

NEWSLETTER

News Letter for June'21
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Ajay Rattan & Co.
Chartered Accountants

Advisory Board



CA. Ajay Aggarwal
B.com. (Hons.), FCA, FCS, LLB
DISA, Dip. (International Taxation)
Email ID:ajay@ajayrattanco.com
Phone Number: 9810005583



CA. Varun Garg
B.com. (Hons.), FCA
Email ID:varun@ajayrattanco.com
Phone Number: 9023637000

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Editors

CA. Nidhi Gupta Manager (Direct Taxation)	Abhishek Kumar B.com (Hons.)
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COMPLIANCE | JUNE 2021

Compliance Due Date	Compliance Detail	Applicable To
7 th June	Equalization Levy Deposit	All Deductors
	TCS/TDS Deposit	Non- Government deductors.
10 th June	a) GSTR – 7 (TDS return under GST)	a) Person required to deduct TDS under GST
	b) GSTR – 8 (TCS return under GST)	b) Person required to collect TCS under GST
11 th June	a) GSTR – 1 (Outward supply return)	a) All taxable persons having Turnover > Rs 5 crore.
13 th June	a) GSTR – 6 [Return by input service distributor (ISD)]	a) Input Service Distributor
	b) GSTR-1 IFF (QRMP)	b) GST return for the taxpayer who opted for QRMP Scheme.
15 th June	a) Deposit of PF & ESI contribution	a) All Deductors
	b) Quarterly Statement of TCS Deposited	b) All Collectors
	c) 1 st Installment of advance tax for AY 2022-23	c) All Taxpayers
20 th June	a) GSTR – 5 (Return by Non-residents)	a) Non-resident taxable person
	b) GSTR – 5A (online information database access and retrieval services return)	b) OIDAR service provider
	c) GSTR 3B (Summary return)	c) All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2020-21.
25 th June	a) GST Challan for all Quarterly filers (PMT-06)	a) All taxable persons (except composition dealer) having annual turnover < Rs. 5 crore in FY 2020-21.
30 th June	a) Quarterly Statement of TDS deposited	a) All Deductors
	b) Statement of annual statement of reportable account (Form 61B)	b) Financial Institution
	c) Statement of financial transaction (Form 61A)	c) Specified reporting persons as per section 285BA of the Income Tax Act, 1961
	d) From DPT-3 (Return of Deposit)	d) Specified Companies
	e) Filing of Equalization Levy Statement (Form 1)	e) All Deductors
	f) Last date for payment under Vivad Se Vishwas scheme (VSVS) without additional levy	f) Taxpayers who have filed VSVS declaration upto 31 st March 2021
	g) Last date of Linking Aadhaar with PAN	g) Individuals (except senior citizens > 80 years of age, foreign citizens, non- residents)



GST UPDATES

Notification No & Date	Contents	Impact
CGST/ 08/ 2021 & IGST/ 01/ 2021 dated 01.05.2021	Seeks to provide relief by lowering of interest rate for the month of March and April, 2021	The interest payable on late deposit of GST for the month of March & April, 2021 has been lowered due to COVID
CGST/ 09/ 2021 dated 01.05.2021	Seeks to amend notification no. 76/2018-Central Tax in order to provide waiver of late fees for specified taxpayers and specified tax periods	15 days extension for more than 5 crore and 30 days extension for less than 5 crore turnover filers
CGST/ 10/ 2021 dated 01.05.2021	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2020-21 to 31.05.2021	GSTR-4 extended (applicable to Composition Dealers)
CGST/ 11/ 2021 dated 01.05.2021	Seeks to extend the due date for furnishing of FORM ITC-04 for the period Jan-March, 2021 till 31st May, 2021	ITC-04 extended (applicable for persons sending goods on job-work)
CGST/ 12/ 2021 dated 01.05.2021	Seeks to extend the due date of furnishing FORM GSTR-1 for April, 2021	GSTR-1 for April, 21 extended to 26.05.2021
CGST/ 13/ 2021 dated 01.05.2021	Seeks to make third amendment (2021) in CGST Rules	<ul style="list-style-type: none"> • ITC for April & May, 2021 to be considered cumulatively for 10% adjustment • IFF for April, 2021 can be filed till 28.05.2021
CGST/ 14/ 2021 dated 01.05.2021	Seeks to extend specified compliances falling between 15.04.2021 to 30.05.2021 till 31.05.2021 in exercise of powers under section 168A of CGST Act	All compliances deferred except - time & value of supply, composition limit calculation, registration, casual & NR taxable person, tax invoice, return of outward supplies, levy of late fee, interest on delayed payment of tax, power to arrest, liability of partner of firm to pay tax, penalty, detention & seizure of goods in transit, furnishing of returns, inspection. Verification of application for registration falling due during May, 2021 is extended to 15.06.2021
CGST/ 15/ 2021 & circular 148/04/2021 dated 18.05.2021	Seeks to make fourth amendment (2021) to CGST Rules, 2017.	Amendment in refund rules Refund application can be withdrawn any time now

