

SHAH TEELANI & ASSOCIATES

CHARTERED ACCOUNTANTS



FaceLess Budget 2021-22

#Budget2021 #Transperancy #Trust #Honorthehonest #Paperless #Digitalization
#Stabletaxregime #Easeofcompliance #Simplification #Atmanirbhar #Curbtaxevasion

BUDGET ANALYSIS

2021-22

BY
SHAH TEELANI & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR PRIVATE CIRCULATION ONLY

THE BUDGET GROWING TABLE

Sr. No.	Particulars	Page No.
(A)	Budget Analysis 2021-22	
	1) Changes in provision relating to Salaries	1
	2) Changes in provision relating to Business and Professions	1
	3) Changes in provision relating to Capital Gain	2
	4) Changes in provision relating to Income Tax Return and Processing	2
	5) Changes in provision relating to Assessment, Appeals and, Penalty	3
	6) Changes in provision relating to TDS and TCS	4
	7) Provisions related to taxation of Trust and Deduction	5
	8) Changes in provision relating to GST	5
	9) Changes in provision relating to Custom Duty	7
	10) Changes in provision relating to Excise Duty	7
(B)	Important Current Year Provisions for F.Y. 2020-21	
	1) Tax Rate Structure for the A.Y. 2021 -22	9
	2) Provisions relating to Deduction from Total Income	16
	3) Following Other Deductions are available under Schedule – VIA	17
	4) Rates & Exemption limit of TDS & TCS	19
	5) Provision Relating to Capital Gain	22
	6) Restriction on CASH Transaction	23
	7) Useful Charts	24
	8) Provision related to GIFT	28
	9) Depreciation Chart as per Income Tax	29
	10) Depreciation Chart as per Companies Act	30
	11) Provision related to Trust Registration	32
(C)	IMPORTANT PROVISION RELATED TO GST	
	1) Penal Provision under GST	33

Disclaimer:

This budget 2021-22 handout provides general information on budget and does not express our views. This hand out is meant for general guidance and no responsibility for loss arising to any person acting or refraining from acting as a result of any material contained in this handout will be accepted by us. It is recommended that professional advice be taken based on the specific facts and circumstances. This handout does not substitute the need to refer to the original pronouncement. This handout is intended only for the use of our staff personnel, clients and associates and may contain confidential or privileged material. Any review, dissemination or other use of, or taking of any action in reliance upon by other than the intended recipient is prohibited. If you receive this by error, you may return the material.

01. CHANGES IN PROVISION RELATED TO SALARY

- ✓ Cash allowance received by employee on account of Leave travel Concession (LTC) from employer for vacation in India, shall be exempted from Tax on satisfaction of condition as mentioned below
 - Employee or a member of his family should spend by 31st March, 2021.
 - LTC shall be exempted only if such expenses are liable for GST@ 12% or more.
 - Payment should be made through Digital Mode
 - LTC is available once in the block period of 2018 to 2021.
- ✓ Any interest received on account of Employees Contribution to the Recognized Provident Fund in excess of Rs.2,50,000 shall be taxable in that year. Interest is taxable only on the amount contributed by the Employee's Share.

02. CHANGES IN PROVISION RELATED TO BUSINESS AND PROFESSIONS

- ✓ No depreciation shall be allowed on Goodwill. Block of assets shall not include any Goodwill amount whether it is acquired or self generated from 01st April, 2021.
 - For calculation of Capital gain on Goodwill, Cost of Acquisition shall be the book value as on 31st March, 2021.
- ✓ Budget has Amended the provision of section 36(va) where in No deduction for Employee's Contribution to any welfare fund is allowed if same is not deposited before the respective due dates.
- ✓ MAT shall not be applicable on the Dividend received by a foreign Company on the investment made in India.
- ✓ Presumptive taxation scheme for Professional Persons under Section 44ADA shall not be applicable to Limited Liability Partnership (LLPs) firms. Under Presumptive Taxation Professional are allowed to declare profit @ 50% of the Gross Receipts if such person are Individuals, HUF or Partnership Firms.
- ✓ Tax Audit Limit u/s. 44AB increased from 5Cr to 10Cr, on condition that 95% of the Business Receipts and Payments are made through Electronic Modes.
 - Limit covers both Payments of Expenses along with Purchases & Receipts on Sale of Goods must not exceeds 5% in Cash. This section amended for promoting digital transaction.
- ✓ Equalisation Levy shall not be levied on Consideration received for E-Commerce Supply which is taxable as Royalty or Fees for the Technical Services.

- ✓ Infrastructure Debt Fund shall be termed as Zero Coupon Bond and it shall have relaxation of deduction of tax on income payable on such bonds.
- ✓ Royalty Income by Non-Resident on lease of aircraft will be exempted if such unit is located in International Financial Services Centre and commenced its operation on or before 31st March, 2024
- ✓ Changes are Made where in Slump Sale shall be taxable under Capital Gain if there is any exchange of assets, and giving up or extinguishing rights on assets

03. CHANGES IN PROVISION RELATING TO CAPITAL GAIN

- ✓ Slump Sale definition is widen and will include the transfer of Undertaking through exchange or relinquishment, but such exchange has to be an assets and not of undertaking. Undertaking is not a capital assets but is bundle of assets and Liabilities.
- ✓ Any amount received by Partners in excess of the balance appearing in the capital account of firm shall be taxable under Capital Gain. Amount paid to partners in excess of capital balance is taxable to firm.
- ✓ Unit Linked insurance Plans shall be taxed as capital gain, if premium in any year exceeds Rs. 2.5 Lacs anytime during the policy period. Currently gain on ULIPS after 5 years is exempted u/s. 10D. It shall be applicable on the ULIPS issued on or after 1st February, 2021.
- ✓ Safe harbor Limit of 10% is allowed for the difference between Stamp Duty valuation and Sale Consideration. However, budget has allowed 20% variation in Stamp Duty Valuation and Sale Consideration for transfer of Residential Property between 12.11.2020 to 30.06.2021 by way of first time allotment. Further, higher limit of 20% is applicable for the consideration received on such transfer is below 2 Cr.
- ✓ Due date extended for claiming Capital Gain Exemption arisen on transfer of residential property u/s. 54GB for investment in Eligible Start- up to 31st March, 2022.

04. CHANGES IN PROVISION RELATING TO INCOME TAX RETURN AND PROCESSING

- ✓ Time Limit for filing of belated return or revised return is proposed to be reduced by 3 Months. Now belated or revised return can be filed on or before 31st December of the assessment year.
- ✓ Time Limit for Processing of Income Tax Return and sending an Intimation to Assessee reduced from 1 Year to 9 Months from the end of financial year in which return is filed.

- ✓ Senior Citizen above 75 Years of age shall not be required to file the return of Income if he has only Pension Income and Interest Income. TDS shall be deducted on Such Income.
- ✓ Notice for Scrutiny Assessment is proposed to be reduced from 6Months to 3Months from the end of financial Year in which return of Income is Furnished. Scrutiny Notices shall be issued upto 30th June.
- ✓ Powers are given to CPC for any increase in Income due to mismatch in the income disclosed in the tax audit report and income computed in the Income Tax Return.
- ✓ Income tax will be able to send notice in automated manner to person requiring him to file Return of Income u/s. 142(1). Earlier this notice could be issued only by the Assessing Officer.
- ✓ Advance tax shall not be payable on the dividend Income. Interest u/s. 234C shall be charged for the shortfall in advance tax provided assessee has paid full tax in the subsequent installments.

