

DEVMANTRA TIMES

OCTOBER EDITION

ISSUE NO : 10, DATE : 01ST OCTOBER 2021

Editorial

Dear Readers,

We welcome you to the eighth edition of Devmantra Times for the month of October 2021.

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We welcome you to the eighth edition of Devmantra Times for the month of October 2021.

September has been full of activity & achievements for Devmantra. We believe that our clients' success is the right index to measure our performance and begin with congratulating Leap Finance and Leap Scholar. Kudos to their great achievements!!

Another milestone that has brought immense happiness is the success of boot camp program 'Access to Finance and Investment' conducted by CWE with Global partner ITC She Trades, a joint subsidiary organ of the United Nations and the World Trade Organization. Being part of the Program aligns with Dev Mantra's mission of increasing Financial

CONGRATULATIONS

We are proud to be part of the continuing success of Leap Finance and Leap Scholar

Overseas edu venture Leap raises \$55 million

TIMES NEWS NETWORK

Bengaluru: Leap, which helps students study overseas by helping them with test preparation and loans, has raised \$55 million in Series C funding led by Owl Ventures.

The round also saw participation from Harvard Management Company, along with returning investors Jungle Ventures and Sequoia Capital India. The round comes less than six months after Leap raised its Series B which was led by Jungle Ventures, bringing the total capital raised to date to over \$75 million.

Leap runs a million-member strong community of international study aspirants in South Asia and has helped over 60,000 students in their study abroad journey over the last 18 months. Leap's

Leap said they have seen an unprecedented demand from students to move abroad this year

product suite caters to the end-to-end needs of the community, right from international test preparation, professional admissions counseling, student loans, international student bank accounts, foreign currency remittance, and international career guidance. Vaibhav Singh, co-founder of Leap, said they have seen an unprecedented demand from students to move abroad this year as international borders open post-Covid. "We expect million-plus students from the region to move abroad in the next 12 months. This

(fund) raise positions us perfectly to capture a lion's share of that demand," he said.

Amit Patel, managing director in Owl Ventures said the overseas education market is fragmented, with no single one-stop solution. "It can be very confusing for students to know where to begin preparation, what colleges they should target, and how they are going to afford to pay for their education. Leap is creating a comprehensive platform that addresses these preparation and financing needs for students," he said.

Leap will use some of the funds to introduce new products including an international student credit card and insurance products. In August, the company announced that it plans to hire 500 employees by this year-end, in India and abroad.

Literacy. This knowledge is critical for any external investments or other forms of loan/financial support.

By and large our "Online Compliance tracker" has started gaining consistency in popularity among the users and we believe that Compliance is always non-negotiable in any form of business. Once again, we would like to reiterate that this is a unique feature available in the market segment & has proven to benefit our esteemed clients. Through this feature clients can log in & check their statutory compliances any time. Our esteemed clients recognize the differentiated value we bring to them in terms of superior service delivery, sustainable solutions and responsiveness to their needs.

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Economy & Covid

Nearly three-fourths of Indian adults could receive their second vaccine shot by the end of 2021 if the average 7.9 million doses a day recorded between September 1-30 is maintained. Based on this and healthy advance estimates of kharif (summer) crop and faster government spending, ICRA has revised the estimated growth rate of Indian Economy from 8.5% to 9%. Goods and Services Tax (GST) collections hit a five-month high in September, merchandise exports grew a robust 21.4% in the month from a year ago and a private tracker showed that manufacturing activity accelerated - all pointing to strengthening economic recovery as the pandemic eases. The GST collection for September stood at Rs 1.17 lakh crore, the highest since April and 23% higher than Rs 95,480 crore in the year earlier year. The gross collection of direct taxes (before adjusting for refunds) for the FY 2021-22 stands at Rs. 6,45,679 crore compared to Rs. 4,39,242 crore in the corresponding period of the preceding financial year, registering a growth of 47% over collections of FY 2020-21. Despite extremely challenging initial months of the fiscal year 2021-22, the advance tax collection in the second quarter of FY 2021-22 is ₹1,72,071 crore which shows a growth of 51.50% over the corresponding period in FY 2020-21 when the collection was Rs. 1,13,571 crore.

We expect India to have a strong economic growth in the coming quarters, even as inflation, led by food prices, is likely to remain high.

With this edition we bring you a concise, noteworthy regulatory development & interesting case laws in Income Tax, Goods & Services Tax. The sole purpose of this circulation is to update finance professionals and business owners on Direct Tax, Indirect Tax & Corporate Laws. Why this Volume of Newsletter is important for reader?

During the month there have been several amendments. Through the series of this newsletter, we aim at consolidating all relevant Income Tax, Goods & Service Tax and Companies Act notifications, circulars and case laws which may directly or indirectly impact our readers.

At Devmantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.

Last but not least, we would like to wish you in advance Happy Durga Puja & Dussehra in this festive month. May this brings loads of happiness and brings prosperity!!

Regards,
CA. PRATIK NIYOGI, FCA
On behalf of the Editorial Team



REGULATORY UPDATES NOTIFICATION NO. 45/2021, DATED 29-09-2021

No Customs Duty on import of COVID-19 vaccine till 31st December, 2021.

Editorial Note: The Government has issued notification to exempt Customs Duty on import of COVID-19 vaccine till 31st December, 2021. This notification shall come into force on 1st October, 2021.

PUBLIC NOTICE NO. 25/2015-2020, DATED 28-09-2021

Constitution of Group of Ministers for Rate Rationalization and GST System Reforms: Office Memorandum

Editorial Note: The GST Council has decided in its 45th meeting that Group of Ministers (GoMs) would be formed for rates rationalization and GST system reforms separately. Accordingly, GoMs have been constituted and shall give recommendations to the Council.

