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***I-T refunds worth Rs 1.81 lakh cr issued so far in FY21***

The Income Tax Department on Wednesday said it has issued over Rs 1.81 lakh crore worth refunds to more than 1.74 crore taxpayers so far this fiscal year.

Of this, personal income tax refunds of Rs 62,231 crore have been issued to over 1.71 crore taxpayers and corporate tax refunds of Rs 1.19 lakh crore have been issued in 2.12 lakh cases.

CBDT issues refunds of over Rs. 1,81,336 crore to more than 1.74 crore taxpayers between 1st April, 2020 to 25th January, 2021, the department tweeted.

<https://www.financialexpress.com/economy/i-t-refunds-worth-rs-1-81-lakh-cr-issued-so-far-in-fy21/2180076/>

***Further Extension of Due Dates for Vivad se Vishwas Scheme***

Apart from extending the due dates for filing of Income tax returns and Tax Audit Reports, the last date for making a declaration under Vivad Se Vishwas Scheme has been extended to 28th February, 2021 from 31st January, 2021.

[https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/DTVSV\\_Extension.pdf](https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/DTVSV_Extension.pdf)

## ***GSTR 1 to be blocked in case of non-filing of GSTR 3B***

Where a taxpayer fails to file GSTR 3B for two consecutive months, his GSTR 1 shall now be blocked. Earlier non filing of GSTR 3B used to result in blocking of E-way Bill facility but now it shall also result in blocking of GSTR 1 of the taxpayer. Similarly, for quarterly return filers, the taxpayer failing to file GSTR 3B for the preceding quarter shall not be permitted to file GSTR 1 of subsequent quarter.

A taxpayer whose is restricted to avail ITC as per rule 86B shall also not be permitted to file GSTR 1 where he has not filed GSTR 3B for the preceding tax period.

[Notification No.01/2021– Central Tax dated January 1, 2021]

## ***Important highlights of Budget 2021***

- GST Audit no longer to be carried out by specified professional; Annual return to be filed by tax payer on self-certification basis
- Restriction to allow availment of Input Tax Credit only when Invoice has been reflected in GSTR1 filed by supplier
- Clarificatory Amendment to retrospectively charge interest only on Net Tax Liability paid through Cash Ledger from July 1, 2017
- Compulsory Pre-deposit of 25% of penalty amount for filing of appeal against order in case of Detention and Seizure of Goods
- Proposal to Link Foreign Exchange Remittance in case of Refund for Export of goods
- Definition of Supply, amended retrospectively to levy tax on transactions between an association/society and its members
- Power given to Commissioner to call for any information pertaining to any registered taxpayer from third party

***Payment towards  
grant of channel  
distribution rights is  
not taxable as Royalty  
or Fees for Technical  
Services under the  
India-USA tax treaty***

Based on the facts and in the circumstances of the case, recently the Mumbai Bench of the Income-tax Appellate Tribunal (the Tribunal) in the case of NGC Network Asia LLC (the taxpayer) dealt with the issue of taxability of distribution rights of channels granted by the foreign media company to the Indian entity. The Tribunal held that the distribution rights granted by the taxpayer to the Indian entity is only a commercial right/broadcast reproduction right and not a copyright and consequently consideration for the same cannot be treated as royalty or Fees for Included Services under Article 12 of India-USA tax treaty.

The Tribunal observed that Distribution fees payment is made to the tax payer by the Indian entity for license to broadcast the channels of the tax payer in India. This is a payment for the use of or right to use in connection with television broad casting. It is not necessary that all rights must be transferred for royalty to apply. Copyright is not defined in the DTAA and the definition of the term copyright is not to be construed in a limited restrictive sense.

