

## NEWSLETTER NO 26 (INCLUDING GST) – JUL 1, 2021 TO DEC 31, 2021

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### **I. Income tax: Updated upto Dec 31, 2021:**

1. Cir 21/2021 dt 28-12-2021: One time relaxation for verification of all returns e-filed for AY 2020-21. It should be done on or before 28-2-2022.
2. Press release dt 1-11-21: Sec 285BB – Roll out of Annual Information Statement (AIS).
3. Noti SO 4586(E) dt 29-10-21: If actual price at which international transaction or specified domestic transaction is undertaken is upto 1% or 3% less than arms' length price determined u/s 92C, then difference would be ignored and actual price would be accepted.
4. Cir 18/2021 dt 25-10-21: Clarification regarding applicability of Sec 36(1)(xvii) to co-op society engaged in manufacture of sugar.
5. Order 225/108 dt 24-9-2021: Returns of income furnished electronically under sections 142(1), 148, 153A and 153C of the Act during the period from 7-6-2021 to 30-9-2001 and verified through Electronic Verification Code instead of Digital Signature, shall be deemed to have been furnished and verified as per Rule 12 and shall be treated valid.
6. Order 187/3/2020 dt 22-9-2021: Some cases for which time limit for completion of assessment was 30-9-2021 pending with JAO on 11-9-2021, but which could not be completed as per procedure u/s 144B due to technical reasons shall be excluded from 144B.
7. Press release dt 17-9-2021 and Noti SO 3814(E) dt 17-9-2021:  
- Date of Aadhar linking extended from Sep 30, 2021 to Mar 31, 2022.



- Due date of completion of penalty proceedings also extended from Sep 30, 2021 to Mar 31, 2022.
  - Date of issuance of notice u/s 26(1) of Benami Properties Act extended to Jun 30, 2021.
  - Date of issuance of order u/s 26(3) of Benami Properties Act extended to Mar 31, 2022.
8. Noti GSR 635(E) dt 15-9-2021: Tribunal (Conditions of Service) Rules, 2021 notified. These would be effective from the date of their publication in official gazette.
9. Cir 17/2021 dt 9-9-21: Certain due dates for filing returns and audit reports for AY 21-22 further extended:
- |                                 |              |
|---------------------------------|--------------|
| ITR (non audit):                | Dec 31, 2021 |
| ITR (audit):                    | Feb 15, 2022 |
| Audit reports u/s 44AB/ 11 etc: | Jan 15, 2022 |
| Belated return u/s 139(4)/ (5): | Mar 31, 2022 |
- Some other due dates also extended.

Benefit of interest u/s 234A would not be available in certain cases.

10. Press release dt 8-9-21: Department has accepted that there are some glitches with the new income tax portal and they are engaged with Infosys to solve them. As usual, they also gave some statistical data to prove that there has been considerable improvement.
11. Noti GSR 616(E) dt 6-9-21: Income tax (27<sup>th</sup> Amendment) Rules, 2021:
- Rule 14C inserted: For the purposes of sub-clause (b) of clause (i) of sub-section (7) of section 144B, where an assessee or any other person submits an electronic record by logging into his registered account in designated portal of the Income-tax Department, it shall be deemed that the electronic record has been authenticated under electronic verification code.
12. Cir F No 225/97/2021 dt 6-9-2021: It includes some instructions related to faceless assessments. It mainly includes that personal hearing shall be granted.

The request for personal hearings shall generally be allowed to the assessee with the approval of Range Head, mainly after the assessee has filed written submission to the show cause notice. Personal hearing may be allowed to the assessee preferably through Video Conference. If Video Conference is not



technically feasible, personal hearings may be conducted in a designated area in Income-tax Offices. The hearing proceedings may be recorded.

13. Noti GSR 612(E) dt 2-9-2021: Income tax (26<sup>th</sup> amendment) Rules, 2021:

Rule 26D: Declaration to be furnished by specified senior citizen u/s 194P shall be in Form 12BBA and it shall be in paper form. Proof of deduction claimed u/ch VI-A shall be given to bank and bank shall maintain it and produce before income-tax department as required.

