



konnnect

VOLUME 2 | SEPTEMBER 2020



FDI

Capital Inflows for
Economic Development

RERA

Securing transparency
in Real Estate Sector

FCRA

Amendment
2020
Boon or Bane?



P.A.HAMEED & ASSOCIATES
Chartered Accountants

PAH KONNECT

IS HERE FOR YOU TO CAPTURE THE
ESSENCE OF YOUR INVESTMENT
GOALS, ILLUMINATE YOURS
DREAMS AND **BE PASSIONATE!**

It was heartening for us to witness the huge acceptance and success of our Volume 1.

PAH KONNECT is back again to evolve this season with an element of insights into recent financial and economic trends and is dedicated to investment and compliance management. We focus on bringing intelligent views of the business world to enable people in all walks of life to handle the hurdles & manage their portfolio with our solid solutions and updates.

Here we present PAH KONNECT to provide a bird's eye view of the current environment that urge the business institutions to rethink and transform the way they manage risks with efficiency & effectiveness. Much has changed since the first issue in the aftermath of the covid crisis. The global economy is slowly picking up again; investors have become increasingly demanding and started taking greater interest in performance and transparency. So set the pace and set the tone for your own destiny.

We hope you will enjoy this issue!





FDI _____ 4

RERA _____ 22

FCRA _____ 36

ALL ABOUT FACELESS
ASSESSMENTS _____ 38

REVALIDATING
TAX EXEMPTIONS _____ 45

TAX AT
SOURCE UPDATES _____ 49

CORPORATE AFFAIRS
EXTENSION _____ 53

GST ERRORS AND
RESOLUTIONS _____ 54

FDI-FOR DYNAMIC INDIA.....

New industrial revolutions, driven by emerging technologies and robotics have made investments and production across the world better, economical and faster.

FDI plays a pivotal role in channelizing transfer of capital and technology, perceived to be a significant factor in promoting economic growth in developing countries like India.

FDI- WHAT, WHERE, WHY?

WHAT

- Investment by person outside India in the capital of an Indian company under Schedule 1 of Foreign Exchange Management Regulations, 2000.

WHERE

- Commonly made in open economies that have skilled workforce and growth prospects.

WHY

- Monetary source for economic Development.
- Enhances skills, technology and knowledge.



FDI IN INDIA

MAJOR MILESTONES

FDI in India grew by 13% to a record of \$ 49.97 billion in the FY-2019-20

9th largest recipient of FDI

India, is a part of top 100 club on Ease of Doing Business (EoDB) and globally ranks 1st in the greenfield FDI ranking.

GOI recently released the consolidated foreign direct investment (FDI) policy circular of 2017 (New FDI Policy).

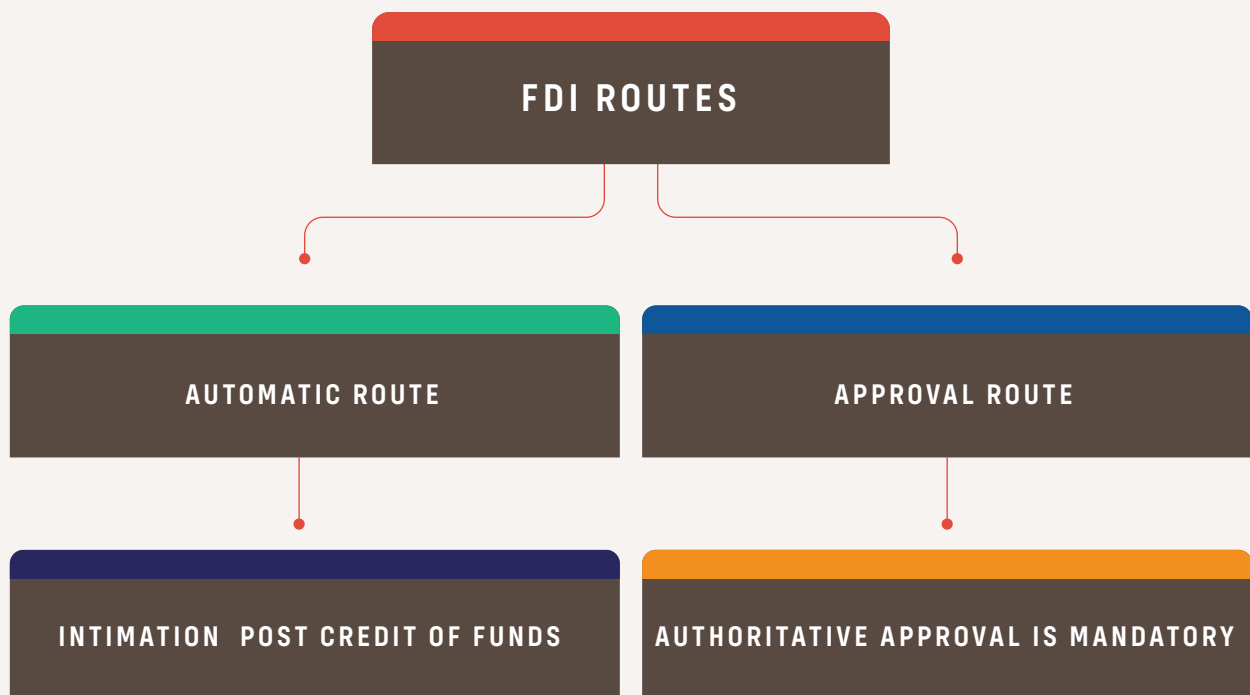
FDI was introduced under Foreign Exchange Management Act (FEMA) 1991.

Steady Increase, since Economic Liberilisation in the wake of 1991 crisis.

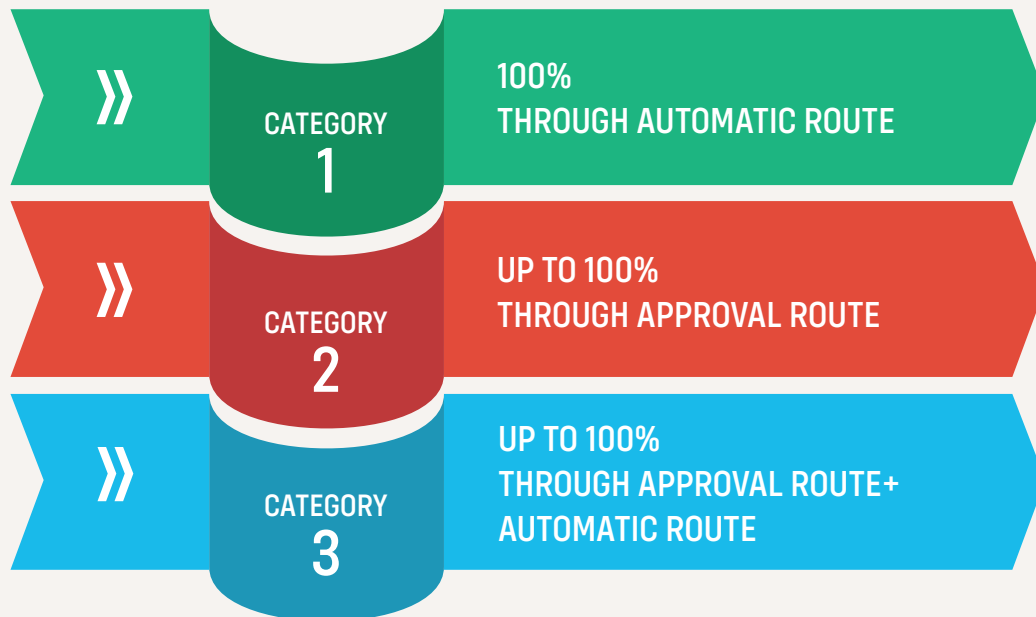
GOVERNING BODY - FDI POLICY



ENTRY ROUTES AND CATEGORIES FOR INVESTMENT IN INDIA



CATEGORIES

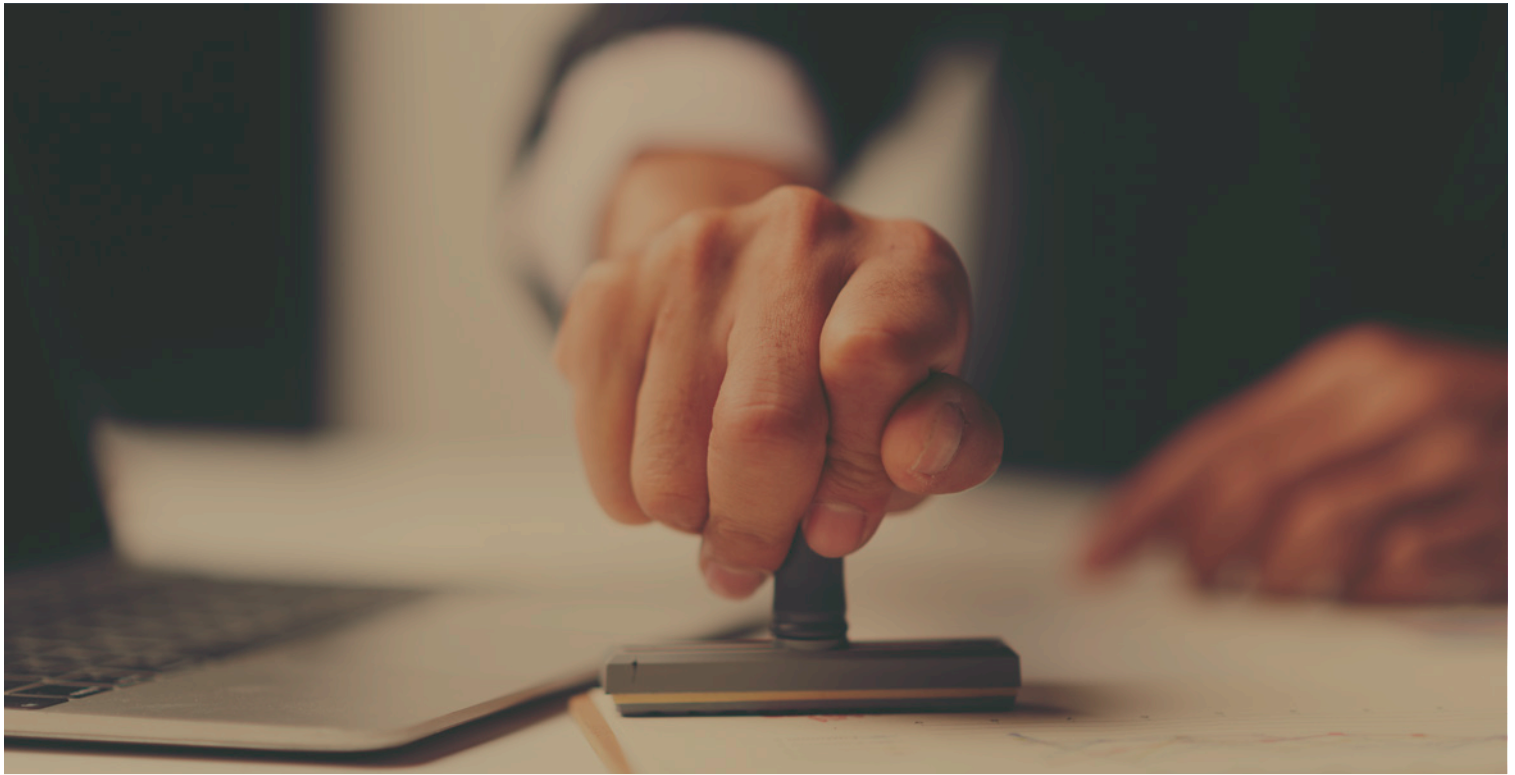


PROCEDURE UNDER AUTOMATIC ROUTE

FDI UNDER AUTOMATIC ROUTE DOES NOT REQUIRE ANY PRIOR APPROVAL OF GOVERNMENT OR RBI

NOTIFY REGIONAL OFFICE OF RBI WITHIN 30 DAYS OF RECEIPT OF INWARD REMITTANCES

FILE DOCUMENTS WITH RBI WITHIN 30 DAYS OF ISSUE OF SHARES CONTRIBUTION RIGHTS



PROCEDURE FOR GOVERNMENT APPROVAL

FILING OF APPLICATION

- Proposal for foreign investment, along with supporting documents to be filed online.
- Application to be made through Foreign Investment Facilitation Portal-www.fifp.gov.in

INTERNAL PROCEDURE FOR APPROVALS

- DPIIT will identify & circulate the proposal to the concerned ministry & RBI for FEMA comments
- Proposals from neighboring countries requires clearance from Ministry of Home affairs.
- DPIIT & Ministry of Home Affairs will provide their comments.
- Additional clarification may be sought from the applicant.
- Proposal involving FDI exceeding Rs. 5000 Crore shall be placed before the Cabinet Committee of economic affairs.

FINAL APPROVAL

- Approval within 8-10 weeks

DOCUMENTS REQUIRED

**Certificate of Incorporation, MOA, AOA, Board Resolution,
Latest audited financial statement**

From Investee & Investor Companies

List of name, address & identification proof

Foreign Collaborators of the Investor Company/ Entity

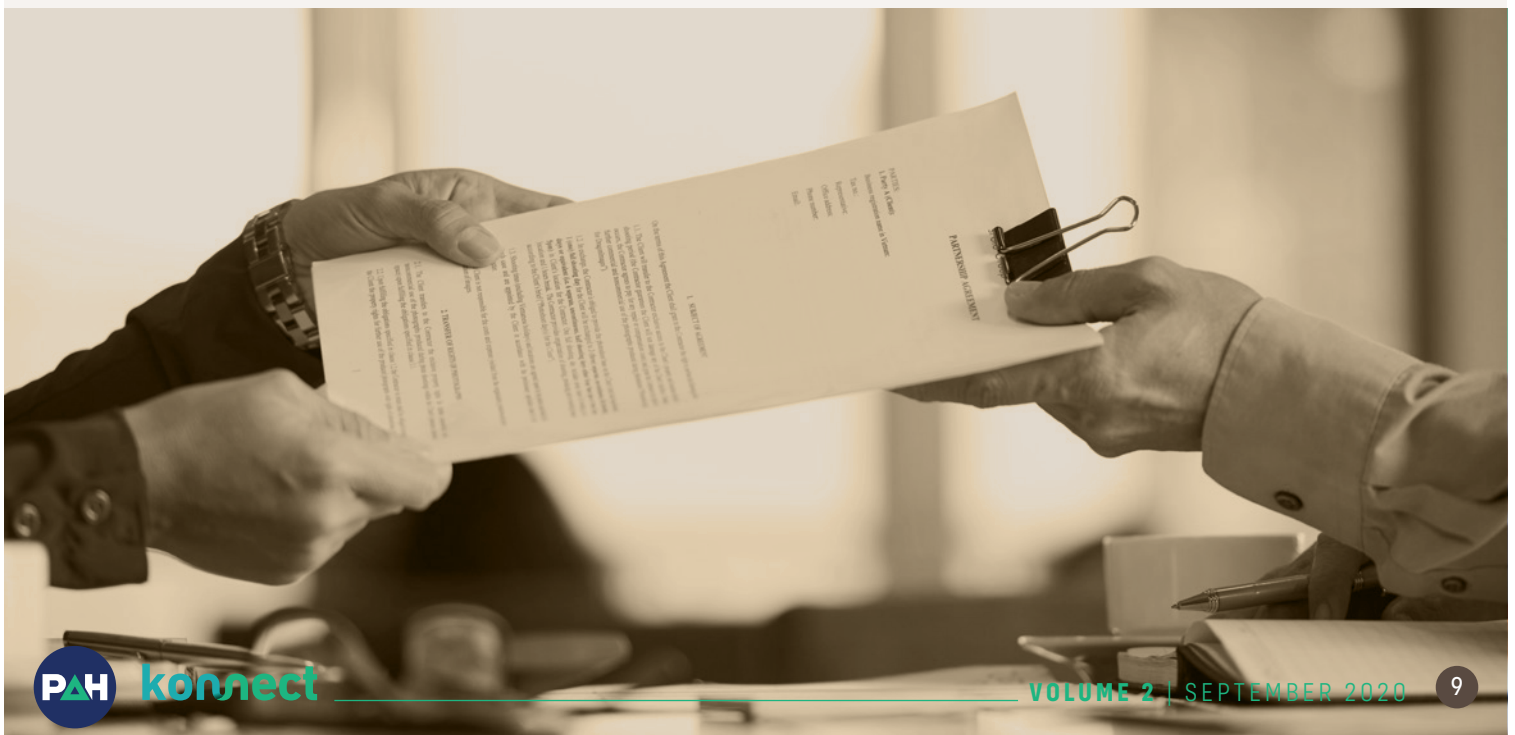
**Pre-and Post-investment shareholding pattern of the
Investee Company**

**Copy of relevant past approvals, connected with the
current proposal**

**Relevant Foreign Inward Remittance Certificate (FIRC) in case
investment has already flown in**

High Court order in case of scheme of arrangement

Valuation certificate as approved by a Chartered Accountant



COMPLIANCES FOR FDI IN SHARE CAPITAL

ON RECEIPT OF SHARE APPLICATION MONEY

Within 30 days the Indian Company is required to report to the Regional office of RBI

