

NEWSLETTER

AJAY RATTAN & CO.

CHARTERED ACCOUNTANTS

*Newsletter for
April, 2021
Volume 11, Issue 4*



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“Income Tax returns are the most imaginative fiction being written today”

- Herman Wouk

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COMPLIANCE | APRIL 2021

Compliance Due Date	Compliance Detail	Applicable To
7 th April	Equalization Levy Deposit	Non- Government deductors.
10 th April	a) GSTR – 7 (TDS return under GST) b) GSTR – 8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11 th April	a) GSTR – 1 (Outward supply return)	b) All taxable persons having Turnover > Rs 5 crore.
13 th April	a) GSTR – 6 [Return by input service distributor (ISD)] b) GSTR-1(Outward supply return for period Jan 21 to Mar 21)	a) Input Service Distributor b) Registered Taxpayer who has opted for Quarterly Return Monthly Payment (QRMP) Scheme.
15 th April	a) Deposit of PF & ESI contribution b) TDS/TCS certificate (non-salary)	a) All deductors b) All deductors
18 th April	a) CMP-08 (Statement cum challan for composition dealer)	a) Composition dealer
20 th April	a) GSTR – 5 (Return by Non-residents) b) GSTR – 5A (online information database access and retrieval services return) c) GSTR 3B (Summary return)	a) Non-resident taxable person b) OIDAR service provider c) All taxable persons (except composition dealer) who have not opted monthly return in QRMP scheme for Quarter March 2021.
22 nd April	a) GSTR 3B (Summary return for period Jan 21 to Mar 21)	a) Registered Taxpayer who has opted for Quarterly Return Monthly Payment (QRMP) Scheme and principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
24 th April	a) GSTR 3B (Summary return for period Jan 21 to Mar 21)	a) Registered Taxpayer who has opted for Quarterly Return Monthly Payment (QRMP) Scheme and principal place of business in any other state.
30 th April	a) TDS/TCS Deposit b) Due date for uploading Form 15G/15H for period Jan 21- Mar 21 c) Form MSME for period Oct 20 to Mar 21 d) GSTR 4 (Annual Return for Composition Dealer) e) Last date for payment under Vivad se Vishwas Scheme (VSVS) without additional levy.	a) Non-government Deductors b) Due date for uploading declarations received from recipients in Form 15G/15H c) Companies that get supplies from MSME Sector. d) Composition dealer e) Taxpayers who have filed VSVS declaration upto 31 st March 2021.

GST AMENDMENTS APPLICABLE FROM 1st April 2021

Notification No: 6/2021 dated 30.03.2021: QR CODE EXTENSION

Penalty waived for non-showing QR Code on invoices by registered persons having turnover more than 500 crores till 30.06.2021. Therefore, registered person having turnover more than 500 crores can utilize the option not to show QR code till 30.06.2021.

Notification No: 5/2021 dated 08.03.2021: E- INVOICING

Seeks to implement e-invoicing w.e.f 01st April 2021 for the taxpayers having aggregate turnover exceeding Rs. 50 Cr. in any preceding financial year from 2017-18 onwards.

Notification No: 78/2020 dated 15.10.2020: HSN CODE APPLICABILITY

With effect from the 01st day of April 2021, HSN code is mandatory to quote on Invoice and E-way bill as follows:

Serial Number (1)	Aggregate Turnover in the preceding Financial Year (2)	Number of Digits of Harmonised System of Nomenclature Code (HSN Code) (3)
1.	Up to rupees five crores	4
2.	more than rupees five crores	6

Provided that a registered person having aggregate turnover up to five crores rupees in the previous financial year may not mention the number of digits of HSN Code, as specified in the corresponding entry in column (3) of the said Table in a tax invoice issued by him under the said rules in respect of supplies made to unregistered persons.

Option to opt QRMP Scheme:

The registered persons having turnover less than 5 crores can opt QRMP Scheme for 1st Quarter of FY 21-22 in April Month.



SECTION 147 OF THE INCOME-TAX ACT, 1961 - INCOME ESCAPING ASSESSMENT - GENERAL - ACTION REQUIRED TO BE TAKEN IN CASES WHERE INCOME ESCAPING ASSESSMENT PERTAINS TO ASSESSMENT YEARS 2013-14 TO 2017-18

INSTRUCTION F. NO. 414/132/2018-IT (INV.I)(PART I), DATED 9-3-2021

Kind reference is invited to the above.

