

APRIL, 2021

# TAX Bulletin

★ ★ VOLUME - 85 ★ ★



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

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“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

## VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

## Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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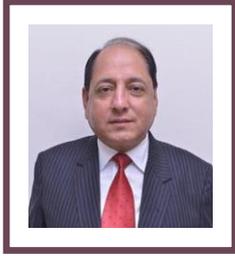
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**CMA Rakesh Bhalla**  
Chairman, Direct Taxation Committee



**CMA Chittaranjan Chattopadhyay**  
Chairman, Indirect Taxation Committee

## FROM THE DESK OF CHAIRMAN

Dear Friends and Professional Colleagues,

Greetings from the Tax Research Department!!!

A new Financial year brings in new financial decisions and new horizons in the economy. In this year the Central Board of Indirect Taxes and Customs vide Notification No. 06/2021 – Central Tax – Dt 30.03.2021 extended the Dynamic QR code applicability in B2C invoices by a GST registered taxpayer till 1st July 2021. Companies having turnover above 500 Cr. can initiate adding dynamic QR Code on B2C invoices from 1st July 2021. In any case if the taxpayers fail to comply with dynamic QR Code requirements from 1st July 2021, penalty will be levied from 1st December 2020.

The Central Board of Indirect Taxes and Customs (CBIC) has notified the extension of Basic Customs Duty (BCD) and IGST exemption benefit for EOU's till March 31, 2022.

The Goods and Services Tax Network (GSTN) has issued an Advisory on Opting-in for Composition Scheme for Financial year 2021-22. The entire details requirement like manual, FAQs etc are available on our website.

“Taxpayers are free to utilise the Input Tax Credit (ITC) available in their credit ledger, as permissible in law, to discharge their GST dues for the month of March, 2021” – CBDT said.

In the last fortnight of the Financial year 2020-21, the Tax Research Department had conducted a workshop on the topic – “Foreign Trade Policy and Procedures, and role of DGFT (With Special Emphasis on Potential Areas for CMAs)” from 24.3.2021 to 26.3.2021 with 90 participants and the webinar had been highly appreciated. Mr. Sanjeev Nandwani, Former Additional DGFT was the Faculty for the session.

Another 3 days' workshop on the topic “Customs Policy and Procedures (With special emphasis on potential areas for CMAs)” would be conducted from 05.04.2021 to 07.04.2021, wherein Mr. Saikat Das, Supdt, Port would be the faculty.

Apart from these, the regular activities like conduct of Courses, updating of Taxation portal, release of Tax Bulletins are being carried on seamlessly. A webinar has also been held on the topic Issues in deduction of Business Expenses by CMA Seshappa Venkanna on 25.03.2021.

Feedback is solicited from our readers for any improvement that may be made in the Bulletin.

Jai Hind.

Warm Regards

(Rakesh Bhalla)

**CMA Rakesh Bhalla**  
5<sup>th</sup> April 2021

**CMA Chittaranjan Chattopadhyay**  
5<sup>th</sup> April 2021

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- Research Associate  
- Research Associate

### SPECIAL ACKNOWLEDGEMENT

Mr. Dipayan Roy Chaudhuri

- Graphics & Web Designer

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Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to

***trd@icmai.in /trd.ad1@icmai.in***



**CMA Debasis Ghosh**  
Cost Accountant

## REVERSAL OF INPUT TAX CREDIT ON INCOME OF INTEREST EXEMPT FROM THE LEVY OF GST

---

**S**ervices by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) are exempt from the levy of CGST vide entry serial number 27 of Notification No. 12/2017 (Central Tax (Rate) dated 28.06.2017 as amended and corresponding notifications of the state governments and union territories issued in this behalf.

In terms of the GST rules governing eligibility of input tax credit, the value of exempt services by way of interest earned on extending deposits stand included in the aggregate turnover by way of exempt services on which proportionate input tax credit will have to be reversed in respect of common input services but for the entry vide clause (b) of Explanation 1 appended to Rule 43 of the CGST Rules and the corresponding rules of the state governments and union territories issued in this behalf. The relevant extract of the said Explanation was inserted w.e.f. 23.01.2018 and is reproduced herein below:

(b) the value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount except in the case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances.

It is submitted that when an entity accepts deposits, the question of any consideration arising there from by way of interest or discount does not arise since in the case of acceptance of deposits, interest is paid to the depositor and no consideration constituting any value of supply arises. It is only in the case of extending of deposits that such consideration by way of interest arises.

Given the fact that services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) are exempt from the levy of GST, the entry in clause (b) of Explanation 1 appended to Rule 43 of the CGST Rules and the corresponding rules of the state governments and union territories issued in this behalf appear to be total contradistinction thereto.

Here reference is made to clause (e) of Explanation 1 appended after erstwhile Rule 6(3D) of the CENVAT Credit Rules, 2004. The relevant extract thereof is reproduced herein below:

'Explanation 1. - Value for the purpose of sub-rules (3) and (3A)

(e) shall not include the value of services by way of extending deposits, loans or advances in so far as consideration is received by way of extending deposits, loans or advances

Provided that this clause shall not apply to a banking company and a financial institution including a non-banking financial company , engaged in providing services by way of extending deposits, loans or advances.'

It is submitted that the exclusion contemplated in clause (b) of Explanation 1 appended to Rule 43 of the CGST Rules and the corresponding rules of the state governments and union territories issued in this behalf is that of exclusion of the value of exempt services by way of extending deposits , loans or advances in so far as consideration is received by way of extending deposits, loans or advances and not that of value of services by way of accepting deposits which appear to be of no relevance to the relevant statutory provisions embodied in the GST law.

Accordingly amendment may please be brought about in clause (b) of Explanation 1 appended to Rule 43 of the CGST Rules and the corresponding rules of the state governments and union territories issued in this behalf by substituting the following entry

the value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount except in the case of a banking company or a financial institution including a non-banking financial company , engaged in supplying services by way of accepting deposits, extending loans or advances

by the following entry

the value of services by way of extending deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount except in the case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances.



**CMA Navneet Kumar Jain**  
Practicing Cost Accountant

## **GST DEPARTMENT ISSUES NOTICES TO THE DEBTORS OF THE DEFAULTERS TO MAKE GOOD FOR THE DEFAULT IN DEPOSIT OF GST DUES**

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**T**he status of Indian economy and tax collections is known to everyone. Recently, the data released by the department showed very good increase in the GST collections and GST collections crossed Rs. one lac crore mark continuously for the last few months. The credit for robust GST collections goes to the industry for good compliance and also to the GST departments of States and Centre which increased the levels of reviews/intelligence/use of technology resulting in higher revenue collections. We keep reading in the newspapers various headlines where bogus ITC claim frauds are being detected and the responsibilities are being fixed.

The government seems to be in no mood to let the defaulters/fraudsters escape and is using all provisions to ensure that GST revenue collections keep an upward momentum.

Recently one of the (State GST) department has started issuing notices to the Debtors of the defaulters asking them not to pay to their supplier (GST defaulter) rather to deposit the amount due to the defaulter assessee in GST account through DRC-14 which will be considered as good and sufficient discharge of the liability to such person to the extent amount is paid.

The debtor here refers to the person who has received goods and services and invoices have been raised by the defaulter assessee but the payment has not been made to his account and the same is being shown in the books of accounts of defaulter as debtors

Not only this, an indirect threat is also being issued to the debtor if the amount is paid to the said person after receipt of the notice, the debtor will be held personally liable and in case of non-payment of such due amount, the debtor will be considered to be the defaulter.

The template of the notice being issued by the department is given below.

The notices in Form DRC-13 under CGST Act bear the file number, DIN (Document Identification) mentioned manually, date and name & designation of the issuing officer.

*Whereas a sum of ..... on account of tax is payable under the provisions of the SGST/UTGST/CGST/IGST Acts by .....holding ....., who has failed to make payment of such amount and it is observed that **you are one of the current debtors of the said taxable person** and an amount may be due or may become due to the said taxable person from you;*

**You are hereby directed to pay** the amount due or may become due to the said taxable person, to the government forthwith or upon the money becoming due or being held in compliance of the provisions contained in clause(c)(i) of subsection of section 79 Of the Act.

Please note that any payment made by you in compliance of this notice will be deemed under section 79 to have been made under the authority of the said taxable person and the certificate from the government in GST-14 will constitute a good and sufficient discharge of your liability to such person to the extent of the amount specified in the certificate.

Also, please note that if you discharge any liability to the said taxable person after receipt of this notice, you will be personally liable to the State/Central Government under section 79 of the Act to the extent of the liability of the taxable person for tax, cess, interest and penalty, whichever is less.

Please note that, in case you fail to make payment in pursuance of this notice, you shall be deemed to be defaulter in respect of the amount specified in the notice and consequences of the Act of the rules made thereunder shall follow

The issues which emerge out of such notices may be like this

- What if the defaulter has shown the noticee as debtor for X amount but the debtor has some disputes with regard to the payments and claims that nothing is payable. Does it mean that he should simply file a reply that nothing is payable?
- What if the defaulter has not filed the GST returns and the noticee was not able to claim the ITC? Can he send a reply that he has withheld the amount because he could not claim the ITC on account of non-filing of returns by the defaulter?
- Whether the noticee can ask for the detailed back up of the amount being claimed to be due by the department.
- Whether noticee should contact the defaulter and seek his concurrence before making payment to the department.
- Because of the default in return filings, the recipients could not take the ITC, now after the payment to GST department, how the ITC will get reflected in the accounts of the recipients.

The department need to issue a detailed circular in this regard for the benefit of all the assesses.

Also, one should keep in mind the judgement by Hon'ble HC, Jharkhand in the matter of Mahadeo Construction Co. [W.P.(T) No. 3517 of 2019 dated 21-04-2020] where it was held that no interest liability u/s 50 of the CGST Act 2017 can be determined without initiating any adjudicatory process either under section 73 or 74 of the CGST Act.

Further held that, garnishee proceedings u/s 79 of the CGST Act, 2017 cannot be initiated for recovery of interest by issuing notice to the petitioner's bankers without adjudicating the liability of interest, when the same is admittedly disputed by the assessee.

The above judgement may provide basis for filling of reply subject to the specific circumstances of the case.

The relevant provisions which have been quoted in the notices are given below for ready reference. The notices are being issued in form GST DRC-13 which refers to Rule 145(1) and section 79(1)(c) primarily.

79. (1) Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the following modes, namely: --

.....

.....

- (c) (i) the proper officer may, by a notice in writing, require any other person from whom money is due or may become due to such person or who holds or may subsequently hold money for or on account of such person, to pay to the Government either forthwith upon the money becoming due or being held, or within the time specified in the notice not being before the money becomes due or is held, so much of the money as is sufficient to pay the amount due from such person or the whole of the money when it is equal to or less than that amount;
- (ii) every person to whom the notice is issued under sub-clause (i) shall be bound to comply with such notice, and in particular, where any such notice is issued to a post office, banking company or an insurer, it shall not be necessary to produce any pass book, deposit receipt, policy or any other document for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary;
- (iii) in case the person to whom a notice under sub-clause (i) has been issued, fails to make the payment in pursuance thereof to the Government, he shall be deemed to be a defaulter in respect of the amount specified in the notice and all the consequences of this Act or the rules made thereunder shall follow;
- (iv) the officer issuing a notice under sub-clause (i) may, at any time, amend or revoke such notice or extend the time for making any payment in pursuance of the notice;
- (v) any person making any payment in compliance with a notice issued under sub-clause (i) shall be deemed to have made the payment under the authority of the person in default and such payment being credited to the Government shall be deemed to constitute a good and sufficient discharge of the liability of such person to the person in default to the extent of the amount specified in the receipt;
- (vi) any person discharging any liability to the person in default after service on him of the notice issued under sub-clause (i) shall be personally liable to the Government to the extent of the liability discharged or to the extent of the liability of the person in default for tax, interest and penalty, whichever is less;
- (vii) where a person on whom a notice is served under sub-clause (i) proves to the satisfaction of the officer issuing the notice that the money demanded or any part thereof was not due to the person in default or that he did not hold any money for or on account of the person in default, at the time the notice was served on him, nor is the money demanded or any part thereof, likely to become due to the said person or be held for or on account of such person, nothing contained in this section shall be deemed to require the person on whom the notice has been served to pay to the Government any such money or part thereof;

### **Relevant CGST Rule**

**145. Recovery from a third person.-** (1) The proper officer may serve upon a person referred to in clause (c) of sub-section (1) of section 79 (hereafter referred to in this rule as

—the third person, a notice in FORM GST DRC-13 directing him to deposit the amount specified in the notice.

(2) Where the third person makes the payment of the amount specified in the notice issued under sub-rule (1), the proper officer shall issue a certificate in FORM GST DRC-14 to the third person clearly indicating the details of the liability so discharged.

## FORM GST DRC – 14

[See rule 145(2)]

### Certificate of Payment to a Third Person

In response to the notice issued to you in **FORM GST DRC-13** bearing reference no. \_\_\_\_\_ dated \_\_\_\_\_, you have discharged your liability by making a payment of Rs. \_\_\_\_\_ for the defaulter named below:

GSTIN –

Name -

Demand order no. : Date:

Reference no. of recovery : Date:

Period:

This certificate will constitute a good and sufficient discharge of your liability to above mentioned defaulter to the extent of the amount specified in the certificate.

Signature

Name

Designation

Place:

Date:

The government though is taking the actions for the recoveries but is likely to put the genuine taxpayers in great difficulties. The person, if pays to the department, may have to face litigation at later stages, if any launched by the defaulter as creditor who did not receive the money though the GST provisions support the action by the debtor but whether these supersede other enactments is another area of disputes.

