



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

E- NewsLetter JULY 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

My Dear professional colleagues,



Professional Colleagues,

My hearty congratulations and wishes on this 73rd Chartered Accountants Day. The Branch has celebrated the CA Day by flag hoisting. All the past chairmen, MC members and Sub-Committee chairmen attended the flag hosting. As part of ICAI CSR activities, we planted tree samplings at SIVET College campus. Our Past President CA Sri. Manoj Fadnis sir, addressed the virtual gathering of members and his inputs were well taken by the members.

Our SICASA and the branch, at the request of SIVET college, has successfully conducted national level 5-day workshop on "GST and its implication on Business."

On 20.06.2021, we celebrated our branch day with SIRC Chairman CA K. Jalapathy as chief guest. On account of yoga day, we had 9-day yoga series conducted from 13.06.2021 to 21.06.2021. We also celebrated the international MSME day on 27.06.2021 jointly with SIRC and Honorable Ministry for Rural Industries of Tamil Nadu Sri. T M Anbarasan, graced the occasion as chief guest.

The branch started functioning as per the government norms and SOPs are followed strictly. Members those who have not paid their ARC are requested to become ARC members and get the full benefits of CPE credit.

Further, the branch is proposing to form MSME committee and members who are willing to become part of this MSME committee are requested to contact the branch and provide their details.

Our branch 5th annual general meeting of our branch and SICASA is proposed to be conducted during July and separate notice shall be communicated to the members.

I take this opportunity to thank, Temple of Consciousness - Umayalpuram, Management of SIVET College, Past President of ICAI CA. Manoj Fadnis, SIRC Chairman CA K Jalapathy, Honorable Minister for Rural Industries Sri. T.M. Anbarasan, SICASA team, MC team, speakers, faculties, all the members and branch staff for supporting the branch in this program packed June month.

Be Safe and follow the SOP's, get vaccinated and be happy. Vazgha Valamudan.

Stay home and be safe.

With Regards,

CA C Kathiresan

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CHAIRMAN

CHENGALPATTU DT BRANCH OF SIRC OF ICAI.

DATE: 01.07.2021

SAVE BRANCH MOBILE NO: 8056244300

Income tax – Latest Provisions

compiled by CA Geetha G

Circular No. 14 of 2021-Income Tax | Dated: 02nd July, 2021

Sub.: Guidelines under section 9B and sub-section (4) of section 45 of the Income-tax Act, 1961 – reg.



Finance Act, 2021 inserted a new section 9B in the Income-tax Act 1961 (hereinafter referred to as “the Act”). This section mandates that whenever a specified person receives any capital asset or stock in trade or both from a specified entity, during the previous year, in connection with the dissolution

or reconstitution of such specified entity, then it shall be deemed that the specified entity have transferred such capital asset or stock in trade or both, as the case may be, to the specified person (hereinafter referred to as “deemed transfer”). This deemed transfer would be in the year in which such capital asset or stock in trade or both are received by the specified person. Any profits and gains arising from such deemed transfer is deemed to be the income of such specified entity of the previous year in which such capital asset or stock in trade or both were received by the specified person. Further, it is chargeable to income-tax as income of such specified entity under the head “Profits and gains of business or profession” or under the head “Capital gains”, in accordance with the provisions of this Act. It has also been provided that the fair market value of the capital asset or stock in trade or both, on the date of its receipt by the specified person, shall be deemed to be the full value of the consideration received or accruing as a result of such deemed transfer. The definitions of terms “reconstitution of the specified entity”, “specified entity” and “specified person” are provided in section 98 of the Act.

Also Read: Section 45(4) | CBDT amends rule 8AA & Inserts Rule 8AB

2. Similarly the Finance Act 2021 substituted sub-section (4) of section 45 of the Act. This newly substituted sub-section (4) now provides that where a specified person receives any money or capital asset or both from a specified entity, during the previous year, in connection with the reconstitution of such specified entity, then any profits or gains arising from receipt of such receipt by the specified person shall be chargeable to income-tax as income of the specified entity under the head “Capital gains”. It has been further deemed that this income shall be the income of the specified entity of the previous year in which such money or capital asset or both were received by the specified person. A formula to calculate such profits and gains has also been provided in this sub-section. The definitions of terms “reconstitution of the specified entity”, “specified entity” and “specified person” shall be as provided in section 9B of the Act while the terms “self-generated goodwill” and “self-generated asset” have been defined in this sub-section. It has been further clarified that when a capital asset is received by a specified person from a specified entity in connection with the reconstitution of such specified entity, the provisions of sub-section (4) of section 45 of the Act shall operate in addition to the

provisions of section 9B of the Act and the taxation under the said provisions thereof shall be worked out independently. Both, the new section 9B and substituted sub-section (4) of section 45 are applicable for the assessment year 2021-22 and subsequent assessment years.

3. Sub-section (4) of section 9B of the Act provides that if any difficulty arises in giving effect to the provisions of this section and sub-section (4) of section 45 of the Act, the Board may, with the approval of the Central Government, issue guidelines for the purposes of removing the difficulty. For this purpose, the Central Board of Direct Taxes, with the approval of the Central Government, hereby issues the following guidelines.

Guidelines

4. It is noticed that the amount taxed under sub-section (4) of section 45 of the Act is required to be attributed to the remaining capital assets of the specified entity, so that when such capital assets get transferred in the future, the amount attributed to such capital assets gets reduced from the full value of the consideration and to that extent the specified entity does not pay tax again on the same amount. It is further noticed that this attribution is given in the Act only for the purposes of section 48 of the Act. It may be seen that section 48 of the Act only applies to capital assets which are not forming block of assets. For capital assets forming block of assets there is sub-clause (c) of clause (6) of section 43 of the Act to determine written down value of the block of asset and section 50 of the Act to determine the capital gains arising on transfer of such assets. However, the Act has not yet provided that amount taxed under sub-section (4) of section 45 of the Act can also be attributed to capital assets forming part of block of assets and which are covered by these two provisions. To remove difficulty, it is clarified that rule 8AB of the Income Tax Rules, 1962 (hereinafter referred to as the Rules") notified vide notification no. 76 dated 02.07.2021 also applies to capital assets forming part of block of assets. Wherever the terms capital asset is appearing in the rule 8AB of the Rules, it refers to capital asset whose capital gains is computed under section 48 of the Act as well as capital asset forming part of block of assets. Further, wherever reference is made for the purposes of section 48 of the Act, such reference may be deemed to include reference for the purposes of sub-clause (c) of clause (6) of section 43 of the Act and section 50 of the Act.

5. For the removal of doubt it is further clarified that in case the capital asset remaining with the specified entity is forming part of a block of asset, the amount attributed to such capital asset under rule 8AB of the Rules shall be reduced from the full value of the consideration received or accruing as a result of subsequent transfer of such asset by the specified entity, and the net value of such consideration shall be considered for reduction from the written down value of such block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act.

6. For the purposes of understanding and for removing difficulties, if any, the application of section 9B of the Act and sub-section (4) of section 45 of the Act is explained with the help of the following examples:

Example 1: There are three partners "A", "B" and "C" in a firm "FR", having one third share each. Each partner has a capital balance of Rs.10 Lakh in the firm. "1-here are three pieces of lands "S", "T" and "U" in that firm and there is no other capital asset in that firm. Book value of each of the land is Rs. 10 lakh. All these three lands were acquired by the firm more than two years ago.

Partner "A" wishes to exit. The firm revalues its lands based on valuation report from a registered valuer, as defined in rule 11U of the Rules, and as per that valuation report fair market value of lands "S" and "T" is Rs 70 lakh each, while fair market value of land "U" is Rs.50 lakh. On the exit of partner "A", the firm decides to give him :11 lakh of money and land "U" to settle his capital balance.

In accordance with the provisions of section 9B of the Act, it would be deemed that the firm "FR" has transferred land "U" to the partner "A" at its fair market value of Rs.50 lakh. Let us assume that the indexed cost of acquisition of land "U" is Rs. 15 lakh.

Now on account of the deeming provisions of section 9B of the Act, it is deemed that the firm "FR" has transferred land "U" to partner "A". Thus, an amount of Rs.50 lakh less Rs.15 lakh would be charged to tax in the hands of firm "FR" under the head "Capital gains". For partner "A", the cost of acquisition of this land would be Rs.50 lakh. Hence, the amount of Rs. 35 lakh is charged to long term capital gains and let us assume that the tax is Rs. 7 lakh(assume no surcharge or cess just for ease of calculation and illustration purposes).