1. In this regard, I am directed to convey that clarifications/queries have been received from various field formations with respect to instruction issued vide F.No. 414/132/2018-IT (Inv. I) (part I), dated 5-3-2021. In view of the above, a FAQ (Frequently Asked Questions) has been prepared for necessary guidance of the field formations. FAQ is enclosed for your kind perusal and necessary action.

Frequently Asked Questions (FAQs) with respect to Board's directions issued vide F.No.414/132/2018-IT (Inv. I) (Part I) dated 5th March, 2021

Question No. 1. Which functionality is to be used for uploading the information in respect of cases where the income escaping assessment pertains to AYs 2013-14 to 2017-18 as mentioned in Para 2(a) of the aforementioned directions issued vide F.No.414/132/2018-IT(Inv. I)(Part I) dated 5th March, 2021?

Answer: (a) In cases where income escaping assessment pertains to AYs 2013- 14 to 2017-18, and where enquiries/investigations have been completed by 5-3-2021, the information and verification results thereof are to be uploaded on the 'Verification Report Upload (VRU)' functionality.

(b) In cases where the actionable information is of bulk nature (e.g. beneficiaries in cases of entry operators, penny stock transactions etc.) the 'Case Related Information Upload (CRIU)' functionality is to be used for uploading the information.

Question No. 2. **In respect of Para 2(a) of the aforesaid directions, whether all such cases where information has already been disseminated to the erstwhile AO/JAO are required to be uploaded using the said functionalities. Does this include all reports sent even earlier, which had information involving escapement of income relevant for A.Ys. 2013-14 to 2017-18?**

Answer: Information or Verification result, which has not been disseminated previously or has been disseminated after 1-4-2019, may be uploaded using the VRU/CRIU functionality. In respect of information disseminated before 1-4-2019, it is expected that the concerned Assessing Officer must have already taken the necessary action.

Question No. 3. **Which utility is to be used for uploading the information in respect of cases pending before Investigation Wing referred to in Para 2(b) of the aforesaid directions?**

Answer: (a) In respect of cases pending before investigation wing, where nature and value of information is available, VRU functionality may be used with Verification Result Type as "Verification Pending". In such cases, information details, as well underlying document, needs to be uploaded.

(b) In case of STRs and OCM data where information is already available with Systems, the information details of pending case need not be uploaded again.

Question No. 4. **In search cases, where proceedings are to be completed u/s 153A/153C, whether information is to be uploaded using CRIU/VRU functionalities.**

Answer: (a) All 153 A and 153C cases, where the information is to be handled by respective central charges, no separate upload is required on VRU/CRIU. The information in respect of such cases may be shared with Central Charges, as per the procedure being followed presently.

(b) Cases where information has been handed over to Central Charges but information is required to be further disseminated to Jurisdictional charges or cases where action is to be taken by JAOs, VRU functionality may be used by Central charges where the actionable year and quantum of verification result (undisclosed income etc.) can be reasonably ascertained. CRIU utility may be used where bulk data (e.g., Beneficiaries of entry operators, penny stock transactions etc.) is involved.

Question No. 5. **In search Cases, what is to be done if the information in the seized material pertains to period outside block period?**

Answer: (a) In cases where investigation is completed partially, VRU functionality may be used where the actionable year and quantum of verification result (undisclosed income etc.) can be reasonably estimated.

(b) In cases where no investigation has been conducted yet and where nature and value of information is available, VRU functionality may be used with Verification Result Type as "Verification Pending". In such cases, information details, as well underlying document, needs to be uploaded. CRIU utility may be

used where bulk data is involved.

Question No. 6. What will happen to beneficiaries for AYs 2013-14 to 2017-18, emanating out of survey, where survey reports are not yet finalized.

Answer: (a) In cases where investigation is complete/partially complete, VRU functionality may be used where the actionable year and quantum of verification result (undisclosed income etc.) can be reasonably estimated/ascertained.

