

WE ARE YOUR TEAM



Business Support Services

- ▶ India Set up
- ▶ Business Support
- ▶ Tax & Regulatory
- ▶ Corporate Services

Contents

IncomeTax

by:
Manish Parekh



**GST (Goods &
Service Tax)**

by:
Anuya Sawant



**International
Taxation**

by:
Bhavesh Shah



**Company
Law**

by:
Mayura Niphadkar
Pinkesh Jain



**Compliance
Calendar**

by:
Pinkesh Jain



***New e-filing portal to
be mobile friendly,
have manuals, videos:
I-T Dept***

The Income Tax Department on Saturday said it will launch on June 7 its new portal e-filing 2.0, which will be mobile friendly, have pre-filled ITR form and simplified utility.

"Income Tax Department will launch its new e-filing portal <http://incometax.gov.in> on 7th June'21. It will replace the existing portal of the Department <http://incometaxindiaefiling.gov.in>," the I-T department tweeted.

Giving the salient features of the "e-filing 2.0 portal", the I-T Department said there will be a "all new mobile app" and taxpayers will have a step-by-step guidance with user manuals and videos.

Besides, multiple options for on-portal tax payments, multiple options for login, helpdesk support and chatbot are the features in the portal."

(<https://www.business-standard.com>)

***Opportunity for
personal hearing &
insufficient time to
respond – Faceless
Assessment***

In the case of Suresh Kumar Lakhotia vs. National e-Assessment Centre & Ors. Mumbai High Court accepts plea regarding glitches in the operation of faceless assessment procedure.

On the ground that request for personal hearing was not taken into consideration and the assessee was asked to respond to the draft assessment order over the weekend which period was subject to lockdown on account of COVID-19, the High Court has stayed the effect, implementation and operation of the Assessment Order & the Notice of Demand and issued notice to the authorities under the Income Tax Act.

(<https://itatonline.org>)

Retrospective Amendment- Interest in case of Late Payment of tax on net liability

Retrospective amendment (from 1 July 2017) in section 50 of the Central Goods and Services Tax Act, 2017 ('CGST Act') has been notified, this provides for levy of **interest in case of late payment of tax, on net cash liability** as against gross tax liability earlier.

[Notification No.16/2021-Central Tax dated June 1, 2021]

Due date for filing GSTR-1 for May 2021 extended

The due date of filing **GSTR-1** for the month of **May 2021** has been **extended by 15 days** (i.e. the due date will be June 26, 2021).

[Notification No.17/2021-Central Tax dated June 1, 2021]

Relief on 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 2021 to May 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY filing monthly return	Nil for first 15 days from the due date of filing return, 9% for the next 45 days and 18% thereafter	March 2021
	Nil for first 15 days from the due date of filing return, 9% for the next 30 days and 18% thereafter	April 2021
	Nil for first 15 days from the due date of filing return, 9% for the next 15 days and 18% thereafter	May 2021
Taxpayers filing quarterly returns	Nil for first 15 days from the due date of filing return, 9% for the next 45 days and 18% thereafter	Quarter- January to March 2021

[Notification No.18/2021-Central Tax dated June 1, 2021]

Waiver of late fees

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 2021 to May 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY filing monthly return	60 days from the due date of filing returns	March 2021
	45 days from the due date of filing returns	April 2021
	30 days from the due date of filing returns	May 2021
Taxpayer having aggregate turnover of upto INR 5 crores in preceding FY filing quarterly returns	60 days from the due date of filing returns	Quarter- January to March 2021

[Notification No.19/2021-Central Tax dated June 1, 2021]

Amnesty Scheme to provide relief to taxpayers regarding late fee for pending returns

Late fee for non-furnishing FORM **GSTR-3B** for the tax periods from **July, 2017 to April, 2021** has been reduced / waived as under:-

- Late fee capped to a maximum of **Rs. 500/- (Rs. 250/- each for CGST & SGST) per return** in case of NIL Returns i.e. having No Tax Liability for the said tax period
- Late fee capped to a maximum of **Rs. 1,000/- (Rs. 500/- each for CGST & SGST) per return** for other taxpayers;

GSTR – 3B shall be e-filed between **June 1, 2021 to August 31, 2021** to avail the benefit of reduced rate of late fees. It means that the pending GSTR 3B returns for the period, July, 2017 to April, 2021 shall be e-filed on or before **31st August, 2021**.