Rule 31: Certificate of TDS u/s 194P shall be in Form 16 (like for Salary) and not in 16A.

14. Noti G.S.R. 604(E) [NO. 95/2021/F. NO. 370142/36/2021-TPL], DATED 31-8-2021: Rule 9D introduced to calculate taxable interest amount in case of excess deposits in provident fund.

15. Noti S.O. 3536 (E) [NO. 94/2021/F. NO. IT(A)/01/2020-TPL(PART-I)], DATED 31-8-2021: CBDT further extends due dates for payment under VSV to Sep 30, 2021 (without additional payment) and Oct 31, 2021 (with additional payment).

16. Cir. 16/2021 [F. NO. 225/49/2021/ITA-II], DATED 29-8-2021: CBDT extends due dates for electronic filing of various forms under the income-tax act, 1961. Many due dates extended, important for us is application for approval u/s 12A, 80G etc in Form 10A or 10AB can be made upto Mar 31, 2022.

17. Letter F.NO. AA (NAFAC)-1/2021-22/439, DATED 9-8-2021: SOP for Penalties Under Faceless Penalty Scheme, 2021 – Very useful SOP and it would be useful while drafting replies in appeals. It is saved in income tax folder of knowledge centre.

18. Press release dt 9-8-21: Rs 99,746 crore worth of disputes settled in Vivad se Vishwas Scheme (VSV) and Rs 53,684 crore revenue collected. 1,46,701 number of cases settled.

19. Sovereign Gold Bond 2021-22 Series IV opens during Jul 12-16, 2021. Issue price is Rs 4807 per gram (Rs 4757 per gram for online payment).

20. Noti 472(E) dt Jul 7, 2021: IT (19<sup>th</sup> amendment) Rules, 2021 – Rule 8AC inserted for Computation of short term capital gains and written down value under section 50 where depreciation on goodwill has been obtained.



21. Order No 225 dt Jul 5, 2021: Some validly filed returns upto AY 2017-18 were not processed due to some technical reasons not attributable to assessee. In such cases, intimation u/s 143(1) cannot be issued being time barred and refund cannot be given.

Relaxation is now given for processing of intimation u/s 143(1) in case of non-scrutiny cases.

22. Press release dt Jul 5, 2021: Difficulties are faced in electronic filing of Form 15CA/ 15CB. So, facility of submission in manual format is further extended upto July 15, 2021.
23. Noti GSR 470(E) dt Jul 2, 2021: Income tax (18th amendment) Rules, 2021: Amends Rule 8AA and inserts Rule 8AB regarding Attribution of income taxable under sub-section (4) of section 45 to the capital assets remaining with the specified entity, under section 48.
24. Cir 14 of 2021 dt Jul 2, 2021: Guidelines u/s 9B and 45(4) of Income tax Act regarding dissolution or change in constitution of partnership firm. It is detailed 7 page circular with some case studies. If any amount is paid to partner in excess of his capital balance, it would be taxable u/s 45(4) and such excess would be distributed on remaining capital assets and would be available as deduction u/s 48(iii). However, it would not be considered as cost of acquisition and therefore, depreciation would not be available on such distribution. In such valuation u/r 11UA of all capital assets becomes very important. So, practically, it may be quite cumbersome.

Form 5C is to be filed electronically by the partnership firm before the due date for filing ITR.

**25. Note on Sec 115BAA:**

September 25, 2021

- i. Applicable from AY 2020-21 and it is applicable to any Domestic Company.
- ii. Tax applicable @ 22%. Surcharge @ 10% would be applicable irrespective of total income or taxable income. With education cess of 4%, effective tax rate is 25.168%.