This, net book profit after tax of Rs. 33 lakh (capital gains of Rs. 40 lakh without indexation less tax of Rs. 7 lakh) is to be credited in the capital account of each of the three partners, i.e. Rs. 21 lakh each. Thus partner "A" capital account would increase to Rs. 21 lakh. This exercise is required to be carried out since section 9B of the Act mandates that it is to be deemed that the firm "FR" has transferred the land "U" to partner "A" and the long term capital gains of Rs. 35 lakh is chargeable to tax in the hands of the firm "FR".

As against capital balance of Rs. 21 lakh, partner "A" has received Rs. 61 lakh (Rs. 11 lakh of money plus land "U" of fair market value of Rs. 50 lakh). Thus Rs. 40 lakh is required to be charged to tax under sub-section (4) of section 45 of the Act. This shall be in addition to an amount of Rs. 35 lakh charged to tax under section 9B of the Act.

On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules, this Rs. 40 lakh is to be attributed to the remaining assets of the firm "FR" on the basis of increase in their value due to revaluation based on the valuation report of registered valuer. In this case as per revaluation there are only two capital assets remaining; lands

“S” and “T”. In both cases the value has increased by Rs. 60 lakh each. Thus, out of Rs. 40 lakh, Rs. 20 lakh shall be attributed to land “S” and Rs. 20 lakh to land “T”. When either of these lands gets sold, this amount attributed to them would be reduced from sales consideration under clause (iii) of section 48 of the Act.

The amount of Rs. 40 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as long term capital gains in view of sub-rule (5) of rule 8AA of the Rules, since the amount of Rs. 40 lakh is attributed to land “S” and land “T” which are both long term capital assets at the time of taxation of Rs. 40 lakh under sub-section (4) of section 45 of the Act.

Example 2: There are three partners “A”, “B” and “C” in a firm “FR”, having one third share each. Each partner has a capital balance of Rs. 10 lakh in the firm. There are three pieces of lands “S”, “T” and “U” in that firm and there is no other capital asset in that firm. All these three lands were acquired by the firm more than two years ago.

Book value of each of the land is Rs. 10 lakh. Partner “A” wishes to exit. The firm sells land “U” for its fair market value of Rs. 50 lakh. Let us assume that the indexed cost of acquisition of land “U” is Rs. 15 lakh. Thus, an amount of Rs. 50 lakh less Rs. 15 lakh would be charged to tax in the hands of firm “FR” under the head “Capital gains”. Hence, the amount of Rs. 35 lakh is charged to long term capital gains and let us assume that the tax is Rs. 7 lakh (assume no surcharge or cess just for ease of calculation and illustration purposes).

This, net book profit after tax of Rs. 33 lakh (capital gains of Rs. 40 lakh without indexation less tax of Rs. 7 lakh) is to be credited in the capital account of each of the three partners, i.e. Rs. 11 lakh each. Thus partner “A” capital account would increase to Rs. 21 lakh.

Partner “A” decides to exit the firm “FR”. The firm revalue its lands “S” and “T” based on valuation report from a registered valuer, as defined in rule 11U of the Rules, and as per that valuation report fair market value of lands “S” and “T” is Rs. 70 lakh each. On the exit of partner “A”, the firm decides to give him Rs. 61 lakh of money to settle his capital balance. Thus, as against capital balance of Rs. 21 lakh, partner “A” has received Rs. 61 lakh of money. Thus Rs. 40 lakh is required to be charged to tax under sub-section (4) of section 45 of the Act. This will be in addition to Rs. 35 lakh already charged to capital gains.

On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules, this Rs. 40 lakh is to be attributed to the remaining assets of the firm “FR” on the basis of increase in their value due to revaluation based on the valuation report of registered valuer. In this case as per revaluation there are only two capital assets remaining; lands “S” and “T”. In both cases the value has increased by Rs. 60 lakh each. Thus, out of Rs. 40 lakh, Rs. 20 lakh shall be attributed to land “S” and Rs. 20 Lakh to land “T”. When either of these lands gets sold, this amount attributed to them would be reduced from sales

consideration under clause (iii) of section 48 of the Act.

The amount of Rs. 40 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as long term capital gains in view of sub-rule (5) of rule 8AA of the Rules, since the amount of Rs. 40 lakh is attributed to land "S" and land "T" which are both long term capital assets at the time of taxation of Rs. 40 lakh under sub-section (4) of section 45 of the Act.

Note: The final result in both example 1 and 2 is same due to the operation of section 9B of the Act.

Example 3:

There are three partners "A", "B" and "C" in a firm "FR", having one third share each. Each partner has a capital balance of 2100 lakh in the firm. There is a piece of land "S" of book value of Rs. 30 lakh. There is patent "T" of written down value of Rs. 45 lakh. And there is cash of 2225 lakh. The land was acquired by the firm more than two years ago. The patent was acquired/developed/registered one year back.

Partner "A" wishes to exit. The firm revalue its land and patent based on valuation report from a registered valuer, as defined in rule 11 U of the Rules, and as per that valuation report fair market value of land "S" is Rs. 45 lakh and fair market value of patent "T" is Rs. 60 lakh. As per the valuation report there is also self-generated goodwill of Rs. 30 lakh. On the exit of partner "A", the firm decides to give him Rs. 75 lakh in money and land "S" to settle his capital balance.

In accordance with the provisions of section 9B of the Act, it would be deemed that the firm "FR" has transferred land "S" to the partner "A" at its fair market value of Rs. 45 lakh. Let us assume that the indexed cost of acquisition of land "S" is Rs. 45 lakh.

Now on account of the deeming provisions of section 9B of the Act, it is deemed that the firm "FR" has transferred land "S" to partner "A". However, since the sale consideration is equal to indexed cost of acquisition, there will not be any capital gains tax. For partner "A", the cost of acquisition of this land would be Rs. 45 lakh.

The net book profit of Rs. 15 lakh (capital gains of Rs. 15 lakh without indexation) is to be credited in the capital account of each of the three partners, i.e. Rs. 5 lakh each. Thus partner "A" capital account would increase to 2105 lakh. This exercise is required to be carried out since section 9B of the Act mandates that it is to be deemed that the firm "FR" has transferred the land "S" to partner "A". Thus, any gain in the books is to be apportioned to partners' capital accounts.

As against capital balance of Rs. 105 lakh, partner "A" has received Rs. 120 lakh (money of Rs. 75 Lakh plus land "S" of fair market value of Rs. 45 lakh). Thus Rs. 15 Lakh is

required to be charged to tax under sub-section (4) of section 45 of the Act.

On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules and this guidance note, this Rs. 15 lakh is to be attributed to the remaining capital assets of the firm "FR" on the basis of

increase in the value due to revaluation of existing capital assets, or due to recognition of the value of self-generated goodwill, based on the valuation report of registered valuer. In this case as per this report the value of patent "T" has increased by Rs. 15 lakh and the self-generated goodwill value has been recognised at Rs. 30 lakh. Thus one third on Rs. 15 lakh (i.e. Rs. 5 lakh) would be attributed to patent "T", while two third of Rs. 15 lakh (i.e. Rs. 10 lakh) would be attributed to self-generated goodwill. Rs. 5 lakh attributed to patent "T" shall not be added to the block of the assets and no depreciation shall be available on the same. When patent "T" gets transferred subsequently, this Rs. 5 Lakh attributed shall be reduced from the full value of the consideration received or accruing as a result of transfer of patent "T" by the firm "FR", and the net value shall be considered for reduction from the written down value of the intangible block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act. (Refer guidance in paragraph 5 of this circular). Let us say that Patent T is sold for Rs. 25 lakh. Rs. 5 lakh shall be reduced from Rs. 25 lakh and only net amount of 20 lakh shall be considered for reduction from the written down value of the intangible block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act. Similarly when goodwill gets sold subsequently, 10 lakh would be reduced from its sales consideration under clause (iii) of section 48.

The amount Rs.15 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as short term capital gains, as Rs. 5 lakh is attributed to the Patent "T" which is part of block of assets and Rs. 10 lakh is attributed to self-generated goodwill. In accordance with sub-rule (5) of Rule 8AA of the Rules, both of these are to be characterised as short term capital gains.

Note: For the purpose of calculation of depreciation under section 32 of the Act, the written down value of the block of asset "intangible" of which Patent "T" is part, would remain Rs.45 lakh and would not be increased to 60 lakh due to revaluation during the year. In this regard it may be highlighted that the following provisions are relevant in determining the amount on which depreciation is allowable under the Act:

- Explanation 2 of sub-section (1) of section 32 of the Act provides that the term "written down value of the block of assets" shall have the same meaning as in clause (c) of sub-section (6) of section 43 of the Act.
- Clause (c) of sub-section (6) of section 43 of the Act, with respect to block of assets, inter-alia, provides that the aggregate of the written down values of all the assets falling within that block of assets at the beginning of the previous year is to be increased by the

actual cost of any asset falling within that block, acquired during the previous year. This clause does not allow any increase on account of revaluation .