THROUGH BANK IN WHICH FUND HAVE BEEN RECEIVED IN FORM ARF

Name & address
of the foreign
investors

Date of receipt
of funds

Details of
government
approval, if any

Name & address of
the authorized dealer
Bank (ADC)

KYC report on the
non - resident investor
from remitting
overseas bank

ISSUE OF SHARES TO NON - RESIDENT INVESTORS

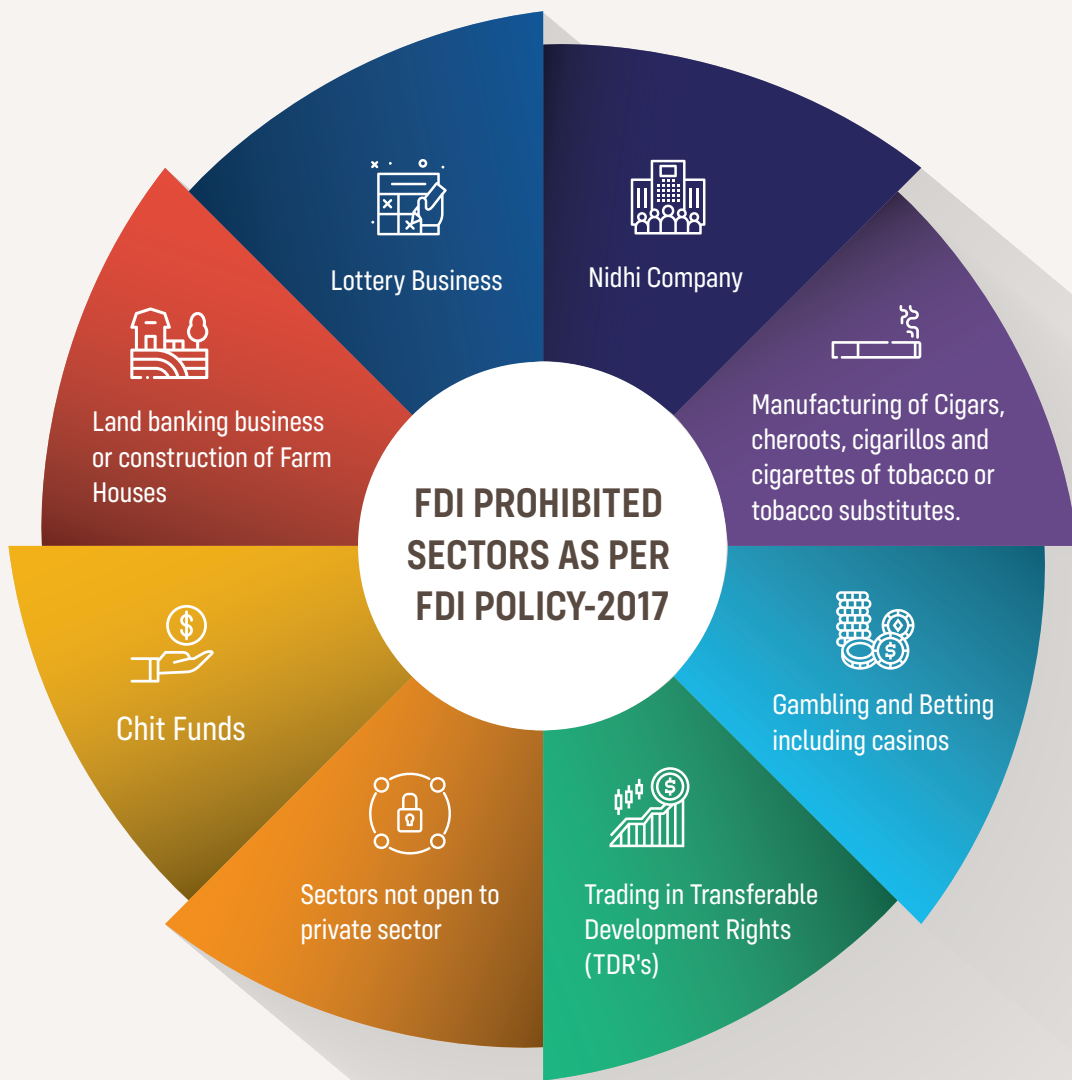
Within 30 days from the date of issue of shares to be filed at the regional office of RBI

THROUGH BANK IN WHICH FUND HAVE BEEN RECEIVED IN FORM FC - GPR

Certificate from CS of the company accepting
the investment

Certificate from Statutory Auditor or CA
indicating manner of arriving the issue price

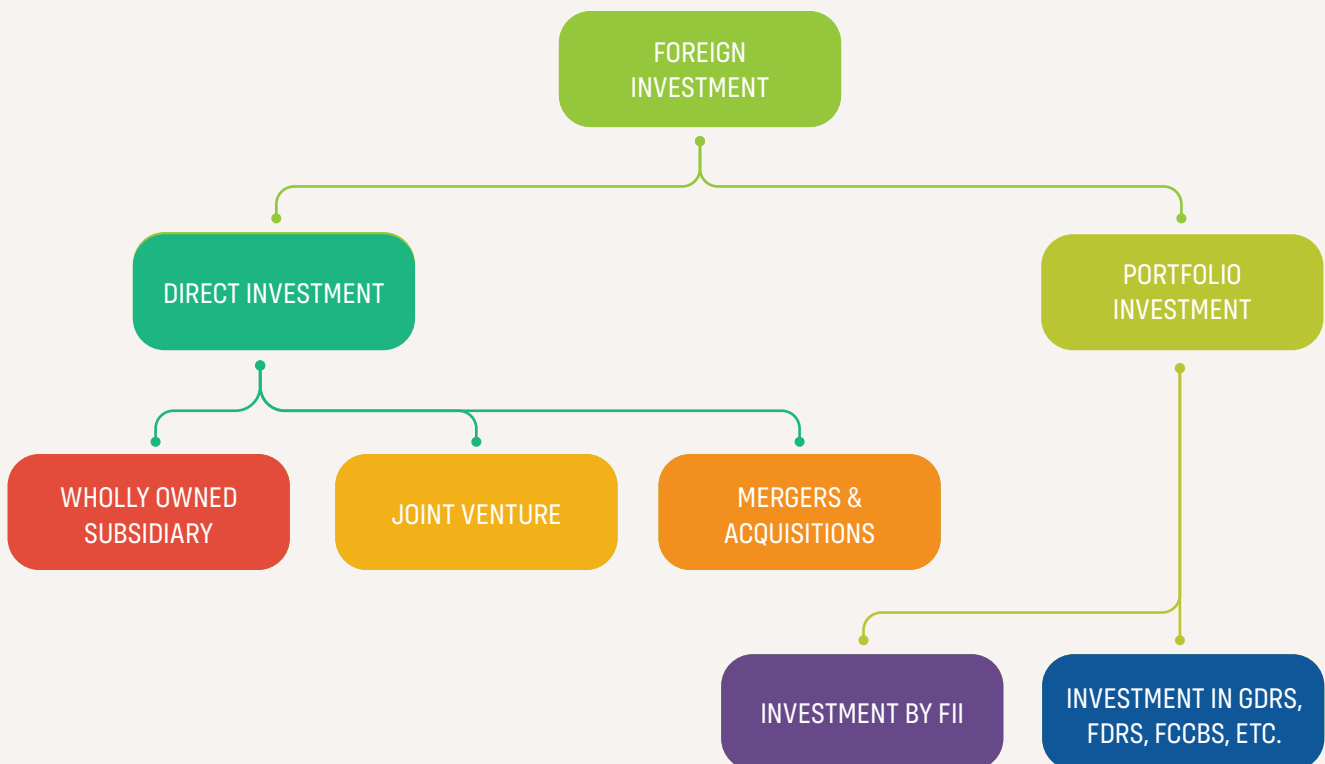
**THE AMOUNT SHALL BE REFUNDED, INCASE EQUITY SHARES ARE NOT
ISSUED WITHIN 60 DAYS**

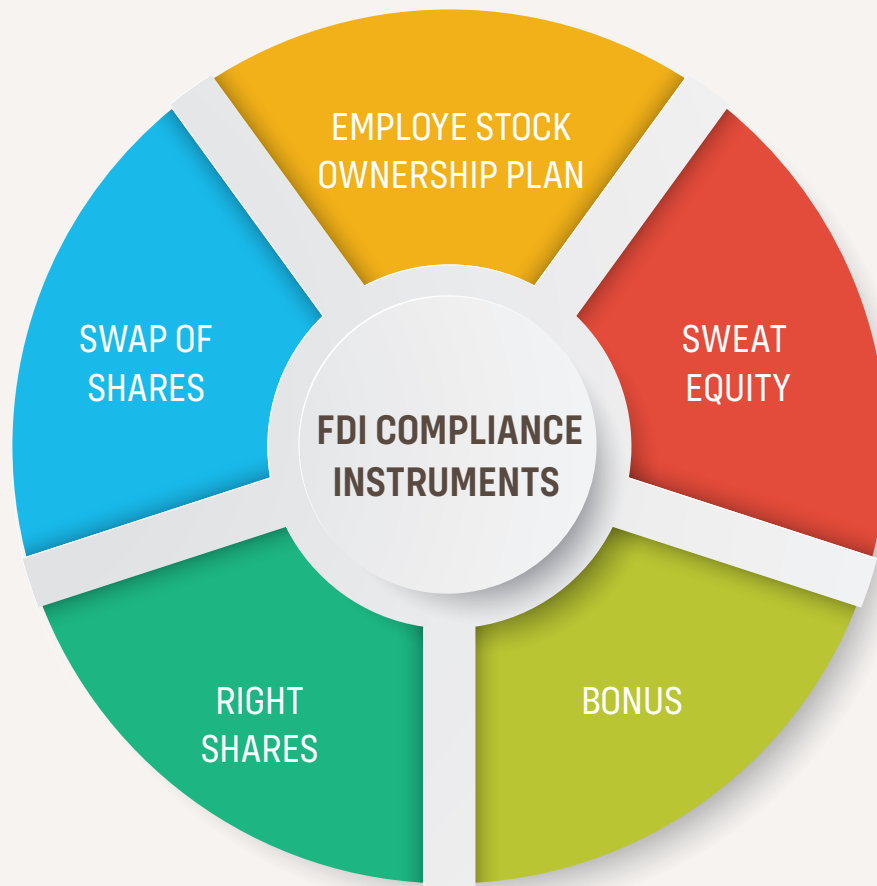


ELIGIBLE INVESTORS



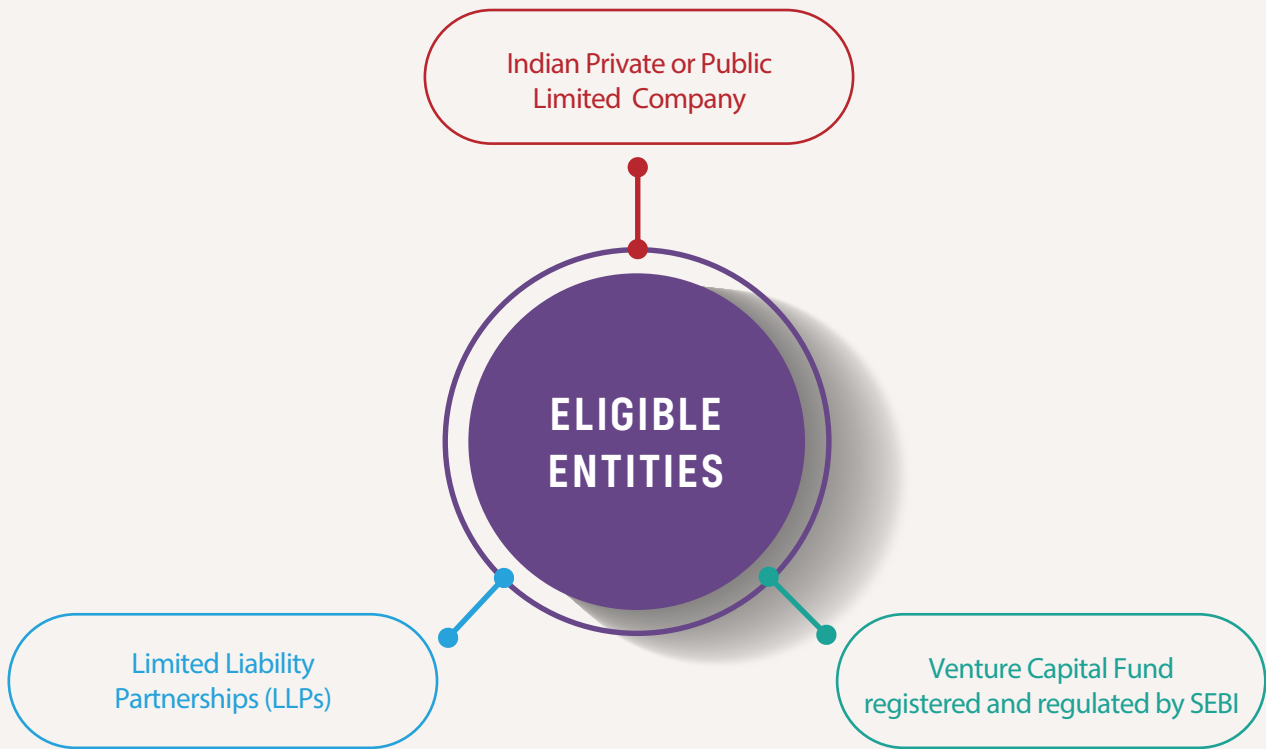
TYPES OF FOREIGN INVESTMENT



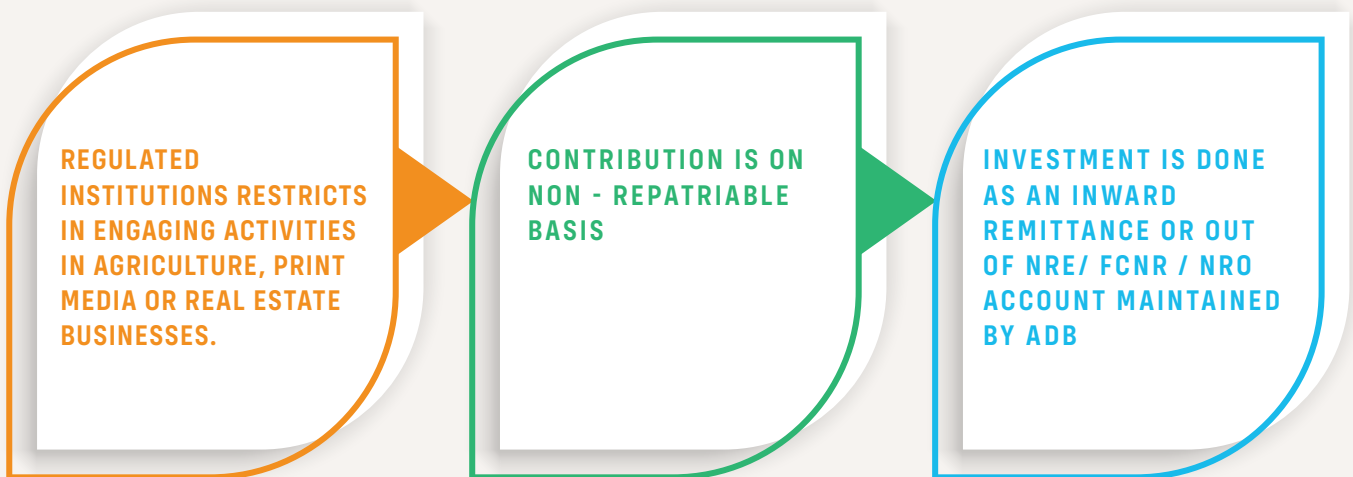


MODE OF PAYMENTS FOR ACQUISITION OF SHARES ON STOCK EXCHANGE



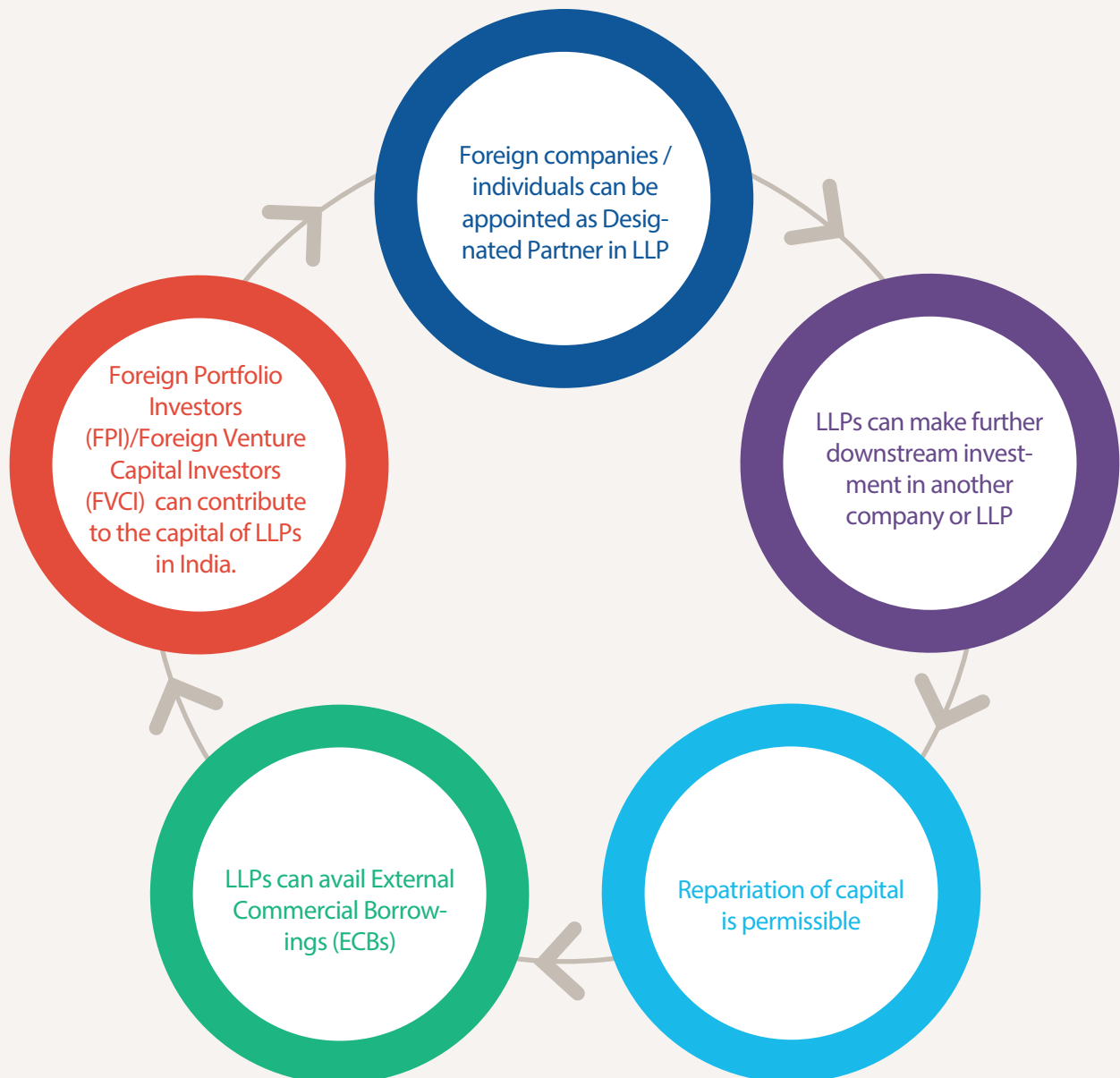


NRI's or person of Indian Origin (POI) residents outside India are allowed to contribute to the capital of body corporates without prior approval abiding conditions listed below.