[Notification No.19/2021-Central Tax dated June 1, 2021]

Relaxations effective from June 1, 2021 for tax periods June 2021 onwards

• Relaxation in Late fees for Return Filings of GSTR 3B and GSTR 1

Rationalization of late fee leviable on account of delay in furnishing return in FORM GSTR-3B and FORM GSTR-1 for future tax periods (June, 2021 onwards). The late fee is being capped, as follows

Category of Taxpayer	Maximum Late Fees
1. Taxpayers having NIL tax Liability	Rs. 500/- (Rs. 250/- each for CGST & SGST) per return
2.For Taxpayers having Tax Liability:	
a) For taxpayers having aggregate turnover in preceding FY upto Rs. 1.5 crores	Rs. 2,000/- (Rs. 1,000/- each for CGST & SGST) per return
b) For taxpayers having aggregate turnover in preceding FY between Rs. 1.5 crores to Rs. 5 crores	Rs. 5,000/- (Rs. 2,500/- each for CGST & SGST) per return
c) For taxpayers having aggregate turnover in preceding FY above Rs. 5 crores	Rs. 10,000/- (Rs. 5,000/- each for CGST & SGST) per return

• Relaxation in Late fees for Return Filings of GSTR 4

Rationalization of late fee leviable on account of delay in furnishing return in FORM GSTR-4 by composition taxpayers for future tax periods (FY 2021-22 onwards)

Category of Taxpayer	Maximum Late Fees
Taxpayers having NIL tax Liability	Rs. 500/- (Rs. 250/- each for CGST & SGST) per return
For Other Taxpayers	Rs. 2,000/- (Rs. 1,000/- each for CGST & SGST) per return

• Relaxation in Late fees for Return Filings of GSTR 7 (TDS return)

Rationalization of late fee leviable on account of delay in furnishing return in FORM GSTR-7 by Tax Deductors at Source for future tax periods (June, 2021 onwards).

Filing Particulars	Relaxations
Late Fee payable for delayed furnishing of Return in Form GSTR – 7	Rs. 50 Per day (Rs. 25/- each CGST & SGST) per return
Maximum amount of Late Fee Capped	Rs. 2,000/- (Rs. 1,000/- each for CGST & SGST) per return.

[Notification No.19, 20, 21 and 22 /2021-Central Tax dated June 1, 2021]

Due Date for GSTR-4 for the year ended March 31, 2021 extended

The due date for filing GSTR-4 (return for composition taxpayers) for the year ending March 31, 2021, has been extended to **July 31, 2021**.

[Notification No.25/2021-Central Tax dated June 1, 2021]

Due Date for ITC-04 extended for the quarter January 2021 to March 2021

The due date for filing **ITC-04** (goods sent and received for job work) for the quarter **January to March 2021**, has been extended to **July 31, 2021**.

[Notification No.26/2021-Central Tax dated June 1, 2021]

Other Extensions / Relaxations to Taxpayer

- 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 April 27, 2021 to August 31, 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.
- Compliance related relief, Relaxation in availment of Input Tax Credit (ITC)- **105% cap on availment of ITC** to be applicable on cumulative basis of tax periods April, May and June 2021, to be applied in the return GSTR- 3B for the Tax Period **June, 2021**.
- Taxpayers furnishing details in Invoice Furnishing Facility (IFF) – QRMP Scheme, may furnish the said details for the month of **May 2021** by **June 28, 2021**.

Social security, insurance and relocation expenses reimbursed to a foreign group company by a resident taxpayer are not taxable as Fees for Technical Services

Based on the facts and the circumstances of the case, recently the Authority for Advance Rulings (AAR) held that social security, insurance and relocation expenses of employees paid to a group company, which are obligatory and committed payments are in the nature of reimbursements and not taxable as fees for technical services (FTS) under the Income Tax Act, 1956 read with the India-Switzerland DTAA.

The AAR observed that there is no lien on employment of the seconded employees with the applicant. The applicant is solely responsible for all payment to the expatriate personnel and makes no salary payments outside India. The entire salary including the reimbursed component has been offered for tax in India by the seconded employee. The AAR further noted that the provision of services or provision of personnel could be camouflaged as seconded agreements; however, in this case, the applicant paid only a very insignificant portion of the obligated payments as reimbursements.