(b) In cases where no investigation has been conducted yet and where nature and value of information is available, VRU functionality may be used with Verification Result Type as "Verification Pending". In such cases, information details, as well underlying document, needs to be uploaded.

(c) CRIU utility may be used where bulk data is involved.

Question No. 7. Are the reports which have been sent to central circles also to be uploaded in VRU?

Answer: There is no requirement to upload the information if the said information is actionable by the Central Circle. However, if the information is not actionable by Central Circle or is meant for further dissemination, VRU functionality may be used by the Central Charges for uploading the information. In case such information has not been disseminated by the Investigation Wing to Central Charges for further dissemination, then such information may be uploaded on VRU by the Investigation Wing.

Question No. 8. What is to be done w.r.t information received from various LEAs (SEBI, DRI, REIC, CEIB etc.)?

Answer: Such cases are covered by para I(ii) of Instruction dated 4-3-2021 issued from F.No.225/40/2021/ITA-II by ITA Division of CBDT.

Question No. 9. What is to be done in cases related to Foreign Assets/Transactions/Intelligence?

Answer: Proceeding in respect of Foreign Assets/Intelligence cases are to be taken under BMA, 2015. As such, directions dated 5-3-2021 are not applicable to the same.

Question No. 10. Are the documents or information also to be sent through normal modes like speed post or email also, even when uploading on Insight completed?

Answer: In cases where information has been uploaded on the CRIU/VRU functionality, all the relevant evidences/documents should be uploaded on the relevant functionality itself.

Question No. 11. As cases involving escapement of income of more than 50 lakhs are not getting time barred for AYs 2013-14 to 2017-18, in STR and similar cases where estimated income escapement is more than 50 Lakhs for an assessee for a year, should the investigation continue or should it be stopped and information as such be uploaded?

Answer: If escaped income is more than Rs. 50 lakhs and is supported by underlying asset, then the investigation can be continued, as the same will not be getting barred by limitation of time.

Question No. 12. **What is to be done w.r.t beneficiaries identified during course of investigation of STRs/TEPs not forming part of STR/TEP dissemination?**

Answer: The procedure as explained in Question No. 6 may be followed.

Question No. 13. **How to upload documents of large size in VRU or CRIU? Is there a limit on the size of the document and the upload package?**

Answer: (a) The current limit of Individual document size is 4MB and the limit of the package(zipped) is 20MB is being increased to 6MB and 30MB, respectively.

(b) In case the size of a single document exceeds the limit size, the document may be uploaded in two or more parts. In such cases the description of the document may be mentioned to help the user in getting the complete picture and linking the documents.

(c) In case the package size is greater than 30 MB, please contact the helpdesk.

INCOME-TAX (THIRD AMENDMENT) RULES, 2021 - AMENDMENT IN FORM NO. 16 AND FORM NO. 24Q; SUBSTITUTION OF FORM NO. 12BA

NOTIFICATION NO. G.S.R. 170 (E) [NO. 15/2021/F.NO. 370142/04/2019-TPL], DATED 11-3-2021

In exercise of powers conferred by sections 200 and 203, read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

Short title and commencement

1. (1) These rules may be called the Income-tax (3rd Amendment) Rules, 2021.
- (2) They shall come into force on the 1st day of April, 2021.
2. In the Income-tax Rules, 1962, in Appendix II,—
 - (i) For Form No. 12BA, has been substituted.

FORM 15E NOTIFIED BY CBDT FOR MAKING APPLICATION FOR GRANT OF CERTIFICATE TO DETERMINE SUM CHARGEABLE TO TAX U/S 195.

G.S.R. 194(E)—In exercise of the powers conferred by section 195 read with section 295 of the Income- tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes, hereby, makes the following rules further to amend the Income-tax Rules, 1962, namely:-

1. Short title and commencement-(1)These rules may be called the Income-tax (5th Amendment)Rules,2021.
 - (2)Theyshallcome into force witheffectfromthe 1stdayof April, 2021.
2. In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), after rule 29B, thefollowingrule shallbe inserted, namely,—

“29BA. Application for grant of certificate for determination of appropriate proportion of sum (other than Salary), payable to non-resident, chargeable in case of the recipients.