NOTIFICATION NO. 33/2015-2020, DATED 28-9-2021

Government extended the existing FTP 2015-20 for further 6 Months
Editorial Note: The existing Foreign Trade Policy which is valid up to September 30, 2021 is extended by the Government for further 6 months up to March 31, 2022.

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**NOTIFICATION NO. 75/2021,
DATED 23-09-2021**

**CBIC notifies Electronic Duty
Credit Ledger Regulations, 2021**

RoSCTL Scheme to be continued till
March 31, 2024

Editorial Note: CBIC has notified
Electronic Duty Credit Ledger
Regulations, 2021 for providing
credit under RoDTEP and RoSCTL
scheme. Any shipping bill or bill of
export, presented on or after the 1st
January, 2021 and having a claim of
duty credit under these Scheme,
shall be processed in the customs
automated system.

**NOTIFICATION NO. 28/2015-2020,
DATED 23-09-2021**

**Extension in Export Obligation
period of Advance and EPCG
Authorization till 31st December,
2021**

Editorial Note: The extension has
been provided in Export Obligation
period expiring between 1st August,
2020 and 31st July, 2021 of Advance
and EPCG Authorization till 31st
December, 2021. In this regard,
notification has been issued.

**NOTIFICATION NO. 76/2021,
DATED 23-09-2021**

**CBIC notifies the manner to issue
duty credit for goods exported
under RoDTEP Scheme**

Editorial Note: CBIC has issued
notification to provide the manner to
issue duty credit for goods exported
under the Scheme for Remission of
Duties and Taxes on Exported
Products (RoDTEP).

**CIRCULAR NO. 02/2021-21,
DATED 22-09-2021**

**CBIC issues instructions for
issuing SCNs by officers in time
bound manner**

Editorial Note: The CBIC has
issued instructions for issuing show
cause notices (SCNs) by GST
officers under section 73 or 74 in
time bound manner.

**CIRCULAR NO. 159/15/2021-GST,
DATED 20-09-2021**

**CBIC issues clarification in
respect of certain GST related
issues on recommendation of
GST Council**

Editorial Note: CBIC has issued
three circulars to provide clarification
on certain issues. First circular
provides clarification on scope of
Intermediary and its services.
Second circular provides clarification
on amendment brought by Finance
Act, 2020, to delink the date of
issuance of debit note from the date
of issuance of the underlying invoice
for availing ITC. Third circular
clarifies a company incorporated in
India and a body corporate
incorporated under foreign laws are
separate persons.

**TRADE NOTICE NO. 18/2021-2022,
DATED 20-09-2021**

**De-Activation of IECs not updated
on the DGFT**

Editorial Note: The DGFT has
issued notice to provide that IECs
which are not yet updated shall be
de-activated with effect from
06.10.2021.

**45TH GST COUNCIL MEETING
–IMPORTANT**

**The changes and clarifications
recommended shall be given
effect through issuance of
respective notifications and
circulars.**

A Summary for quick reference is as
below:

1. Extension of existing concessional
GST rates (currently valid till 30
September, 2021) on following
COVID-19 treatment drugs, up to 31
December, 2021, namely:

- i. Amphotericin B –nil
 - ii. Remdesivir – 5%
 - iii. Tocilizumab –nil
 - iv. Anti-coagulants like Heparin – 5%
- Further, reduction of GST rate to 5%
on more COVID-19 treatment drugs,
up to 31 December, 2021, namely:
- i. Itolizumab
 - ii. Posaconazole
 - iii. Infliximab
 - iv. Favipiravir
 - v. Casirivimab & Imdevimab
 - vi. 2-Deoxy-D-Glucose
 - vii. Bamlanivimab & Etesevimab

2. IGST on import of following
medicines reduced from 12% to NIL,
namely:

- i. Zolgensma for Spinal Muscular
Atrophy
- ii. Viltepso for Duchenne Muscular
Dystrophy
- iii. Other medicines used in
treatment of muscular atrophy
recommended by Ministry of Health
and Family Welfare and Department
of pharmaceuticals.

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3. GST Rate on following goods to be increased. The increase in GST rate will help mines and industries to adjust their ITC accumulated due to inverted duty structure, which was otherwise not eligible for refund.

a. Ores and concentrates of metals such as iron, copper, aluminum, zinc and few others increased from 5% to 18%

b. Specified Renewable Energy Devices and parts from 5% to 12%

c. Cartons, boxes, bags, packing containers of paper etc. from 12/18% to 18%

d. Waste and scrap of polyurethanes and other plastics from 5% to 18%

e. All kinds of pens from 12/18% to 18%

f. Railway parts, locomotives & other goods in Chapter 86 from 12% to 18%

g. Miscellaneous goods of paper like cards, catalogue and printed material (Chapter 49 of tariff) from 12% to 18%

4. GST rate reduced to 5% on Retro fitment kits for vehicles used by the disabled, Fortified Rice Kernels for schemes like ICDS etc., Medicine Keytruda for treatment of cancer and Biodiesel supplied to OMCs for blending with Diesel.

5. MENTHA OIL – Supply of mentha oil from unregistered person has been brought under reverse charge. Further, Council has also recommended that exports of Mentha oil should be allowed only against LUT and consequential refund of input tax credit. Hence export of menthe oil with payment of IGST and getting refund of the same will not be allowed.