- Sub-section (I) of section 43 of the Act which defines “Actual cost” as actual cost of the assets to the assessee. In revaluation, there is no actual cost to the assessee. Further, section 32 of the Act does not allow depreciation on goodwill. If in the given example “self-generated goodwill” is replaced by “self-generated asset”, even then the depreciation will not be admissible on the amount of Rs. 30 lakh recognised in valuation. In this regard it may be highlighted that the above mentioned provisions, in the immediate preceding paragraph, are also applicable to “self-generated asset” and since there is no actual cost to assessee in case of “ self-generated asset”, depreciation is not allowable under section 32 of the Act on an asset whose actual cost is nil. 1961.

Indirect Taxes Updates

by CA R. V. Bhuvaneshwari



Circulars:

1. Clarification in respect of Dynamic Quick Response (QR) code on B2C invoices :

- i) Whether Dynamic QR code is to be provided to a person who has UIN?

Any person who has obtained UIN is not a 'Registered Person' . Therefore invoices issued to such person having UIN shall be considered as invoice issued for B2C supply and shall be required to comply with the requirement of Dynamic QR code.

- ii) UPI ID is linked to Bank Account of the person collecting money. Whether Bank account & IFSC code again need to be provided separately in the Dynamic QR code?

Need not be provided in the Dynamic QR code.

- iii) In cases where the payment is collected by some person other than supplier (eg.E-com or any person authorized by supplier to collect money) whose UPI ID should be given in the Dynamic QR code?

Any person who is authorized by the supplier to collect the payments, his/her UPI ID should be given in the Dynamic QR code.

- iv) In cases where the receiver of services is located outside India, and payment is received by the supplier in foreign exchange, but the place of is in India, then such supply is not considered as export of services as per the IGST Act 2017; whether in such cases, the Dynamic QR Code is required on the invoice issued?

When the Invoice is issued to a recipient outside India, but the Place of Supply is in India, such invoices can be issued without Dynamic QR code.

v) When Part payment / advance is already made before the Dynamic QR code is generated, what amount should be provided in Dynamic QR code for invoices?

The purpose of Dynamic QR code is only for making payment. When part payment is already made, the Dynamic QR code may provide only the remaining amount payable. Cross reference to the payment already made should be mentioned in the invoice.

Circular No.156/12/2021-GST Dt.21.06.2021

2. Clarification on GST Rate on Sprinklers or Drip Irrigation System along with their laterals / parts:

The parts and pipes which are solely or principally used with sprinklers or drip irrigation system would attract a GST rate of 12% even if supplied separately.

Circular No.155/11/2021-GST Dt.17.06.2021

3. Clarifications on applicability of GST on supply of Food in Anganwadis & schools if funded by Government grants & Corporate donations:

It is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations.

Circular No.149/05/2021-GST Dt.17.06.2021

4. Clarifications on Rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis:

Civil constructions like rope way for tourism development shall not be covered by entry 3(vi) not being a structure that is meant predominantly for purposes other than business. While road, bridge, terminal, or railways are covered by entry No. 3(iv) and 3(v) of notification 11/2017 CT(R), structures like ropeway are not covered by these entries too. Therefore, works contract service provided by way of construction such as of rope way shall fall under entry No. 3(xii) and attract GST at the rate of 18%.

Circular No.152/08/2021-GST Dt.17.06.2021

MCA Updates

by CA A. Priya

Introduction of Companies (Incorporation) Fourth Amendment Rules, 2021

MCA amended the Companies (Incorporation) Rules, 2014, vide its G.S.R. 392(E) dated 7th June, 2021, and introduced the Companies (Incorporation) Fourth Amendment Rules, 2021.

E-Form No.INC-35 (AGILE-PRO) has been substituted with Form No.INC-35 (AGILE-PRO-S), Pursuant to Rule 38A of the Companies (Incorporation) Rules, 2014).

As per Rule 38A, the existing E-Form No.INC-35 (AGILE-PRO) offers the facility for making an application for registration of Goods and Service Tax Identification Number (GSTIN), Employee State Insurance Corporation (ESIC), Employees' Provident Fund organisation (EPFO), Registration and professional Tax Registration and Opening of Bank Account.

The facility of obtaining Shops and Establishment Registration is also added in the AGILE-PRO Form and consequently the existing form is replaced by "AGILE-PRO-S". The Company can now avail registration in Shops and Establishment also with filing of "AGILE-PRO-S".



Introduction of Companies (Meetings of Board and its Powers) Amendment Rules, 2021

MCA amended the Companies (Meetings of Board and its Powers) Rules, 2014, vide its G.S.R. 409(E) dated 15th June, 2021, and introduced the Companies (Meetings of Board and its Powers) Amendment Rules, 2021.

To ease the difficulties faced by Companies to conduct Board meetings during the Covid-19 pandemic, MCA has omitted Rule 4 of Companies (Meetings of Board and its Powers) Rules, 2014. The provision related to restriction of conducting Board Meeting through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) has been deleted.

Now, there is no restriction on any matter to be dealt with in a board meeting through VC or OAVM.

Amendment in the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019

MCA amended the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 and through its Notification no. G.S.R. 418(E) dated 18th June, 2021, introduced Companies (Creation and Maintenance of data bank of Independent Directors) Amendment Rules, 2021.

As per the amended rules, existing Independent directors and individuals who are willing to be appointed as independent director under the Companies Act 2013, in case an individual delays their application to Indian Institute of Corporate Affairs (IICA) for inclusion of name or for renewal, under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, such inclusion or renewal may be allowed by IICA after charging a further fees of Rs.1,000/-.

Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 - Extension of time

In continuation to the Ministry's General Circular No.14/2020 dated 08th April 2020, No.17/2020 dated 13th April 2020, No.22/2020 dated 15th June 2020, No.33/2020 dated 28th September 2020 and No.39/2020 dated 31st December 2020.

MCA vide its General Circular No.10/2021 dated 23rd June, 2021, issued a clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19 has decided to allow companies to conduct EGMs through Video Conference (VC) and Other Audio Visual Means (OACM) or transact items through postal ballot upto 31st December 2021. All other requirements in the said circulars remain unchanged.

Relaxation on levy of additional fees in filing of certain forms under the Companies Act, 2013 and LLP Act, 2008 - Extension of time

MCA vide its General Circular No.11/2021 dated 30th June, 2021, issued relaxation on levy of additional fees in filing of certain forms under the Companies Act, 2013 and LLP Act, 2008 w.r.t extension of time.

In Continuation to this Ministry's General Circular No.06/2021 dated 03.05.2021, MCA has provided additional time up to 31st August 2021 for Companies/LLPs to file such forms (other than CHG-1, CHG-4 and CHG-9) which would be due for filing during 01st April 2021 to 31st July 2021, without payment of additional fees upto 31st August 2021.

This Circular shall be without prejudice to any belated filings already made alongwith additional fees.

Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 - Extension of time

MCA vide its General Circular No.12/2021 dated 30th June, 2021, issued relaxation on levy of additional fees in filing of certain forms under the Companies Act, 2013 and LLP Act, 2008 w.r.t extension of time.

In Continuation to this Ministry's General Circular No.07/2021 dated 03th May, 2021, MCA has decided to substituted the dates with "31.07.2021" and "01.08.2021" respectively.

(1) In case the date of creation/ modification of charge is before 01.04.2021 but the timeline for filing such form is unexpired under section 77 of the Companies Act, 2013 as on 01.04.2021.

In this case, the period beginning from 01.04.2021 and ending on 31.07.2021 shall not be reckoned for the purpose of counting of number of days. In case the form is not filed within this period then the first day after 31.03.2021 shall be reckoned as 01.08.2021.

If Form is filed on or before 31.07.2021, fees payable would be as on 31.03.2021. If filed thereafter, the applicable fees shall be charged after adding number of days beginning from 01.08.2021 & ending on date of filing plus the time period lapsed from date of creation till 31.03.2021.

(2) In case the date of creation/ modification of charge falls on any day between 01.04.2021 to 31.07.2021 (both dates inclusive), the period beginning from date of creation/ modification to 31.07.2021 shall not be reckoned for the purpose of counting of number of days. In case the form is not filed within this period then the first day after the date of creation/ modification shall be reckoned as 01.08.2021.

