



**Chengalpattu District Branch of SIRC of ICAI
(Formerly known as Kanchipuram District Branch)**

E- NewsLetter OCTOBER 2021



Chengalpattu District Branch of SIRC of ICAI

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Note: Articles are invited from members for publishing in newsletter. The articles shall be either on the specific subject or a general article. Members can mail their article with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our Mail mentioned below

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Note: The views expressed in the articles published are their own views and Chengalpattu District Branch does not endorse or take responsibility for the views expressed in the articles.

Contents

From the Chairman's Desk.....	4
Interest deduction for full year in a partnership firm.....	6
Indirect Taxes Updates.....	8
MCA Updates	10
Income Tax Case Laws	13
COMPLIANCE DUE DATES - OCTOBER 2021.....	15
PHOTO GALLERY	17
PHOTO GALLERY.....	18
PHOTO GALLERY.....	19
PHOTO GALLERY.....	20



E-NEWSLETTER

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

From the Chairman's Desk

Dear professional colleagues,



I am very happy to share with you all that we have signed the lease agreement with Railway Land Development Authority for a period of 45 years and we are in the process of taking over the possession of the land. I take this opportunity to thank our **President Sri. CA Nihar N Jambusaria, Vice President Sri. CA Debasis Mitra, Our Infra Committee Chairman G Sekar , Co-Chairman Sri. P. Rajendra Kumar and all our MC Members, officials of ICAI and RLDA** who have supported and guided us in making this happen.

I am also glad that the branch is starting its first physical ITT class from 07.10.2021 as per the ICAI guidelines and in line with Government SOP. Our branch reading hall is also open to students.

I request the members to contribute to our newsletter and participate in branch activities.

I also welcome the newly qualified members our branch and wish them successful professional future.

Thanking you
With regards.

CA C Kathiresan
Chairman
9444083676
Chengalpattu District Branch of SIRC of ICAI
04.10.2021

SAVE BRANCH MOBILE NO: 8056244300



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

ICAI Invites Suggestions for Pre-Budget Memorandum-2022

The Direct Taxes Committee, GST & Indirect Taxes Committee and Committee on International Taxation of ICAI are in the process of identifying issues for inclusion in the Pre-Budget Memoranda - 2022 to be submitted to the Ministry of Finance or respective State Ministry. Suggestions under the following heads are invited on laws relating to Direct Taxes (including International Taxation) and Indirect Taxes:

Direct Taxes

(including International taxation)

- Suggestions for widening the tax base and increasing the tax revenue
- Suggestions to check tax avoidance
- Suggestions to reduce/ minimize litigations
- Suggestions for rationalization of the provisions of Direct Tax Laws
- Suggestions for removing administrative and procedural difficulties

Submission details

Suggestions may be submitted at the link:

<https://appforms.icaai.org/preBudgetSuggestion/index.html>

Indirect Taxes

- Goods & Services Tax
- Customs Law
- Central Excise Law (to the extent applicable on specific goods)

The suggestions for widening the tax base, increasing the tax revenue, checking tax avoidance and reducing/ minimizing litigations may also be provided.

Submission details

Suggestions may be submitted at the link:

<https://appforms.icaai.org/preBudgetSuggestion/index.html>

Suggestions may be submitted latest by 20th October, 2021

For your kind attention members,

NFRA has issued a consultation paper during September 2021 on Statutory Audit and Auditing standards for Micro, Small and medium companies (MSMCs).

Last date for receipt of comments is 10th November, 2021

Interest deduction for full year in a partnership firm

compiled by CA Geetha G



Sum reflected in Form 26AS can't be tax unless it was established that assessee was actual beneficiary: ITAT Dr Swati Mahesh Vinchurkar v. DCIT - [2021] 130 taxmann.com 320 (Surat-Trib.)

Assessee was a doctor by profession and was a resident of Surat City, State of Gujarat. He filed a return claiming a refund of Rs. 450. However, the CPC, Bangalore, while processing the return of income, made the addition of Rs. 5,63,952.

The CPC made these additions based on the statement of TDS in Form-26AS, being tax deducted at source (TDS) by

Electricity Distribution Division Gajraula-UP and other entries by way of salary income and TDS deducted by Electricity test division Amroha-UP. However, the assessee denied having earned any such income on which tax was deducted. On appeal, the CIT(A) confirmed the additions made by CPC. Aggrieved-assessee filed the instant appeal before the Tribunal.

