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Faceless assessment scheme to ensure transparent system: CII survey

The faceless assessment scheme of the government will improve efficiency and transparency but few issues regarding the system interface and video conferencing facilities need to be resolved soon, according to a CII survey.

Majority of the respondents stated that the scheme will help realise the government's objective of reducing interface and reducing undesirable practices on the part of tax officials, the survey said.

However, many respondents also felt that there appeared to be a few roving types of queries and going forward, the government may need to consciously avoid phishing and roving queries to build trust with taxpayers.

"Despite the COVID related challenges for both the tax administration and the taxpayers alike, more than 70 per cent respondents had excellent to good experience of faceless assessments. This is reflective of a successful and timely beginning of the scheme," it said.

<https://www.financialexpress.com>

Refunds cannot be withheld even if assessment is initiated

In the case of Addl. CIT vs. Ericsson India (P) Ltd, hon'ble Supreme Court has held that section 143(1D) would be applicable for refund, and refund could not have been denied solely on ground that scrutiny assessment had been initiated against assessee pursuant to issuance of notice under section 143(2). SLP was dismissed against High Court ruling that in absence of any cogent reasons justifying withholding of refund due to assessee under section 143(1), approval granted by Principal Commissioner for withholding such refund under section 241A was unjustified.

CBDT extends due dates for filing of Income Tax Returns and various reports of audit for the Assessment Year 2021-22

On consideration of difficulties reported by the taxpayers and other stakeholders in filing of Income Tax Returns and various reports of audit for the Assessment Year 2021-22 under the Income-tax Act, 1961 (the "Act"), Central Board of Direct Taxes (CBDT) has decided to further extend the due dates for filing of Income Tax Returns and various reports of audit for the Assessment Year 2021-22. The details are as under:

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)/sub-section (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**;

It is also 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 in clauses (1), (4) and (5) above 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 as specified in clauses (i) to (vi) of subsection (1) of that section exceeds rupees one lakh. Further, 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 (without extension under Circular No.9/2021 dated 20.05.2021 and as above) provided in that Act, shall be deemed to be the advance tax.

<https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/969/Press-Release-CBDT-extends-due-dates-for-filing-of-IT>Returns-dated-09-09-2021.pdf>

Facility of using EVC for filing GST Returns by companies extended till October 31, 2021 ▶ The facility of filing Form GSTR-3B and Form GSTR-1 / IFF by companies by using electronic verification code (EVC) instead of Digital Signature certificate (DSC) has been further extended to October 31, 2021.
[Notification No. 32/2021-Central Tax dated August 29, 2021]

Extension of closing date of late fee amnesty scheme ▶ The Government had provided relief to the taxpayers by reducing / waiving late fee for non-furnishing **Form GSTR-3B** for the tax periods from July, 2017 to April, 2021, if the returns for these tax periods are furnished between June 1, 2021 to August 31, 2021 (Notification No. 19/2021- Central Tax, dated June 1, 2021). The last date to avail benefit of the late fee amnesty scheme, has now been extended from existing August 31, 2021 to **November 30, 2021**.
[Notification No.33/2021-Central Tax dated August 29, 2021]

Extension of due date for filing application for revocation of cancellation of GST registration ▶ The CBIC has extended the timelines for filing of application for revocation of cancellation of registration to **September 30, 2021** where the due date of filing of application for revocation of cancellation of registration falls between **March 1, 2020 to August 31, 2021**. The extension would be applicable only in those cases where registrations have been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the CGST Act i.e. where GST registrations have been cancelled due to non-filing of GST returns by the taxpayer.
[Notification No. 34/2021-Central Tax dated August 29, 2021]

Relaxations in FDI norms for Insurance Sector

The Department of Economic Affairs, Ministry of Finance has recently issued the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2021, which are effective from 19 August 2021.

The important changes brought in by the Amended Rules are as under –

1. FDI of 74% will now be permissible in the insurance sector along with conditions laid down by the IRDAI and Department of Financial Services, notified under the FEMA, 1999.
2. Applications for FDI in private banks having insurance subsidiaries or Joint Ventures will be considered by the RBI as well as the IRDAI to comply with the 74% FDI limit mentioned as stated above.
3. IRDAI will be governing the Board composition and Key Managerial Personnel for intermediaries and insurance intermediaries as per its guidelines from time to time.

This amendment is a welcome step for the Indian Insurance Sector as it will now allow Indian insurance companies to increase foreign investment beyond 49%, up to the prescribed limit of 74%.

(Notification No. S.O. 3411(E) dated 19th August 2021)

***Foreign payments for
online advertisement,
bulk e-mail facility and
other IT related
services not taxable as
'royalty'***

Based on the facts and the circumstances of the case, recently the Bangalore Bench of Income Tax Tribunal, in the case of Urban Ladder Home Décor Solutions Pvt. Ltd. (the tax payer), held that the payments made to foreign entities towards mere provision of online platform for advertisement content, bulk email facility and for availing cloud computing/IT infrastructure services shall not be construed as 'royalty' under the tax treaties entered by India with Ireland and USA. Thus, there is no need to withheld tax at source under Section 195 of the Income-tax Act, 1961.

Taxability of online transactions has always been a matter of debate and litigation, especially during the period prior to introduction of education levy. This ruling of Bangalore ITAT thus helps in bringing more clarity in classification and taxability of such digital transactions.

