



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

E- NewsLetter NOVEMBER 2021



Chengalpattu District Branch of SIRC of ICAI

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ARTICLES INVITED FROM MEMBERS:

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.

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E-NEWSLETTER

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

From the Chairman's Desk

Dear professional colleagues,



My hearty Diwali wishes to all the members and students.

The physical CPE meetings are to be started in this month and request the members to attend the physical meetings by following the SOP's.

The RLDA site is to be cleaned and survey to be done. The branch is expected to take possession of the land by this month end.

The branch SICASA is conducting fast track classes for intermediate students during this month and request the members to motivate their article students to attend the classes. The branch SICASA is also conducting student events "Ignite the Child in you" during this month and expect identification of new talents among our CA students.

Once again, I request the members to contribute news articles to the branch newsletter.

Thanking you.

With regards.

CA C Kathiresan

Chairman

9444083676

Chengalpattu District Branch of SIRC of ICAI

05.11.2021

SAVE BRANCH MOBILE NO: 8056244300

New Annual Information System (AIS)

compiled by CA Geetha G



The income tax department (I-T dept), on 1ST Nov.2021, rolled out the new annual information statement (AIS) on the compliance portal. This annual statement provides a comprehensive view of information to a taxpayer and the facility to submit online feedback.

The new annual information statement (AIS) includes additional information linked to interest, dividend, securities transactions, mutual fund transactions, foreign remittance information and other such transactions.

The income tax department has clarified that till the new annual information statement is validated and is completely operational, Form 26AS will continue to be available on the TRACES portal. The tax department also added that the reported information has been processed to remove duplicate information.

If the taxpayer feels that the information is incorrect, relates to another person/year, duplicate or such other a facility has been provided to submit online feedback. "The taxpayers are requested to view the information shown in annual information statement (AIS) and provide feedback if the information needs modification," the Central Board of Direct Taxes (CBDT) said.

The new AIS can be accessed by clicking on the link 'Annual Information Statement (AIS)' under the 'Services' tab on the new Income tax e-filing portal (<https://www.incometax.gov.in>).

How AIS will be helpful?

AIS provides for a simplified taxpayer information summary (TIS) which shows the aggregated value for the taxpayer for the ease of filing returns.

If the taxpayer submits feedback on the annual information statement (AIS), the derived information in TIS will be automatically updated in real-time.

This derived information in taxpayer information summary (TIS) will be used for pre-filing of return which shall be implemented in a phased manner.

If the ITR has been filed but some information has not been included, the return may be revised to reflect the correct information as shown in TIS.

In case there is a variation, the taxpayer may rely on the information displayed on the TRACES portal for the purpose of filing of ITR.

In comparison to Form 26AS, AIS is a more comprehensive single reference document and can be modified by taxpayers if the information is incorrect.

Annual Information Statement (AIS) provides complete and detailed information related to interest, dividend, securities/ mutual funds transactions.

Indirect Taxes Updates

by CA R. V. Bhuvaneshwari



I. Clarification regarding GST rates & classification (Goods) based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021 at Lucknow.

1. GST on Fresh & Dried Fruits and Nuts:

At present, fresh nuts are exempt from GST, while dried nuts under these headings attract GST at the rate of 5%/ 12%. Fresh fruit and nuts would cover fruit and nuts which are meant to be supplied in the state as plucked. They continue to be fresh even if chilled. However, fruit and nuts do not qualify as fresh, once frozen (cooked or otherwise), or intentionally dried to dehydrate including through sun drying, evaporation or freezing, for supply as dried fruits or nuts. Exemption from GST to fresh fruits and nuts covers only such products which are not frozen or dried in any manner as stated above or otherwise processed. Supply of dried fruits and nuts, falling under heading 0801 and 0802 attract GST at the rate of 5%/12% as specified in the respective rate Schedules.