The Tribunal further observed that the technical explanation provided in the tax treaty, in the context of use or right to use of cinematographic films or films or tapes used for radio or television broadcasting, was issued by the tax authorities of United States of America and the same is not the official protocol or clarification which has been mutually agreed upon between the two countries. Hence, the said technical explanation would not bind the Tribunal

(NGC Network Asia LLC v. DDIT (ITA No. 8671/Mum/2004) – Taxsutra.com)

**General Circular regarding clarification on spending of CSR funds for Awareness and public outreach on COVID – 19 Vaccination Programme**

The Ministry of Corporate Affairs vide its Circular No.1 dated 13th January, 2021, in continuation with earlier General Circular No.10 dated 23rd March, 2020 clarified that, spending of CSR funds for carrying out awareness campaigns/programmes or public outreach campaigns on COVID – 19 Vaccination programmes is an eligible CSR activity under (i), (ii) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of healthcare and sanitization, promoting education and disaster management respectively.

Link:

[http://www.mca.gov.in/Ministry/pdf/CSR2021\\_13012021.pdf](http://www.mca.gov.in/Ministry/pdf/CSR2021_13012021.pdf)

[http://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)

**General Circular regarding clarification on holding of an Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)**

The Ministry of Corporate Affairs vide its General Circular No. 2 dated 13th January, 2021 in continuation with earlier General Circular No.20 dated 5th May, 2020 (Clarification on holding of Annual general Meeting [AGM] through Video Conferencing [VC] or Other Audio Visual Means [OAVM] ) has been decided to allow companies whose AGMs were due to be held in the year 2020 or become due in the year 2021 to conduct their AGMs on or before 31.12.2021 in accordance with the requirements provided in paragraphs 3 and 4 of the Circular No.20 dated 5th May, 2020.

Link:

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.02\\_14012021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.02_14012021.pdf)

[http://www.mca.gov.in/Ministry/pdf/Circular20\\_05052020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf)

**General Circular regarding scheme for condonation of delay for Companies restored on the Register of Companies between 1st December, 2020 and 31st December, 2020 under section 252[Appeal to Tribunal] of the Companies Act, 2013**

The Ministry of Corporate Affairs vide its General Circular No. 3 dated 15th January, 2021 has decided to introduce scheme for condonation of delay for Companies restored on the Register of Companies between 1st December, 2020 and 31st December, 2020 under section 252[Appeal to Tribunal] of the Companies Act, 2013. Further, the scheme has divided in following 5 sub – parts:

- (i) Effective date;
- (ii) Applicability;
- (iii) Duration of the scheme;
- (iv) Forms for which the scheme shall be applicable; and
- (v) Applicable Fees.

Link:

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.3\\_15012021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.3_15012021.pdf)

**General Circular regarding relaxation on levy of additional fees in filing of e-forms AOC – 4, AOC – 4 CFS, AOC – 4 XBRL and AOC – 4 Non – XBRL for the financial year ended on 31.03.2020 under the Companies Act, 2013**

The Ministry of Corporate Affairs vide its General Circular No. 4 dated 28th January, 2021 has decided that, no additional fees shall be levied upto 15.02.2021 for the filing of e-forms AOC – 4, AOC – 4 CFS, AOC – 4 XBRL and AOC – 4 Non – XBRL for the financial year ended on 31.03.2020 under the Companies Act, 2013.

Link:

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.4\\_29012021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.4_29012021.pdf)

**Notification regarding  
Commencement of  
various sections of the  
Companies  
(Amendment) Act,  
2020**

Ministry of Corporate Affairs vide notification dated 22nd January, 2021 informs that, Sections 2,11, 18(c),22(ii), 25, 27, 53, 55, 58 to 60, 62, 64 and 65 of the Companies (Amendment) Act, 2020 has been effective from 22nd January, 2021.

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**Notification regarding  
Commencement of  
section 21 of the  
Companies  
(Amendment) Act,  
2019**

Ministry of Corporate Affairs vide notification dated 22nd January, 2021 informs that, Sections 21 the Companies (Amendment) Act, 2019 has been effective from 22nd January, 2021.