05. CHANGES IN PROVISION RELATING TO ASSESSMENT, APPEALS AND PENALTY

- ✓ In case of Re-opening of assessment time limit reduced to 3 years from 6 years earlier. However if Income Escaping Assessment exceeds Rs. 50Lacs, notice can be issued within 10 Years from the End of the Relevant assessment year.
- ✓ Time limit for completion of scrutiny assessment u/s. 143 and Best Judgment Assessment u/s. 144 is further reduced to 3Months, now time for completion of assessment shall be 9 months from end of the assessment year.
- ✓ Income tax Tribunal will have a Faceless assessment for disposal of appeals. All communication between the Tribunal and Appellant shall be electronic, personal hearing shall be done through video-conferencing on request of assessee.
- ✓ New Scheme for setting up Dispute Resolution Committee is proposed for taxpayers having a Taxable Income upto 50Lacs and Disputed Income upto 10 Lacs shall be eligible to approach the DRC. Option to opt DRC shall be at the discretion of Assessee.
- ✓ Income Tax Settlement Commission is proposed to be discontinued with effect from 01st February, 2021. New Commission shall be constituted for the pending cases before the Settlement Commission.

- ✓ Advance Ruling shall cease to operate from 01st February, 2021. New board of Advance Ruling is proposed to be constituted and new scheme for advance ruling shall be framed by the Board.
- ✓ Assessing Officer is empowered to Provisionally attach the Property of assessee during the Pendency of Fake Invoice Case Penalty as per the section 271AAD. Attachment of property shall be done in penalty imposable is likely to exceed Rs. 2Cr.
- ✓ Interest shall not be paid on the excess amount paid in form of tax, interest, penalty under the scheme of IDS.

06. CHANGES IN PROVISION RELATED TO TDS AND TCS

- ✓ Any person paying amount exceeding Rs. 50 Lacs shall deduct TDS at 0.1% for purchase of goods from 01st July, 2021.
 - TCS is applicable on seller having Turnover above 10 Cr. In previous year, however many seller was not covered therefore, new section is inserted any TDS shall be deducted by Purchaser.
 - Ram Seller (Ram Last Year turnover is Below 10Cr., therefore TCS is not applicable). Reliance Buyer (Turnover above 10Cr., in Previous Year)

Before Amendment

Ram Sold goods of Rs. 60 Lacs to Reliance and Reliance made the payment of Rs. 60Lacs. In this whole transaction TCS is not applicable as Ram being Receiving the Amount but not eligible seller as his turnover is below 10Cr. In Previous Year.

After Amendment

TDS is applicable @ 0.1% and Reliance will deduct the Tds in the Name of Ram and Ram shall Receive amount Rs. 59.94 Lacs and Reliance will deposit TDS of Rs. 6000 in the name of Ram. (This Provision applicable from 01st July, 2021)

- ✓ Higher TDS and TCS is applicable if assessee fails to file Income Tax Return for last two years.
 - Exa. XLtd made payment of Rs. 90Lacs to Ram in F.Y. 2018-19 & 2019-20 and deducted Rs. 90000 as Tds in both the years. However Ram who had Received the Amount failed to File ITR than in the 3rd Year XLtd has to deduct TDS @ 5%.
 - This provision is applicable to all the sections of TDS and TCS both.
- ✓ No TDS on dividend distributed by the Special Purpose Vehicle to the Business Trust.

07. PROVISIONS RELATED TO TAXATION OF TRUST AND DEDUCTIONSTAXATION OF TRUST:

- ✓ Trust shall not be allowed to claim any carry forward of Losses. Further there will be no set-off of any excess application of any preceding year shall be allowed while calculating the Income of trust.
 - Further any amount borrowed as loan shall not be considered as application of income for the trust. However, the loan is repaid than such repayment shall be allowed as an application in the year of loan repaid.
- ✓ Corpus Contribution shall be eligible for exemption only if it is invested/applied for the purpose for which such contribution is collected.
 - Further any amount utilized from corpus shall not be considered as application against the mandatory 85% of application of non-corpus income.
- ✓ Educational and Medical Institution registered as trust, shall be exempted from tax only if Gross Receipts does not exceeds 5Crores. Previously limit was 1Cr of the gross receipts.

DEDUCTIONS:

- ✓ As per section 80IBA Exemption @ 100% of profit and gain derived from the Business of developing of Affordable Housing project approved before 31st March, 2022. Earlier limit was 31st March, 2021 which is extended for one more year.
- ✓ Exemption of 80IBA is also applicable for the Notified affordable rental housing projects.
- ✓ Companies registered before 31st March, 2022 shall be eligible for Start Ups Companies and profits of such registered Start Up Companies are eligible for deduction u/s. 80IAC
- ✓ Additional Deduction of Rs. 1.5 Lacs for Interest on housing Loan shall be eligible for all the loans sanctioned before 31st March, 2022. Assessee can claim Deduction of Rs. 3.5Lacs as Interest on Housing Loan as per section 80EEA.

08. CHANGE IN PROVISION OF GOODS AND SERVICE TAX

- ✓ A new clause proposed to inserted for availment of Input tax Credit (ITC). The input tax credit on invoice or debit note can be availed only if supplier furnish in statement of outward supplies i.e. GSTR 1

- ✓ Mandatory requirement of getting annual accounts audited and furnishing of Reconciliation Statement has been done away with. Further, furnishing of annual return with self-certified reconciliation statement has been facilitated. The Commissioner has been empowered to exempt a class of taxpayers from the requirement to file annual return
- ✓ Retrospective amendment (with effect from July 01, 2017) under proviso to Section 50(1) of the CGST Act has proposed to provide that Interest under GST to be charged on 'Net Cash Liability' component retrospectively
- ✓ Definition of 'self-assessed tax' has been amended to provide that it shall include the tax payable in respect of outward supplies furnished in Form GSTR-1, but not included in Form GSTR-3B
- ✓ During the preceding under chapter XII, chapter XIV or chapter XV, the commissioner for the purpose of protecting interest of government revenue he may attached provisionally any property including bank account.
- ✓ Provisions for filing appeal against order of detention of goods or conveyance by proper officer has been proposed to be amended to provide that 25% of the penalty is required to be paid before filing of any appeal
- ✓ **Sub-section (1)(a) of Section 129 is substituting**, Seeks to increase the payment of penalty (previously penalty and tax) from 100% to 200% for releasing of detained or seized goods and conveyance. Previously, tax and penalty equal to 100% were to be paid for release of detained or seized goods and conveyance.
- ✓ **Sub-section (1)(b) of Section 129 is substituting**, Seeks to change options for release of detained or seized goods and conveyance for taxable goods where owner does not come forward: Penalty equal to 50% of value of goods; or 200% of tax payable on such goods, Whichever is higher.
- ✓ **AS per section 129(2)** Seeks to provide that goods seized shall not be released on provisional basis upon execution of a bond and furnishing of a security, in such manner and of such quantum. This means that the penalty imposed by the officer will have to be paid in cash by the taxpayer. Earlier the provision was if person does not pay tax and penalty within 14 days of seizure, the conveyance and goods detained were liable for confiscation as per Section 130. But, after this amendment, the goods or conveyance detained or seized shall become liable to be sold or disposed off in the manner prescribed in case the payment of imposed penalty is not made within 15 days from the date of receipt of copy of the order imposing such penalty.

- ✓ Definition of Zero-rated supply has been proposed to be amended. As per this, only notified class of persons and notified class of goods or services can make zero rated supply with payment of IGST
- ✓ Foreign exchange realization would be mandatory for refund of unutilized ITC for zero rated supply of goods. In case of non-realisation, benefit of refund would be deposited along with interest.