2. Applicability of GST on Tamarind Seeds:

The dispute is in classification of tamarind seeds between tariff heading 1207 and 1209. Heading 1209, covering seeds, fruit and spores, of a kind used for sowing. Thus, tamarind seeds, even if used for any purpose other than sowing, was liable to be classified under heading 1209 and hitherto attracted NIL GST rate, irrespective of its use (for the period 01.07.2017 to 30.09.2021). The GST council in its 45th meeting recommended GST rate on seeds, falling under heading 1209, meant for any use other than sowing to 5%. Hence, with effect from 1.10.2021, tamarind and other seeds falling under heading 1209, if not supplied as seed for sowing, would attract GST at the rate of 5%.

3. Clarification for Definition of Copra:

Heading 0801 covers coconut fresh or dried but excludes Copra. Thus, exemption available to Coconut, fresh or dried, whether or not shelled or peeled is not available to Copra. Accordingly, Copra, classified under heading 1203, attracts GST rate of 5% vide entry at S. No. 66 of Schedule I of 1/2017-Central Taxes (Rate) dated 28.06.2017, irrespective of use.

4. Applicability of GST rates on Solar PV Power Projects:

As per the Notification No. 24/2018 - CT(R) dated 31.12.2018, GST on specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, with effect from 1st January, 2019. The GST Council has now decided to clarify that GST on such specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, for the period of 1st July, 2017 to 31st December, 2018, in the same manner as has been prescribed for the period on or after 1st January, 2019. However, it is specified that, no refunds will be granted if GST already paid is more than the amount determined using this mechanism.

II. Grounds for disallowing Debit of Electronic Credit Ledger under Rule 86A of the CGST Rules, 2017:

Any officer must have "reasons to believe" before disallowing the debit of amount from electronic credit ledger of the said registered person under rule 86A. The reasons for such belief must be based only on one or more of the following grounds:

- The credit is availed by the registered person on the invoices or debit notes issued by a supplier, who is found to be non-existent or is found not to be conducting any business from the place declared in registration.
- The credit is availed by the registered person on invoices or debit notes, without actually receiving any goods or services or both.
- The credit is availed by the registered person on invoices or debit notes, the tax in respect of which has not been paid to the government.
- The registered person claiming the credit is found to be non-existent or is found not to be conducting any business from the place declared in registration.
- The credit is availed by the registered person without having any invoice or debit note or any other valid document for it.

MCA Updates

by CA A. Priya

Relaxation in payment of Additional Fees in case of delay in filing Form 8-Statement of Account & Solvency by Limited Liability Partnership upto 30th December 2021

MCA vide its General Circular No. 16/2021 dated 26th October, 2021 has provided relaxation for filing of Form 8 with respect to filing of Statement of Account and Solvency by Limited Liability Partnership without any additional fees being imposed up to 30th December, 2021 for the Financial Year 2020-21.

The due date for filing Form 8 as per provisions of the Companies Act, 2013, is 30th October, from the end of the financial year. Additional fees of Rs.100/- per day would be levied in case the form is filed beyond the said date.

The extension has been considered by the Ministry upon representations received on account of challenges faced by LLPs due to COVID-19 pandemic.

Relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, and MGT-7/ MGT-7A for the financial year ended on 31st March 2021 without paying additional fees upto 31st December, 2021.

MCA vide its General Circular No.17/2021 dated 29th October, 2021 has provided relaxation for filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, and MGT-7/ MGT-7A for the financial year ended on 31st March 2021 without paying additional fees upto 31st December, 2021 for the Financial Year 2020-21.

The extension has been considered by the Ministry upon requests received from stakeholders regarding relaxation on levy of additional fees for annual financial statement filings required to be done for the financial year ended on 31.03.2021.

Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014

MCA vide its General Circular No.18/2021 dated 29th October, 2021 has again extended the due date of filing Cost Audit Report to the Board of Directors by another one month i.e. till 30th November, 2021.