6. BRICK KILNS would be brought under special composition scheme with threshold limit of Rs. 20 lakhs, with effect from 1.4.2022. Bricks would attract GST at the rate of 6% without ITC under the scheme. GST rate of 12% with ITC would otherwise apply to bricks.

7. Various state transport authorities are charging GST on transport vehicles given on hire to transport operators. This GST leads to increase in their cost of service as the output service is exempted. GST Council has now clarified that the renting of vehicle by State Transport Undertakings and Local Authorities is covered by expression 'giving on hire' for the purposes of GST exemption

8. There has been long confusion in GST rate on Royalty paid on mining rights for the period 01.07.2017 to 31.12.2018. The confusion has been due to various contrary advance rulings. However it is now clarified that the services by way of grant of mineral exploration and mining rights attracted GST rate of 18% e.f. 01.07.2017.

9. Admission to amusement parks having rides etc. attracts GST rate of 18%. The GST rate of 28% applies only to admission to such facilities that have casinos etc.

10. Now Unutilized balance in CGST and IGST cash ledger may be allowed to be transferred between distinct persons (entities having same PAN but registered in different states), without going through the refund procedure.

11. The GST council had already clarified in its earlier meeting that Interest u/s 50 shall be charged only on delayed payment of tax from cash ledger. There has been continuous effort from the department to demand interest at 24% on all kinds of ITC reversals, even if it is ITC availed and not utilized, causing undue hardship on assesses.

However the GST council has now clarified that section 50(3) of the CGST Act to be amended retrospectively, w.e.f. 01.07.2017, to provide that interest is to be paid by a taxpayer on "ineligible ITC availed and utilized" and not on "ineligible ITC availed". It has also been decided that interest in such cases should be charged on ineligible ITC availed and utilized at 18% w.e.f. 01.07.2017.

12. E-invoice – There is no need to carry the physical copy of tax invoice in cases where invoice has been generated from e-invoice portal having IRN;

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13. As per the provision of section 54(3) of GST law, no refund of unutilized ITC shall be allowed in cases where the goods exported out of India are subjected to export duty. There has been a dispute from department that goods attracting NIL rate of duty is also a rate of duty as per the judgment of Hon'ble Supreme Court and therefore goods attracting NIL rate shall also be considered as goods subject to export duty, hence refund not allowed.

The issue is now 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) of CGST Act, 2017 from availment of refund of accumulated ITC.

14. GST law shall be amended to restrict registered person from filing of FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for the preceding month. Currently the condition is on non-filing of FORM GSTR-3B for the preceding two months.

NOTIFICATION NO. 42/2021-CUSTOMS, DATED 10-09-2021

Basic Customs Duty on Crude Palm Oil, Crude Soyabean oil and Crude Sunflower Oil reduced to 2.5%

Editorial Note: In order to reduce edible oil prices, the CBIC has issued notification to reduce the basic customs duty on Crude Palm Oil, Crude Soyabean oil and Crude Sunflower Oil to 2.5%.

CIRCULAR NO. 158/14/2021-GST, DATED 06-09-2021

CBIC issued clarification regarding extension of time limit to apply for revocation of cancellation of registration

Editorial Note: CBIC has issued a circular to clarify the issues relating to the extension of timelines for application for revocation of cancellation of registration. This circular also clarifies the cases where the due date of filing applications for revocation of registration can be extended further for the period of 60 days (30 + 30) by the Joint Commissioner/ Additional Commissioner/ Commissioner.

RECENT JUDICIAL RULINGS ON GST



CLASSIFICATION OF GOODS

Fruit bowl: Supply of sealed fruit bowl containing only cut fresh fruits without addition of any preservatives

or additives, which are sold under brand name is covered under Entry No. 59 of Schedule I of Notification No. 1/2017 - Central Tax (Rate), dated 28-6-2017 vide Heading No. 1106 and is liable to tax at rate of 5 per cent GST - Juzi Fruits (P.) Ltd., In re - [2021] 130 taxmann.com 243 (AAR - KARNATAKA)

CLASSIFICATION OF SERVICES

Pure Labour Services: Where applicant-Institute which is set up by Central and State Government to cater needs of manpower in technology for country has been receiving funds from Central Government, which substantiates requirement of more than 90 per cent financial participation from Central or State Government, applicant is a Government Entity under GST law - National Institute of Technology, In re - [2021] 130 taxmann.com 244 (AAR - TAMILNADU)

SECTION 2(74) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY

Mixed supply: Where applicant is engaged in process of buying, processing and selling of various varieties of cut fresh/dry fruits and nuts ready for human consumption under specified brand name both directly to customers and other vendors, fruit bowl containing both cut fresh fruits and dry fruits & nuts are forming single contract for supply of both goods and if supplied for a single price would be covered under mixed supply - Juzi Fruits (P.) Ltd., In re - [2021] 130 taxmann.com 243 (AAR - KARNATAKA)

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SECTION 9 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - LEVY AND COLLECTION OF TAX

Where applicant-Government entity is receiving security services from body corporate, it is not liable to pay tax under reverse charge mechanism (RCM), however, it is liable to pay tax under RCM on legal services received by it - National Institute of Technology, In re - [2021] 130 taxmann.com 244 (AAR - TAMILNADU)

SECTION 17 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT

Credit and blocked credit, apportionment of : Where applicant is engaged in process of buying, processing and selling of various varieties of cut fresh/dry fruits and nuts ready for human consumption under specific brandname both directly to customers and other vendors, applicant is eligible for input tax credit on tax paid on inward supplies of inputs and input services involved in supply, which is taxable - Juzi Fruits (P.) Ltd., In re - [2021] 130 taxmann.com 243 (AAR - KARNATAKA)