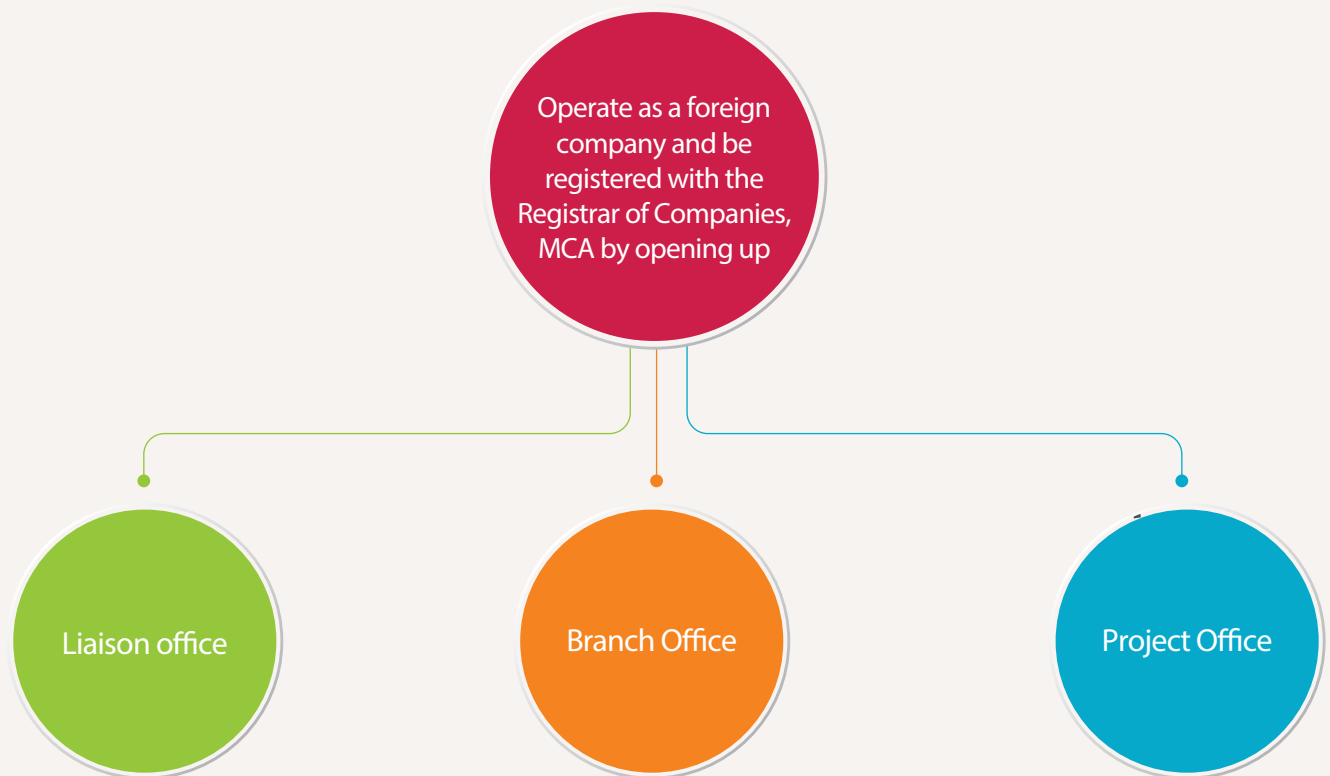




FDI IN LIMITED LIABILITY PARTNERSHIP



FDI IN PRIVATE LIMITED COMPANY

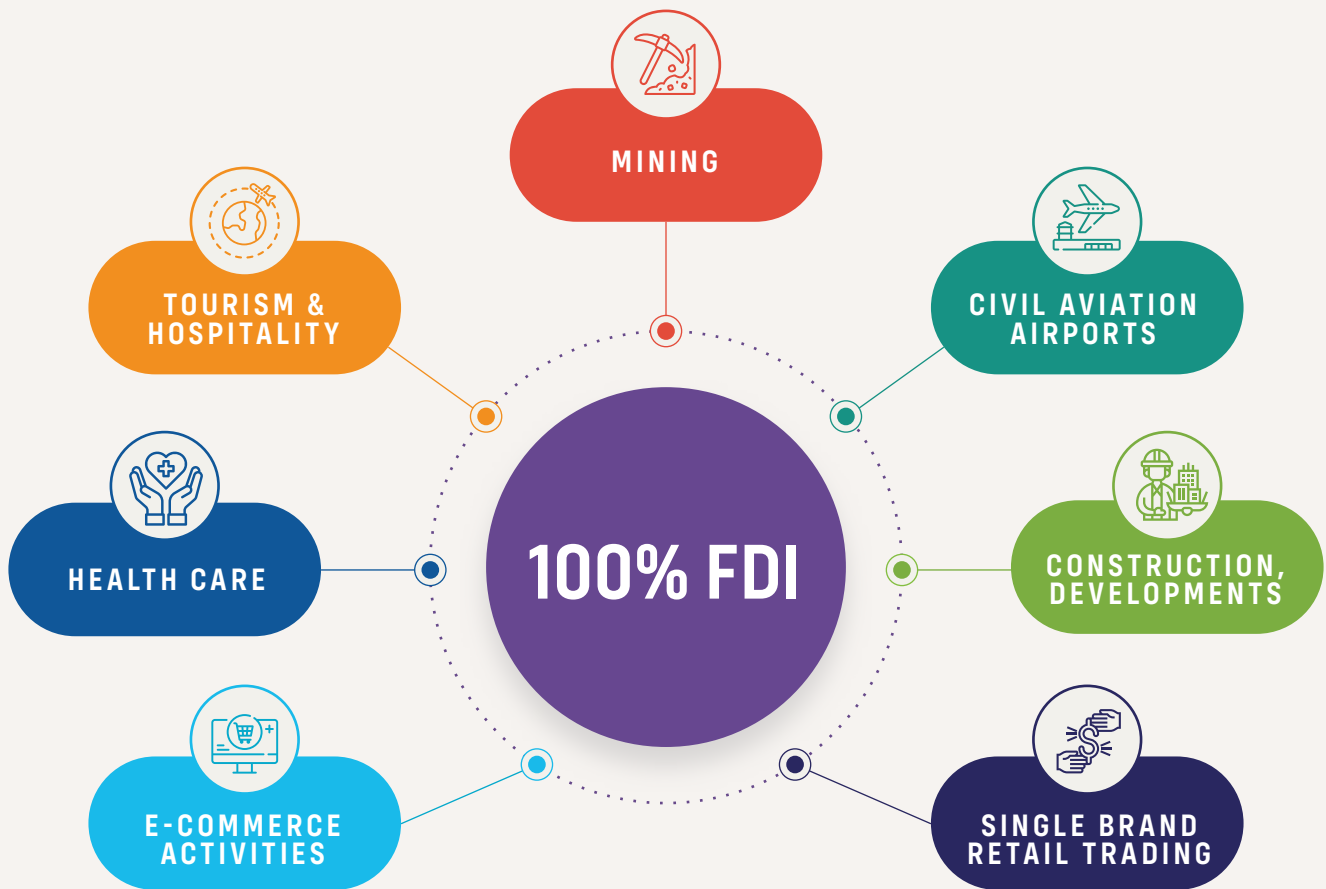


The above offices have to open non-interest bearing current accounts in RBI through ADBs. Application for setting up offices in India has to be made in Form FNC-1 to RBI along with:

1. Certificate of Incorporation or Memorandum & Articles of Association attested by Indian Embassy or Notary Public in their home country.
2. Latest Audited Balance Sheet



MAJOR SECTORS



Major sectors where FDI is permitted but caps are put on these sectors:

S. NO		SECTORAL CAP/ ROUTE
1	DEFENSE INDUSTRY	49% AUTOMATIC ROUTE
2	CIVIL AVIATION	49% FDI (100 PER CENT FOR NRIS) AUTOMATIC
3	ASSET RECONSTRUCTION COMPANIES (ARCS)	100 % (FDI + FII) – BY FIPB IF BEYOND 49%
4	BANKING : PRIVATE SECTOR BANKING : PUBLIC SECTOR	74% (FDI + FII) BY FIPB IF BEYOND 49% 20% (FDI + FII) FIPB
5	(i) FM RADIO (ii) CABLE NETWORK (iii) DTH	26% (FDI + FII) FIPB 49% (FDI + FII) AUTOMATIC 74% (FDI + FII) FIPB BEYOND 49% , 26% (FDI + FII) FIPB
6	COMMODITY EXCHANGE	49% (26% FDI + 23% FII) AUTOMATIC
7	CREDIT INFORMATION COMPANIES (CICS)	74% AUTOMATIC (FII ONLY 24 %)
8	INSURANCE	49%; UP TO 26% AUTOMATIC AND BEYOND IT FIPB
9	DEPOSITORIES, CLEARING CORP	49% (26% FDI + 23% FII) AUTOMATIC
10	PETROLEUM AND NATURAL GAS REFINING	49% FDI IN CASE OF PSUS AUTOMATIC
11	PUBLISHING OF NEWSPAPERS AND CURRENT AFFAIRS NEWS	26%(FDI+FII) FIPB
12	SECURITY AGENCIES IN PRIVATE SECTOR	49 % FIPB
13	SATELLITE AND ESTABLISHMENT AND OPERATION	74 % FIPB
14	SINGLE BRAND PRODUCT RETAILING	100% SUBJECT TO SOURCING CONDITIONS, FIPB BEYOND 49%
15	MULTI BRAND PRODUCT RETAILING	51% FIPB-SUBJECT TO VARIOUS CONDITIONS
16	TELECOM SERVICES	100% FDI – FIPB BEYOND 49%
17	PHARMA SECTOR (BROWNFIELD)	100 % FIPB EXCEPT MEDICAL DEVICES
18	POWER EXCHANGES	29% (26 % FDI+23% FII) AUTOMATIC
19	RAILWAY INFRASTRUCTURE	100% PERCENT AUTOMATIC, FDI BEYOND 49% PERCENT IN SENSITIVE AREAS FROM SECURITY POINT OF VIEW
20	CONSTRUCTION DEVELOPMENT PROJECTS	100% AUTOMATIC- SUBJECT TO VARIOUS CONDITIONS.



REPATRIATION OF INVESTMENTS & ACCRUALS

ALL FOREIGN INVESTMENTS ARE REPATRIABLE SUBJECT TO TAX

EXCEPT INVESTMENT MADE OR HELD ON NON - REPATRIATION BASIS

SECTORAL CONDITION SPECIFICALLY MENTIONS NON - REPATRIATION

**DIVIDENDS/ PROFIT SUBJECT TO TAX CAN BE REMITTED
OUTSIDE THROUGH AUTHORISED DEALER BANKS (ADB)**

PROS

EMPLOYMENT OPPORTUNITIES

PROVISION OF FINANCE & TECHNOLOGY

DEVELOPMENT OF BACKWARD AREAS

HUMAN RESOURCE DEVELOPMENT

EFFICIENT UTILIZATION OF NATURAL RESOURCES

ECONOMIC GROWTH

BETTER STANDARD OF LIVING

INCREASE IN EXPORTS

CREATION OF A COMPETITIVE MARKET

CONS

Negative impact on Country's Investment

Displacement of local business

Privatization of Govt sectors

Large capital outflows

Inflation in the Economy

Exchange Crisis

India has come a long way since 1991 in so far as quantum and ease of FDI inflow is concerned. Foreign direct investment is, without doubt, a critical driver for economic growth. The Government's favorable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. Before making or taking the investment it is advised to check the latest news and guidelines as foreign policy gets changed from time to time.

SOLID MOVE TO CURB THREAT (AMENDMENT TO THE FDI POLICY)

INVESTMENT THROUGH APPROVAL ROUTE

Entity situated in a country which
shares a land border with India

Where the investor is situated or
is citizen of any such country



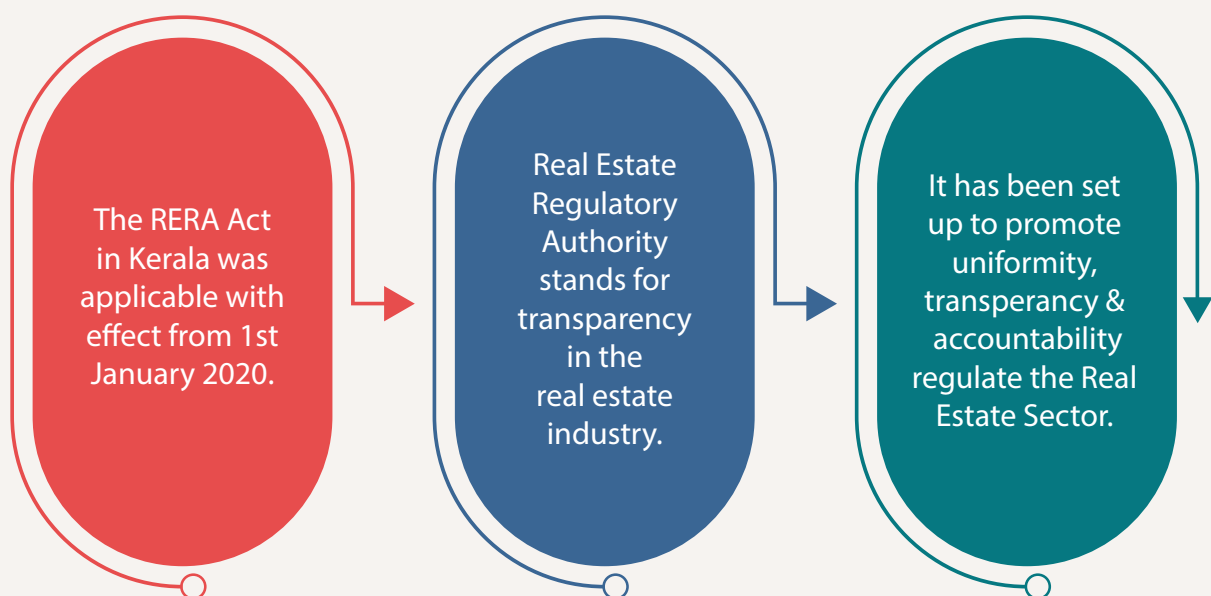
RERA - TO MAKE THE REAL ESTATE SECTOR **REAL**

Indian real estate sector has witnessed high growth and has flourished at an unprecedented rate in the last decade with rise in the demands for commercial as well as residential spaces. However consumers of this sector face a huge problem and are deceived quite often with empty promises, due to lack of proper legislation and regulations.

Therefore, Real Estate (Regulation and Development) Act, 2016 was enacted to bring about effective remedies for buyers and to protect their rights, holding defaulting developers and builders liable for their actions.

Over the course of past few years, RERA has come up and grown as an effective weapon for consumers in the real estate sector. The implementation of RERA assured buyers in the real estate sectors about the authenticity of a project.

RERA - WHAT AND WHY?