The Tribunal held that the assessee had no concern or casual connection or any relation with the alleged deductor; the entry of TDS in the Form-26AS issued to the assessee was wrong. The assessee submitted her response to CPC Bangalore and before CIT(A) and specifically denied having earned such income.

Further, it was submitted by the assessee that it is far from the imagination that the assessee served such organization, which is based 1000 KM away from the residence of the assessee.

Once the assessee denied such transaction, the onus was on the revenue to establish that the assessee had entered into any such transactions. The CIT(A) had not made any verification or effort to verify such transactions. There was the possibility of entering the wrong PAN, which belonged to the assessee, and the assessee had been unnecessarily put under mental pressure by making such additions despite denying such income. Thus, addition merely based on TDS reflected in the Form-26AS, ignoring the submissions of the assessee, was liable to be deleted.

CBDT authorised CIT to admit and process application filed before Interim Board by extended due date of 30-09-21

Order F.no. 299/22/2021-DIR (INV. III)/174, dated 28-09-2021

News updates:

Circular No. 1712021 issued by CBDT dated 9.9.2021

Subject: Extension of time lines for filing of Income-tax returns and various reports of audit for the Assessment Year 2021-22- reg.

On consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of Income-tax returns and various reports of audit under the provisions of Income-tax Act,1961 (Act), the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, provides relaxation in respect of the

following compliances:

1. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 31 st July 2021 under sub-section (1) of section 139 of the Act, as extended to 30th September, 2021 vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 31 st December, 2021 ;
 2. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21 , which is 30th September 2021 , as extended to 31 st October 2021 vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 15th January, 2022;
 3. The due date of furnishing Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21 , which is 31 st October 2021 , as extended to 30th November 2021 vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 31 st January, 2022;
 4. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 31 st October 2021 under sUb-section (1) of section 139 of the Act, as extended to 30th November 2021 vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 15th February, 2022;
 5. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which is 30th November 2021 under sub-section (1) of section 139 of the Act, as extended to 31 st December 2021 vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 28th February, 2022;
 6. The due date of furnishing of belated/revised Return of Income for the Assessment Year 2021-22, which is 31 st December 2021 under sub-section (4)/subsection (5) of section 139 of the Act, as extended to 31 st January, 2022, vide Circular NO.9/2021 dated 20.05.2021 , is hereby further extended to 31 st March, 2022;
- Clarification 1: It is clarified that the extension of the dates as referred to in clauses (9), (12) and (13) of Circular NO.9/2021 dated 20.05.2021 and as referred to in clauses (1), (4) and (5) of this Circular shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees.
- Clarification 2: For the purpose of Clarification 1, in case of an individual resident in India referred to in sUb-section (2) of section 207 of the Act, the tax paid by him under section 140A of the Act within the due date (without extension under Circular NO.9/2021 dated 20.05.2021 and this Circular) provided in that Act, shall be deemed to be the advance tax.

News updates:

NSDL releases e-TDS/TCS Return Preparation Utility (RPU) version 3.7 for Regular & Correction quarterly e-TDS/TCS statements from FY 2007-08 onwards i and e-TDS/TCS File validation utility (FVU) versions 2.168 for FY 2007-08 to FY 2009-10 and 7.2 for FY 2010-11 onwards which are applicable from with effect from October 01, 2021 onwards.

Indirect Taxes Updates

by CA R. V. Bhuvaneshwari



Notifications:

1. Amendment to Rule 10A – After obtaining the Certificate of Registration every registered person within 45 days have to furnish the Bank Account details in the common portal. This Bank Account should be in the name of the Registered person and obtained on PAN of the registered person. In case of proprietorship concern the PAN of the proprietor shall also be linked with the Aadhar of the proprietor.
2. Insertion of Rule 10B – Aadhar authentication should also be done for the following purposes:
 - For Filing of application for revocation of cancellation of registration in Form GST REG 21 under Rule 23
 - For Filing of refund application in Form GST RFD – 01 under Rule 89
 - For refund under rule 96 of the IGST paid on goods exported out of India
3. Amendment to Rule 45 – The details of the challans in respect of goods dispatched to a job worker or received from job worker during a Quarter shall be included in Form GST ITC – 04 and furnished by a registered person being ‘principal’ in a job-work transaction. The Time limit is
 - Whose annual aggregate turnover in preceding financial year is above Rs. 5 crores shall furnish ITC-04 once in six months
 - whose annual aggregate turnover in preceding financial year is upto Rs. 5 crores shall furnish ITC-04 annually.
4. Amendment to Rule 59(6) – A registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for the preceding month.
5. Insertion of Rule 89(1A) – Any person claiming refund u/s 77 of the CGST Act 2017, for the Taxes paid under the Wrong Nature of Supply i.e. Inter state considered as Intra state and vice versa, may file a refund application on or before the expiry of 2 years