- iii. To opt for Sec 115BAA, Form 10-IC to be filed on or before due date of filing return u/s 139(1). Option once exercised would be applicable to subsequent years also and it cannot be withdrawn.
- iv. Important: Sec 115JB(5A): Provisions of MAT not applicable. So, there is no restriction of claiming brought forward business loss or depreciation (other than those related to specific sections mentioned below).
- v. Once the option of availing the provision of section 115BAA exercised, then the domestic company will forego the balance of brought forward MAT credit. It is recommended that in case, a company has brought forward MAT credit, then, firstly it exhausts the MAT credit balance and thereafter opts for section 115BAA in the year the brought forward MAT balance utilized and reduced to nil.
- vi. Following conditions need to be satisfied for claiming benefit of this Section:

- Deductions under following sections shall not be allowed:

Sl	Section	Particulars
1	10AA	Newly established units in SEZ.
2	32(1)(iia)	Additional depreciation of 20% related to new machinery or plant
3	32AD	Inv in new plant and machinery in notified backward areas in certain states
4	33AB	Tea, Coffee, Rubber Development Account
5	33ABA	Site Restoration Fund
6	35(1)(ii)	Deduction of 1.5 times of sum paid to research association
7	35(1)(iia)	Deduction of any sum paid to a company to be used by it for scientific research
8	35(1)(iii)	Deduction of any sum paid to a research association having specified objects
9	35(2AA)	Deduction of sum paid to National Laboratory, IIT etc
10	35(2AB)	Expenditure on scientific research by certain companies



11	35AD	100% deduction in respect of capital expenditure on specified business
12	35CCC	Expenditure on agricultural extension project
13	35CCD	Expenditure on skill development project
14	Chapter VI-A	Ch VI-A contains Sec 80A to Sec 80U. However, deductions u/s 80JJAA (employment of new persons) and Sec 80M (inter-corporate dividend) shall be allowed.  Also, subject to certain conditions, deduction u/s 80LA (income of offshore banking units and international financial services centre) shall be available.

- Brought forward loss or depreciation which is attributable to any of the above sections is not allowed.
  - Unabsorbed dep deemed so u/s 72A, if such loss or dep is attributable to any of the above sections is not allowed.
  - Profit shall be calculated by claiming depreciation u/s 32, except Sec 32(1)(ia).
- vii. If conditions for applicability of this Section are not satisfied for any previous year, then it shall be deemed that option under this Section was not exercised for this previous year or any subsequent year.
- viii. If option exercised u/s 115BAB is rendered invalid for the reasons stated in that section, then option may exercised u/s 115BAA.
- ix. If the company has opted for 115BA, then it cannot be withdrawn for same or any subsequent year. However, it may be withdrawn if the company wishes to opt for Sec 115BAA. The same is incorporated in Form 10-IC.
- x. If 115BAA or 115BAB is not opted, then in case of other company, if turnover during year earlier to previous year is less than Rs 400 crore , then tax rate is 25%. Surcharge is applicable @ 7% if income exceeds Rs 1 crore. So, practically, it works out to 26% (including EC). So, there is no much difference (it is only 0.832%).



## II. Central GST: Updated upto Dec 31, 2021:

1. Noti 22/2021 CTR dt 31-12-2021: Services of dyeing and printing of textile and textile products was earlier taxable at 5%. It was increased to 12% vide Noti 15/2021 CTR. In the 46<sup>th</sup> GST council meeting held on Dec 31, 2021 at New Delhi, this decision is deferred and accordingly this notification is issued to reinstate the above services to 5%.
2. Noti 21/2021 CTR dt 31-12-2021: Various textile and textile products were earlier taxable at 5%. It was increased to 12% vide Noti 14/2021 CTR. In the 46<sup>th</sup> GST council meeting held on Dec 31, 2021 at New Delhi, this decision is deferred and accordingly this notification is issued to reinstate the above goods at 5%.
3. Noti 40/2021 CT dt 29-12-2021: CGST (10<sup>th</sup> amendment) Rules, 2021:
  - Rule 36(4) amended wef Jan 1, 2022 to state that ITC would not be allowed unless it appears in 2B.
  - Rule 80: Due date for filing GSTR 9 and 9C for FY 2020-21 extended to Feb 28, 2022.
  - Rule 144A inserted wef Jan 1, 2022: Recovery of penalty by sale of goods or conveyance detained or seized in transit.
  - Rule 154 substituted. It relates to Disposal of proceeds of sale of goods or conveyance and movable or immovable property.
4. Noti 20/2021 CTR dt 28-12-2021: Some minor changes in Noti 21/2018 CTR related to handicraft goods.
5. Noti 19/2021 CTR dt 28-12-2021: Some changes in exemption notification 12/2021 CTR. Unbranded/ brand name on which actionable claim voluntarily surrendered coconut water would be exempt.
6. Noti 18/2021 CTR dt 28-12-2021: Many rate amendments wef Jan 1, 2022. Also, changes in wordings of many entries. One needs to go through the notification to know one to one changes.
7. Noti 39/2021 CT dt 21-12-2021: Certain sections of Finance Act, 2021 ('FA 21') made effective from Jan 1, 2022. Following are those sections:

Sec No of FA 21	Sec No of CGST Act	Particulars
108	Clause (aa) added in Sec 7(1)	Related to scope of supply: Activities or transactions by a person to its members or constituents or vice versa shall be covered in the definition of supply. This



		seems to be introduced to remove anomaly due to different judgements related to Rotary Club etc.
109	Clause (aa) added in Sec 16(2)	Very very important for us:  One more condition added for claiming set off – supplier must have filed GSTR 1 and included details of such supply in his GSTR 1.
113	Sec 74. Expl 1, Clause (ii)	Some amendment related to penalty.
114	Sec 75(12)	Explanation inserted to say that tax liability as per outward supplies (GSTR 1) filed u/s 37 but not included in return furnished u/s 39 (GSTR 3B) would be treated as 'self-assessed tax'.
115	Sec 83(1)	Sec 83(1) substituted: After initiation of Chapter XII (assessment), chapter XIV (inspection, search, seizure etc), chapter XV (demand and recovery), provisional attachment of property may be done to protect revenue.
116	Sec 107(6)	No appeal shall be filed against an penalty order u/s 129(3) (ie penalty in case of detention or seizure of goods or conveyances) unless 25% of such penalty is paid.
117	Sec 129	Sec 129(1): Penalty amount in case of detention of goods and conveyance increased in both cases where owner of goods comes forward for payment of such tax and where he does not come forward.  Sec 129(3): Time limits of 7 days from detention of goods or conveyance for issuance of penalty notice and 7 days from issuance of notice for issuance of penalty order have been prescribed.  Sec 129(4): Opportunity of being heard shall not be provided for determining tax and interest. It shall now be provided only for determining penalty.





		<p>Sec 129(6): If penalty is not paid within 15 days of date of receipt of penalty order, goods or conveyance may be sold or disposed of to recover the penalty.</p> <p>However, transporter may get his vehicle released on payment of penalty or Rs 1 lakh, whichever is less.</p> <p>If goods are perishable or hazardous, then period of 15 days may be reduced by proper officer.</p>
118	Sec 130	Some amendment related to penalty.
119	Sec 151	This section related to power to call for information substituted.
120	Sec 152	Bar on disclosure of information – Till now, information collected u/s 150 or 151 could not be used for the purpose of any proceedings under this Act. But now, it could be so used after giving the person an opportunity of being heard.
121	Sec 168	Some amendment related to powers to issue instructions or directions.
122	Schedule II to CGST Act.	<p>In view of amendment in Sec 7(1), para 7 in Schedule II of CGST Act is deleted wef July 1, 2017.</p> <p>Prior to its omission, paragraph 7 read as under :</p> <p><i>"7. Supply of Goods.—The following shall be treated as supply of goods, namely:—</i></p> <p>Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration."</p>

8. Noti 38/2021 CT dt 21-12-2021: Following rules made effective from Jan 1, 2022:

- Rule 10B – Aadhar authentication for registered person for filing application for revocation of cancellation and for refund applications.
- There is corresponding change in Rules 23, 89(1) and 96(1).



9. Cir 167/23/2021 dt 17-12-2021: Very important clarifications related to GST on service supplied by restaurants through e-commerce operators. There are 11 very practical questions and their answers given.
10. Noti 37/2021 CT dt 1-12-2021: CGST (9<sup>th</sup> amendment) Rules, 2021: Some corrections in Form DRC 03.
11. Noti 17/2021 CTR dt 18-11-2021: Wef 1-1-2022, scope of Sec 9(5) increased, tax on intra-state supplies shall be paid by electronic commerce operator (ECO) - supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises; specified premises means premises providing hotel accommodation service having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.