The debtors should take the actions with utmost caution keeping in view of the various provisions of all relevant acts to avoid any further litigations. The notices in Form GST-DRC-13 i.e. notice to a third person under section 79(1)(c) of CGST Act are likely to open floodgates of new issues for which all of us should be ready.

**Disclaimer:** The views of the author are personal and readers are requested to go through the relevant provisions.



**CMA Ashok Nawal**

Founder-Bizsol India Services Pvt. Ltd

## **EXPECTATIONS FROM NEW FOREIGN TRADE POLICY 2021-26**

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**W**hole of the Trade & Industry is looking forward towards New Foreign Trade Policy 2021-26 on the background of the dream of Hon Prime Minister to make Indian Economy \$ 5 Trillion by 2025 and appeal to the citizens be “Vocal for Local” and “Be Local and Go Global”. Ministry of Commerce is now with the dynamic leadership of Hon Minister, Shri.Piyushji Goyal and when exporters look forward, the commitments announced in the Press Release as notified on the website of Ministry of Commerce & Industry. Ministry of Commerce have stated in the press release of “Electronic Governance and Trade Facilitation Reforms”

- To transform the cross-border trade eco-system through efficient, transparent, risk based, coordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art IT infrastructure and data integrations.
- To bring down the overall issuance and approval time: \* For Export benefits \* For Export Promotion Schemes \* For Import/Export Licences for Restricted Items \* For Norms Fixation
- Improve India’s ranking in Trading Across Borders indicator of the World Bank’s Doing Business ranking to less than 50 \* Enable a truly paperless regulatory environment \* Increased Trade promotion role through a single window approach \* Establish transparent and predictable policy regimes

### **Ministry of Commerce have taken measures for improving the ease of doing business for importers and exporters.**

- 24X7 Auto Issuance of eIEC (Importer Exporter Code)
- Total time from application to IEC issuance is less than 30 minutes
- Online Platform for e-issuance of Preferential Certificates of Origin
- The average time for availing a CoO has been on a steady reduction
- Duty Exemption schemes Such as AA/EPCG made paperless

- Data is exchanged between DGFT, Customs, SEZ without any paper issuance
- Transparency for the Exporter
- Helpdesk Services for Exporters & Importers
- Communication Channels - Phone, Email, Ticketing Systems, Social Media
- All Suggestions, Feedback, Complaints are monitored & time-bound
- System based, faceless auto approval of export benefits like MEIS
- Online issuance & Electronic Transfer of Duty Credit Scrips
- Online module for Quality Complaints or Trade Disputes of Indian as well as Foreign Importers and Exporters
- Steel Import Monitoring System (SIMS) for advance intimation of Steel imports
- More Import Monitoring Systems planned
- E-issuance of licences for import/export of restricted items
- Two-way online communication, paperless processing, e-verification of the authenticity of DGFT issued documents.
- Rules-based Risk Management for IEC
- Continuous Review for simplification of Policy and Procedures based on exporters' suggestions

**The commitment of the Hon Minister of Commerce is to evolve the trade and commerce and way forward of DGFT.**

- With newer IT systems to be rolled out in a phased manner by March 2021 a virtual DGFT Offices would be faceless, contactless and paperless. Reduced physical location of offices is also being planned.
- DGFT would be moving to a paradigm where business would lead and not be held back while waiting for specific confirmations. The usual process of queuing up for benefits and approvals would be removed wherever possible. The exporter or importer would not have to wait on DGFT for any business approval. DGFT would be implementing post-issuance audit systems for managing any risks for such a business-friendly, flexible system.
- The new IT systems would provide a 360°-view for the Exporter/Importer and the government. The Exporter or Importer would be able to track and monitor all their past and present actions as well as the actions taken by the department at different points of time. The Department of Commence would also have such access to the firms' performance and other credentials.

Intensions are very good, but corresponding policy provision and amendments are needed and also the strict vigilance and monetary is needed to ensure transaction cost and transaction time is substantially reduced and there is a boost and positive environment for export growth.

In view of the same, I take this opportunity to express expectations from this Foreign Trade Policy.

We have also given number of suggestions for new Foreign Trade Policy and Handbook of Procedure on 26<sup>th</sup> Nov 2020 , some of those are reproduced below:

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
1	FTP	CHAPTER 1 - LEGAL FRAMEWORK AND TRADE FACILITATION	1.05 (c)	Any license / authorisation issued earlier or upto March 2021 which are valid upto 2020, validity extended automatically by one year from the date of original validity.	During COVID situation, almost all the trade and industries suffered the business due to lockdown and overall worldwide recession and therefore this relaxation is must to be included.
2	FTP	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	General conditions Ch. 2	Extension for MEIS	Since Export realised against Shipping Bills from 1st April, application for scrips are hold online.
3	FTP	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	Para 2.31	Second-hand Capital goods and tooling to be allowed when total project is imported from another country for relocation and creating manufacturing in India	if Make in India is to be promoted and India has to made Atmnirbhar, number of foreign projects are expected to be dislocated and start the business in India and therefore, such amendment is necessary
4	FTP	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	Para 3.08	3.08 Eligibility (a) Service Providers of notified services, located in India, shall be rewarded under SEIS. Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible. The notified services and rates of rewards are listed in Appendix 3D.	Since list of services included in Appendix 3D are incomplete in view of queries & clarifications asked by DGFT to Applicants. Required Revised Appendix 3 D with specific list of services.
5	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.07	Limit for allowing import duty free under Advance authorisation for the new unit should be extended from Rs 3 Cr to Rs. 5 Cr and without asking past 2 years record. New Unit will not have any past records, therefore such condition should be removed.	For bringing new projects from abroad

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
6	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	2.07(j)	Following item to be inserted after 2.07(i) 1) Imports from China w.r.t. consumer goods, chemicals and other indigenous goods for which India is self-sufficient	If such items are included, Ministry of Govt will have rights to put the restrictions to safeguard the Indian Industry and promote Make in India
7	FTP	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.04	Restriction imposed should be removed with retrospective effect and MEIS portal to be kept open till the time new scheme (RoDTEP) is finalised.	Exporters have incurred tremendous losses since MEIS benefits was considered while pricing and amount has been restricted, which has caused the hardship.
8	FTP	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.04	SEIS Scheme for service exporters have been stopped. For Stoppage of MEIS, RoDTEP Scheme is introduced. In Similar fashion RoDTEP should be made available for service export too.	Exporters have incurred tremendous losses since MEIS benefits was considered while pricing and amount has been restricted, which has caused the hardship.
9	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.08	Input contained in finished goods cleared in DTA required to pay back duty forgone which may include basic custom duty, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess.  For indigenous goods, Excise Duty should be replaced with IGST.	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier. Therefore, there is cascading effect.
10	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.08	DTA Sale is restricted to the extent of 50% of FOB value of exports for service units.	It should be made at par with other manufacturing EOUs and restrictions should be removed.
11	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.08	DTA Sale to be allowed to item restricted or prohibited in accordance with Chapter 2 of FTP.	Since warehousing provisions for EOU is removed such prohibitions also to be removed

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12	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.09	Other supplies to include supplies to unit operating under Manufacture and Other Operations, Warehousing Regulations 2019 without payment of duty with the condition to mention custom duty forgone and if such goods with use or as such is sold in domestic then such duty to be paid by the unit operating under Manufacture and Other Operations, Warehousing Regulations 2019.	The goods are sold to Unit under Manufacture and Other Operations, Warehousing Regulations 2019, and after utilisation of such goods, the duty forgone only will be payable as against total custom duty.
13	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.12 (d)	Exemption to AEO holder for giving bank guarantee. AEO holder to be added in the list	In line with Custom Circular No.48/2017-Customs dated 8th Dec 2017
14	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Para 6.13	6.13 Inter Unit Transfer (a) Transfer of manufactured goods from one EOU / EHTP / STP / BTP unit to another EOU / EHTP / STP / BTP unit is allowed with prior intimation to concerned Development Commissioners of the transferor and transferee units as well as concerned Customs authorities, following procedure of in-bond movement of goods. Transfer of manufactured goods shall also be allowed from EOU / EHTP / STP / BTP unit to a SEZ developer or unit as per procedure prescribed in SEZ Rules, 2006.	Since no bonding rules are in existence, so whether following procedure of in-bond movement of goods is still required.

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15	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), E L E C T R O N I C S H A R D W A R E TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.15	Removal of material as such if imported prior to 2017.  At present, basic custom duty, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess. For indigenous goods, excess duty should be replaced with IGST.	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier. Therefore, there is cascading effect.
16	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), E L E C T R O N I C S H A R D W A R E TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.17	17 Replacement / Repair of Imported / Indigenous Goods:  (b) Goods sold in DTA and not accepted for any reasons, may be brought back for repair / replacement, under intimation to concerned jurisdictional Customs / Central Excise Authorities.	Since no bonding rules are in existence, so goods once sold in DTA with payment of applicable duties saved why such intimation from jurisdictional authorities for repairs/replacement is required.
17	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), E L E C T R O N I C S H A R D W A R E TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.18	Conversion of existing EOU Unit to DTA Unit under Manufacture and Other Operations, W a r e h o u s i n g Regulations 2019 should be allowed without payment of duties. Similarly, conversion of DTA Unit under Manufacture and Other Operations, W a r e h o u s i n g Regulations 2019 will be allowed to EOU Scheme without payment of duty.	There is no provision of conversion of EOU unit to the unit operating under manufacture and Other Operations, Warehousing Regulations 2019, where on procurement of imported goods, no duty is payable and hence such provision is required to be included.
18	FTP		FTP & Notifications	FTP and Custom Notification should be aligned 100%. E.g. FTP states intimation whereas notifications states permission.	

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19	FTP		FTP & Notifications	Currently Anti-Dumping on the product imported from china should be extended for further 5year or it should be restricted for import in India.	
20	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.15	Drawback is allowed and rate is specified in the drawback schedule, but it should be part of FTP also. Demand was 2% and not 1.5% Also long discussion of point 5.0 and suggestion for which have not been mentioned.  Pre-import condition should be removed retrospectively from 1st July 2017	Ministry of Commerce should represent to department of revenue to increase the drawback rate considering the fact that during the COVID situation and worldwide recession, FOB value has been substantially reduced and therefore impact of Custom Duty will be automatically more and hence it needs to be enhanced.
21	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Duty free import Authorisation shall be exempted from payment of whole duty.  Pre-import condition should be removed retrospectively from 1st July 2017	Subsequently pre-import condition is removed but it was not with retrospective effect and therefore, there are number of litigations and cases made by DRI, for which exporters are suffering.
22	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Export Obligation period & import period should atleast for 24 months to 36 months.	At present, import validity is 24 months and validity for exports is 18 months. Considering the worldwide recession on account of COVID, import period needs to be extended and export period also needs to be extended.
23	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Supply to SEZ under Advance Authorisation and Duty Drawback should be allowed for payment under Indian Rupees	At present, mandatory requirement is to get theremittances from SEZ in foreign currency, which is adding to the transaction cost. Ultimately, after using such products, SEZ is going to receive Foreign Exchange on value addition too.

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24	FTP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	General conditions Ch. 4 & 5	Online redemption facility required	As such there should be automatic redemption. Since details of Bill of Entries for imports, shipping bill / bill of exports for exports under advance authorisation / EPCG authorisation is available with ICE Gate and linked with DGFT and E-BRC System is also linked with ICE Gate and DGFT. There is no necessity of redemption. After validity of authorisation is over, automatic EODC should be issued and Bank Guarantee should be released or demand letter to be issued.  This will substantially reduce transaction cost and time and reduce the blatant corruption in DGFT and Customs.
25	FTP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	New Para	Point on EOU and exporters units struggling to get taxes like G.S.T. implementation on input has not been taken up as there is inverted tax structure of Pharma GST on raw material & excipients etc. Is 18% whereas on finished goods it is around 12% so all the time lots of funds are of manufacturers are struck. All the merchant exporters pick material at 0.1% as per scheme and manufacturers have to file for refund in inverted tax structure which is not an easy refund and does not get refunded for years. As a result the dream of making India a manufacturing hub may be far fetch as actual cost of goods manufactured goes up due to taxes levied on inputs which are difficult & take years to be refunded.	Exporters have lot of accumulated ITC but refund of duty paid on exports is not allowed to EOU and Advance License Holder, which should be allowed.

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
26	FTP			HS code in our country should be harmonized with international custom tariff	
27	FTP			Guidelines for the issuance of certificate of origin by Start Export Houses should be expedited and implemented	
28	FTP	CHAPTER 9 - DEFINITIONS	9.05	In Para 9.05 of volume 1 of handbook of procedure DGFT does not classify / take long time to provide the classification & interpretation on foreign trade policy process. There should be fix timelines for this replies.	
29	FTP			Export Promotion Council registration has to be renewed periodically instead of that for MSME there should be one-time registration and no renewable should be required.	
30	FTP			Redemption of EPCG & advance authorization should be simplified. While filing shipping bill we have specify the advance license or EPCG license and these data could be link directly with DGFT where these auto Redemption done by the software.	
31	FTP			RODTEP scheme is to be replaced with MEIS scheme. it should be made like duty drawback scheme so that direct credit can be made in account of the exporter or directly the script can be sent by registered email id.	