This ruling emphasized the importance of documentation in such cases where the drafting of clauses on role, responsibility, rights and obligations of an employee as well as of the group companies plays an important role in establishing that the provision of services/ personnel is not a disguised by was of a seconded agreement.

(AAR No. 1366 of 2012)

Relaxation on levy of additional fees in filing of certain forms for Companies and LLPs

The Ministry of Corporate Affairs vide its Circular No.6 dated 3rd May, 2021 has decided to grant additional time upto 31st July, 2021 for Companies/LLPs to file such forms (other than a Form CHG – 1, Form CHG – 4 and Form CHG- 9) which were due for filing during 1st April, 2021 to 31st May, 2021 without any additional fees as a special measure during COVID – 19 pandemic.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=13468&type=download>

The Ministry of Corporate Affairs vide its Circular No.7 dated 3rd May, 2021, decided to allow relaxation of time and condone the delay in filing forms related to creation/modification of charges (Form CHG - 1 and Form CHG - 9) as a special measure during COVID – 19 pandemic.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=13466&type=download>

Gap between two board meetings

The Ministry of Corporate Affairs vide its Circular No.8 dated 3rd May, 2021 decided that, the gap between two board meetings held of the Companies could be extended to 180 days during the quarter – April to June, 2021 and quarter July to September, 2021, instead of 120 days as required as per provisions of the Companies Act, 2013.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=13462&type=download>

Clarification on spending of CSR funds

The Ministry of Corporate Affairs vide its Circular No. 9 dated 5th May, 2021 in continuation with earlier Circular No. 10 dated 23rd March, 2020 (Clarification on spending of CSR funds for COVID- 19) further clarified that:

- i. Spending of CSR funds for 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants', 'manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19' or similar such activities are eligible CSR activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 (Activities which may be included by companies in their Corporate Social Responsibility Policies) relating to promotion of health care, including preventive health care, and, disaster management respectively.
- ii. Item no. (ix) of Schedule VII of the Companies Act, 2013 which permits contribution to specified research and development projects as well as contribution to public funded universities and certain Organisations engaged in conducting research in science, technology, engineering, and medicine as eligible CSR activities.
- iii. The companies including Government companies may undertake the activities or projects or programmes using CSR funds, directly by themselves or in collaboration as shared responsibility with other companies, subject to fulfilment of Companies (CSR Policy) Rules, 2014 and the guidelines issued by this Ministry from time to time.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=13450&type=download>

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=13597&type=download>

Clarification on offsetting the excess CSR spent for FY 2019-20

The Ministry of Corporate Affairs vide its Circular dated 20th May, 2021 clarified that, where a company has contributed any amount to 'PM CARES Fund' on 31.03.2020, which is over and above the minimum amount (minimum 2% of Average profit of immediately preceding 3 years) as prescribed under section 135(5) of the Companies Act, 2013 ("Act") for FY 2019-20, and such excess amount or part thereof is offset against the requirement to spend under section 135(5) for FY 2020-21, then the same shall not be viewed as a violation subject to the following conditions:

- i. the amount offset as such shall have factored the unspent CSR amount for previous financial years, if any;
- ii. the Chief Financial Officer shall certify that the contribution to "PM CARES Fund" was indeed made on 31st March 2020 in pursuance of the appeal and the same shall also be so certified by the statutory auditor of the company; and
- iii. the details of such contribution shall be disclosed separately in the Annual Report on CSR as well as in the Board's Report for FY 2020-21 in terms of section 134 (3) (o) of the Act.