09. CHANGE IN PROVISION OF CUSTOM

- ✓ A new cess, Agriculture Infrastructure and Development Cess('AIDC') has been introduced with effect from February 2, 2021, on the import of goods specified in First Schedule (such as apples, various types of coals, silver/gold dore, cotton, etc.). Simultaneously, BCD has been reduced on some of these items, so as to avoid any additional burden on the consumer. The rate of cess varies from 1.5% to 100%.
- ✓ FM proposed to review more than 400 old exemptions under the Custom Laws. Further, with effect from October 1, 2021, revised Custom tariff structure would be introduced.
- ✓ Conditional Exemptions under the Customs laws are proposed to be valid for a period of 2 years from the date of grant or variation (unless otherwise specified/varied/rescinded). Further, all existing conditional exemptions would be valid upto March 31, 2023.
- ✓ To ensure timely completion of inquiries/investigations, law has been proposed to be amended to provide that Show Cause Notices for inquiries/investigations is to be issued within 2 years from the date of initiation of such inquiry/investigation. However, such time limit of 2 years can be further extended by 1 year by the Commissioner. Notably, provision would apply to fresh proceedings only.
- ✓ Provisions relating to confiscation of goods are proposed to be amended to include wrongful claim of any remission/refund of any tax or duty within its scope
- ✓ Penalty provision would be included in the Customs Act where refund has been claimed by way of fraudulent utilization of Input Tax Credit through fake invoices, against any duty or tax on goods exported out of India. In this case penalty would be levied maximum up to 5 times of the refund claimed

10. CHANGE IN PROVISION OF EXCISE

AIDC of **Rs 2.5 per litre has been imposed on petrol** and **Rs 4 per litre on diesel** as an additional duty of excise is proposed under Clause 116 of the Finance Bill, 2021. Accordingly, Basic Excise Duty and the Special Additional Excise Duty have been calibrated so that there would be no additional burden on the consumer.

The table below summarizes the change in various duties applicable to Petrol and Diesel:

Commodity	Duty rates applicable with effect from 02.02.2021 (Rs. per litre)				
	BED	SAED	RIC	AIDC	Total
Petrol (unbranded)	1.40	11	18	2.5	32.90
Petrol (branded)	2.60	11	18	2.5	34.10
Diesel (unbranded)	1.80	8	18	4.0	31.80
Diesel (branded)	4.20	8	18	4.0	34.10

BED: Basic Excise Duty; SAED: Special Additional Excise Duty; RIC: Road and Infrastructure Cess; AIDC: Agriculture Infrastructure and Development Cess.

B) IMPORTANT CURRENT YEAR PROVISIONS FOR F.Y. 2020-21**1. Tax Rate Structure for the A.Y. 2021-22****Option - I****Tax Rates for Individual, HUF**

Category	Exemption Limit	5%	20%	30%
Individual/HUF, AOP, BOI	2,50,000	2,50,001 to 5,00,000	5,00,001 to 10,00,000	Above 10,00,000
Senior Citizen (Age 60 to 79)	3,00,000	3,00,001 to 5,00,000	5,00,001 to 10,00,000	Above 10,00,000
Super Senior Citizen (Age Above 80)	5,00,000	NIL	5,00,001 to 10,00,000	Above 10,00,000

Note:-

- Surcharge is applicable as mentioned below

Income Slab	Rate
From 50 Lacs to 1 Crore	10%
Above 1 Crore to 2 Crore	15%
Above 2 Crore to 5 Crore	25%
Above 5 Crore	37%

- For 25% or 37% of surcharge income excluding dividend income or Sec 111A, 112A & 115AD shall be considered.
- In addition to above additional tax at the rate of 10% of gross amount of dividend shall be paid resident assesses except domestic company & certain funds, trust, institutions etc if dividend received by them exceeds 10 Lacs per annum.
- Rebate u/s. 87A of Rs. 12500 for resident individual if net total income is less than Rs. 5Lacs.
- Health and Education Cess will be levied 4%
- Marginal relief is available in case income exceeds Rs 1Cr or Rs 10Cr, as the case may be, to the extent marginal tax exceeds marginal income.

Option - II

Change in rate of taxation for Individual and HUF

On satisfaction of certain conditions, an individual or HUF shall, from AY 2021-22 onwards, have the option to pay tax in following manner

Total Income	Rate of Tax
Upto Rs 250000	Nil

From 250001 to 500000	5%
From 500001 to 750000	10%
From 750001 to 1000000	15%
From 1000001 to 1250000	20%
From 1250001 to 1500000	25%
Above 1500000	30%

Exercise of option for new Rates

- ✓ In case of individual or HUF having business income,
 - the option once exercised for previous year i.e. AY 2021-22 shall be valid for that previous year and for all subsequent year. Once person withdrawn from new rates than after such withdrawal person cannot go again for new rates
- ✓ In case of individual or HUF having other than business income,
 - can opt this option before due date of income tax return. The option will be for specific year only, can opt separately for each subsequent year.
- ✓ This option is optional. If any person does not want to go with new rates can continue in old tax rate regime.
- ✓ Section 115 JC also be amended the provision relating to AMT shall not be apply to such individual and HUF having business income and also carry forward and set off of AMT credit shall not apply.
- ✓ Individual and HUF opting for new taxation regime shall not be entitled to the following exemption/deductions
 - Leave Travel concession
 - House rent allowance
 - Some of allowance as per clause (14) of section 10
 - Allowance to MPs/MLAs
 - Allowance for income of minor
 - Exemption of SEZ unit contained in section 10AA
 - Standard deduction(Rs 50000), deduction for entertainment allowance and employment/ professional tax as contained in section 16
 - Interest under section 24 in respect of self occupied or vacant property.
 - Additional Depreciation under section 32(1)(iia)
 - Deduction under section 32AD, 33AB, 33ABA
 - Various deduction for donation for expenditure of scientific research
 - Deduction under section 35AD or section 35CCC
 - Deduction from family pension under section 57(iia)
 - Any deduction under chapter VIA except section 80CCD and 80JJAA
- ✓ Transport allowance, conveyance allowance, any allowance granted to meet the cost of travel on tour or on transfer, daily allowance to meet the ordinary charges incurred by an employee on account of absence from his normal place of duty shall be allowed

Example 1: If Mr X having Rs150000 as deduction Under Chapter VIA (eg LIC, School Fee, PPF, mediclaim, Donation etc)

Taxable Income	Tax as per old Rate	Tax as per new Rate	Surplus/(Deficit)	Beneficial income
2,50,000	NIL	NIL	NIL	Old/new
5,00,000	NIL	NIL	NIL	Old/new
7,50,000	32,500	37,500	(5000)	Old
10,00,000	82,500	75,000	7,500	New
12,50,000	1,42,500	1,25,000	17,500	New
15,00,000	2,17,500	1,87,500	30,000	New
20,00,000	3,67,500	3,37,500	30,000	New

Example 2: If Mr X having Rs150000 as deduction Under Chapter VIA (eg LIC, School Fee, PPF, mediclaim, Donation etc) and Rs 2,00,000 as Housing Loan Interest

Taxable Income	Tax as per old Rate	Tax as per new Rate	Surplus/(Deficit)	Beneficial income
2,50,000	NIL	NIL	NIL	Old/new
5,00,000	NIL	NIL	NIL	Old/new
7,50,000		37,500	(37,500)	Old
10,00,000	42,500	75,000	(32,500)	Old
12,50,000	92,500	1,25,000	(32,500)	Old
15,00,000	1,57,500	1,87,500	(30,000)	Old
20,00,000	3,07,500	3,37,500	(30,000)	Old

Example 3: If Mr X having Rs150000 as deduction Under Chapter VIA (eg LIC, School Fee, PPF, mediclaim, Donation etc) and Rs 50,000 as Standard deduction.