SECTION 51 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - TAX DEDUCTION AT SOURCE

Where applicant is a body set up by Act of Parliament with more than 51 per cent participation by way of funding, applicant is liable to deduct TDS from its suppliers under section 51 - National Institute of Technology, In re - [2021] 130 taxmann.com 244 (AAR - TAMILNADU)

SECTION 140 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - TRANSITIONAL PROVISIONS - INPUT TAX CREDIT

Transitional arrangement for: Where petitioners filed writ petition seeking direction to respondent authorities to allow petitioners to submit / revise / re-revise electronically, their respective declarations on Form GST TRAN-1 and GST TRAN-2, under provisions of GST Act to carry forward Cenvat and VAT input tax credit, under CGST Act, 2017 and UP GST Act, 2017, it was held that petitioners/'registered persons' were unreasonably obstructed on account of technical glitches and errors on GST Portal during limited time they were required to submit/revise electronically, Form GST TRAN-1/TRAN-2 electronically and, therefore, a reasonable opportunity ought to have been granted to all 'registered persons'/taxpayers to submit/revise/ re-revise electronically their Form GST TRAN-1/TRAN-2 - Ratek Pheon Friction Technologies Pvt. Ltd. v. Principal Commissioner - [2021] 130 taxmann.com 367 (Allahabad)



charged by applicant is eligible for GST exemption as per Sl. No. 54 of Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 - Chellanam Grama Panchayath, In re - [2021] 129 taxmann.com 245 (AAR - KERALA)

SECTION 13 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY

Time of supply of services: Where applicant-builder is seeking advance ruling on question as regards time of supply and point of taxation with respect to flats allotted to landowner by way of supplementary agreement before GST regime whereas construction will be completed during GST regime, as per Notification No. 4/2018, dated 25-1-2018 date of transfer of possession of building or right in it to person supplying development rights will be time of supply and liability to pay tax on said services shall arise on that day, therefore, if applicant has handed over building after inception of CGST & SGST, then liability to pay tax will arise under CGST & SGST - Vajra Infracorp India (P.) Ltd., In re - [2021] 129 taxmann.com 227 (AAR-TELANGANA)

SECTION 17 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - INPUT TAX CREDIT

Credit and blocked credits, apportionment of: Where common credit on input or input services

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INCOME TAX



REGULATORY UPDATES

ORDER F.NO. 225/98/2020-ITA-II, DATED 30-09-2021

CBDT further extends time limit to process refund claimed ITRs filed up to AY 2017-18 to 30-11-2021

Editorial Note: Vide, Order F. No.225/98/2020-ITA-II, dated 5-7-2021, the CBDT has directed that all validity filed returns up to Assessment Year 2017-18 with refund claims, which have become time-barred, can be processed till 30-09-2021. Considering the pendency of taxpayer's grievances, the board has decided to extend the time frame by two months. Now the ITRs shall be processed by 30-11-21.

ORDER F.NO. 299/22/2021-DIR (INV. III)/174, DATED 28-09-2021

CBDT authorized CIT to admit and process application filed before Interim Board by extended due date of 30-09-21

Editorial Note: To provide relief to the taxpayers who were eligible to file application as on 31.01.2021, but could not file the same due to cessation of ITSC vide Finance Act,

the CBDT, vide Press Release, dated 7-9-21 decided that applications for settlement can be filed by 30-09-21 before the Interim Board. Now, the board has authorized the CIT posted as Secretary to the SetCom prior to 01.02.2021 to admit and process such applications.

ORDER F. NO. 187/3/2020-ITA-I, DATED 22-09-2021 Reassessment/set-aside cases where time limit for complication expires on 30-9-21 to be excluded from Sec. 144B

Editorial Note: The CBDT has notified two more situations where the assessment not to be done under the faceless assessment regime. Assessment for cases where afresh assessment to be made due to set-aside of assessment order or assessment to be done under section 147 shall be completed by jurisdictional AO if the time limit for completion expires on 30-9-21. However, such assessment shall be pending with jurisdiction AO as on 11-09-21 or thereafter.

NOTIFICATION NO. S.O. 3814(E) & PRESS RELEASE, DATED 17-09-2021

CBDT extends due dates for linking Aadhaar-PAN, completion of penalty & Benami proceedings

Editorial Note: To address the hardships being faced by various stakeholders, the Central Government has extended the due dates of a few compliances. The last date to link PAN with Aadhaar has been extended to 31-03-2022. The due date for completion of penalty

proceedings has also been extended from 30-09-21 to 31-03-22. Further, the time limit for issuance of notice and passing of order under the Prohibition of Benami Property Transactions Act, 1988 has also been extended to 31-03-22.

NOTIFICATION NO. S.O. 3815(E) & PRESS RELEASE, DATED 17-09-2021

No Sec. 194A TDS on interest paid to resident of Scheduled Tribes areas specified u/s 10(26)

Editorial Note: The Central Board of Direct Taxes (CBDT) has notified that no deduction of tax shall be made under section 194A on the payment in the nature of interest, other than interest on securities, made by a Scheduled Bank located in a specified area, to a member of Scheduled Tribe residing in any specified area as referred to in section 10(26) subject to the fulfilment of prescribed conditions.

NOTIFICATION NOS. S.O. 3800 & S.O. 3801, DATED 16-09-2021

CBDT notifies 2 more pension funds for Sec. 10(23FE)

Editorial Note: The Central Board of Direct Taxes (CBDT) has notified two more pension funds namely, the 2452991 Ontario Limited and the 276522 Ontario Limited for the purpose of exemption under section 10(23FE). The notified funds shall be eligible to claim exemption in respect of investment made in India on or before 31-03-2024 subject to prescribed conditions.