Along with services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, now motor cycle, omnibus or any other motor vehicle added.

12. Noti 16/2021 CTR dt 18-11-2021: Exemption was available to certain services provided to Union territory, a local authority, a Governmental Authority or a Government Entity. Now, it is restricted to only Union territory and local authority. It is applicable from 1-1-2022.
13. Noti 15/2021 CTR dt 18-11-2021: Concessional rate of 12% was available to certain works contract services provided to Union territory, a local authority, a Governmental Authority or a Government Entity. Now, it is restricted to only Union territory and local authority. It is applicable from 1-1-2022.
14. Noti 14/2021 CTR dt 18-11-2021: Amendment in GST rates on many items wef Jan 1, 2022. One needs to go through individual entries for exact item. In general, GST rates on Fabrics, Textile, Yarn, Blankets, Bed linens, Curtains, sacks, bags, footwear of sale value not exceeding Rs 1000 per pair etc increased/ decreased to 12%.
15. Cir 166/22/2021 dt 17-11-2021: Clarification on certain refund related issues. Time limit u/s 54(1) not applicable for refund of excess balance in cash ledger and some more clarifications.
16. Cir 165/21/2021 dt 17-11-2021: Clarification in respect of applicability of dynamic quick response (QR) code on B2C invoices – amendment to Cir 156/12/2021.



17. Cir CBEC-20/16//05/2021 – GST/ 1552 dt 2-11-2021: Guidelines for disallowing debit of electronic credit ledger under rule 86A of the CGST Rules, 2017

It is advised that the powers under rule 86A to disallow debit of the amount from electronic credit ledger of the registered person may be exercised by the Commissioner or the officer authorized by him, as per the monetary limits detailed in Para 3.2.1 above. The officer should apply his mind as to whether there are reasons to believe that the input tax credit availed by the registered person has either been fraudulently availed or is ineligible, as per conditions/grounds mentioned in sub-rule (1) of rule 86A and whether disallowing such debit of electronic credit ledger of the said person is necessary for restricting him from utilizing/passing on fraudulently availed or ineligible input tax credit to protect the interests of revenue. Such "Reasons to believe" shall be duly recorded by the concerned officer in writing on file, before he proceeds to disallow debit of amount from electronic credit ledger of the said person.

18. Noti 13/2021 CTR dt 27-10-21: GST on transfer of Intellectual property rights increased from 12% to 18%.
19. Cir 164/20/2021 dt 6-10-21: Clarification on GST levy related to 9 things, mainly, services by cloud kitchen (same as restaurant), renting of vehicles to state transport undertakings and local authorities (exempt) etc.
20. Cir 163/19/2021 dt 6-10-21: Clarification on GST levy related to 12 things, viz, fresh or dried fruits and nuts, tamarind seeds, coconut and copra, sweet supari etc.
21. Noti 12/2021 CTR dt 30-9-2021: GST rates on certain medicines reduced for the period from Oct 1, 2021 to Dec 31, 2021.
22. Noti 11/2021 CTR dt 30-9-2021: Amendments in Noti 39/2017 CTR. Small correction in notification related to Supplies to weaker sections under Govt approved scheme.
23. Noti 10/2021 CTR dt 30-9-2021: Amendments in Noti 4/2017 CTR. RCM would be applicable on essential oils other than citrus fruit namely Of peppermint (Mentha piperita); Of other mints : Spearmint oil (ex- mentha spicata), Water mint-oil (ex- mentha aquatic), Horsemint oil (ex- mentha sylvestries), Bergament oil (ex- mentha citrate).
24. Noti 9/2021 CTR dt 30-9-2021: Amendments in Noti 2/2017 CTR. It is clarified that seeds meant for any use other than sowing would not be exempt.



