



Azadi Ka Amrit Mahotsav Activity

“Sky High- Symposium -11 Virtual CPE Meeting (VCM)” conducted by Women Members Empowerment Committee of ICAI on 22nd June 2022

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Women Members Empowerment Committee Organises

75 Azadi Ka Amrit Mahotsav

Sky High - Symposium-11
Virtual CPE Meeting (VCM)
for Women by Women Every Wednesday

22nd June, 2022
5.00 PM to 7.00 PM

FEES NIL 2 CPE Hours (Structured)

Registration and participation link:
<https://live.icai.org/wmec/vcm/22062022/>

Recent Amendments in ITR for Non Corporate Assessee
Developing Multi Tasking Skills

CA. Heenal Furia
CA. Ruchi Maheshwari
Special Address

CA. Sripriya Kumar
Chairperson, WMEC & CL&CGC
Vice-Chairperson, IBC Committee

CA. Priti Savla
Vice-Chairperson, WMEC, CL&CGC,
Sustainability Reporting Standards Board

CA. Dayaniwas Sharma
Chairman, BOS (Academic)
Digital Re-Engineering & Transformation Committee

Co-ordinators

CA. Smita Bafna
CA. Dharmi Kenia
CA. Malvika Mitra

Questions related to the topic may be sent in advance at wmec@icai.in or LIVE at the time of VCM itself at the same link

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women Members Empowerment Committee (WMEC) of ICAI organized “Sky High- Symposium -11 Virtual CPE Meeting (VCM)” on 22nd June 2022.

CA. Heenal Furia and CA. Ruchi Maheshwari were speakers of the said VCM. Coordinators for the day were CA. Dharmi Kenia, CA. Smita Bafna and CA. Malvika Mitra.

The VCM covered discussion on “Recent Amendments in ITR for Non-Corporate Assessee”. Deliberations were made on Key changes in ITR, Various Schedules of ITR, Disclosures in respect of Significant Economic Presence, Withdrawal of Option u/s 153A & 153C, etc.

KEY CHANGES IN INCOME TAX RETURNS (ITRS) FOR AY 2022-23

- ▶ The CBDT vide its notification no 21/2022 dated 30/03/2022 has notified the Income-tax Return (ITR) Forms ('New ITR Forms') for the Assessment Year 2022-23 [Forms SAHAJ ITR-1, ITR-2, ITR-3, SUGAM ITR-4, ITR-5, ITR-6, ITR-V and ITR-ACK]. There are many changes in the ITR forms which are consequential to the amendments made by the Finance Act 2021 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.
- ▶ The Key changes are as follows :
 - ▶ Schedule- FA(Foreign Asset) : From Accounting Year to Calendar year [ITR 2, 3, 5 & 6].
 - ▶ Schedule of Capital Gains : Additional disclosures [ITR 2, 3, 5 & 6]
 - ▶ Schedule-OS (Other Sources) : Dividend income taxable as per section 2(22)(e) [ITR 2, 3, 5 & 6]

F&A Associates

22-06-2022

Schedule- FA(Foreign Asset) : From Accounting Year to Calendar year [ITR 2, 3, 5 & 6]

- ▶ Under ITR [2,3,5 & 6] a resident taxpayer to disclose his Foreign Assets in Schedule FA. The reporting requirement is mandatory only for a taxpayer who is a resident in India. Schedule FA is not required to be filed up by a taxpayer who is 'not ordinarily resident' or is a 'non-resident'. Under this schedule disclosure of various foreign assets such as Foreign Depository Account, Immovable Property, trusts created outside India, etc., is required.
- ▶ The requirement to disclose arises if the person had held them at any time during the 'relevant accounting period'. The 'accounting period' is not defined in the Act. However, the instructions issued by the CBDT for filing of ITR Forms had provided the meaning of the term.
- ▶ Further, the CBDT has clarified that a taxpayer shall be required to report foreign assets only if such assets have been held at any time during the "previous year" (in India) as also during the "relevant accounting period" (on the foreign tax jurisdiction).

