

ANUP SINHA & ASSOCIATES

TAX ALERT FOR JULY, 2021



Tax Alert on extension of time limit (s) under the GST Laws and the Income Tax Laws

Executive Summary

The Hon'ble Supreme Court of India vide order dated 27th April, 2021, has held that the period of limitation, as prescribed under general or special laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended from 15th March 2020 till further order.

In view of the above decision of the Hon'ble Supreme Court, both the Central Board of Indirect Taxes & Customs (CBIC) and the Central Board of Direct Taxes (CBDT) have issued circulars to clarify the position under the Goods & Services Tax (GST) Laws and the Income Tax Laws.

Synopsis of the relevant decision of the Hon'ble Supreme Court

The Hon'ble Supreme Court, while disposing of the 'Miscellaneous Application No. 665/2021 in SMW(C) No. 3/2020', has passed an order dated 27th April, 2021 wherein it is held that keeping in view the extraordinary situation caused by the sudden and second outburst of COVID-19 Virus, the Hon'ble Apex Court directs that the period(s) of limitation, as prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further order.

Clarification given by the CBIC in respect of the GST Laws

In view of the aforesaid decision of the Hon'ble Supreme Court, the CBIC, vide circular no. 157/13/2021-GST dated 20th July, 2021, has clarified that wherever any appeal is required to be filed with the Joint / Additional Commissioner (Appeals), Commissioner (Appeals), Appellate Authority for Advance Ruling, Tribunal or any other court / authority against any quasi-judicial order or where any proceedings for revision or rectification of any order is required to be undertaken, the time line for the same would stand extended till further order.

It has also been clarified by the CBIC that the Hon'ble Supreme Court's order as stated hereinabove *will not be applicable* to the following actions / compliance under the GST laws which are governed by the statutory mechanism.

- Proceedings required to be initiated by the tax authorities or compliance required to be undertaken by the taxpayers
- Proceedings to be disposed by the tax authorities which *interalia* include disposal of application for refund, disposal of application for revocation of cancellation of registration, adjudication proceedings of demand notices, hearing and disposal of pending appeal; and
- Scrutiny of return, issuance of summon, search, enquiry, investigation and even consequential arrest as per the provisions of the GST laws, issuance of show cause notice, granting time to the assessee for furnishing reply to the show cause notice and issuance of order.

Clarification given by the CBDT in respect of the Income-tax Act, 1961

In view of the aforesaid decision of the Hon'ble Supreme Court, the CBDT, vide circular no. 10 of 2021 dated 25th May, 2021, has clarified that for the purpose of counting the period of limitation for filing of appeal before the Commissioner of Income Tax (Appeals) under the Income-tax Act, 1961 (hereinafter referred to as the 'Act'), the taxpayer is entitled to avail the benefit of the extension granted by the Hon'ble Supreme Court vide order dated 27th April, 2021. Thus, in respect of filing appeal with the Commissioner of Income Tax (Appeals), the period of limitation shall stand extended till further order.

Further, the CBDT, vide circular number 12 of 2021 dated 25th June, 2021, has also extended the time limits of certain compliance under the Act which may be stated as under:

- a) Objection before the Dispute Resolution Panel and the Assessing Officer under section 144C of the Act, in respect of which the last date of filing objection is 1st June, 2021 or thereafter, may be filed within the time specified in the aforesaid section or 31st August, 2021, whichever is later.