Taxable Income	Tax as per old Rate	Tax as per new Rate	Surplus/(Deficit)	Beneficial income
2,50,000	NIL	NIL	NIL	Old/new
5,00,000	NIL	NIL	NIL	Old/new
7,50,000	22,500	37,500	(15,000)	Old
10,00,000	72,500	75,000	(2500)	Old
12,50,000	1,27,500	1,25,000	2500	New
15,00,000	2,02,500	1,87,500	15000	New
20,00,000	3,52,500	3,37,500	15000	New

Example 4: If Mr X having Rs150000 as deduction Under Chapter VIA (eg LIC, School Fee, PPF, mediclaim, Donation etc) and Rs 50,000 as Standard deduction and 2,00,000 as Housing loan interest.

Taxable Income	Tax as per old Rate	Tax as per new Rate	Surplus/ (Deficit)	Beneficial income
2,50,000	NIL	NIL	NIL	Old/new
5,00,000	NIL	NIL	NIL	Old/new
7,50,000	NIL	37,500	(37,500)	Old
10,00,000	32,500	75,000	(42,500)	Old
12,50,000	82,500	1,25,000	(42,500)	Old
15,00,000	1,42,500	1,87,500	(45,000)	Old
20,00,000	2,92,500	3,37,500	(45,000)	Old

✓ **Company Assesses**

Sr. No.	Total Income	Rate of Tax (%)	Rate of MAT
1	Tax Rate for Domestic Co		
	Total turnover or Gross Receipt during the FY 2018-19 does not exceed 400 Crore		
	Where it opted for section 115BA	25%	18.5%
	Where it opted for section 115BBA (companies which does not claim certain specified deduction of exemption and also does not take benefit of carry forward of unabsorbed depreciation/loss))	22%	18.5%
	Where it opted for section 115BAB (Manufacturing Company, register on or after 1.10.2019 and commenced manufacturing on or before 31.3.2023)	15%	18.5%
	Any Other domestic Co (Total turnover or Gross receipt during FY 2018-19 exceed 400 Crore)	30%	18.5%
	Tax Rate for Foreign Co		18.5%
	Royalty received from Govt or an indian concern in pursuance of an agreement made with the indian concern after March 31 1961 but before April 1, 1976	50%	18.5%
	Any other income	40%	18.5%

✓ Applicability of Surcharge and Education Cess

Particular	Applicable to Companies			Rate
Surcharge	Total Income	Less than 1 Crore	All	Nil
		1 Crore to 10 Crore	Domestic	7%
			Foreign	2%
Above 10 Crore	Domestic	12%		
	Foreign	5%		

- Health and Education Cess will be levied 4%
- Rate of Surcharge in case of Company opting for taxability under section 115BAA or Section 115BAB shall be 10% irrespective of amount of total income.
- Surcharge shall be subject to marginal relief, marginal relief is available in case income exceed 1 Crore or 10 Crore as case may be to extent marginal tax exceeds marginal income.

✓ Partnership Firm /Local Authority

Sr. No.	Particular	Rate of Tax (%)	Rate of MAT
1	Partnership firm	30%	18.5%
2	Local Authority	30%	18.5%

- Health and Education Cess will be levied 4%
- If Total Income exceed 1 Crore than surcharge will be levied 12% of such tax.

✓ Co-Operative Society

Option I

Sr No	Amount of Total Income	Rate of Tax
1	Up to 10000 Rs	10%
2	From 10000 to 20000	20%
3	More than 20000	30%

- Health and Education Cess will be levied 4%
- If Total Income exceed 1 Crore than surcharge will be levied 12% of such tax.

Option II

For Co-operative society option has been proposed under new section 115BAD to pay tax at the rate of 22% + 10% surcharge + 4% cess

For being eligible following exemption/deduction shall not be available:-

- ✓ Deduction under provision of section 10AA
- ✓ Deduction under provision of clause (iia) of subsection (1) of section 32
- ✓ Deduction under provision of section 32AD
- ✓ Deduction under provision of section 33AB or section 33ABA
- ✓ Deduction under provision of sub-clause ii or iia or iii of subsection 1 or subsection 2AA of section of section 35
- ✓ Deduction under provision 35AD or 35CCC
- ✓ Deduction under provision of chapter VIA

It is further proposed to amend section 115JC and 115JD so as to provide the provisions relating to AMT and carry forward and set off of AMT credit shall not apply to co-operative society on exercising the option under new section 115BAC.

The option once exercised under this section cannot be subsequently withdrawn for the same or any other previous year.

3) Tax Rate for AOP & BOI

Share of Members are Determinate			Share of Members are Determinate	
Members is an individual/HUF	Member is a Company		Members is an individual/HUF	Member is a Company
When None of Member has income in excess Basic exemption limit	When any of the member have income in Excess of Basic Exemption limit	When total income of member company is taxable at higher rate than the maximum Marginal Rate (i.e. in case of Foreign Companies)	Tax will be charged on the total income of AOP/BOI at Maximum Marginal Rate i.e. 35.88%	When income of AOP/BOI is taxable at rate higher than the maximum marginal rate then, the total income of AOP/BOI will be taxed at such higher rate. (i.e. in case of foreign Company)
AOP/BOI will be taxed at the slab rates as applicable to individual/HUF	AOP/BOI will be taxed at the Maximum Marginal Rate i.e. 35.88%	Tax will be charged on that portion of AOP/BOI at such higher rate		

4) Tax Audit Limit for Business and Profession.

Particulars	Business			Professional	
	Section 44AD/ADA	Section 44AB	Section 44AE	Section 44AD/ADA	Section 44AB
Audit Not Required	Turnover is less than 2 Crores & Net Profit is 8%/6%* of turnover or More	Turnover is less than 5 Crore**	Less than 10 Vehicles ` 7500 per month/part of month irrespective of vehicle capacity	Gross Receipts less than 50 Lacs & Net Profit is 50% of Gross Receipts or more	Gross Receipt is less than 50 Lacs
Audit Required	Turnover Exceeds 2 Crores Or Turnover is less than Rs 2 Crore and Profit is less than 8%/6%* of Turnover	Turnover is more than 5 Crore**	10 or more vehicles OR Income is less than ` 7500 per month/per vehicle	Gross Receipts More Than 50 Lacs & Net Profit is less than 50% of Gross Receipts	Gross Receipt is more than 50 Lacs

*if Gross Receipt received by account payee cheque or account payee bank draft or use of ECS through a banking channel during the previous year.

** For the limit 5 Crore in case where aggregate of all the receipt and payment in cash during the Previous year do not exceed 5% of such receipt and payment, if cash transaction exceed 5 % then turnover limit is Rs 1 Crore.

Note:- if assessee declare profit on presumptive basis for any previous year but does not declare profit on presumptive basis for subsequent five year, he shall not be eligible to claim the benefit of presumptive taxation again for next five year subsequent to the year in which the profit has not been declared accordance with section 44AD.