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32	FTP			There is provision of income tax for last 40 years where export income called tax 3, after the SEZ act this was abolished. Now SEZ scheme failed so for MSMEs the old provision of income tax should be restarted.	
33	FTP			There has been misuse of EPCG license, to stop these EPCG should be allowed to star export houses with proven track records.	
34	FTP			The advance license is proceeding electronically but issued by the EPCG officer manually, these should be issued directly to exporter on registered email id	
35	FTP	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS		In chapter 2 of import export policy there is provision of profile which should be made compulsory for all.	
36	Forms and Appendices		Appendix	There should not be any permission or intimation for DTA Sale, being there is no limit	
37	Forms and Appendices		Appendix No. 6E	QPR and APR should be filed online.	
38	HBOP	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	Para 2.16	2.16 Validity period of Authorisation/ License/ Certificate/ Authorisation/ Permissions/ CCPs (a) Validity period of Import / Export Authorisations from the date of issue shall be as follows, unless specified otherwise:	Procedure provided validity of Authorisations, whereas, no timeline has been declared for scrutiny of Documents & EODC/Bond Waiver Certificate. Processing of any application for redemption, timeline required
39	HBOP	<b>CHAPTER 3 - EXPORTS FROM INDIA SCHEMES</b>	<b>3.02</b>	Utilisation of MEIS script towards payment of basic duty by 100% EOU's in case of DTA sales	It will be in line with imports and EOU's will be benefited to a great extend in the present liquidity crunch.

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40	HBOP	<b>CHAPTER 3 - EXPORTS FROM INDIA SCHEMES</b>	<b>3.03 Exports from India Scheme</b>	MEIS Scheme to be extended after 1st January 2021 without any discontinuation with firm assurance.	The scheme supports the exporters to offset the various costs such as freight costs, regulatory fees on inspection, audits, expenses incurred in India and abroad for pre and post approvals.
41	HBOP	<b>CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES</b>	<b>4.07A Advance Authorisation</b>	Self-Ratification Scheme for AEO certificate holder not accepted by the Regional offices of DGFT in true spirit and insist for approval from DGFT New Delhi	Regional offices to accept the self-ratification norms for AEO certificate holder and should not insist for NORMS FIXATION from Norms Committee of New Delhi
42	HBOP	<b>CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES</b>	<b>4.13</b>	Pre-import condition as listed in Appendix 4 J to be removed for import of drugs.	The time limit restrictions of use and export the goods within 12 months' time limit is a hurdle for the exporter.
43	HBOP	<b>CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES</b>	<b>4.2</b>	Inspite of Para 4.20 (v) the SEZ and FTWZ Units insist for against Advance Release Order or Invalidation Letter from DGFT office	The ARO or Invalidation letter requirement to be waived as it is manual process and time consuming. DGFT officials and SEZ / FTWZ officials not to insist for this requirement for Advance License holder.
44	HBOP	<b>CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES</b>	Para 4.04	4.04 Applicant shall file application online in ANF 4A. Same form is applicable where Standard Input Output Norms (SION) have been notified or on the basis of adhoc norms or on self declaration basis as per paragraph 4.07 of Hand Book of Procedures. Self declared norms will be verified & fixed on suo-moto basis within the 120 days	Since many Authorisation holder advance authorization with No Norms in case of SION not available for their products, same will be going to Norms committee for Fixation. Fixation Norms may take 3 months to 12 months' time Or More subject to category of Products & their Committee. Norms fixed by NC are different and Authorisation holder liable to Pay duties along with interest.
45	HBOP	<b>CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES</b>	<b>4.5</b>	When export obligation is not fulfilled of Advance Authorisation / EPCG Authorisation, duties saved is required to be paid back including basic custom duties, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier.

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
46	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10- Advance Authorisation	Advance authorisation for applicants with multiple units	It will minimise the transportation cost and delivery timings. Also un-necessary documentation under GST for transfer of duty free imported goods from Port to Importer location and then importer location to Job worker
47	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.47 (a) (ii) of HBOP	(i) For such a request, an applicant has to file online application attaching Shipping Bills and e-BRC. Scanned copy of other documents as prescribed in the ANF 4F shall also be uploaded. In case of deemed exports or export from non-EDI ports, the documents evidencing proof of export/supply shall be submitted at the counter of Regional Authority concerned giving reference of online application in physical form except e-BRC	Till the online facility not yet activated required activation with enhanced capacity of data ( volume of documents)
48	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.47 (C) of HBOP	( C ) O r d i n a r i l y , redemption of BG / LUT shall not preclude customs authority from conducting random checks and from taking action against Authorisation holder for any misrepresentation, misdeclaration and default detected subsequently as per the Customs Act.	Copies of Bill of Entries & Shipping bills with relevant BRC not required to submit with redemption request to jurisdictional RA & Customs at Port for Bond waiver Certificate against EODC issued by RA. Since BOEs & Shipping's are provided online by Customs Authority through EDI, submission of hard copies of above documents at RA for redemption & the same asking by Customs at Port for Bond Waiver Certificate.

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49	HBOP	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	Para 5.22 of HBOP	<p>(c) RA shall process such applications ordinarily within 30 days. Shortcomings, if any, shall be pointed out in one go. All correspondence, thereafter, shall relate to these deficiencies only. Fresh correspondence, if necessary, shall be within 15 days. Once documents are complete, EO will be discharged within 30 days of receipt of complete documents / information.</p> <p>(d) Applications that remain outstanding beyond a period of 60 days after receipt of complete documents shall be reported to the EPCG Division at DGFT headquarters alongwith reasons thereof.</p>	Since, no timeline has been ruled at the local RA level. Issuing repetitive queries which were responded earlier.
50	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10(i)	4.10(i) the transfer of any duty free material imported or procured from one unit of a company to another unit for manufacturing purpose shall be done with prior intimation to jurisdictional customs authority. It is not clear as the GST registered person does not fall under Customs Jurisdiction and intimation of the importer may not be accepted by the Customs. Need to have proper guidelines in this regard. The prior intimation can be to the jurisdictional DGFT office (license issuing authority) instead of customs and transfer can be against Delivery Challan by the importer. Process of filing intimation whether on line or manual is also to be clarified to indicate this on the delivery challan to handle the transit issue and comply with GST Regulations as well as E - Way Bill.	Procedural simplification and ease of doing business.

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51	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10(v)	4.10(v) Imported duty free inputs can be taken from the port / domestic supplier's premises to the factory or premises of the authorisation / co-authorisation holder or the factory of the supporting manufacturer (whose name is endorsed in the authorisation or allowed by the jurisdictional customs authority).....Above para to be modified / to read as the duty free inputs can be taken from the port to the supporting manufacturer / Job worker as per import bill of entry for manufacturing. Clarification required to follow the process for movement of goods from port to the manufacturing location of the job worker. The Customs import Bill of Entry will be in the name of importer and delivery to job workers location (supporting Manufacturer) hence need clarification to follow the process for movement of goods from port under GST which will be <b>allowed by Jurisdictional customs authority.</b>	Procedural simplification and ease of doing business.
52	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	<b>4.3 Supply by SEZ</b>	Online facility to be introduced for filing of application for invalidation letter to procure the duty-free goods against advance license.	Procedural simplification and ease of doing business.
53	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	<b>4.3 Supply by FTWZ</b>	Online facility to be introduced for filing of application for invalidation letter to procure the duty free goods against advance license.	Procedural simplification and ease of doing business.

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
54	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	<b>4.07 A-- Self ratification scheme</b>	Self-certification from the manufacture to be considered instead of certificate from the Chartered Engineer to reduce the cost and time.	Under trust based and ease of doing the self-certification of the manufacturer to be relied upon being the actual user of the imported material.
55	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	<b>4.07 A-- Self ratification scheme</b>	Inspite of C.E. Certificate the Norms Committee decides the norms on their own based on the flow chart and justification of the manufacturer.	Procedural simplification and ease of doing business.
56	HBOP	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	<b>4.49 - Regularisation of Bonafide Default</b>	Sum Moto payment of customs duties to be allowed, as at present customs do not accept such payments.	This will reduce the interest burden on the importer
57	HBOP			As of date customs authority insist for letter from DGFT authority before acceptance of the customs duty payment.	Choice of the license holder to close the license
58	HBOP			Customs duty payment at Central Bank not accepted as there are no guidelines / instructions to the Central Bank.	Ease of Doing Business
59	HBOP			Few more banks to be included with detailed guidelines to accept the customs duty payment for payment of sum moto duties for Advance Authorisation and EPCG licenses.	Ease of Doing Business
60	HBOP	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	Para 5.17	Export obligation period for EPCG should be automatically extended for one year without any composition fees, considering COVID situation and also validity of the license needs to be extended for such period automatically	Ease of Doing Business

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61	HBOP	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	5.22(c ) - Redemption	<p>Practically this is not implemented by RA which leads to pendency and hardship to the exporter. Strict measures to be introduced to comply with this para.</p> <p>Repeated deficiencies raised before issue of redemption.</p>	<p>Due to delays for issue of redemption the exporter receives the alert notices from Customs inspite of filing of application for issue of redemption.</p> <p>In case of short fall the interest amount becomes payable and more the delay the exporter has to bear more interest amount.</p> <p>The IEC holder without any intimation receive surprise show cause notice inspite of submissions made to the authority.</p> <p>The IEC holder dragged in DEL entity due to non-submission of EODC which are pending from Office of the DGFT authority.</p>
62	HBOP	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	<b>Para 5.10 (c) and Para 5.10 (d) (v)</b>	<p>EPCG Licenses issued as per FTP 2009-2014, the export obligation for fulfilment related to third party exports to be considered in full as per the Shipping Bill supported with BRC issued in the name of third-party exports. Para 5.10 (c) and Para 5.10 (d) has been wrongly linked by DGFT offices while redemption of EPCG licenses for the period 2009-2014. All EPCG redemption licenses are kept pending by DGFT Offices without issue of proper denial reason leading to difficulties for the exporters. The Policy Circular No. 3/2015-2020 dated 02.09.2015 specifically mention the applicability of of the provisions of relevant policy / procedures which means 2009-2014 provisions applies to the EPCG licenses towards fulfilment of export obligation.</p>	<p>Huge pendency on account misinterpretation or limited application of Policy Circular No. 3 and Policy Circular No. 22/2015-2020 dated 29th March 2019. Need full and complete clarity to resolve the issues of the exporters and relief from Denied Entity List and Alerts from Customs.</p>

Sr	Suggestions w.r.t.	Subject Matter	Para No.w.r.t Suggestion	Suggestions for changes	Justification
63	HBOP	<b>CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME</b>	<b>5.1 Export Promotion Capital Goods Scheme</b>	EPCG licenses to be issued to manufacturers of Biotech products with reduced specific EO as there are lot of efforts taken up by BIOTECH Manufacturers for development of products for which advanced machinery and equipment are required.	The imported capital goods for biotech manufacturing are highly sophisticated and expensive one. The export orders are also very limited and with EPCG license with reduced EO it will encourage manufacturers to explore export market as well as compete in the international market.
64	HBOP	<b>CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)</b>	<b>6.08 (a) (i) Export oriented units</b>	DTA sale by EOU on payment of GST and compensation cess alongwith reversal of duties of customs leviable under First Schedule.to the customs Tariff Act, 1975 availed as exemption, if any on the inputs utilised for the purpose of manufacturing of such finished goods (including by-products, rejects, waste and scrap arising in the course of production, manufacture, processing or packaging of such goods).	Instead of inputs utilised the wording should be import duties payable on the imported goods contained in so much of the resultant products and payable on monthly basis in consolidated manner.This will give relief to have smooth DTA sales as the process of customs duty payment is manual and there is no online payment module for EOU's.
65	HBOP	<b>CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)</b>	<b>6.08 (b) (k)</b>	In case of new EOUs advance DTA sale will be allowed not exceeding 50% of its estimated exports for first year, except pharmaceutical products where this will be based on its estimated exports for first two years.	With the introduction of GST this clause may please be deleted and DTA sales without any permission and approval to be allowed on payment of GST and reversal of customs duties contained in the finished goods.

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66	HBOP	<b>CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)</b>	<b>6.13</b>	Inter Unit Transfer - Transfer of manufactured goods from one EOU unit to another EOU unit allowed on payment of applicable GST and Compensation Cess with prior intimation to concerned development Commissioners of the transferor and transferee units as well as concerned customs authorities as per procedure for movement of goods.	The wording prior intimation to concern Development Commissioner and Customs authorities to be deleted. The movement of goods will be against GST invoice with endorsement of customs duty & applicable GST. Such Remark will be mentioned on the invoice.
67	HBOP			Compensation Cess with prior intimation to concerned development Commissioners of the transferor and transferee units as well as concerned customs authorities as per procedure for movement of goods.	The wording prior intimation to concerned Development Commissioner and Customs authorities to be deleted. The movement of goods will be against GST invoice with endorsement of customs duty & applicable GST. Such Remark will be mentioned on the invoice.
68	HBOP	<b>CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)</b>	<b>6.18</b>	Exit from EOU Scheme shall be subject to payment of applicable excise and customs duties and on payment of applicable IGST / CGST / SGST / UTGST and compensation cess if any and industrial policy in force. The EOU's may be permitted to convert the EOU's into Manufacturing and Other operations undertaken in Bonded Warehouses under Section 65 of the Customs Act as per EOU's into Manufacturing and Other operations undertaken in Bonded Warehouses under Section 65 of the Customs Act as per Notification No. 44/2019 Customs (N.T.) dtd 19th June 2019	In view of dispute at the World Trade Organisation the fate of export incentive scheme is un-certain, the conversion from EOU to Manufacture and other operations in Warehouse Regulations, 2019 (MOOWR 2019) will support existing EOU's.

