

## WE ARE YOUR TEAM



## Business Support Services

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**Order passed before time prescribed for submitting the reply**

In the case of Antony Alphonse Kevin Alphonse vs. The Income Tax Officer, National e-Assessment Centre, Madras High Court has held that:

“Since the impugned order has been passed before the time prescribed for filing the reply, it is evident that the impugned order has been passed with pre-set mind. In any event, the order has been passed without considering the reply received from the petitioner. Therefore, this Court is inclined to grant the relief sought for by the petitioner as there is a manifest violation of business of justice while passing the impugned order”.

([www.itatonline.org](http://www.itatonline.org))

**Format, Procedure and Guidelines for submission of Statement of Financial Transactions(SFT) for Dividend income.**

Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT). For the purposes of prefilling the return of income, CBDT has issued Notification No.16/2021 dated 12.03.2021 to include reporting of information relating to dividend income.

The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified by the Director General of Income Tax (Systems), with the approval of the Board.

The guidelines for preparation and submission of Statement of Financial Transactions (SFT) information are enclosed in Annexure A and Annexure B respectively. The data structure and validation rules are enclosed in Annexure C and Annexure D respectively of the notification.

Notification No. 3 of 2018 dated 05.04.2018 may be referred for the procedure for registration.

Reporting entities are required to prepare the data file in prescribed format from their internal system. An excel based report preparation utility has also been provided to assist small reporting entities in preparing data file. The data files prepared by internal system/report preparation utility should be validated using Text File Validator/Submission Utility. After validation, the text file is required to be compressed, encrypted and signed using the Text File Submission Utility before uploading on the reporting portal (<https://report.insight.gov.in/>). Reporting entities, having large number of data files, can also submit the data files using SFTP Server (specific request may be made for SFTP upload).

The statement of financial transactions shall be furnished on or before 31st May, immediately following the financial year in which the transaction is registered or recorded.

The statement of financial transaction shall be signed, verified and furnished by the specified Designated Director. Where the reporting person is a non resident, the statement may be signed, verified and furnished by a person who holds a valid power of attorney from such Designated Director. The data files are required to be uploaded at the reporting portal through the login credentials (PAN and password) of the designated director.

The reporting entities are advised to provide information of dividend income, reported to Income Tax Department, to the taxpayers which will enable them to reconcile the information displayed in the Annual Information Statement (AIS) (Form 26AS).

In case, the reporting person/entity comes to know or discovers any inaccuracy in the information provided in the statement or the defects have been communicated to the reporting person/entity, it is required to remove the defects by submitting a correction/deletion statement.

The reporting person/entity is required to document and implement appropriate information security policies and procedures with clearly defined roles and responsibilities to ensure security of submitted information and related information/documents. The reporting person/entity is also required to document and implement appropriate archival and retrieval policies and procedures with clearly defined roles and responsibilities to ensure that submitted information and related information/ documents are available promptly to the competent authorities.

(Notification No. 1 of 2021 dated 20th April, 2021)

[https://www.incometaxindiafiling.gov.in/eFiling/Portal/StaticPDF/notification\\_1\\_2021\\_dividend\\_income.pdf](https://www.incometaxindiafiling.gov.in/eFiling/Portal/StaticPDF/notification_1_2021_dividend_income.pdf)

**Extension of Time lines  
related to certain  
compliances by the  
Taxpayer under the  
Income tax Act, 1961.**

In view of severe pandemic, the Central Board of Direct Taxes, provides following relaxation in respect of Income-tax compliances by the taxpayers:

- **Appeal to Commissioner (Appeals)** under Chapter XX of the Income-tax Act, 1961 for which the last date of filing under that section is 1st April 2021 or thereafter, may be filed within the time provided under that section or by **31st May 2021**, whichever is later;
- **Objections to Dispute Resolution Panel (DRP)** under Section 144C of the Income-tax Act, 1961, for which the last date of filing under that Section is 1st April 2021 or thereafter, maybe filed within the time provided under that Section or by **31st May 2021**, whichever is later;
- **Income-tax return** in response to notice under **Section 148** of the Income-tax Act, 1961, for which the last date of filing of return of income under the said notice is 1st April 2021 or thereafter, may be filed within the time allowed under that notice or by **31st May 2021**, whichever is later;
- **Filing of belated return** under sub-section (4) and revised return under sub-section (5) of Section 139 of the Income-tax Act, 1961 for **Assessment Year 2020-21**, which was required to be filed on or before 31st March 2021, may be filed on or before **31st May 2021**;
- **Payment of tax deducted** under Section **194-IA**, Section **194-IB** and Section **194M** of the Income-tax Act, 1961 and filing of challan-cum-statement for such tax deducted, which are required to be paid and furnished by 30th April 2021 under Rule 30 of the Income-tax Rules, 1962, may be paid and furnished on or before **31st May 2021**;
- **Statement in Form No. 61**, containing particulars of declarations received in Form No. 60, which is due to be furnished on or before 30th April 2021, may be furnished on or before **31st May 2021**.

(Circular No. 8 of 2021 dated 30th April, 2021)

[https://www.incometaxindiafiling.gov.in/eFiling/Portal/StaticPDF/CircularNo\\_8\\_2021.pdf](https://www.incometaxindiafiling.gov.in/eFiling/Portal/StaticPDF/CircularNo_8_2021.pdf)

**Income tax  
department allows  
Hospitals, Nursing  
Homes, Covid Care  
Centre etc to accept  
cash above Rs 2lakhs  
for providing Covid-19  
treatment**

The Central Government, in exercise of powers conferred by clause (iii) of Proviso to Section 269ST of the Income-tax Act, 1961, hereby specifies Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities providing Covid treatment to patients for the purpose of Section 269ST of the Income-tax Act, 1961 for payment received in cash 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 by such Hospitals, Dispensaries, Nursing Homes, Covid Care Centres or similar other medical facilities.

[Notification No. 56/2021/F. No. 225/58/2021-ITA.II]

[https://incometaxindia.gov.in/communications/notification/notification\\_56\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_56_2021.pdf)

## Relaxation to taxpayers in manner of submitting GST Returns

Considering the situation due to COVID-19 pandemic, a registered person registered under the provisions of the Companies Act, 2013 i.e. Corporate Assessee shall, during the period from 27th April, 2021 to 31st May, 2021, also be allowed to furnish the return under section 39 in **FORM GSTR-3B** and the details of outward supplies under section 37 in **FORM GSTR-1** or using invoice furnishing facility (IFF), verified through electronic verification code (EVC). Generally, it is compulsory to use Digital Signature Certificate (DSC) for e-filing, in case of Corporate Assessee.

[Notification No.07/2021-Central Tax dated April 27, 2021]

## Relief for interest payment

Taxpayer	Interest in case of delay in payment of GST (filing GSTR3B)	Return Period
Taxpayer having aggregate turnover of more than INR 5 crores in preceding FY	9% for first 15 days from the due date of filing return and 18% thereafter	March and April 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY not under composition scheme	Nil for first 15 days from the due date of filing return, 9% for the next 15 days and 18% thereafter	March and April 2021
Taxpayers under composition scheme	Nil for first 15 days from the due date of filing return, 9% for the next 15 days and 18% thereafter	Quarter- January to March 2021

[Notification No.08/2021-Central Tax dated May 1, 2021]

## Late Fees Waiver for GSTR-3B

Taxpayer	Period for which Late fees have been waived (for delay in filing GSTR-3B)	Return Period
Taxpayer having aggregate turnover of more than INR 5 crores in preceding FY	15 days from the due date of filing returns	March and April 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY not under composition scheme filing monthly returns	30 days from the due date of filing returns	March and April 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY, not under composition scheme filing quarterly returns	30 days from the due date of filing returns	Quarter- January to March 2021

[Notification No.09/2021-Central Tax dated May 1, 2021]

## Extension of due dates for filing GST Forms

Return Type	Extended Due Date	Return Period
Form GSTR-4 (Return for composition taxpayers) (Notification 10/2021-Central Tax dated May 1, 2021)	31 May 2021	FY 2020-21
Form ITC-04 (goods sent to or received from job worker) (Notification 11/2021--Central Tax dated May 1, 2021)	31 May 2021	Quarter- January to March 2021
Form GSTR-1 (Return for outward supply) (Notification 12/2021--Central Tax dated May 1, 2021)	26 May 2021	April 2021

## Other Extensions / Relaxations to Taxpayer

Particulars	Period for	Can be done by
The application of Rule 36(4) [restriction on availment of unmatched ITC i.e., 5% rule]	shall be done cumulatively for the month of April and May 2021	While filing form GSTR-3B for the month of May 2021
Furnishing details in Invoice Furnishing Facility (IFF) – QRMP Scheme	April 2021	28 May 2021

[Notification No.13/2021-Central Tax dated May 1, 2021]

## Reliefs to Tax Authorities

Certain reliefs announced for completion / compliance by tax authority, which includes following:

- Time limit for completion of any action in relation to verification of registration applications by the tax authorities falling within the period **1st May 2021 to 31st May 2021** has been extended upto **15th June 2021**.
- Time limit for passing an Order, where notice for rejection of refund claim has been passed, which falls within the period **15th April 2021 to 30th May 2021** has been extended to **fifteen days** from receipt of reply from the registered person or **31st May 2021**, whichever is later.