APPLICABILITY

Commercial Real Estate Projects including retail stores, office spaces, shopping malls etc.

Residential Apartments

Plotted Developments
(Gated communities/Housing colony)

Ongoing projects in respect of which completion certificates have not been issued.

EXCEPTIONS

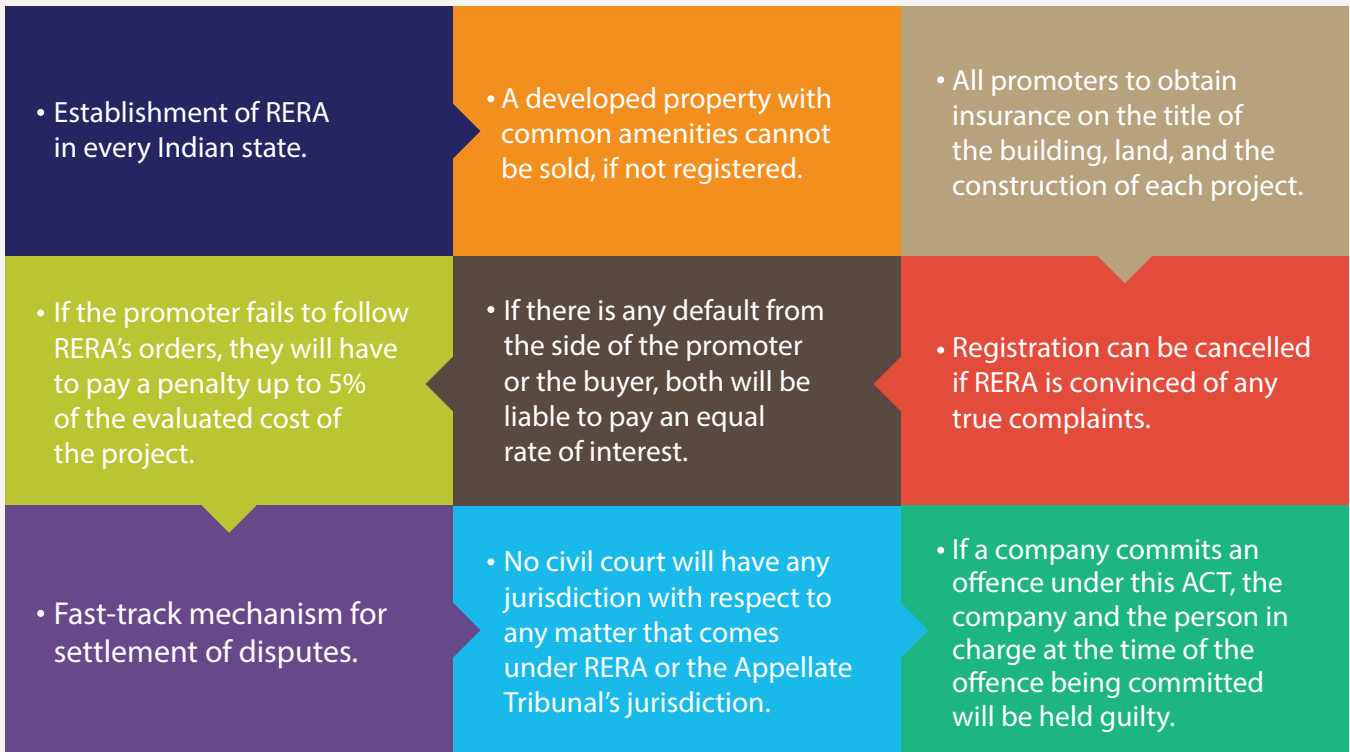
There are three exceptions for registration under the Act

For purpose of renovation/repair /re-development which does not involve marketing, advertising, selling /new allotment of any apartment, plot/building, under real estate project

Where promoter has received completion certificate for Real Estate Project prior to commencement of Act

Where area of land proposed to be developed does not exceed 500 sq m or number of apartments proposed to be developed does not exceed eight, inclusive of all phases.

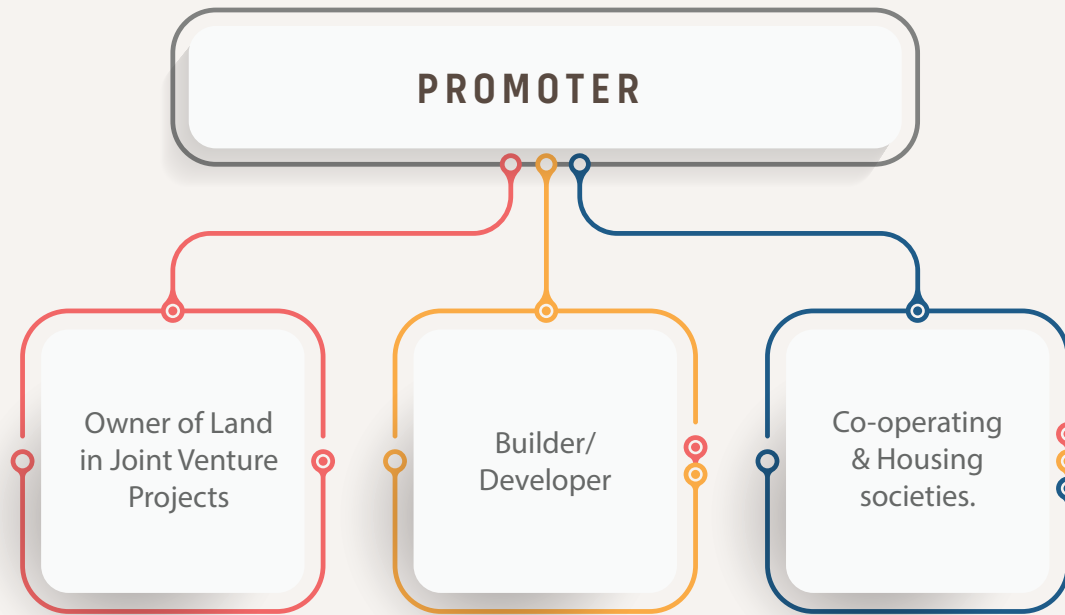
FEATURES



PARTIES TO RERA



PROMOTER AS PER THE ACT



WHO IS AN AGENT

A person, firm or company of broker(s), dealer(s), middlemen who canvas, negotiate or act on behalf of any other person or entity for sale, purchase, transfer of any units of real estate project

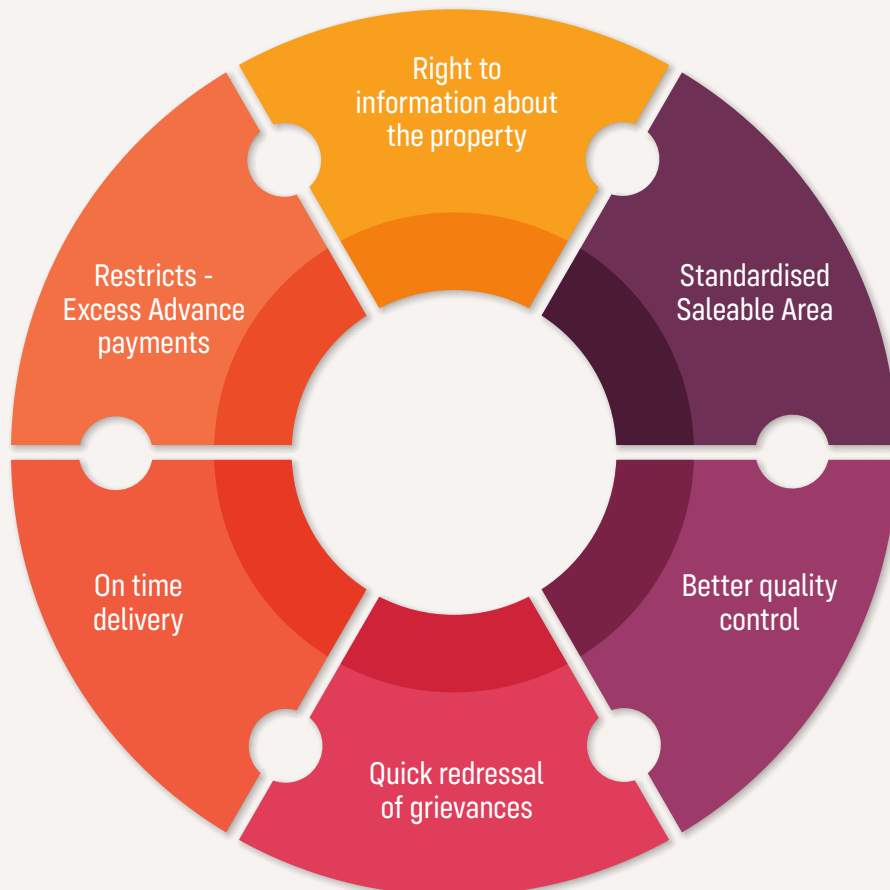
AGENT

BENEFITS

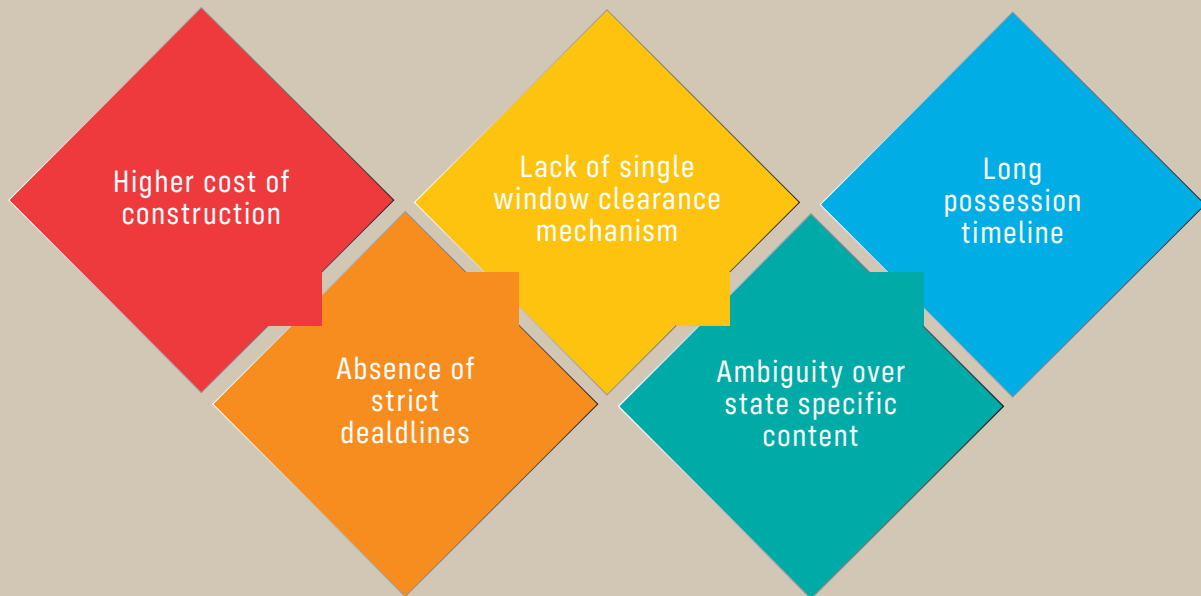
FOR PROMOTERS AND DEVELOPERS



FOR BUYERS



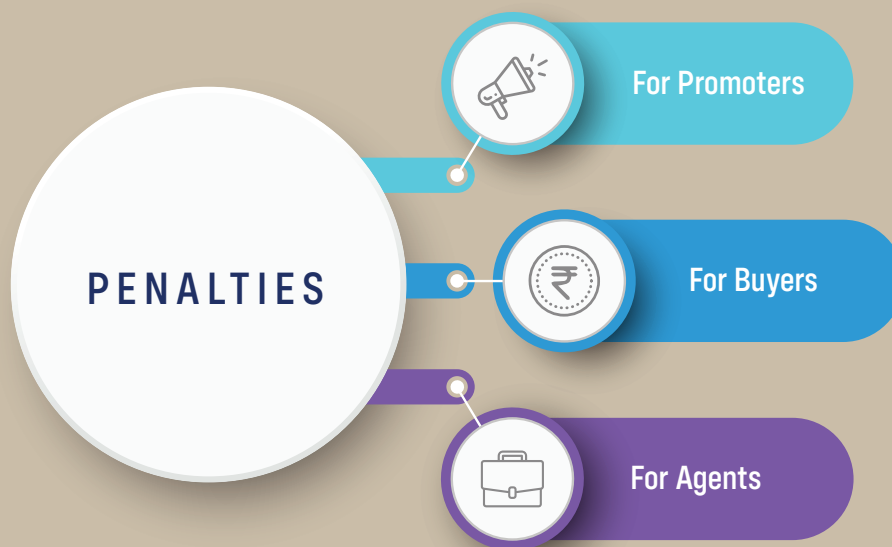
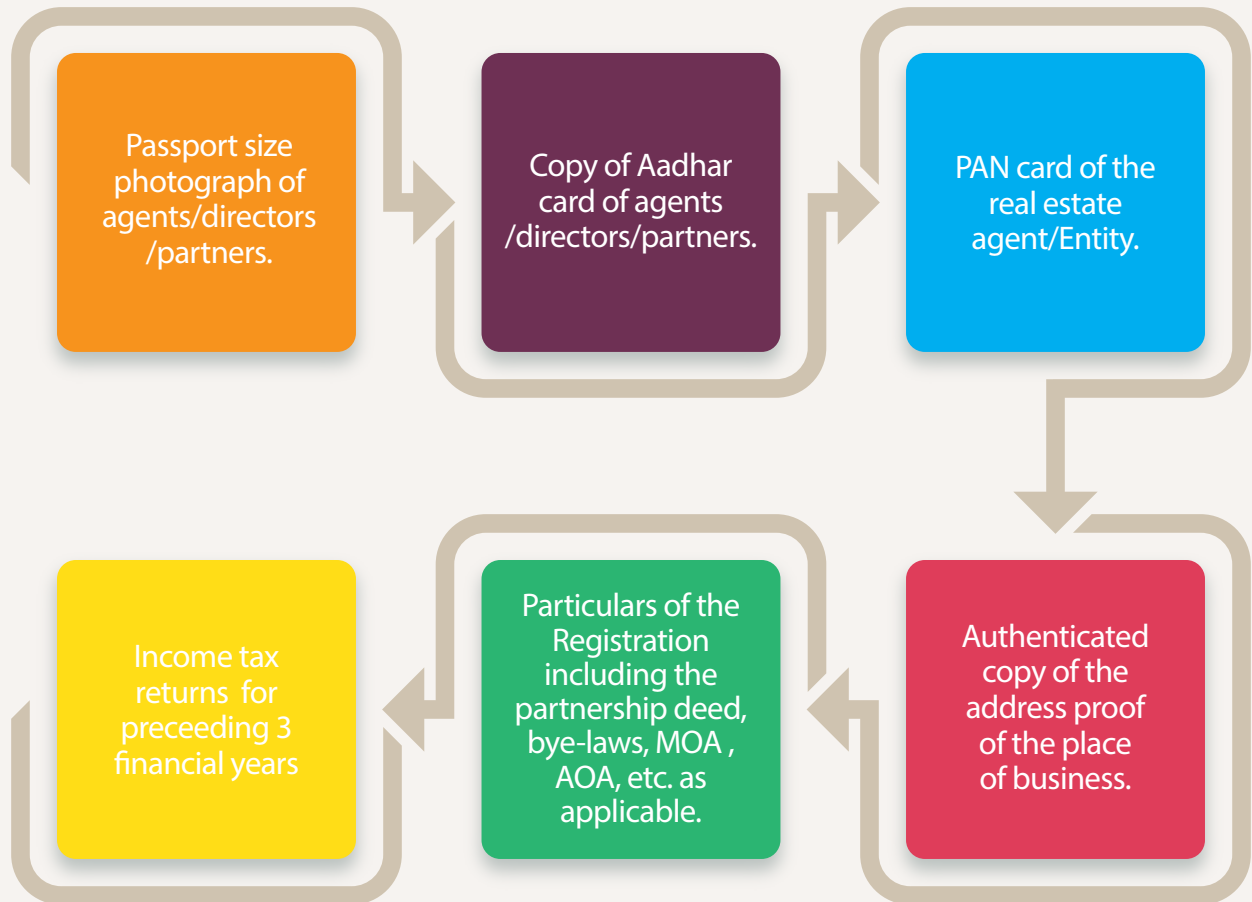
CHALLENGES