Key Takeaways from the 43rd GST Council Meet

The Goods and Services Tax ('GST') Council in its 43rd meeting held on May 28, 2021 via video conferencing has made recommendations w.r.t. various issues related to changes in rate of Tax on supply of goods and services and changes related to GST laws and procedures, key highlights of which is as under:

1. GST Rate on Covid-19 related goods

- Exemption from Integrated Goods and Services Tax ('IGST') granted till August 31, 2021 on Covid-19 related goods such as medical oxygen, oxygen concentrators, other oxygen storage and transportation equipment, certain diagnostic markers test kits, Covid-19 vaccines and Amphotericin B, even if imported on payment basis for donation to the Government or to any relief agency on recommendation of state authority.

2. GST rates revised on supply the following goods and services:

Particulars	Earlier rate	Revised rate
Diethylcarbamazine (DEC) tablets	12%	5%
Maintenance Repair Operations services in respect of ships/vessels	18%	5%

3. Clarifications in relation to taxability of goods

- a. Leviability of IGST on repair value of goods re-imported after repairs.
- b. GST applicable @ 12% on parts of sprinklers/ drip irrigation systems falling under Heading 8424 (nozzle/laterals), even the goods are sold separately.

4. Clarifications in relation to tax ability of Services

- a. Exemption to services supplied by the Government to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions.
- b. GST payable on annuities payments received as deferred payment for construction of road. Annuities paid for the service by way of access to a road or abridge is exempt.

- c. Landowner promoters may opt to utilize Input Tax Credit ('ITC') of GST charged by developer promoters in respect of apartments which are subsequently sold and GST is paid by land owner.
- d. Exemption to services supplied to an educational institution including anganwadi (which provide pre-school education also), by way of serving of food including mid-day meals under any mid- day meals scheme, sponsored by the Government irrespective of funding of such supplies from the Government grants or corporate donations.
- e. Exemption to services provided by way of examination including entrance examination, where fee is charged for such examinations by the National Board of Examination (NBE), or similar Central or State educational Boards, and input services in relation to such service.
- f. Exemption on service supplied by way of milling of wheat/paddy into flour (fortified with minerals etc. by millers or otherwise)/riceto Government/ local authority etc. for distribution of such flour or rice under public distribution services (PDS) if value of goods in such composite supply does not exceed 25%.
- g. Services supplied to a Government Entity by way of construction of a rope-way leviable to GST at rate of 18%.

