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THE NEWSLETTER

Knowlegde with an edge



November 2021
Vol 100

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CBDT expands Form 26AS info list; includes foreign remittances, MF buys

The income tax department has expanded the list of high-value financial transactions which would be available to taxpayers in their form 26AS by including details of mutual fund (MF) purchases, foreign remittances, as well as information in ITRs of other taxpayers. Form 26AS is an annual consolidated tax statement that can be accessed from the income-tax website by taxpayers using their Permanent Account Number (PAN).

The Central Board of Direct Taxes (CBDT) on October 26 issued an order under Section 285BB of the I-T Act expanding the scope of information reported in new Form 26AS.

Additional information prescribed includes foreign remittance made by any person through an authorised dealer, breakup of the salary with deductions claimed by the employee, information in ITR of other taxpayers, interest on Income Tax Refund, information published in Statement of Financial Transactions.

<https://economictimes.indiatimes.com>

CBDT rolls out new Annual Information Statement (AIS)

Income Tax Department has rolled out the new Annual Information Statement (AIS) on the Compliance Portal which provides a comprehensive view of information to a taxpayer with a facility to capture online feedback. The new AIS can be accessed by clicking on the link "Annual Information Statement (AIS)" under the "Services" tab on the new Income tax e-filing portal (<https://www.incometax.gov.in>) The display of Form 26AS on TRACES portal will also continue in parallel till the new AIS is validated and completely operational.

The new AIS includes additional information relating to interest, dividend, securities transactions, mutual fund transactions, foreign remittance information etc. The reported information has been processed to remove duplicate information. Taxpayer will be able to download AIS information in PDF, JSON, CSV formats.

If the taxpayer feels that the information is incorrect, relates to other person/year, duplicate etc., a facility has been provided to submit online feedback. Feedback can also be furnished by submitting multiple information in bulk. An AIS Utility has also been provided for taxpayers to view AIS and upload feedback in offline manner. The reported value and value after feedback will be shown separately in the AIS. In case the information is modified/denied, the information source may be contacted for confirmation.

A simplified Taxpayer Information Summary (TIS) has also been generated for each taxpayer which shows aggregated value for the taxpayer for ease of filing return. TIS shows the processed value (i.e. the value generated after deduplication of information based on pre-defined rules) and derived value (i.e. the value derived after considering the taxpayer feedback and processed value). If the taxpayer submits feedback on AIS, the derived information in TIS will be automatically updated in real time. The derived information in TIS will be used for pre-filling of Return (pre-filling will be enabled in a phased manner).

Taxpayers should remember that Annual Information Statement (AIS) includes information presently available with the Income Tax Department. There may be other transactions relating to the taxpayer which are not presently displayed in Annual Information Statement (AIS). Tax payers should check all related information and report complete and accurate information in the Income Tax Return.

The taxpayers are requested to view the information shown in Annual Information Statement (AIS) and provide feedback if the information needs modification. The value shown in Taxpayer Information Summary (TIS) may be considered while filing the ITR. In case the ITR has already been filed and some information has not been included in the ITR, the return may be revised to reflect the correct information.

In case there is a variation between the TDS/TCS information or the details of tax paid as displayed in Form26AS on TRACES portal and the TDS/TCS information or the information relating to tax payment as displayed in AIS on Compliance Portal, the taxpayer may rely on the information displayed on TRACES portal for the purpose of filing of ITR and for other tax compliance purposes.

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1001/PressRelease-Roll-out-of-the-new-Annual-Information-Statement-AIS-1-11-21.pdf>

**Assessment Order
quashed on account of
Natural Justice –
Faceless Assessment**

In the case of Neerja Rateria Vs National Faceless Assessment Centre,

Kolkata High Court quashed the order on account of violation of natural justice as the password for the Video conference link was not provided.

The Calcutta High court in this case was considering the writ petition where the petitioner contended that the assessment was made in disregard of the violation of natural justice as the password for the VC was not provided and relevant evidence was produced.

The Hon'ble Judge in a short judgement quashed and set aside the assessment order with liberty to pass fresh order in accordance with the law.

www.itatonline.org

**Retrospective tax:
After Cairn, other
companies queue up to
settle disputes**

After UK-based Cairn Energy PLC, about a dozen other firms affected by India's retrospective taxation rule will file application with the income tax (I-T) authorities in the next few days to initiate settlement of their tax disputes ahead of the November 16 deadline, sources aware of the matter told FE.

Vedanta, a related party in the Cairn tax dispute, would also file application to withdraw from litigation soon, they added. Vodafone, another major firm embroiled in the tax dispute, would file later as its case falls under a separate section of the tax dispute resolution notification, which came nearly two weeks after the first one which covered all others.

