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The Monthly  
Monitor

**JULY 2021**



“Knowledge has to be improved,  
challenged and increased  
consistently, or it vanishes.”

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## COMPLIANCE DUE DATE CALENDAR FOR JULY 2021



The Business entity such as Proprietary Concerns/Partnership Firms/ LLP/ AOP/HUF/ Companies, etc. has to follow various statutory compliances monthly/quarterly/half-yearly/annually, as the case may be. For the benefit of all and timely compliances related to various laws applicable to be followed for the month of JULY are listed below:

STATUTE	PURPOSE	COMPLIANCE PERIOD	EXTENDED DATE	EVENT DETAILS
<b>Income Tax</b>	TDS/TCS Liability Deposit	June 2021	07 <sup>th</sup> July, 2021	Due date of depositing TDS/TCS liabilities for previous month.
<b>Income Tax</b>	TDS/TCS Liability Deposit	June,, 2021	07 <sup>th</sup> July, 2021	Due date of depositing TDS/TCS liabilities for the period April-June for Quarterly deposit of TDS u/s 192, 194A, 194D or 194H.
<b>GST</b>	GSTR-7-TDS return under GST	June, 2021	10 <sup>th</sup> July, 2021	GSTR-7 is a return to be filed by the persons who is required to deduct TDS under GST.
<b>GST</b>	GSTR-8-TCS return under GST	June, 2021	10 <sup>th</sup> July, 2021	GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS under GST.
<b>GST</b>	GSTR-1	June, 2021	11 <sup>th</sup> July, 2021	<ol style="list-style-type: none"> <li>1. GST Filing of returns by registered person with aggregate turnover exceeding INR 5 Crores.</li> <li>2. Registered person, with aggregate turnover of less than INR 5 Crore, opted for monthly filing of return under QRMP.</li> </ol>
<b>GST</b>	Details of outward supply-IFF	June, 2021	13 <sup>th</sup> July, 2021	Invoice furnishing facility is available for registered person with turnover less than INR 5 Crore and opted for quarterly filing of return.
<b>GST</b>	GSTR-6	June, 2021	13 <sup>th</sup> July, 2021	Due date for filing return by Input Service Distributors.
<b>Income Tax</b>	TDS certificate	F.Y. 2020-21	15 <sup>th</sup> July, 2021	TDS certificate to employees in respect of salaried paid (extended date vide Circular No. 9/2021, dated 20-05-2021).

<b>Income Tax</b>	TDS Return (24Q/26Q)	Q4 of F.Y. 2020-21	15 <sup>th</sup> July, 2021	Extended Due date of filing of TDS return for TDS deducted during Q4 of F.Y. 2020-21. The Due date for furnishing of Quarterly statement of TDS has been extended from 31st May, 2021 to 30 <sup>th</sup> June, 2021 (vide Circular No. 9/2021, dated 20-05-2021), now it is again changed to 15 <sup>th</sup> July, 2021.
<b>Income Tax</b>	TDS certificate	June, 2021	15 <sup>th</sup> July, 2021	Due date for issue of TDS certificate for tax deducted under Sec 194-IA, 194-IB and 194M in the month of April, 2021.
<b>Income Tax</b>	Foreign remittances statement	Q1 of F.Y. 2021-22	15 <sup>th</sup> July, 2021	Quarterly statement in respect of foreign remittances (to be furnished by authorised dealers) in Form No. 15CC for quarter ending June, 2021.
<b>Income Tax</b>	TCS statement	Q1 of F.Y. 2021-22	15 <sup>th</sup> July, 2021	Quarterly statement of TCS deposited for Q1.
<b>Labour Law</b>	PF/ESI	June, 2021	15 <sup>th</sup> July, 2021	Due date for payment of PF and ESI contribution for the previous month.
<b>GST</b>	GST CMP-08	April-June 2021	18 <sup>th</sup> July, 2021	Due Date of filing of GST CMP-08 for dealers opted for composition scheme.
<b>GST</b>	GSTR-5	June, 2021	20 <sup>th</sup> July, 2021	GSTR-5 to be filed by Non Resident Taxable person for the previous month.
<b>GST</b>	GSTR-5A	June, 2021	20 <sup>th</sup> July, 2021	GSTR-5A to be filed by OIDAR service providers for the previous month.
<b>GST</b>	GSTR-3B	June, 2021	20 <sup>th</sup> July, 2021	Due date for filing GSTR-3B return for the month of June, 2021 for the tax payer with aggregate turnover exceeding INR 5 Crore during P.Y.
<b>GST</b>	GSTR-3B-X State*	June, 2021	22 <sup>th</sup> July, 2021	Due date for filing GSTR-3B return for the month of June, 2021 for the tax payer with aggregate turnover upto INR 5 Crore during P.Y. and who has opted for Quarterly filing of GSTR-3B.
<b>GST</b>	GSTR-3B-X State*	June, 2021	22 <sup>th</sup> July, 2021	Due date for filing GSTR-3B return for the month of June, 2021 for the tax payer with aggregate turnover upto INR 5 Crore during P.Y. and who has opted for monthly filing of GSTR-3B.
<b>GST</b>	GSTR-3B-Y State*	June, 2021	24 <sup>th</sup> July, 2021	Due date for filing GSTR-3B return for the month of June, 2021 for the tax payer with aggregate turnover upto INR 5 Crore during P.Y. and who has opted for monthly filing of GSTR-3B.
<b>GST</b>	GSTR-3B-Y State*	June, 2021	24 <sup>th</sup> July, 2021	Due date for filing GSTR-3B return for the month June, 2021 for the tax payer with aggregate turnover upto INR 5

