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Chartered Accountants



SPCM
LEGAL

SAMĀCĀRA

July


2021



SAMĀCĀRA – JULY 2021

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INCOME TAX

			
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GOODS AND SERVICES TAX

	
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EDITORIAL

Dear All,

While the economic activity is poised to pick up on the backdrop of a 2-month low in fresh COVID cases, we need to continue exercising caution and follow appropriate behavior to avoid the consequences of the third wave of Covid. If stock markets are to be considered as a barometer of the market sentiments, underlying fundamentals seem to be strong and disruption caused due to the second wave of Covid seem to be abating. Considering that Companies have been unable to achieve incremental sales condition due to pandemic related lockdowns, restrictions on movement of personnel and other related factors Hon'ble Finance Minister Ms. Nirmala Sitharaman conducted a press conference on 28.06.2021 and announced a slew of economic relief measures totaling to Rs. 6.28 Lakh Crores, to combat COVID-19 induced economic stress. She extended the tenure of Production Linked Incentive Scheme for large scale electronics manufacturing by one year i.e., till 2025-26; provided for incentive of 6% to 4% on incremental sales of goods under target segments manufactured in India, for a period of 5 years applicable from August 01, 2020 taking base year as 2019-20; giving participating companies an option of choosing any 5 years for meeting their production targets under the scheme. The entire package however is credit linked and, in that sense, not a relief of a transfer of funds.

The Income-tax Department has, on 7th June 2021, launched a new e-filing portal, www.incometax.gov.in, which is stated to be more comprehensive, taxpayer friendly and has an easier interface. Since its launch however, unfortunately due to some technical issues at the Government's end, taxpayers are finding it difficult to log on to the portal and those who have been able to log on, have not been able to experience the full functionalities thereof till today.

In spite of COVID-19 impact, there is no substitute for Blood. The only way to generate blood is in our bodies, and the only way to supplement blood reserves is by blood donation and therefore we have organized the Blood Donation Camp on 1.07.2021 where 68 bottles have been collected. This day is recognized as the CA as well as Doctors Day and I request that let us contribute to noble cause **“Share a Little, Care a Little, Donate Blood to Save a Life”**.

I am proud to share with you all that, three clients of SPCM have been felicitated as Maharashtra’s Iconic Professionals by Sakal, a leading newspaper from Maharashtra.

Covid cases are once again rising in Pune as well as Maharashtra. I entreat you all to take care and stay safe as well as follow all guidelines issued by the authorities from time to time.

Yours sincerely,



CA. Suhas P. Bora

**MEDIA COVERAGE****आज का आनंद****पुणे शहर**

सीए-डे पर आयोजित रक्तदान शिविर में उपस्थित अथर्व खुर्द, सीए काशीनाथ पठारे, सीए प्रदीप कटारिया, सीए सुहास बोरा एवं सीए समीर लट्टा आदि.

रक्तदान कर मनाया नेशनल चार्टर्ड एकाउंटेंट्स-डे**मित्रमंडल चौक, 1 जुलाई (आ.प्र.)**

प्रतिवर्ष 1 जुलाई को 'नेशनल चार्टर्ड एकाउंटेंट्स डे' मनाया जाता है. इस साल 73वें नेशनल चार्टर्ड एकाउंटेंट्स डे पर मेसर्स एसपीसीएम एंड एसोसिएट्स द्वारा रक्तदान शिविर आयोजित किया गया. आईसीआई के डब्ल्यूआईआरसी की ब्रांच के सहयोग से आयोजित इस रक्तदान शिविर में सीए एवं नॉन सीए सहित 68 लोगों ने रक्तदान किया. एसपीसीएम एवं एसोसिएट्स द्वारा पिछले चार सालों से नेशनल चार्टर्ड एकाउंटेंट्स डे पर रक्तदान शिविर का आयोजन किया जा रहा है. इस साल यह आयोजन और ज्यादा महत्वपूर्ण रहा, क्योंकि कोरोना की वजह से शहर में ब्लड की कमी हो गई है. पूना सेरोलॉजिकल इंस्टीट्यूट ब्लड सेंटर के सहयोग से सुरक्षा को लेकर पूरी तरह सावधानी बरतते हुए रक्तदान कराया गया.