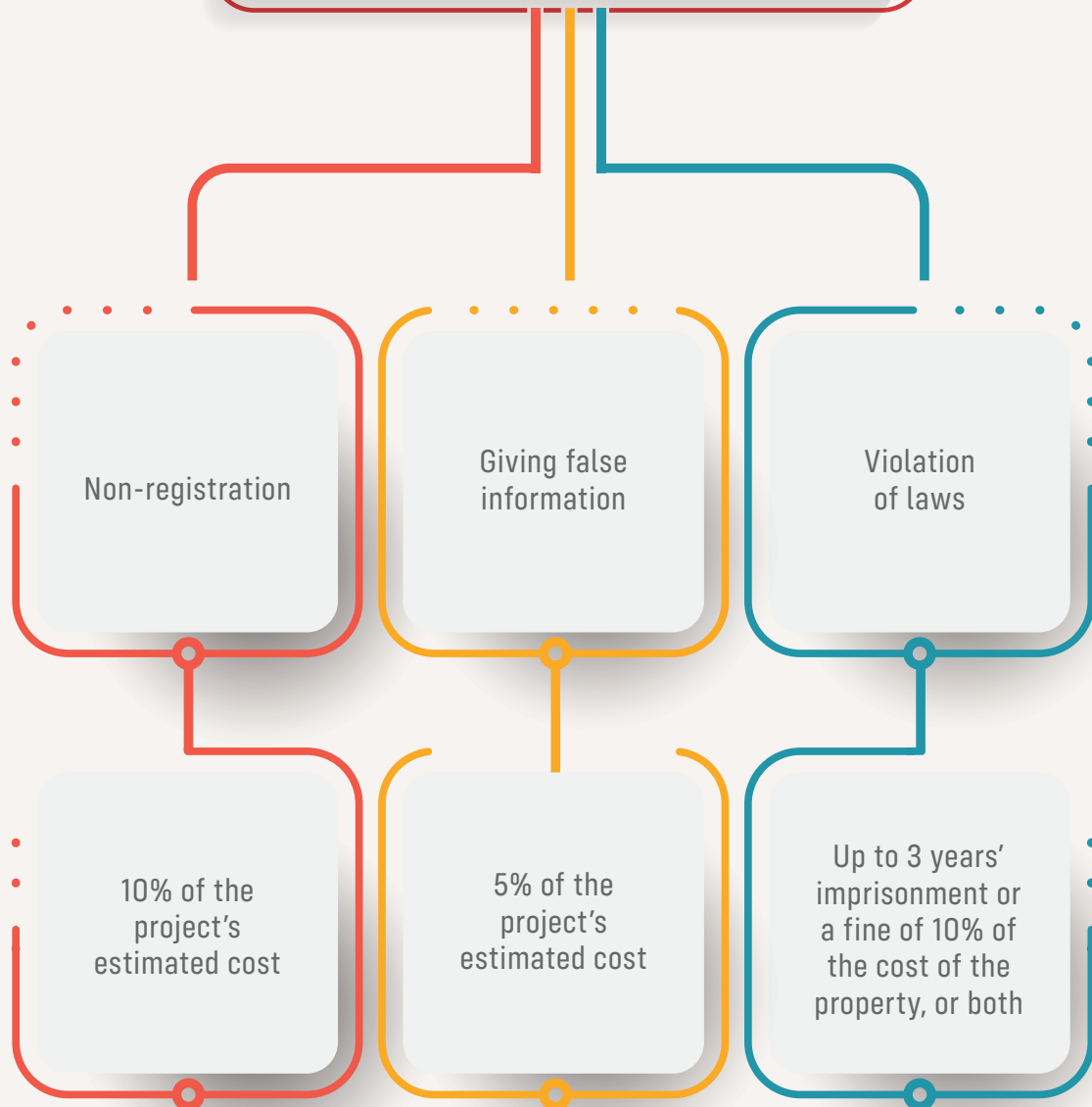
REAL ESTATE AGENT - KEY POINTS



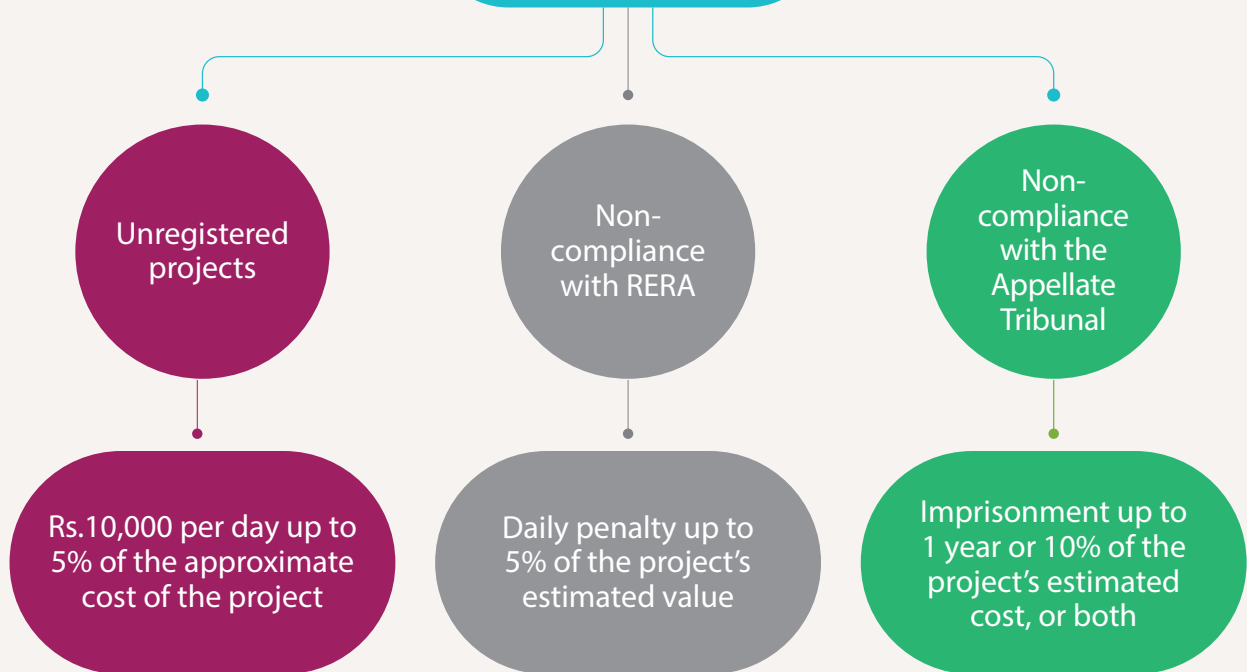
DOCUMENTS REQUIRED FOR REGISTRATION



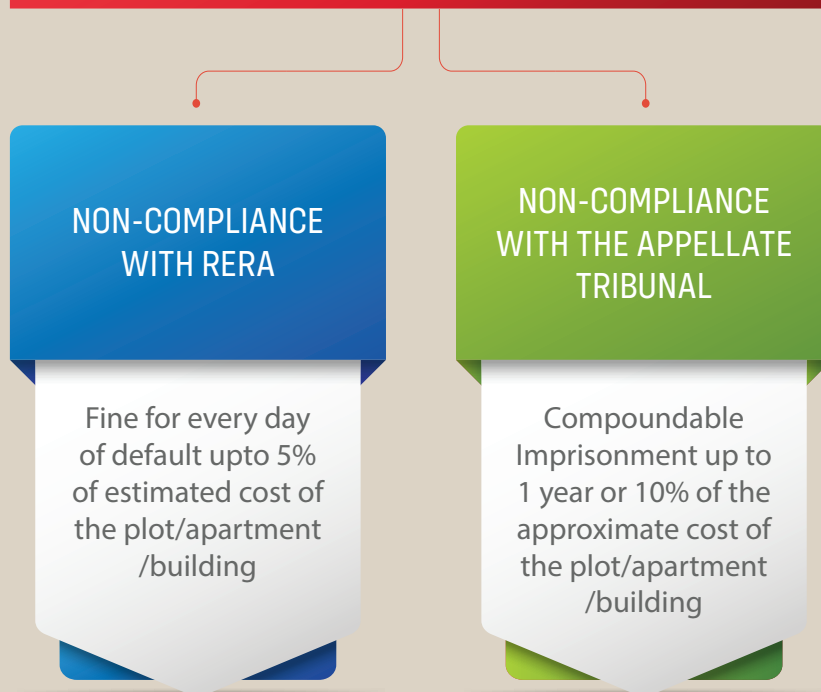
FOR PROMOTERS



FOR AGENTS

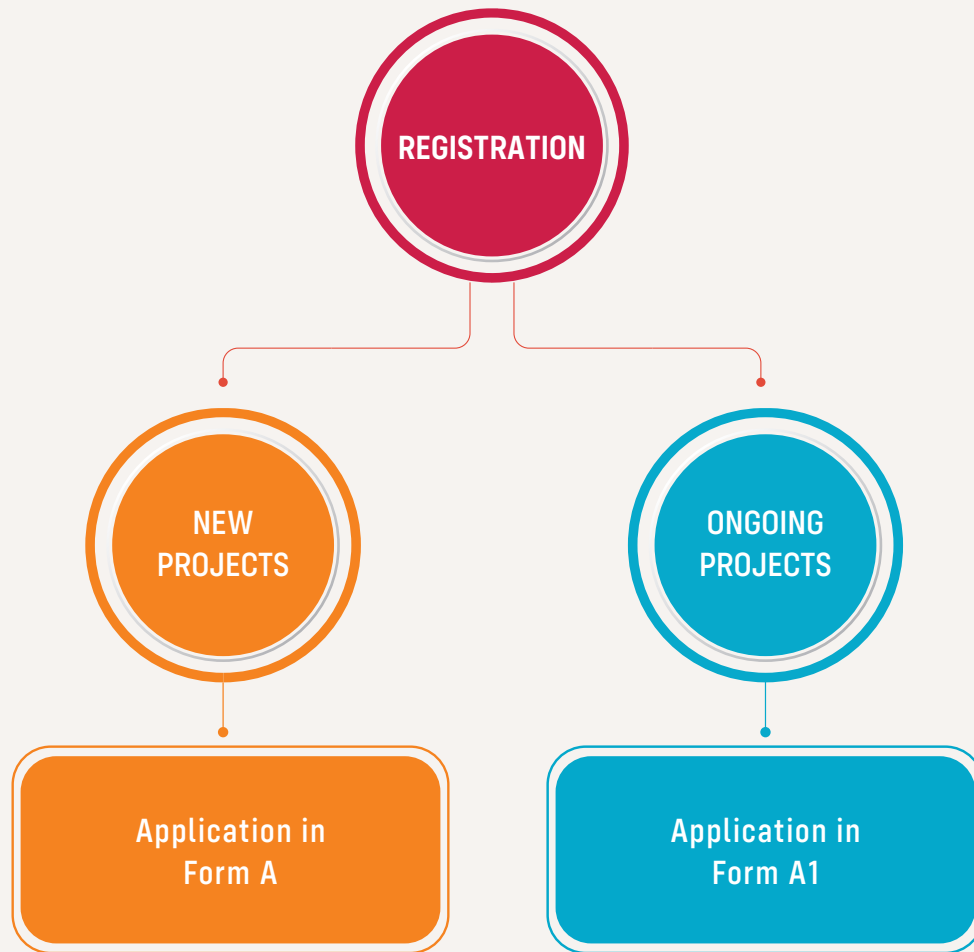


FOR BUYERS



REGISTRATION PROCEDURE

STEP 1



STEP 2



REGISTRATION FEE

PLOT



- Rs. 10/sq.m of plot area

BUILDING



- Ongoing Residential - Rs. 25 *
 - New Residential - Rs. 50 *
 - Commercial or others - Rs. 100 *
- *Amount per sq.m of total floor area

STEP 3 – DOCUMENTS TO BE ACCOMPANIED

BRIEF DESCRIPTION OF ENTERPRISE

- Name, registered address, type of entity and registration particulars
- Name and photographs of the promoters.

PROJECT DETAILS

- Project profile , current status of the project, delay in completion if any, cases pending, type of land and dues.

COPIES OF APPROVALS AND CERTIFICATES

- Copies of all approvals , plans and specifications of the projects.

LOCATION DETAILS OF THE PROJECT

- With clear demarcation of land with its boundaries.

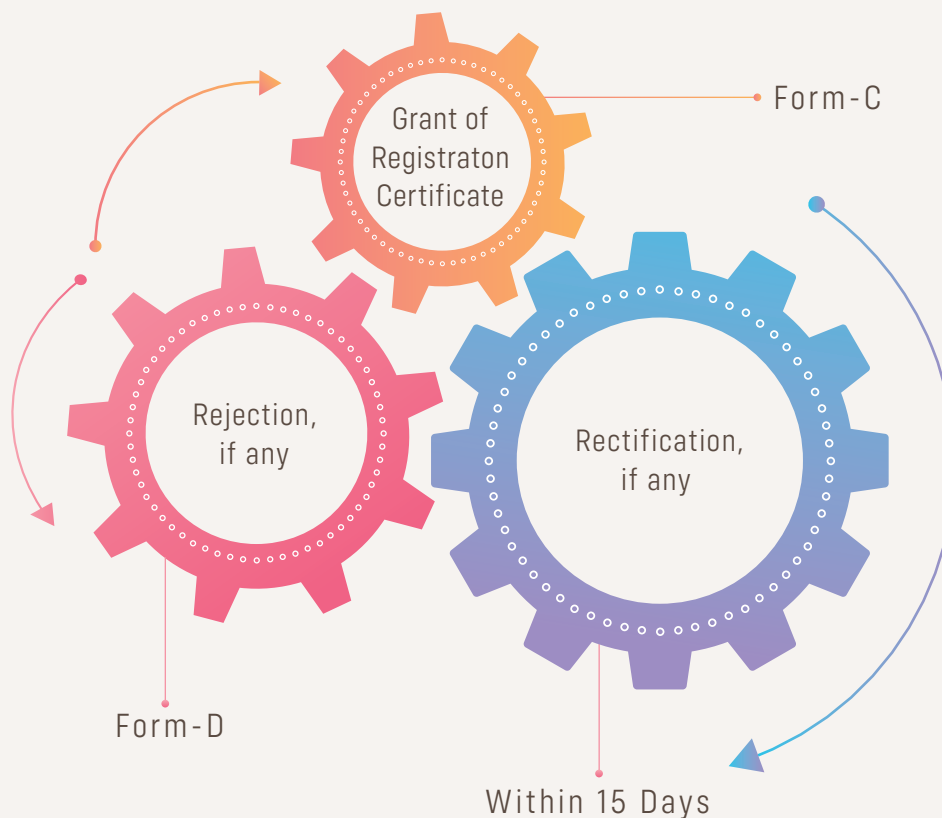
OTHER DOCUMENTS

- Drafts of proposed allotment letters, agreement for sale, conveyance deeds etc.
- Details of registered real estate agents , contractors, architects, structural engineers and related parties.

STEP 4 - DECLARATIONS BY THE PROMOTER



STEP 5 - GRANT OF REGISTRATION OF THE PROJECT



POST REGISTRATION

01

Quarterly updates on the portal for public view.

02

Advertisement, Marketing and Insurances as required.

03

Not accept more than 10% of amount of sale as Advance without entering into Written Agreement.

04

The promoter shall utilise amount from such account in proportion to the percentage of completion certified by Engineer (Form 2), Architect (Form 1), Chartered Accountant (Form 3).

05

The promoter shall get its accounts audited by a Chartered Accountant duly certified and signed in Form 5.

06

Quality assurance certificate to be furnished in Form-2A.

07

Formation of Society within 3 months from the date on which 51% of the project has been booked.

WHERE TO COMPLAIN

Form M -
Complaint
before
Authroity,
Form N -
Complaint
before
Adjudicating
Officer

DD of Rs.
1000,
drawn in
favour of "
K RERA"
Kerala Real
Estate
Regulatory
Authority

Complaints
about law
violations can
be emailed to -
info.rera@
kerala.
gov.in.

3 sets along
with
supporting
documents

Complaint
shall be
presented
either in
person
or through an
authorised
representative

Complaints
against the
RERA's
decisions can
be given to
the Kerala
Real Estate
Appellate
tribunal.
(KREAT)

If aggreived
by KREAT
decision
an appeal
can be filed
in High Court

CONCLUSION

The authority has taken cognizance of the adverse effects of Covid 19 pandemic on the real estate projects and resolved to treat this as an event of "force majeure". Kerala state has extended the limit of all statutory compliance which was due by 25th march 2020 to 25th September 2020.

RERA has brought transparency in the industry. Various checks and restriction placed on builders of projects through RERA ensures the buyers that their investment will not be fraudulently siphoned off. The Act will trigger a turnaround in the sector with increased formalisation and improved customer confidence.

Layout developments which do not include common amenities (club house, play areas etc) do not fall under the purview of RERA as a gated community development. These developments are specifically considered to be independent units which are sub contracted for construction by buyers.

FOREIGN CONTRIBUTION REGULATION (AMENDMENT) BILL 2020 – BOON OR BANE?

FCRA 2010 was enacted to regulate the acceptance and utilization of Foreign Contribution for any activities detrimental to “national interest”.

The Foreign Contribution (Regulation) Amendment Bill, 2020 was introduced in Lok Sabha on September 20, 2020. The Bill amends the Foreign Contribution (Regulation) Act, 2010.

The Bill is a classic way of switching over to control mode from regulatory mode.

The central objectives of the latest amendment Bill are the following:

AADHAR IS MANDATORY

- Making Aadhaar cards a mandatory identification document for all office-bearers, directors and other key functionaries of FCRA registered associations.

BAN ON FC RECEIPTS

- Prohibit any grant from abroad being made to organisations that involve 'public servants'

SUB GRANTING

- Ban on re-granting FCRA funds to any other person or organisation.

FC ROUTE

- Foreign Contribution to be received only at such branch of SBI, New Delhi as notified by the Central Government.
- The entities may open any other FCRA account in any scheduled bank of their choice for keeping or utilising the received contribution.

