penalty for non compliance of Notification 14/2020 dated 21st March,2021 ie issue of Invoices with QR code up to 30th September,2021.(Notification No 28/2021 dated 30th June,2021).

MISCELLANEOUS



Miscellaneous

PASSING OF RESOLUTIONS

The MCA has issued Circular and it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in the aforesaid Circulars upto 31st December, 2021. All other requirements provided in the said Circulars shall remain unchanged.(Circular No 10/2021 dated 23rd June,2021.)

AMENDMENT IN ACCOUNTING STANDARD RULES

The MCA has issued notification and (1) The Central Government hereby specifies Accounting Standards 1 to 5, 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India, which are specified in the Annexure to these rules. (2) The Accounting Standards shall come into effect in respect of accounting periods commencing on or after the 1st day of April, 2021. (Notification dated 23rd June, 2021.

UDIN AMNESTY SCHEME BY ICSI

The ICSI has issued Circular that All active UDINs generated from the effective date of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 i.e. October 1, 2019 and to be generated upto the validity of the scheme i.e. June 30, 2021 shall be eligible for availing benefit under the Amnesty Scheme. Other conditions of the Amnesty Scheme shall remain the same. (General Circular dated 23rd June, 2021.)

NO ADDITIONAL FEES FOR FILING FORMS

The MCA has issued general Circular and it has been decided to grant additional time upto 31st August, 2021 for companies/LLPs to file such forms (other than a CHG-1 Form, CHG-4 Form and CHG-9 Form) without any additional fees. Accordingly, no additional fees shall be levied upto 31st August, 2021 for the delayed filing of forms (other than charge related forms referred above) which were /would be due for filing during 1st April, 2021 to 31st July, 2021. For such delayed filings upto 31st August, 2021 only normal fees shall be payable.(General Circular No 11/2021 dated 30th June,2021.)

RELAXATION IN CHARGE FORMS

The MCA has issued General Circular that in case a form is filed in respect of the period beginning from 01.04.2021 and ending on 31.07.2021 shall not be reckoned for the purpose of counting the number of days under section 77 or section 78 of the Act. In case, the form is not filed within such period, the first day after 01.04.2021 shall be reckoned as 01.08.2021 for the purpose of counting the number of days within which the form is required to be filed under section 77 or section 78 of the Act. (General Circular No 12/2021 dated 30th June,2021.)

COMPLIANCE DATES FOR JULY,2021

7th July	Deposit of TCS/TDS for the month of June,2021.
10th July	Filing of GSTR-7 for the month of June,2021.
10th July	Filing of GSTR-8 for the month of June,2021.
11th July	Filing of GSTR-1 for the month of June,2021.
13th July	Filing of GSTR-1/IFF for the Quarter/Month ended 30th June,2021.
13th July	Filing of GSTR 6 for the month of June 2021.
15th July	Deposit of P F for the month of June,2021.
15th July	Deposit of ESI for the month of June,2021.
15th July	Filing of TDS Return for the Quarter ended March,2021.

DISCLAIMER : Although due care has been taken while compiling the above details, yet the author carries no responsibility for any inadvertent misquoting. Please check the relevant source before relying on any of the compilations. The notification and circulars covered under the compilation are chosen which are considered important and not all, issued under the relevant statute

COMPLIANCE DATES FOR JULY,2021

15th July	Filing of TCS Return for the Quarter ended 30th June,2021
20th July	File GSTR-3B Return for the month of June, 2021.(Turnover Above 5 crore) .
20th July	File GSTR-5A Return for the month of June,2021.
22nd July	File GSTR-3B Return for the month/Quarter ended June, 2021.(Turnover Below 5 crore) for specified states.
24th July	File GSTR-3B Return for the month/Quarter ended June,2021.(Turnover Below 5 crore) for specified states.
31st July	Downloading of TDS certificate for the quarter ended 31st March,2021.
31st July	Filing of TDS Return for the Quarter ended June,2021.
31st July	GSTR-4 for the year 2020-21.

DISCLAIMER : Although due care has been taken while compiling the above details, yet the author carries no responsibility for any inadvertent misquoting. Please check the relevant source before relying on any of the compilations. The notification and circulars covered under the compilation are chosen which are considered important and not all, issued under the relevant statute



Thank
you

