



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED



INCOME TAX

1. ITR Forms notified for the FY 2020-21

Income Tax department has notified forms for filing I-T returns for 2020-21 fiscal, the Central Board of Direct Taxes said. "Keeping in view the ongoing crisis due to COVID pandemic and to facilitate the taxpayers, no significant change has been made to the ITR Forms in comparison to the last year's ITR Forms.

2. PAN Aadhaar linking due date extended

The Central Government has extended the last date for linking of Aadhaar number with PAN from 31st March, 2021 to 30th June, 2021, in view of the difficulties arising out of the COVID-19 pandemic.

INCOME TAX

3. New rules for donation and receipts of donation

All Trust/ Societies/ Not-Profit making Section-8 Companies, who are granted Section 80G and Section 35(1) Registrations, shall be required to file Online Form-10BD; an “Annual Statement of Donations received” latest by May 31st immediately following the financial year in which the donation is received.

- The first such return/statement shall be applicable for the FY 2021-2022.
- The NGO shall be required to issue a “Certificate of Donation” to the Donor on Form-10BE for the amount of Donation given; (just like a TDS Certificate is issued to the payee).



CORPORATE LAW

1. Accounting software with audit trail feature: MCA postpones implementation to FY23

The Ministry of Corporate Affairs (MCA) has given companies a year to implement its latest regulation which mandates the use of accounting software that records each and every transaction made by them. Companies will now have time till March 31, 2022 for deploying the software. Last month, the MCA directed all businesses using accounting software to maintain books of accounts to have audit trail features that includes recording audit trail and creating an edit log of each change made in the books of account along with the date when such change was made. Also the audit trail cannot be disabled.

FEMA/ RBI Regulations

1. ECB Policy – Relaxation in period of parking unutilised ECB proceeds in term deposits

External Commercial Borrowings (ECB) borrowers are allowed to park ECB proceeds in term deposits with AD banks in India for a maximum period of 12 months cumulatively.

However, based on requests from stakeholders, including Industry associations, and with a view to providing relief to the ECB borrowers affected by the Covid-19 pandemic, it has been decided to relax the above stipulation as a one-time measure. Accordingly, unutilised ECB proceeds drawn down on or before March 01, 2020 can be parked in term deposits with AD banks in India prospectively for an additional period up to March 01, 2022.

CASE LAWS - INCOME TAX

1. *Amit Kumar Day Vs. DCIT*

It has been held that enhancement made by the CIT (Appeals) on issues, which were not part of limited scrutiny are invalid and in violation to CBDT Instructions.

2. *Discovery Estates Pvt. Ltd. Vs ACIT (ITAT Delhi)*

It has been held that rental income received from unsold Commercial Properties is House property income

CASE LAWS - INDIRECT TAX

1. GST AAR: CSR expenses are business related and qualify for input tax credit

The Authority for Advance Ruling (AAR) UP Bench has held that Corporate Social Responsibility (CSR) expenditure is incurred by a company in order to comply with the requirements of the Companies Act, 2013. Thus, such expenses are incurred in the course of business and are eligible for input tax credit under Goods and Services Tax (GST) regulations, according to a GST ruling given by the Authority of Advance Ruling (UP Bench). This ruling, which distinguishes between goods given voluntarily as 'gifts' and those that are part of CSR activities, provides much relief to companies engaged in litigation on the issue of input tax credit (ITC)

CASE LAWS - INDIRECT TAX

2. GST to be levied on underlying goods/services in gift vouchers: rules AAAR

Clearing the air over taxability of gift cards or vouchers, the Tamil Nadu bench of the AAAR has ruled that GST would be levied on the underlying goods/ services at the time of redemption such pre-paid instruments.

Kalyan Jewellers India Ltd has approached the Appellate Authority for Advance Ruling (AAAR) against the ruling by the Tamil Nadu state Authority for Advance Ruling (AAR), which had said that GST at 12% or 18% would be levied depending on whether on such pre-paid instruments was paper based or magnetic strip based, respectively.

Modifying the AAR verdict, the AAAR has clarified that GST will be levied not on the supply of vouchers but on the underlying supply of goods/ services at the time of redemption and the time for payment of GST will be dependent on the provisions detailed in the GST law

CASE LAWS - INDIRECT TAX

3. Supreme Court says GST no longer citizen-friendly

The Supreme Court slammed GST enforcement by tax authorities saying GST is no longer the citizen-friendly Act as it was meant to be. The apex court hit out at tax officers for raising huge demands without accountability and observed that officers must strike out a balance between protecting Government revenue and allowing genuine businesses to operate.



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