SUSPENSION OF REGISTRATION

- Empower MHA to suspend registration in case of contravention, beyond 180 days.

CAP ON OVERHEAD EXPENSES

- Cap on administrative expenses to be lowered from 50% to 20% , a major blow to organisations in terms of administration of day to day affairs.

INQUIRY

- Inquiry before renewal of FCRA by MHA as it deems fit.

VOLUNTARY SURRENDER

- Voluntary surrender of FC Registration if no longer interested in FC receipts, subject to surrender of assets created out of FC to the competent authority. It will be a bane for organisation that have created assets out of Foreign Funds.

The bill will have severe repercussions on the wide range of development, relief and support work done by the charitable institutions.

**“EASE OF DOING BUSINESS” ATTRACTS AND
“EASE OF DOING GOOD” DISAPPEARS.**

ALL ABOUT FACELESS ASSESSMENTS

TRANSPARENT TAXATION

Government of India launched Transparent Taxation Scheme on 13th August 2020 in which Income-tax Assessments through electronic mode was made mandatory. It is an extension of E-assessment scheme 2019 launched by Government of India in September 2019

SELECTION OF A TAX PAYER ONLY THROUGH SYSTEM USING DATA ANALYTICS AND AI

ABOLITION OF TERRITORIAL JURISDICTION

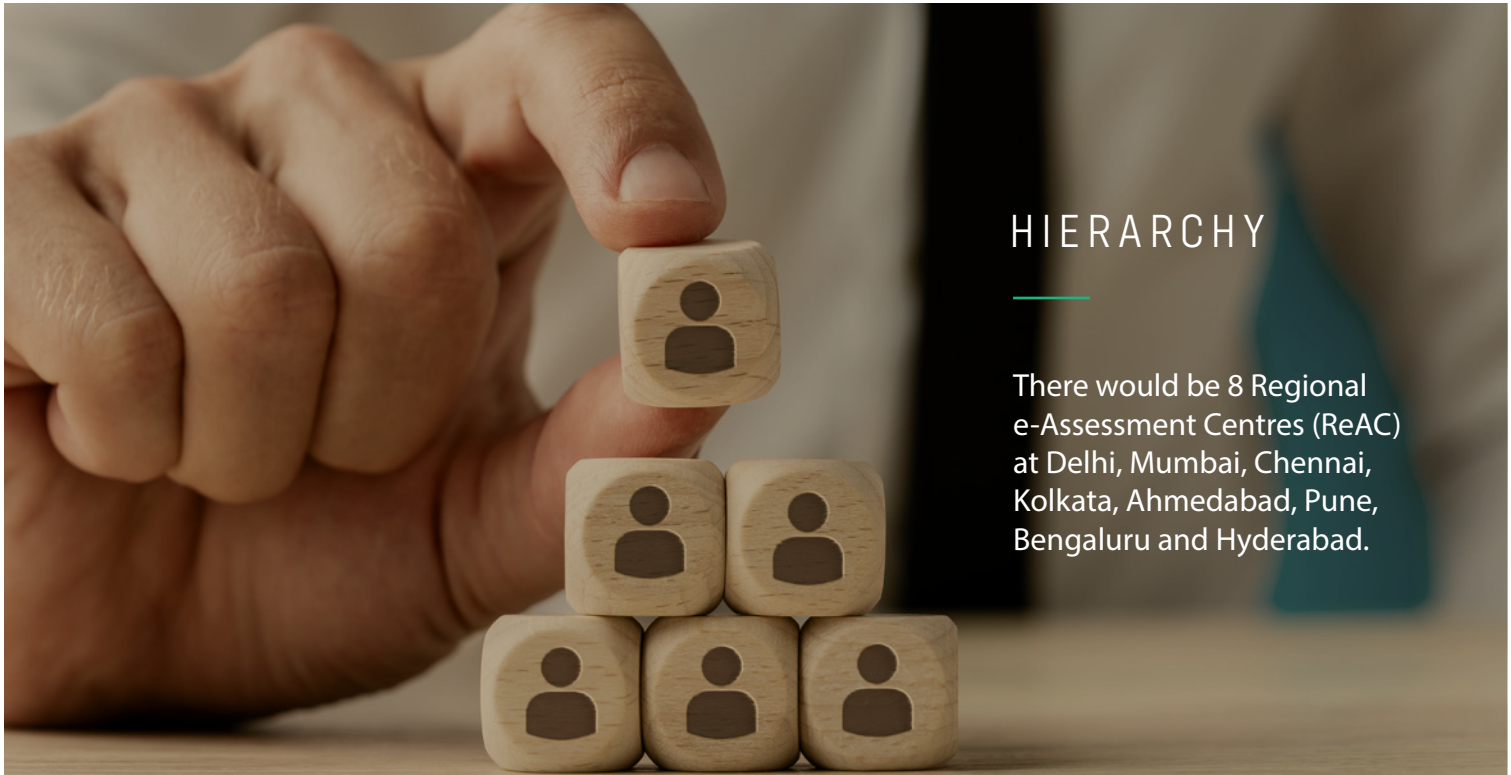
AUTOMATED RANDOM ALLOCATION OF CASES

CENTRAL ISSUANCE OF NOTICES WITH DOCUMENT IDENTIFICATION NO.(DIN)

NO PHYSICAL INTERFACE AND NO NEED TO VISIT THE INCOME TAX OFFICE

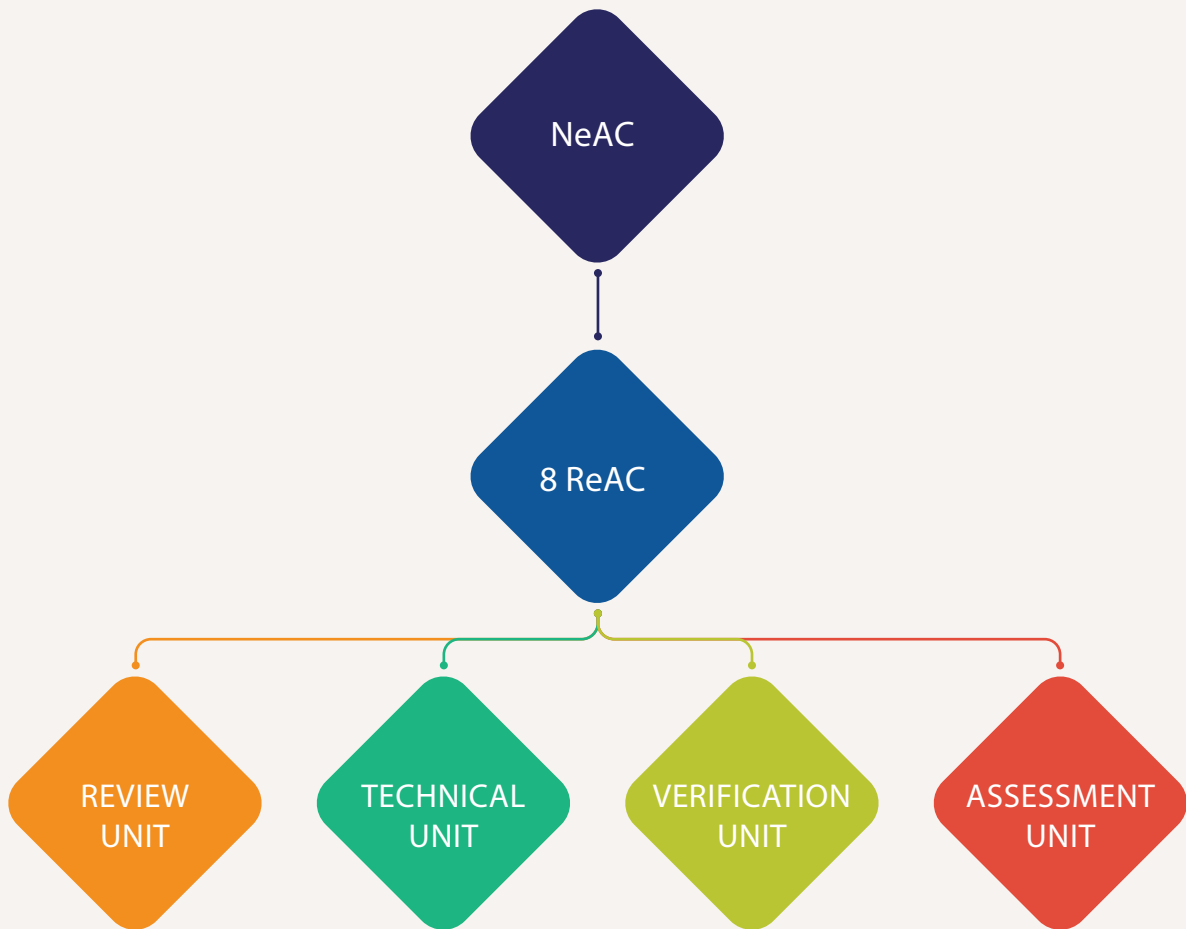
TEAM BASED ASSESSMENTS AND TEAM BASED REVIEW

NATIONAL E-ASSESSMENT CENTRE IN DELHI HEADED BY PRINCIPAL CHIEF COMMISSIONER OF INCOME-TAX



HIERARCHY

There would be 8 Regional e-Assessment Centres (ReAC) at Delhi, Mumbai, Chennai, Kolkata, Ahmedabad, Pune, Bengaluru and Hyderabad.



PROCEDURE

ISSUANCE OF NOTICE TO THE ASSESSEE

National e-Assessment Centre (NeAC) shall serve notice to assessee under section 143(2)

Assessee may file his/her response with NeAC within 15 days from date of receipt of notice

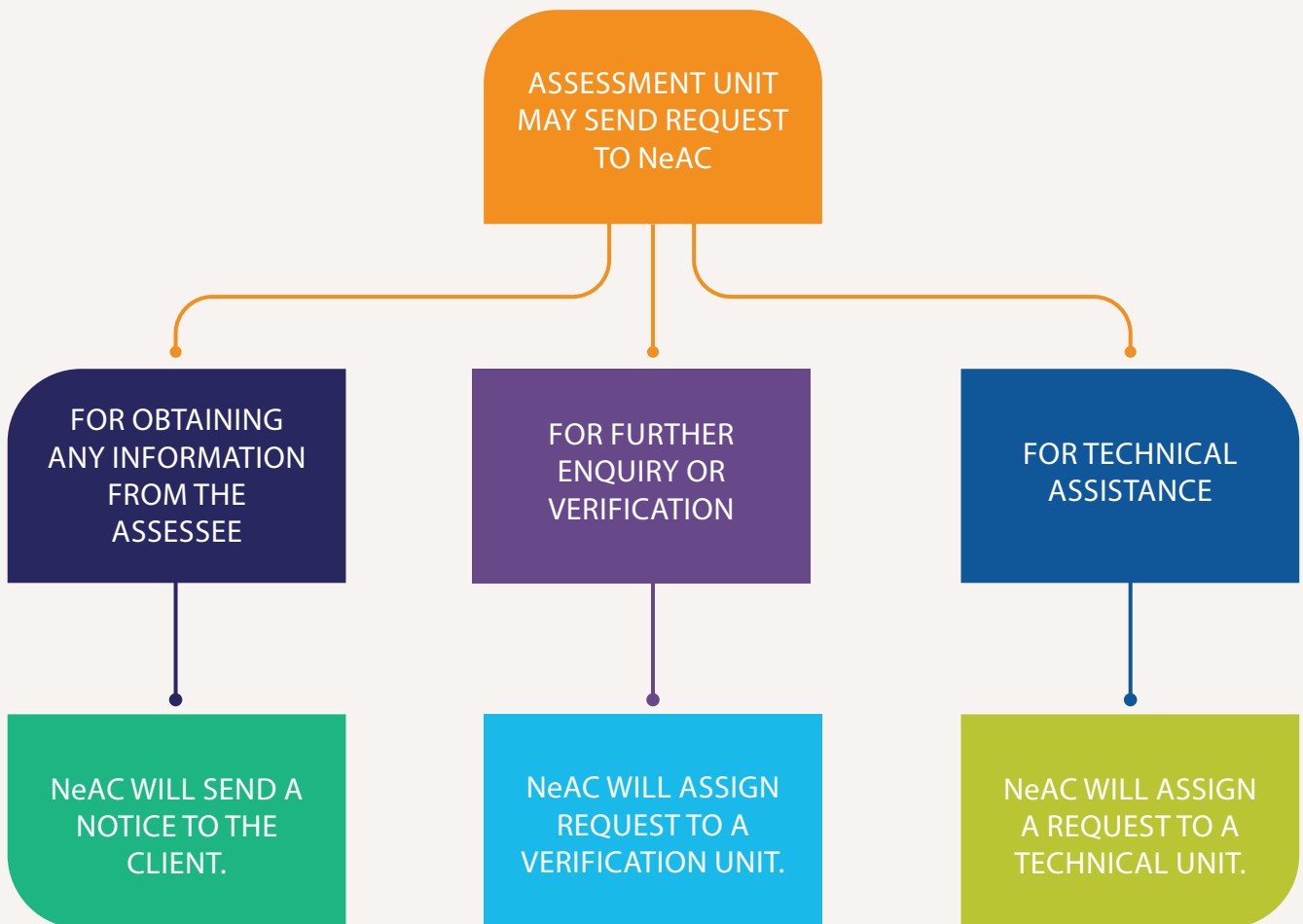
ASSIGNMENT OF CASES TO ASSESSMENT UNIT (AU)

NeAC shall assign the case selected to an AU in any one Regional e-Assessment Centre .

Allocation shall be through automated allocation system.

ASSESSMENT UNIT MAY SEND REQUEST TO NeAC

For obtaining any further information from the assessee or assistance from any other units.



The assessment unit shall, after taking into account all the information and relevant material obtained from assessee and received from Verification and Technical unit make a draft assessment order.



ASSESSMENT UNIT WILL MAKE A DRAFT ORDER.

After considering all the materials received from the assessee, verification unit and technical unit.

Either Accepting the IT return or modifying the IT return and send to NeAC.

FINAL ASSESSMENT

Shall be done by NeAC by examining the draft Assessment Order.

Final assessment will be made in accordance with the risk management strategy and using automated examination tool

SCHEME FOR FINAL ASSESSMENT

SCHEME-1

- Complete the Assessment as per draft Assessment order.
- Serve the Assessment order along with demand notice and penalty notices (if any) to the assessee.

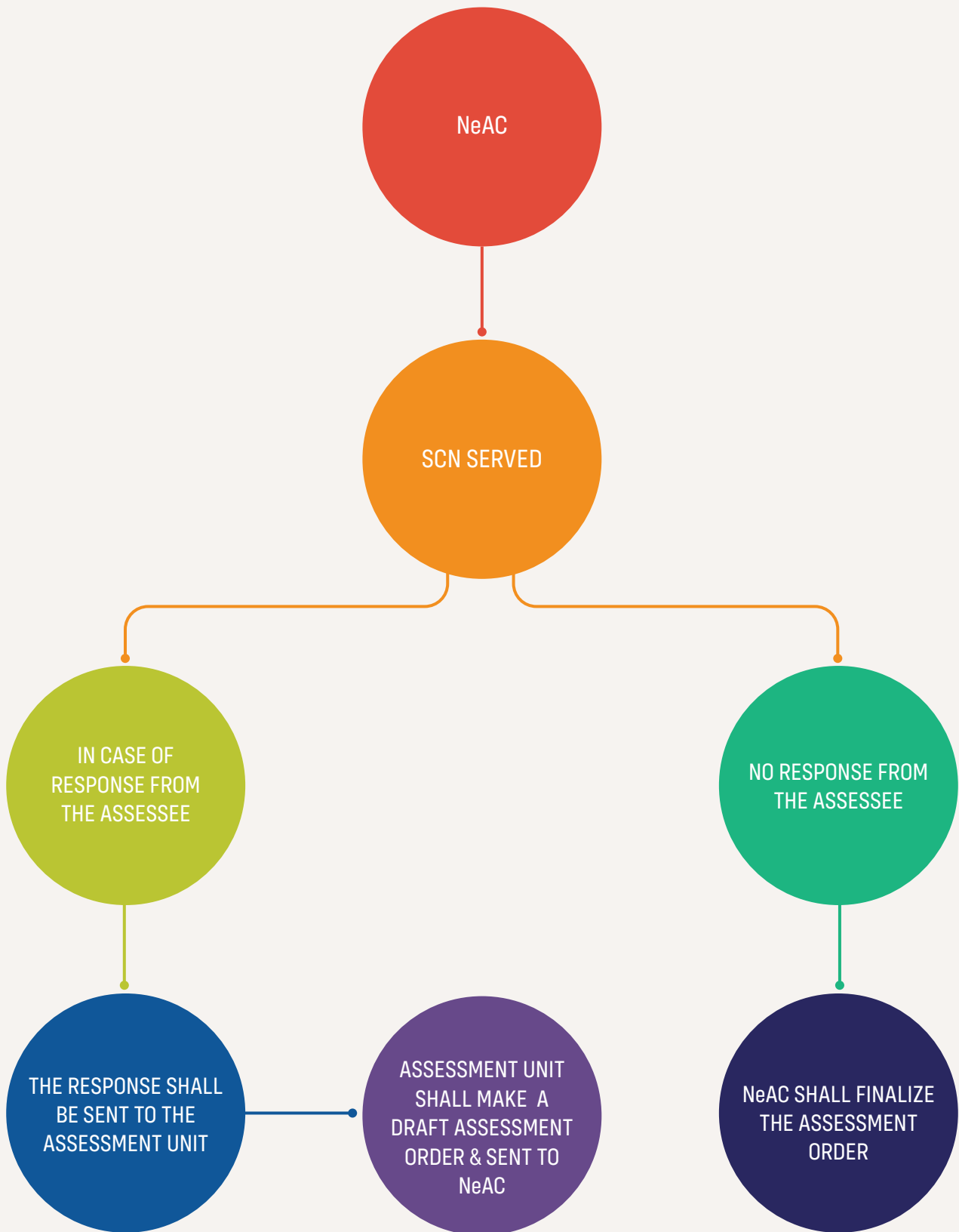
SCHEME-2

- If any modification in draft Assessment order is proposed, a show cause notice shall be served to the assessee.

