



Just 5 Minutes

TAXCONTM INDIA PRIVATE LIMITED



INCOME TAX

1. *CII for Financial Year 2021-22.*

The CBDT has notified 317 as the Cost Inflation Index (CII) for the Financial Year 2021-22.

2. *New TDS provision on purchases of goods*

From 1st July 2021, TDS at the rate of 0.1% shall be deducted by the buyer on the amount exceeding Rs. 50 lakhs in any one financial year if:

- a) Total amount of purchases exceed Rs. 50 Lakh from one seller in financial year;
- b) Turnover of the buyer is exceed Rs. 10 Crore during the preceding financial year;
- c) Seller is a resident of India during the previous year;

However, TDS shall be deducted at twice the specified rate or 5%, which is higher, if deductee has not filed return of income tax for last two years.



INCOME TAX

3. *Manual submission of 15CA/CB*

Due to technical glitch of newly launched Income Tax Portal, manual submission of Forms 15CA/CB to AD/ Bank are allowed, AD/ Banks are advised to accept the manual forms. Later-on a facility will be provided to upload these manual form for records.

4. *Global minimum tax and what will it mean*

Finance Ministers from the Group of Seven (G7) rich nations reached a landmark accord backing the creation of a global minimum corporate tax rate of at least 15%, an agreement that could then form the basis of a worldwide deal.

The global minimum tax rate would apply to overseas profits. Governments could still set whatever local corporate tax rate they want, but if companies pay lower rates in a particular country, their home governments could “top-up” their taxes to the minimum rate, eliminating the advantage of shifting profits.



GST

1. *Change in GST Rates on goods being used in Covid-19 relief and management*

The 44th GST Council Meeting has reduced the GST rates on the specified items being used in Covid-19 relief and management till 30th September, 2021.

GST on the medicines and Oxygen, Oxygen generation equipment and related medical devices and Testing Kits and Machines have been reduced and Other Covid-19 related relief material, has been reduced to 5%, except for Tocilizumab and Amphotericin B, which is reduced to NIL and Ambulances, which is reduced to 12%



COMPANIES ACT

1. *MCA does away with restrictions on matters not to be dealt with in meetings conducted via video conferencing.*

The MCA has notified the Companies (Meetings of Board and its Powers) Amendment Rules, 2021 which seeks to amend the Companies (Meetings of Board and its Powers) Rules, 2014 wherein restriction on matters not to be dealt with in a meeting through video conferencing as specified in the Act has been dispensed with. As a result, Companies are free to discuss any matter in meetings conducted through video conferencing.



LABOUR LAWS

1. *Covid-19 Relief scheme for ESIC Insured Person - ESI and PF*

a) The IPs, who fulfil the eligibility conditions, and have died due to COVID disease, their dependents will be entitled to receive monthly payment @ 90% of average daily wages of the insured person during their life. The scheme will be effective for a period of two years from 24.03.2020.

For medical treatment of family member in ESI @ 120 per year contribution has to pay.

b) For PF - The maximum benefit has been increased from 6 lakhs to 7 lakhs to the family members of deceased employees. (deceased employees who was a member for a continuous period of 12 months in one or more establishments preceding his death in place of existing provision of continuous employment in the same establishment for 12 months)

Employer should help to get above benefit in case of employees died due to Covid -19 for ESI, for PF died any reason (included Covid -19).

LABOUR LAWS

2. Haryana Minimum Wages w.e.f 1.1.2021

Class of Employment	Qualification & experience	Basic/D ay	Basic/ Month	Total/ Day	Total/ Month
Unskilled	NA	292.31	7600	373.22	9703.68
Semi Skilled Class A	NA	306.92	7980	391.88	10188.83
Semi-Skilled Class B	NA	322.27	8379	411.47	10698.26
Skilled Class A	NA	338.38	8797.95	432.05	11233.18
Skilled Class B	NA	355.3	9237.85	453.65	11794.85
Highly Skilled	NA	373.07	9699.74	476.33	12384.59
Clerical & General Staff	Below Matriculation	306.92	7980	391.88	10188.83
Clerical & General Staff	Matriculation but not Graduate	322.27	8379	411.47	10698.26
Clerical & General Staff	Graduate or Above	338.38	8797.95	432.05	11233.18

LABOUR LAWS

Class of Employment	Qualification & experience	Basic/ Day	Basic/ Month	Total/ Day	Total/ Month
Clerical & General Staff	Steno Typist	322.27	8379	411.47	10698.26
Clerical & General Staff	Junior Scale Stenographer	338.38	8797.95	432.05	11233.18
Clerical & General Staff	Senior Scale Stenographer	355.3	9237.85	453.65	11794.85
Clerical & General Staff	Personal Assistant	373.07	9699.74	476.33	12384.59
Clerical & General Staff	Private Secretary	391.72	10184.73	500.15	13003.82
Data Entry Operator	NA	338.38	8797.95	432.05	11233.18
Driver	Light Vehicle	355.3	9237.85	453.65	11794.85
Driver	Heavy Vehicle	373.07	9699.74	476.33	12384.59
Security Guard	Without Weapon	306.92	7980	391.86	10188.33
Security Guard	With Weapon	355.3	9237.85	453.65	11794.85



LABOUR LAWS

3. *Mandatory seeding of Aadhar number filling ECR relaxed.*

PF contribution can now be paid for employees whose Aadhar is not linked & verified with Universal Account no. (UAN) till Aug 31, 2021, earlier it was to be linked & verified upto June 01, 2021.



MISC ACTS/ PROVISIONS

1. *FSSAI makes mandatory for food businesses to mention FSSAI license No. on invoice/bills from Oct 01*

Food safety regulator FSSAI has mandated food business operators to mention FSSAI licence or registration number on cash receipts or purchase invoice with effect from October 1 this year. Mentioning of FSSAI number shall improve the overall awareness, indicate non-compliance or non registration/licensing by the food business.

2. *IEC to be updated by June 30, 2021*

DGFT has mandated all IEC holders to update the Import Export Code (IEC) before 01st July 2021. The IEC not updated within the prescribed time would be deactivated and will have impact on your upcoming Import/Export transactions.



MISC ACTS/ PROVISIONS

3. *Validity of Udyam extended to 31 December, 2021*

Considering the hardships faced by MSMEs during the prevailing COVID-19 situation and the representations received from the various MSME associations, financial institutions and Government departments dealing with the interest of MSME Sector, the Govt. has decided to extend Validity of Udyam (Udyog Aadhaar Memorandum) from 31st March, 2021 to 31st December, 2021

CASE LAWS - INCOME TAX

1. *DCIT v. Lt. Ajit Kumar Vaddevalli (ITAT Hyderabad)*

It has been held that the Income Tax Assessment order passed in the name of non-existent person is void ab-initio.

2. *Jayesh Shantilal Vira Vs ACIT (ITAT Mumbai)*

It has been held that LTCG cannot be treated as bogus merely on information from investigation wing. Addition u/s 10(38) on alleged bogus Long Term Capital Gain (LTCG) deleted where no further verification made by AO except solely reliance on information from investigation wing.

3. *Pune ITAT in ACIT Vs M/s. Ansys.,*

ITAT has held that the Income from Sale of Software License can't be treated as 'Royalty' under Indo-US-DTAA

CASE LAWS - INCOME TAX

4. *M/s. Ricardo UK Ltd. V. DCIT (international taxation)*

It has been held that where the Indian subsidiary has been sufficiently remunerated by way of commission and remuneration and that commission and remuneration paid to Indian subsidiary has been accepted at arm's length, there is no requirement for further attribution of profit to PE particularly when the commission/remuneration paid to Indian subsidiary was significantly higher than profit attributed to PE. The addition was deleted in terms of section 9 read with DTAA.

5. *Bipinchandra Hiralal Thakkar Vs. ITO*

It has been held that Business Expenditure u/s Section 44AD(1) begins with a non obstante clause and overrides section 28 to 43C including provision of section 40(a)(ia). Since the assessee has filed the return on presumptive basis u/s 44AD, he is not liable to disallowance u/s 40(a)(ia).

CASE LAWS – INDIRECT TAX

1. *Shahid Ali Vs Principal Commissioner (CESTAT Delhi) Conclusion:*

It has been held that the adjudicating authority had wrongly imposed penalty on the importing firm as well as the proprietor thereof which amounted to double jeopardy. The penalty could not be imposed against the sole proprietor of proprietor ship firm along with the penalty upon said firm.

2. *Authority for Advance Rulings (GST-AAR), Maharashtra bench*

The AAR has held that BEST would be liable to pay Goods and Services Tax (GST) at the rate of 12% to the operator of a Mumbai-based company, which had 'rented' out its mini-AC buses. This rate on services came into force from October 13, 2017, the earlier rate of GST on services was 18%



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