## Due dates for the Month of March, 2021#

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-Mar-21	ESIC Payment	ESIC Payment for the month of February, 2021.
Goods and Service Tax (GST)	10-Mar-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of February 2021.
	10-Mar-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of February 2021
	11-Mar-21	GSTR 1 (Monthly)	Return of outward supplies of taxable goods and/or services for the Month of February 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Mar-21	GSTR 6	Return for Input Service Distributors for the month of February 2021.
	20-Mar-2021 or 22-Mar-2021 or 24-Mar-2021	GSTR 3B	Simple GSTR return for the Month of February 2021 (based on category of taxpayer)
Income Tax Act, 1961	07-Mar-21	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of February, 2021.
	15-Mar-21	Advance Tax	Fourth instalment of advance tax for the assessment year 2021-22
PT Act 1975 (Employee)	21-Mar-21	PT Employees	Monthly payment of Profession Tax for Employees for the month of February, 2021
	31-Mar-21	PT Employees	Annual payment of Profession Tax for Employees from March 2020 to February, 2021
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Mar-21	PF Payment	PF Payment for the month of February, 2021.

# The above due date calender contains compliances generally applicable to taxpayers and this calender has been compiled by HSCo on basis of data available on various portals and other sources. One should always check applicable compliances based on their business needs and should also check updated due dates, if any, on the government portal before making the compliance.



- Relaxation from Filing return of income for certain category of Resident Senior Citizens** ▶ Senior Citizens of age 75 years and above having only Pension and Interest income shall not be required to file Income-tax Returns.
- Reduction in Reopening of Assessment to 3 Years for Income below Rs. 50 Lakhs** ▶ Re-opening of Assessment has been reduced to 3 years from 6 years. Only where there is concealment of Income of Rs. 50 lakhs or more, assessment can be re-opened up to 10 years and that too with the approval of Pr.CCIT. (w.e.f. AY 2021-22)
- Constitution of Faceless Dispute Resolution Panel** ▶ Faceless Dispute Resolution Panel has been constituted for taxpayers with total income up to Rs.50 lakhs and disputed income of Rs.10 lakhs in order to reduce litigation for small taxpayers. (w.e.f. AY 2021-22)
- ITAT proceedings to be faceless** ▶ Proceedings before Hon'ble ITAT will now be faceless. (w.e.f. AY 2021-22)
- Discontinuation of settlement commission and transfer of pending cases to interim board** ▶ Settlement Commission has been abolished from February 1, 2021, this will cause a huge challenge for search cases. Interim Board is to be constituted to deal with interim application.
- Creation of Board for advance rulings in place of authority for advance ruling** ▶ Constitution of a Board for Advance Ruling as an alternative method of providing advance ruling to taxpayers in a timely manner.
- Definition of Slump Sale has been widened** ▶ Definition of slump sale has been widened to include transfer of undertaking by any means including slump exchange where non-cash consideration is paid. (w.e.f. AY 2021-22)
- Goodwill of Business/Profession not eligible for Depreciation** ▶ Goodwill of a business or profession not to be considered as a depreciable asset and therefore not eligible for depreciation overturning the Hon'ble SC Ruling. (w.e.f. AY 2021-22)
- Additional Impetus to IFSC** ▶ Additional impetus and incentive to International Financial Services Centre (IFSC) in order to create a world class global financial hub in GIFT City.
- Increase in Turnover for applicability of Tax Audit Limit** ▶ Tax Audit Limit to be increased to INR 10 crores from INR 5 crores for entities having less than 5% cash transactions. (w.e.f. AY 2021-22)
- Reduction in timeline for processing of ITR** ▶ Timeline for processing of return of income reduced from 1 year to 9 months. (w.e.f. AY 2021-22)
- TDS on Purchase of Goods** ▶ TDS @0.10% on purchase of any goods in excess of Rs 50 lakhs by buyer whose turnover/receipts from business exceeds Rs 10 crore in previous preceding year. (w.e.f. 01st July 2021)
- Restriction on exemption of Interest on Provident Fund** ▶ Exemption u/s 10(11) & 10(12) would not apply to the accrued interest to the extent it relates to the contribution of an amount exceeding Rs 2,50,000 in any previous year in that fund.