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69	HBOP			EOU scheme to be continued from 1st April, 2021 onwards.	The EOU scheme to be continued for a longer period as huge amount of investment in Plant & Machinery and infrastructure made by the Pharmaceutical Industry. In pharmaceutical industry the gestation period of commercial manufacturing is almost 2 to 3 years. The huge amount of spending made for regulatory compliance to obtain approval from overseas drug regulatory authorities. These investment and steps taken up only as the imports will be duty free under EOU scheme.
70	HBOP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Chapter 6 of HBOP	Period of material returned from job worker to be extended to 365 days to raw material and inputs whereas for capital goods and tooling, should be extended to 3 years	In line with GST provisions
71	HBOP	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIOTECHNOLOGY PARKS (BTPs)	Chapter 6 of HBOP	Applicability of IGCRD Rules only limited to Rule 5 to be mentioned	Ease of Doing Business and Simplification of Procedure
72	HBOP	CHAPTER 9 - DEFINITIONS	9.10 - Miscellaneous Matters	Time bound disposal applications for redemption of Advance authorisation and EPCG authorisation to be strictly followed	Will help to reduce the burden of interest and queries from Customs and audit dept. Smooth and Hassel free operations under Imports and exports.

If all the suggestions as given above and the suggestions given by other trade and industry are implemented, then definitely there will be positive changes and growth of exporters. Further, the RoDTEP Scheme is made as a substitute of MEIS / SEIS and mainly to ensure no taxes to be exported in accordance with WTO agreement but today also following taxes are built up in the cost of the product / services, since there is no mechanism to get the refund or credit.

1. Central & state taxes on the fuel (Petrol, Diesel, CNG, PNG, and coal cess, etc.) used for transportation of export products.
2. The duty levied by the state on electricity used for manufacturing.
3. Mandi tax levied by APMCs.
4. Toll tax & stamp duty on the import-export documentation. Etc.
5. Ineligible ITC on GST
6. Tax involved on free samples and destruction

At present, it is not available to Advance Authorization holder as well as exports from EOU. All the exporters of goods as well as services needs to be allowed RoDTEP without any exception.



**CMA Bhogavalli Mallikarjuna Gupta**  
CFO, GST & Management Consultant

## FIVE COMMANDMENTS - GST FOR YEAR CLOSING



**W**e are in the world of New Normal due to the ongoing pandemic globally. Pandemic has resulted in disruptions and business strategy changes based on consumer preferences and budget allocations. The organizations have started the new financial years on 1<sup>st</sup> April 2020 in the lockdown period. None of the organizations have prepared or able to scale to the dynamic & ever-changing business environment. Time Never Stops, and History Repeats are the two common phrases we hear in our discussions in business circles. Come whatever may happen, organizations have to close their books of accounts for 31<sup>st</sup> March year. Closure of books in time and properly helps the organization mitigate the risks and take timely actions for the coming year to improve the top line and bottom line. What is required

for increasing the top line and bottom line is a strategy on how to achieve it, and compliance is one of the strategies meant to achieve the same. As we all know, GST is a Business Reform, not tax reform; changing few business processes in the organization here and there can ensure productivity while safeguarding the organization from hefty penalties and late fees. Following a structured process will ensure to minimize the same and at the same time be in good books of the tax authority and the suppliers. Professionals and taxpayers are required to complete the following before filing the GSTR – 1 and GSTR – 3B for March 2021 by 11<sup>th</sup> of April 2021 and 20<sup>th</sup> of April 2021 ( for few taxpayers, it will be 22<sup>nd</sup> of April or 24<sup>th</sup> of April if their turnover is less than ₹ 5 cores based on the state they are located).

1. Reconciliation of Outward Supplies
2. Reconciliation of Inward Supplies
3. Reconciliation of Related Party Transactions
4. Issue of Pending Debit/Credit Notes
5. Reversal of ITC arising out of pandemic

### **1. Reconciliation of Outward Supplies**

A series of reconciliations have to be done while filing the returns for March 2021 if the reconciliations have not been done while filing monthly and quarterly returns.

Verify the following for the correctness of the data in return filing

- Taxable Supplies, Exempted Supplies are reported correctly
- Non-GST supplies are reported correctly
- Supplies to deemed exporters are reported correctly at lower tax rates
- Supplies to notified agencies at a lower rate are reported correctly
- All outward supplies transactions are reported correctly in the Sales Register
- Ensure that e-invoices are issued wherever required if applicable
- Ensure and validate that the GSTINs of the customers are entered correctly and reported
- Ensure and validate that no GST is charged for transactions within the state having the same GSTINs
- Ensure that all the debit and credit notes are issued as per the provisions of GST
- Ensure and verify that all the liability entries are passed in the books of accounts

Complete the following reconciliations before the filing of the March GST Returns

- Reconcile between the GSTR – 1 data and the Sales Register
- Reconcile between GSTR – 1 and GSTR – 3B
- Reconcile between GSTR -3B and Sales Register
- Reconcile the data for the HSN summary being reported in monthly GSTR – 1
- Reconcile e-waybill data with GSTR – 1 data, and if there are any differences, it is worth making a reconciliation statement and preserve it for future references.

- Reconcile the e-invoices reported in the GSTR – 1 with the e-invoices generated
- Reconcile between the Liability Ledgers on GST portal with the

The beginning of the year started with lockdown, and it has resulted in a lot of delays and cancellations of orders. Wherever there is a commercial element missing and open, try to close all such cases by the issue of debit and credit notes. Credit Notes have to be issued before the due date of filing of GSTR returns for the month of September or filing of Annual Return, whichever is earlier.

*Section 37 (3), First Proviso*

*Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.*

If any excess tax is paid for the said period through GSTR – 3B, then the same should be reduced from the GST liability in March 2021, reducing the cash outflows. Also, please maintain a reconciliation statement for the same for future reference.



## 2. Reconciliation of Inward Supplies

One of the major features and business-friendly measures in GST is the availability of seamless input tax credit. Though it is a piece of soothing music to the business's ears, it comes with a set of stringent measures like if input tax credit has been availed wrongly or excess amounts or claiming it if the supplier has not filed returns. Given all these, availing of the input tax credit process and claiming correctly becomes crucial for the business.

One of GST rollout's major benefits for the trade and industry is the availability of input tax credit seamlessly across the supply chain cycle. Though input tax credit is available, certain restrictions are available, and they are given in Section 16, Section 17(5), and in the corresponding rules.

*Section 16(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.*

Before doing the reconciliation, ensure to complete the following tasks

- Update the purchase register for the entire year and ensure all the transactions are updated in it.
- Verify that e-invoices are received from all the suppliers to whom it is applicable; else, it will not be considered a tax invoice and not eligible to claim the input tax credit.
- Verify and ensure that all the original copies of the tax invoice are available
- Verify and ensure that the goods and services are received before availing of the input tax credit
- Verify and ensure that all the credit and debit notes are updated in the system and accounted
- Verify and ensure that if any debit or credit notes are required to be issued by the supplier are issued, filed by the supplier in his returns and also accounted in the books
- Verify and ensure that RCM applicability on inward supplies is identified and accounted for, and paid.
- Verify and ensure that input tax credit is availed only on eligible inward supplies only
- Verify and ensure that input tax utilization entries passed in the books of accounts

*Section 17(5)*

*(b) the following supply of goods or services or both—*

*(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance;*

*(ii) membership of a club, health and fitness centre; and*

*(c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;*

*(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.*

*(h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and*

*Apart from ensuring the steps mentioned above are completed and the do the reconciliation*

Complete the following reconciliations

- Reconcile between GSTR – 2A / 2B with Purchase Register
- Reconcile between GSTR -2A /2B with GSTR – 3B
- Reconcile between GSTR-3B with Purchase Register
- Reconcile the ITC Ledger on GST portal with the various ledger accounts

### **Rule 69 – Matching**

*The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 41, shall be matched under section 42 after the due date for furnishing the return in FORM GSTR-3-*

- (a) *Goods and Services Tax Identification Number of the supplier;*
- (b) *Goods and Services Tax Identification Number of the recipient;*
- (c) *invoice or debit note number;*
- (d) *invoice or debit note date; and*
- (e) *tax amount;*

### **3. Reconciliation of Related Party Transactions**

In multiple instances, related parties are not accounted for properly, or returns are filed incorrectly. This results in a lot of tax litigation or reversal of input tax credits through discharge of liability. Though there is no loss to the exchequer, it is not as per the law's provisions, and the taxpayer cannot amend the returns if they have claimed wrongly.

It is recommended to verify all such transactions if there are any related party transactions and rectify the same in the March months returns. This process will ensure no loss of input tax credit, excess payment of taxes, which impacts the organization's bottom line. This will also eliminate litigation and save time and effort.

The above process is not required if the taxpayers reconcile their data before filing their monthly returns.

### **4. Issue of Pending Debit/Credit Notes**

In a going business concern, there will always be issues and challenges in the supply chain. The supply chain challenges could be damages or breakages in transit or delay in shipments or receipt of goods, or receipt of inferior quality or different ones from the ordered—all these results in some price negotiations or others. In GST, only the supplier of goods or services can issue a debit note, and the recipient cannot unilaterally issue a debit note or credit note on the supplier.

As the above case results in price negotiation, there will always be a delay in the process, and as it is the year-end, it is recommended to clear all such pending issues. A rigorous follow-up with the vendors is required, backed by documentation.

Another case could be on account of reconciliation, there could be some suppliers who must have missed filing their returns, or their registrations have been canceled; in all such cases where the supplier has not filed the returns, a credit note should be requested to be issued to compensate the loss of input tax credit. If the supplier does not issue a credit note and the payment is already made, then the taxpayer cannot do anything but reverse the input tax credit with interest at the rate of 24%; payment of interest will be an additional loss to the taxpayers. To avoid such cases, before the payment release, it is recommended to complete the reconciliation process or withhold the tax amount until the supplier files the GST returns. This process will ensure that there is an impact on the bottom line.

Similar could be the case in the case of outward supplies. Also, it is recommended to issue debit or credit notes before the 31<sup>st</sup> of March 2021.

*Section 34(2) - Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:*

Though there is no time limit for the issue of Debit Note but is advised to issue the same as the same will minimize the pending issues, the issue of debit notes brings in additional cash into the system, which has become scarce due to the business disruptions on account of the pandemic.

## **5. Covid Impact on GST**

The pandemic has impacted every business directly or indirectly. The impact is on the sales front, profits front as well on the operations and employee front. As the lockdowns have been announced to curtail the spread of the deadly virus, many manufacturers and service providers have impacted their businesses.

### **Manufacturers**

- If any spoilage/wastage of raw materials or work in progress, the same is being debited to the Profit and loss account simultaneously. If any input tax credit has been availed, the same has to be reversed and observed in the profit and loss account.
- If any goods have been expired due to the lockdown, the same is being written off to the profit and loss account. Similarly, the input tax credit has to be reversed if any availed.
- If the customers have returned the goods and the same could not be used, were scrapped or destroyed for not being used, the input tax credit has to be reversed on such goods.
- If the scrapped goods are sold at a nominal rate, then input tax credit need not be reversed as it is sold as scrap, and GST is paid on it as per one school of thought.
- The pandemic has also resulted in a delay in payments. Identify if the suppliers are paid within 180 days; if not, the input tax credit must be reversed on the amounts due from one hundred and eighty-first day onwards.
- If any return of the goods by the customers or dealers or distributors, issue the credit notes immediately without further delay. It will be a challenge in financial reporting if issued after 1<sup>st</sup> April 2021.

## Service Providers

If the advance is received from the customers and service is not being provided due to the lockdowns, advance received treatment becomes crucial in GST. The possible scenarios and treatment under GST

- (a) If the advance is returned in the same month, then no need to account for GST on receipt of the advance. Verify and validate all such advance receipts, and if GST is not paid, please pay interest on it if the invoice is issued in the subsequent months.
- (b) If the invoice is not issued till 31<sup>st</sup> March and service is not provided, validate and verify if GST is paid on the advance receipt along with the interest
- (c) If an amount is partially returned in the subsequent months and service is not provided, validate and verify if GST is paid on advance receipt if not account it and pay along with interest
  - o The pandemic has also resulted in a delay in payments. Identify if the suppliers are paid within 180 days. If not, the input tax credit must be reversed on the amounts due from one hundred and eighty-first day onwards.
  - o If any credit notes are required to be issued for the delay in service, complete the activity before filing GST Returns for March; else, reconciliation statements have to be prepared to explain to various stakeholders.
  - o If any debit notes have to be issued for price variations, the activity must be completed before the GST Returns filing for March 2021; else, reconciliation statements must be prepared to explain to various stakeholders.

The points mentioned above are indicative and may vary from taxpayer to taxpayer. It is also recommended to address the following points before the filing of the March return

1. Inputs sent on job work if not returned within the stipulated period; tax invoice has to be issued
2. Avail of the input tax credits if any is missed out
3. There is an exemption for reporting input tax credit by classification for the first two years only; the taxpayers must classify and claim input tax credit accordingly. If not done, prepare a reconciliation statement and validate that the same match the input tax credit claimed in GSTR – 3B.
4. Verify If any employee gifts above Rs 50,000 on which tax liability has to be paid
5. Verify if any input tax credit has to be reversed for the goods given without any consideration
6. Verify if any shortages or damage to stock on which input tax credit has been claimed? If any such items are there, reverse the input tax credit
7. Validate the input tax credit reversed on common inputs for taxable and exempted supplies being reversed
8. Verify input tax credit has been reversed on a pro-rata basis on capital goods from one state to another state
9. Verify the financial credit notes and debit notes issued according to the provisions; else, issue GST Credit / Debit Notes.

10. File all the relevant returns as per applicability and complete the reconciliations
11. Verify if all the customers who have to file GSTR – 7 & 8 have filed their returns and accepted the same, this will save on the cash outflows.

Wherever possible, if any ITC has to be reversed or tax has to be paid, account for it and discharge it through GSTR – 3B.

Verification of the above tasks is a time-consuming process, and it is recommended to start the process ASAP and ensure that no input tax credit benefit lapses. No removal of difficulties order has been issued for availing input tax credit for an extra period on account of a pandemic-like situation.

During the first three years after the rollout of GST, there was an option for corrections using the GSTR – 9 for liability. The same is being withdrawn based on the Finance Bill 2021, yet to be notified; if this is the case, there is no room left for the taxpayers for rectification. The wrongdoings can be seen only during the audit or scrutiny by the department officers over a period of time. By that time, the penalty amount along with interest also is going to be increased multi-fold. To avoid such challenges, it is highly recommended to follow the above steps before filing the returns for March 2021.

To avoid all the challenges, the return filing data should be captured in the accounting or ERP system accordingly. Wherever possible, automation should be introduced to minimize human efforts and automate the process of data entry and reconciliations. Let's not forget that GST is a business reform and not tax reform.

### **Disclaimer**

Any views or opinions represented above are personal and belong solely to the author and do not represent those of people, institutions, or organizations that the author may or may not be associated with within a professional or personal capacity unless explicitly stated. Any views or opinions are not intended to malign any religion, ethnic group, club, organization, company, or individual.

# RECENT UPDATES IN DIRECT TAX AND INDIRECT TAX

TEAM TRD

## Direct Tax

Last date to link PAN with Aadhaar has been extended further up to 30th June 2021. [Previously it was 31<sup>st</sup> March 2021

For more details, please follow- <https://www.incometaxindiaefiling.gov.in/moreNewsUpdates>

New Form 10A is available for e-Filing for registration or provisional registration or intimation or approval or provisional approval.

For more details, please follow- <https://www.incometaxindiaefiling.gov.in/moreNewsUpdates>

Excel & Java version of ITR utilities will be discontinued from AY 2021-22.

For more details, please follow- <https://www.incometaxindiaefiling.gov.in/moreNewsUpdates>

For AY 2021-22, the ITR1 to 4 can be filled using single JSON Utility. Import of Prefill file is mandatory in utility.

For more details, please follow- [https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/E-Filing\\_1.0\\_AY21-22.pdf](https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/E-Filing_1.0_AY21-22.pdf)

## Indirect Tax

CBIC has declared advisory for Filing GSTR-1 (Q) for Jan-Mar 2021 under QRMP Scheme

For more details, please follow- <https://www.gst.gov.in/newsandupdates/read/459>

CBIC has declared advisory for Opting-in for Composition Scheme for Financial year 2021-22

For more details, please follow- <https://www.gst.gov.in/newsandupdates/read/458>

# **TAX UPDATES, NOTIFICATIONS AND CIRCULARS**

## **INDIRECT TAX**

### **CUSTOMS NOTIFICATIONS AND CIRCULARS**

#### **Central Tax**

##### **Notification No. 06/2021 – Central Tax**

**Dated – 30<sup>th</sup> March, 2021**

##### **Seeks to waive penalty payable for non-compliance of provisions of Notification No. 14/2020 dated 21st March 2020**

Government has made the amendments in notification No. 89/2020 issued on 29th November, 2020. According to this notification, penalty has been waived off for non-compliance of capturing dynamic QR code in GST Invoice from December 2020 to June 30, 2021, rather penalty provisions will be applicable from July 1, 2021.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-06-central-tax-english-2021.pdf>

#### **Circulars – Central Tax**

##### **Circular No. 147/03/2021-GST**

**Dated – 12<sup>th</sup> March, 2021**

##### **seeks to clarify certain refund related issues**

Circular has issued in respect of refund claim by recipient of Deemed Export Supply

For more details, please follow: [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_147.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_147.pdf)

#### **Tariff Notification**

##### **Notification No. 19/2021-Customs**

**Dated – 30<sup>th</sup> March, 2021**

##### **Amendment to Notification No.52/2003-Customs for extending exemption from IGST and compensation cess to EOUs on imports till 31.03.2022**

Central Government by notification, made the further amendments in the notification No. 52/2003-Customs. In this notification, “1st day of April, 2021”, the figures, letters and words “1st day of April, 2022” shall be substituted, i.e. extended the exemption from IGST and compensation cess to EOUs on imports till 31.03.2022.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs19-2021.pdf>

##### **Notification No. 20/2021-Customs**

**Dated – 30<sup>th</sup> March, 2021**

##### **Amend on notification No. 69/2011-Customs**

In this Notification, Central Government has extended the deeper tariff concessions to imports of specified goods from Japan under India-Japan CEPA (IJCEPA) with effect from 1st April, 2021.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs20-2021.pdf>

**Non Tariff Notification**

**Notification No. 29/2021-Customs (NT)**

**Dated – 15<sup>th</sup> March, 2021**

**Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca nut, Gold & Silver**

CBIC has made the following amendments in the notification No. 36/2001-Customs (N.T.) which was issued on 3rd August, 2001. In this notification the following shall be substituted in TABLE-1 and TABLE-2.

**TABLE - 1**

<b>Sl. No</b>	<b>Chapter/ heading/ sub-heading/ tariff item</b>	<b>Description of goods</b>	<b>Tariff value (US \$ Per Metric Tonne)</b>
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1071
2	1511 90 10	RBD Palm Oil	1097
3	1511 90 90	Others – Palm Oil	1084
4	1511 10 00	Crude Palmolein	1103
5	1511 90 20	RBD Palmolein	1106
6	1511 90 90	Others – Palmolein	1105
7	1507 10 00	Crude Soya bean Oil	1210
8	7404 00 22	Brass Scrap (all grades)	5201

**TABLE - 2**

<b>Sl No.</b>	<b>Chapter/ heading/ sub-heading/tariff item</b>	<b>Description of goods</b>	<b>Tariff value (US \$)</b>
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	549 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50	821 per kilogram
3	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92;	821 per kilogram

		<p>(ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage.</p> <p><b>Explanation.</b> - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.</p>	
4	71	<p>(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units;</p> <p>(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.</p> <p><b>Explanation.</b> - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.</p>	549 per 10 grams

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt29-2021.pdf>

**Notification No. 30/2021-Customs (NT)**

**Dated - 17<sup>th</sup> March, 2021**

**Amendment to the Notification No. 63/1994-Customs (N.T)**

CBIC by the notification, appoint New Jalpaiguri Railway Stations as Land Customs Station for the purpose of clearance of Baggage.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt30-2021.pdf>

**Notification No. 31/2021-Customs (NT)**

**Dated - 17<sup>th</sup> March, 2021**

**Exchange rates Notification**

CBIC has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa which is specified in Schedule I and Schedule II and has effected from 19<sup>th</sup> March, 2021.

### SCHEDULE-I

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	For Imported Goods	For Exported Goods
Australian Dollar	57.95	55.60
Bahraini Dinar	198.70	186.00
Canadian Dollar	59.50	57.35
Chinese Yuan	11.35	11.00
EURO	88.25	85.10
US Dollar	73.35	71.60

### SCHEDULE-II

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	For Imported Goods	For Exported Goods
Japanese Yen	67.80	65.30
Korean Won	6.65	6.25

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt31-2021.pdf>

#### **Notification No. 32/2021-Customs (NT)**

**Dated - 24<sup>th</sup> March, 2021**

#### **Exchange rates Notification**

CBIC has made amendment in the Notification No.31/2021-CUSTOMS (N.T.), dated 18th March, 2021 with effect from 25th March, 2021. In this notification the following shall be substituted for serial No. 18 in SCHEDULE-I

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt32-2021.pdf>

#### **Notification No. 33/2021-Customs (NT)**

**Dated - 29<sup>th</sup> March, 2021**

#### **Common Customs Electronic Portal**

CBIC has notified the common portal accessible through uniform resource locator (URL) <https://www.icegate.gov.in> as the Common Customs Electronic Portal for facilitating registration, filing of bills of entry, shipping bills, other documents and forms prescribed under the Act or any other law or the rules or regulations, payment of duty, functions specified to be carried out through common portal through the said Act or rules made under section 156 of the said Act or regulations made under section 157 of the said Act and for data exchange with other systems within or outside India.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt33-2021.pdf>

**Notification No. 34/2021-Customs (NT)**

**Dated – 29<sup>th</sup> March, 2021**

**Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Amendment Regulations, 2021**

CBIC has made the regulations to amend the Bill of Entry Regulations, 2018. Now, these regulations may be called the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Amendment Regulations, 2021.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt34-2021.pdf>

**Notification No. 35/2021-Customs (NT)**

**Dated – 29<sup>th</sup> March, 2021**

**Bill of Entry (Forms) Amendment Regulations, 2021**

CBIC made the regulations further to amend the Bill of Entry (Forms) Regulations, 1976. In the Bill of Entry (Forms) Regulations, 1976, in regulation 4, for sub-regulation (1), the following sub-regulation shall be substituted:

“(1)(a) In case of a customs port (other than inland container depot and air freight station) at which goods are to be cleared for home consumption or warehousing, the authorised person shall file the bill of entry before the end of the day (including holidays) preceding the day on which the vessel carrying the goods arrives at the customs port:

Provided that the authorised person shall file the bill of entry before the end of the day (including holidays) of said arrival of the vessel where the goods are consigned from any of the following countries (i) Bangladesh ; (ii) Maldives ; (iii) Myanmar ; (iv) Pakistan ; (v) Sri Lanka

In case of a customs airport or an inland container depot or air freight station or a land customs station at which goods are to be cleared for home consumption or warehousing, the authorised person shall file the bill of entry before the end of the day (including holidays) of the arrival of the aircraft carrying the goods at the customs airport.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt35-2021.pdf>

**Notification No. 36/2021-Customs (NT)**

**Dated – 29<sup>th</sup> March, 2021**

**Notifying amendment for self approval under Section 149 of the Customs Act, 1962**

CBIC specified the following amendments in the bill of entry presented under the second proviso to the sub section (3) of section 46 of the said Act, which may be done by the importer on the common portal as Supplementing of Bill of Lading details in the Bill of Entry.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt36-2021.pdf>

## **Anti-Dumping Duty**

### **Notification No. 14/2021-Customs (ADD)**

**Dated – 18<sup>th</sup> March, 2021**

#### **Seeks to impose definitive anti-dumping duty on imports of “Faced Glass Wool in Rolls” originating in or exported from People’s Republic of China**

Central Government, after considering the aforesaid final findings of the designated authority, has imposed on the subject goods originating in the country and exported from the country as specified and imported into India, an anti-dumping duty at the rate equal to the amount as specified.

The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of issuance of this notification and shall be paid in Indian currency.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-add2021/csadd14-2021.pdf>

### **Notification No. 15/2021-Customs (ADD)**

**Dated – 26<sup>th</sup> March, 2021**

#### **Seeks to amend notification no 11/2016-Customs (ADD), so as to extend the said notification up to 30.09.2021**

Central Government made amendment in the notification No. 11/2016-Customs (ADD), dated the 29th March, 2016.

In this notification, after paragraph 2, before the Note, the following paragraph shall be inserted:

3. Notwithstanding anything contained in paragraph 2, the anti-dumping duty imposed under this notification shall remain in force up to and inclusive of the 30th September, 2021, unless revoked, superseded or amended earlier.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-add2021/csadd15-2021.pdf>

### **Notification No. 16/2021-Customs (ADD)**

**Dated – 26<sup>th</sup> March, 2021**

#### **Seeks to rescind notification No. 10/2016-Customs (ADD) dated 29.03.2016**

Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government has rescinded the notification No. 10/2016-Customs (ADD) which was issued on 29<sup>th</sup> March, except as respects things done or omitted to be done before such rescission.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-add2021/csadd16-2021.pdf>

**Notification No. 17/2021-Customs (ADD)**

**Dated – 27<sup>th</sup> March, 2021**

**Seeks to impose anti-dumping duty on imports of 2-Ethyl hexanol originating in or exported from European Union, Indonesia, Korea RP, Malaysia, Taiwan and United States of America for a period of 5 years**

Central Government has imposed on the subject goods and originating in the countries or exported from the countries as specified and imported into India, an anti-dumping duty at the rate equal to the amount as specified. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-add2021/csadd17-2021.pdf>

**Notification No. 18/2021-Customs (ADD)**

**Dated – 27<sup>th</sup> March, 2021**

**Seeks to impose anti-dumping duty on imports of Polyethylene Terephthalate (PET) resin originating in or exported from China PR for a period of 5 years**

Central Government has imposed on the subject goods and originating in the countries or exported from the countries as specified and imported into India, an anti-dumping duty at the rate equal to the amount as specified. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-add2021/csadd18-2021.pdf>

**Circulars – Customs**

**Circular No. 08/2021-GST**

**Dated – 29<sup>th</sup> March, 2021**

**Clarifications on the legislative changes in Section 46 of Customs Act, 1962**

After received Several representations have been received regarding the non-availability of MBL/MAWB within the prescribed time-limits leading to delay in filing advance BE. Upon carefully examining this matter and noting the genuine difficulties of the importers, Board has decided to do away with the requirement of MBL/MAWB for the filing of advance BE. Only the reference to House Bill of Lading (HBL)/ House Airway Bill (HAWB) would be sufficient at the time of advance filing. Thus, an importer can now file the advance BE on the strength of either a MBL/MAWB or the HBL/HAWB or both.

For more details, please follow: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-08-2021.pdf>

## **DIRECT TAX**

### **Notification No. 14/2021**

**Dated - 11<sup>th</sup> March, 2021**

CBDT has made the following amendment in the notification no. 70/2014 which was issued on 13th November, 2014. In this notification, in Schedule – I, against Serial number 9, after the entry (xiv), the following entries, shall respectively, be inserted, in column (4) and column (5).

Sl. No.	Director General of Income-tax (Investigation)	Headquarters	Principal Commissioner / Commissioner of Income Tax (Central)	Headquarters
(1)	(2)	(3)	(4)	(5)
			(xv) Principal Commissioner / Commissioner of Income-tax (Central), Guwahati	Guwahati

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_14\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_14_2021.pdf)

### **Notification No. 15/2021**

#### **Income Tax (3<sup>rd</sup> Amendment) Rules, 2021**

**Dated - 11<sup>th</sup> March, 2021**

CBDT has made further amendments to the Income-tax Rules, 1962. These rules may be called the Income-tax (3rd Amendment) Rules, 2021 and it has come into force on the 1st April, 2021.

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_15\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_15_2021.pdf)

### **Notification No. 16/2021**

#### **Amendment in Rule 114E of the Income tax Rules, 1962**

**Dated - 12<sup>th</sup> March, 2021**

CBDT has made further amendments to Income-tax Rules, 1962. This rule called as the Income-tax (4th Amendment) Rules. This amendment has made in Rule 114E of Income Tax Rule, 1962.

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_16\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_16_2021.pdf)

### **Notification No. 17/2021**

**Dated - 16<sup>th</sup> March, 2021**

CBDT has made amendment in the No. 66/2014, issued on 13th November, 2014. In this notification, the following serial number and entries shall be substituted in the Schedule, for serial number 10 and the entries relating thereto.

Sl No.	Designation	Headquarters	Income-tax Authorities
(1)	(2)	(3)	(4)
10	Principal Chief Commissioner of Income Tax North East Region	Guwahati	Commissioner of Income-tax (Appeal) (Central), North East Region, Guwahati.

This Notification has been effective from 24th February, 2021.

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_17\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_17_2021.pdf)

**Notification No. 18/2021**

**Income Tax (5<sup>th</sup> Amendment) Rules,2021**

**Dated – 16<sup>th</sup> March, 2021**

CBDT has made amendment to the Income-tax Rules, 1962. It is called the Income-tax (5th Amendment) Rules,2021 and it has come into force with effect from the 1st April, 2021.

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_18\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_18_2021.pdf)

**Notification No. 19/2021**

**Income Tax (6<sup>th</sup> Amendment) Rules,2021**

**Dated – 26<sup>th</sup> March, 2021**

CBDT has made amendment to Income-tax Rules, 1962. It is 6th Amendment of Income Tax Rules, 2021 and this rule is for 2C. it has come into the force on the 1st April, 2021.

For more details, please follow: [https://incometaxindia.gov.in/communications/notification/notification\\_19\\_2021.pdf](https://incometaxindia.gov.in/communications/notification/notification_19_2021.pdf)

**Circular No. 4/2021**

**Dated – 23<sup>rd</sup> March, 2021**

**Clarifications on provisions of the Direct Tax Vivad se Vishwas Act, 2020**

Circular 21/2020 of FAQ No. 70 has clarified the eligibility for search case under Vivad se Vishwas. It was clarified that if the assessment order has been framed in the case of a taxpayer under section 143(3) / 144 of the Income Tax Act based on the search executed in some other taxpayer's case, it is to be considered as a 'search case' under Vivad se Vishwas.

Now, it has clarified that 'search case' means an assessment or reassessment made under sections 143(3)/ 144/ 147/ 153A/ 153C/ 158BC of the Income-tax Act, in the case of a person referred to in section 153A or 153C or 158BC or 158BD of the Income-tax Act on the basis of search initiated under section 132, or requisition made under section 132A of the Income-tax Act. The FAQ no. 70 of circular 21/2020 stands modified to this extent.

For more details, please follow: [https://incometaxindia.gov.in/communications/circular/circular\\_4\\_2021.pdf](https://incometaxindia.gov.in/communications/circular/circular_4_2021.pdf)

**Circular No. 5/2021**

**Dated – 23<sup>rd</sup> March, 2021**

**Order under section 119 of the Income Tax Act, 1961**

In view of the prevailing situation due to COVID-19 pandemic across the country, it has been decided by the Board that the reporting under clause 30C and clause 44 of the Tax Audit Report shall be kept in abeyance till 31<sup>st</sup> March, 2022.

For more details, please follow: [https://incometaxindia.gov.in/communications/circular/circular\\_no\\_5\\_2021.pdf](https://incometaxindia.gov.in/communications/circular/circular_no_5_2021.pdf)

# **PRESS RELEASE**

## **DIRECT TAX**

### **Income Tax Department conducts searches in Kolkata**

**10<sup>th</sup> March, 2021**

The Income Tax Department carried out search and seizure operation on 09.03.2021 on various persons based in Kolkata, engaged in the business of Electrical equipment and trading of decorative lighting. The cases were developed through market intelligence and field enquiries. Search and seizure action was carried out at more than 3 premises in Kolkata in the evening of 09.03.2021.

The search action has resulted in unearthing of incriminating evidences (both physical and electronic) where prima facie it has been observed that various bank accounts are being used by these persons for squaring off trade account with Chinese exporters. These products were allegedly not imported at arm's length price so as to have less impact of customs duty on imported products, thereby reducing the purchase price. Several unaccounted transactions have also been found pertaining to sale of electrical equipment in the domestic market.

Preliminary enquiry has also indicated that the persons on whom search and seizure operations have been conducted are engaged in clandestine operation, wherein they receive cash, convert them into foreign exchange through individuals engaged in such conversion work (also covered) and through some bank accounts, the amount is transferred to foreign accounts of Chinese exporters who export different kinds of goods to Indian importers. Hence, part of the purchase cost is transferred to the accounts of Chinese exporters through this mode. Various mobile and electronic devices having such communication/evidences have been seized.

Unaccounted cash in excess of Rs. 3 crore has been found, which has been seized. In one more separate action conducted by the Department, Rs.76 lakh has been seized.

Further investigations are in progress.

### **Income Tax Department conducts searches in Kolkata**

**11<sup>th</sup> March, 2021**

The Income Tax Department carried out search and seizure operation on 10.03.2021 on two separate persons based in Kolkata, who are engaged in handling of cash of others on commission basis. The search was carried out based on intelligence gathered by the Department.

The search action has resulted in seizure of total unaccounted cash amounting to Rs.121.50 lakh.

Further investigations are in progress.

### **Income Tax Department conducts searches in Tamil Nadu**

**17<sup>th</sup> March, 2021**

The Income Tax Department carried out searches on 11.03.2021 in the case of a group of individuals who are involved in handling huge amount of cash and routing unaccounted money through foreign entities and bank accounts of their related concerns. The search operation was carried out at 20 premises located in Chennai, Coimbatore, Salem, Virudhunagar and Theni.

The evidences found in the searched premises revealed that cash deposits of more than Rs. 100 crore were made through various entities in the guise of sale and purchase of agricultural commodities whereas no such activity exists and no stock was found. The sale and purchase invoices were found to be fabricated by their employees. Further, sales and stock were circulated among group entities to manipulate the turnover to obtain bank loans. Many of these entities had not filed any tax return so far.

While Rs. 150 crore was received by a group entity through a debenture issue from a foreign entity, the evidences found during the search revealed that this was a sham transaction and all the money went to the personal accounts of these individuals.

Further, the group entities imported spices wherein they over-invoiced the import cost to about Rs. 25 crore. To this extent, money was siphoned-off from India and diverted to their personal accounts in other countries.

During the search, evidence was also found which showed that numerous immovable properties have been purchased in the last 3-4 years in the prime locations of Chennai and other towns of Tamil Nadu at a value even lesser than circle rates. Many of these properties were also not disclosed in the IT returns.

More than 25 luxury cars were found during the search, and many were unaccounted. Evidence has also been found of the existence of undisclosed foreign bank accounts, foreign credit cards and investments in foreign entities.

Unaccounted cash of Rs. 50 lakh, jewellery worth Rs. 3 crore and 9 luxury vehicles worth Rs. 12.5 crore have been seized so far.

The searches, so far, have resulted in the detection of undisclosed income of around Rs. 400 crore. Relevant investigations under the Black Money Act will also be carried out.

Further investigations are in progress.

### **Clarification on continuation of concessional rate of tax on certain interest income of the FPIs**

**17<sup>th</sup> March, 2021**

Section 115AD of the Income-tax Act, 1961 (the 'Act') inter alia contains provisions for taxation of income of FPIs. Proviso to section 115AD(1) (i) provides that the tax shall be chargeable at the concessional rate of 5% on interest income referred to in section 194LD.

There are reports in certain section of media that the said concessional tax rate of 5% has been withdrawn. It is hereby clarified that there is no change in the said proviso even after amendment of section 115AD vide Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and the concessional rate of tax of 5% shall continue to be applicable for interest income referred to in section 194LD of the Act.

### **Income Tax Department conducts searches in Haryana**

**18<sup>th</sup> March, 2021**

The Income Tax Department carried out search on 17.03.2021 on a group engaged in the business of real estate, housing, hospitality and retail liquor trade. The search operation was carried out at 12 different premises located in Samalkha, Gurugram, Rohtak and Panchkula.

This search action emanated due to non-compliance to faceless scrutiny assessment notices selected and issued through a computerised system. Notices under the Faceless Assessment Scheme sent to certain assesseees were consistently not complied with even though received by them. Data analytics revealed that the recipients were persons of no/low means. Subsequent internal and discreet enquiries revealed that the said persons were the front for the above said group and were also the benamidars of some of the group members.

Further enquiries revealed that the persons to whom the notices were issued were engaged in the liquor business run by the group. It was found that such persons to whom liquor licences were issued were the benamidars of the main group members. They were persons of no means and they have stated on oath that they have no knowledge of the business being run in their names. It seems that their names have been misused to avail the quota reserved for SC/ST section. Further investigation is on to establish the money trail and real ownership. Suitable action under Benami Prohibition Act will be taken in all such cases.

During the search, evidence has been found proving bogus booking of flats in the name of employees/relatives and unidentifiable persons, in the affordable housing scheme project of the group. The company has allotted houses to the employees of the group members, whose un-encashed cheques have been found at the premises. However, flats have been further sold to the actual buyer at a premium of Rs. 6 lakh to 10 lakh each. The premiums have been received in cash and not accounted for in the books. Premium in cash has been charged from the other buyers as well, in this affordable housing scheme. Thus, there is not only misuse of the scheme but also tax evasion which is estimated to be not less than Rs. 36 crore.

During the search, evidence was found that the group has claimed bogus expenses on account of building material like cement, raiti, iron bar etc. of around Rs. 100 crore, in previous years, leading to huge evasion of taxes. Further, it was seen that the group is also regularly claiming huge bogus business promotion expenses, in the previous years, and laundering the cash siphoned off as unaccounted investment in immovable properties.

Substantial evidence has also been found that the group has routed their unaccounted income of Rs. 70 crore in the form of bogus share capital and unsecured loan, through a shell company which has been invested in the buy-out of a real estate project from a popular builder in the area of Gurugram. Evidence in the form of property documents and title deeds have been found regarding investment in benami properties in India as well as out of the country. The matter is being examined further.

The group has incurred unaccounted expenditure for personal and office purposes in cash running into crores of rupees. This also includes expenditure for taking various approvals for projects and lavish marriage expenses.

During the search, unexplained investment in jewellery of approximate Rs. 3 crore has been found. 4 bank lockers of the group have also been found and put under restraint. Further investigations are in progress.

#### **Income Tax Department conducts searches in Tamil Nadu**

**19<sup>th</sup> March, 2021**

During the course of election surveillance being carried out for the ensuing assembly elections in Tamil Nadu and Puducherry, the Income Tax Department, has, on 16.03.2021, conducted search actions on five premises in Chennai.

These five premises belong to five entities, who, in addition to their regular business, are also acting as Cash Handlers. The action resulted in a cash seizure of Rs 5.32 crore.

In a separate development, the Income Tax Department, carried out search and seizure operations on 17/03/2021 on a business group engaged in yarn trading and supply of PPE kits, bags and Baby care kits to various State

Governments. The searches were conducted in eight premises at Tirupur, Dharapuram and Chennai.

The searches revealed that the group is engaged in the practice of suppressing profit by inflating purchases and other expenses. The unaccounted income so generated is utilized for making investments in land and expansion of business.

The search has resulted in seizure of unaccounted cash of Rs.11.50 crore and total unaccounted income detected so far is Rs.80 crore. Further investigations are in progress.

Seizure of large unaccounted cash will reduce the possibility of its utilisation for electoral purposes and will aid the objective of free and fair poll in the State of Tamil Nadu. Income Tax department has stepped up its monitoring and is closely watching the cash movement during the ensuing assembly elections.

#### **Income Tax Department conducts searches in Mumbai**

**20<sup>th</sup> March, 2021**

The Income Tax Department carried out searches on 17.03.2021 in the case of a prominent builder and developer group based in Mumbai. Searches were also conducted in the case of dealers engaged in the business of trading of mobiles accessories. In all, 29 premises located in Mumbai were covered under search operation, while 14 premises were covered under survey action.