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NOTIFICATION NO. G.S.R. 627(E), DATED 13-09-2021

CBDT notifies 'income-tax authority' to serve notice u/s 142(1)(i) asking assessee to furnish ITR

Editorial Note: The CBDT has prescribed that the income-tax authority under second proviso to section 142(1)(i) shall be an income-tax authority not below the rank of Income-tax Officer who has been authorized by the board to act as such authority to serve notice asking assessee to furnish ITR.

NOTIFICATION NOS. S.O. 3680(E), 3681(E), S.O. 3679(E), S.O. 3678(E) AND G.S.R. 623(E), DATED 10-09-2021

Govt. notifies numerous tax concessions to ease 'Air India' divestment

Editorial Note : The Government has notified several tax concessions to ease privatization of Air India. TDS/TCS provisions shall not be applicable on transfer of goods. Any transfer of capital asset by Air India shall not be regarded as transfer to attract capital gains. Further the provisions of section 56(2)(x) shall also be not applicable.

PRESS RELEASE, DATED 07-09-2021

Taxpayers eligible to file application before SetCom as on 31-01-21 can file it before Interim Board by 30-9-21: CBDT

Editorial Note: In order to provide relief to the taxpayers who were eligible to file application as on 31.01.2021, but could not file the

same due to cessation of ITSC vide Finance Act, 2021, it has been decided that applications for settlement can be filed by the taxpayers by 30th September, 2021 before the Interim Board subject to fulfillment of prescribed conditions.

Circular No. 17 / 2021 dated 9th September 2021

Extended dates

1. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 31st July 2021 under sub-section (1) of section 139 of the Act, as extended to 30th September, 2021 vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 31st December, 2021

2. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which is 30th September 2021, as extended to 31st October 2021 vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 15th January, 2022

3. The due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21, which is 31st October 2021, as extended to 30th November 2021 vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 31st January, 2022

4. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31st October 2021 under sub-section (1) of section 139 of the Act, as extended to 30th November 2021 vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 15th February, 2022

5. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 30th November 2021 under sub-section (1) of section 139 of the Act, as extended to 31st December 2021 vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 28th February, 2022

6. The due date of furnishing of belated/revised Return of Income for the Assessment Year 2021-22, which is 31st December 2021 under sub-section (4)/subsection (5) of section 139 of the Act, as extended to 31st January, 2022, vide Circular NO.9/2021 dated 20.05.2021, is hereby further extended to 31st March, 2022;

Clarification 1: It is clarified that the extension of the dates as referred to in clauses (9), (12) and (13) of Circular NO.9/2021 dated 20.05.2021 and as referred to in clauses (1), (4) and (5) of this Circular shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees.

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Clarification 2: For the purpose of Clarification 1, in case of an individual resident in India referred to in sub-section (2) of section 207 of the Act, the tax paid by him under section 140A of the Act within the due date.

PRESS RELEASE, DATED 07-09-2021

CBDT extends benefit of authenticating electronic records under EVC to persons required to do so by digital signature

Editorial Note: In order to provide the benefit of the simplified process of authentication of electronic records by EVC, the CBDT has been decided to extend the simplified process of authentication by EVC to persons who are mandatorily required to authenticate electronic records by digital signature.

CIRCULAR NO. F NO. 187/3/2020-ITA-I, DATED 06-09-21

Cases not created on ITBA due to technical bugs or not having PAN to be excluded from Faceless Assessment: CBDT

Editorial Note: The CBDT has notified exclusion to case where Assessment Order not to be passed under faceless assessment regime. The Board has notified that Assessment Orders in cases where pendency couldn't be created on ITBA because of technical reasons or cases not having a PAN shall not be passed by the National Faceless Assessment Centre under section 144B.

NOTIFICATION NO. G.S.R. 616(E), DATED 06-09-2021

CBDT prescribes manner for authenticating electronic records under EVC for faceless assessment

Editorial Note: The CBDT has prescribed manner for authenticating electronic records under electronic verification code (EVC) as required by section 144B (7) (i) (b). It is provided it shall be deemed that the electronic record has been authenticated under electronic verification code if an assessee or any other person submits an electronic record by logging into his registered account in designated portal of the Income-tax Department.

NOTIFICATION F. NO.225/97/2021 /ITA-II, DATED 06-09-2021 CBDT notifies procedure for handling assessment if case is transferred by NFAC to Jurisdictional AO

Editorial Note: Section 144B(8) of the Income-tax Act provides that National Faceless Assessment Centre may for transfer case to Jurisdictional Assessing Officer at any stage of assessment proceedings. The board has notified that the procedure for handling of assessment by Jurisdictional AO in respect of assessments/penalties transferred out of Faceless Assessment under section 144B / Faceless Penalty Scheme, 2021

Relief for Road Contractors; NHAI to pay GST on Annuity under HAM Model

Editorial Note: The Govt. issued a clarification on applicability of GST on road construction under HAM Model that NHAI would reimburse/pay GST on Annuity payment for the projects where bid due date is before 16-06-2021. Whereas after 16-06-2021, GST would be payable by contractors on Annuity and interest amount & TDS under GST would also be applicable.