from the date of payment of Taxes. However if the Taxpayer has made the payment in the correct head before the issue of this notification 35/2021, dated 24.09.2021, the refund application has to be filed before the expiry of 2 years from the date of issue of this notification.

6. Insertion of Rule 96(1)(c) – The shipping bill filed by the exporter shall be deemed to be an application for refund of IGST which is said to be deemed to be filed only when the Applicant has undergone Aadhar authentication in the manner provided in Rule 10B.

7. Insertion of Rule 96C – The Bank account for the Credit of Refund shall be in the name of the applicant and obtained on his PAN. In case of proprietorship concern the PAN of the proprietor shall also be linked with the Aadhar number of the proprietor.

Notification No.35/2021 – CT Dt.24.09.2021

Circulars

1. Clarification related to Export of Service – Supply of service by a Subsidiary / sister concern / group concern, etc of a foreign company in India, which is incorporated under the laws in India, to a foreign company incorporated under laws of a country outside India, will hit by condition (v) of section 2(6) of IGST Act.

- Export of services”, places a condition that the services provided by one establishment of a person to another establishment of the same person, considered as establishments of distinct persons as per Explanation 1 of section 8 of IGST Act, cannot be treated as export.

- If a foreign company is conducting business in India through a branch or an agency or a representational office, then the said branch or agency or representational office of the foreign company, located in India, shall be treated as establishment of the said foreign company in India.

- If any company incorporated in India, is operating through a branch or an agency or a representational office in any country outside India, then that branch or agency or representational office shall be treated as the establishment of the said company in the said country.

- It is hereby clarified that supply of services by a subsidiary/ sister concern/ group concern, etc. of a foreign company, which is incorporated in India under the Companies Act, 2013 (and thus qualifies as a ‘company’ in India as per Companies Act), to the establishments of the said foreign company located outside India (incorporated outside India), will not be treated as a Supply between mere establishments of distinct persons.

- Therefore these transactions would qualify as ‘export of services’, subject to fulfilment of other conditions as provided under section 2(6) of IGST Act.

Circular No.161/17/2021 – GST Dt.20.09.2021

MCA Updates

by CA A. Priya

Extension of time for holding Annual General Meeting (AGM) for the Financial Year ended on 31.03.2021



MCA has extended the due date for holding of AGMs by the companies' upto 30th November 2021 in respect of the financial year ended 31st March 2021 in terms of third proviso to section 96(1) of the Companies Act, 2013. This has been done by way of issue of extension Orders through an Office Memorandum by respective Registrars of Companies (RoCs), based on various representations received from various stakeholders, seeking extension of timeline for conducting AGMs in respect of Financial Year 2020-21, in view of Covid-19 pandemic and lockdowns.

Chennai RoC had issued its Order dated 23rd September 2021, vide ROC-CHN/96-AGM/2021.

As per Section 96(1) of the Companies Act, 2013 (the Act) every company, other than a One Person Company, shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting (AGM) and shall specify the meeting as such as in the notices calling it, and not more than 15 months shall elapse between the date of one AGM of a company and that of the next;

The first proviso to Section 96(1) of the Act provides that in case of the first AGM, it shall be held within a period of 9 months from the date of closing of the first financial year of the company and in any other case, within a period of 6 months, from the date of closing of the financial year;

The third proviso to Section 96(1) of the Act provides that the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by a period not exceeding 3 months;

Upon various representations received from companies, Industry bodies and Professional Institutes pointing out that several companies were finding it difficult to hold their AGM for the financial year ended on 31.03.2021 due to the difficulties faced in view of the Covid-19 Pandemic.