In continuation to the Ministry's earlier General Circular No.15/2021 dated 27.09.2021, 31st October, 2021 has been changed to 30th November, 2021, through issue of this Circular.

As per Rule 6(5) of the 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.

The extension has been considered by the Ministry upon representations received on account of disruptions caused by COVID-19 pandemic.

Form MGT-7/MGT-7A had been revised on MCA21 Company Forms Download page w.e.f 14th October, 2021. The latest version of these forms may be used before filing.

List of incorporated Nidhi Companies wherein NDH-4 form for declaration as Nidhi Company have been rejected

MCA, had released the list of Nidhi Companies wherein e-Form NDH-4 was already rejected by the Ministry. Amended Section 406 of the Companies Act, 2013 and Nidhi Rules requires all Nidhi Companies to apply to the Central Government in e-Form NDH - 4 for updation of their status/declaration as Nidhi Company. While examining those applications, the Central Government had noticed that those companies are not complying with the applicable provisions of the Act and rules thereunder in toto. Further, all the companies functioning as Nidhi company haven't submitted their application within the fixed time frame prescribed under Nidhi Rules and therefore have committed a violation of those rules. MCA had rejected 404 applications filed by such Companies. The list of names of such companies have been notified by MCA.

All investors were advised to verify the antecedents/status of such a Company, before becoming its member and take an informed decision before investing in such companies.

Due dates for filing RoC forms:

Form	Particulars	Due Date
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	30.12.2021
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/>

ITAT - Jaipur Bench

Meera Devi Kumawat v JCIT

ITA NO. 1201 OF 2019

Held: Where assessee received substantial amount of cash from her husband which was used to purchase property for residence of family members, since amount was used for benefit of family not for business purpose and assessee provided reasonable explanation justifying cash transactions, no penalty could be levied under section 271D for violation of section 269SS

The transaction was not loan as no interest element was involved and there was no promise to return amount with or without interest.

In instant case, where the family of the assessee was guided by its internal family requirement and at the same time, pooling in the family funds especially where the assessee did not have any known sources of income, the explanation of the assessee deserved to be appreciated and the approach of the revenue needs to be flexible for appreciating the reasonability of the explanation so submitted by the assessee. Further, the assessee had explained the payment of construction expenses which were required to be incurred in cash towards the purchase of construction material and payment to labourers.

ITAT - Mumbai Bench

DCIT v Macleods Pharmaceuticals Ltd.

SPECIAL CIVIL APPLICATION NO. 12637 OF 2019

Held: Not agreeing with co-ordinate bench decision, Tribunal recommends constitution of a bench of three or more Members to consider question as to whether or not an item of expenditure on account of freebies to medical professionals, which is hit by rule 6.8.1 of Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 can be allowed as a deduction under section 37(1)

- Decision in Deputy Commissioner of Income-tax v. PHLPharma (P.) Ltd. [2017] 78 taxmann.com 36 (Mumbai-Trib.) was first decision dealing with period post insertion of rule 6.8.1 in Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 and reasoning adopted therein is also followed by a large number of other co-ordinate bench decisions holding that Expenditure incurred by assessee Pharma Company for customer relationship management, key account management, gift articles, free medicine sample, advertisement and sales promotion could not be considered as freebies given to doctors, they were purely for brand recognition; allowable as business expenditure and were not impaired by Explanation 1 to section 37(1).

- However, Conclusions arrived in said decision do not reflect correct legal position, and same is position with respect to a large number of other co-ordinate bench decisions following said decision or following line of reasoning in said decision. Hence, decision in PHL Pharma (supra) calls for reconsideration by a larger bench.

- Accordingly, constitution of a bench of three or more Members was to be recommended to consider question as to whether or not an item of expenditure on account of freebies to medical professionals, which is hit by rule 6.8.1 of Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 as amended from time-to-time, read with section 20A of Indian Medical Council Act, 1956, could be allowed as a deduction under section 37(1) read with Explanation thereto, in hands of pharmaceutical companies.