5. Amnesty Scheme to provide relief to taxpayers regarding late fee or pending returns

Particulars	Latefees	Period	Return
Taxpayers having no Tax liability	Maximum RS 500 Per return subject to Condition that Form GSTR-3B furnished Between June1 to August31,2021	July2017t o April2021	Form GSTR-3B
Taxpayers having Tax Liability	Maximum Rs1,000 per return subject to condition that Form GSTR-3B furnished between June 1 to August 31,2021		
Taxpayers having nil Tax Liability	Rs 500 per return	May 2021 Onwards	Form GSTR-1 and FormGSTR-3B
Taxpayers having aggregate turnover upto Rs 1.5 crore in preceding Year	Rs 2000perreturn		

Taxpayers having aggregate turnover between Rs 1.5 crore to 5 crores in preceding Year	Rs 5000 per return		
Taxpayers having aggregate turnover above 5 crores in preceding Year	Rs 10000 per return		
Taxpayers having nil Tax Liability	Rs 500 per return		Form GSTR- 4
Taxpayers having Tax liability	Rs 2000 per return		
For all tax payers	Reduced to Rs 50 per day and maximum of Rs 2,000perreturn		Form GSTR- 7

6. Reduction in rate of interest for delayed payments of tax

Particulars	Rate of Interest	Period
Taxpayers having aggregate turnover more than Rs5 crore	For first 15 days –9% Thereafter–18%	May2021
Taxpayers having aggregate turnover upto Rs 5 crore	For first 15 days– Nil Next 45 days (for March) and next 30 days for April–9% Thereafter–18%	March to April 2021
	For first 15 days– Nil Next 15 days– 9% Thereafter–18%	May2021
Composition taxpayers	For first 15 days – Nil Next 45 days– 9% Thereafter–18%	Quarter ending March 2021

7. Waiver of late fees for late filing of GST returns

Particulars	Time Period for which late fees waived	Period
Taxpayers having aggregate Turnover more than RS 5 crore	15 days from due date of furnishing Form GSTR- 3B	May 2021
Taxpayers having aggregate turnover upto Rs 5 crore	March 2021 and April 2021- 60 days and 45 days, respectively from due date of furnishing Form GSTR-3B	March to April 2021 and quarter ending March 2021
	30 days from due date of furnishing Form GSTR- 3B	May 2021

8. Due date for filing of GST returns extended

Forms	Period	Due date	Extended Due date
Form GSTR-1/Invoice Furnishing Facility (details of outward supplies of goods or services)	May 2021	June 11,2021	June 26,2021
Form GSTR-4 (registered person having opted for Composition levy)	FY 2020 - 2021	May 31, 2021	July 31, 2021
Form ITC-04 (details of goods/capital goods sent for job work and received back	January – March 2021	May 31, 2021	June 30, 2021

9. Annual return and Audit

- a. Amendments in Section 35 and 44 of Central Goods and Services Tax Act,2017 (**‘the CGST Act’**) made vide the Finance Act, 2021 wrt furnishing of self-certified reconciliation statement, instead of chartered accountant certificate, applicable for FY2020-21.
- b. Filing of annual return in Form GSTR 9/9A for FY 2020-21 optional for taxpayers having annual turnover upto Rs2 crore. Further, reconciliation statement in Form GSTR-9C for FY 2020-21 required to be filed by taxpayers with annual aggregate turnover above Rs 5 crore.

10. Other procedural changes

- a. Reconciliation of ITC in terms of Rule 36(4) of the Central Goods and Services Tax Rules, 2017 to be done cumulatively for the months of April, May and June, 2021 in the return for the month of June 2021.
- b. Facility of filing returns through EVC enabled instead of Digital Signature Certificate till August 31,2021.
- c. Time limit for completion of various actions by any authority or by any person under the CGST Act, which falls during the period April 15 to June 29, 2021 extended upto June 30,2021 subject to specified exceptions.
- d. Retrospective amendment in Section 50 of the CGST Act w.e.f. July1,2017 for payment of interest on net cash basis to be notified.
- e. Amendments to be made in the CGST Act to make present system of filing of return in Form GSTR-1and Form GSTR-3B as default return filing system under GST