If Form is filed before 31.07.2021, normal fees would be charged. If filed thereafter, the first day after creation/ modification shall be reckoned as 01.08.2021 and the number of days till the date of filing of form shall be counted accordingly for the purpose of fees.

List of Forms covered under MCA General Circular No.11/2021 dated 30th June 2021 and General Circular No.12/2021 dated 30th June, 2021 (providing waiver of additional fee) are as follows:

S.No	Form Id	Form description
1	Form CHG-1	Application for registration of creation, modification of charge (other than those related to debentures)
2	Form CHG-9	Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures
3	FORM ADT-1	Information to the Registrar by company for appointment of auditor
4	FORM INC-22	Notice of Situation or Change of situation of Registered Office of the Company
5	FORM NDH-3	Return of Nidhi Company for the half year ended
6	FORM FC-4	Annual Return of a Foreign Company
7	FORM MSC-3	Return of dormant companies
8	FORM INC-27	Conversion of public company into private company or private company into public company
9	FORM NDH-2	Application for extension of time

10	FORM-IEPF-3	Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education and Protection Fund
11	FORM AOC-4	Form for filing financial statement and other documents with the Registrar
12	FORM AOC-4 NBFC	Form for filing financial statement and other documents with the Registrar for NBFCs
13	FORM AOC-4 XBRL	Form for filing XBRL document in respect of financial statement and other documents with the Registrar
14	FORM MGT-7	Form for filing annual return by a company.
15	LLP Form 3	Information with regard to limited liability partnership agreement and changes, if any, made therein
16	LLP Form-11	Annual Return of Limited Liability Partnership (LLP)
17	FORM DIR-11	Notice of resignation of a director to the Registrar
18	FORM MGT-14	Filing of Resolutions and agreements to the Registrar
19	FORM INC-20A	Declaration for commencement of business
20	FORM MGT-15	Form for filing Report on Annual General Meeting
21	FORM PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly)
22	FORM AOC-4 CFS NBFC	Form for filing consolidated financial statements and other documents with the Registrar for NBFCs
23	FORM AOC-4 CFS	Form for filing consolidated financial statements and other documents with the Registrar
24	FORM FC-1	Information to be filed by foreign company
25	FORM FC-2	Return of alteration in the documents filed for registration by foreign company
26	FORM PAS-3	Return of allotment
27	FORM MR-1	Return of appointment of MD/WTD/Manager
28	FORM INC-4	One Person Company- Change in Member/Nominee
29	FORM INC-6	One Person Company- Application for Conversion

Due dates for filing RoC forms:

E-Form DIR - 3 KYC (Web Based and E-form)	KYC for Director's DIN	For Financial year 2020-21 within 30.09 2021
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Income Tax Case Laws

by CA. Muthu Abirami



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

ITAT - Agra

Uma Agrawal vs ITO

ITA NO. 35 OF 2021

Held: Section 69A - Cash deposit during demonetization - Assessment Year 2017-18 - During period of demonetization, assessee, a housewife, deposited cash of Rs. 2,11,500 in her bank account - During course of scrutiny assessment, she was asked to explain source of deposit - She submitted that she has no business activities and she only earns income from interest on her saving - The Assessing Officer made addition of total amount deposited in bank account - On appeal, ITAT held that as per Instruction No. 03/2017, dated 21-2-2017, which are statutory and binding on revenue, Assessing Officer has no mandate to tax cash deposit in bank account during Demonetization Scheme, 2016 if it is less than 2.5 lakhs - As after demonetization women left with no option but to deposit amount in banks - Where assessee had given explanation to AO that sum deposited during demonetization in bank were her money saved in last many year's and were kept for herself and for family in case of emergency need - Whether it could be held that assessee had duly explained source of deposit as required by Section 69A - Held Yes - ITAT also held that this ruling may be treated as precedent in respect to proceedings arising out of cash deposit made by housewives during demonetisation, up to limit of Rs 2.5 lakhs.

ITAT - Agra

Mahadev Cold Storage. vs Jurisdictional Assessing Officer

ITA NO. 20,21,41,42 OF 2021

Held: Though Centralized NFAC has been created by Notification by CBDT, it should be ensured that whenever any appellate order is passed by NFAC as per Notification either by way of draft or Final appellate order, then decision of jurisdictional High Court having jurisdiction over Assessing Officer should be followed and applied by NFAC. Merely because there is some conflicting decision of non-jurisdictional High Court, relief should not be refused to assessee.

Where Assessing Officer, Agra had disallowed expenditure of employees contribution to ESI and PF not credited to Employees' account after due date but before due date of filing of return and Commissioner NFAC upheld said order by following Gujarat High Court's decision against assessee, since there is a jurisdictional High Court's decision in favour of assessee, Commissioner NFAC was not justified in denying deduction to assessee by relying upon non-jurisdictional High Court's decision.

Madras High Court

A.P.Oree vs ITO

W.P. 41642 OF 2016

Held: Where a Hindu family was never assessed as a HUF, Section 171 will not apply even when there is a division or partition of property which does not answer to definition of "partition" in Explanation to Section 171

HIGH COURT OF TELANGANA

Boddu Ramesh vs PCIT

WRIT PETITION NO.12038 OF 2021

Held: Where writ petition is filed by petitioner challenging proceeding dated 22-4-2021 issued by Competent Authority, whereby petitioner's revised declaration/application dated 31-3-2021 in Forms 1 and 2, filed under provisions of Direct Tax Vivad Se Vishwas Act, 2020 was rejected, since petitioner filed an appeal under section 246A before Commissioner (Appeals) on 19-2-2019 which was dismissed and assailing said order, filed appeal before Tribunal, along with an application to condone delay in filing such appeal; and that Tribunal heard appeal of petitioner on 5-2-2021 by condoning delay and by order dated 15-2-2021, Tribunal allowed appeal and remitted matter back by restoring file to Commissioner, it is to be construed as 'pending' appeal as on date of filing of declaration on 8-2-2021, thus, considering declaration/application submitted by petitioner on 8-2-2021, revised declaration/application submitted in Forms 1 and 2 on 31-3-2021 cannot be considered as 'invalid' and liable for 'rejection'

- Act of 2020 is intended to apply to all direct tax disputes which are pending at various levels, before 'specified date', as defined in section 2(n) of Act of 2020, i.e., 31-1-2020 even in respect of appeals where time for filing appeal has expired during period 1-4-2019 to 31-1-2020, and an application for condonation of delay is filed before date of issue of Circular No. 21/2020 on 4-12-2020, and appeal is admitted before filing of declaration, such appeal is to be treated as deemed pending as on 31-1-2020 and date for filing of declaration under Act of 2020 opting to avail before of Scheme was notified as 30-3-2020 and was finally extended by Notification No. 9/2021 dated 26-2-2021, up to 31-3-2021. Thus, even after 4-12-2020, if an appeal is filed with an application for condonation of delay and appeal is admitted by appellate authority before date of filing of declaration, benefit is to be extended.

- Once appeal before Tribunal is deemed as having been filed in time, same would have to be construed as having been filed before 'specified date', and thus, an appeal can be stated to be pending before appellate forum and petitioner would have to be considered as an 'appellant' as defined in section 2(1)(a)(i), and tax as assessed would have to be considered as 'disputed tax' as defined under section 2(1)(j)(B) of Act of 2020.

COMPLIANCE DUE DATES - JULY 2021

Important Statutory due dates for the GST Returns in the Month of July 2021			
Due date	Form to be filed	Period	Who should file?
10.07.2021	GSTR 7	June 2021	GSTR 7 is a return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST
10.07.2021	GSTR 8	June 2021	GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST
11.07.2021	GSTR 1	June 2021	Taxpayers having an aggregate turnover of more than Rs. 1.50 Crores or opted to file Monthly Return
13.07.2021	GSTR 1 (QRMP)	April to June 2021	GST return for the taxpayers who opted for QRMP scheme
13.07.2021	GSTR 6	June 2021	Input Service Distributors
18.07.2021	CMP-08	April to June 2021	Due date for opting for composition scheme for the quarter April to June
20.07.2021	GSTR 5 & 5A	June 2021	Non-Resident Taxpayers and ODIAR services provider
20.07.2021	GSTR 3B	June 2021	The due date for GSTR-3B having an Annual Turnover of more than 5 Crores
31.07.2021 (As extended)	GSTR 4	FY 2020-21	Due date for opting for composition scheme on annual basis
Important due dates for the Income Tax Compliance / PF / ESI in the Month of July 2021			
07.07.2021	Challan No. ITNS-281	June 2021	Payment of TDS/TCS deducted / collected in June 2021.
07.07.2021	Deposit of TDS	April to June 2021	Due date for deposit of TDS for the period April 2021 to June 2021 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
31.07.2021	TDS Certificate	May 2021	Due date for issue of TDS Certificate for tax deducted under Section 194IA in the month of May, 2021