The real estate group is developing a commercial Mall, having 950 units exclusively for the mobile accessories business. Of these, about 905 of the units have been sold starting from 2017 till date. The evidences stored in a pen drive found in the searched premises revealed that the builder group, has taken an amount of Rs. 150 crore as on-money receipts over and above the agreement value, which is not accounted for in the books of accounts on sale of such units. Further, similar evidence of on-money amounting to Rs. 70 crore has been found in the pen drive pertaining to a residential-cum-commercial project. Cash amounting to Rs. 5.50 crore has been found and seized from various premises of this group. The receipts of on-money for sale of shops/flats by the builder in various projects recorded in digital form have been seized.

In respect of the dealers engaged in the business of mobile accessories, various incriminating evidence has been found pertaining to out-of-books sales. The group imports goods from China and sells these goods to various parties all over India. The imports are under invoiced and payments are made through hawala channels. 13 secret godowns containing unaccounted stock have been discovered, wherein the stock is being inventorised and valuation is under progress.

Further, evidence of unaccounted investments in properties by the said dealers amounting to Rs. 40.5 crore has been detected. Out of this, unaccounted investments worth Rs. 21 crore are against the purchase of units in the said commercial Mall. Four undisclosed bank accounts in the names of employees have also been detected, which are used to collect the sale proceeds from the retail vendors of the groups. The total deposits in the bank accounts amount to Rs. 80 crore.

This operation has revealed that the entire sector of trading in mobile accessories is largely unaccounted. The main components are imported from China through Mumbai and Chennai ports. Search has revealed that the dealers are undervaluing the sales and purchases in a major way. The transactions with Chinese counterparts take place through the We-Chat app. The Department has recovered the We-chat messages using forensics. The information pieces are being verified and collated to extract information regarding the quantum and cost of Chinese imports.

Unaccounted cash of Rs. 5.89 crore has been seized, so far, in this operation. The searches, as yet, have resulted in the detection of undisclosed income of around Rs. 270 crore. Further investigations and the exercise of valuation of unaccounted stock are in progress.

### **Income Tax Department conducts searches in Jharkhand**

**22<sup>nd</sup> March, 2021**

The Income Tax Department carried out searches on a closely-held Group of Jharkhand on 17.03.2021 and concluded the same on 20.03.2021. The Group is engaged in manufacturing and trading of Sponge Iron, MS Ingots, MS Rods, and TMT bars

and has dealerships of petrol pumps. Search and survey was carried out at more than 20 premises.

The Group was indulging in manufacture and sale outside the books and was using an extensive network of shell companies to plough back unaccounted income. Preliminary findings include the sale of unaccounted production of Rs. 185 crore. Digital media containing details of such unaccounted transactions has been recovered and analysed. Accounts of actual production details which are not recorded in regular books have been recovered.

The products of this Group are used in building construction and other infrastructure projects, and unaccounted production is sold in cash in eastern India. The cash generated is being ploughed back into the Group in the form of share capital and unsecured loans from Kolkata based shell companies. The money is also invested in the purchase of properties and expensive personal items.

Seized documents indicate that the unaccounted income of the Group amounting to about Rs. 100 crore was ploughed back in the form of share capital at very high premiums through Kolkata based shell companies. The original share certificates issued to these shell companies were also found in the company's office premises. Investigations reveal that the so called shareholders do not exist.

The Group has also obtained unsecured loans of about Rs.25 crore from Kolkata-based shell companies, clearly indicating the ploughing back of its own unaccounted income. The Group has obtained bogus commodity profit entries amounting to Rs. 30 crore.

An entry provider and a freight forwarder were also searched. These persons were arranging entries through shell companies. Documents indicating such unaccounted entries have been found during search, further establishing the nature of unaccounted transactions and entries taken by the Group.

The search has revealed that the Group was actively engaged in the generation of unaccounted income in cash and introducing the same in the Group as equity and loans and making investments in real estate. Unaccounted cash of Rs. 3.07 crore was seized while unaccounted bullion and jewellery of Rs 1.28 crore was seized during the search.

Further investigations are in progress.

# JUDGEMENTS

## INDIRECT TAX

### **Form GST DRC 07 to be issued for Recovery of Interest, rules Gujarat High Court**

#### **Fact of the Case**

The two questions raised in the writ petition filed by M/S Rajkamal Builder Infrastructure Private Limited were

1. Whether interest under Section 50 of the Central Goods and Service Tax Act, 2017 is to be levied on the net tax liability or on the gross tax liability?
2. Whether issuance of DRC 01 under Section 50 of the CGST Act, 2017 is legal and proper?

#### **Decision of the Case**

Levy of interest under Sec.50 of the Central Goods and Services Tax Act, 2017, the Division Bench held that as per the amendment proposed in Section 50 of the CGST Act, 2017 vide clause 103 of the Finance Bill, 2021, the interest under Section 50 of the CGST Act, 2017 can only be **levied on the net tax liability and not on the gross tax liability**. In such circumstances, the demand raised by the revenue is not in accordance with law.

Considering the legality of issuance of DRC 01 under Sec.50 of CGST Act, 2017, the Court observed that plain reading of Sec.50 of CGST Act, 2017 and Rule 142(1)(a) of the Central Goods and Service Tax Rules, 2017 would indicate that "Form GST DRC 01 can be served by the proper officer along with the notice issued under Section 52 or Section 73 or Section 74 or Section 76 or Section 122 or Section 123 or Section 124 or Section 125 or Section 127 or Section 129 or Section 130 and that too, electronically as a summary of notice". **Thus, DRC 01 could not have been issued for the purpose of recovery of the amount towards interest on delayed payment of tax.**

The court so as to bring clarity regarding the Form to be issued in case where any amount

towards interest on delayed payment of tax is to be recovered, that notwithstanding anything contained in section 73 or Section 74, if there is any amount of interest payable on tax and which had remained unpaid, the same has to be recovered under the provisions of Section 79.

The term "order" falling under Rule 142(5) of the CGST Rules shall be treated as notice for recovery. The Court concluded that the notice for recovery of interest under Section 50 of CGST Act should have been issued under GST DRC 07.

***The division bench of the Gujarat High Court held that Form GST DRC 07 shall be issued for recovery of interest under Sec.50 of the Central Goods and Service Tax Act, 2017.***

### **ITC can be availed on Sale of Eatables: AAR**

#### **Fact of the Case**

The applicant, Manoj Mittal runs an eatables business in Darjeeling, which has two sections. On one counter, sweetmeats, namkeens, and bakery items are sold off the counter in the form of takeaways. In the other section, fast food snacks and beverage items are prepared and served, which can either be consumed at the premises or allowed as takeaways. The applicant also provides catering services to an educational institution.

The applicant approached AAR with questions :

1. Whether sale from the portion of the sweetmeats and bakery shop should be categorised as supply of goods and if this will be eligible for ITC ?
2. The second segment would be treated as restaurant service ?
3. Whether the catering services provided to the educational institution will be exempt from GST based on the agreement ?

#### **Decision of the Case**

The Coram ruled that the sale "shall be categorised as supply of goods" and that "the applicant is eligible to avail ITC".

The AAR further held that the supply of food items and beverages by the applicant which offers the facility of eating in the same premises, along with takeaway of the same, shall be treated as restaurant services and will attract tax at 5 per cent rate but without ITC.

The AAR further held that the supply of the catering services to the educational institution, based on the agreement, will be exempted from payment of GST. However, the supply of food and beverages to the auditor, guests/ parents on programme days, as it appears from the agreement, will be treated as 'outdoor catering' and attract GST at the rate of 5 per cent but without ITC.

***The West Bengal Authority of Advance Ruling (AAR) ruled that Input Tax Credit (ITC) can be claimed on Sale of Eatables.***

### **18% GST on Erection & Commissioning of Lifts or Escalators for Domestic use: AAR**

#### **Fact of the Case**

The applicant, M/s BG Elevators and Escalators Private Limited is a registered private limited company engaged in trading as well as erection and commissioning of lifts and elevators for domestic as well as commercial use.

The applicant has sought advance ruling in respect of the Rate of tax required in respect of erecting and commissioning of lifts installed for domestic use the Rate of tax required and in respect of erecting and commissioning of escalators installed for domestic use.

The applicant submits that they learnt that their competitors are charging GST at the rate of 12% on the erection and commissioning of lifts on immovable property for domestic use and hence filed the instant application.

#### **Decision of the Case**

The Coram clarified that Notification 11/2017-Central Tax (Rate) dated June 28, 2017, as amended, stipulates the rate of GST on the services covered under 995466 at 18%, in terms of Sl. No.3(xii).

Further the said GST rate is irrespective of the place of installation i.e. at the residence or at the mall or shopping complex and also irrespective of the intended usage of the lifts/escalators either for domestic use or commercial use is 18%, as the said services are covered under Lift and escalator installation services, falling under SAC 995466.

***The Karnataka Authority of Advance Ruling (AAR) ruled that 18% GST is applicable on erection and commissioning of lifts or escalators for domestic use.***

### **18% GST applicable on Sinking Fund collecting by Residential Society from Members: AAR**

#### **Fact of the Case**

The applicant, M/s Olety Landmark Apartment Owner's Association is a non-profit making residents welfare Association formed by the individual apartment/flat owners for the purpose of maintaining and managing the common areas and facilities in the condominium and the Applicant is duly registered under the provisions of the Karnataka Apartment Ownership Act, 1972.

The Applicant, having about 208 members, is engaged in providing maintenance and repairs of common areas such as the corridors, garden, play area, pathway, clubhouse, swimming pool, gymnasium, electric equipment etc., and payment of electricity and other outgoings by collecting monthly maintenance charges from its members based on the area of occupancy.

The applicant also collects certain amounts towards sinking funds, in addition to regular maintenance amounts, to meet the expenditure of planned / unplanned outlay in future, under its bye-laws.

The applicant sought advance ruling on the issue of whether the Applicant is liable to pay GST on amounts which it collects from its members for setting up the 'Sinking Fund' / Corpus Fund.

#### **Decision of the Case**

The Coram ruled that The amounts collected by the applicant towards Sinking Fund amount to

advances meant for the future supply of services to members, covered under SAC 9995 as “Services of Membership Association” and are taxable to GST at the rate of 18% in terms of Sl.No.33 of Notification No.11/2017-Central Tax (Rate) dated June 28, 2017, as amended, as the time of supply is receipt of the advance amounts in terms of Section 13(2)(a) of the CGST Act 2017.

***The Karnataka Authority of Advance Ruling (AAR) ruled that 18% GST applicable on Sinking Fund collected by Residential Society from Members***

**Deposit Work by Uttar Pradesh Power Transmission Corporation part of Transmission, Distribution of Electricity is Composite Supply: AAAR**

**Fact of the Case**

The appellant, Uttar Pradesh Power Transmission Corporation Limited was incorporated in 2006 and notified as the state transmission utility of Uttar Pradesh, vide Notification No. dated 18th July 2007 and entrusted with the business of transmission of electrical energy to various licensees within the State of Uttar Pradesh.

The appellant sought the advance ruling on the issue whether the Deposit Work undertaken by Appellant is an integral part of supply of services of transmission or distribution of electricity. The other issue raised was whether the Deposit Work undertaken by Appellant is ancillary to the principal supply of transmission or distribution of electricity and whether the exemption given under Entry No. 25 of the exemption notification for services by way of transmission or distribution of electricity by an electricity transmission or distribution utility will be applicable on Appellant.

The appellant has also sought the ruling that whether ITC is available to the appellant in undertaking “Deposit Works” i.e. creating infrastructure for electricity transmission.

**Decision of the Case**

The AAR ruled that the Deposit Work undertaken

by applicant is not an integral part of supply of services of transmission or distribution of electricity. “The Deposit Work undertaken by the applicant is not ancillary to the principal supply of transmission or distribution of electricity,” the AAR said.

The AAR further ruled that the exemption given under Entry No. 25 of the exemption notification for services by way of transmission or distribution of electricity by an electricity transmission or distribution utility will not be applicable on the applicant.

However, the appellant being aggrieved by the AAR’s ruling filed the appeal before the AAAR

The Coram of the AAR’s ruling, held that the deposit work undertaken by the appellant is part and parcel of the transmission and distribution of electricity and the same cannot be completed without the said deposit work. The AAAR observed that the *services provided by the appellant* are in nature of ***Composite Supply in terms of Section 8 of the CGST Act, 2017 and Transmission and distribution of electricity being the principal supply.***

***The Uttar Pradesh Appellate Authority of Advance Ruling (AAAR) ruled that Deposit work by Uttar Pradesh Power Transmission Corporation is a part of the transmission and distribution of electricity, so it is a composite supply.***

**DIRECT TAX**

**ITAT directs matter to AO to examine afresh Rate of Gross Profit declared on Unaccounted Turnover**

**Fact of the Case**

- In the present case M/s Alokik Steels Pvt. Ltd is the assessee
- The assessee, M/s Alokik Steels Pvt. Ltd. has duly disclosed the transaction in its return of income which stood duly verified by the Assessing Officer. The Pr. CIT observed that no enquiry has been made by the Assessing Officer is bad in law.