The representations received have been considered and the RoC of all states, in terms of power vested under the third Proviso to the section 96(1) of the Act, have extended the time limit to hold the AGM, other than the first AGM for the financial year ended on 31st March 2021 for companies within the jurisdiction of their offices, which are unable to hold their AGM for such period within the due date of holding the AGM by a period of Two Months from the due date by which the AGM ought to have been held in accordance with the provisions of section 96(1) of the Act, without requiring the companies to file applications for seeking such extension by filling the prescribed

FORM No. GNL-1.

The extension granted under this Order covered the following:

- i) Pending applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, which are yet to be approved.
- ii) Applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, which were rejected.
- iii) Applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, where the extension approved was for a period less than Two Months.

It was also clarified that the extension granted under this order shall not cover the applications filed in form GNL-1 for the extension of AGM for the financial year ended on 31.03.2021, where the extension approved was for a period of more than Two Months.

Extension of last date of filing Cost Audit

MCA vide its General Circular No.15/2021 dated 27th September, 2021 extended the last date for filing Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014 based on representations received from various stakeholders due to impact of COVID-19 pandemic.

Cost Audit Report for the financial year ended on 31st March, 2021, shall be filed in e-form CRA-4 within 30 days from the date of receipt of copy of the cost audit report by the company. MCA confirmed that if the cost auditor submits the cost audit report for the financial year 2020-21 to the Board of Directors by 31st October 2021 then it will not be considered as a violation of Rule 6(5) of Companies (cost records and audit) Rules, 2014.

As per Companies (Cost Records and Audit) Rules, 2014, every cost auditor shall forward his duly signed report to the Board of Directors of the company within a period of 180 days from the closure of the financial year to which the report relates and the Board of Directors shall consider and examine such report, particularly any reservation or qualification contained therein.

Every company covered under these rules shall, within a period of 30 days from the date of receipt of a copy of the cost audit report, furnish the Central Government with such report along with full information and explanation on every reservation or qualification contained therein, in Form CRA-4 in Extensible Business Reporting Language format in the manner as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting language) Rules, 2015 along with fees specified in the Companies (Registration Offices and Fees) Rules, 2014.

Provided that the Companies which have got extension of time of holding Annual General Meeting under section 96 (1) of the Companies Act, 2013, may file form CRA-4 within resultant extended period of filing financial statements under section 137 of the Companies Act, 2013.

Due dates for filing RoC forms:

Form	Particulars	Due Date
MSME-1	Half yearly Return - Outstanding payments to MSME for more than 45 days	31.10.2021 (for period April 2021 to September 2021)
Form ADT-1	Appointment of Auditor	Within 15 days from the dt. of AGM
Form AOC-4 Form AOC-4 CFS (consolidated financial statements)	Annual Accounts	Within 30 days from the date of AGM 30 days from the conclusion of the AGM (In case of OPC within 180 days from the close of the financial year)
Form MGT-7	Annual Return	Within 60 days from the date of AGM
Form-8	Statement of Account & Solvency	31.10.2021
CRA-4	Filing of Cost Audit Report	within 30 days from the date of receipt of the copy of the cost audit report by the company

Income Tax Case Laws

by CA. Muthu Abirami

Reference: <https://www.taxmann.com/>

HIGH COURT OF MADRAS

CIT v Lakshmi General Finance Limited

T.C.A.NO. 269 OF 2011

Held: Even trial production machineries kept ready for use are considered to be used for purpose of business and would qualify for depreciation, thus, assessee would be entitled to claim depreciation on windmills which were connected with grid even though it had not generated any electricity during relevant year.

HIGH COURT OF MADRAS

CIT v Midas Golden Distilleries (P.) Ltd.

T.C.A.NO. 97 OF 2015

Held: Where Assessing Officer noted that share capital of assessee-company had been routed through two companies, existence and operation of which remained only on paper and enquiries conducted showed that intermediary companies acted as conduits and huge amount were brought in assessee's books as share application money through intermediary companies by shareholders, who could not properly explain their source and assessee had not established creditworthiness and genuineness of transaction to satisfaction of Assessing Officer, Assessing Officer was justified in holding that provisions of section 68 got attracted and that share application money had to be assessed in hands of assessee-company.

Delhi High Court

Rani Promoter (P.) Ltd. v ACIT

W.P. (C) NO. 6662 OF 2021

Held: 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

Karnataka High Court

SSS Projects Limited vs DCIT

ITA 249 OF 2011

Held: Where Assessing Officer taking into account fact that assessee made default in payment of tax in respect of assessment year 2007-08, held assessee to be in default and levied penalty under section 221, in respect of assessment year 2008-09 in which assessee had paid tax, such mistake could not be covered under section 292B

Section 221, read with section 292B, of the Income-tax Act, 1961 - Collection and recovery of tax - Penalty payable when tax in default (Defective notice) - Assessment year 2008-09 - Assessee paid tax in respect of relevant assessment year but had committed default for assessment year 2007-08 in respect of tax demand on account of financial hardship - However, Assessing Officer taking into account fact in respect of assessment year 2007-08 held assessee to be in default in respect of relevant assessment year and levied penalty under section 221 in respect of relevant assessment year - Commissioner (Appeals) and Tribunal upheld said order - On assessee's appeal to High Court, revenue referred to section 292B and submitted that merely because there was a mistake in mentioning year of assessment, orders could not be invalidated - Whether since revenue had taken into account fact in respect of assessment year 2007-08 and held assessee to be in default in respect of assessment year 2008-09 by creating penalty under section 221, such mistake was not same as mentioned in section 292B under which only clerical error or accidental omissions could be protected - Held, yes - Whether, therefore, impugned order was to be quashed - Held, yes [Paras 6 and 7] [Matter remanded]

COMPLIANCE DUE DATES - OCTOBER 2021

Due Date	Particulars of Compliance	Applicable Act	Forms/Returns	Applicable To	Reporting Period
07-10-21	Due Date for deposit of Tax Deducted/Collected	Income Tax	Challan - 281	All Tax Deductors/Collectors	Sep-21
10-10-21	Return for TDS under GST	GST	GSTR - 7	Government Authorities	Sep-21
10-10-21	Return for Details of Supplies and the amount of tax collected	GST	GSTR - 8	E-Commerce Operator	Sep-21
11-10-21	Due date for filing of Summary Return of Outward Supplies.	GST	GSTR - 1	Taxpayers with Annual Turnover exceeding Rs. 1.5 crores.	Sep-21
11-10-21	Due date for filing of Summary Return of Outward Supplies.	GST	GSTR - 1	Taxpayers with Annual Turnover less than 1.5 crores and not opted for QRMP Scheme	Sep-21
13-10-21	Due date for filing of Summary Return of Outward Supplies.	GST	GSTR - 1	Taxpayers with Annual Turnover less than 1.5 crores and opted for QRMP Scheme	Jul - Sep 2021
13-10-21	Return for details of ITC Received and Distribution	GST	GSTR - 6	Input Service Distributors	Sep-21
15-10-21	Deposit of Provident Fund Contributions	Provident Fund	Through EPFO Portal	Entities registered with PF Authorities	Sep-21
15-10-21	Deposit of E.S.I.C Contributions	ESI	Through ESIC Portal	Entities registered with ESIC Authorities	Sep-21
20-10-21	Due date for filing Summary Return of Outward & Inward Supplies	GST	GSTR - 3B	GST Taxpayers having Turnover exceeding Rs. 1.5 Crores in Preceding Financial Year	Sep-21

20-10-21	Due date for filing Summary Return of Outward & Inward Supplies	GST	GSTR - 3B	GST Taxpayers having Turnover not exceeding Rs. 1.5 Crores in Preceeding FY but not opted for QRMP Scheme	Jul - Sep 2021
20-10-21	Last date for filing of Summary Return of Outward & Inward Supplies and Tax payable	GST	GSTR - 5A	OIDAR Service Providers	Aug-21
20-10-21	Last date for filing of Summary Return of Outward & Inward Supplies and Tax payable	GST	GSTR - 5	Non-Resident Taxable Persons	Aug-21
30-10-21	Due Date for filing of Quarterly statement of TCS deposited for the quarter ending September 30, 2021	Income Tax	Form 26EQ	All Tax Deductors/ Collectors	Jul - Sep 2021
30-10-21	Due Date for filing of Quarterly statement of TDS deposited for the quarter ending September 30, 2021	Income Tax	Form 24Q, Form 26Q	All Tax Deductors/ Collectors	Jul - Sep 2021
30-10-21	Last Date for Payment of Tax under Vivad Se Viswas Scheme with additional charge	DTVSV Act		Assessees opted for DTVSV	