High Court of Bombay

Mantra Industries Ltd. vs NFAC

WP 1625 OF 2021

Held: Where revenue passed assessment order which was an exact reproduction of draft assessment order without considering replies filed by petitioner and petitioner's request for personal hearing, since impugned order was not passed in accordance with procedure laid down under section 144B(9), same was to be set aside

Section 144B, read with sections 144, 156 and 270A, of the Income-tax Act, 1961 - Faceless Assessment (Personal hearing) - Assessment year 2018-19 - Petitioner challenged assessment order passed under section 144 along with notice of demand issued under section 156 and penalty proceedings initiated under section 270A - It was observed that assessment order passed by revenue was an exact reproduction of draft assessment order without considering replies filed by petitioner and petitioner's request for personal hearing - Whether since impugned order was passed without application of mind and was not in accordance with procedure laid down under section 144B(9), same was to be set aside - Held, yes - Whether if such orders are continued to be passed, substantial costs will be imposed on concerned Assessing Officer which would be recovered from his/her salary and also department is to be directed to place such judicial orders in career records of such Assessing Officer - Held, yes [Paras 8 and 9] [In favour of assessee]

Note: The Hon'ble High Court of Delhi and other judgments of Hon'ble High Court of Bombay had also decided, in a number of decisions, that if the provisions of section 144B is not followed in passing the assessment order, especially in the matter of not affording personal hearing and in cases where draft assessment order or Show Cause Notice were not issued, are all non-est going by the provisions of section 144B(9).

COMPLIANCE DUE DATES - NOVEMBER 2021

Due Date	Particulars of Compliance	Applicable Act	Forms/Returns	Applicable To	Reporting Period
07-11-21	Due Date for deposit of Tax Deducted/Collected	Income Tax	Challan - 281	All Tax Deductors/Collectors	Oct-21
10-11-21	Return for TDS under GST	GST	GSTR - 7	Government Authorities	Oct-21
10-11-21	Return for Details of Supplies and the amount of tax collected	GST	GSTR - 8	E-Commerce Operator	Oct-21
11-11-21	Due date for filing of Summary Return of Outward Supplies.	GST	GSTR - 1	Taxpayers with Annual Turnover exceeding Rs. 1.5 crores.	Oct-21
11-11-21	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	Oct-21
13-11-21	Optional Facility for Furnishing of Invoices raised during the period	GST	IFF	Taxpayers with Annual Turnover less than 1.5 crores and opted for QRMP Scheme	Oct-21
13-11-21	Return for details of ITC Received and Distribution	GST	GSTR - 6	Input Service Distributors	Oct-21
15-11-21	Due Date for issue of TDS Certificates for tax deducted on payments other than Salary	Income Tax	Form 16A	All Tax Deductors/Collectors	Jul-Sep 2021
15-11-21	Deposit of Provident Fund Contributions	Provident Fund	Through EPFO Portal	Entities registered with PF Authorities	Oct-21

15-11-21	Deposit of E.S.I.C Contributions	ESI	Through ESIC Portal	Entities registered with ESIC Authorities	Oct-21
20-11-21	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	Oct-21
20-11-21	Due date for filing Summary Return of Outward & Inward Supplies	GST	GSTR - 3B	GST Taxpayers having Turnover not exceeding Rs. 1.5 Crores in Preceding FY but not opted for QRMP Scheme	Oct-21
20-11-21	Last date for filing of Summary Return of Outward & Inward Supplies and Tax payable	GST	GSTR - 5A	OIDAR Service Providers	Oct-21
20-11-21	Last date for filing of Summary Return of Outward & Inward Supplies and Tax payable	GST	GSTR - 5	Non-Resident Taxable Persons	Oct-21
30-11-21	Due Date of Holding AGM	Companies Act		All Companies other than OPC	FY 20-21

PHOTO GALLERY

Ayutha Pooja Function @ Branch Premises

Date: 13.10.2021