- It was submitted that the AO made the necessary inquiry and has examined the books of accounts which are duly audited and all the transactions have been shown in the return of income as well as in computation of income.
- The PCIT has assumed the undisclosed sales as the undisclosed stock found by the Central excise authorities whereas it is not so. Only loose slips of unaccounted sales of Rs. 1,77,95,856/- was found by the Central Excise Authorities and unaccounted stock of Rs. 1,77,95,856/- was not found. The findings recorded by the PCIT are contradictory.
- It has been further contended that the provisions of section 69A of the Act read with section 115BBE of the Act have been wrongly invoked by the Id Pr CIT as only loose slips of unaccounted sales and not any unaccounted stock was found by the excise authorities

### Decision of the Case

- The coram of Sandeep Gosain and Vikram Singh Yadav noted that the assessee has declared the same in its return of income and which has been accepted by the AO as well as by Pr CIT as there is neither any material on record nor any adverse finding recorded by Id Pr CIT disputing the same.
- Therefore, as far as the quantum of unaccounted turnover of Rs 1,77,95,859/- is concerned, the order so passed by the AO cannot be held as erroneous and prejudicial to the interest of Revenue," the ITAT said.
- The tribunal directed AO to examine the rate of gross profit so declared by the assessee on such unaccounted turnover and decide as per law.

**Additions towards share capital in question would not ipso facto tantamount to alleged concealment of income: ITAT deletes penalty**

### Fact of the Case

- The assessee company, M/s. Aagam Shares & Commodities Pvt. Ltd. earlier named KGMS Financial Services Pvt. Ltd. is engaged in

the business of dealing in stock market and purchase and sale of shares.

- The return filed by the assessee was subjected to scrutiny assessment under s.143(3) of the Act wherein total income was determined at Rs.69,69,045/-. The AO inter alia made an addition of Rs.45 Lakhs under s.68 of the Act on account of introduction of share capital at premium in the books of account and consequently imposed a penalty of Rs.13,50,000/- thereon.
- The main grievance of the assessee is the imposition of penalty of Rs.13,50,000.
- The assessee submitted that the AO has initiated penalty proceedings under s.274 read with section 271(1)(c) of the Act using the expression 'furnishing inaccurate particulars/concealment of income'. It was thus contended that apparently, the AO himself has not made any definite satisfaction towards the nature of charge leveled against the assessee required under section 271(1)(c) read with section 271(1B) of the Act.

### Decision of the Case

- The coram headed by the Vice President, Rajpal Yadav clarified that The penalty will not ordinarily be imposed unless the party obliged, either acted deliberately in defiance of law or was guilty of contumacious conduct or dishonest act.
- The explanation offered towards bonafide issue of share capital thus cannot be outrightly rejected when tested on the touchstone of penalty proceedings of strict nature. The fact in the present case does not conclusively establish the malafide on the part of the assessee company.
- The Income Tax Appellate Tribunal (ITAT), Ahmedabad Bench while deleting the penalty held that the Additions towards share capital in question would not be ipso facto tantamount to alleged concealment of income.

**Section 56(2)(viib) of the Income Tax Act does not apply to consideration received from Non Residents on account of issuance of Shares: ITAT**

**Fact of the Case**

- In the present case M/s Ruchi J Oil Pvt.Ltd. is the assessee
- The appeal was filed by M/s Ruchi J Oil Pvt. Ltd. challenging the jurisdiction assumed by PCIT u/s 263 of the Income Tax Act mainly on the ground that the provisions of Section 56(2)(viib) of the Income Tax Act are not applicable to the Non-residents.
- The facts of the case are that the Appellant had issued equity shares to the resident and non-resident companies at Rs.2061.35 per share and Rs.2840.68 per share respectively. PCIT by way of the impugned order has referred to the above transactions and observed that as the value of each share computed by DCF method is Rs. 2061.35 and excess premium of Rs. 779.33 per has been charged to Non Resident companies, Assessing Officer ought to have added the same to the income of appellant under sec. 56(2)(viib) of the Income Tax Act.
- The appellant contended that shares were issued at a premium to non-resident companies hence additional premium received was not covered within the scope of Section 56(2)(viib) of the Income Tax Act.

**Decision of the Case**

- The Tribunal held that where assessment under section 143(3) of the Income Tax Act was framed after detailed enquiries, it cannot be considered as erroneous and prejudicial to the interests of the Revenue.
- The Indore Bench of the Income Tax Appellate Tribunal (ITAT) held that Section 56(2)(viib) of the Income Tax Act does not apply to consideration received from Non Residents on account of issuance of shares.

**Income from Commercial Properties shall be treated as House Property Income**

**Fact of the Case**

- In the present case M/s. Discovery Estates Pvt. Ltd is the assessee
- The assessee was engaged in the business of construction of the commercial complex and also earning rental income.
- The return of income was filed by the assessee for the year under consideration declaring income of Rs.2,67,02,200. The case was selected for scrutiny and assessment under Section 143(3) of the Income-tax Act, 1961 was completed after treating the rental income under the head 'Income from House Property' instead of income under the head "Profit and Gains of Business or Profession" offered by the assessee in the return of income.
- Being aggrieved, the assessee is in appeal before the Tribunal raising the grounds as reproduced above.

**Decision of the Case**

- The Coram of Suchitra Kamble and O.P. Kant held that the assessee is earning rental income from commercial malls and offered the same under the head 'Profit and Gains of Business or Profession'.
- The rental income has been generated from commercial units which remained unsold and were held as stock in trade in desire of an acceptable sale price. The Assessing Officer has taxed the said rental/lease income under the head "income from house property".

**Change in Nature of Loss from Business Loss to Speculative Loss not enough to impose Penalty**

**Fact of the Case**

- In the instant case Af-taab Investment Company Ltd is the assessee

- The assessee, is an investor and dealer in shares and securities. During assessment proceedings.
- AO observed from the annual report for FY 2001-02 that some of the shares are held as long-term investments while the others are stock-in-trade. The profit or loss on sale of long-term investments is offered for tax under the head 'Capital gains' while the stock-in-trade is offered for tax under the head 'Business Income'.
- The main income of the assessee is from profit and gains of business and the explanation of section 73 of the Act is applicable in the assessee's case. Accordingly, the assessment was completed assessing the total income at Rs. NIL (after adjusting the brought forward losses). AO reclassified the business loss from the sale of shares held as stock-in-trade as speculation loss.
- The assessee submitted that AO has reclassified the head of income from business income to speculative income. There is a difference of opinion and the assessee is of the view that the explanation to section 73 of the Act is not applicable to the case of the assessee. However, CIT(A) and ITAT have rejected the contention of the assessee in quantum appeal.

#### **Decision of the Case**

- The coram headed by Justice P. P. Bhatt held that the assessee had a bonafide belief that the loss suffered by it is business loss.
- The Income Tax Appellate Tribunal (ITAT), Mumbai Bench while deleting the penalty ruled that change in nature of loss from business loss to speculative loss is not enough to impose a penalty.

# TAX COMPLIANCE CALENDER AT A GLANCE

## GOODS AND SERVICES TAX CALENDAR

Due Date for GSTR-3B			
States	Turnover in Preceding F.Y.	Month	Due Date
For All States	Turnover is more than Rs. 5 Crore	March, 2021	20 <sup>th</sup> April, 2021
Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep	Opting for the QRMP Scheme		
	Turnover is upto Rs. 5 Crore	Jan to March, 2021	22 <sup>nd</sup> April, 2021
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi	Opting for the QRMP Scheme		
	Turnover is upto Rs. 5 Crore	Jan to March, 2021	24 <sup>th</sup> April, 2021

Due Date for GSTR-1		
Form	For month/Quarter	Date
GSTR-1	Monthly	
	March 2021	11 <sup>th</sup> April, 2021
	Quarterly	
	January to March	13 <sup>th</sup> April, 2021

<b>Composition Scheme Due Dates</b>		
<b>From</b>	<b>Description</b>	<b>Date</b>
<b>CMP - 08</b>	<b>Return for Composite Supplier</b>	
	<b>January to March 2021</b>	<b>18<sup>th</sup> April, 2021</b>

<b>Others Returns</b>		
<b>From</b>	<b>Description</b>	<b>Due Date</b>
<b>GSTR - 4</b>	<b>FY 2020-21</b>	<b>30<sup>th</sup> April 2021</b>
<b>GSRT- 5 &amp; 5A</b>	<b>Filed by Non-resident taxable person and OIDAR respectively</b>	
	<b>March 2021</b>	<b>20<sup>th</sup> April, 2021</b>
<b>GSTR - 6</b>	<b>For input Services Distributor who are required to furnish details of invoice on which credit has been received</b>	
	<b>March 2021</b>	<b>13<sup>th</sup> April, 2021</b>
<b>GSTR - 7</b>	<b>Filed by person required to deduct TDS under GST</b>	
	<b>March 2021</b>	<b>10<sup>th</sup> April, 2021</b>
<b>GSTR - 8</b>	<b>E-commerce operator who are required to deduct TDS</b>	
	<b>March 2021</b>	<b>10<sup>th</sup> April, 2021</b>

## DIRECT TAX CALENDAR - APRIL, 2021

<b>Important due dates for the Income Tax</b>	
7.04.2021	Due date for deposit of Tax deducted by an office of the government for the month of March, 2021. However, all sum deducted by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
14.04.2021	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194IB & 194M in the month of February, 2021
15.04.2021	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2021
15.04.2021	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2021
30.04.2021	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2021 has been paid without the production of a challan
30.04.2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194IB & 194M in the month of March, 2021
30.04.2021	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2021
30.04.2021	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2020 to March 31, 2021
30.04.2021	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2021
30.04.2021	Due date for deposit of TDS for the period January 2021 to March 2021 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H

## COURSES OFFERED BY TAX RESEARCH DEPARTMENT

### Eligibility criterion for admission in TRD Courses

- The members of the Institute of Cost Accountants of India
- Other Professionals (CS, CA, MBA, M.Com, Lawyers)
- Executives from Industries and Tax Practitioners
- Students who are either CMA qualified or CMA pursuing

### EXISTING COURSES

#### CERTIFICATE COURSE ON TDS

**Course Fee -** Rs. 10,000 + 18% GST  
*20% Discount for Members, CMA Final Passed Candidates and CMA Final pursuing Students*

**Exam Fees -** Rs. 1,000 + 18% GST

**Duration -** 30 Hours

**Mode of Class -** Online

#### CERTIFICATE COURSE ON INCOME TAX RETURN FILLING

**Course Fee -** Rs. 10,000 + 18% GST  
*20% Discount for Members, CMA Final Passed Candidates and CMA Final pursuing Students*

**Exam Fees -** Rs. 1,000 + 18% GST

**Duration -** 30 Hours

**Mode of Class -** Online

#### CERTIFICATE COURSE ON GST

**Course Fee -** Rs. 10,000 + 18% GST  
*20% Discount for Members, CMA Final Passed Candidates and CMA Final pursuing Students*

**Exam Fees -** Rs. 1,000 + 18% GST

**Duration -** 72 Hours

**Mode of Class -** Online

*\* Special Discount for Corporate*

#### ADVANCED CERTIFICATE COURSE ON GST

**Course Fee -** Rs. 14,000 + 18% GST  
*20% Discount for Members, CMA Final Passed Candidates and CMA Final pursuing Students*

**Exam Fees -** Rs. 1,000 + 18% GST

**Duration -** 40 Hours

**Mode of Class -** Online

#### CRASH COURSE ON GST FOR COLLEGE AND UNIVERSITY

**Batch Size -** 50 (Minimum)

**Eligibility criterion -** B.COM/B.B.A pursuing or completed  
M.COM/M.B.A pursuing or completed

**Course Fee -** Rs. 1,000 + 18% GST

**Exam Fees -** Rs. 200 + 18% GST

**Course Duration -** 32 Hours

#### CRASH COURSE ON INCOME TAX FOR COLLEGE AND UNIVERSITY

**Batch Size -** 50 (Minimum)

**Eligibility criterion -** B.COM/B.B.A pursuing or completed  
M.COM/M.B.A pursuing or completed

**Course Fee -** Rs. 1,500 + 18% GST

**Exam Fees -** Rs. 500 + 18% GST

**Course Duration -** 32 Hours

Admissions open for the courses - <https://eicmai.in/advsec/DelegatesApplicationForm-new.aspx>

### NEW COURSES

#### ADVANCED COURSE ON GST AUDIT AND ASSESSMENT PROCEDURE

**Course Fee -** Rs. 12,000 + 18% GST [Including Exam Fee]

**Duration -** 30 Hours

**Mode of Class -** Online

#### ADVANCED COURSE ON INCOME TAX ASSESSMENT AND APPEAL

**Course Fee -** Rs. 12,000 + 18% GST [Including Exam Fee]

**Duration -** 30 Hours

**Mode of Class -** Online

For enquiry about courses, mail at – [trd@icmai.in](mailto:trd@icmai.in)

## **E-PUBLICATIONS OF TAX RESEARCH DEPARTMENT**

Impact of GST on Real Estate	Handbook on GST on Service Sector
Insight into Customs - Procedure & Practice	Handbook on Works Contract
Input Tax Credit & In depth Discussion	Handbook on Impact of GST on MSME Sector
Exemptions under the Income Tax Act, 1961	Insight into Assessment including E-Assessment
Taxation on Co-operative Sector	Impact on GST on Education Sector
Guidance Note on GST Annual Return & Audit	Addendum_Guidance Note on GST Annual Return & Audit
Sabka Vishwas-Legacy Dispute Resolution Scheme 2019	An insight to the Direct Tax- Vivad se Vishwas Scheme 2020
Guidance Note on Anti Profiteering	International Taxation and Transfer Pricing
Advance Rulings in GST	Handbook on E-Way Bill
Handbook on Special Economic Zone and Export Oriented Units	Taxation on Works Contract

For E-Publications, Please visit Taxation Portal -  
<https://icmai.in/TaxationPortal/>

## TAXATION COMMITTEES - PLAN OF ACTION

### Proposed Action Plan:

1. Successful conduct of Certificate Course on GST.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

### Disclaimer:

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