WE ARE PROUD OF OUR CLIENTS' ACHIEVEMENTS! – ICONIC PROFESSIONALS OF MAHARASHTRA IN SAKAL NEWSPAPER

**ICONIC
PROFESSIONALS
of****MAHARASHTRA**

उद्योजक



गेली काही वर्षे सामाजिक जबाबदारी म्हणून डायलेसिस सेंटर, पॅथॉलॉजी सेंटरद्वारे रास्त दरामध्ये लोकांना आम्ही सेवा पुरवत आहोत. सध्या पुण्यामध्ये आमच्या २० शाखा असून, कोरोनाकाळामध्ये विविध चाचण्या रुग्णांसाठी स्वस्त दरामध्ये आम्ही उपलब्ध करून दिल्या आहेत. लोकांच्या विश्वासावर आजपर्यंत आमचे कार्य सुरू आहे आणि हे असेच सदोदित सुरू राहील. 'सकाळ'ने पुरस्काररूपाने दिलेली कौतुकाची थाप आमच्यासाठी प्रेरणादायी आहे.

– प्रफुल्ल कोठारी
डायग्नोपिन

डॉक्टर



आयकॉनिक प्रोफेशनल्स ऑफ महाराष्ट्र पुरस्कार देऊन माझा गौरव केल्याबद्दल सकाळ माध्यम समूहाचे आभार. 'सकाळ'ने या कोविड महामारीत माझ्यासवे सर्व डॉक्टरांना आणि पी. एच. डायग्नोस्टिक सेंटर कुटुंबातील कर्मचाऱ्यांना या कठीण परिस्थितीत हा पुरस्कार देऊन आम्हास पुढे जाण्यासाठी प्रवृत्त केले. रुग्णसेवा हीच मानवसेवा या आमच्या विश्वासास पुष्टी मिळते. आम्ही आमच्या पूर्ण क्षमतेने त्यांची सेवा करतो, ज्याची ग्वाही गेल्या २० वर्षांपासून आमचे लाखो समाधानी ग्राहक देत आहेत.

– डॉ. हेमंत धोका
पी. एच. डायग्नोस्टिक सेंटर

लेखक



एमपीएससीच्या अनेक परीक्षा दिल्या. उपजिल्हाधिकारी व तत्सम पदांकरिता पात्र ठरलो व निवडही झाली. त्याकाळी आयोगाच्या परीक्षांकरिता अभ्यासक्रमानुसार पुस्तकेच नव्हती. ही प्रमुख समस्या लक्षात घेऊन १९८६ मध्ये एमपीएससीकरिता अभ्यासक्रमानुसार मराठीतील पहिले पुस्तक लिहिले, नंतर अनेक पुस्तके लिहिली. काही पुस्तकांच्या एंशीपेक्षा जास्त आवृत्त्या प्रसिद्ध झाल्या. 'सकाळ'ने दिलेला हा पुरस्कार म्हणजे घरच्यांनी केलेले कौतुकच होय.

– विठ्ठल सदाशिव क्षीरसागर
के. सागर

APPLICATION OF SECTION 56(2)(X) FOR TRANSFER OF LEASEHOLD RIGHTS

There is no general definition of the term immovable property' under Income Tax Act, 1961. However, under Explanation to section 56(2)(vii), the term 'immovable property' has been restricted to include land or building or both. When we look at the wording of the Explanation to section 56(2)(vii) it says, "Immovable property being land or building or both". The term used here is "being", which implies that for purpose of section 56(2)(x) property shall include immovable property being land or building or both only. When we compare the wordings of the definition of the term immovable property with the wordings of the definition given u/s 269UA(d), it can be discerned that definition in the later section specifically states that the land and building shall include any rights therein, however such inclusion is conspicuous by its absence in the definition of the term "immovable property" in Explanation to section 56(2)(vii). Therefore, in our opinion the legislature did not intend to include any rights in the immovable property to be included in the definition for the purpose of section 56(2)(x), because the legislature when intended to do so, it did as in case of section 269UA.

It is well-settled legal position that land and building are quite separate and independent property than the lease rights or other rights in the land or building. Accordingly, when only right is received by an assessee, same will not be covered under section 56(2)(x).

In such a case determination of stamp duty valuation will also not be applicable. Section 50C of the Act also employs similar phraseology. Section 50C states that "where consideration received or accruing as a result of transfer by an assessee of a capital asset being land or building or both." In the context of section 50C, the controversy has aroused as to whether the said section would apply to rights in the land or building or not.

In this regard reference can be made to a decision of ITAT Mumbai Bench in the case of Atul G. Puranik v. ITO (2011) 132 ITD 499 (Mum) wherein in the context of section 50C, in which section also similar language has been used, it was held that transfer of leasehold rights in land is not covered under section 50C of the Act and stamp duty valuation is not applicable.

