

APRIL 2021

NEWSLETTER

TAX

- Income Tax
- Goods and Services Tax



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<u>INCOME TAX</u>	
1. Income-tax (8th Amendment) Rules,2021	
<div>CBDT</div> <div>Notification No. 28/2021 dated 1.04.2021</div> <p>Vide this notification, CBDT has substituted some clauses in Form 3CD (Tax Audit Report). It has also notified that Tax Audit Report under Rule 6G can be revised if there is payment by assessee after furnishing of report which necessitates recalculation of disallowance under section 40 or section 43B.</p> <p>Notification No.28</p>	
2. Government notifies provisions of DTAA with Iran	
<div>CBDT</div> <div>Notification No. 29/2021 dated 1.04.2021</div> <p>The Government of India and the Government of the Islamic Republic of Iran had signed an agreement for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income which was in force from 29th September, 2020. The agreement was to have effect in India in respect of taxes on income arising in any fiscal year beginning on or after the first day of April next following the calendar year in which the Agreement entered into force.</p> <p>Accordingly, through this notification, the Central Government has notified all the provisions of agreement.</p> <p>Notification No.29</p>	
3. CBDT authorizes the Director of Income Tax (Centralized Processing Centre) and Commissioner of Income-Tax (Exemption) under Income Tax Rule 2C, 5CA, 11AA & 17A	
<div>CBDT</div> <div>Notification No. 30/2021 dated 1.04.2021</div> <p>Vide this notification, CBDT has authorized the Director of Income Tax (Centralized Processing Centre), Bengaluru and Commissioner of Income-Tax (Exemption), Bengaluru, for the following purposes, namely -</p> <ol style="list-style-type: none"> 1. For receiving applications for provisional registration or registration or provisional approval or approval or intimation in Form 10A 2. For passing order granting provisional registration or registration or provisional approval or approval in Form 10AC 3. For issuing Unique Registration Number (URN) to the applicants 4. For cancelling the approval granted in Form 10AC and Unique Registration Number (URN) <p>Notification No.30</p>	
4. Income-tax (9th Amendment) Rules,2021	
<div>CBDT</div> <div>Notification No. 31/2021 dated 5.04.2021</div> <p>CBDT has amended Rule 10DA, 10DB and Form No. 3CEAB related to maintenance and furnishing of information by persons entering into international or specified domestic transactions. Following are the key amendments :-</p> <ul style="list-style-type: none"> ➤ Increase consolidated group revenue threshold to determine reporting eligibility from INR 5500 Crore to INR 6400 Crore. ➤ Substituted Rule 10DB(1) of the Income-tax Rules to authorise the Joint Director as the Income-tax authority under Section 286 of the Income Tax Act, 1961 (i.e., furnishing of report in respect of international group). ➤ Rule 10DA(4) henceforth now covers all the constituent entities of the international group whether 	

resident in India or not. Hence, with this amendment, Form 3CEAA is now required to be filed by any one of the entities designated in Form 3CEAB for both resident and non-resident entities.

[Notification No.31](#)

5. Income-tax (10th Amendment) Rules,2021

CBDT

Notification No. 32/2021 dated 15.04.2021

CBDT has amended Income Tax rule 2DB which relates to conditions to be satisfied by the **pension fund** for exemption under **section 10(23FE)** and substitutes **Form No. 10BBA**. The following amendments have been made :-

- Proviso to **Rule 2DB (iii)** pertaining to the application of rule to the payment of creditors has been inserted, namely,
Provided that the provisions of clause (iii) shall not apply to any payment made to creditors or depositors for loan taken or borrowing for the purposes other than for making investment in India.
- After **Rule 2DB (vi)**, explanation for loan and borrowings, has been inserted, namely:
Explanation: For the purposes of this rule, "loan and borrowing" shall have the same meaning as assigned to it in sub-clause (b) of clause (ii) of Explanation 2 to clause (23FE) of section 10."
- **Form 10BBA**, pertaining to application for notification under sub-clause (iv) of clause (c) of explanation 1 to the clause (23FE) of section 10 of the Income-Tax Act, 1961 has been substituted.

[Notification No.32](#)

6. Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend & Interest Income

CBDT

Notification No. 1 & 2 /2021 dated 20.04.2021

CBDT has notified Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend & Interest Income. Details are as under:-

Annexure	Particulars
Annexure A	Guidelines for preparation of Statement of Financial Transactions (SFT)
Annexure B	Guidelines for submission of Statement of Financial Transactions (SFT)
Annexure C	Data structure rules
Annexure D	Data validation rules

[Notification No.1](#) & [Notification No.2](#)

7. Income-tax (11th Amendment) Rules,2021

CBDT

Notification No. 37/2021 dated 26.04.2021

CBDT has amended Income Tax rule 2DB pertaining to conditions to be satisfied by the **pension fund** for exemption under **section 10(23FE)** and substitutes **Form No. 10BBA**. The following amendments have been made :-

- In Rule 2DB after clause (ii), the following proviso has been inserted :-
Provided that the condition in clause (ii) shall be deemed to have been satisfied with respect to assets being administered or invested, if the following conditions are satisfied; namely:-
 - value of such assets is not more than **10%** of the total value of the assets administered or invested by such fund
 - such assets are wholly owned directly or indirectly by the Government of a foreign country
 - such assets vests in the Government of such foreign country upon dissolution

- After the proviso to clause (iii), the following proviso has been inserted, namely:-
Provided further that the provisions of clause (iii) shall not apply to earning from the assets referred to in the proviso of clause (ii), if the said earning are credited either to the account of the Government of that foreign country or to any other account designated by such Government so that no portion of the earnings inures any benefit to any private person.
- **Form 10BBA**, pertaining to application for notification under sub-clause (iv) of clause (c) of explanation 1 to the clause (23FE) of section 10 of the Income-Tax Act, 1961 has been substituted

[Notification No.37](#)

8. Extension of deadline for passing orders and issue notice under Income Tax Act

CBDT

Notification No. 38/2021 dated 27.04.2021

Vide this notification, CBDT has extended the time limits in respect of the following to **30th June, 2021** (Previously **30th April 2021**) namely:-

- Time limit for passing of any order for assessment or reassessment under the Income-tax Act, 1961 the time limit for which is provided under section 153 or section 153B.
- Time limit for passing an order consequent to direction of Dispute resolution Panel under sub-section (13) of section 144C of the Act.
- Time limit for issuance of notice under section 148 of the Act for reopening the assessment where income has escaped assessment.
- Time Limit for sending intimation of processing of Equalisation Levy under sub-section (1) of section 168 of the Finance Act 2016.

[Notification No.38](#)

9. Extension of due date for making payment under Vivad se Vishwas

CBDT

Notification No. 39/2021 dated 27.04.2021

CBDT had previously extended the due date for making payment under **Vishwas se Vivad Act, 2020** without an additional amount to **30th April 2021**.

Vide this notification, CBDT has further extended the due date for making payment under **Vishwas se Vivad Act, 2020** without an additional amount from **30th April 2021** to **30th June 2021**.

[Notification No.39](#)

<u>GOODS AND SERVICES TAX</u>
1. Verification of monthly GST Returns through EVC
CBIC Notification No. 7/2021 of Central Tax – dated 27.04.2021
Vide this notification CBIC has provided that any registered person during the period from April 27, 2021, to May 31, 2021 , will be allowed to furnish the return in Form GSTR-3B and details of outward supplies in Form GSTR-1 or using invoice furnishing facility, verified through electronic verification code (EVC) .
Notification No.7

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important.



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