(Urban Ladder Home Décor Solutions Pvt. Ltd.v. ACIT(IT) {IT (IT)A No. 615 to 620/Bang/2020})

1. General Circular regarding Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs vide its Circular No. 14 dated 25th August, 2021 issued a set of FAQs along with response of the Ministry is provided herewith at Annexure for better understanding and facilitating effective implementation of CSR.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0NzM=&docCategory=Circulars&type=open>

Notification under Section 393A of CA, 2013

Effective August 05, 2021, the Central Government exempts, from the provisions of sections 387 to 392 (both inclusive), the following:- [Section 287 to 392 deals with provisions relating to accounts of the company]

(a) foreign companies;

(b) companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India,

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjQ=&docCategory=Notifications&type=open>

Amendment of definition of Electronic mode

Effective Aug 05, 2021 the definition of Definition of Electronic Mode in Rule 2(1)(h) under The Companies (Specification of definitions details) Rules, 2014 to insert an explanation in as follows:

Explanation- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as 'electronic mode' for the purpose of clause (42) of section 2 of the Act.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjM=&docCategory=Notifications&type=open>

Similar amendment is made in The Companies (Registration of Foreign Companies) Rules, 2014 to insert an explanation in Rule 2(1)(c)

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzMzMjI=&docCategory=Notifications&type=open>

Annual report on the capacity building of independent directors

The Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 are amended to insert new Rule 6 as follows:

Rule 6 - Annual report on the capacity building of independent directors:- The institute shall within sixty days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director in format provided in the Schedule to these Rules.(Effective date of Amendment: 19th August, 2021.)

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzU0MTY=&docCategory=Notifications&type=open>

Due dates for the Month of October, 2021#

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948- (ESIC)	15-Oct-21	ESIC Payment	ESIC Payment for the month of Sep, 2021.
Goods and Service Tax (GST)	10-Oct-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of September 2021
	10-Oct-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of September 2021
	11-Oct-21	GSTR-1	Return of outward supplies of taxable goods and/or services for the Month of September 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Oct-21	GSTR 6	Return for Input Service Distributors for the month of September 2021.
	13-Oct-21	GSTR-1	Return of outward supplies of taxable goods and/or services for the Quarter July to September 2021 under QRMP Scheme
	20-Oct-2021 or 22-Oct-2021 or 24-Oct-2021	GSTR-3B	Simple GSTR return for the Month of September 2021 (based on category of taxpayer)
	22-Oct-2021 or 24-Oct-2021	GSTR-3B	Simple GSTR return for the quarter July to September 2021 under QRMP Scheme (based on category of taxpayer)
	31-Oct-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 July to September 2021
	20-Sep-2021 or 22-Sep-2021 or 24-Sep-2021	GSTR-3B	Simple GSTR return for the Month of August 2021 (based on category of taxpayer)
Income Tax Act, 1961	07-Oct-21	TDS/TCS	Due date for deposit of tax deducted/collected for the month of September, 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-Oct-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 July, 2021
	15-Oct-21	TDS/TCS	Quarterly statement of TCS deposited for the quarter ending September 30, 2021
	15-Oct-21	TDS/TCS	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2021
	30-Oct-21	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA,194-IB and 194-M for the month of Sep, 2021
	30-Oct-21	TDS/TCS	Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2021
	30-Oct-21	Form 3CEAB	Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2020-21
	31-Oct-21	TDS/TCS	Quarterly statement of TDS deposited for the quarter ending September 30, 2021
	31-Oct-21	Form 61	Copies of declaration received in Form No. 60 during April 1, 2021 to September 30, 2021 to the concerned Director/Joint Director
	31-Oct-21	ITR	Due date for filing of return of income for the assessment year 2021-22 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c)partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies The due date for furnishing of return of income for Assessment Year 2021-22 has been extended from October 31, 2021 to November 30, 2021 vide Circular no. 9/2021, dated 20-05-2021
	31-Oct-21	Tax Audit	Audit report under section 44AB for the assessment year 2021-22 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E The due date for furnishing of audit report for Assessment Year 2021-22 has been extended from October 31, 2021 to November 30, 2021 vide Circular no. 9/2021, dated 20-05-2021

Due dates for the Month of October, 2021#

Regulation	Due Date	Compliance	Description
Income Tax Act, 1961	31-Oct-21	Tax Audit	Due date for filing of audit report under section 44AB for the assessment year 2021-22 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2021) The due date for filing of audit report for Assessment Year 2021-22 has been extended from September 30, 2021 to October 31, 2021 vide Circular no. 9/2021, dated 20-05-2021
	31-Oct-21	TP Audit	Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction. The due date for furnishing of report has been extended from October 31, 2021 to November 30, 2021 vide Circular no. 9/2021, dated 20-05-2021
	31-Oct-21	Form 67	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2019-20 and of foreign tax deducted or paid on such income in Form no. 67. (if due date of submission of return of income is October 31, 2021).
	31-Oct-21	VSV	Payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 with additional charge
The Companies Act, 2013	29-Oct-21	Form AOC – 4	Form for filing financial statement and other documents with the Registrar.
	29-Oct-21	Form AOC – 4 NBFC (Ind AS)	Form for filing financial statement and other documents with the Registrar for NBFCs
	29-Oct-21	Form AOC – 4 CFS	Form for filing consolidated financial statements and other documents with the Registrar.
	29-Oct-21	Form AOC – 4 CFS NBFC (Ind AS)	Form for filing consolidated financial statements and other documents with the Registrar for NBFCs
	29-Oct-21	Form AOC – 4 XRRL	Form for filing XBRL document in respect of financial statement and other documents with the Registrar.
	30-Oct-21	Form MSME I	Furnishing of half-yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise for the period from April, 2021 to September, 2021.
PT Act 1975 (Employee)	21-Oct-21	PT Employees	Monthly payment of Profession Tax for Employees for the month of Sep, 2021
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Oct-21	PF Payment	PF Payment for the month of Sep, 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.

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