Turnover	Condition of net Profit	Condition of CASH payment and CASH Receipt	Audit Requirement
Upto 2 Crore	> 8% or 6%	NA	NO
Upto 2 Crore	< 8% or 6%	NA	YES
2 to 5 Crore	NA	If CASH payment and CASH Receipt is More than 5%	YES

2 to 5 Crore	NA	If CASH payment and CASH Receipt is Less than 5%	NO
More Than 5 Crore	NA	NA	YES

For Non Resident Tax payer

Section	Eligible Assessee	Presumptive income
44B & 172	Shipping business	7.5% of gross receipt
44BB	Exploration of minerals Oil	10% of gross receipt
44BBA	Operation of Aircraft	5% of gross receipt
44BBB	Trunkey Power projects	10% of gross receipt

Due Dates

Sr No	Type of Transaction	Due Dates	Non Compliance
1	In case taxpayer has entered in to an international transaction	30 th November of the subsequent year	Lower of 0.5% of turnover or gross receipt or Rs 150000 may be levied as penalty
2	Other than above	30 th September of subsequent year	

2. Provisions relating to Deduction from Total Income

- ✓ following investments are allowed as deduction from total income of Individual and HUF upto maximum of ` 1,50,000/-. (Sec. 80C, 80CCC & 80CCD)

Nature of Investment	Applicability
Life Insurance Premium.	For Individual/HUF, payment should be made in the name of following persons: Individual / Spouse / Any child Premium paid to the extent of 10% of Sum Assured qualify for the deduction
Any payment for statutory or recognized provident fund	For Individual only.
Any payment in Public Provident Fund (PPF)	For Individual/HUF, payment should be made in the name of following persons: Individual / Spouse / Any child.
Investment in National Saving Certificate (NSC)	For Individual and HUF
Investment in Mutual Fund	For Individual and HUF Subscription to the notified units of any mutual fund covered u/s. 10(23D) shall be

	allowed as deduction
Tuition Fees.	For Individual only <ul style="list-style-type: none"> ✓ Expenses allowed for any two children of the Individual ✓ It is for full time education, paid to any school, college, university or other eligible institution ✓ Donation or development fees are not allowed
Repayment of Housing Loan	For Individual and HUF
Investment in Term Deposit	For Individual and HUF. <ul style="list-style-type: none"> ✓ For a fixed period of not less than 5 years with a schedule bank in accordance with the scheme notified by the central government
Investment In <ul style="list-style-type: none"> ✓ Specified Bonds Issued by NABARD ✓ Certain Pension Fund/Notified ✓ Time Deposit under Post Office (5 Year) 	For Individual only
Deposit in Sukanya Samruddhi Account	For Individual and HUF
Investment in Infrastructure Bonds as notified	For Individual and HUF
Account under Senior Citizen Saving Scheme 2004 (SCSS)	For Individual only
Any sum paid as subscription to any Scheme <ul style="list-style-type: none"> ✓ Company engaged in providing long term finance for houses in India. ✓ Housing Board Constituted in India ✓ for the purpose of Development of cities/town 	For Individual and HUF

3. Other Deductions under Schedule - VIA

80CCD (1B)	Additional Deduction for Contributed to NPS <i>(Note: Deduction Over and above 80 /CCC/CCD of `1,50,000)(Subject to Maximum 10% of Salary Employee)</i>	Up to ` 50,000 of of
80D	Medical Insurance Individual/Senior Citizen Preventive Health Check up	`25,000/50,000 ` 5000
80DD	Medical Treatment (handicapped)	

	<ul style="list-style-type: none"> ✓ Permanent Disability/Severe Disability (Note:- Very Senior citizens above the age of 80 years, who are not covered by health insurance to be allowed deduction of ₹30,000 towards medical expenditure) 	₹75,000/1,25,000
80DDB	Medical Expenditure Specific Diseases <ul style="list-style-type: none"> ✓ Non Senior Citizen ✓ Senior Citizen/Super Senior Citizen 	₹40,000 ₹1,00,000
80E	Interest on Loan for Higher Studies	Actual Interest on Loan
80EEA	Deduction on Interest on Housing Loan (Single Home) (Note:- Value of residential house is not more than 45Lacs & Property purchased between 01.04.19 to 31.03.21)	₹1,50,000
80EEB	Deduction on Interest on Loan taken for Purchase of Electric Vehicle (Note:- Loan should have been taken between 01.04.2019 to 31.03.2023)	₹1,50,000
80G	Deduction for Donation up to either 100% or 50% With/Without restriction of 10% of adjusted GTI (Note:- Donation made in cash amounting to ₹2000 or more will not be allowed as a deduction.)	Depending upon type of donation
80GG	Deduction on House rent Paid.	Lower of:- <ul style="list-style-type: none"> ✓ Rent Paid Less 10% of Total Income. ✓ ₹5,000 Per Month ✓ 25% of Total Income
80GGA	Donation to scientific research or rural development	Actual Amount
80GGB	Deduction of Contribution to Political Parties or Electoral Trust by Companies.	Actual Amount
80GGC	Deduction of Contribution of Political Parties or Electoral Trust by Individuals.	Actual Amount
80TTA	Deduction of Interest on Saving A/c	₹10,000
80TTB	Interest from banks/post office (including FD Interest)	₹50,000
80RRB	Income Received by way of Royalty in Respect of Patent.	₹3,00,000/- or income Received whichever is less
80QQB	Income Received By way of Royalty or Copyright.	₹3,00,000/- or income Received whichever is less
80U	Deduction for Disabled Person Physical Disability / Severe Disability	₹75,000/1,25,000

Note:-

- ✓ For person having income under Salaries, Standard deduction of ` 40,000 will be allows. However, the exemption of Transport allowance amounting to ` 1600 p.m. and Medical reimbursement of ` 15000 is not allowed from AY 2019-20 onward
- ✓ All income based deduction as per section 80H to 80RRB shall be allowed only if return is filed within the time limit. It excludes the deduction claimed u/s 80C to 80GGC, same can be claimed if return is not filed in time.
- ✓ Sec 80IAC provides 100% deduction of income to the Eligible Start-up Companies for 3 assessment year. Eligible Start-up shall be companies or LLP incorporated between 01/04/2019 to 31.03.2021.
- ✓ Deduction u/s 80JJA allowed to the manufactures who employ new employee for a minimum period of 240 days during the year. Deduction shall be allowed to the manufacturer even if employee hired in last year continue to remain in employment in current year for more than 240 days (for apparel, footwear and leather industries employment is required for 150 days. The deduction is allowed 30% of additional employment cost.
- ✓ Sec 80PA where producer Company is exempt from 100% of income Tax for income accrued from marketing agriculture produce grown by its member. Benefit of exemption will be available from 01.04.219 and same will continue to exempt up to 1.04.2025
- ✓ Sec 54GB provides exemption for long term capital gain on sale of residential house, if the net consideration is invested in subscription of equity shares of Eligible Start-up Companies.

4. Rates & Exemption limit of TDS

Sec	Nature of Payments made to resident	Threshold Limit	Company Firm	Individual HUF
192A	Pre Mature withdrawal from EPF	50000	10	10
192B	Salary (Other than Government Employee)	-	-	As per Slab Rates after providing Deduction of Chapter VI A
193	Interest on Securities	5000/10000	10	10
194	Deemed Dividends	5000	10	10
194A	Interest paid by Banks/Post	40000	10	10

	Office* Interest paid by Others	5000	10	10
194B	Winning from lotteries / Crossword Puzzle	10000	30	30
194BB	Winnings from horse race	10,000	30	30
194C	Payment to Contractors/ Advertisement/ Transporter**:- ✓ Single transaction ✓ Aggregate during FY	30000 100000	2 2	1 1
194D	Insurance commission	15000	5	5
194DA	Maturity of Insurance Policy	100000	1	1
194EE	Payment out of deposit under NSS	2500	10	10
194F	Repurchase units by MFs	-	20	20
194G	Commission - Lottery	15000	5	5
194H	Commission/ Brokerage	15000	5	5
194I	Rent Land / Building Rent Plant/ Machinery	240000# 240000#	10 2	10 2
194IA	Transfer of Immovable Property , other than Agriculture Land	50,00,000	1	1
194IB	Rent payable by an individual/HUF not covered u/s 194I (w.e.f. 01.06.2017)	50000 p.m.	5	--
194IC	Payment of consideration (not in kind) under joint development agreement (w.e.f. 01.04.2017)	-	10	10
194J	Professional Fees Director fee Payment to person engaged in the business of call centre (w.e.f.01.06.2017)	30000 - 30000	10 10 2	10 10 2
194K	Payment of any income in respect of a) Units of a MF as per sec 10 (23D) b) Units from the administrator c) Units from specified companies	5000	10	10
194LA	Compensation on Property other than Agriculture Land	250000	10	10
194M	Payment made by	50,00,000	5	5

	individual/HUF to contractor or professional for personal use (Even for unaudited assessee)			
194N	Withdrawal CASH from Banks, Post office or Co-operative banks	1,00,00,000	2	2
194O	Applicable for E -Commerce operator for sale of goods or provision for service facilitated by it through its digital or electronics facility or platform (applicable from 01.10.2020)	500000 (Only for individual, HUF)	1	1