<https://www.mca.gov.in/bin/dms/getdocument?mds=yh5ok6xXPSdmLMFFF79bdO%253D%253D&type=open>

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

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-Jul-21	ESIC Payment	ESIC Payment for the month of April, 2021.
	15-Jul-21	ESIC Payment	ESIC Payment for the month of May, 2021.
	15-Jul-21	ESIC Payment	ESIC Payment for the month of June, 2021.
Goods and Service Tax (GST)	10-Jul-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of June 2021
	10-Jul-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of June 2021
	11-Jul-21	GSTR-1	Return of outward supplies of taxable goods and/or services for the Month of June 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Jul-21	GSTR-1	Return of outward supplies of taxable goods and/or services for the Quarter April to June 2021 under QRMP Scheme
	13-Jul-21	GSTR 6	Return for Input Service Distributors for the month of June 2021.
	20-Jul-2021 or 22-Jul-2021 or 24-Jul-2021	GSTR-3B	Simple GSTR return for the Month of June 2021 (based on category of taxpayer)
	22-Jul-2021 or 24-Jul-2021	GSTR-3B	Simple GSTR return for the quarter April to June 2021 under QRMP Scheme (based on category of taxpayer)
	31-Jul-21	GSTR-1	Quarterly return of outward supplies of taxable goods and/or services for registered persons with aggregate turnover up to Rs. 1.50 Crores for the quarter April to June 2021
	31-Jul-21	GSTR-4	Return for Composition Dealers for FY 2020-21
Income Tax Act, 1961	07-Jun-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-Jun-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-Jun-21	TDS/TCS	Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March 31, 2021
	15-Jun-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-Jun-21	Advance Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194IA, 194IB, 194M in the month of May, 2021
	30-Jun-21	TDS/TCS	Due date for linking of Aadhaar number with PAN 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-Jun-21	TDS/TCS	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
	30-Jun-21	TDS/TCS	Quarterly statement of TDS deposited for the quarter ending March 31, 2021 The due date for furnishing of quarterly statement of TDS has been extended from May 31, 2021 to June 30, 2021 vide Circular no. 9/2021, dated 20-05-2021
	30-Jun-21	Form 61	Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect for financial year 2020-21 The due date for furnishing statement of financial transaction for financial year 2020-21 has been extended from May 31, 2021 to June 30, 2021 vide Circular no. 9/2021, dated 20-05-2021

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

Regulation	Due Date	Compliance	Description
Income Tax Act, 1961	07-Jul-21	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of June, 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
	15-Jul-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 May, 2021
	15-Jul-21	TDS/TCS	Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2020-21 The due date for issue of certificate of TDS in respect tax deducted from the salary paid during the Financial Year 2020-21 has been extended from June 15, 2021 to July 15, 2021 vide Circular no. 9/2021, dated 20-05-2021
	30-Jul-21	TDS/TCS	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2021
	30-Jul-21	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194IA 194IB and 194M for the month of June, 2021
	31-Jul-21	TDS/TCS	Quarterly statement of TDS deposited for the quarter ending June 30, 2021
	31-Jul-21	Form 67	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2020-21 and of foreign tax deducted or paid on such income in Form no. 67. (If the assessee is required to submit return of income on or before July 31, 2021.)
	15-Jul-21	TDS/TCS	Quarterly statement of TCS deposited for the quarter ending 30 June, 2021
	PT Act 1975 (Employee)	21-Jul-21	PT Employees
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Jul-21	PF Payment	PF Payment for the month of Jun, 2021.

The above due date calendar contains compliances generally applicable to taxpayers and this calendar 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.

HSCo

www.hscollp.in

Head Office (Mumbai)

409 - 410, Dalamal Chambers,
New Marine Lines,
Mumbai - 400 020, India.

E: hs@hscollp.in

Delhi Office

B-415, Ansal Chamber-I,
3 Bhikaji Cama Place,
New Delhi - 110066

E: delhi@hscollp.in

Bangalore Office

Brigade IRV, 9th floor
Nallurahalli, Whitefield,
Bangalore – 560 066.

E: bangalore@hscollp.in

Pune Office

1A, 2nd Floor, City Vista,
Fountain Road, Off.
Victorious Kids School,
Kharadi, Pune - 411 014.

E: pune@hscollp.in

Hyderabad Office

Unit 301, Inani House,
Kavuri Hills Madhapur,
Phase II, Near D-Mart,
Hyderabad – 500 033.

E: hyderabad@hscollp.in

Disclaimer:

The material in this newsletter is only for private circulation and is not intended to constitute any advice. It may be noted that nothing contained in this publication should be regarded as our opinion. HSCo makes no representations or warranties express or implied with respect to information provided in this newsletter or for its completeness or accuracy. HSCo disclaims all responsibilities and accepts no liability for consequences of any person acting or refraining from acting on such information.