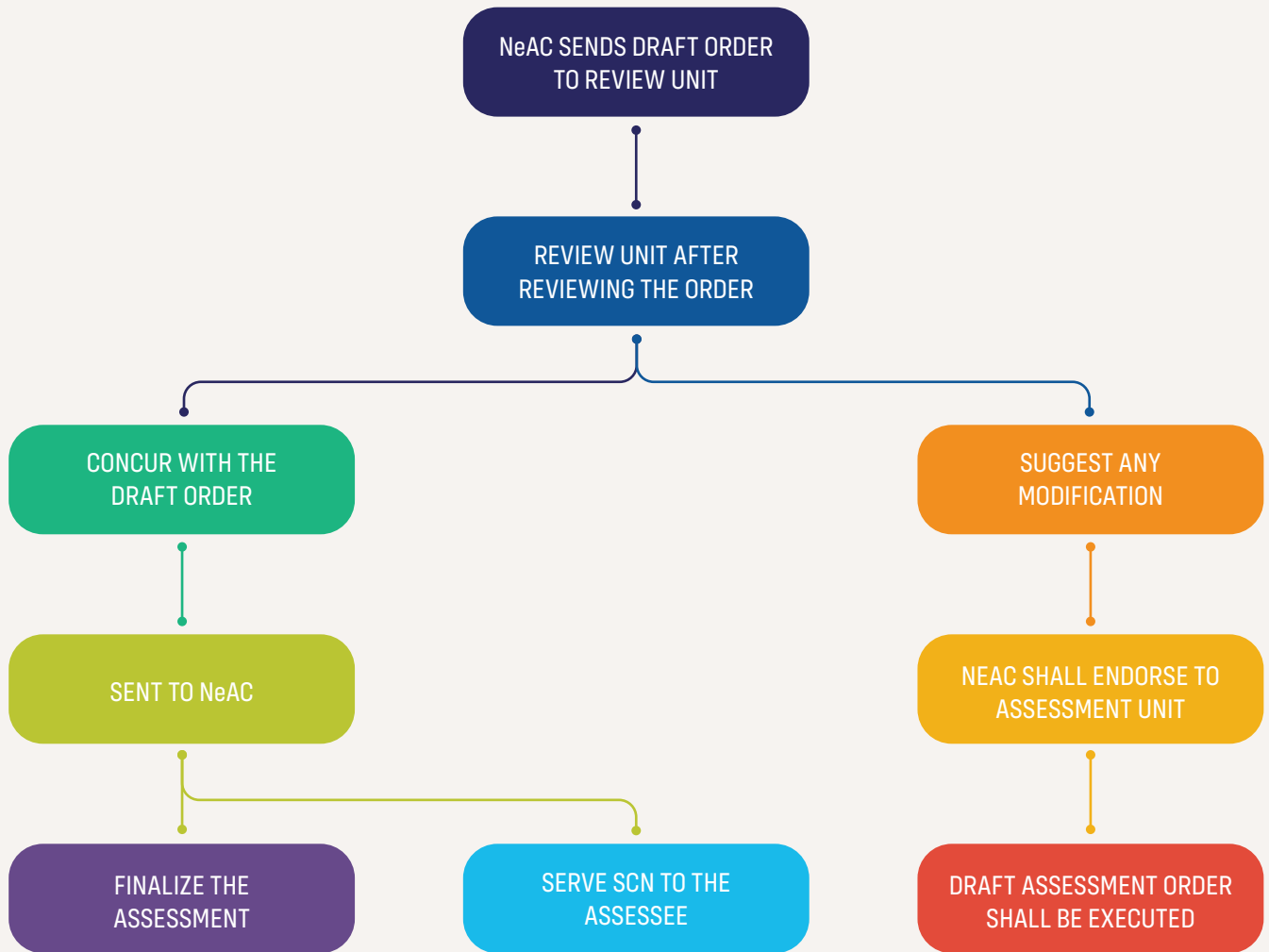
SCHEME-3

- Draft order shall be sent to Review unit.

SCHEME - 2



SCHEME - 3



POST ASSESSMENT PROCEEDINGS

The NeAC shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over such case.

JURISDICTIONAL ASSESSING OFFICER(ROLE)

- Imposition of penalty
- Giving effect to appellate orders
- Proposal seeking sanction for launch of prosecution and filing of complaint before the Court
- Collection and recovery of demand
- Submission of remand report
- Rectification of mistake

The objective of the Scheme is to reduce interface between the taxpayer and the tax department, impart greater transparency and accountability. The scheme marks a significant modification in the manner in which tax assessments will be undertaken. Both the taxpayers and the tax department will need to gear up their systems to adapt to the scheme.



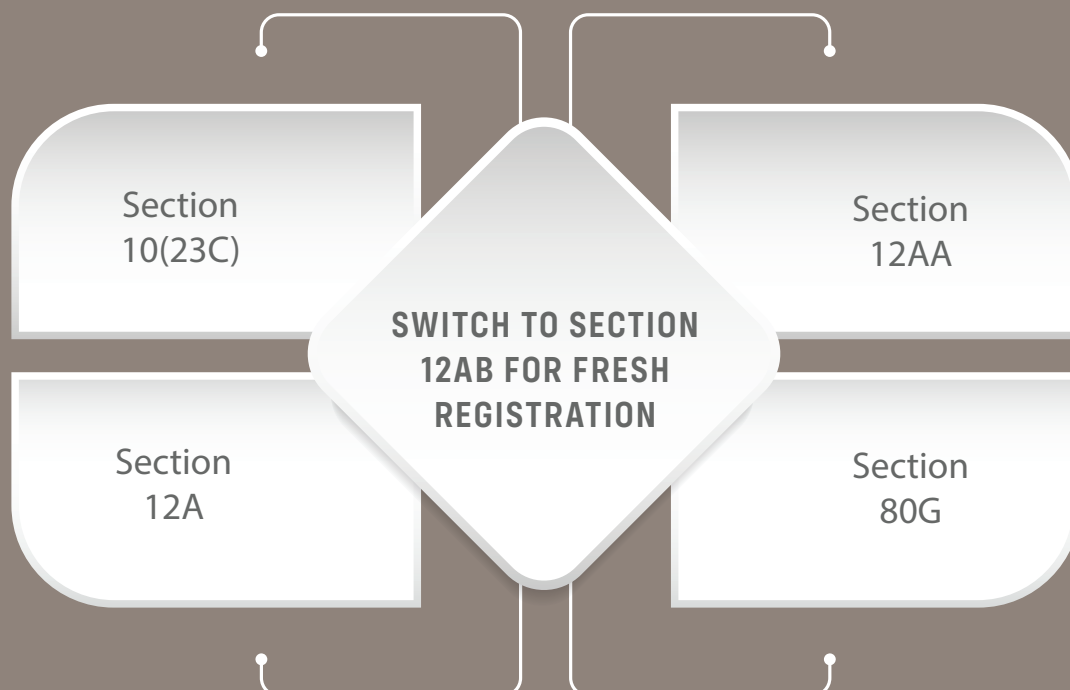
REVALIDATING TAX EXEMPTIONS

12A/80G RENEWAL

Finance Act, 2020 has unleashed certain new compliance burdens on Charitable Trusts and Exempt Institutions. As per new provisions of the Finance Act, 2020, Charitable Trusts and exempt institutions will have to reapply for renewal of 12A & 80G.

WHOM TO RENEW?

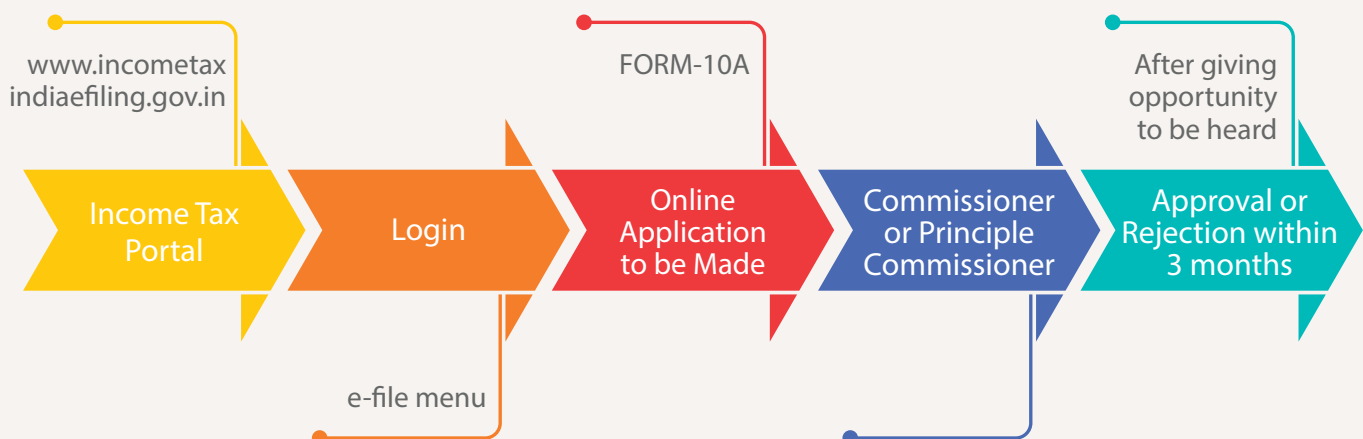
All the existing charitable and religious institutions (including NGOs) which are registered or approved under the following sections are compulsory required to :



IMPORTANT AMENDMENTS

- National Register of all charitable and religious institutions.
- Issue an electronically generated Unique Registration Number (URN) to all charitable and religious institutions.
- New registrations under section 12AB and 80G valid for a period of five years.
- Trusts and institutions applying for fresh registration will be given provisional registration for three years.
- Application for renewal must be made at least 6 months prior to the expiry of validity.
- Charitable institutions currently registered under both 10(23C) and 12AA will now be granted revalidation or renewal of either the registration u/s 10(23C) or 12AA, but not both.
- Every charitable institution registered u/s 80G shall be required to submit a statement of donations received in such form & manner as may be prescribed.

REGISTRATION PROCEDURE



DOCUMENTS REQUIRED FOR REGISTRATION

REGISTRATION CERTIFICATE AND MOA / TRUST DEED/ BYE LAWS

- Two copies- self attested by the Managing Trustee/Key Personnel.
- Original shall be required for verification.

NOC

- NOC from the Landlord where registered office is situated (if place is rented).

PAN

- Copy of PAN card of the Entity.

ADDRESS PROOF

- Electricity Bill/House Tax/Water Bill.

NOTES ON ACTIVITIES

- Evidence of welfare activities carried out and progress report of the same since last 3 years or since inception.

FINANCIAL STATEMENTS

- Books of Accounts, Balance Sheet, ITR (if any) since inception or last 3 years.

LIST OF DONORS

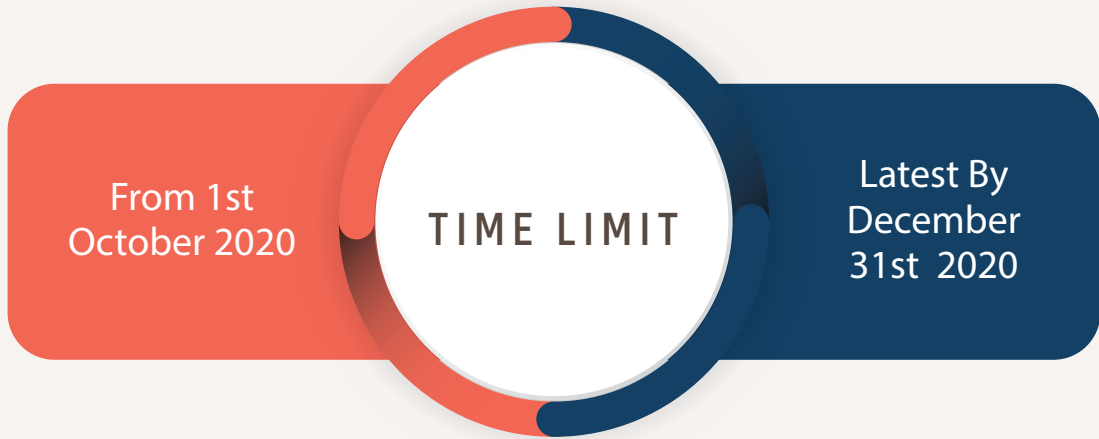
- List of Donors with their PAN & address.

LIST OF GOVERNING BODY OR MEMBERS

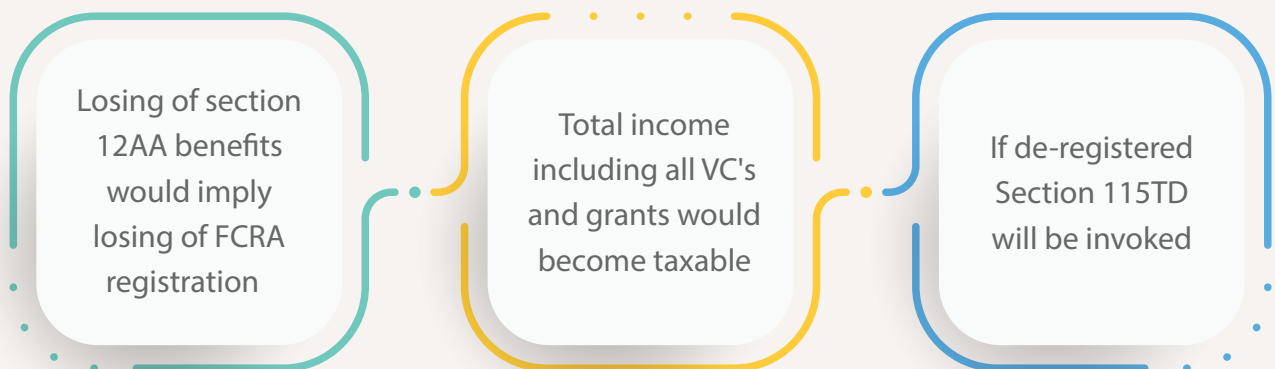
- List of Governing body or members with thier PAN, Address, Aadhar & contact details.

ORIGINAL 12A/80G REGISTRATION CERTIFICATE

- Self-certified copy of existing order granting registration under section 12A/80G.