EXTENSION OF TIME LIMITS OF CERTAIN COMPLIANCES TO PROVIDE RELIEF TO TAX PAYERS IN VIEW OF SEVERE PANDEMIC

CIRCULAR NO. 9 OF 2021 [F. NO. 225/49/2021-ITA-II], DATED 20-5-2021

Particulars	Financial Year	Due Date	Extended due date
Statement of Financial Transaction (SFT)	FY 2020-21	31 st May, 21	30 th June, 21
Statement of Reportable Transaction	CY 2020	31 st May, 21	30 th June, 21
TDS Return	Q4 of FY 2020-21	31 st May, 21	30 th June, 21
Certificate of TDS	Q4 of FY 2020-21	15 th June, 21	15 th July, 21
TDS/TCS Book Adjustment Statement (Form 24G)	May,21	15 th June, 21	30 th June, 21
TDS Return by trustee of an approved superannuation	FY 2020-21	31 st May, 21	30 th June, 21
Statement of Income Tax paid or credited (Form no. 64D)	FY 2020-21	15 th June, 21	30 th June, 21
Statement of Income Tax paid or credited (Form no. 64C)	FY 2020-21	15 th June, 21	30 th June, 21
ITR which fall on 31 st July, 21	AY 2021-22	31 st July,21	30 th Sep, 21
Tax Audit Filing Due date	AY 2021-22	30 th Sep, 21	31 st Oct, 21
Tax Audit Filing Due date for international transaction (Section 92E)	AY 2021-22	31 st Oct, 21	30 th Nov, 21
ITR which fall on 31 st Oct, 21	AY 2021-22	31 st Oct, 21	30 th Nov, 21
ITR which fall on 30 th Nov, 21	AY 2021-22	30 th Nov, 21	31 st Dec,21
ITR due date of belated/ revised return	AY 2021-22	31 st Dec,21	31 st Jan, 22

INCOME TAX UPDATES

Notification No & Date	Contents	Impact
S.O. 1803(E), DATED 07-05- 2021	The CBDT has exempted Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities providing Covid treatment to patients from Section 269ST penalty. These entities can receive payment in cash of Rs. 2 lakh or more during 01.04.2021 to 31.05.2021, on obtaining the PAN or AADHAAR of the patient and the payee and the relationship between the patient and the payee	Though the exemption has been given from levying penalty u/s 269ST for cash payment, still source can be questioned at a later stage and hence while making cash payment exceeding Rs. 2 lakhs, care should be taken about the source of funds

Furnishing of statement of financial transaction

The statement of financial transaction required to be furnished under sub-section (1) of section 285BA of the Act shall be furnished in respect of a financial year in Form No. 61A and shall be verified in the manner indicated therein.

The statement shall be furnished by every person mentioned in column.

S.No.	Nature and value of transaction	Class of person (reporting person)
1.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company).	A company or institution issuing bonds or debentures.
2.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring shares (including share application money) issued by the company.	A company issuing shares.
3.	Receipt of cash payment exceeding two lakh rupees for sale, by any person, of goods or services of any nature	Any person who is liable for audit under section 44AB of the Act.

The due date for furnishing such statement is 30-June-2021.

SECTION 194Q:- TDS ON PURCHASE OF GOODS

[w.e.f. 01.07.2021]

Any person, being a buyer who is responsible for paying any sum to any **resident** for purchase of any goods

Of the value or aggregate of such **value > Rs. 50 lakhs in any PY**, shall

At the time of credit of such sum to the account of seller; **or**

At the time of payment thereof by any mode
Whichever is earlier

Deduct an amount equal to **0.1%** of such sum exceeding Rs.50 lakhs

“Buyer” means a person whose total sales, gross receipts or turnover from business carried on by him exceeds Rs.10 crore during FY immediately preceding FY in which the purchase of goods is carried out, not being a person, as CG may, by notification in the Official Gazette, specify for this purpose.