*TDS is required to be deducted if Interest received by Senior Citizen from bank/Co op Society/Post Office exceed ` 50,000

** TDS is not be deducted if Transport owing ten or less than ten goods carriage with Pan.

No TDS even if payment made exceeds `240000 provided landlord furnishes a self-declaration in prescribed Form 15G/15H to the payer (w.e.f 1.06.2016)

✓ TCS Description & Rates

Description	Rate%
Alcoholic Liquor for Human Consumption and Indian Made Foreign Liquor	1
Timber obtained under a forest lease or any other mode and other forest produce	2.5
Scrap and Minerals, being coal or lignite or Iron ore	1
Parking Lots, Toll Plaza Lease and Mine Quarry Lease	2
Tendu Leaves	5
Bullion or Jewellery	1
Cash Purchase for Bullion exceeding ` 2 Lacs & Jewellery exceeding ` 5 Lacs	1
Cash Purchase for any Goods/Services Exceeding ` 2 Lacs	1
Motor Vehicle of value Exceeding `10 Lacs	1
Remittance out of India under the Liberalized Remittance Scheme of RBI of the value exceeding 7Lacs in a financial year (Applicable from 1.10.2020) TCS will be charged on excess amount above 7 lacs	5
Sale of overseas tour programme package (Applicable from 1.10.2020)	5
Sale of goods (except goods on which TCS Applicable as per section 206C(1), 206C(1F) and 206C(1G)) of the value exceeding 50 Lacs (Applicable from 1.10.2020) - TCS will be charged on excess amount over 50Lacs - Applicable for Seller of goods having turnover more than 10 Crore	0.10

Note:- If case of Non-Resident up to 1 Crore there will be Cess @ 3% and Above 1 Crore there shall be Surcharge @ 10% also. TDS is not applicable on Service Tax Part is Service Tax is shown separately.

✓ Various Important dates for TDS & TCS

Due Dates of Payment of TDS & TCS		
Tax Deductible between April to February	7th of next month.	
Tax Deductible in March	30th April.	
Due Dates for Filing TDS & TCS Return		
Period	Date of Filing	
For 1st Quarter ending on 30th June	31st March 2021	31st March 2021
For 2nd Quarter ending on 30th September	31st March 2021	31st March 2021
For 3rd Quarter ending on 31st December	31st January	15th January
For 4th Quarter ending on 31st March	31st May	15th May

5. Provision Relating to Capital Gain

Particular	Short Term Capital Gain	Long Term Capital Gain
Sale transactions of equity shares/unit of an equity oriented fund which attract STT	15%	10%*
Sale Transaction Other Than Above mentioned		
Non-resident Individual	Slab rate	Listed - 20% Unlisted - 10%
Resident Individual	Slab rate	20% with indexation 10% without Indexation
Firm Including LLP (resident and non-resident)	30%	
Resident Companies	30%	
Overseas financial organizations specified section 115AB	40% (corporate) 30% (Non-Corporate)	10%
FII's	30%	10%
Other Foreign Companies	40%	20%/10%
Local Authority	30%	20% with indexation 10% without Indexation
Co-operative Society	Progressive slab Rate	

* For AY 2019-20 onwards, if the amount of Long Term Capital Gain (including LTCG on Units of Mutual Fund) in a year exceeds ₹ 1,00,000 the exceed amount above ₹ 1,00,000 is taxable at the rate of 10%

Note:-

- ✓ Unlisted shares of Company would be treated as short term capital assets if it is held for a period of 24 months or less immediately preceding the date of his transfer
- ✓ Long term capital on sale of listed mutual funds (other than equity oriented funds) will be taxed at the flat rate of 20%.
- ✓ The cost of acquisition of shares would be

Higher of :-

- I. Actual cost at which share are bought and
- II. Lower of following
 - a. Highest price of securities as on 31.1.2018 and,
 - b. Full value if consideration

Particular	AY 2019-20	AY 2020-21
Exemption on 2 nd self occupied House from Notional Rental Value	if an individual has 2 self occupied house property, value of 1 st considered as NIL other is taxable on notional (estimated) Rental Value	Income tax on 2 nd self occupied property will be exempt. Hence Notional rental value of two self occupied house property is NIL

6. Restriction on CASH Transaction

Nature if Expenditure	IT Section	Ceiling Limit	In case of Violation
Capital – Payment of Fixed Assets Purchase	43	10000/- per day asset	The expenditure shall not be included in the cost of asset no depreciation benefit.
Payment of expenses on specified business	35AD	10000/- per day asset	No deduction shall be allowed in respect of such expenditure
Payment of business expenses	40A(3)	10000/- per day to a person	No deduction shall be allowed in respect of such expenditure
Payment made for plying, hiring of leasing goods carriage	Second proviso to 40A(3A)	35000/- per day to a person	No deduction shall be allowed in respect of such expenditure
Any payment received - in aggregate from a person in a day - in respect of single transaction - in respect of transactions relating to one event or occasion from a person	269ST	2,00,000/-	Penalty U/s 271DA equal to the amount of such payment received by a person

7. Useful Charts

✓ Cost of Inflation Index

F.Y.	Index	F.Y.	Index
2000-01	100	2011-12	184
2001-02	105	2012-13	200
2002-03	109	2013-14	220
2003-04	113	2014-15	240
2004-05	117	2015-16	254
2005-06	122	2016-17	264
2006-07	129	2017-18	272
2007-08	137	2018-19	280
2009-10	148	2019-20	289
2010-11	167	2020-21	301

✓ Carry Forward and setoff of Losses

Sr No	Type of Loss	Set off Under/Against	Carried forward for	Is it necessary to submit ITR in time
1	House Property	All heads*	8 years	No
2	Speculation	Speculation	4 years	Yes
3	Unabsorbed Depreciation/ Cap Exp on SR/ Family Plan	Any Income (other than salary)	No Limit	No
4	Loss from a specified business u/s 35AD	Income from a specified business u/s 35AD	No Limit	Yes
5	Other business losses	All heads except salary head	8 years	Yes
6	Short Term Capital Losses	Short Term/ Long Term Capital Gains	8 years	Yes
7	Long Term Capital Losses	Long Term Capital Gains	8 years	Yes
8	Owning/ Maintaining race horses	Owning/Maintaining race horses	4 years	Yes

Note :-

- ✓ No Loss can be set off against winning from lotteries, any sort of receipt from gambling or betting of any former nature.
- ✓ For Loss to be carried forward for future periods, Return of loss must be filed in time
- * From AY 2018-19 it provides that set off of loss under the head of income of house property against any other head of income shall be restricted to Rs 2,00,000 for any assessment year

✓ Tax on Dividend Distribution Tax

Dividend Distribution Tax (DDT) which was earlier paid by companies has been removed and will be taxed to assesses receiving dividends based on their respective income bracket. NO deduction other than interest expenses shall be allowed from such dividend income and such deduction shall not be exceed 20% of dividend income

To remove cascading effect, it has been proposed to introduce a new section 80M under the income tax Act 1961 whereby a domestic company shall be eligible to deduct from the amount of dividend paid by it such dividend income received from any other domestic companies will still be taxed and no deduction shall be allowed.

✓ Partner Remuneration.