NOTIFICATION NO. S.O. 3615(E), DATED 02-09-2021

CBDT notifies 'Real Estate Regulatory Authority' for exemption under section 10(46)

Editorial Note: The Central Board of Direct Taxes (CBDT) has notified 'Real Estate Regulatory Authority', constituted by the Government, in exercise of powers conferred under section 20(1) of the Real Estate (Regulation and Development)

NOTIFICATION NO. 99 /2021, DATED 02-09-2021

CBDT notifies Form 12BBA to be submitted by senior citizens wishing to claim benefit of Sec. 194P

Editorial Note: The board has notified a new Rule 26D to provide that senior citizens are required submit Form 12BBA with specified bank in order to claim the benefit of section 194P. The board has also amended Form 16, Form 24Q, Form 26QC and Form 26QD to incorporate necessary changes related to provisions of section 194P.

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NOTIFICATION NO. S.O. 3595(E), DATED 02-09-2021

CBDT notifies 'specified bank' for the purpose of TDS u/s 194P in case of specified senior citizen

Editorial Note: To provide relief to the senior citizens (whose age is 75 years or more) and to reduce compliance burden on them, the Finance Act, 2021, has inserted Section 194P. This provision requires a 'specified bank' to deduct tax if deductee is maintaining an account with it in which he is receiving his pension income. The CBDT has notified such 'specified bank' as banking company/scheduled bank defined under Sections 45A & 2 of RBI Act, 1934.

CIRCULAR NO. 16/2021, DATED 29-08-2021

CBDT extends due dates for filing of various forms

Editorial Note: Due to the difficulties reported by the taxpayers & other stakeholders, the CBDT has issued Circular No. 16/2021 for extending the due dates for e-filing of certain forms under the Income-tax Act, 1961. The due date for filing of application for registration or approval under Section 10(23C), 12A, 35 and 80G also stands extended to 31st March 2022.

NOTIFICATION F.NO. 370142/47/2021-TPL, DATED 28-08-2021

CBDT releases draft Rule & Forms to implement amendments made by TLA 2021; invites public comments

Editorial Note: The CBDT has proposed to insert a new Rule 11UE along with Forms 1 to 4 which specify the conditions to be fulfilled and the process to be followed to give effect to the amendments made by the Taxation Law (Amendment) Act, 2021 [TLA 2021]. TLA 2021 has been enacted to provide relief to certain entities impacted by the retrospective amendments made by the Finance Act 2012 relating to indirect transfer of assets situated in India.

PRESS RELEASE, DATED 27-08-2021

Income-Tax Dept. conducts searches in Rajkot and Visakhapatnam

Editorial Note: The Income-tax dept. has carried out search operations on group based in Rajkot and Visakhapatnam. Group based in Rajkot is among Gujarat's prominent real estate builders & developers and is actively engaged in real estate, construction and land trading businesses. The search and seizure operation has resulted in detection of concealment of income in excess of Rs. 300 crore.

NOTIFICATION NO. G.S.R. 578(E), DATED 18-08-2021

CBDT notifies Rules prescribing 'any other person' to verify ITR & appear before authorities for Co./LLP

Editorial Note: The CBDT has inserted two new Rules, i.e., Rule 12AA & Rule 51B to the Income-tax Rules, 1962. Rule 12AA prescribes 'any other person' who shall verify

Income-tax Returns in case of companies and Limited Liability Partnership (LLP). Similarly, Rule 51B prescribes 'any other person' who shall be treated as authorized representative before any income-tax authority.

President Ram Nath Kovind gives assent to the Taxation Laws (Amendment) Act, 2021

Editorial Note: The Taxation Laws (Amendment) Bill, 2021 has received the assent of the President, Shri Ram Nath Kovind, on 13th August, 2021. The Taxation Laws (Amendment) Act, 2021 (No. 34 of 2021) has revoked the retrospective applicability of the amendments made in Section 9 by the Finance Act, 2012

CIRCULAR NO. 1/2021-22/439, DATED 9-8-2021

NFAC issues SOPs for Penalties under Faceless Penalty Scheme, 2021

Editorial Note : National Faceless Assessment Centre, Delhi, has issued Standard Operating Procedures (SOPs) with the approval of CBDT for completing the penalties under the Faceless Penalty Scheme, 2021.

NOTIFICATION NO. G.S.R. 551(E), DATED 10-08-2021

CBDT notifies Rule for computation of tax relief on Book Profits increased due to APA/Secondary Adjustments

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Editorial Note: The Finance Act, 2021 has inserted a sub-section (2D) to Section 115JB to provide that AO, on an application by the assessee, shall re-compute book profit of the past years and tax payable thereon if assessee's current year's income has increased due to repatriation on account APA or secondary adjustment. The CBDT has notified Rule 10RB prescribing manner for computation of relief in tax payable under section 115JB(1) due to operation of newly inserted sub-section (2D) of section 115JB.

NOTIFICATION NO. G.S.R. 514(E), DATED 29-07-2021

CBDT omits certain rules & Forms; Board to specify e-filing of forms which are prescribed in Appendix II

Editorial Note: The CBDT has omitted certain rules and forms notified in Appendix II. However, any proceedings pending before income-tax authority or court shall be continued & disposed of in accordance with such rules and forms. Further, the PDGIT(systems)/DGIT(systems) may specify any of the Forms, returns, statements, etc., prescribed in Appendix II, which shall be furnished electronically.

NOTIFICATION NO. G.S.R. 545(E), DATED 09-08-2021

CBDT notifies rules to compute exemption & income taxable at concessional rates in hands of specified fund

Editorial Note: The CBDT has inserted two new rules, i.e., Rule 21AI and 21AJ in the Income-tax

Rules, 1962. Rule 21AI provides for manner for computation of exempt income of specified fund for the purposes of section 10(4D). Whereas Rule 21AJ deals with determination of income of specified fund attributable to units held by non-residents under section 115AD(1A). Specified funds means Category III AIF, located in IFSC, and in which all units other than unit held by a sponsor or manager are held by non-residents

PRESS RELEASE, DATED 09-8-2021

'Vivad Se Vishwas' scheme settles Rs. 99,756/- crore of disputed tax amount: FinMin

Editorial Note: The Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Lok Sabha has shared the status of declarations filed under Vivad Se Vishwas Scheme. A total of Rs. 99,756 crore of disputed tax amount has been settled as per declaration filed under the Scheme.

