

# IMC

## Chamber of Commerce and Industry

**Dear Sir/Madam,**

The following important announcements have been compiled by IMC's Direct Taxation Committee for your information.

We have compiled the information for your ready reference as our endeavour to keep our members updated on latest announcements being made by Income-tax Department and regarding upcoming important dates from direct-tax compliances perspective, we have compiled the information, for your ready reference.

**A. Important dates for the month of April 2021:**

Due date	Purpose	Period	Description
7th April	TDS /TCS Liability Deposit	Mar'21	Depositing TDS/ TCS liability. all the sum deducted/collected 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
14th Apr	TDS Statement in case of Section 194IA, 194IB and 194-M	Mar'20	Due date for issue of TDS Certificate for tax deducted under Section 194IA, 194IBand 194-M
15 <sup>th</sup> Apr	Form No. 15 CC	Dec'20 – Mar'21	Statement in respect of foreign remittances (to be furnished by authorized dealers)
	Form No. 3 BB	Mar'21	Statement to be furnished by a stock exchange in respect of transactions in which client codes been modified after registering in the system
30 <sup>th</sup> Apr	Form 24 G	Mar'21	To be furnished by an office of the Government where TDS/TCS for the month of March, 2021 has been paid without the production of a challan.

	Challan-cum-statement in respect of TDS under 194IA , 194IB , 194 M	Mar'21	Due date for the statement for the month of March 2021
	Deposit of TDS	Mar'21	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2021
	Form No.61	1 <sup>st</sup> Oct – 31 <sup>st</sup> Mar 2021	E-filing of declaration containing particulars of Form No. 60 received during the period October to March
	Form No. 15G/15H	Dec'20 – Mar'21	Due date for uploading declarations received from recipients.
	Deposit of TDS	Jan'21 – Mar'21	Due date for deposit of TDS, when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H

**B. Details of important circulars, notifications and press release issued during the month of March 2021:**

**C. CIRCULAR NO. 2 OF 2021, DATED 3-3-2021**

Considering the COVID-19 pandemic and the resultant overstay of an individual who had come to India on a visit before 22nd March 2020, CBDT has issued certain clarifications for the purpose of determining the residential status under section 6 of the Act during the previous year 2019-20 and 2020-21 in respect of an individual who came to India.

**2. CIRCULAR NO. 3/2020 [F.NO. IT (A)/1/2020-TPL], DATED 4-3-2021**

CBDT has introduced Section 10 of the Direct Tax Vivad se Vishwas Act, 2020 clarifying that where the Designated Authority has passed orders under sub-sections (1) and (2) of section 5 of Vivad Se Vishwas Act for full and final settlement of the tax arrear, the Assessing Officer shall pass consequential order under the Income Tax Act to give effect to Designated Authority's order.

**3. INSTRUCTION F. NO. 225/40/2021/ITA-II, DATED 4-3-2021**

CBDT with an objective of streamlining the process of selection of cases for issue of notices under section 148 of the Act has mentioned the categories of cases be considered as 'potential cases' for taking action under section 148 of the Act by 31.03.2021 for the A.Y 2013-14 to A.Y 2017-18 by the Jurisdictional

4. **Extension of due to date for linking PAN and Aadhar:** In view of the difficulties arising out of the COVID 19 pandemic, Government extends the last date for linking of Aadhar number with PAN from 31 March 2021 to 30 June 2021.
5. **Extension of dates for issuing notices and orders for Income-tax Department:** In view of difficulties, date for issue of notice under Section 148 of the Act, passing of consequential order for direction issued by Dispute Resolution Panel (DRP) and processing of Equalisation Levy statements have been extended to 30 April 2021.
6. **Key Amendments to Finance Bill 2021:** The Finance Bill, 2021 was presented by the Hon'ble Finance Minister, Nirmala Sitharaman on 1 February 2021. In the wake of the representations received from various stakeholders, while moving the Bill for approval by the Lok Sabha on 23 March 2021, the FM introduced amendments to FB 2021 (Amended FB 2021). The amendments are generally intended to address certain ambiguities arising from the wordings of proposals as contained in the Bill.

The key amendments made are as under:

- Definition of “liable to tax” modified to specifically provide that persons having an “income-tax liability” under the laws in force in a country shall be considered as liable to tax in such country. Thus, liability in respect of indirect taxes or other taxes (other than income tax) will not be considered as satisfying the definition of “liable to tax”.
- Threshold for taxation of interest accruing on employees’ contribution to specified provident fund schemes increased from INR 2,50,000 to INR 5,00,000 , where there is no employers contribution.
- Mechanism provided for reducing the existing goodwill from tax block of intangible assets pursuant to denial of depreciation on goodwill w.e.f. tax year 2020-21 onwards.
- Provisions for taxing firm with respect to receipt of cash or specified assets by partners in connection with dissolution or reconstitution as proposed by FB 2021 revamped and streamlined.
- Slump sale capital gains computation modified to consider fair market value of undertaking on date of transfer (to be prescribed by rules) as full value of consideration and cost of goodwill of business or profession at NIL (except where it is acquired by purchase from previous owner).
- Relief from additional levy of Minimum Alternate Tax (MAT) in case of secondary adjustment or Advance Pricing Agreement (APA) entered by a taxpayer to apply

only if the taxpayer has not utilized MAT credit in any subsequent tax years (TYs).

- Non-Resident (NR) e-commerce operator not obligated to pay 2% equalisation levy (EL) on value of sale of goods owned by or services provided by residents or NRs having permanent establishment (PE) in India (to which such sale or provision is effectively connected) through digital platform of such e-commerce operator.
- For the purpose of triggering the extended limitation period of 11 years from the end of relevant Taxable Year under the new reassessment regime proposed vide FB 2021, the term “asset” defined to include immovable property, shares and securities, loans and advances, and deposits in bank account.
- Mandatory fee for delay in filing of tax return is reduced to INR 5,000 from INR 10,000.
- New levy of fees up to INR 1,000 introduced for default in intimating Aadhaar number for taxpayers who are holding valid Permanent Account Number (PAN) as on 1 July 2017.
- In view of the proposed discontinuance of Income-tax Settlement Commission w.e.f. 1 February 2021, where applicants exercise option to withdraw pending applications, the tax authority shall have a minimum one-year time limit to complete the assessment.
- Payment or receipt by the way of cheque or bank draft other than by account payee to be treated as payment or receipt in cash for computing 5% threshold to claim benefit of the increased monetary limit of INR10 Cr to trigger requirement of tax audit.
- Non-qualifying Unit-Linked Insurance Plan (ULIP) with high premium will be eligible for concessional tax rate of 10% on long term capital gains only if minimum equity component (90% or 65%) is maintained throughout the term of such insurance policy.

The Finance Bill, 2021 has received the assent of the President on 28th March, 2021 and has thus become, Finance Act, 2021 with above mentioned changes.

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We trust the same will be useful.

With regards,

**Ajit Mangrulkar**  
**Director General-IMC**