- Change in Due Date for filing Revised Return and Belated Return** ▶ Due Date for filing Revised Return and Belated Return has been revised from March 31 of the relevant Assessment Year to December 31 of the relevant Assessment Year or before the completion of assessment whichever is earlier; (w.e.f. AY 2021-22)

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- Reduction in timeline for selection of scrutiny** ▶ Reduction in the timeline for selection of scrutiny from 6 months to 3 months from the end of the FY in which the return of income is filed. (w.e.f. AY 2021-22)

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- Reduction in timeline for passing an assessment order** ▶ Time limit for passing an assessment order is reduced from 12 months to 9 months from the end of relevant assessment year. (w.e.f. AY 2021-22)

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- Additional Interest Deduction on Affordable Housing** ▶ Affordable Housing—additional interest deduction (Sec 80EEA) of INR 1.5 lakhs to be extended for loans taken till March 31, 2022.

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- Adjustment in Book Profit for MAT** ▶ Section 115JB to include adjustment in book profit on account of Secondary Adjustment or Advanced Pricing Agreement. Further Foreign Companies can claim benefit of concessional tax rate as per DTAA or Income Tax Rate whichever is more beneficial. (w.e.f. AY 2021-22)

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- Extension of Due Date for filing declaration under Vivad Se Vishwas (VsV) Scheme** ▶ Due date for filing declaration under the Vivad Se Vishwas scheme has been extended till February 28, 2021.

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- Late deposit of Employee's contribution by Employer to be disallowed** ▶ Late deposit of Employee's contribution to various welfare funds by the Employer shall not be allowed as a deduction to the employer. (w.e.f. AY 2021-22)

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- Increase in safe harbor threshold to boost demand in real-estate sector** ▶ In order to boost the demand in the real-estate sector, the safe harbor threshold has been increased from 10% to 20% (difference between stamp duty value and sale consideration) for residential unit having sale consideration not more than INR 2 Crore which is sold for first time between the period November 12, 2020 to June, 30 2021.

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- No TDS on Dividend paid to RIT/InvIT** ▶ Dividend payment to REIT/InvIT will be exempt from TDS. (Retrospectively w.e.f. AY 2020-21)

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- ULIP Maturity to be taxable as Capital Gains** ▶ Maturity of ULIP shall now be taxable under Income from Capital Gains where premium payable exceeds INR 2,50,000 w.e.f. 01st February 2021.

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- Additional Power to AO for provisional attachment in cases of fake invoices** ▶ Power for provisional attachment for period of six months in fake invoice cases shall be provided to the assessing officer.

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- Rationalization in taxation to partners** ▶ Rationalization of provisions relating to taxation of assets or amounts received by partners from partnership firm in excess of their capital contribution. (W.e.f. AY 2021-22)

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**Stricter condition for availing ITC**

Input tax credit (ITC) cannot be availed unless reported by the supplier of goods and services as the supplies in the GST returns.

**Interest on Net Cash liability (retrospective amendment)**

GST law has been amended to give effect to interest liability on net tax payment, retrospectively from 1 July 2017. This was already clarified earlier by the government.

**E-way bill related changes**

Mandatory Pre-deposit of 25% of penalty amount for filing of appeal against order in case of Detention and Seizure of Goods

**GSTR-9 & 9C**

Mandatory requirement of GST Audit has been dispensed and replaced with a self-certification process.

**Self-assessed tax**

Authorities can initiate recovery proceedings even in cases where the tax liability in GSTR-1 is more than that in GSTR-3B.

**Zero rated supply – Substantial Changes**

- Supply of goods or services to SEZ developer/unit shall be a zero-rated supply only when the said supply is for authorized operations.
- Only notified class of taxpayers or notified class of goods or services eligible for zero rated supplies on with payment of integrated tax (IGST).
- Section 16(3) also requires the re-payment of refund of accumulated input tax credit in case the sale proceeds of goods exported are not realized within the time limits prescribed under FEMA.

**Mutuality no longer applicable under GST**

Definition of Supply, amended retrospectively to levy tax on transactions between an association/society and its members

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