(1) application by a person for determination of appropriate proportion of sum chargeable in the case of non-resident recipient under sub-section (2) or sub-section (7) of section 195 shall be made in Form 15E Electronically.

CLARIFICATION ON CONTINUATION OF CONCESSIONAL RATE OF TAX ON CERTAIN INTEREST INCOME OF THE FPIs.

Section 115AD of the Income-tax Act, 1961 (the 'Act') inter alia contains provisions for taxation of income of FPIs. Proviso to section 115AD(1)(i) provides that the tax shall be chargeable at the concessional rate of 5% on interest income referred to in section 194LD. There are reports in certain section of media that the said concessional tax rate of 5% has been withdrawn. It is hereby clarified that there is no change in the said proviso even after amendment of section 115AD vide Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and the concessional rate of tax of 5% shall continue to be applicable for interest income referred to in section 194LD of the Act.

SECTION 6 OF THE INCOME-TAX ACT, 1961 - RESIDENTIAL STATUS - RESIDENTIAL STATUS OF CERTAIN INDIVIDUALS UNDER THE ACT

CIRCULAR NO. 2 OF 2021 [F. NO. 370142/18/2020-TPL], DATED 3-3-2021

Section 6 of the Income-tax Act, 1961 (the Act) contains provisions relating to determination of residency of a person. The status of an individual, as to whether he is resident in India or a non-resident or not ordinarily resident, is dependent, inter alia, on the period for which the person is in India during a previous year or years preceding the previous year.

Relaxation for Previous Year 2019-20

2. Considering the COVID-19 pandemic and the resultant overstay of an individual who had come to India on a visit before 22nd March 2020, [Circular No. 11 of 2020 dated 8th May 2020](#) was issued by the Central Board of Direct Taxes (the Board) under section 119 of the Act to avoid genuine hardship in such cases. It was clarified that for the purpose of determining the residential status under section 6 of the Act during the previous year 2019-20 in respect of an individual who has come to India on a visit before 22nd March 2020 and:

- (a) has been unable to leave India on or before 31st March 2020, his period of stay in India from 22nd March 2020 to 31st March, 2020 shall not be taken into account; or
- (b) has been quarantined in India on account of Novel Corona Virus (Covid-19) on or after 1st March, 2020 and has departed on an evacuation flight before 31st March 2020 or has been unable to leave India on or before 31st March 2020, his period of stay from the beginning of his quarantine to his date of departure or 31st March, 2020, as the case may be, shall not be taken into account; or
- (c) has departed on an evacuation flight before 31st March 2020, his period of stay in India from 22nd March 2020 to his date of departure shall not be taken into account.

Residential Status for Previous year 2020-21

3. The Board has received various representations requesting for relaxation in determination of residential status for previous year 2020-21 from individuals who had come on a visit to India during the previous year 2019-20 and intended to leave India but could not do so due to suspension of international flights. The matter has been examined by the Board and following facts have emerged:—

I. Short stay will not result in Indian residency

There may be a situation where a person, who was a non-resident during the previous year 2019-20, gets stranded in India by reason of the COVID-19 pandemic for some time during the previous year 2020-21 ('PY 2020-21'). In such situations, there are less chances that the person would acquire residence status in India during the PY 2020-21 only for this reason as explained below: -

- A.** A citizen of India or a person of Indian origin may become resident in India only in one of the following situations: -
- (i)** if his total income from Indian sources (i.e., other than the income from foreign sources) does not exceed fifteen lakh rupees in PY 2020-21 and he stays in India for 182 days or more during the PY 2020-21; or
 - (ii)** if his total income from Indian sources (i.e., other than the income from foreign sources) exceed fifteen lakh rupees in PY 2020-21 and
 - (a)** he stays during PY 2020-21 for 182 days or more; or
 - (b)** he stays during the PY 2020-21 for 120, days or more and also stays for 365 days or more in preceding four previous years.
- B.** An Individual who is not citizen of India or a person of Indian origin may become resident in India only in one of the following situations: -
- (i)** if he stays during PY 2020-21 for 182 days or more; or
 - (ii)** if he stays during the PY 2020-21 for 60 days or more and also stays for 365 days or more in preceding four previous years.

Thus, generally, a person will become resident in India for the PY 2020-21 only if he stayed in India for 182 days or more unless he is covered by the exceptions discussed above.