Schedule of Capital Gains : Additional disclosures [ITR 2, 3, 5 & 6]

- ▶ **Date of purchase and sale of land/building.**
 - ▶ If there is any income arising from the transfer of land or building is taxable under the head of 'Capital Gains'. It will be mandatory to furnish the date of purchase and date of sale of such land or building in the ITR.
 - ▶ This additional disclosure would enable the tax authority to verify the eligibility of the assessee to claim of exemption under Section 54, 54EC and 54F of the Income-tax Act, 1961 ('the Act').
- ▶ **Disclosure of Fair Market Value (FMV) of capital assets and consideration received in a slump sale transaction:**
 - ▶ As per amended provision of section 50B vide Finance Act 2021 in case of a slump sale, the Fair Market Value (FMV) of undertaking or division transferred shall be deemed as the full value of the consideration received or accruing as a result of the transfer of such capital asset.

Schedule-OS (Other Sources) : Dividend income taxable as per section 2(22)(e) [ITR 2, 3, 5 & 6]

- ▶ **Deemed Dividend U/s 2(22)(e):**
 - ▶ As per Section 2 clause (22)(e) of income tax act, Dividend includes, any payment by way of loan or advance, by a closely held company, to a shareholder who is the beneficial owner of 10% or more equity capital of the company, or to a concern in which the shareholder has a substantial interest is deemed to be a dividend to the extent it is covered by the accumulated profits, excluding capitalised profits.
 - ▶ Until last year, there was no separate disclosure of dividend income taxable under Section 2(22)(e).
 - ▶ As per New ITR, separate disclosure is required for such type of dividend i.e. deemed Dividend U/s 2(22)(e) of income tax Act 1961.

Disclosures in respect of Significant Economic Presence [ITR 3, 5 & 6] _ In case of only Non Resident

- ▶ Due to amendment in Finance Act 2020 i.e. w.e.f AY 01-04-2022, and as per Explanation 2A to Section 9(1)(i), it provides that 'Significant Economic Presence' (SEP) of a non-resident in India shall constitute a business connection in India. For this purpose, 'Significant Economic Presence' shall mean:
 - ▶ transaction in respect of any goods, services or property carried out by a non-resident with any person in India, including the provision of download of data or software in India if the aggregate of payments arising from such transaction or transactions during the previous year exceeds Rs. 2 crores; or
 - ▶ Systematic and continuous soliciting of business activities or engaging in interaction with 3 lakh users in India.

New Schedule: Tax deferred on ESOP: [ITR 2 & 3]

- ▶ **Section 17(2)(vi) & Section 192(C)**
 - ▶ An employee can defer the payment or deduction of tax in respect of shares allotted under ESOP (specified securities or sweat equity shares) by an eligible start-up referred under Section 80A4C.
 - ▶ The tax is paid or deducted in respect of such ESOPs within 14 days from the earliest of the following period:
 - ▶ After the expiry of 48 months from the end of assessment year relevant to the financial year in which ESOPs are allotted;
 - ▶ From the date of sale of shares allotted under ESOP; or
 - ▶ From the date the assessee ceases to be an employee of the organisation.
 - ▶ In old ITR vide SI No. 30 vide Part B of Schedule III (Computation of tax liability on total income) in ITR Forms of AY 2021-22 shows the disclosure of the tax amount deferred in this respect.