					Creore during P.Y. and who has opted for Quarterly filing of GSTR-3B.
<b>GST</b>	GST return for pending period-Amnesty Scheme	July, 2017 to April, 2021			Filing of pending GST return with reduced penalty under Amnesty Scheme.
<b>Income Tax</b>	TCS Certificate	Q1 of F.Y. 2021-22	30 <sup>th</sup> July, 2021		Due date for issuance of TCS certificate for Q1 of F.Y. 2020-21.
<b>Income Tax</b>	TDS Challan-Cum-Statement	June, 2021	30 <sup>th</sup> July, 2021		Due date for furnishing of Challan-Cum-Statement in respect of tax deducted u/s 194-IA, 194-IB, 194M for the month of June, 2021.
<b>Income Tax</b>	TDS Statement	Q1 of F.Y. 2021-22	31 <sup>th</sup> July, 2021		Quarterly statement of TDS Deposited.
<b>Income Tax</b>	TDS Certificate	F.Y. 2020-21	31 <sup>th</sup> July, 2021		Certificate of TDS in respect of tax deducted for payments other than salary (Further extension of Due date from 15 <sup>th</sup> July, 2021 to 31 <sup>st</sup> July, 2021).
<b>GST</b>	GSTR-4	2020-21	31 <sup>th</sup> July, 2021		Annual return for dealers opted for Composition Scheme.

## UPDATES IN INCOME TAX LAW



### ➤ TDS ON PURCHASE OF GOODS (SECTION 194Q)

Section 194Q was inserted in the Income Tax Act, 1961 vide the Finance Act, 2021

#### • APPLICABILITY

A buyer purchasing any goods in value exceeding INR 50 lakhs in a financial year & having his turnover from business or profession in excess of INR 10 crores in immediately preceding financial year, from a resident seller, is liable to deduct TDS u/s 194Q.

#### • NON-APPLICABILITY

1. Aggregate value of purchases does not exceeds INR 50 lakhs from a single supplier in a F.Y.;
2. On purchase of services;
3. If supplier is non-resident, Central or State Government, Local Authority etc.;
4. To buyer whose turnover (excluding GST) from business does not exceeds INR 10 Crores during preceding F.Y.

#### • DEDUCTION

TIME	RATE
TDS shall be deductible at the time of credit or payment, whichever is earlier.	<b>0.1%</b> of the purchase value exceeding INR 50 lakhs for a F.Y.

#### • OTHER PROVISIONS

1. TDS is to be deposited on or before 7th of next month (30<sup>th</sup> April only for TDS deducted during March).
2. TDS shall also be deducted on advance payments made for purchase of goods.

3. The seller does not have an option to approach the assessing officer to issue a certificate for a lower tax deduction or to file declaration for nil deduction in respect of transactions covered under section 194Q.

4. TDS Return to be filed on quarterly basis on or before 31st of the month following the respective quarter.

5. The liability of the buyer, to deduct TDS u/s 194Q will prevail over the liability of the seller to collect TCS u/s 206C (1H) on all purchase/sale transactions entered after 1.7.2021.

6. If the buyer fails to deduct the applicable TDS u/s 194Q then in addition to penal interest a disallowance of 30% of his purchases on which TDS was required to be deducted will get attracted.

- **THRESHOLD PROVISION**

TDS liability u/s 194Q will arise on all purchases booked or paid on or after 1.7.2021. Purchases booked or paid between 1.4.2021 till 30.6.2021 will be considered for determining the threshold purchase limit of INR 50 lakhs in F.Y. 2021-22.

- **NON-RESIDENT BUYER**

Provisions of section 194Q of the Act shall not apply to a non-resident whose purchase of goods from seller resident in India and is not effectively connected with the permanent establishment of such non-resident in India.