The aforesaid position of law has also been upheld by Bombay High Court in the case of CIT v. Greenfield Hotel and Estates Pvt. Ltd. (2016) 389 ITR 68 (Bom). Similarly, in following cases where assessee has transferred booking for a flat with the builder, issue has arisen whether same is a separate right / property than the flat when actually received:

- a. ITO vs. Pradeep Steel Rolling Mills Pvt Ltd 155 TTJ 294
- b. ITO vs. Hemant Tandel 44 CCH 55
- c. PUNE ITAT in the case of Cancast (P) Ltd vs ITO 68 SOT 110
- d. ITO vs. Prem Rattan Gupta 31 CCH 384

In view of above various judicial decisions, it will not be inappropriate to rely upon these decisions rendered in the context of section 50C while interpreting the meaning of the term “immovable property” for the purpose of section 56(2)(x) and as per the above decisions, the term “land or building or both”, will not include rights in such property like leasehold rights, TDR etc.

However, when not only the rights in the land or building but the land or building itself is transferred the provisions of section 56(2)(x) will be attracted.

**GUIDELINES UNDER SECTION 9B AND SUB-SECTION (4) OF
SECTION 45 OF THE INCOME-TAX ACT, 1961**

A. Brief:

1. Finance Act, 2021 inserted a new section 9B in the Income-tax Act 1961 (hereinafter referred to as "the Act"). This section mandates that whenever a specified person receives any capital asset or stock in trade or both from a specified entity, during the previous year, in connection with the dissolution or reconstitution of such specified entity, then it shall be deemed that the specified entity have transferred such capital asset or stock in trade or both, as the case may be, to the specified person (hereinafter referred to as "deemed transfer"). This deemed transfer would be in the year in which such capital asset or stock in trade or both are received by the specified person. Any profits and gains arising from such deemed transfer is deemed to be the income of such specified entity of the previous year in which such capital asset or stock in trade or both were received by the specified person. Further, it is chargeable to income-tax as income of such specified entity under the head "Profits and gains of business or profession" or under the head "Capital gains", in accordance with the provisions of this Act. It has also been provided that the fair market value of the capital asset or stock in trade or both, on the date of its receipt by the specified person, shall be deemed to be the full value of the consideration received or accruing as a result of such deemed transfer. The definitions of terms "reconstitution of the specified entity", "specified entity" and "specified person" are provided in section 9B of the Act.
2. Similarly, the Finance Act 2021 substituted sub-section (4) of section 45 of the Act.



3. This newly substituted sub-section (4) now provides that where a specified person receives any money or capital asset or both from a specified entity, during the previous year, in connection with the reconstitution of such specified entity, then any profits or gains arising from receipt of such receipt by the specified person shall be chargeable to income-tax as income of the specified entity under the head "Capital gains". It has been further deemed that this income shall be the income of the specified entity of the previous year in which such money or capital asset or both were received by the specified person. A formula to calculate such profits and gains has also been provided in this sub-section. The definitions of terms "reconstitution of the specified entity", "specified entity" and "specified person" shall be as provided in section 9B of the Act while the terms "self-generated goodwill" and "self-generated asset" have been defined in this sub-section. It has been further clarified that when a capital asset is received by a specified person from a specified entity in connection with the reconstitution of such specified entity, the provisions of sub-section (4) of section 45 of the Act shall operate in addition to the provisions of section 9B of the Act and the taxation under the said provisions thereof shall be worked out independently. Both, the new section 9B and substituted sub-section (4) of section 45 are applicable for the assessment year 2021-22 and subsequent assessment years.
4. Sub-section (4) of section 9B of the Act provides that if any difficulty arises in giving effect to the provisions of this section and sub-section (4) of section 45 of the Act, the Board may, with the approval of the Central Government, issue guidelines for the purposes of removing the difficulty. For this purpose, the Central Board of Direct Taxes, with the approval of the Central Government, hereby issues the following guidelines.