II. Possibilities of dual non-residency in case of general relaxation:

Most of the countries have the condition of stay for 182 days or more for determining residency. Thus, a person in most situations will be resident in only one country since there are 365 days in a year. In fact, if general relaxation for the stay period of 182 days is provided, there may be cases of double non-residency. In such situation, a person may not become a tax resident in any country in PY 2020-21 even after staying for more than 182 days or more in India resulting in double non-taxation and end up not paying tax in any country.

III. Tie breaker rule as per Double Taxation Avoidance Agreement (DTAA):

As discussed above, a person may become resident in India in some cases even if he stays for less than 182 days in India. In that situation, there may be a case of dual residency. However, due to applicability of Double Taxation Avoidance Agreement (DTAA), such person will become resident of only one country as per the "tiebreaker rule" in the DTAA. For example, the Indo-USA DTAA contains following tiebreaker rule in Article 4(2):

"Where by reason of the provisions of paragraph 1, an individual is a resident of both Contracting States, then his status shall be determined as follows:

- (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
- (b) if the State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;
- (d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement."

Thus, as per the provisions of the Indo-USA DTAA, a person can become resident of two countries only in the following case:

- (a) he has a permanent home available to him in both countries or in none of the two countries; and
- (b) centre of vital interests cannot be determined; and
- (c) he has a habitual abode in both States or in neither of them; and
- (d) he is a national of both States or of neither of them.

Even in such situations when all the above (a) to (d) are applicable (which may be a very rare situation), the Indo-USA DTAA provides a resolution mechanism through Mutual Agreement Procedure.

It is also relevant to note that even in cases where an individual became resident in India due to exceptional circumstances, he would most likely become not ordinarily resident in India and hence his foreign sourced income shall not be taxable in India unless it is derived from business controlled in or profession set up in India.

IV. Employment income taxable only subject to conditions as per DTAA:

Further, Article related to employment income in the DTAA with different countries governs the taxation of employment income. For example, Article 16 of the Indo-USA DTAA provides following for taxation of employment income:

"DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 17 (Directors' Fees), 18 (Income Earned by Entertainers and Athletes), 19 (Remuneration and Pensions in respect of Government Service), 20 (Private Pensions, Annuities, Alimony and Child Support), 21 (Payments received by Students and Apprentices) and 22 (Payments received by Professors, Teachers and Research Scholars), salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State, if:
 - (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the relevant taxable year;
 - (b) the remuneration is paid by, or on behalf of an employer who is not a resident of the other State; and
 - (c) the remuneration is not borne by a permanent establishment or a fixed base or a trade or business which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operating in international traffic by an enterprise of a Contracting State may be taxed in that State."

The DTAA distributes the taxation rights between the employee's jurisdiction of residence and the place where the employment is exercised. Salaries, wages and other similar remuneration are taxable only in the country in which the employee is resident unless the employment is exercised in the other country. Generally, as per the DTAAs, such other country (the source jurisdiction) has taxation rights only if the employee is present in that country for more than 183 days or the employer is a resident of the source jurisdiction, or the employer has a permanent establishment in the source jurisdiction that bears the remuneration. Accordingly, if a USA resident under employment of a USA corporation has got stranded in India and performs employment from India, its salary will not be taxable in India unless he is present in India for 183 days or more during the PY 2020-21 or if the salary is borne by Indian permanent establishment of such USA corporation.

V. Credit for the taxes paid in other country:

Further, a resident person in India shall be entitled to claim credit of the taxes paid in any other country in accordance with the rule 128 of the Income-tax Rules, 1962.

CIRCULAR UNDER SECTION 10 OF THE DIRECT TAX VIVAD SE VISHWAS ACT, 2020

CIRCULAR NO. 3/2020 [F.NO. IT (A)/1/2020-TPL], DATED 4-3-2021

The Direct Tax Vivad se Vishwas Act, 2020 ("Vivad se Vishwas") was enacted on 17th March, 2020 with the objective of inter alia reducing pending income tax disputes, generating timely revenue for the Government and benefitting taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process to resolve the disputes.