Book Profit	Amount deductible [u/s 40(b) for Business & Profession]
Loss	Maximum ` 1,50,000
Profit Upto `3,00,000	` 1,50,000 or 90% of Book Profit, whichever is more
Profit More than `3,00,000	90% of ` 3,00,000 and 60% of balance Book Profit

✓ Capital Gain – Sec 54 Exemption

Sec	Assets Sold	Assets Purchase	Time Limit	Exemption Amount
54	Residential House	Residential House*	For Purchase ✓ 1Year Before or ✓ 2Year After Sale	Actual amount invested in new asset or capital gain whichever is less
54F	Long term other than Residential House	Residential House	For Construction Completed within 3 years from sale	Capital Gain ✗ <u>Investment in new asset</u> net Sale Consideration
54B	Agriculture Land	Agriculture Land	Purchase within 2 years of sale	Actual amount invested in Agriculture Land
54EC	Any Long term Capital Assets	Bonds of NHAI or REC	Invest within 6 months of Sale	Max. Exemption is Rs. 50 Lacs
54GB	Residential House	Subscription of Equity Shares of Eligible Start up Companies	Before due date of furnishing return of income u/s 139(1)	Capital Gain ✗ net Sale <u>Consideration</u> Investment in new asset by eligible company
54EE	Any Long term Capital Assets	Gain to be re invested in long	Invest within 6 months of Sale	Max. Exemption is Rs. 50 Lacs

		term specified assets to be notified by the Central Government to finance Start up		
54D	Long term or Short Term capital gain arising on transfer of land and building forming part of an industrial undertaking which is compulsory acquired by government and was used for industrial purpose for a period of 2 years prior to its acquisition	Gain to be re invested to acquire land or building for industrial purpose	Purchase within 3 years of sale	Actual amount invested in new asset or capital gain whichever is less
54G	Long Term or Short term capital gain arising on transfer of land, building, plant or machinery in order to shift an industrial undertaking from urban area to rural area	Gain to be re invested to acquired land, building, plant and machinery in order to shift an industrial undertaking to a rural area	Purchase within 1 years before or 3 years after the date on which transfer took place	Actual amount invested in new asset or capital gain whichever is less
54GA	Long Term or Short term capital gain arising on transfer of land, building, plant or machinery in order to shift an industrial undertaking from urban area to Special Economic Zone	Gain to be re invested to acquired land, building, plant and machinery in order to shift an industrial undertaking to any Special Economic Zone	Purchase within 1 years before or 3 years after the date on which transfer took place	Actual amount invested in new asset or capital gain whichever is less

* if amount of capital gain doesn't exceed 2 Crore the assessee can purchase or construct 2nd resident house properties from AY 2020-21, this concession is available only once in life time.

Assets	Duration of assets		Tax Rate	
	Short Term	Long Term	STCG	LTCG
Immovable Property e.g House Property	Less than 2 years	More than 2 years	Income tax slab rate	20.8% with indexation
Movable property e.g. Gold/ Jewellery	Less than 3 years	More than 3 years	Income tax slab rate	20.8% with indexation
Listed Shares*	Less than 1 years	More than 1 years	15.75%	Exempt
Equity oriented Mutual fund	Less than 1 years	More than 1 years	15.75%	Exempt
Debt Oriented Mutual fund	Less than 3 years	More than 3 years	Income tax slab rate	20.8% with indexation

* Applicable only for the shares sold through stock exchange in India on which Security transaction tax (STT) has been paid & Capital gain up to 1 Lacs.

Tax Mentioned above are excluding surcharge @10% on income between 50 Lakh to 1 Crore & 15 on income above 1 Crore.

Interest Rates under Income Tax

Particular	Sec	Period	Rate(per month or part of it)
Income Tax Return			
Delay in submission	234A	From Due Date to Date of submission of Return	1%
Non Submission	234A	From Due Date to Date of completion of assessment u/s 144/147	1%
Advance Tax			
Failure to pay 90% of assessed tax	234B	From 1 st April of AY to completion of assessment	1%
Deferring Advance tax	234C	From Due Date to Date of next instalment	1%
TDS			
Failure to deduct	201(1A)	From required date for deduction to actual date of deduction	1%
Failure to deposit in time	201(1A)	From actual date of deduction to	1.5%

		actual date of deposit	
TCS			
Failure to collect tax	206C(7)	From required date for collection to the actual date of collection	1%
Failure to deduct TDS, Deposit TDS and collect TDS between 20 th March, 2020 to 30 th June 2020 (COVID 19 Impact Period)	201(1A) & 206C(7)	From Required date of deduction/collection to Actual date of deduction/collection	0.75%
Excess Refund paid	234D	From Date of grant refund to date of regular assessment	0.50%
Delay in Furnishing of Return	234F	Return file after due date but before 31 st dec Other Cases (In case Total income does not exceed Rs 5 Lakh amount of late fee not exceeding Rs 1000)	5000 10000

8. Provision relating to GIFT

With effect from	Recipient	Nature of Receipt	Taxable Amount
01.10.2019	Individual/HUF*	Any sum of money without consideration >`50,000	Entire Amount Received
		Immovable property without consideration >`50,000	Stamp Value
		Other property without consideration FMV >`50,000	FMV
		Immovable/Other property FMV less consideration >`50,000	Excess Amount
01.06.2010	Company/Firm	Property being shares without consideration: FMV>`50,000	FMV
		Property being shares FMV less consideration: FMV>`50,000	Excess Amount

Document the gift transaction for scrutiny by tax authority

It is recommended that you keep documents for all the gifts received, so that in case of any security by tax officials, you can present the details. Gift by way of movable property is required to be made in stamp paper and stamped. Registration of gift deed not required in this case. But for making a gift of immovable property the transfer must be effected by a registered gift deed. Gift of immovable property which is not registered is not valid as per law and cannot pass any title to receiver.

*If gift received from following situation thane it would not be tax.

Sr No	Money Received From
1	From any relative. Relative is defined to include following <ol style="list-style-type: none"> Spouse of the individual Brother or sister of the individual Brother or sister of the spouse of the individual Brother or sister of either of the parents of the individual Any lineal ascendant or descendant of the individual Any lineal ascendant or descendant of the spouse of the individual Spouse of the person referred above (b) to (f)
2	On the occasion of the marriage of the individual or
3	Under a will or by way of inheritance or
4	In contemplation of death of the payer or
5	From any local authority or
6	From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 or
7	From any trust or institution registered under section 12AA

9. Depreciation Chart as per Income Tax

	Nature of Assets	Rate
Building		
Block - 1	Residential Building other than hotels and boarding houses	5
Block - 2	Office, factory, godowns or building - not mainly residential purpose	10
Block-3	Temporary erection such as wooden structures	40
Furniture		
Block-4	Furniture - Any Furniture/fittings including electrical fittings	10
Plant & Machinery		
Block-5	Any Plant or Machinery (not covered by block 6,7,8,9,10,11 or 12) & motor cars (other than those used in a business of running them on hire) acquired or put to use on or after April 1, 1990	15
Block-6	Motor Car , Motor cycle, Bike, scooter other than those used in a business of running them on hire, acquired on or after the 23th day of august 2019 but before the 1 st day of April 2020 and is put to use before the 1 st day of April 2020	30
Block-7	Ocean going ships, vessels ordinary operating on inland waters including speed boat	20
Block-8	Buses, lorries & taxies used in business of running them on hire, machinery used in semi-conductor industry, moulds used in	30

	rubber & plastic goods factories	
Block-9	Motor Buses/ taxies/ lorries used in a business of running them on hire acquired on or after the 23th day of august 2019 but before the 1 st day of April 2020 and is put to use before the 1 st day of April 2020	45
Block-10	Airplanes , Life saving medical equipments	40
Block-11	Containers made of Glass & plastic used as refills , new commercial vehicle which is acquired during Jan 1, 2009 & Sept 30, 2009 & is put to use before Oct1, 2009 for the purpose of business/profession	50
Block-12	Computer including computer software, Books (other than annual publication) owned by a professional	40
Block-13	Energy saving devices; renewal energy devices; rollers in flour mills, sugar work & steel industry	40
Block-14	Air pollution control equipments; water pollution control equipments; solid waste control equipments, recycling & resource recovery systems; books (being annual publications) owned by assessee carrying on a profession or books (may or may not be annual publications) carrying on business in running lending libraries.	40
Block-15	Books owned by assessee carrying on profession being annual publication	40
Block-16	Books owned by assessee carrying on profession not being annual publication	40
Block-17	Books owned by assessee carrying on business being annual publication	40
Intangible Assets		
Block-18	Intangible assets (acquired after march 31, 1998) – Know-how, patents, copyrights, trademarks, licenses, franchises & any other business or commercial rights of similar nature.	25