B. Guidelines

1. It is noticed that the amount taxed under sub-section (4) of section 45 of the Act is required to be attributed to the remaining capital assets of the specified entity, so that when such capital assets get transferred in the future, the amount attributed to such capital assets gets reduced from the full value of the consideration and to that extent the specified entity does not pay tax again on the same amount. It is further noticed that this attribution is given in the Act only for the purposes of section 48 of the Act. It may be seen that section 48 of the Act only applies to capital assets which are not forming block of assets. For capital assets forming block of assets there is sub-clause (c) of clause (6) of section 43 of the Act to determine written down value of the block of asset and section 50 of the Act to determine the capital gains arising on transfer of such assets. However, the Act has not yet provided that amount taxed under sub-section (4) of section 45 of the Act can also be attributed to capital assets forming part of block of assets and which are covered by these two provisions. To remove difficulty, it is clarified that rule 8AB of the Income Tax Rules, 1962 (hereinafter referred to as "the Rules") notified vide notification no. 76 dated 02.07.2021 also applies to capital assets forming part of block of assets. Wherever the terms capital asset is appearing in the rule 8AB of the Rules, it refers to capital asset whose capital gains is computed under section 48 of the Act as well as capital asset forming part of block of assets. Further, wherever reference is made for the purposes of Section 48 of the Act, such reference may be deemed to include reference for the purposes of sub-clause (c) of clause (6) of section 43 of the Act and section 50 of the Act.
2. For the removal of doubt it is further clarified that in case the capital asset remaining with the specified entity is forming part of a block of asset, the amount attributed to such capital asset under rule 8AB of the Rules shall be reduced from the full value of the consideration received or accruing as a result of



subsequent transfer of such asset by the specified entity, and the net value of such consideration shall be considered for reduction from the written down value of such block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act.

***“Your reputation is more important than your paycheck,
and your integrity is worth more than your career.”***

– Ryan Freitas

***“Everybody is a genius. But if you judge a fish by its ability
to climb a tree, it will live its whole life believing that it is
stupid.”***

– Albert Einstein

**GIST OF GST NOTIFICATIONS AND CIRCULARS****NOTIFICATION:**

NOTIFICATION NO	DATE	SUBJECT	HIGHLIGHTS
28/2021-Central Tax	30-06-2021	CBIC notified waiver of penalty payable for non-compliance of provisions of Notification No. 14/2020 dated 21st March 2020	Penalty for Non-compliance with QR Code on B2C transactions waived from 1st December 2020 till 30th September 2021. Earlier this waiver was up to 30th June 2021

CIRCULARS:

CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
156/12/2021	21-06-2021	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020	<p>"It is mandatory for companies having turnover above Rs. 500 Cr. to comply with dynamic B2C QR code from 1st Dec 2020. However no penal provisions if same is not complied till 30th June 2021, subject to conditions.</p> <p>Clarification with respect of applicability of dynamic Quick Response Code on B2C invoices and compliance of notification 14/2020.</p>



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
			<p>1) Invoices issued to UIN holders shall be considered as invoice issued to unregistered user and shall comply with dynamic QR Code requirement</p> <p>2) Separate details of bank account & IFSC details are not required since UPI ID is linked to a bank account of the payee/person collecting money.</p> <p>3) Where the payment is collected by some person, authorized by the supplier, the UPI ID of such person may be provided in the Dynamic QR Code, instead of UPI ID of the supplier.</p> <p>4) In case of supply of services to recipient located outside India but payment is received in foreign currency and place of supply is within India (i.e. services not considered as an export), QR code is not required since same cannot be used for payment.</p> <p>5) Where the invoice number is not available at</p>



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
			<p>the time of digital display of dynamic QR code say in case of over the counter sales and the invoice number and invoices are generated after receipt of payment, the unique order ID/ unique sales reference number, which is uniquely linked to the invoice issued for the said transaction, may be provided in the Dynamic QR Code for digital display, as long as the details of such unique order ID/ sales reference number linkage with the invoice are available on the processing system of the merchant/ supplier and the cross reference of such payment along with unique order ID/ sales reference number are also provided on the invoice.</p> <p>6) In case of receipt of part payments by way of advance or adjustment using voucher or discount coupon before QR Code generation, the code may provide only the balance amount payable and details of total invoice value, cross reference of advance adjustment and remaining amount shall be provided in invoice</p>



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
155/05/2021	17-06-2021	Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System	Laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading i.e. 6%
154/05/2021	17-06-2021	GST on service supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them	It is re-iterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under entry No. 34A
153/05/2021	17-06-2021	GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS	In case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3 A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
			the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 11/2017-Central Tax (Rate) dated 28.06.2017). Combined reading of the definition of job-work [section 2(68), 2(94), 22, 24, 25 and section 51] makes it clear that a person registered only for the purpose of deduction of tax under section 51 of the CGST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate.
152/05/2021	17-06-2021	Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis	Works contract service provided by way of construction such as of rope way shall fall under entry at sl. No. 3(xii) of notification 11/2017-(CTR) and attract GST at the rate of 18%.
151/05/2021	17-06-2021	Clarification regarding GST on supply of	(i) GST is exempt on services provided by Central or State Boards



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
		various services by Central and State Board (such as National Board of Examination)	<p>(including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution [under S. No. 66 (aa) of notification No. 12/2017-CT(R)].</p> <p>(ii) GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under S. No. 66 (b) (iv) of notification No. 12/2017-CT(R)].</p> <p>(iii) GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional (accreditation fee or registration fee such as fee for FMGE screening test) so as to authorize them to provide their respective services.</p>
150/05/2021	17-06-2021	Clarification regarding applicability	GST is exempt on service, falling under heading 9967 (service code), by



CIRCULAR NO.	DATE OF ISSUE	SUBJECT	CLARIFICATION
		of GST on the activity of construction of road where considerations are received in deferred payment (annuity).	way of access to a road or a bridge on payment of annuity [entry 23A of notification No. 12/2017-Central Tax]. Entry 23A of notification No. 12/2017-CT(R) does not exempt GST on the annuity (deferred payments) paid for construction of roads.
149/05/2021	17-06-2021	Clarification issued on applicability of GST on supply of food in Anganwadis and Schools	It is clarified that, services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66 (b)(ii)]. Educational institutions as defined in the notification include Anganwadi. Hence, serving of food to Anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.

GST UPDATES

1. Other GST Amendment Vide Notification Dated 02.06.2021:

- A landowner-promoter shall be eligible to utilise the credit of tax charged to him by the developer-promoter for payment of tax on apartments supplied by the landowner in such project.
- 5% GST Rate to apply on Maintenance, repair or overhaul services in respect of ships and other vessels, their engines and other components or parts.
- Reduction in GST rate on Diethylcarbamazine (DEC) tablets to 5% (from 12%).

2. Govt. extends Exemption from IGST on Imports of specified COVID-19 relief material Donated from Abroad:

- The Government has notified the extension of the exemption from IGST on imports of specified COVID19 relief material donated from abroad from 30th June 2021 till the 31st day of August 2021.
- Amended Export Policy to restrict export of Amphotericin-B injections.
- The DGFT vide Notification No. 07/2015-2020 dated June 01, 2021 inserted following entry in Chapter 96 (i.e., Miscellaneous Manufactured Articles) of Schedule 2 of the ITC (HS) Export Policy, 2018.

3. GST E-Invoice not required for Govt. Departments and Local Authorities:

- The CBIC excluded the government department and local authorities from the requirement of issuance of GST E-Invoice. The Government has amended the Notification No.13/2020 – Central Tax, dated the 21st March, 2020, which exempts certain classes of registered persons from issuing e-invoices. In notification dated the 21st March, 2020, in the first paragraph, after the words “notifies registered person, other than”, the words “a government department, a local authority,” shall be inserted.

4. NIC releases Changes in Blocking of GSTIN & Bill generation:

- That blocking of GSTIN for e-Way Bill generation is now considered only for the defaulting Supplier GSTIN and not for the defaulting Recipient or Transporter GSTIN. The NIC has updated the Mode of transport Ship as Ship / Road cum Ship so that the user can enter Vehicle number in case the goods are moved by Road initially, and for movement by Ship, the Bill of lading Number and date may be entered.
- Suspended GSTINs shall be allowed for E-Waybill generation. That is, the GSTINs which are suspended on the GST Common Portal can continue generating e-way bills on the e-way bill portal. Similarly, the recipient and transporter GSTINs which are suspended are also allowed for generation of e-waybill.

5. GSTN enables Auto-population of HSN description based on HSN Code:

- The GSTN enabled the Auto-population of Harmonized System of Nomenclature (HSN) description based on HSN code on the GST portal. The taxpayers have to prepare HSN Summary to capture the Correct HSN and Rate.
- Now the section of the Auto population of HSN Description consists of HSN, Description, UQC, Total Quantity, Total Taxable Value, Rate, Integrates tax (IGST), Central Tax (CGST), State or Union Territory Tax (SGST OR UTGST), and Cess.

6. Extention of Validity for MSMEs:

- Ministry of Micro, Small and Medium Enterprises Extends Validity of Udyog Aadhaar Memorandum from 31st March, 2021 to 31st December, 2021.