PHOTO GALLERY

Topic: Amendments to Schedule III of Companies Act 2013

Speaker: CA Aditya Kumar S

Date: 04.09.2021



PHOTO GALLERY

Topic: Labour Code

Speaker: CA Lakshmi P

Date: 11.09.2021

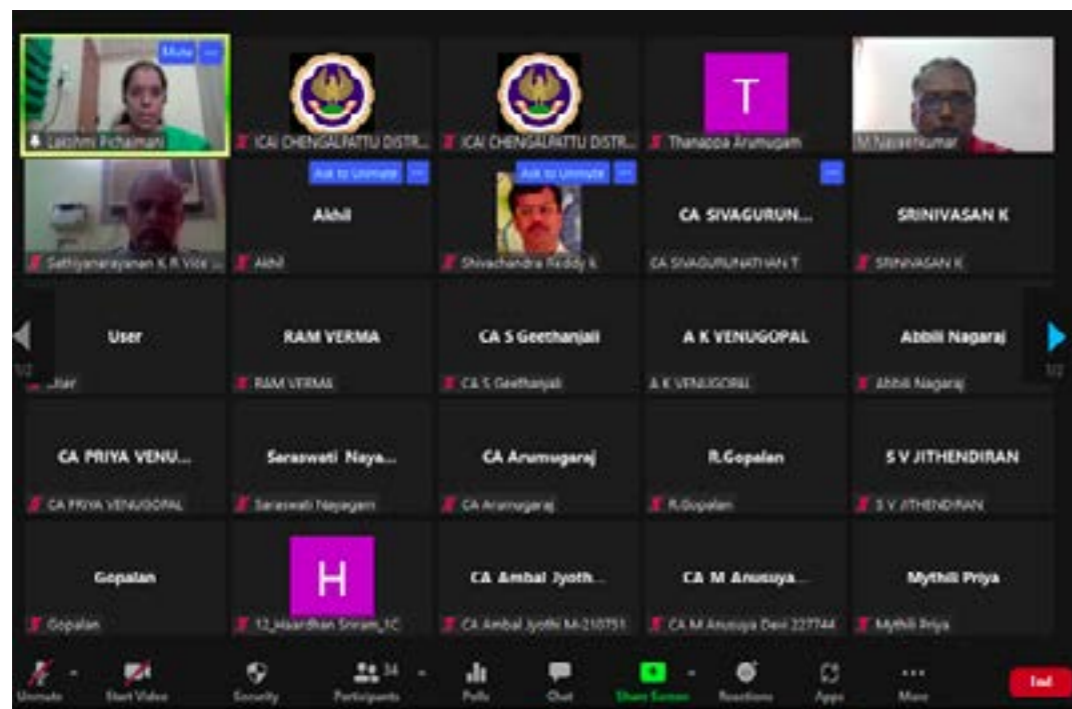
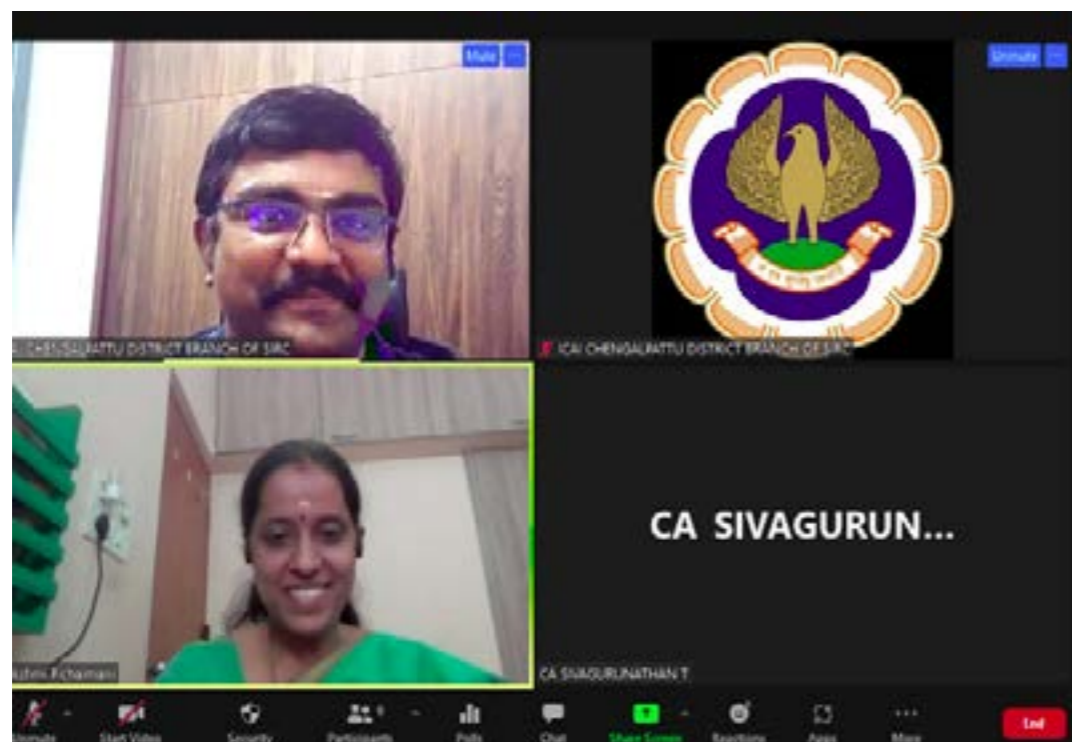