10. Depreciation Chart as per Companies Act

Nature of Assets	Useful Life	Rate (SLM)	Rate (WDV)
Building			
Building (other than factory building`s) RCC Frame Structure	60year	1.58%	4.87%
Factory Building & building other than RCC Frame Structure.	30 year	3.17%	9.50%
Fences, wells, tube wells	05 year	19.00%	45.07%
Plant and Machinery			
a. General rate applicable to Plant and Machinery not covered under Special Plant and Machinery			
I. Plant and Machinery other than continuous	15year	6.33%	18.10%

process plant not covered under specific	25year	3.80%	11.29%
II. Continuous process plant for which no special rate has been prescribed under (ii) below			
b. Special Plant and Machinery			
I. Plant and Machinery related to production and exhibition of Motion Picture Films Cinematograph films - Machinery used in The production and exhibition of cinematograph films, recording and reproducing equipment, developing machines, printing machines, editing machines, synchronizers and studio lights	13 year	7.31%	20.58%
II. Plant and Machinery used in glass	13year	7.31%	20.58%
✓ Plant and Machinery except direct fire glass melting Furnaces- recuperative and regenerative glass melting furnaces	8 year	11.88%	31.23%
✓ Plant and Machinery except direct fire glass melting furnaces - Moulds [NESD]	10year	9.50%	25.89%
✓ Float Glass Melting Furnaces [NESD]			
Furniture and fittings [NESD]			
a. General furniture and fittings	10 year	9.50%	25.89%
b. Furniture and fittings used in hotels, restaurants and boarding houses, schools, colleges and other education institutions, libraries, welfare centres, meeting halls, cinema houses, theatres	8 year	11.88%	31.23%
Motor Vehicles [NESD]			
a. Motor cycles, scooters and other mopeds	10year	9.50%	25.89%
b. Motor buses, motor lorries, motor cars and motor taxis used in a business of running them on hire	6 year	15.83%	39.30%
Office equipments [NESD]	5 year	19.00%	45.07 %
Computers and data processing units [NESD]			
a. Servers and networks	6 year	15.83%	39.30%
b. End user devices, such as, desktops, laptops, etc.	3year	31.67%	63.16%
Electrical Installation and Equipment [NESD]	10year	9.50%	25.89%
Bridges & Roads			
a. Bridges, culverts, bunders, etc	30year	3.17%	9.50%
b. Carpeted Roads- RCC	10year	9.50%	25.89%
c. Non-Carpeted Roads	3year	31.67%	63.16%
Ships			
a. Ocean Going Ships	25year	3.80%	11.29%
b. Bulk Carriers and liner vessels	20year	4.75%	13.91%
Aircrafts & Helicopters	20year	4.75%	13.91%

Laboratory Equipment			
a. General Laboratory equipment	10year	9.50%	25.89%
b. Equipment used in Educational Institutions	5year	19.00%	45.07%

11. Provisions Related to Trust Registration

Earlier registration of trust under 12AA and approval to take donation u/s 80G was available for life time

But from financial year 2020-21 the summary of new provision related to registration of charitable and religious trust is as follow

Sr No	Type of entity	Timeline to make Application for registration	Applicability of exemption u/s 11 & 12	Validity of registration	Time limit to grant Registration
1	Trust already registered u/s 12A or 12AA before relevant provision of finance bill 2020 comes in to force	Within 3 months from the date on which this clause has come into force i.e. by 31.08.2020	From the assessment year from which such trust or institution was earlier granted registration	Registration shall be granted for the period of 5 years	Within 3 months from the end of the month in which the application is received
2	Trust registered under the proposed section 12AB and the period of the said registration is due to expire	At least 6 months prior to expire of the said registration period	From the assessment year immediately following the financial year in which such application is made	Registration shall be granted for a period of 5 years after satisfying about the condition of the section	Within 6 months from the end of the month in which the application received
3	Trust provisionally registered under section 12AB	At least 6 months prior to expire of the provisional registration or within 6 months of commencement of its activities whichever is	From the first of the assessment year for which it was provisionally registered	Registration shall be granted for a period of 5 years after satisfying about the conditions of the section	Within 6 months from the end of the month in which the application received

		earlier			
4	In any other case	At least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration is sought	From the assessment year immediately following the financial year in which such application is made.	Provisional registration shall be granted for a period of 3 years from the assessment year from which the registration is sought	Within 1 months from the end of the month in which the application received

C. IMPORTANT PROVISION RELATED TO GST

2. Penal Provision under GST

Type of Default	Penalty
GST Identification Number (GSTIN) to be mentioned on the name board	Up to ` 25,000
GST Registration Certificate to be displayed at prominent place of business at all places of business	Up to ` 25,000
Not Issuing Proper Invoice	` 25,000
Not maintaining proper Stock record	Up to ` 25,000
Availing Input Tax Credit based on wrong Invoice	Rs. 10,000 or 100% of ITC wrongly availed, whichever is higher + 24% Interest from date of availment to date of reversal
Paying CGST instead of IGST/SGST Paying SGST instead of CGST/IGST Paying IGST instead of CGST/SGST	Pay Tax under correct head with no interest and claim refund of tax paid under wrong head.
Not filing GSTR 3B on or before 20th of next month	Rs. 20 (Rs. 10 SGST + Rs. 10 CGST) per day of delay in case
Not filing GSTR 1 on or before due date (penalty not yet auto-reflected in system)	of NIL returns. In other cases, Rs. 50 (Rs. 25 CGST + Rs. 25 SGST) per day of delay
Not obtaining registration within 30 days of date on which he	Rs. 10,000 + ITC during the

is liable to get registered	period of delay is lost
Invoice without Supply	Rs. 10,000 or 100% of tax evaded , whichever is higher
Supply without Invoice (Non- Issuance of Invoice)	Rs. 10,000 or 100% of tax evaded , whichever is higher
Collects GST but doesn't pay to Government within 3 months from due date	Rs. 10,000 or 100% of tax evaded , whichever is higher
General Penalty If any of the provisions are defaulted and nowhere penalty is specified, this general penalty provision may be resorted to.	Up to ` 25,000

Interest Provision under GST

Type of Default	Interest Rate
Undue or excess claim of ITC	18%
Tax Paid after Due Date	18%*
Excess ITC Claimed or Unmatched ITC	24%

*interest shall be calculated in such a manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.



Personal Hearing

SHAH TEELANI & ASSOCIATES



CHARTERED ACCOUNTANTS

302-303, Shubh House, Bh Jain Dairy, 77, Swastik Society

Swastik Cross Road, Off C.G. Road, Ahmedabad-09

Tel.: 079-48492928, 9426341100

Web: www.shahteelani.com | Email: shahteelani@gmail.com