NOTIFICATION NO. S.O. 3138(E) & S.O. 3139(E), DATED 04-08-2021

CBDT notifies certain entities for exemption under section 10(46)

Editorial Note: The Central Board of Direct Taxes (CBDT) has notified 'National Council of Science Museums' and 'Real Estate Regulatory Authority' for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961.

NOTIFICATION NO. S.O. 3114(E), DATED 03-08-2021

CBDT notifies 'Ontario Inc.' as pension fund for Sec. 10(23FE) exemption

Editorial Note: The Central Board of Direct Taxes (CBDT) has notified pension funds namely, Ontario Inc., for the purpose of exemption under section 10(23FE). The notified funds shall be eligible to claim exemption in respect of investment made in India on or before 31-03-2024 subject to prescribed conditions.

RECENT JUDICIAL RULINGS ON INCOME TAX



SECTION 4 OF THE INCOME-TAX ACT, 1961 - INCOME - CHARGEABLE AS OTHER

Where assessee filed no return for year under consideration while AO found that assessee had purchased immovable property and she had earned interest from mutual funds as also receipt of premia from Insurance company, reassessment was justified - C. Anitha v.

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Income-tax Officer, Non - Corporate Ward 1(1), Chennai - [2021] 130 taxmann.com 347 (Madras)

SECTION 9 OF THE INCOME-TAX ACT, 1961 - INCOME - DEEMED TO ACCRUE OR ARISE IN INDIA

In case of assessee engaged in business of operation of ships in international traffic, benefit of article 8 of Indo UAE Treaty must be extended to entire freight receipts, irrespective of whether earnings are relating to feeder vessels or by ships in international traffic - Avana Global FZCO. Deputy Commissioner of IncomeTax

International Taxation) - [2021] 130 taxmann.com 481 (Mumbai - Trib.)

SECTION 150 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - IN PURSUANCE OF AN ORDER ON APPEAL, ETC.

Reassessment: Where Assessing Officer passed reassessment order on direction of Commissioner (Appeals) to assess undisclosed income in hands of assessee's HUF and exclude same from hands of assessee as an individual since as per Explanation 2 to section 153, such an assessment would be deemed to be made in consequence of or to give effect to any finding or direction contained in appellate order to invoke such reassessment proceedings no independent finding was required - Principal Commissioner of Income-tax-4, Kormangala v. Rajkumar C (HUF) - [2021] 130 taxmann.com 349 (Karnataka)

SECTION 194J OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - FEE FOR PROFESSIONAL OR TECHNICAL SERVICES

Doctor's Fee: Where remuneration paid to consultant doctors engaged by assessee-hospital varied from month-to-month owing to services rendered and number of patients attended by them and, further, these doctors were not entitled to any leave, provident fund, gratuity, bonus etc. and were not subject to retirement from services, said doctors could not be construed as employees of assessee-hospital and, consequently, payment made to them attracted section 194J and not section 192 - Deputy Commissioner of Income-tax, (OSD) (TDS)-2(2) v. Sir Hurkisondas Nurrotumdass Hospital & Research Centre - [2021] 130 taxmann.com 324 (Mumbai - Trib.)

SECTION 220 OF THE INCOME-TAX ACT, 1961 - COLLECTION AND RECOVERY OF TAX - WHEN TAX PAYABLE AND WHEN ASSESSEE DEEMED IN DEFAULT

Where petitioner-society had filed an appeal before Faceless Appeal Centre regarding disallowance of benefits available under sections 11 and 12 and same was pending, until said appeal was decided, demand made in this regard by Assessing Officer which included amount otherwise to be exempted for relevant assessment year in so far as claim of exemption made under

benefit of sections 11 and 12, may not be considered to be a tax in default and therefore, said pending appeal shall be taken into account by Assessing Officer within meaning of section 220(6) and accordingly order shall be passed by Assessing Officer - Aiman Education and Welfare Society v. National Faceless Appeal Centre, New Delhi - [2021] 130 taxmann.com 483 (Madras)

SECTION 241A OF THE INCOME-TAX ACT, 1961 - REFUND

Power to withhold, in certain cases : SLP dismissed due to delay against High Court ruling that where assessee filed its return declaring loss and claimed refund of entire amount of tax paid at source, merely because in immediately preceding assessment year assessee had declared a positive income as against substantial loss declared in relevant assessment year, it could not be a ground to doubt contents of return or claim of assessee with respect to loss suffered and withhold refund claimed by assessee - Deputy Commissioner of Income-tax, CPC v. Vodafone Idea Ltd. - [2021] 130 taxmann.com 325 (SC)

CORPORATE LAW UPDATES



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CIRCULAR NO. SEBI / HO / IMD / IMD-II DOF3 / P / CIR / 2021 / 631, DATED 29-09-2021

SEBI introduces 'Swing Pricing Framework' for open ended debt mutual fund schemes

Editorial Note: The SEBI has introduced swing pricing framework for open ended debt mutual fund schemes. Under this framework, the swing pricing framework will be made applicable only for scenarios related to net outflows from the schemes. The framework shall be a hybrid framework with partial swing during normal times and a mandatory full swing during market dislocation times for high risk open ended debt schemes.