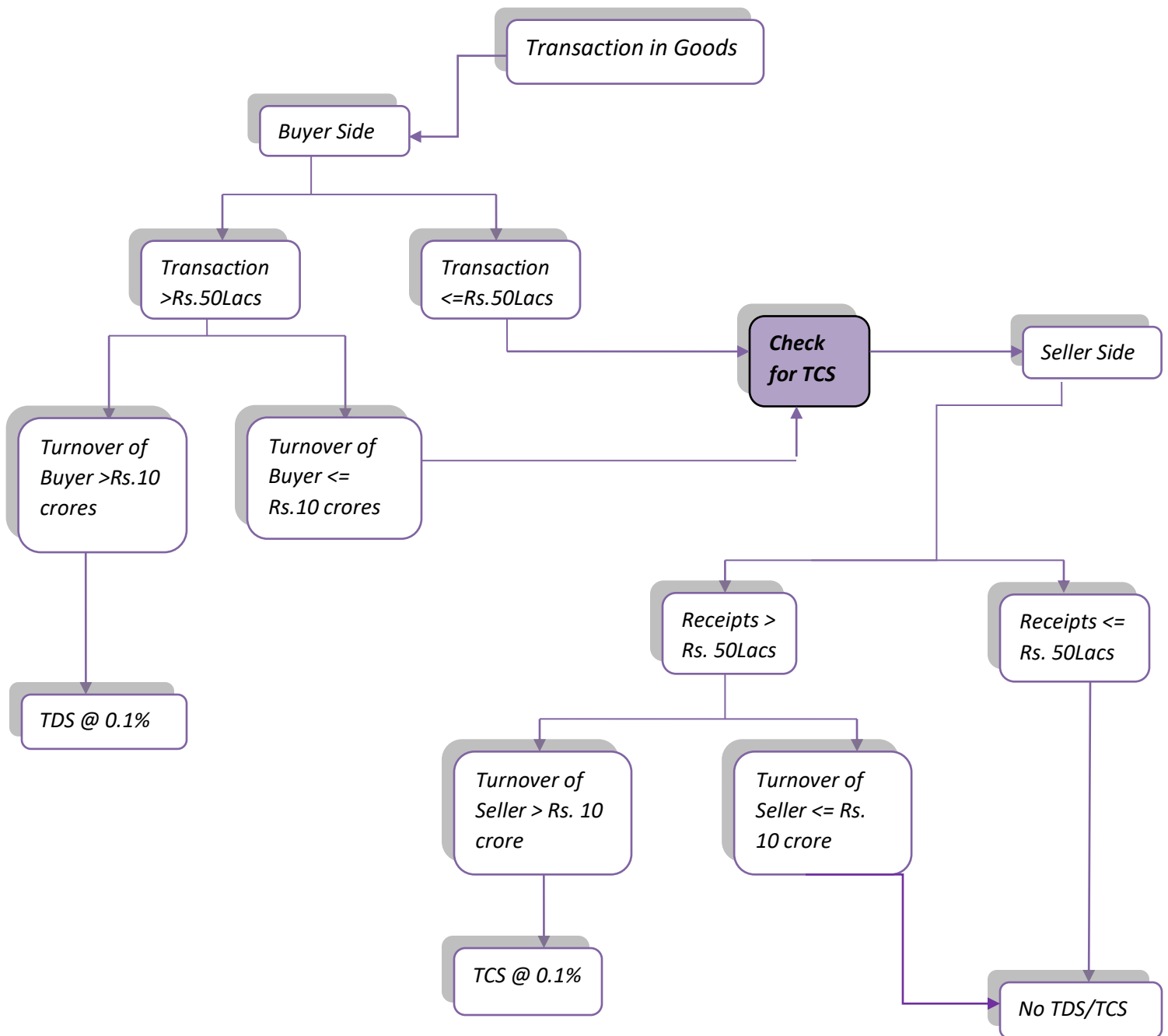
Exception to TDS Deduction under Section 194Q

The provision of this section shall not apply to a transaction on which:

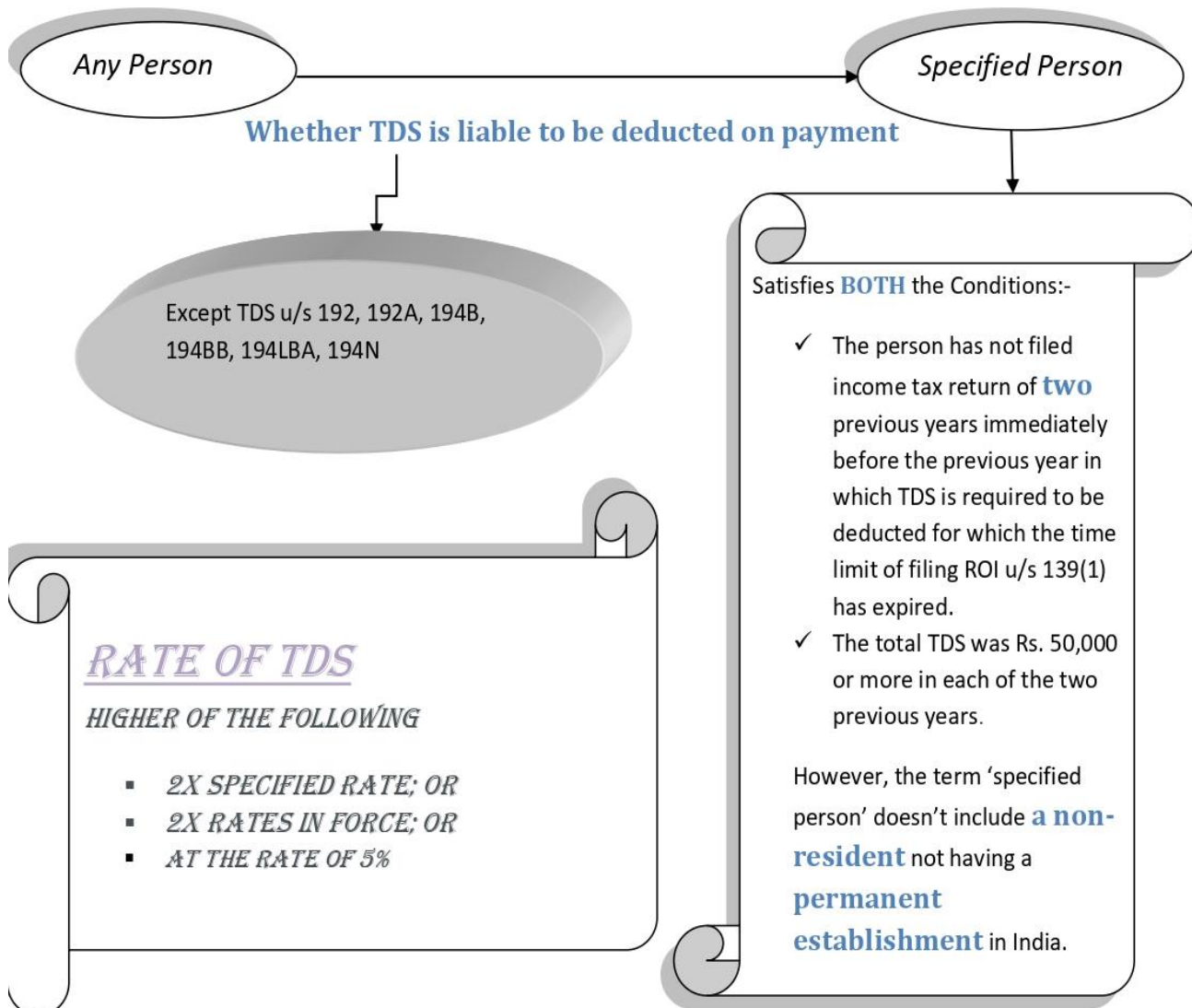
- ✓ Tax is deductible under any of the provision of this Act; and
- ✓ Tax is collectible under the provisions of section 206C **other than** a transaction to which sub- section (1H) of section 206C applies.

If on a transaction TCS is required under sub-section (1H) of section 206C as well as TDS under this section, then on that transaction only TDS u/s 194Q shall be deducted.