2. Sub-section (1) of section 5 of Vivad se Vishwas provides that the designated authority (hereinafter referred to as "DA") shall pass a determination order within fifteen days from the date of receipt of the declaration. The DA is also required to pass another order under sub-section (2) of section 5 of Vivad se Vishwas for full and final settlement of the tax arrears.

3. Representations have been received from the field authorities that under the Income-tax Act, 1961 (hereinafter referred to as "the Act") there is no provision available to the Assessing Officer to give effect to the order passed by the DA under sub-section (1) of section 5 and under sub-section (2) of section 5 of the Vivad se Vishwas in the ease of a declarant. Since orders passed by the DA have a consequential effect under the Act, it has been requested that suitable clarifications may be issued to enable the AO to pass consequential orders under the Act.

4. In view of the foregoing, and in exercise of the powers conferred on the Board under section 10 of Vivad se Vishwas, it is hereby clarified that where the DA has passed orders under sub-sections (1) and (2) of section 5 of Vivad se Vishwas, the Assessing Officer shall pass consequential order under the Act.

AMENDMENT IN TDS SECTION 194A

As per Section 194N of the Income-tax Act, 1961 (which casts a liability on the bank to deduct taxes at source {'TDS'} at the rate of 2% in case of cash payments exceeding ₹ 1 crore made during the previous year) was amended vide Finance Act 2020.

The amended provisions require every banking company, to whom the Banking Regulation Act, 1949 applies, to deduct TDS at the rate of 2% on payment of any sum in cash exceeding ₹ 1 crore.

In a case where the customer is liable to file his tax returns for all or any of the 3 previous financial years immediately preceding the year in which the cash withdrawal is being made, and has not filed any of these applicable tax returns before the statutory due date, the TDS deducted by the Bank shall be:

- (i) 2% where the amount or aggregate of amounts being withdrawn in cash is between ₹ 20 lakh and ₹ 1 crore.
- (ii) 5% where the amount or aggregate of amounts being withdrawn in cash exceeds ₹ 1 crore.

The tax will be deducted on the amount of cash withdrawal that exceeds the applicable limits.

The thresholds have to be calculated with reference to the financial year and across all accounts maintained by the customer with the Bank.

In order to enable the Bank to determine the applicability of the correct threshold and TDS rate, you are requested to submit a self-declaration regarding your past return filing status at any time before your aggregate cash withdrawals during the year exceed ₹ 20 lakhs.



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PAYMENT TO RESIDENTS

TDS Rates for FY 2021-22

Section	Nature of Payment	Threshold ₹	Co/ Firm (%)	Individual/ HUF (%)	Rate for non-filers of ITR ** 206AB	w/o PAN (%)
192	Salaries	slab rate	slab rate	slab rate	N.A.	higher of 20% or normal rate
192A	withdrawal from EPF	50,000	NA	10	N.A.	34.608
193	Interest on Securities	2500 *	10	10	20	20
194	Dividend	5,000	10	10	20	20
194A	Interest by bank to Senior Citizen	50,000	NA	10	20	20
	Interest by bank to others	40,000	10	10	20	20
	Interest by others	5,000	10	10	20	20
194C	Payment to contractor - single	30,000	2	1	5	20
	Payment to contractor - for the year	1,00,000	2	1	5	20
194H	Commission or Brokerage	15,000	5	5	10	20
194I	Rent - land, building, furniture, fittings	2,40,000	10	10	20	20
	Rent - plant, machinery, equipments	2,40,000	2	2	5	20
194IA	Transfer of immovable property other than agricultural land	50,00,000	1	1	5	20
194IB	Rent by individual not for business	50000 p.m.	5	5	10	20
194IC	Monetary consideration under JDA	NA	10	10	20	20
194J	Call centre operators/ technical fees	30,000	2	2	5	20
	Royalty for sale, distribution or exhibition of cinematographic films	30,000	2	2	5	20
	remuneration, commission, fees to director [other than on which tds made u/s 192]	30,000	10	10	20	20
	other professional fees/ royalty	30,000	10	10	20	20
194M	Payment by individual/ HUF for personal use to contractor/ commission/ professional	50,00,000	5	5	10	20

* Threshold for Interest on Debentures is Rs. 5,000/- & on 7.75% GOI Savings (Taxable) Bonds 2018 is Rs. 10,000/-

** Tax on payment made to a **specified person** shall be deducted at higher of the following rates -

- a) twice the rate specified in the relevant provision of the Act; or
- b) twice the rate or rates in force; or
- c) at the rate of 5%.