7. CBIC issues Guidelines for Expeditious Customs Clearance of Import of COVID-19 related Equipment's or Medicaments through Courier:

The Board notified that the documents required for the expeditious customs clearance of Import through Courier are:

- Air Way Bill,
- Commercial Invoice,
- KYC Documentation, and
- a packing list with the description of the goods

8. CBIC notifies Ad hoc Exemption from IGST on Imports of specified COVID-19 relief material Donated from Abroad:

The CBIC has notified certain conditions on the IGST Exemption on imports of specified COVID-19 relief material donated from abroad.

- a. State Government shall appoint a nodal authority in the State for the purpose of this exemption. As per section 2 (103) of the Central Goods and Services Tax Act, 2017, states include a Union territory with Legislature.
- b. Secondly, The Nodal authority so appointed shall authorize any entity, relief agency or statutory body, for free distribution of such Covid-relief material.
- c. The said goods can be imported free of cost by a State Government or, any entity/ relief agency/ statutory body, authorized in this regard for free distribution anywhere in India.
- d. The importer shall before clearance of goods from Customs produce a certificate from the said nodal authorities that goods are meant for free distribution for Covid relief.
- e. Imports, the importer shall produce, to the Deputy or Assistant Commissioner of Customs at the port within a period of six months from the date of importation or within such extended period not exceeding nine months, a simple statement containing details of goods imported and distributed free of cost.



9. ITC Reconciliation Of Apr-21 For GSTR-3B:

On extension of the GSTR-1 filing by the 15 days, So FORM GSTR-2B shall be available only after last cut-off date i.e., 29/05/2021.

As per amendment to Rule 36(4) of CGST Rules 2017 ITC reconciliation with 2B for the month of April 21 can be done cumulatively with May 2021. In other words, ITC for April can be claimed without reconciliation with 2B.

10. GSTN extends due date of filing Revocation Application of Cancellation:

The GSTN notified the extension of the due date of filing the Revocation application of Cancellation from 90 days to 180 days which will be valid up to 15th June 2021 the CBIC notified. The tax official may have cancelled a taxpayer's GST registration by initiating Suo-moto proceedings. The aggrieved taxpayer can apply for revocation or restoration of such GST registration cancelled by visiting the GST portal and the timeline for filing such application has been extended to 180 days which will be valid up to 15th June 2021.

11. GST Refund Status: The Steps to Track your Application even without logging into GST Portal:

One can track his refund application without logging into the GST Portal only through ARN. GST refund application can be tracked by Navigating to Services then click on "Track Application Status", Select the Refund option, Enter ARN, Click SEARCH to track.

One's refund application without logging into the GST Portal. Here one is not bale to Tax Period and Tax Amount Claimed, which can be viewed when one view the status of the refund application after logging into the GST Portal.



12. DGFT: Change in Import policy of pulses with effect from 15th May 2021:

DGFT has issued notification for change in import policy for the import of Tur, Moong & Urad dal can freely imported for the period 15th may-2021 to 31st October-2021. This Tur, Moong & Urad dal has been transferred from restricted group to free import group. Further it has been clarified that bill of lading of the on or before 31st October-2021, it must be cleared before 30th November-2021.

13. CBIC issued Notification No. 15/2021-Central Tax, dated 18.05.2021 to amend CGST Rules, 2021:

- Rule 23 and FORM GST REG-21, that deals with revocation of cancellation of registration, so as to allow the registered person to file application in FORM GST REG-21, within such extended period by the Additional Commissioner or Joint Commissioner or the Commissioner.
- Proviso under Rule 90(3): Time period from the date of filing of the refund till the date of communication of the deficiencies in FORM GST RFD-03, is to be excluded from the period of 2 years.
- Rule 90(4) Allowed registered person to withdraw the application of refund claim, by filing application in FORM GST RFD-01W before issuance of RFD-04 or RFD-06 or RFD-05 or RFD07 or RFD-08.
- Rule 90(5) On submission of application in FORM GST RFD-01W, any amount debited from electronic credit ledger or electronic cash ledger, shall be credited back to the ledger from which such debit was made.
- The proper officer shall pass an order in 'Part A' instead of 'Part B' of FORM GST RFD-07 the reasons for withholding the refund.
- New proviso to Rule 92(2): passing of an order for release of withheld refund in Part B of FORM GST RFD-07.
- Rule 96(6): passing of an order in 'Part A' instead of 'Part B' of FORM GST RFD-07, upon transmission of the intimation for withholding refund.