<https://www.financialexpress.com>

AADHAR Verification on GST portal will not be applicable for certain category of registered persons

It has been notified that, the provisions of sub-section (6A) of section 25 i.e. requirements of Verification of AADHAR on GST Portal, shall not apply to following categories of registered persons:

- a) not a citizen of India
- b) a Department or establishment of the Central Government or State Government
- c) a local authority
- d) a statutory body
- e) a Public Sector Undertaking
- f) a person applying for registration under the provisions of sub-section (9) of section 25 of the said Act

[Notification No.36/2021 – Central Tax dated September 24, 2021]

Clarification on doubts related to scope of “Intermediary”

Central Board of Indirect Taxes and Customs, had clarified issues related to interpretation of the scope of “Intermediary services” in the GST Law. The clarifications provided are summarised below in brief:

> From the perusal of the definition of “intermediary” under IGST Act as well as under Service Tax law, it is evident that there is broadly no change in the scope of intermediary services in the GST regime vis-à-vis the Service Tax regime, except addition of supply of securities in the definition of intermediary in the GST Law

> **Primary Requirements for intermediary services**

o **Minimum of Three Parties:** By definition, an intermediary is someone who arranges or facilitates the supplies of goods or services or securities between two or more persons. It is thus a natural corollary that the arrangement requires a minimum of three parties, two of them transacting in the supply of goods or services or securities (the main supply) and one arranging or facilitating (the ancillary supply) the said main supply. An activity between only two parties can, therefore, NOT be considered as an intermediary service. An intermediary essentially “arranges or facilitates” another supply (the “main supply”) between two or more other persons and, does not himself provide the main supply.

o **Two distinct supplies:** Two distinct supplies in case of provision of intermediary services:

Main supply, between the two principals, which can be a supply of goods or services or securities

Ancillary supply, which is the service of facilitating or arranging the main supply between the two principals. This ancillary supply is supply of intermediary service and is clearly identifiable and distinguished from the main supply.

> Intermediary service provider to have the character of an agent, broker or any other similar person

> Does not include a person who supplies such goods or services or both or securities on his own account

> Sub-contracting for a service is not an intermediary service

> The specific provision of place of supply of 'intermediary services' under section 13 of the IGST Act shall be invoked **only when** either the location of supplier of intermediary services or location of the recipient of intermediary services is outside India

[Circular No.159/15/2021 – GST dated September 20, 2021]

***Taxpayer earning
exempt income in India
is eligible for Foreign
Tax Credit under the
India-Japan tax treaty***

Based on the facts and the circumstances of the case, recently, the Delhi Bench of the Income-Tax Appellate Tribunal (the Tribunal) in the case of Canon India Pvt.Ltd. (the taxpayer) dealt with the issue of eligibility of Foreign Tax Credit (FTC) when the taxpayer's income was exempt in India. The Tribunal held that the taxpayer is eligible for FTC on the entire amount of taxes with held in Japan under the India-Japan tax treaty (tax treaty).

The Tribunal observed that the income under Section 10A is chargeable to tax under Section 4 and is includible in the total income under Section 5, but no tax is charged because of the exemption given under Section 10A only for a period of 10 years. Merely because the exemption has been granted in respect of the taxability of the said source of income, it cannot be postulated that the tax payer is not liable to tax. The said exemption granted under the statute has the effect of suspending the collection of income tax for a period of 10 years. It does not make the said income not leviable to income tax. The said exemption granted under the statute stands revoked after a period of 10 years. Therefore, the case falls under Section 90(1)(a)(ii). Accordingly, the Delhi Tribunal directed the AO to consider the claim of foreign tax credit.

(CanonIndiaPvt.Ltd.v.ACIT(ITANo. 468/Del/2021))

**Relaxation on levy of
additional fees**

The Ministry of Corporate Affairs vide its Circular No. 17 dated 29th October, 2021 decided that, no additional fees shall be levied upto 31st December, 2021 for the filing of e-forms AOC-4, AOC-4(CFS), AOC-4 XBRL and MGT -7 / MGT -7A in respect of the financial year ended on 31.03.2021 i.e. only normal fees shall be payable for the filing of the abovementioned e – forms till 31.12.2021.

<https://www.mca.gov.in/bin/dms/getdocument?mds=xSlzPTiGfoY1AOdMPFcWzO%253D%253D&type=open>

**Extension of Last date
of filing of Cost Audit
Report**

The Ministry of Corporate Affairs vide its Circular No. 18 dated 29th October, 2021 in continuation with its earlier Circular No. 15 dated 27th September, 2021 decided that, Cost Auditor shall submit Cost Audit Report for the Financial Year 2020-21 to the Board of Directors of the Companies till 30th November, 2021 (earlier it was extended till 31st October, 2021) and consequently Cost Audit Report for the Financial Year 2020-21 shall be filed in Form CRA – 4 within 30 days from the date of Receipt of the copy of Cost Audit Report by the Company. However, in case a Company has got extension for holding Annual General Meeting under Section 96(1) [Annual General Meeting] of the Companies Act, 2013 then, Form CRA – 4 may be filed within the timeline provide under the proviso to Rule 6(6) [Cost Audit] of the Companies (Cost Records and Audit) Rules, 2014.