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Topic : DISCIPLINARY PROCEEDINGS OF ICAI - CASE STUDY - Dos and Don'ts

Speaker : CA Ramana Kumar B

Date: 18.09.2021

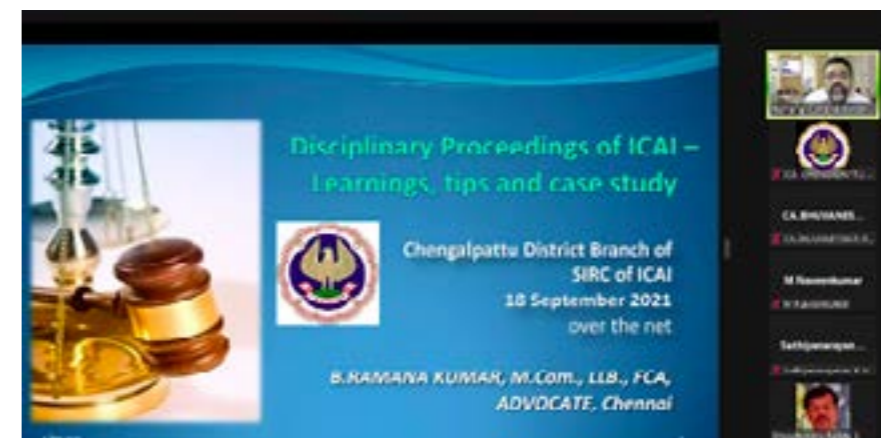
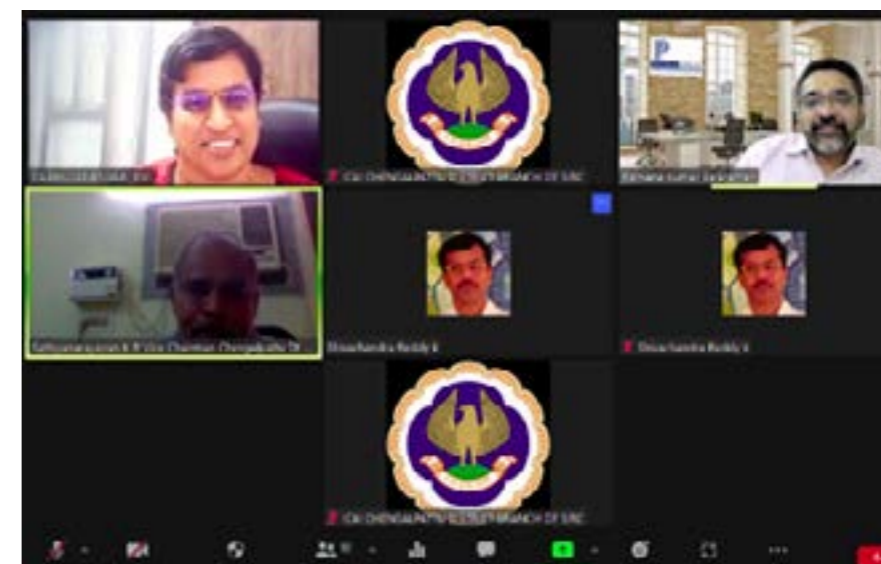


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Physical Program of ITT Inaugurated by our Chairman at Our Branch Premises

Date: 18.09.2021