- Amended Rule 96(7): Now, the jurisdictional officer, shall issue order in RFD-06 after issuing Part B of FORM GST RFD-07.
- Amended Rule 138E: In PART A of FORM GST EWB-01, words “in respect of any outward movement of goods of a registered person” substituted with “in respect of a registered person, whether as a supplier or a recipient”.
- Inserted FORM RFD-01W i.e., the application for withdrawal of refund application.

14. CBIC issues SoP for Implementation of Provision of Extension of Time Limit to Apply for Cancellation of GST Registration:

Any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer in FORM GST REG-21, for revocation of cancellation of registration within 30 days from the date of service of the cancellation order.

Beyond 30 days but not exceeded 90 days:

As per the circular, where a person applies for revocation of cancellation of registration beyond a period of 30 days from the date of service of the order of cancellation of registration but within 60 days of such date, the said person may request, through letter or e-mail, for extension of time limit to apply for revocation of cancellation of registration to the proper officer by providing the grounds on which such extension is sought.

15. E-Way Bill integrated with FASTag, RFID; Transporter to have a RFID tag in his Vehicle:

With the integration of E-waybill System with RFID and Fast-tag, officers now can access the details of commercial vehicle movements through tolls on a near real-time basis. Various reports are available in the E Way Bill Officers' Mobile Application such as:

- **REAL TIME TRACKING OF EWB & VEHICLE:**
Details such as value, HSN, Validity, from and to locations on Map, name of toll and exact passage time. The passage of vehicle can also be viewed in Map.
- **LATE PASSAGE DETAILS OF VEHICLE:**
For a given vehicle number, last ten pass through the toll plazas is shown. On clicking the map icon, the movement details are shown on the map
- **VEHICLE PASSAGE DETAIL ON GIVEN DATE:**
The details of E-way Bill(s) carried by a particular vehicle and the passage details at various tolls with exact time of passage in a given date range.
- **EWB WITH VEHICLE DETAILS:**
Vehicle details of a particular E-Way Bill and time during which that vehicle was carrying the E-way Bill with details of transshipment if any.

In a move which will help curb tax evasion, GST authorities have been armed with real-time data of commercial vehicle movement on highways with integration of the e-way bill (EWB) system with FASTag and RFID.

16.

A. GSTR 3B Due dates for all Registered Persons having Aggregate turnover > 5 Crores in preceding F.Y:

Tax Period	Late Fees	Interest	
	No Late Fees if filed till	Interest @ 9% if filed till	Interest @ 18% if filed after
Mar-21	5 th May, 2021	5 th May, 2021	5 th May, 2021
Apr-21	4 th June, 2021	4 th June, 2021	4 th June, 2021
May-21	5 th July, 2021	5 th July, 2021	5 th July, 2021

B. GSTR 3B Due dates for all Registered Persons having Aggregate turnover < 5 Crores in preceding F.Y and filing monthly returns:

Tax Period	Late Fees	Interest		
	No Late Fees if filed till	NIL Interest if filed till	Interest @ 9% if filed till	Interest @ 18% if filed after
Mar-21	19 th June, 2021	5 th May, 2021	19 th June, 2021	19 th June, 2021
Apr-21	4 th July, 2021	4 th June, 2021	4 th July, 2021	4 th July, 2021
May-21	20 th July, 2021	5 th July, 2021	20 th July, 2021	20 th July, 2021

C. GSTR 3B Due dates for all Registered Persons under QRMP Scheme:

	No Late Fees if filed till	NIL Interest if filed till	Interest @ 9% if filed till	Interest @ 18% if filed after
Mar-21	21 st / 23 rd June, 2021	7 th / 9 th May, 2021	21 st / 23 rd June, 2021	21 st / 23 rd June, 2021
Apr-21	Not Applicable	9 th June, 2021	9 th July, 2021	9 th July, 2021
May-21	Not Applicable	10 th July, 2021	25 th July, 2021	25 th July, 2021



D. CMP-08 Due date for Composition taxable persons:

Tax Period	Interest		
	NIL Interest if filed till	Interest @ 9% if filed till	Interest @ 18% if filed after
Jan-Mar 2021	3 rd May 2021	17 th June, 2021	17 th June, 2021