CONSEQUENCE OF NON-RENEWAL



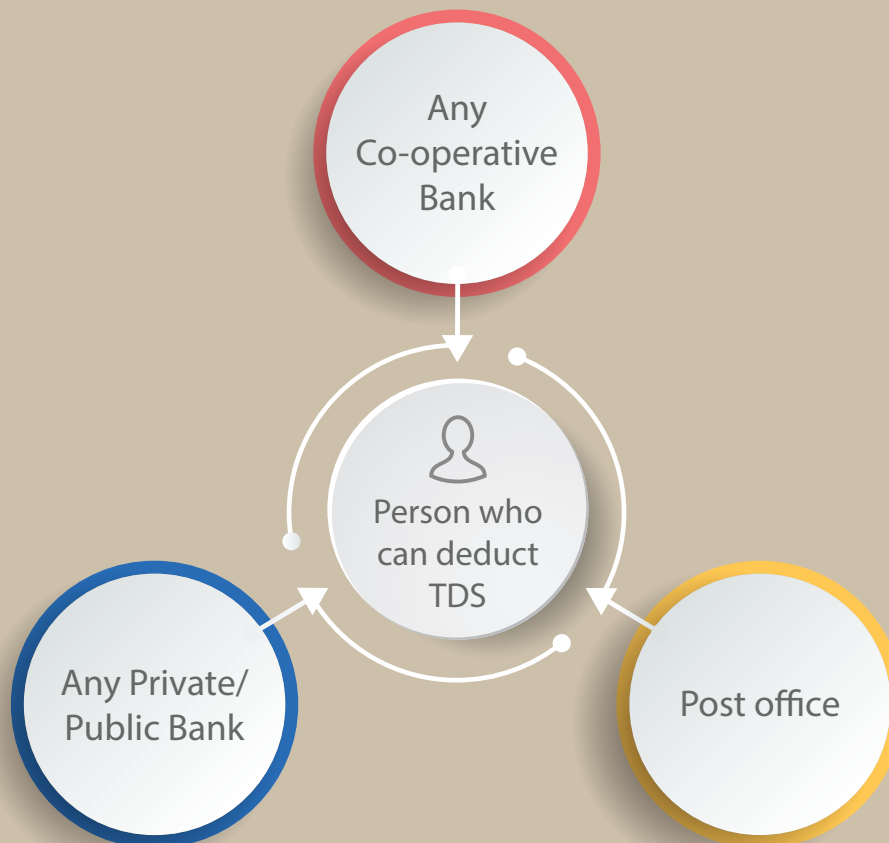
TAX AT SOURCE UPDATES

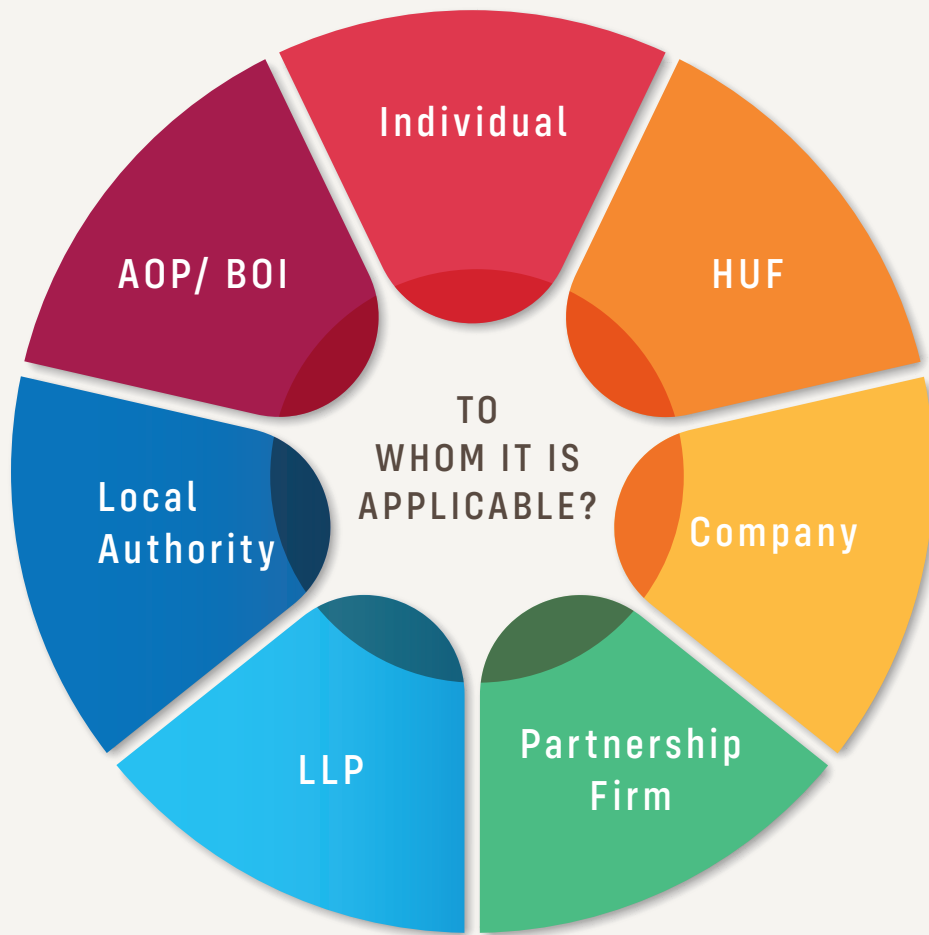
SECTION 194N - TDS ON CASH WITHDRAWAL

A move to discourage cash payments and promote digital payments Section 194N was introduced in the Union Budget 2019. This is a step towards fulfilling the purpose of the cashless economy in the nation. The section concentrates on imposing TDS on cash withdrawal exceeding certain threshold limits. Moreover, it will help the government to keep track of cash flow and hence check the generation of unaccounted wealth.

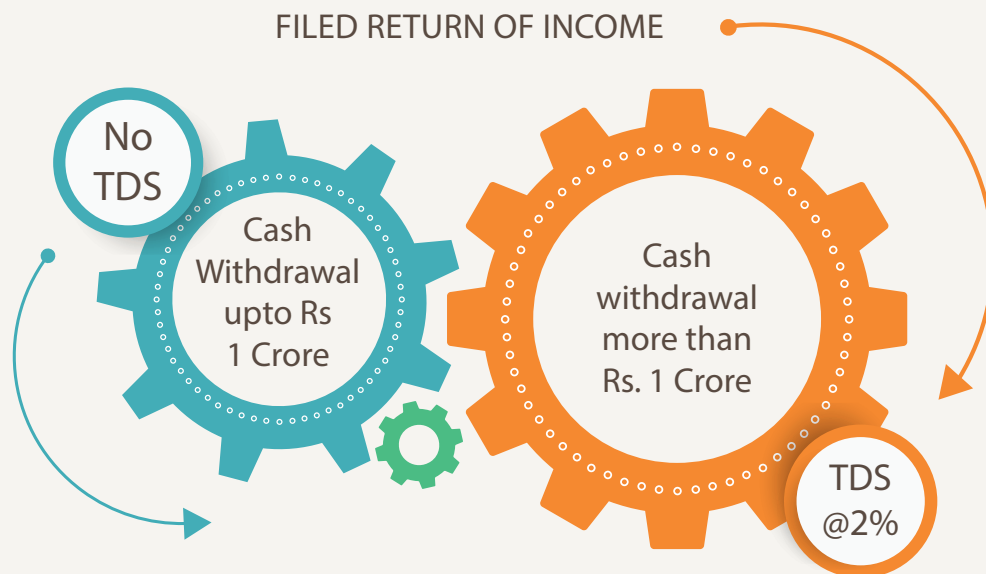
WHO WILL DEDUCT?

As per Section 194N of the Income Tax Act, every person making cash payment in excess of Rs. 1 crore in a FY to a recipient has to deduct TDS at the rate of 2%.

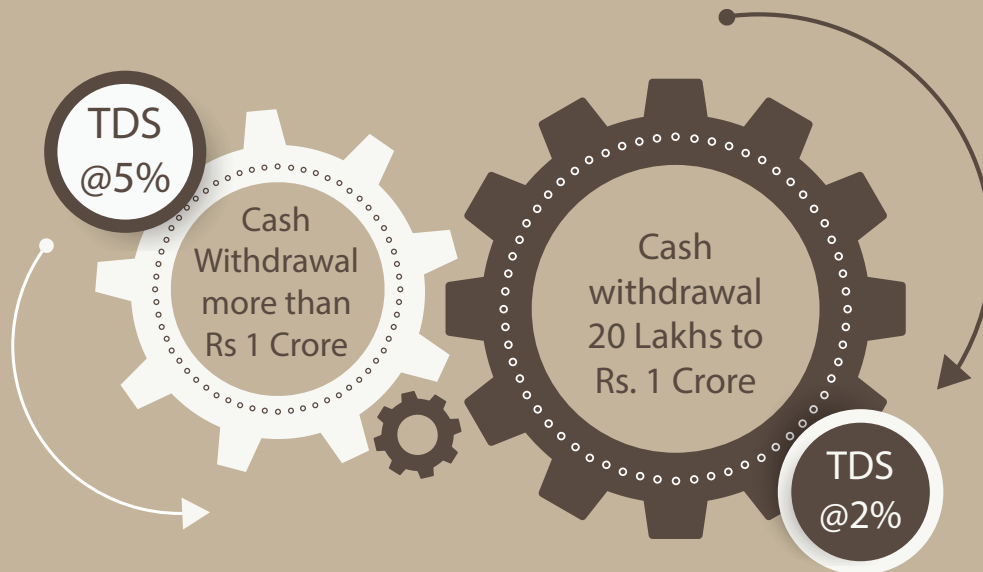




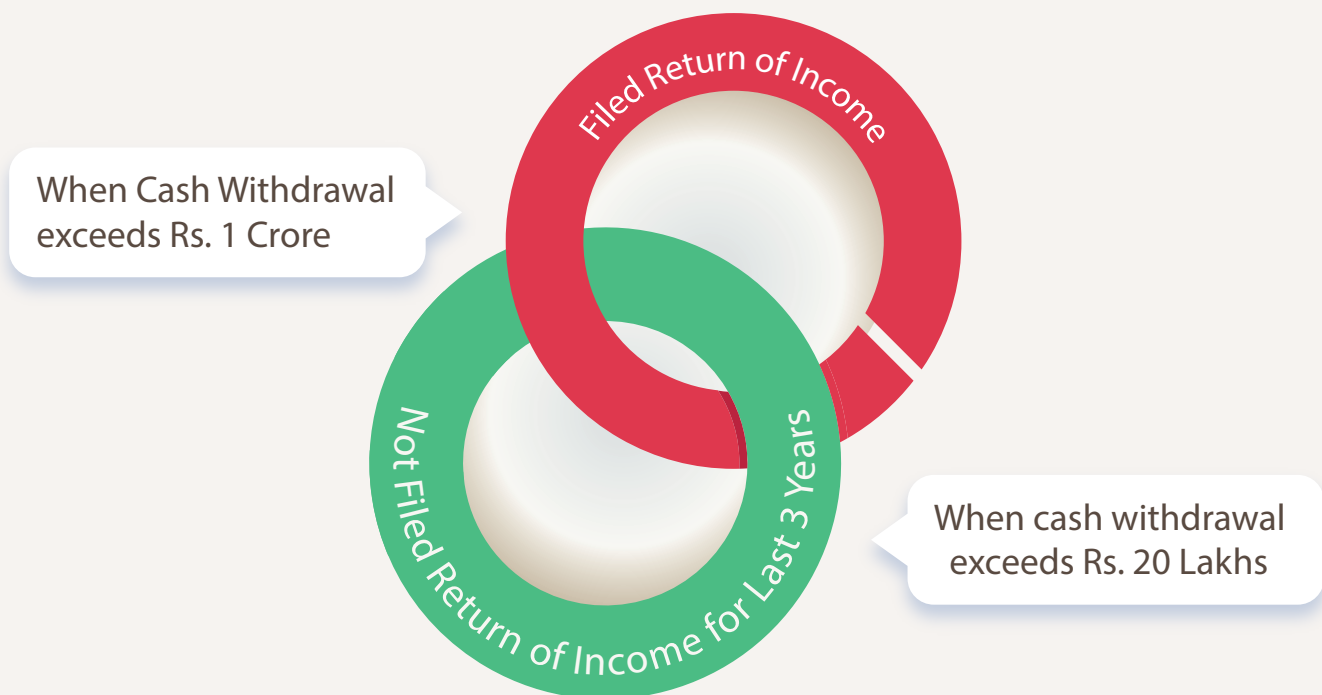
RATE OF TDS



NO RETURN OF INCOME
FILED FOR 3 PRECEEDING
ASSESSMENT YEARS



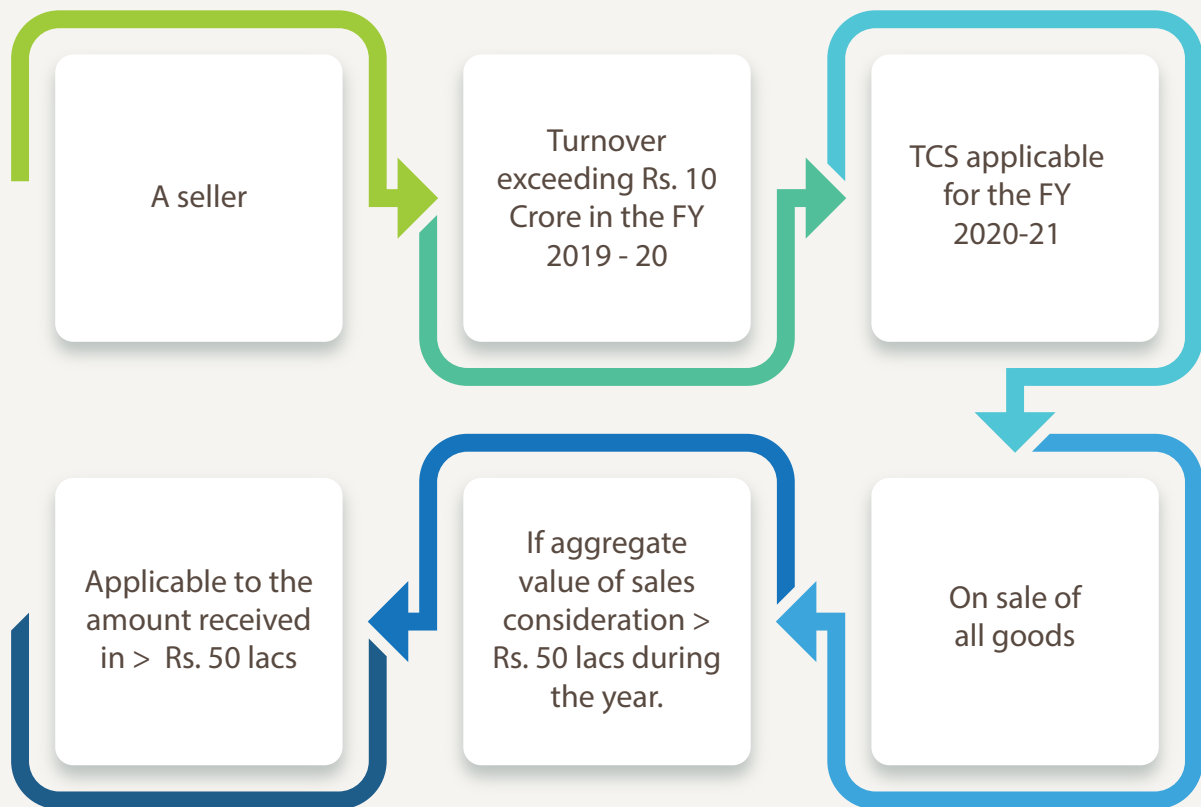
WHEN TO DEDUCT TDS



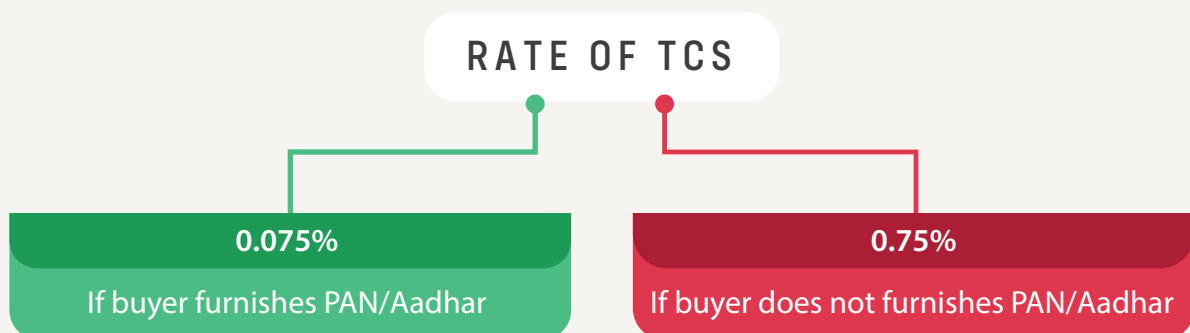
TAX COLLECTION AT SOURCE - SECTION 206C (1H)

The Finance Act, 2020 has introduced the new section 206C(1H) of the Income Tax Act, 1961 for Tax Collection at Source on sale of goods. The said provisions are applicable from 01.10.2020.

APPLICABILITY



RATE



No clarification has been issued by the CBDT with respect to sales effected up to 30-09-2020. In the absence of any clarifications and to be on the safer side, the seller should consider the sale of goods made up to 30-09-2020 while calculating the threshold of ₹ 50 lakh.

CORPORATE AFFAIRS EXTENSION

BREATHER TO COMPANIES

The MCA relaxation comes on account of the Coronavirus Pandemic as many companies requested for leniency on the AGM rules owing to the social distancing norms and nationwide travel restrictions.

Though the MCA had allowed companies to hold virtual AGMs using audio – video applications, the prevailing pandemic crisis had made it a logistical nightmare for companies to complete the audit functions and finalize the annual reports within the regular due date.

HENCE MCA EXTENDED VIDE NOTIFICATION DATED 08.09.2020



Deadline to hold AGM for
FY 2019 -20

Extended till
31.12.2020



GST ERRORS AND RESOLUTIONS

AN INSIGHT TO GSTR AMENDMENTS

Transactions relating to the tax period April 2019 to March 2020 may be rectified by filing returns for September 2020, the due date for which falls on 20.10.2020. No additional claims can be made post filing.





CORRECTIONS IN 3B IF ANY

Omission or underreporting of RCM, taxable value & tax liability

Add/correct taxable value & tax liability

Missed/availed excess ITC

Avail/adjust ITC

Missed to reverse ITC on account of non payment to suppliers with in 180 days/on account of partly exempt supply

Reverse proportionate ITC as per GST rules 2017

Omitted to disclose in eligible ITC

Disclose ineligible ITC

Missed to discharge interest liability on account of delay in tax payment or reversal of excess ITC

Disclose interest liability

Excess reversal of ITC

Intimation/Avail wrongly reversed ITC



P.A.HAMEED & ASSOCIATES
Chartered Accountants

6/1201, Cherooty Road North End,
Opp. Gandhi Park, Calicut-673 032

Ph: 0495 2366777 | 2766847

Mob: +91 98477 99336

Email: contact@pahameed.com

www.pahameed.com



www.backstagecreativehub.com



Designed by: