



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

E- NewsLetter DECEMBER 2021



Chengalpattu District Branch of SIRC of ICAI

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E-NEWSLETTER

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

From the Chairman's Desk

Dear professional colleagues,



The year 2021 is coming to end and let's thank the almighty for blessing us to survive the covid pandemic. Hope 2022 brings prosperity and safety in our lives.

As the various due dates are nearing, we all would be busy in professional work and hope the portals also support us for smooth completion of our work.

As you all know, our forum has to be strong enough and be united to protect our professional interest. In these lines, our elections are scheduled on 3rd and 4th of December and hope the voter turnout would be good.

With regard to our RLDA land, the process of taking possession is still in process and expected to be completed shortly. Once the possession is taken, with the guidance of our Infra committee chairman and co-chairman, a suitable date to be fixed for boomi pooja and will be intimated to the members. I request the members to attend the boomi pooja at large and motivate the branch.

I request the members to contribute to the branch newsletter.

Thanking you.

With regards.

CA C Kathiresan

Chairman

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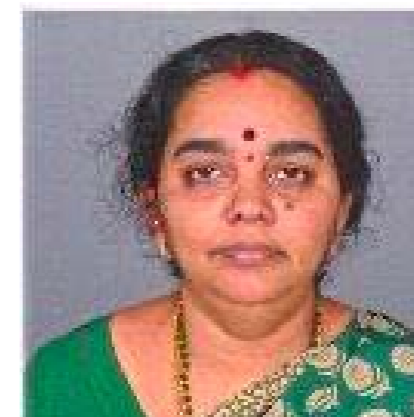
Chengalpattu District Branch of SIRC of ICAI

03.12.2021

SAVE BRANCH MOBILE NO: 8056244300

FAQs in respect of filling-up of the Income-tax return forms for Assessment Year 2021-22

compiled by CA Geetha G



Q. I am a non-resident. The Taxpayer Identification Number (TIN) is not allotted in my jurisdiction of residence. How do I report the same in the column on "residential status"?

A. In case TIN has not been allotted in the jurisdiction of residence, the passport number should be mentioned instead of TIN. Name of the country in which the passport was issued should be mentioned in the column "jurisdiction of residence".

Q. I am a director in a foreign company which does not have PAN. How do I report the same against the column "Whether you were Director in a company at any time during the previous year?"

A. You should choose "foreign company" in the drop-down provided for "type of company". In such case, PAN is not mandatory. However, PAN should be mentioned, if such foreign company has been allotted a PAN.

Q. Whether an individual who is a non-resident, or resident but not ordinary resident (RNOR) is also required to disclose details of his directorship in a foreign company which does not have any income accruing or arising in India?

A. Yes.

Q. I have held shares of a company during the previous year, which are listed in a recognized stock exchange outside India. Whether I am required to report the requisite details against the column "Whether you have held unlisted equity shares at any time during the previous year?"

A. No.

Q. I have held equity shares of a company which were previously listed in a recognised stock exchange, but delisted subsequently, and became unlisted. How do I report PAN of company in the column "whether you have held unlisted equity shares at any time during the previous year"?

A. In such cases, PAN of the company may be furnished if it is available. In case PAN of delisted company cannot be obtained, you may enter a default value in place of PAN, as "NNNNN0000N".

Q. In case unlisted equity shares are acquired or transferred by way of gift, will, amalgamation, merger, demerger, or bonus issue etc., how to report the "cost of acquisition" and "sale consideration" in the relevant column?

A. You may enter zero or the appropriate value against "cost of acquisition" or "sale consideration" in such cases. Please note that the details of unlisted equity shares held during the year are required only for the purpose of reporting. The quantitative details entered in this column are not relevant for the purpose of computation of total income or tax liability.

Q. I hold shares in an unlisted foreign company which has been duly reported in the Schedule FA. Whether I am required to report the same again in the column "Whether you have held unlisted equity shares at any time during the previous year?"

A. Yes.

Q. I have held unlisted equity shares as stock-in-trade of business during the previous year. Whether I have to report the same in the column "Whether you have held unlisted equity shares at any time during the previous year?"

A. Yes.

Q. Please clarify whether holding of equity shares of a Co-operative Bank or Credit Societies, which are unlisted, are required to be reported?

A. The details of equity shareholding in any entity which is registered under the Companies Act, and is not listed on any recognised stock exchange, is only required to be reported.

Q. I have sold land and building to a non-resident. Whether I need to report the PAN of buyer in the table A1/B1 in Schedule CG?

A. As mentioned in ITR form, quoting of PAN of buyer is mandatory only if tax is deducted under section 194-IA or is mentioned in the documents.

Q. I am resident and have sold land and building situated outside India. Whether I need to report the details of property and identity of buyer in Schedule CG?

A. The details of property and name of buyer should invariably be mentioned. However, quoting of PAN of buyer is mandatory only if tax is deducted under section 194-IA or is mentioned in the documents.

Q. Whether it is mandatory to provide ISIN details and scrip-wise computation of Long Term Capital Gains (LTCG) arising on sale of Shares/Mutual Funds units on which STT has been paid?

A. The tools for computation of LTCG under sections 112A and 115AD have been provided in the departmental utility for the convenience of taxpayers. These are optional tools designed for computation of the final figures of LTCG, which is then populated in the respective items in Schedule CG. Alternatively, the taxpayers can themselves compute the aggregate long term gain or loss manually, and input the same directly in the respective items in Schedule CG.

Q. An unlisted company is required to furnish details of assets and liabilities in the Schedule AL-1 of ITR-6? Please clarify whether details of assets held as stock-in-trade of business are also required to be reported therein.

A. In case jewellery/motor vehicle etc. is held as stock-in-trade of business, the drop-down value "stock-in-trade" should be selected against the field "purpose for which used", while filling up details in the relevant table (table 'I' or table 'H'). In such cases, only the aggregate values are required to be filled up, and the particular details of each asset held as stock-in-trade is not required to be reported.

Q. I hold foreign assets during the previous year which have been duly reported in the Schedule FA. Whether I am required to report such foreign asset again in the Schedule AL (if applicable)?

A. Yes.

Q. An unlisted company is required to furnish details of shareholding as at the end of previous year in the Schedule SH-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company.

A. Not required.

Q. An unlisted company is required to furnish details of assets and liabilities in the Schedule AL-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company.

A. Not required.

Q. Please clarify whether a farmer producer company as defined in section 581A of Companies Act, 1956 is required to furnish details of shareholding in the Schedule SH-1 of ITR-6?

A. No. However, please ensure to tick the option 'Yes' against the item "whether the company is a producer company as defined in section 581A of Companies Act, 1956?" in Part-A General.

Q. A company is required to disclose break-up of all payments and receipts during the year, in foreign currency, as per Schedule FD of ITR-6 (if it is not required to get the accounts audited u/s 44AB). Please clarify whether only the receipts/payments relating to business operations in India.

A. Yes. In Schedule FD, the break-up of receipts and payments in foreign currency is required to be reported only in respect of business operations in India.

Q. In schedule TDS, one is required to enter the head under which corresponding receipt has been offered. In some cases, TDS is deducted by the payer in current year, but corresponding income is to be offered in future years. How to fill up Schedule TDS in S

A. In such cases, no TDS credit should be claimed under the column “in own hands” for the current year. If this is done, the column “Corresponding receipt offered” is greyed-off and is not required to be filled up.

Ref: IT Portal

Indirect Taxes Updates

by CA R. V. Bhuvaneshwari



I. Clarification on Certain Refund Related Issues.

1. Whether the Time Period within which an Application for Refund can be filed, would be applicable in cases of refund of excess balance in electronic cash ledger?

No, the provisions Section 54(1) of the CGST Act, for the Time Limit for filing Refund Application would not be applicable in cases of refund of excess balance in electronic cash ledger.

2. Whether certification/ declaration under Rule 89(2)(l) or 89(2)(m) of CGST Rules, 2017 is required to be furnished along with the application for refund of excess balance in electronic cash ledger?

No, furnishing of certification/ declarations for not passing the incidence of tax to any other person is not required in cases of refund of excess balance in electronic cash ledger as unjust enrichment clause is not applicable in such cases.

3. Whether refund of TDS/TCS deposited in electronic cash ledger under the provisions of section 51 /52 of the CGST Act can be refunded as excess balance in cash ledger?

Yes, Any amount, which remains unutilized in electronic cash ledger, after discharge of tax dues and other dues payable under CGST Act and rules made thereunder, can be refunded to the registered person as excess balance in electronic cash ledger in accordance with the provisions of Section 54(1), read with Section 49(6) of CGST Act.

4. What is the Relevant Date for the Refund of Tax paid on supplies regarded as Deemed Export ? Whether the date of return filed by the supplier or date of return filed by the recipient will be relevant for the purpose of determining relevant date for such refunds?

The tax on the supply of goods, regarded as deemed export, would be paid by the supplier in his return, the relevant date for purpose of filing of refund claim for refund of tax paid on such supplies would be the date of filing of return, related to such supplies, by the supplier.

Circular No.166/22/2021 - GST Dt.17.11.2021

II. GST Rates Effective from 01.01.2022 for Textile Products

S.NO.	TEXTILE PRODUCT	UPTO 31.12.2021	FROM 01.01.2022
1.	COTTON	5%	5%
2.	COTTON YARN	5%	5%
3.	COTTON FABRIC	5%	12%
4.	SYNTHETIC FIBRE	18%	12%
5.	ARTIFICIAL FIBRE	18%	12%
6.	WASTE OF MANMADE FIBRE	18%	12%
7.	SYNTHETIC/POLYESTER YARN	12%	12%
8.	ARTIFICIAL/VISCOSE YARN	12%	12%
9.	FABRIC OF SYNTHETIC & ARTIFICIAL YARN	5%	12%
10.	GARMENTS	5% (Sale value < Rs.1000 per piece) 12% (Sale value > Rs.1000 per piece)	12% (irrespective of sale value)
11.	MADE-UPS	5% (Sale value < Rs.1000 per piece) 12% (Sale value > Rs.1000 per piece)	12% (irrespective of sale value)

III. GST Rates Effective from 01.01.2022 for Job Work on Textile Services

S.NO.	TYPE OF SERVICE	UPTO 31.12.2021	FROM 01.01.2022
1.	Job Work in Relation to Textile & Textile products	5%	5%
2.	Dyeing or Printing of Textile & Textile products	5%	12%

Notification No.14/2021 - CT(Rate) Dt.18.11.2021

COMPLIANCE DUE DATES - DECEMBER 2021

Due Date	Applicable Form	Applicable Period	Compliance Requirement
07-12-2021	ITNS -281	November, 2021	TDS and TCS payment for the month of November 2021
15-12-2021	ITNS -280	FY 2021-22	III installment of advance tax for the assessment year 2022-23 (75% of Advance Tax Liability)
15-12-2021	TDS Certificate (Form 16B/16C/16D)	November, 2021	Issue of TDS Certificate for tax deducted under Section 194IA/IB/M in the month of November, 2021
30-12-2021	Form No. 26QB/26QC/26QD	November, 2021	Last date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M in the month of November, 2021
31-12-2021	Form No. 3CEB	FY 2020-21	Return of income for the assessment year 2021-22 in the case of an assessee if he/ it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s)
31-12-2021	ITR forms	FY 2020-21	ITR filing for non-audit cases and who have not entered into any international or specified domestic transactions Vide Circular no. 17/2021, dated 09-09-2021
31-12-2021	Equalization Levy statement Form No. 1	FY 2020-21	Furnishing of Equalization Levy statement for the Financial Year 2020-21 vide Circular no. 16/2021, dated 29-08-2021
31-12-2021	Form 15G/H Option	July- September, 2021	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2021 vide Circular no. 16/2021, dated 29-08-2021

II. Compliances under ESI and PF Act

Due Date	Applicable Form	Applicable Period	Compliance Requirement
15-12-2021	Electronic Challan cum Return (ECR) (PF)	November, 2021	E-payment of Provident Fund
15-12-2021	ESI Challan	November, 2021	ESI payment

III. Compliances under GST Act

Due Date	Applicable Form	Applicable Period	Compliance Requirement
10-12-2021	GSTR-7	November, 2021	GSTR 7 is a return to be filed by the persons who are required to deduct TDS (Tax deducted at source) under GST
10-12-2021	GSTR-8	November, 2021	TCS return under GST(To be filed by E-Commerce Operator)
11-12-2021	GSTR-1	November, 2021	Taxpayers have an aggregate turnover of more than Rs. 1.50 Crores or opted to file Monthly Return
13-12-2021	GSTR- IFF	November, 2021	Opted for quarterly filling as per QRMP Scheme (Optional)
13-12-2021	GSTR-6	November, 2021	Input Service Distributor (ISD)
20-12-2021	GSTR 5	November, 2021	Non-Resident Taxpayers
20-12-2021	GSTR 5A	November, 2021	Non-Resident Taxpayers or OIDAR services provider
20-12-2021	GSTR-3B	November, 2021	Turnover exceeding Rs. 5 Crore or opted to file monthly return
25-12-2021	GST PMT -6	November, 2021	GST Challan Payment
31-12-2021	GSTR-9	FY 2020-21	GST Annual return
31-12-2021	GSTR-9C	FY 2020-21	Reconciliation Statement

IV. Compliances under Companies Act

Due Date	Applicable Form	Applicable Period	Compliance Requirement
14-12-2021	ADT-1	FY 2020-21	Form ADT 1 filing by Companies
31-12-2021	Form AOC 4 (CFS, XBRL, Non-XBRL)	FY 2020-21	Form AOC 4 filing by Companies
31-12-2021	Form MGT -7A	FY 2020-21	Applicable to all companies (except OPC and Small companies)
31-12-2021	Form MGT -7A	FY 2020-21	Applicable to Small Companies and OPC

Deep DiveOn Succession Planning

for a business/profession enterprise

By CA P Arumugaraj

What is succession?

It's a process of identifying people in the key positions and finding their replacements so that it provides for a smooth transition from one generation to the next without impacting the flow of wealth or operations.

Why it is needed....?

A business or the professional firms needs this succession plan to ensure the business which is running will continue to operate successfully if the owner or leaders were exit, retire, die or become incapacitated suddenly.

One of the most disruptive things that can happen to a company is the sudden need to replace a leader. Without a defined plan in place, a leader's departure can create confusion and risk to an organisation's stability.

In order to retain the stakeholders' trust and confidence, as well as protect the interest of lenders and creditors. In difficult time, the business may die due to lack of direction if there is no plan.

For small businesses or professional firms, the plan protects and preserves its goodwill and value, which helps the family get regular royalty or dividend.

As per the existing legal laws of India, the wealth and assets from a business are equally distributed among the legal heirs or the preferred beneficiaries in order to minimise disputes but, the business succession plan ensures the longevity and profitable continuity of the business in a way that it keeps providing wealth to the owners for a long time in the future.

Earlier, some of the business were run by a family with the next head of the family taking over as successor and this was followed or accepted by all the members as a custom. Today this could lead to prolonged disputes and loss of reputation, with the family deploying their efforts in fighting lawsuits, instead of focusing on business.

Today some of the nuclear families and fewer children means that the kids may not want to join the family business and instead follow their own passions or interests. For parents or owners who do not want to wrap up their business or sell it because there is no one to run it after their demise. Hence, the need of succession plan in place so that they can identify existing employees or professional from outside to run as per their dream or vision.



In the MSME segment, the succession planning lacks a formal process because the continuity is ensured by members within the promoter family, which is promoter centric, the embedded risks are extremely high if succession is not planned and promoter's next generation is disinterested in the business.

Is this succession plan needs for a big business ?

No, it is required for almost for all business enterprise without the categorisation of small, medium, large and very large. The business enterprises can be different structures such as proprietorships, one person company, trusts, partnership firms, LLPs, private or public limited companies etc.

Time for the succession to plan ... ?

The process of succession planning should begin not when the owner is at the fag end of his/her career or is ill, but well in advance.

Steps in the Succession Plan:

1. Identify the future goal and objectives of the business
2. Picking up the positions will need to be replaced for the riskiness of retirement/death/disability or retrenchment of top leadership of the business
3. Look for the successors to fill up the gap may be from Family, employees or other professionals/business leaders from outside
4. Put in place the documents and other terms and conditions to be agreed with the successors
5. Train, nurture the successors for their future roles
6. Trial runs to monitor the performance and to check for flaws or shortcomings
7. Arrange for smooth transition of the plan

Send your feedback to ca.arumugaraj@mbacas.com