17. GST Amnesty Scheme for GSTR-3B returns if filed between 01.06.2021 to 31.08.2021:

Tax Period	Category of Taxpayers	
	Taxpayers having NIL tax liability	Other Taxpayers
July 2017 to April 2021	Max late fees of Rs 500 (Rs 250 CGST + Rs 250 SGST) per return	Max late fees of Rs 1000 (Rs 500 CGST + Rs 500 SGST) per return



18. Rationalization of late fees leviable on account of delay in furnishing return in FORM GSTR-3B & FORM GSTR-1 from June 2021 onwards:

Category of Taxpayers	Maximum amount of late fees
Taxpayers having NIL tax liability or having NIL outward supplies	Max late fees of Rs 500 (Rs 250 CGST + Rs 250 SGST) per return
Other taxpayers having aggregate turnover in preceding financial year up to Rs 1.5 crores	Max late fees of Rs 2000 (Rs 1000 CGST + Rs 1000 SGST) per return
Other taxpayers having aggregate turnover in preceding financial year between Rs 1.5 crores to Rs 5 crores	Max late fees of Rs 5000 (Rs 2500 CGST + Rs 2500 SGST) per return
Other taxpayers having aggregate turnover in preceding financial year above Rs 5 crores	Max late fees of Rs 10000 (Rs 5000 CGST + Rs 5000 SGST) per return

19. Rationalization of late fees leviable under Section 47 for delay in furnishing of return in FORM GSTR-4 has been done from the tax period 2021-22 onwards.

Category of Taxpayers	Maximum amount of late fees
Taxpayers having NIL tax liability	Max late fees of Rs 500 (Rs 250 CGST + Rs 250 SGST) per return
Other taxpayers	Max late fees of Rs 2000 (Rs 1000 CGST + Rs 1000 SGST) per return

INCLUSION OF RETAIL AND WHOLESALE TRADERS

Recently, vide Office Memorandum No. 5/2(2)/2021-E/P & G/Policy dated 2nd July 2021, the Ministry of Micro, Small and Medium Enterprises has announced the inclusion of Retail and Wholesale Trade as MSMEs and they shall be allowed to be registered on Udyam Registration Portal.

However, the said Office Memorandum also mentions that the **benefits to Retail and Wholesale trade MSMEs shall be restricted to Priority Sector Lending only.**

PRIORITY SECTOR LENDING

The MSME to which loan is to be extended, the quantum of loan and modalities of financing can be decided by the Bank. However, banks have to follow the following guidelines and achieve overall targets set for priority sector lending, as follows:

- As per the recommendations of the Prime Minister's Task Force on MSMEs, the banks must achieve a 20% year on year growth in loans to micro and small businesses. It also requires a 10% annual growth in the number of micro-enterprise loan accounts.
- Of the total loans to MSME, 40% of the loans to MSMEs must be provided to micro enterprises.
- Further, out of the total loans to MSMEs, 20% of the loans must be provided to small enterprises.
- The bank can provide a balance of 40% of the loans to MSME to medium enterprises.
- In addition to the above overall targets for MSME loan under priority lending, banks must process loan applications of MSMEs and SSIs quickly. The bank must process the loan application for Small Scale Units for a credit limit of up to Rs.25,000 within 2 weeks and those applications for a loan of up to Rs.5 lakhs must be processed within 4 weeks. The



bank must process the loan application form MSME or SSI units for more than Rs.5 lakhs within a timeframe of 8 to 9 weeks. The processing time for the loan would only start on submission of all the documents and information requested by the bank are provided completely.

Comments: It is a bold step by the Government to include the Retail and Wholesale Sector under MSMEs and would surely boost the Sector with the benefit of being priority sector for lending.

“The best way to get started is to quit talking and begin doing.”

– Walt Disney

“A good leader takes more than his share of the blame, a little less than his share of the credit.”

– Arnold Glasgow

“Genius is one percent inspiration, ninety—nine percent perspiration”

– Thomas A. Edison

DUE DATE CALENDER

Income Tax, PF and ESIC Calendar for July 2021:

DATE	DUE DATE FOR
15/07/2021	Filing of E-TDS for the last quarter Q4 of FY 2020-21.
31/07/2021	Furnishing of Form No.16 by the employer.
31/07/2021	Equalization Levy Statement in Form No. 1 for FY 2020-21.
31/07/2021	Withdrawal of application pending before ITSC u/s 245M(1) in Form No. 34BB.
15/07/2021	E-payment of PF and ESI for June, 2021.
30/07/2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194IB and 194IM in the month of June, 2021.

THANK YOU!

DISCLAIMER

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