- **BUYER / SELLER HAVING ONLY EXEMPT INCOME**

Provisions of Section 194Q of the Act shall not apply on purchase of goods from a person, being a seller, who as a person is exempt from income tax under the Act (like person exempt under section 10) or under any other Act passed by the Parliament (E.g., RBI Act, ADB Act etc.). Similarly, with respect to TCS on Sale of Goods [Section 206C (1H)], it is clarified that the provisions of this sub-section shall not apply to sale of goods to a person, being a buyer, who as a person is exempt from income tax under the Act (E.g., person exempt under section 10) or under any other Act passed by the Parliament (E.g., RBI Act, ADB Act etc.).

**It is very important to note that the above clarifications would not apply if only part of the income of the person (being a seller or being a buyer, as the case may be) is exempt.**

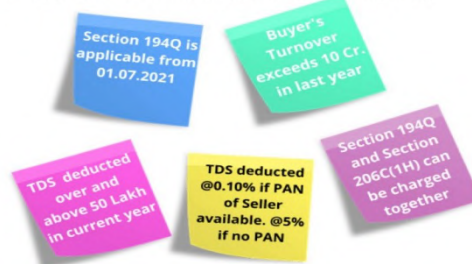
- **TRANSACTIONS IN SECURITIES AND COMMODITIES**

Provisions of section 194Q of the Act shall not be applicable in relation to transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation, including recognized stock exchanges or recognized clearing corporation located in International Financial Service Centre; and transactions in electricity, renewable energy certificates.

- **TEMPORARY RELIEF**

If, for any reason, TCS has been collected by the seller before the buyer could deduct TDS on the same transaction, such transaction would not be subjected to TDS again by the buyer.

## Key elements of New TDS Section 194Q TDS on Purchase of Goods



### DUE DATE OF LINKING OF AADHAAR CARD WITH PAN EXTENDED

As per Section 139AA of the Income Tax Act, every person who has PAN as on July 1, 2017, is required to link his/her PAN with his/her Aadhaar number within the due date notified by the government provided such person is eligible to obtain an Aadhaar number.

Also, every person who is eligible to obtain an Aadhaar number shall, on or after the 1st day of July 2017, quote Aadhaar number-

1. in the application form for allotment of permanent account number and
2. in the return of income.

However, if a person does not possess Aadhaar number but has an Enrolment ID then such person should quote that number in the application for a permanent account number or, as the case may be. If a person failed to do so then his/her PAN would become inoperative.

**The due date for linking PAN with Aadhaar earlier extended to 30th June, 2021 is further extended to 30th September, 2021,**



It is to be noted that to link PAN with Aadhaar, a respective person should be eligible to obtain an Aadhaar number, that means a person who is not eligible to obtain Aadhaar number then such person need not link PAN with the Aadhaar.



List of people who need not link PAN with Aadhaar number –

1. Not a citizen of India
2. Non-Resident Indians as per Income Tax Laws
3. A person who is of the age of 80 years or more at any time during the previous year
4. Residents of states of Assam, Meghalaya, and Jammu & Kashmir

## UPDATES IN INDIRECT TAX LAW



### ➤ 44<sup>th</sup> GST COUNCIL MEETING

The 44th GST Council Meeting was conducted via video conferencing on 12<sup>th</sup> June 2021, in New Delhi under the chairmanship of Union Finance and Corporate Affairs Minister Smt. Nirmala Sitharaman.

Union minister of state (MoS) for finance Anurag Thakur and finance ministers of states and Union territories (UTs) attended the virtual meeting, which was held to finalise modalities to compensate states for their revenue shortfall of INR 2.35 lakh crore in the current financial year.

#### ● **PROPOSAL AT THIS MEETING**

To reduce the GST rates on the specified items being used in Covid-19 relief and management like hand sanitizers, face masks, gloves, PPE Kits, temperature scanners and others and to take a decision on relief in respect of COVID-19 related individual items based on the report of Group of Ministers.

#### ● **KEY HIGHLIGHTS OF 44<sup>th</sup> GST COUNCIL MEETING**

1. The tax rate have been brought down to 5% from 12% on the following items: ventilators, medical grade oxygen, COVID-19 testing kits, oxygen concentrators and BiPAP machine, and anti-coagulants like Heparin, high flow nasal canula (HFNC) device and pulse oximeters.
2. The GST on hand sanitizers and temperature check equipment has been reduced to 5% from 18% at present.
3. 5% GST on vaccines will stay.
4. GST rates have been decided for 4 categories of products- medicines, oxygen, oxygen generation equipment, testing kits and other machines and other COVID-19 related relief material.
5. GST Council approved all recommendations of GoM on rate rationalisation. GST on ambulances reduced to 12%.
6. The Centre will buy the 75% vaccine as announced and will pay its GST too but 70% of income from GST will be shared with States.



