

JUST 5 MINUTES

TAXCONTM INDIA PRIVATE LIMITED

INCOME TAX

1. *New Rule 26D for Senior Citizens to submit Form 12BBA*

The board has notified a new Rule 26D to provide that senior citizens are required to submit Form 12BBA with specified bank in order to claim the benefit of section 194P. The board has also amended Form 16, Form 24Q, Form 26QC and Form 26QD to incorporate necessary changes related to provisions of section 194P.

2. *Simplified process for EVC*

In order to provide the benefit of the simplified process of authentication of electronic records by EVC, the CBDT has decided to extend the simplified process of authentication by EVC to persons who are mandatorily required to authenticate electronic records by digital signature.

INCOME TAX

3. *Transfer of cases from NFAC to AO*

The Income-tax Act provides that National Faceless Assessment Centre (NFAC) may transfer cases to Jurisdictional Assessing Officer at any stage of assessment proceedings. Now, the board has notified the procedure for handling of assessment by Jurisdictional AO in respect of assessments/penalties transferred out of Faceless Assessment under section 144B /Faceless Penalty Scheme, 2021. The CBDT has notified another exclusion to case where Assessment Order not to be passed under faceless assessment regime. The Board has notified that Assessment Orders in cases where pendency couldn't be created on ITBA because of technical reasons or cases not having a PAN shall not be passed by the National Faceless Assessment Centre under section 144B.

INCOME TAX

4. *Due dates further extended*

The CBDT has decided to further extend the due dates for filing of Income Tax Returns and various reports of audit for the Assessment Year 2021-22.

Brief Description	Original due date	Due date previously extended	Revised Extended Due date
Non-Audit tax return / Salary return	31/07/2021	30/09/2021	31/12/2021
ITR (Audit Case)	31/10/2021	30/11/2021	15/02/2022
ITR (Transfer pricing)	30/11/2021	31/12/2021	28/02/2022
Filing of all types of Audit report	30/09/2021	31/11/2021	15/01/2022
Filing of Transfer Pricing Reports	31/10/2021	30/11/2021	31/01/2022
Belated/Revised Return	31/12/2021	31/01/022	31/03/2022
Link PAN with Aadhaar	31/03/2021	30/09/2021	31/03/2022

INCOME TAX

Though the due date for filing of Income-tax Return for the Assessment Year 2021-22 has been extended, but no relief shall be provided from the interest chargeable under section 234A if the tax liability exceeds Rs. 1 lakh. Thus, if self-assessment tax liability of a taxpayer exceeds Rs. 1 lakh, he would be liable to pay interest under section 234A from the expiry of original due dates.

Further, the time limit for issuance of notice and passing of order under the Prohibition of Benami Property Transactions Act, 1988 has also been extended to March 31, 2022

COMPANIES ACT

1. *Extension for holding AGM*

The Ministry of Corporate Affairs has provided the extension for holding the Annual General Meeting (AGM) for the FY 2020-21 and now the AGM can be held upto Nov 30, 2021 instead of Sept, 30, 2021. Accordingly, the annual return filings will also stand extended.

However, there is no extension provided for One Person Company and LLPs and accordingly, their due dates for filing shall remain same as below

- AOC4 OPC : September 27, 2021
- MGT7 OPC : November 28, 2021
- LLP Form 8: October 30, 2021

COMPANIES ACT

2. *Change in details of promoters in Balance Sheet w.e.f. April 01, 2021*

With effect from April 01, 2021 new format of Schedule III - Div I, II & III (of Companies Act 2013) is applicable for balance sheet drafting. Further, where Promoter details have been asked, the same shall be provided in terms of section 2(69) of Companies Act, 2013, which means

- (a) Who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or
- (b) who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or
- (c) In accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act:

A person who is not having any share but controlling company in professional capacity, then his name will disclosed with Zero shareholding.

FEMA/ RBI REGULATIONS

1. *SEIS Incentive notified for FY 2019-20*

In a major move for the service exporters, the DGFT has notified the rate of incentive for the Service Exports from India Scheme (SEIS) Incentive for the services rendered in Financial Year 2019-20. The last date for the online application shall be 31.12.2021. The provision for late cut shall not apply. Key highlights are

Following services have been excluded from the eligible list:-

- Management Consulting
- Services relating to Management Consulting
- Technical Testing & Analysis Services
- Supporting Services for maritime transport
- Cargo Handling services

The rate of incentive has been reduced by 2% for each service. Incentive for Receipt in Indian Rupees which was earlier covered, shall not be available now.

FEMA/ RBI REGULATIONS

2. *Deactivation of IECs*

All IECs which have not been updated after Jan 01, 2005 shall be deactivated with effect from October 06, 2021.

CASE LAWS - INCOME TAX

1. *Hero Wind Energy (P.) Ltd. v. CIT, TDS, Delhi-I*

It has been held that where assessee's application for issuance of nil rate of TDS certificate under section 197 was rejected by Assessing Officer without giving any reasons for such rejection and without making any reference to mandate of rule 28AA, impugned order was a cryptic one and same was to be set aside.

2. *Rani Promoter (P.) Ltd. v. Additional Commissioner of Income-tax*

It has been held that where Assessing Officer, in faceless assessment proceedings, passed an assessment order under section 143(3) read with section 144B against assessee without issuance of a show cause notice-cum-draft assessment order, said impugned assessment order was to be set aside.

CASE LAWS - INCOME TAX

3. *Krishnappa Jayaramaiah v. ITO (Bangalore)*

It has been held that deduction under section 54F in respect of investment in house property in the name of assessee's widowed daughter was allowable where there was a direct nexus between sale consideration received and investing in residential house in the name of married widowed daughter of assessee.

CASE LAWS - INDIRECT TAX

1. *Madras High Court in case of maintenance charges*

A division bench of Madras High Court has held that Flat or villa owners paying more than Rs. 7,500 a month to their resident welfare associations towards maintenance charges will have to pay Goods and Services Tax (GST) at the rate of 18% for the entire contribution since.

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