INTERPLAY BETWEEN 194Q & 206C(1H)



Section 206AB:- TDS for Non- Filers of Income Tax Returns (w.e.f. 01.07.2021)



Non-obstante clause

The provisions of Section 206AB overrides all other provisions of the Income-tax Act. It will apply even if the assessee has lower or nil TDS certificate or he has filed a declaration under Section 197A for non-deduction of tax or he is otherwise not liable to file the return of income. However, this provision will be attracted only if the tax is otherwise deductible under Chapter XVII-B.

Example, if the recipient of income by way of royalty or fees for technical services does not file his return of income in the last two assessment years, this provision will not apply if sum paid or payable during the financial year does not exceed the threshold limit of Rs. 30,000.

No exception even if the recipient is 'not liable' to file the return

Example, Mr X (80+ Years) earned interest income of Rs. 5,00,000 in both the preceding years. TDS of Rs. 50,000 has been deducted under Section 194A in each year. As his income was below the maximum exemption limit, he was neither liable nor he furnished the return of income of the relevant period. In the current year, the tax now will be deducted at the higher rates prescribed under Section 206AB.

COMPANIES ACT 2013

MCA EXTENDS TIME GAP BETWEEN 1ST & 2ND QUARTER BOARD MEETINGS OF FY 2021-22

GENERAL CIRCULAR NO. 8/2021 [F. NO.-2/6/2020-CL-V], DATED 3-5-2021

Pursuant to section 173 of the Act, every company is required to hold at least 1 Board Meeting in each quarter of the FY. The maximum allowable time gap between any consecutive Board Meetings is 120 days.

However, in view of hardship caused by the pandemic, the mandatory requirement of holding Board meetings within 120 days, interval stands extended by 60 days for 1st & 2nd quarter of FY 2021-22. Accordingly, as a one-time relaxation, the maximum time gap between 2 consecutive Board Meetings to be held during 1st April 2021 till 30th September 2021 is 180 days, instead of 120 days as required under the Act.

RELAXATION ON LEVY OF ADDITIONAL FEES IN FILING OF CERTAIN FORMS UNDER COMPANIES ACT, 2013 AND LLP ACT, 2008

GENERAL CIRCULAR NO. 6/2021 [F. NO. 02/01/2021-CL-V], DATED 03-05-2021

Certain Forms of Companies Act/LLP Act due for filing during 1st April 2021 – 31st May 2021 can be filed till 31st July 2021 with normal statutory fees and accordingly no late filing fees shall be charged on filing such forms.

List of forms eligible for waiver of additional late filing fee

Forms	Purpose of filing
Form ADT-1	Appointment of Statutory Auditors
Form INC-22	Notice for change in Registered office address of the Company
Form AOC-4	Annual Audited Financial Statement by Companies
Form MGT-7	Annual Return of Indian Companies
Form DIR-11	Notice of resignation of Director
Form MGT-14	Filing of prescribed board/ shareholder resolutions
LLP Form -11	Annual Return of LLPs



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HEAD OFFICE: E-115, 11TH FLOOR, HIMALAYA HOUSE, KASTURBA GANDHI MARG, NEW DELHI-110001

BRANCH OFFICE: 1113, 11TH FLOOR, ARUNACHAL BUILDING, BARAKHAMBA ROAD, NEW DELHI-110001

BRANCH OFFICES:

**Flat No. 103, Tower-5, Parsavnath Greenville
Society, Sohna Road, Sector -48, Gurugram -122001**

**House No. 14266, Street No. 2A, Ganesh
Basti, Bhatinda- 151001**

**212-A, Vashisht
Complex,
Sikanderpur,
Gurgoan-122004**

**Flat No.- S-3, Second Floor,
Yash Apartment,37-B Patel
Nagar, Raisen Road, Anand
Nagar, Bhopal-462021**

**SCO -10, Second Floor,
Industrial Area Phase-2,
Chandigarh- 160002**

**Hanna Tower, Flat No.-1622,
Gaur Saundaryam, Tech Zone-
4, Near Charmurti
Chowk,Gautam Buddha
Nagar,Uttar Pradesh-201009**