NFRA's comments on ICAI 'Regulatory Impact Assessment' for revision of Accounting Standards

Editorial Note: The Institute of Chartered Accountants of India (ICAI) had submitted to National Financial Reporting Authority (NFRA) an Approach Paper for revision of existing Accounting Standards of Companies that are not required to follow Indian Accounting Standards (Ind ASs). Consequently, NFRA has commended that Revised ASs will be applicable for Companies to whom the Ind Ass are not mandatory. As a result, these Revised ASs will be mandatory to large number of MSMCs and will replace the existing ASs.

NOTIFICATION NO. GSR. 665(E), DATED 27-09-2021

Ministry of Consumer Affairs notifies Central Consumer Protection Authority (Annual report) Rules, 2021

Editorial Note: The Ministry Of Consumer Affairs, Food and Public Distribution have notified the Central Consumer Protection Authority (Annual report) Rules, 2021. The norms require the Central Authority to prepare Annual Report in the prescribed Form, giving a true and full account of its activities performed in the year. As per norms, the Central Authority shall forward the annual report to the Central Govt. within a period of 180 days immediately following the close of the year for which it has been prepared

PRESS RELEASE NO. 28/2021, DATED 29-09-2021

SEBI approves framework for Gold Exchange

Editorial Note: The SEBI has approved the framework for Gold Exchange. The new framework's gold-representing instrument will be known as the "Electronic Gold Receipt" (EGR), and it will be registered as "securities" under the Securities Contracts (Regulation) Act, 1956. EGRs will also have the same trading, clearing, and settlement features as other "securities."

CIRCULAR NO. 15/2021, DATED 27-09-2021

MCA extends due date of filing of cost audit report in e-form CRA-4 for F.Y. 2020-21

Editorial Note: MCA has extended the due date for filing of Cost Audit Report for F.Y. 2020-21 with Central Govt. Now Companies can file Cost Audit report by Nov 30, 2021 if Cost Audit report is submitted by the Cost Auditor to Board by Oct 31, 2021. In case a company extended time for holding AGM then, e-form CRA-4 may be filed within 30 days of receipt of Cost audit report. Cost auditor is required to submit Cost Audit report to Board within 180 days of closure of books. u/r 6 (5) of the Cost Audit Rules.

CIRCULAR NO. SEBI / HO/ IMD / IMD-1 DOF2 / P / CIR / 2021 / 630, DATED 27-09-2021

SEBI amends risk management framework for Mutual Fund

Editorial Note: With an objective of management of key risks involved in mutual fund operation, the SEBI has revised Risk Management Framework (RMF) for mutual fund. The new framework shall provide a set of principles or standards, which inter alia comprise the policies, procedures, risk management functions and roles & responsibilities of the management, the Board of AMC and the Board of Trustees.

SECTION 21 OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 - CONDITIONS FOR LISTING

Where appellant, director of company 'P', had failed to disclose

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about non-redemption of FCCBs to Stock Exchange, appellant had violated clause 21 and clause 36 of Listing Agreement and, imposition of penalty upon appellant by Stock Exchange for said violation was justified; this will be so irrespective of fact that amendment in terms of FCCB redemption was notified to stock exchange - Gauravi Parikh v. SEBI, Mumbai - [2021] 130 taxmann.com 326 (SAT - Mumbai)

MCA directs RoCs to extend due date of AGM for F.Y. ending March 31, 2020- 2021 by two months

Editorial Note: The Central Govt. received representation seeking extension of Annual General Meetings for Financial Year 2020-21 due to many difficulties faced by stakeholders during the second wave of Covid-19 and consequent lockdown, accordingly, the Central Government has decided to advise

Registrar of Companies (RoCs) to accord approval for extension of time for a period of two months beyond the due dates by which companies are required to conduct AGMs for the financial year 2020-21 ended on March 31, 2021.



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Tax Compliance Calendar for October 2021

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th October	September 2021	TDC / TCS Deposit	Non-Government Deductors
		Equalization Levy Deposit	All Deductors
a) GSTR-7 (TDS Return Under GST) b) GSTR-8 (TCS Return Under GST)		a) Person required to deduct TDS under GST b) Person required to deduct TCS under GST	
11th October		GSTR-1 (Outward Supply Return)	Taxable persons having turnover > Rs. 5 Crore
13th October		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having turnover < Rs. 5 Crore
15th October	September 2021	Deposit of PF & ESI contribution	All Deductors
	September 2021	Due date for issue of TDS Certificate for tax deducted u/s 194-IA (TDS on Immovable property) in m/o AUG 2021, 194IB, 194M, Quarterly TCS statements	All Deductors
18th October	July-September Quarter 2021	CMP 08	A taxpayer who has opted for the composition scheme has to file CMP-08 in order to deposit payments every quarter.
20th October	September 2021	a) GSTR-5 (Return by Non-resident) b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	a) Non-resident taxable person b) OIDAR services provider
		GSTR-3B (Summary return)	GSTR-3B (Summary return) All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2020-21
22nd October		SEP Quarter	For Taxpayer with Annual Turnover Up-to Rs 5 crore – Category – 1
24th October		SEP Quarter	For Taxpayer with Annual Turnover Up-to Rs 5 crore – Category – 2

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Tax Compliance Calendar for October 2021

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
25th October		Form GST PMT-06 (Payment of tax for Quarterly filers)	All taxable persons (except composition dealer) having annual turnover < Rs. 5 crore in FY 2020-21
31st October		Quarterly statement of TDS deposited for the quarter ending September 30, 2021	All deductors