31.07.2021	TDS Certificate	May 2021	Due date for issue of TDS Certificate for tax deducted under Section 194IB in the month of May, 2021
31.07.2021	TDS Certificate	May 2021	Due date for issue of TDS Certificate for tax deducted under Section 194M in the month of May, 2021
15.07.2021	Form 15CC	April to June 2021	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2021
15.07.2021	Statement of TCS	April to June 2021	Quarterly statement of TCS deposited for the quarter ending 30 June, 2021
15.07.2021 (As extended)	Certificate of TDS	FY 2020-21	Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2020-21
15.07.2021	Form 15G/15H	April to June 2021	Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2021
15.07.2021	Form No. 3BB	June 2021	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of June, 2021
30.07.2021 (As extended)	Form No. 64C	FY 2020-21	Statement to be furnished (in Form No. 64C) by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2020-21

15.07.2021	Electronic Challan cum Return (ECR) (PF)	June 2021	E-payment of Provident Fund
15.07.2021	ESI Challan	June 2021	ESI payment
30.07.2021	TDS Challan-cum-statement	June 2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194 IB, 194M
30.07.2021	Quarterly TCS Certificate	April to June 2021	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2021
31.07.2021	Quarterly TDS Statement	April to June 2021	Quarterly statement of TDS deposited for the quarter ending June 30, 2021
31.07.2021 (Extended to 30.09.2021)	ITR filing	FY 2020-21	ITR filing for non audit cases and who have not entered into any international or specified domestic transaction
31.07.2021	Non-TDS Return by banking company	April to June 2021	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2021
31.07.2021	Form no. 67	FY 2020-21	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2020-21 and of foreign tax deducted or paid on such income in Form no. 67.

The month of July 2021 is crucial for the due dates for various compliances under **Goods and Service Act, Income Tax Act, Companies Act** and **LLP Act**. Filing the above-mentioned forms on or before the due dates will save the Taxpayers from hefty penalties.

PHOTO GALLERY

Topic: GST IMPLICATIONS ON “NON PROFIT ORGANISATIONS “

Speaker: CA. V Sankar

Date: 05.06.2021

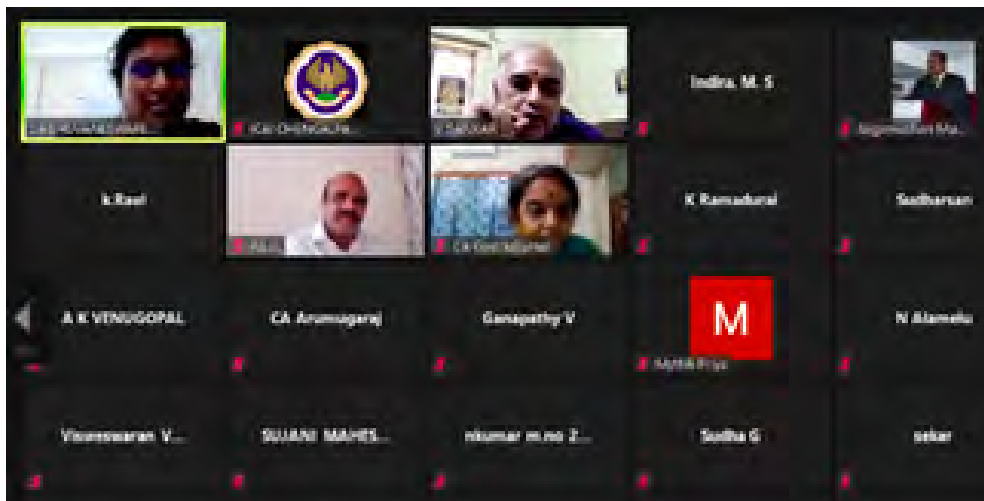
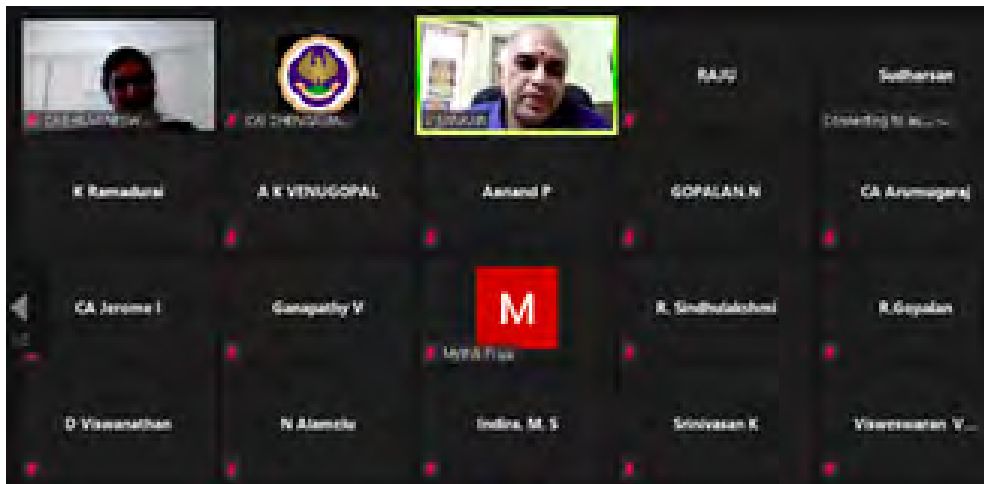


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Topic : Assessment & Reassessment-Recent Amendments in Income Tax

Speaker : CA Muthuabirami T

Date: 12.06.2021

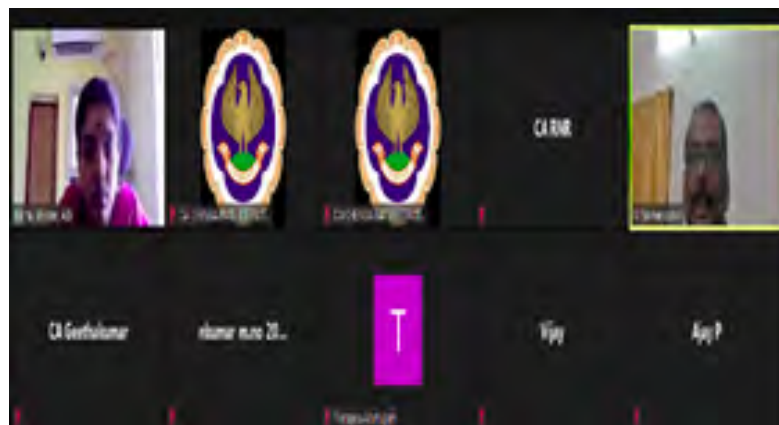
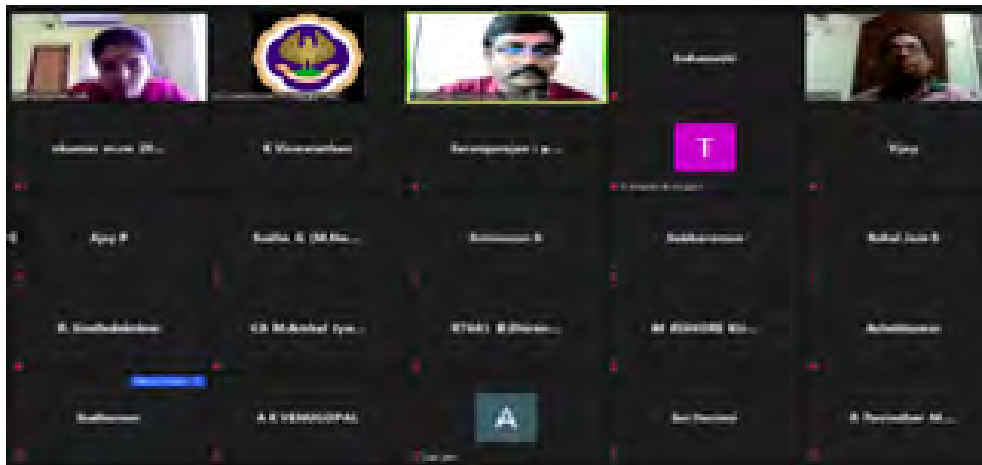
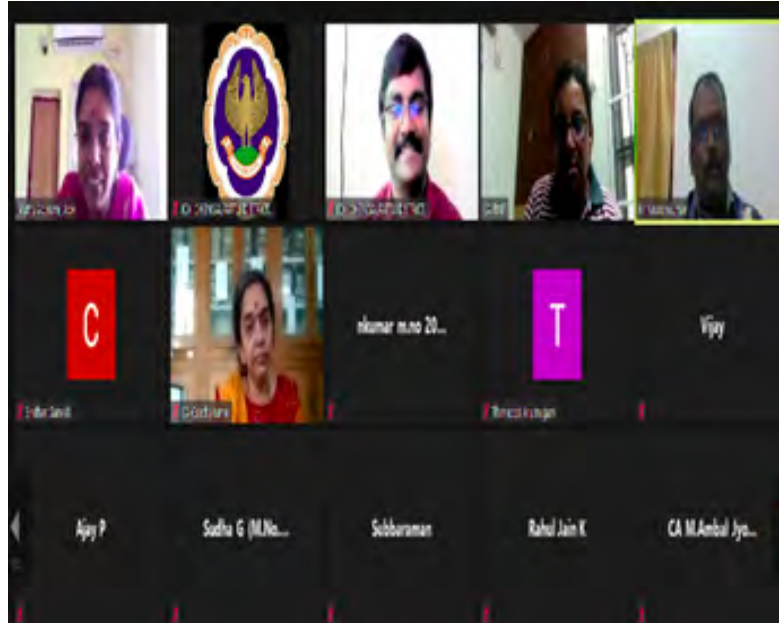


PHOTO GALLERY INTERNATIONAL YOGA DAY

Date : 13.06.2021 to 21-06-2021



CHENGALPATTU DISTRICT BRANCH OF SIRC of ICAI
Cordially invites you to our **9 days Yoga Sessions**
On occasion of

"International YOGA DAY Celebration"
On Monday 21st June 2021

Vazhga Vaiyagam! Vazhga Valamudan!
"Vethathiri Maharishi's Simplified Kundalini Yoga Exercises"
By
Prof U Shakthi Saravanan,
Dr Meenakshi
Prof Mr Purushothaman
Prof Mr Ravindran
Umayalpuram Temple of Consciousness, Chrompet, Chennai



"Hearty Welcome to All"

Training Sessions on **13th June 2021 to 21st June 2021**
Time: Evening **05.00 pm to 06.00 pm**
Registration Link: <https://forms.gle/DKSWCmawAVmDxsVCA>
CA. C Kathiresan Chairman CA. T Sivagurunathan Secretary

[Note: Registered Participants only allowed to attend the Sessions. Session Link & Password will be sent by mail to registered participants]
Chengalpattu District Branch of SIRC of ICAI
Flat No.401, Fourth Floor, No.1A, Periyalwar Street, Sundaram Colony,
East Tambaram, Chennai - 600 059
Mail ID: chengalpattu@icai.org / Ph: 044-22390098 / www.chengai-icai.org

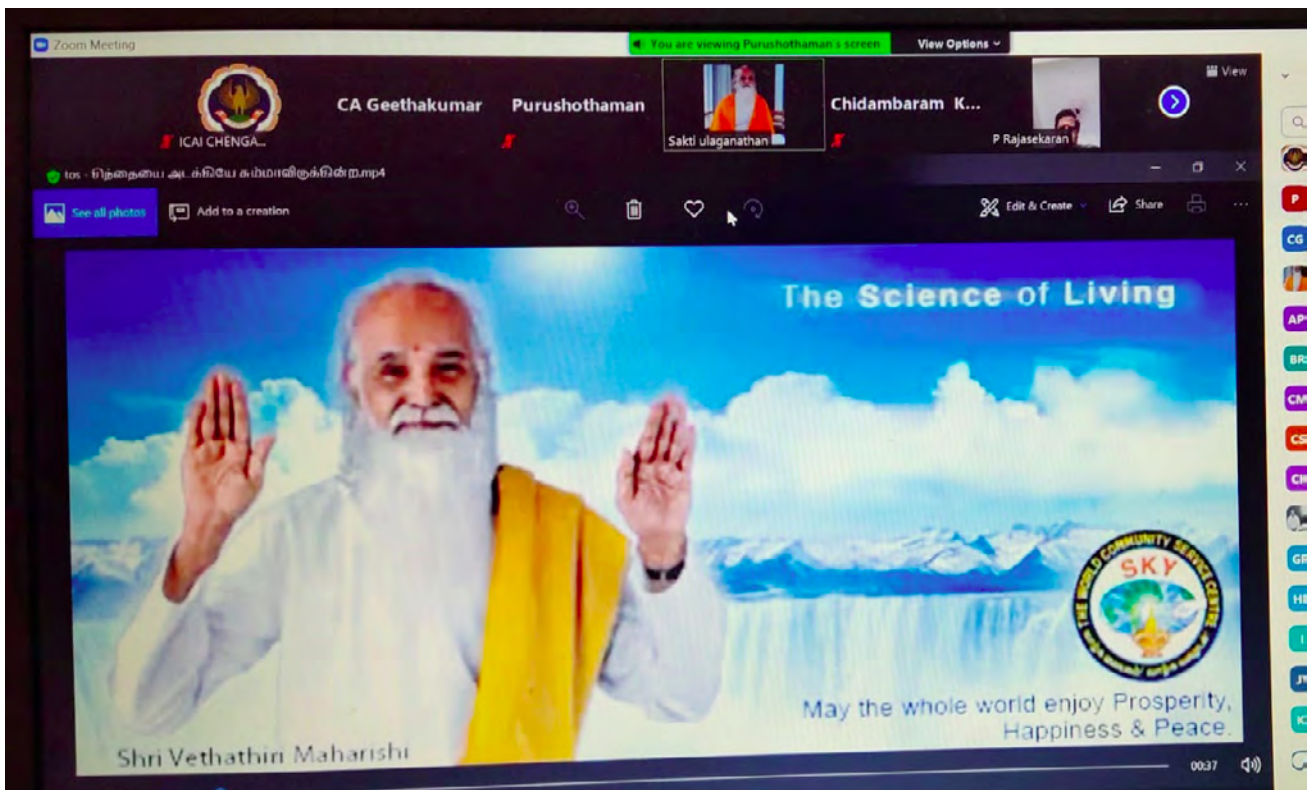


PHOTO GALLERY

Topic: Taxation of Re-Constitution of Partnership Firm

Speaker: CA Chitale Chandrashekhar Vasant, CCM of ICAI, Pune

Date:16.06.2021

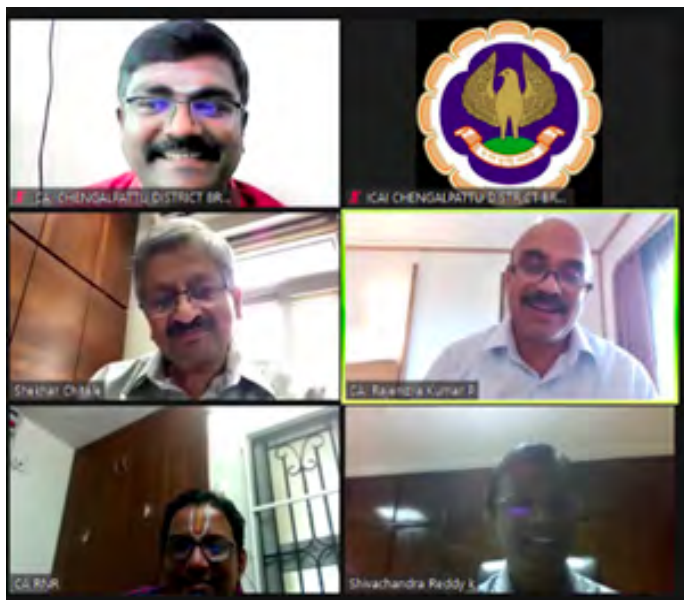
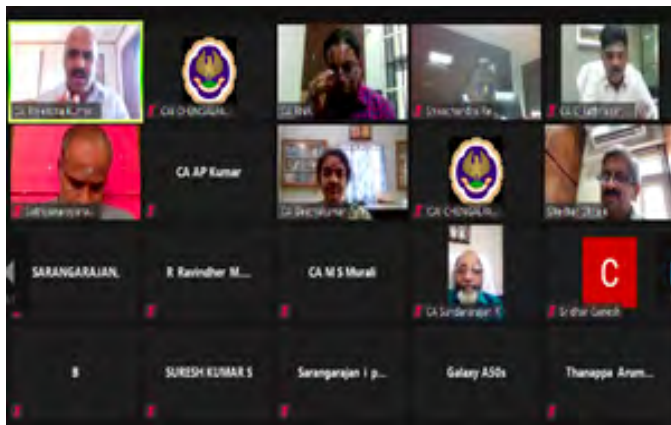


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Topic : TDS & TCS Compliance under Income Tax in TALLY Accounting Software

Speaker : CA Uttam Chand P Jain

Date : 18.06.2021



PHOTO GALLERY

Topic: Security / Audit Trail in TALLY Accounting Software

Speaker : CA Uttam Chand P Jain

Date : 19.06.2021

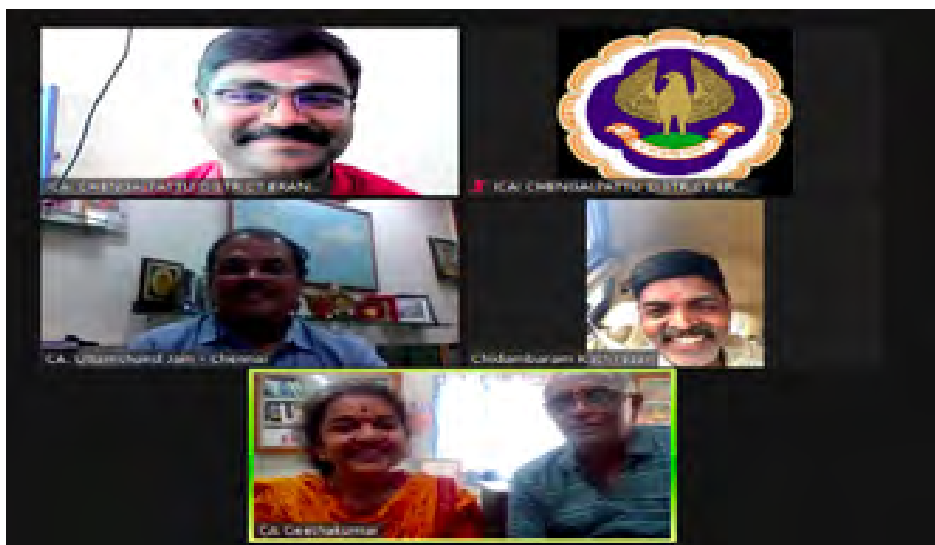
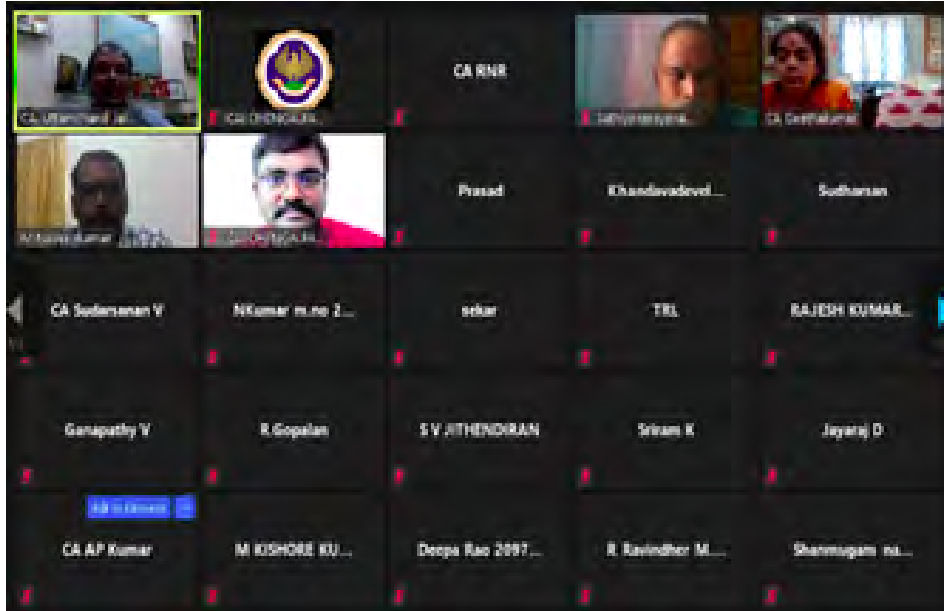


PHOTO GALLERY

BRANCH DAY CELEBRATION

Topic : Intricacies involved in GST-Registration, Cancellation, e-invoicing & e-way Bill

Speaker : CA Murali J

Date : 20.06.2021

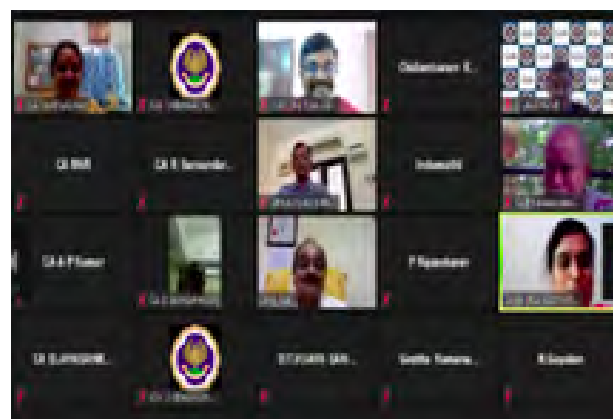
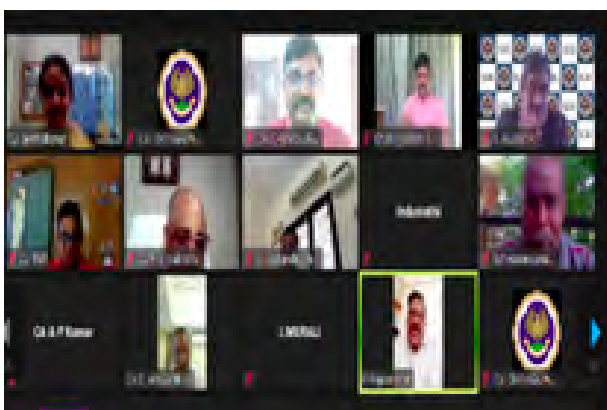
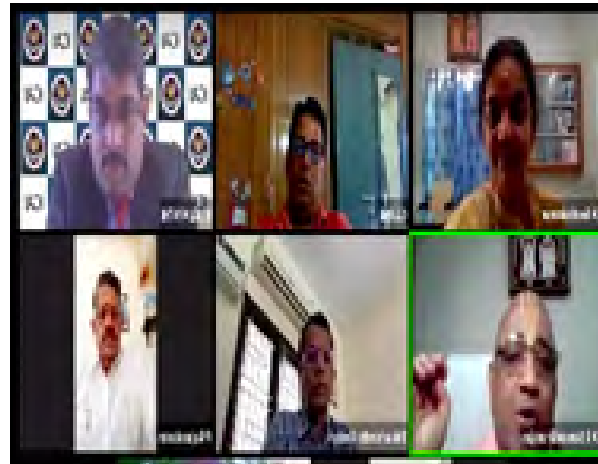