<https://www.mca.gov.in/bin/dms/getdocument?mds=UXi8CClhFBp0uFbot881Mg%253D%253D&type=open>

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

Compliances and Due Dates for the month of December, 2021 as per the Companies Act, 2013 and the Rules made thereunder: Nil

Due dates for the Month of December, 2021#

Regulation	Due Date	Compliance	Description
Employees' State Insurance Act, 1948 - (ESIC)	15-Dec-21	ESIC Payment	ESIC Payment for the month of Nov, 2021.
Goods and Service Tax (GST)	10-Dec-21	GSTR 7	Summary of Tax Deducted at Source (TDS) and deposited for the month of November 2021
	10-Dec-21	GSTR 8	Summary of Tax Collected at Source (TCS) and deposited by E-Commerce Operator for the month of November 2021
	11-Dec-21	GSTR-1	Return of outward supplies of taxable goods and/or services for the Month of November 2021 (for Assesses having turnover exceeding 1.5 Cr.)
	13-Dec-21	GSTR 6	Return for Input Service Distributors for the month of November 2021
	13-Dec-21	IFF-QRMP	Option of uploading Invoices for November 2021 using Invoice Furnishing Facility (IFF) applicable to tax payers opted for Quarterly Return Monthly Payment (QRMP) Scheme
	20-Dec-2021 or 22-Dec-2021 or 24-Dec-2021	GSTR-3B	Simple GSTR return for the Month of November 2021 (based on category of taxpayer)
	31-Dec-2021	GSTR-9 & GSTR-9C	GST Annual Return and GST Annual Reconciliation for the year ended on March 31, 2021
Income Tax Act, 1961	07-Dec-21	TDS/TCS	Due date for deposit of Tax deducted/collected for the month of November, 2021.
	15-Dec-21	Advance Tax	Third instalment of advance tax for the assessment year 2022-23
	15-Dec-21	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194IB/194IM in the month of October, 2021
	30-Dec-21	TDS/TCS	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA/194-IB/194IM in the month of November, 2021
	30-Dec-21	Form 3CEAD	Furnishing of report in Form No. 3CEAD for a reporting accounting year assuming reporting accounting year is January 1, 2020 to December 31, 2020) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc
	30-Dec-21	ITR	Return of income for the assessment year 2021-22 for all assessee other than (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 or (d) an assessee who is required to furnish a report under section 92E. The due date for furnishing of return of income for Assessment Year 2021-22 has been further extended from September 30, 2021 to December 31, 2021 vide Circular no. 17/2021, dated 09-09-2021
	30-Dec-21	ITR	Return of income for the assessment year 2021-22 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s) The due date for furnishing of return of income for Assessment Year 2021-22 has been extended from November 30, 2021 to December 31, 2021 vide Circular no. 9/2021, dated 20-05-2021
	31-Dec-21 (Extended to March 31, 2022)	Belated ITRs	Filing of belated/revised return of income for the assessment year 2021-22 for all assessee (provided assessment has not been completed before December 31, 2021) The due date for filing of belated/revised return of income for the assessment year 2021-22 has been further extended from January 31, 2022 to March 31, 2022 vide Circular no. 17/2021, dated 09-09-2021
	31-Dec-21	Equilisation Levy	Furnishing of Equalisation Levy statement for the Financial Year 2020-21 The due date for furnishing of Equalisation Levy statement has been further extended from August 31, 2021 to December 31, 2021 vide Circular no. 16/2021, dated 29-08-2021

Due dates for the Month of December, 2021#

Regulation	Due Date	Compliance	Description
Income Tax Act, 1961	31-Dec-21	15G/15H	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2021 The due date for uploading declarations has been further extended from October 15, 2021 to December 31, 2021 vide Circular no. 16/2021, dated 29-08-2021
	31-Dec-21	Form 3CEAC	Intimation (required to be made on or before 30-11-2021) by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India in Form 3CEAC The due date for such intimation has been extended to December 31, 2021 vide Circular no. 16/2021, dated 29-08-2021
	31-Dec-21	Form 3CEAD	Report by a parent entity or an alternative reporting entity or any other constituent entity, resident in India, which is required to be furnished on or before 30-11-2021, in Form no. 3CEAD The due date for furnishing report has been extended to December 31, 2021 vide Circular no. 16/2021, dated 29-08-2021
	31-Dec-21	Form 3CEAE	Intimation on behalf of an international group, which is required to be made on or before 30-11-2021, in Form no. 3CEAE The due date for such intimation has been extended to December 31, 2021 vide Circular no. 16/2021, dated 29-08-2021
PT Act 1975 (Employee)	30-Dec-21	PT Employees	PF Payment for the month of Nov, 2021
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	15-Dec-21	PF Payment	PF Payment for the month of Nov, 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.



35+
Years of
Operation

6
Partners

60+
Team
Members

5
Offices across
India

60+
International
Clientele

700+
National
Clients

SSAE₁₈
Compliant

ICAI^{Certified}
Peer Reviewed
Firm

IBBI^{Certified}
Registered
Valuer



Truly Indian. Serving Globally.

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India Setup	Business Support	Audit & Assurance	Tax Advisory
Accounting & Reporting	Regulatory Compliance	Payroll Processing	Corporate & Secretarial

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