Specified person means a person who has not filed the returns of income -

- i) for AY 19-20 & 20-21; and
- ii) aggregate of TDS and TCS in his case is Rs. 50,000/- or more in each of these 2 previous years

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CHARTERED ACCOUNTANTS

PAYMENT TO NON-RESIDENTS

TDS Rate for FY 2021-22

Section	Nature of Payment	INDIVIDUAL					FIRM		COMPANY		
		<=50 lakhs	<=1 crore	<=2 crore	<=5 crore	>5 crore	<=1 crore	>1 crore	<=1 crore	<=10 crore	>10 crore
		TDS+0%+ 4%	TDS+10% +4%	TDS+15% +4%	TDS+25% +4%	TDS+37% +4%	TDS+0%+ 4%	TDS+12% +4%	TDS+0%+ 4%	TDS+2%+ 4%	TDS+5%+ 4%
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
192	Salaries	slab rate	slab rate	slab rate	slab rate	slab rate	NA	NA	NA	NA	NA
	Other sums										
	Income from investment made by NRI citizen	20.800	22.880	23.920	26.000	28.496	NA	NA	NA	NA	NA
	LTCG referred to in sec 112(1)(c)(iii) - unlisted securities	10.400	11.440	11.960	13.000	14.248	10.400	11.648	10.400	10.608	10.920
195	LTCG referred to in sec 112A - shares purchased & sold after paying STT	10.400	11.440	11.960	13.000	14.248	10.400	11.648	10.400	10.608	10.920
	STCG referred to in sec 111A - shares sold after paying STT	15.600	17.160	17.940	19.500	21.372	15.600	17.472	15.600	15.912	16.380
	Any other LTCG [not covered under 112A]	20.800	22.880	23.920	26.000	28.496	20.800	23.296	20.800	21.216	21.840
	Dividend	20.800	22.880	23.920	26.000	28.496	20.800	23.296	20.800	21.216	21.840
	Royalty	10.400	11.440	11.960	13.000	14.248	10.400	11.648	10.400	10.608	10.920
	Fees for Technical Services	10.400	11.440	11.960	13.000	14.248	10.400	11.648	10.400	10.608	10.920
	Any other income	31.200	34.320	34.320	39.000	42.744	31.200	34.944	41.600	42.432	43.680

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 18th March, 2021

S.O. 1256(E). — In exercise of the powers conferred by sub-sections (1) and (2) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to Schedule V of the said Act, namely:—

1. In Schedule V of the Companies Act, 2013, in PART II, under the heading — REMUNERATION.

(a) in Section I, in the first para, after the words —managerial person or persons, the words —or other director or directors shall be inserted;

(b) in Section II,—

(i) after the words —managerial person, wherever occurred, the words —or other director shall be inserted;

(ii) for Table (A);, the following shall be substituted, namely.—

—(A):

	(1)	(2)	(3)
S.No.	Where the effective capital (in rupees) is	Limit of yearly remuneration payable shall not exceed (in Rupees) in case of a managerial person	Limit of yearly remuneration payable shall not exceed (in rupees) in case of the director
(i)	Negative or less than 5 crores.	60 lakhs	12 Lakhs
(ii)	5 crores and above but less than 100 crores.	84 lakhs	17 Lakhs
(iii)	100 crores and above but less than 250 crores.	120 lakhs	24 Lakhs
(iv)	250 crores and above.	120 lakhs plus 0.01% of the effective capital in excess of Rs.250 crores:	24 Lakhs plus 0.01% of the effective capital in excess of Rs.250 crores

(c) in Section III, —

(i) after the words —managerial person, wherever occurred, except in clause (i) of the proviso, the words —or other director shall be inserted;

(ii) after the words —managerial persons, wherever occurred, the words —or other directors shall be inserted;

(iii) following explanation shall be inserted at the end, namely:—

“Explanation.—For the purposes of Section I, Section II and Section III, the term — or other director shall mean a non-executive director or an independent director.



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