PHOTO GALLERY

Topic : Case Laws in CODE of CONDUCT & PROFESSIONAL ETHICS

Speaker : CA Sundararajan R

Date : 23.06.2021

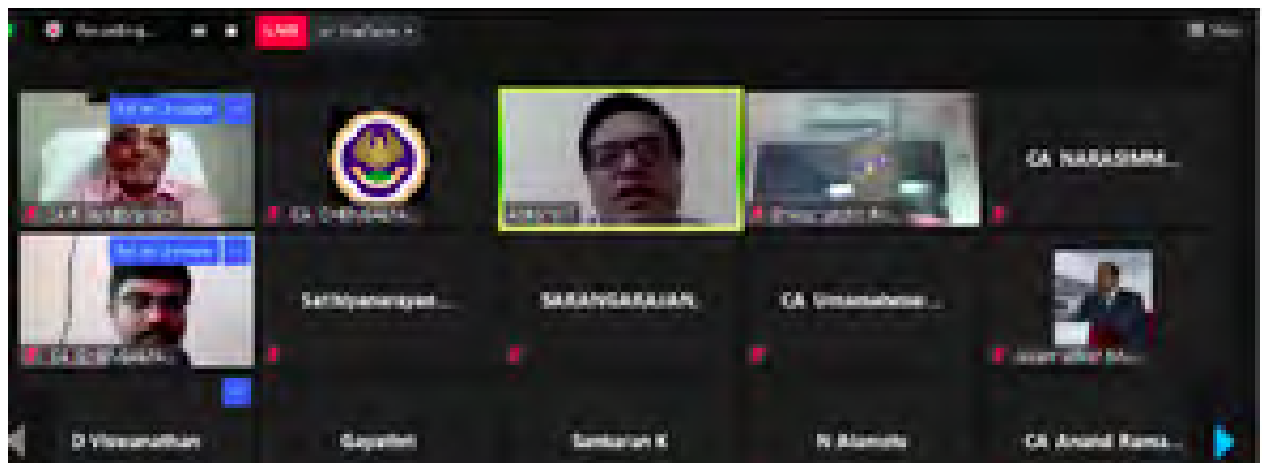
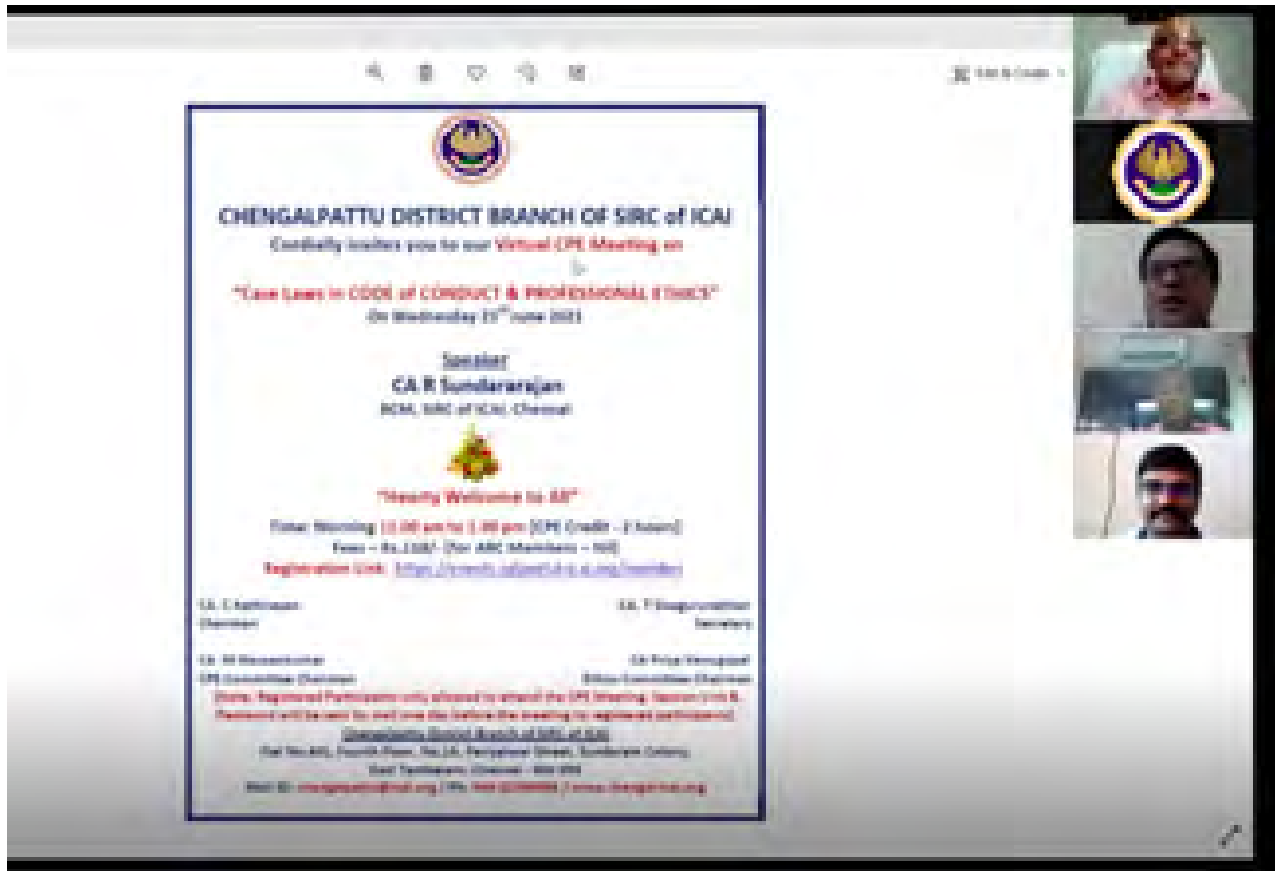


PHOTO GALLERY

Topic : Overview of Insolvency and Bankruptcy Code & Professional Opportunities-
Panel Discussion

Speaker : CA G.Geetha , CA S.Aneetha, CA S.Yasodha , CS P.R.Chitra

Date : 26.06.2021



PHOTO GALLERY - MSME Day Celebration

Cheif Guest: Thiru T.M. Anbarasan,
Minister for Rural Developemt, Govt. of Tamilnadu
Topic : Role of CAs as swift responders to MSME Needs
Speaker : CA Dr. Gopal Krishna Raju

Date : 27.06.2021

Jointly with SIRC of ICAI

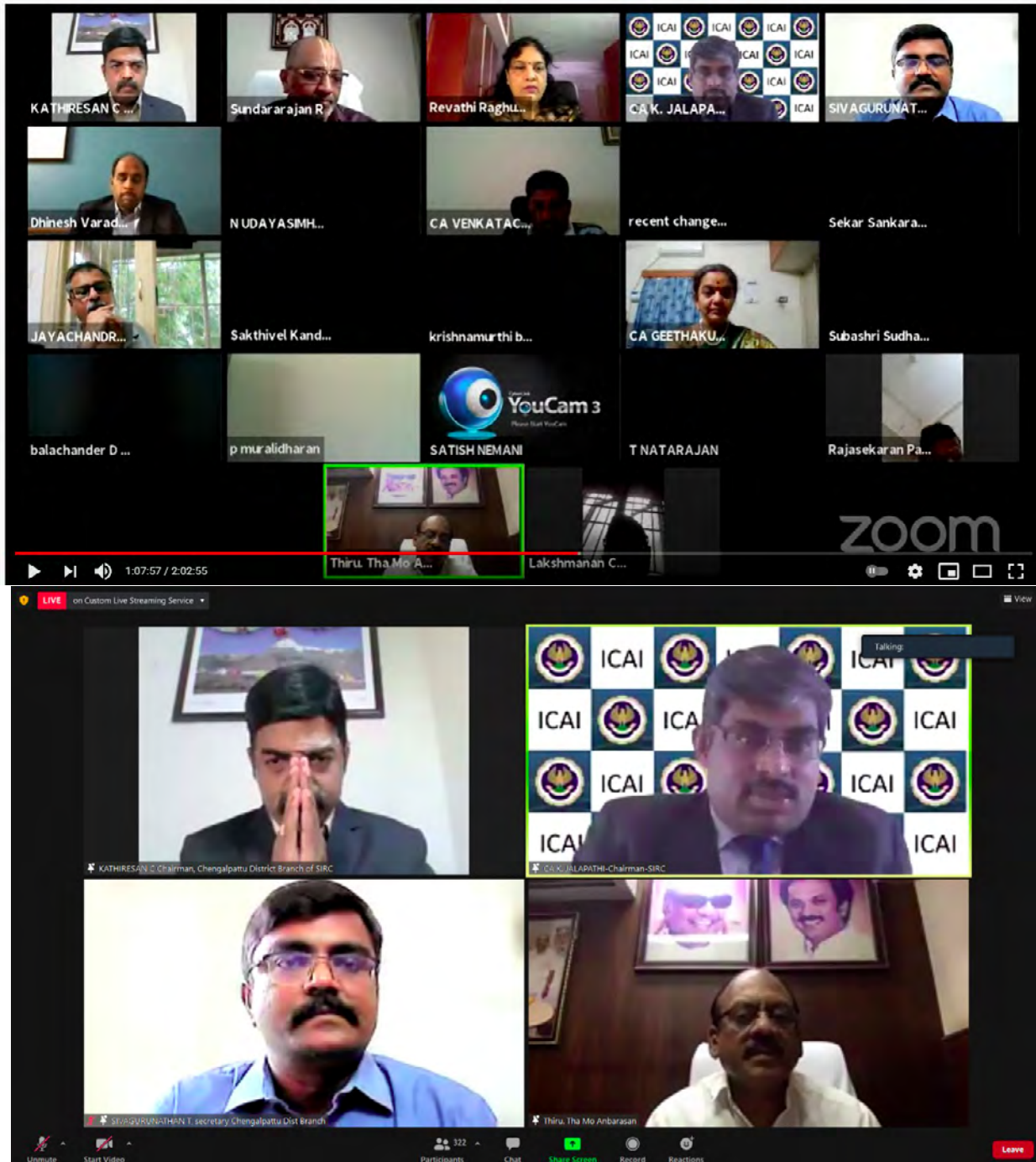


PHOTO GALLERY CA Day Celebration

Flag Hoisting at the branch

Date : 01.07.2021



PHOTO GALLERY - CA Day Celebration

Tree Sapling

Date : 01.07.2021



PHOTO GALLERY - CA Day Celebration

Donation to Saradha sakthi peetam

Date : 01.07.2021