- b) The statement of deduction of tax at source for the last quarter of the financial year 2020-21, which is required to be furnished on or before 31st May, 2021 under the rule 31A of the Income-tax Rules, 1962 (hereinafter referred to as the 'Rules') but the date has been extended to 30th June, 2021 vide circular no. 9 of 2021, may be furnished on or before 15th July, 2021.
- c) The certificate of tax deducted at source in Form No. 16, which is required to be furnished to the employee by 15th June, 2021 as per rule 31 of the Rules but the date has been extended to 15th July, 2021 vide circular no. 9 of 2021, may be furnished on or before 31st July, 2021.
- d) The statement of income paid or credited by an 'Investment Fund' to its unit holder in Form No. 64D for the previous year 2020-21, which is required to be furnished on or before 15th June, 2021 under rule 12CB of the Rules but the date was extended to 30th June, 2021 vide circular no. 9 of 2021, may be furnished on or before 15th July, 2021.
- e) The statement of income paid or credited by an 'Investment Fund' to its unit holder in Form No. 64C for the previous year 2020-21, which is required to be furnished on or before 30th June, 2021 under rule 12CB of the Rules but the date has been extended to 15th July, 2021, vide circular no. 9 of 2021, may be furnished on or before 31st July, 2021.
- f) The application under section 10(23C), 12AB, 35(1)(ii)/(iia)/(iii) and 80G of the Act in Form No. 10A and Form No. 10AB for registration / provisional registration / intimation / approval / provisional approval of trusts / institutions / research associations etc., which is required to be filed on or before 30th June, 2021, may be filed on or before 31st August, 2021.
- g) The compliance to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in section 54 to section 54GB of the Act, for which the last date of compliance falls between 1st April, 2021 to 29th September, 2021 (both days inclusive), may be completed on or before 30th September, 2021.
- h) The quarterly statement in Form No. 15CC to be furnished by the authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021, which is required to be furnished on or before 15th July, 2021 under rule 37BB of the Rules, may be furnished on or before 31st July, 2021.
- i) The equalization levy statement in Form No. 1 for the Financial Year 2020- 21, which is required to be filed on or before 30th June, 2021, may be furnished on or before 31st July, 2021.
- j) The annual statement required to be furnished under sub-section (5) of section 9A of the Act by the eligible 'Investment Fund' in Form No. 3CEK for the Financial Year 2020-21, which is required to be filed on or before 29th June, 2021, may be furnished on or before 31st July, 2021.
- k) Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending on 30th June, 2021, which is required to be uploaded on or before 15th July, 2021, may be uploaded by 31st August, 2021.

- 1) Exercising of option under sub-section (1) of section 245M of the Act in Form No. 34BB, which is required to be exercised on or before 27th June, 2021, may be exercised on or before 31st July, 2021.

In view of the above, it may be noted that in the situation of COVID-19 pandemic, both the CBIC and the CBDT, for the benefit of the tax payers, have been issuing circulars for the purpose of providing clarification regarding the extension of time limits in respect of various statutory compliance under the respective laws.

Contact Details:

Rituparna Sinha

E-mail id:

rituparna.sinha@asinha.co.in

Pampi Singh

E-mail id:

pampi.singh@asinha.co.in

Anup Sinha & Associates

Direct Tax | International Tax | Transfer Pricing | Expatriate Tax | Indirect Taxes | Regulatory

Anup Sinha & Associates, founded in the year 2012 as a partnership firm (registered with the Institute of Chartered Accountants of India), has set up its offices in **Kolkata and New Delhi (India)**. The firm offers a wide range of services in the areas of Direct Tax, International Tax, Transfer Pricing, Expatriate Tax, Indirect Taxes and Regulatory. The firm is headed by Anup Sinha, Chartered Accountant, who has work experience of seventeen years in Big Four Professional Services Firms in the areas of tax and regulatory.

The Partners of the firm have established a company in **Bangladesh**, namely, Anup Sinha Consulting (P) Ltd, which offers a wide range of services in the areas of Direct Tax, International Tax, Transfer Pricing, Expatriate Tax, Indirect Taxes and Regulatory. The company assists potential foreign investors in exploring business opportunities in Bangladesh and resolves their issues by coordinating with the Bangladesh Investment Development Authority, Ministries of Bangladesh, Bangladesh Bank, National Board of Revenue and Registrar of Joint Stock Companies & Firms.