25. Noti 8/2021 CTR dt 30-9-2021: Amendments in Noti 1/2017 CTR. Following are rate changes in goods wef 1-10-21:
- Entry 71A: Tamarind seeds meant for any use other than sowing would be taxable at 5%.
  - Entry numbers 138 to 148 related to metal ores and concentrates which were taxable at 5% deleted. New rates would be 18%. Eg Granite, Copper ores, Iron ores etc.
  - Bio diesel supplied to oil marketing companies for blending with High Speed Diesel would be taxable at 5%. Otherwise bio diesel would be taxed @ 12%.
  - Bio-gas, solar power based devices, wind mills etc as specified in entry 201A, would be taxable at 12%. Important: If installation services are also provided along with supply of any such goods, then value of services shall be deemed to be 30% of total value and 70% would be considered towards goods.
  - Waste, pairings and scrap of plastics would be taxed at 18% from 5%.
  - Cartons, boxes etc would be taxed at 18% under entry 153A from 12%.
  - Printed post cards, printed cards, calenders, other printed matters would be taxable at 18%. Rates now would be uniform and earlier anonymity removed.
  - Carbonated beverages of fruit drink or carbonated beverages with fruit juice would be taxable at 28% under entry 12B.
26. Noti 7/2021 CTR dt 30-9-2021: Amendments in Noti 12/2017 CTR. Some rate changes in services wef 1-10-21. Details not covered here since not much related to us.
27. Noti 6/2021 CTR dt 30-9-2021: Following rate changes in services wef 1-10-21:
- Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right – rate increased from 12% to 18%.
  - Services by way of job work in relation to manufacture of alcoholic liquor for human consumption would be taxable at 18%.
  - Printing job work rate rationalized. It shall be 18% now. Earlier, if goods on which printing is done was 0%, 5% or 12%, printing job work rate was 12%. Now, it would also be 18%.
  - Services by way of admission to (a) casinos or race clubs or any place having casinos or race clubs or (b) sporting events like Indian Premier League would be taxable at 28%.



28. Cir 162/18/2021 dt 25-9-2021: Clarification in respect of refund of tax specified in Sec 77(1) of the CGST Act, 2017 and Sec 19(1) of the IGST Act, 2017.
29. Noti 36/2021 CT dt 24-9-2021: Aadhar authentication as per Sec 25(6A) would not be applicable to non-residents, local authority, PSU etc.
30. Noti 35/2021 CT dt 24-9-2021: CGST (8<sup>th</sup> amendment) Rules, 2021:
- Rule 10A: Amendment to be notified - For registration, bank account should be in the name of the registered person and should be obtained on PAN of registered person. Also, in case of proprietary concern, PAN of proprietor should be linked with Aadhar of proprietor.
  - Rule 10B: Amendment to be notified - Aadhar authentication of registered person would be required.
  - Rule 45: Effective from Oct 1, 2021: Return in ITC 04 in case of goods sent to job worker to be filed six monthly (turnover in preceding year more than Rs 5 crore) or annually instead of quarterly.
  - Rule 59(6): Effective from Jan 1, 2022 – Earlier, taxpayer could not file GSTR 1 if preceding two months 3B are not filed. Now, he would not be able to file GSTR 1 if 3B of preceding month is not filed.
  - Rule 89(1A) inserted: Effective from 24-9-2021 –

*"(1A) Any person, claiming refund under section 77 of the Act of any tax paid by him, in respect of a transaction considered by him to be an intra-State supply, which is subsequently held to be an inter-State supply, may, before the expiry of a period of two years from the date of payment of the tax on the inter-State supply, file an application electronically in FORM GST RFD-01 through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.*

*Provided that the said application may, as regard to any payment of tax on inter-State supply before coming into force of this sub-rule, be filed before the expiry of a period of two years from the date on which this sub-rule comes into force."*

31. **Instruction No 2/ 2021 dt 22-9-2021:**

Sec 73 deals with demands by reason other than fraud, willful misstatement or suppression of facts. Order under this Sec is to be passed within 3 years from the



due date of furnishing annual return and notice to be issued at least 3 months prior to time limit for passing the order. Since due dates for filing annual return for following years are over, their corresponding due dates would be:

FY	Due date of annual return	Last date for issuance of notice u/s 73	Last date for issuance of order u/s 73
2017-18	Feb 5/ 7, 2020	Nov 5/ 7, 2022	Feb 5/ 7, 2023
2018-19	Dec 31, 2020	Sep 30, 2023	Dec 31, 2023
2019-20	Mar 31, 2021	Dec 31, 2023	Mar 31, 2024

Sec 74 deals with demands by reason of fraud, willful misstatement or suppression of facts. Order under this Sec is to be passed within 5 years from the due date of furnishing annual return and notice to be issued at least 6 months prior to time limit for passing the order. Since due dates for filing annual return for following years are over, their corresponding due dates would be:

FY	Due date of annual return	Last date for issuance of notice u/s 73	Last date for issuance of order u/s 73
2017-18	Feb 5/ 7, 2020	Aug 5/ 7, 2024	Feb 5/ 7, 2025
2018-19	Dec 31, 2020	Jun 30, 2025	Dec 31, 2025
2019-20	Mar 31, 2021	Sep 30, 2025	Mar 31, 2026

Department has asked its officers to start working fast as above due dates are approaching fast in order to avoid deterioration in quantity and quality of orders.

32. Cir 161/17/2021 GST Dt 20-9-2021: Clarification relating to export of Services – Condition (v) of Sec 2(6) of IGST Act 2017:

Supply of services by a subsidiary/sister concern/group concern, etc. of a foreign company, which is incorporated in India under the Companies Act, 2013 (and thus qualifies as a 'company' in India as per Companies Act), to the establishments of the said foreign company located outside India (incorporated outside India), would not be barred by the condition (v) of the sub-section (6) of the section 2 of the IGST Act 2017 for being considered as export of services, as it would not be treated as supply between merely establishments of distinct persons under Explanation 1 of section 8 of IGST Act 2017. Similarly, the supply from a company incorporated in India to its related establishments outside India, which are incorporated under the laws outside India, would not be treated as supply to merely establishments of distinct person under Explanation 1 of section 8 of IGST Act 2017. Such supplies, therefore, would qualify as 'export of



services', subject to fulfilment of other conditions as provided under sub-section (6) of section 2 of IGST Act.

33. Cir 160/16/2021 GST Dt 20-9-2021: Clarification in respect of certain GST related issues: Following 3 issues are clarified:
  - Sec 16(4) is amended wef 1-1-2021. Accordingly, whether date of issuance of debit note or underlying invoice date would be relevant?
  - Carrying physical copy of invoice not necessary when invoice issued in terms of Rule 48(4).
  - 2<sup>nd</sup> proviso to Sec 54(3): Where there is Nil export duty or export duty is exempt, refund of unutilized ITC would be allowed in case of export.
34. Cir 159/15/2021-GST Dt 20-9-2021: Clarification on doubts related to scope of "Intermediary".
35. Press Release dt Sep 17, 2021: Recommendations of 45th GST council meeting held at Lucknow.

Proposed amendments would be covered in respective notifications. Important ones are:

Sec 50(3) to be amended retrospectively and interest would be charged only in respect of net cash liability. Interest rate on ITC to be reduced from 24% to 18% wef Jul 1, 2017.

36. Cir 158/14/2021 dt Sep 6, 2021: Clarification regarding extension of time-limit to apply for revocation of cancellation of registration in view of notification no. 34/2021-central tax, dated 29-8-2021.
37. Noti 34/2021 CT dt Aug 29, 2021: If registration of a taxpayer is cancelled by department due to non filing of returns as per clausd (b) and (c) of Sec 29(2), and time limit for application of its revocation falls between Mar 1, 2020 to Aug 31, 2021; then time limit for making such application is extended upto September 30, 2021.
38. Noti 33/2021 CT dt Aug 29, 2021: Concessional late fee was made applicable for 3B returns for the period from July 2017 to April 2021 if returns are filed during the period from June 1, 2021 to Aug 31, 2021. Now it is extended upto **Nov 30, 2021**.
39. Noti 32/2021 CT dt Aug 29, 2021: CGST (7<sup>th</sup> Amendment) Rules, 2021: Trivial amendments, ignored.