**DETAILS OF RECOMMEDATION ON GST RATES**

<b>A. Medicines</b>			
		Old Rate	Proposed Rate
1.	Tocilizumab	5%	Nil
2.	Amphotericin B	5%	Nil
3.	Anti-Coagulants like Heparin	12%	5%
4.	Remdesivir	12%	5%
5.	Any other drug recommended by Ministry of Health and Family Welfare (MoHFW) and Dept. of Pharma (DoP) for Covid treatment	Applicable Rate	5%
<b>B. Oxygen, Oxygen generation equipment and related medical devices</b>			
1.	Medical Grade Oxygen	12%	5%
2.	Oxygen Concentrator/ Generator, including personal imports thereof	12%	5%
3.	Ventilators	12%	5%
4.	Ventilator masks / canula / helmet	12%	5%
5.	BiPAP Machine	12%	5%
6.	High flow nasal canula (HFNC) device	12%	5%
<b>C. Testing Kits and Machines</b>			
1.	Covid Testing Kits	12%	5%
2.	Specified Inflammatory Diagnostic Kits, namely D-Dimer, IL-6, Ferritin and LDH	12%	5%
<b>D. Other Covid-19 related relief material</b>			
1.	Pulse Oximeters, incl personal imports thereof	12%	5%
2.	Hand Sanitizer	18%	5%
3.	Temperature check equipment	18%	5%
4.	Gas/Electric/other furnaces for crematorium, including their installation, etc.	18%	5%
5.	Ambulances	28%	12%

- **VALIDITY OF THIS REVISED RATES**

The new rates will remain in effect till 30<sup>th</sup> September, 2021 and can be extended further upon nearing the deadline.

*Implementation of Recommendation of 44<sup>th</sup> GST Council Meeting*

GST rate slashed (upto 30<sup>th</sup> September 2021) on number of items crucial in the fight against COVID-19 pandemic

**Nil GST**

- Tocilizumab
- Amphotericin B

**12% GST**

- Ambulance

**5% GST**

- Medical Grade Oxygen
- Remdesvir
- Heparin (anti-coagulant)
- Covid-19 testing kits
- Inflammatory Diagnostic (marker) kits, namely- IL6, D-Dimer, CRP (C-Reactive Protein), LDH (Lactate De-Hydrogenase), Ferritin, Pro Calcitonin (PCT) and blood gas reagents.
- Hand Sanitizer
- Helmets for use with non-invasive ventilation
- Gas/Electric/other furnaces for crematorium including their installation
- Pulse Oximeter
- High flow nasal canula device
- Oxygen Concentrator/ generator
- Ventilators
- BIPAP Machine
- i) Non-invasive ventilation nasal or oronasal masks for ICU ventilators
- (ii) Canula for use with ventilators
- Temperature check equipment

For more details please refer to Notification no. 03/2021-Central Tax (Rate) dated 14.06.2021

## UPDATES IN SECURITIES AND EXCHANGE BOARD OF INDIA LAW



- **INTRODUCTION OF FRAMEWORK FOR ACCREDITED INVESTORS IN SEBI**

The Board considered and approved the proposal to introduce a framework for Accredited Investors in the Indian securities market.

- **FEATURES**

1. Eligibility criteria for Accredited Investors who may be Individuals, HUFs, Family Trusts, Sole Proprietorships, Partnership Firms, Trusts and Body Corporates based on financial parameters and information as may be specified by SEBI.

2. Accreditation Agencies to grant accreditation status and issue Accreditation Certificate to Accredited Investor.
3. Modalities of accreditation and procedure to avail benefits linked to accreditation.

- **BENEFITS OF ACCREDITATION**

1. Accredited Investors shall have flexibility to participate in investment products with an investment amount lesser than the minimum amount mandated in the Alternative Investment Funds (AIF) Regulations and Portfolio Managers (PMS) Regulations.
2. AIF for Accredited Investors where each investor invests minimum investment amount of INR 70 Crores may avail relaxation from regulatory requirements such as portfolio diversification norms, conditions for launch of schemes and extension of tenure of the AIF.
3. Accredited Investors with minimum investment of INR 10 Crores with registered PMS provider, may avail relaxation from regulatory requirement with respect to investment in unlisted securities and can enter into bilaterally negotiated agreements with the PMS provider.
4. Accredited Investors who are clients of Investment Advisers will have the flexibility to determine the limits and modes of fees payable to the Investment Adviser through bilaterally negotiated contractual terms.

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