[Notification No.14/2021-Central Tax dated May 1, 2021]

***Withholding tax @ 5%  
under India-  
Netherlands treaty on  
Dividend on  
application of MFN  
clause rules Delhi High  
Court***

Based on the facts and the circumstances of the case, recently the Delhi High Court, in the case of Concentrix Services Netherlands B.V. and Optum Global Solutions International B.V. (collectively called as Taxpayers), held that the Taxpayers are eligible for 5% withholding tax rate on dividend income by virtue of Most Favored Nation (MFN) clause of India-Netherlands DTAA.

The HC observed that MFN clause is a part of the protocol to India-Netherlands DTAA and no separate notification is required for its application. The High Court relied on the decree issued by the Netherlands, which provides guidance on how the Netherlands has interpreted the MFN clause. The decree states that on reading the MFN clause, the tax rate of 5% provided under the India-Slovenia tax treaty will apply to participation dividends paid by a company resident in the Netherlands to a body resident in India, with retroactive effect from 21 July 2010, when Slovenia became a member of the OECD. Also, as a corollary, the same would equally apply on the dividends paid by a company resident in India to a body resident in the Netherlands.

(Concentrix Services Netherlands B.V. and Optum Global Solutions International B.V. v/s DCIT- W.P.(C) 9051/ 2020 and W.P.(C) 882/ 2021, CM Appl. 2302/ 2021)

***The Companies (Audit and Auditors) Second Amendment Rules, 2021***

The effective date for the implementation of accounting software with adequate audit trail facility has been prescribed as April 01, 2022. Under **The Companies (Audit and Auditors) Rules, 2014 each company is required to implement** the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention

[http://www.mca.gov.in/Ministry/pdf/AuditAuditorsSecondAmendmentRules\\_13042021.pdf](http://www.mca.gov.in/Ministry/pdf/AuditAuditorsSecondAmendmentRules_13042021.pdf)

[http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules\\_24032021.pdf](http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf)

***General Circular regarding clarification on spending of CSR funds for setting up makeshift hospitals and temporary COVID care facilities***

The Ministry of Corporate Affairs vide its Circular No.5 dated 22nd April, 2021, in continuation with earlier General Circular No.10 dated 23rd March, 2020 further clarified that, spending of CSR funds for setting up makeshift Hospitals and temporary COVID care facilities is an eligible CSR activity under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of healthcare including preventive healthcare and disaster management respectively.

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5\\_22042021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5_22042021.pdf)

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



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

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-June-21	ESIC Payment	ESIC Payment for the month of May, 2021.
Goods and Service Tax (GST)	10-June-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of May 2021
	10-June-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of May 2021
	11-June-21	GSTR 1	Return of outward supplies of taxable goods and/or services for the Month of May 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-June-21	IFF	Return for Input Service Distributors for the month of May, 2021.
	13-June-21	GSTR 6	Return for Input Service Distributors for the month of May, 2021
	13-June-21	IFF-QRMP	Option of uploading Invoices for May 2021 using Invoice Furnishing Facility (IFF) applicable to tax payers opted for Quarterly Return Monthly Payment (QRMP) Scheme
	20-June-2021 or 22-June-2021 or 24-June-2021	GSTR 3B	Simple GSTR return for the Month of May, 2021 (based on category of taxpayer)
The Companies Act, 2013	30-June-21	Form DPT- 3	Return of Deposit as on 31.03.2021
	30-June-21	Form CFSS- 2020	Application for issue of Immunity Certificate under the Companies Fresh Start Scheme (CFSS), 2020
Income Tax Act, 1961	07-June-21	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of May, 2021. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
	14-June-21	TDS/TCS	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194-M in the month of April, 2021
	15-June-21	TDS/TCS	Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March 31, 2021
	15-June-21	TDS/TCS	Submission of a statement (in Form No. 49C) by non-resident having a liaison office in India for the financial year 2020-21
	15-June-21	Advance Tax	First instalment of advance tax for the assessment year 2022-23
	15-June-21	TDS/TCS	Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2020-21
	30-June-21	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194-M in the month of May, 2021
	30-June-21	PAN Addhar Linking	The due date for linking Aadhaar number with PAN has been extended from March 31, 2021 to June 30, 2021 vide Notification S.O. 1432(E), dated 31-03-2021
	30-June-21	VSV Scheme	Payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 without additional charge  The due date for payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 without additional charge has been extended to June 30, 2021 vide Notification S.O. 1704 (E), dated 27-04-2021
PT Act 1975 (Employee)	21-June-21	PT Employees	Monthly payment of Profession Tax for Employees for the month of May, 2021
	30-June-21	PT Employees	Annual Payment of Profession Tax for Directors/Partners
	30-June-21	PT Employees	Annual Payment of Profession Tax for Company
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-June-21	PF Payment	PF Payment for the month of May, 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.

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