40. Cir NH-24028/22/2020-H, dt Aug 27, 2021: Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment HAM (annuity).
41. Noti 31/ 2021 CT dt Jul 30, 2021: Taxpayers with turnover upto Rs 2 crore would be exempt from filing GSTR 9 u/s 44 for FY 20-21.
42. Noti 30/ 2021 CT dt Jul 30, 2021: CGST (6<sup>th</sup> Amendment) Rules, 2021:
  - Rule 80 replaced: GSTR 9 to be filed by all taxpayers on or before Dec 31. Composition taxpayers to file GSTR 9A. Electronic commerce operators required to collect tax at source u/s 52 to file annual statement in GSTR 9B. Taxpayers who aggregate annual turnover **exceeds Rs 5 crore** to file self certified 9C.
  - Some changes in instructions for GSTR 9 and 9C to accommodate FY 2020-21 and change related to auditor's certifications.
43. Noti 29/ 2021 CT dt Jul 30, 2021: Sec 110 and 111 of Finance Act 2021 would be effective from Aug 1, 2021. It means following:
  - Sec 35(5) deleted – Certification of 9C by CA deleted.
  - Sec 44 replaced – Annual return to be filed by every registered person and it would be accompanied by self certified reconciliation statement.
44. Press Release dt July 29, 2021: Bank account update facility as per Rule 10A introduced. It is to be done within 45 days of first login otherwise the system shall prompt and force them to do it.
45. Press Release dt July 27, 2021:
  - Taxpayers can now see exact turnover of previous and current FY instead of just whether below or above Rs 5 crore.
  - Taxpayer may update the data also if it is incorrect, which would be validated by jurisdictional tax officer.
46. Important: Cir 157/13/2021 dt Jul 20, 2021: Clarification regarding extension of limitation under GST law in terms of hon'ble supreme court's order dated 27-4-2021.
  - Extension applies to filing of appeals, reviews, revisions etc. Ironically, the circular does not cover appeal with DC Appeals. It only covers JC Appeals





and above. It will be interesting to see what stand SGST department takes in case of our first appeal with DC Appeals.

- Extension NOT to apply to every action under GST, to original adjudication in particular.
- Extension NOT to apply to scrutiny of returns, issuance of summons, search, inquiry etc.
- Extension NOT to apply to avail time for filing reply.
- To understand legal meanings, refer to the Circular.

47. Press release dt Jul 9, 2021: Certain changes recently deployed/ would be deployed on GST portal:

- Implementation of timeline of 90 days for application of revocation of cancellation wef July 1, 2021.
- Late fee payable after last return can be paid along with GSTR 10.
- Auto population of data for UIN holders for making refund application.



### **III. Imp updates in Maha GST, MVAT, CST and Prof tax: Updated upto Dec 31, 2021**

1. Noti VAT 1521/ CR 82/ Taxation 1 dt 22-9-2021: Sub-rules 2 and 3 of Rule 10 of MVAT Rules related to holograms on registration certificate deleted.

### **IV. Companies Act and LLP: Updated upto Dec 31, 2021:**

Covered only those amendments which are considered as important for our practice.

1. Nil

### **V. Others: Updated upto Dec 31, 2021:**

1. Noti GSR 723 (E ) dt 6-10-21: PM Cares for Children Scheme, 2021 for orphaned children due to Covid 19.
2. Press Release No. 402/92/2006-MC (07 of 2011) - Section 143 of the income-tax act, 1961 - assessment - general - income-tax streamlining procedure for scrutiny of income-tax returns in case of senior citizens.
3. Paripatruk Kramank 590/ 2021 dt Sep 27, 2021 issued by office of Charity Commissioner, Mumbai: Audit of Charitable Trusts - 30-11-2021 is Extended Due date for furnishing Audit Report for Public Charitable Trusts.
4. Noti 1-CA(7)/197/2021 dt Jul 8, 2021: ICAI amends Form 18 (Particulars of Offices and Firms)

#### *Disclaimer:*

*All efforts have been made to ensure correctness of data. However, readers are advised to confirm from their own sources also. Above updates are mainly confined to the general needs of clients associated with our office. Interpretations given above are our personal opinions at M/s Umesh Agrawal and Associates. We are not responsible for any loss arising due to the above information.*