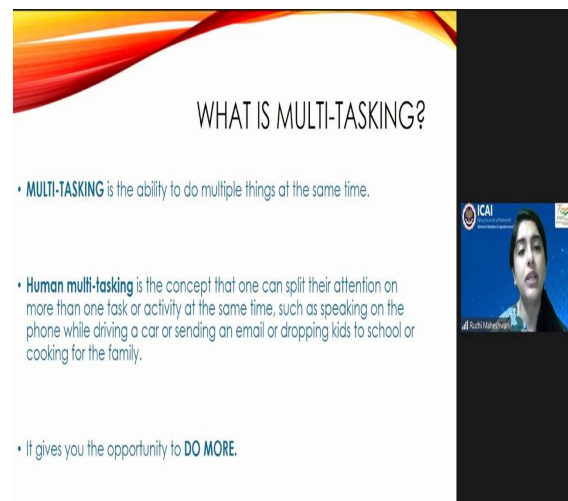
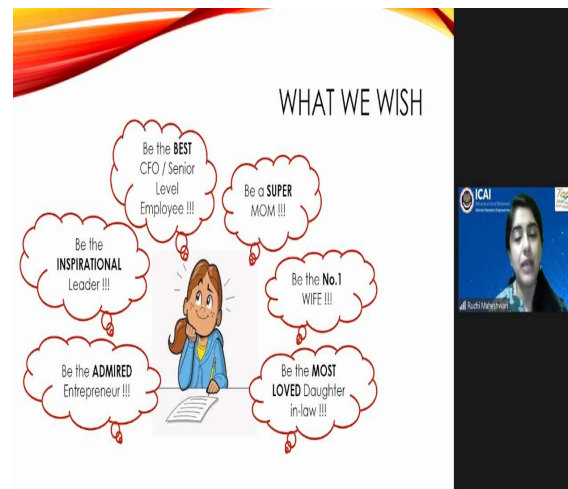
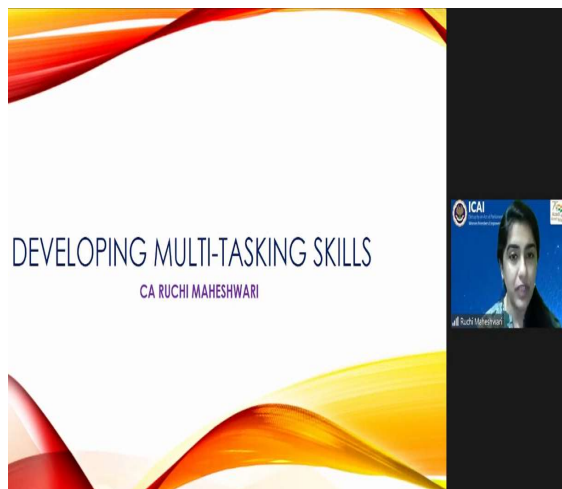
Schedule -TI: Limiting the rate of surcharge on dividend income [ITR 2, 3 & 5]

- ▶ The Finance Act 2020 abolished the Dividend Distribution Tax (DDT) consequently shareholders or unit-holders are liable to pay tax on dividend income. As the dividend income is taxable in the hands of the investors, the Finance Act 2020 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 removed the enhanced surcharge on the dividend income.
- ▶ Thus, in case of Individual, HUF, AOP, BOI, or AJP the surcharge on tax on dividend income shall be levied at the rate of 10% if it exceeds Rs. 50 lakh but does not exceed Rs. 1 crore and at the rate of 15% when it exceeds Rs. 1 crore.
- ▶ The consequential changes have been made in Schedule Part B - TI (Computation of tax liability on total income) to limit the rate of surcharge on dividend income taxable under Section 115AD and other dividend income

Withdrawal of Option U/s 153A & 153C [ITR 1 TO 6]

- ▶ Provision prior to 01-04-2021: Prior to amendment in Finance Act 2021, where the search is initiated under Section 132 or books of account, other documents, or any assets are requisitioned under Section 132A, an assessment was made in the case of the assessee, or any other person, under Sections 153A, and 153C.
- ▶ The Finance Act, 2021 had introduced a sun-set clause and accordingly, the provisions of Section 153A/153C were made inapplicable from 01-04-2021
- ▶ Provision after 01-04-2021: Where the search is initiated or requisition is made on or after 01-04-2021, the assessments, reassessments or re-computation is made under Section 147, and the notice for the same is issued under Section 148.
- ▶ Hence, the assessee shall now file his return in such cases in response to notice under section 148 in new ITR forms.

The VCM also covered Session on “Developing Multi-Tasking Skills”. Topics discussed were Developing Multi-Tasking Skills, What we wish & What we need, Positives & Negatives of Multi-Tasking, etc.



The VCM concluded by giving Vote of Thanks to the Speakers and the participants.

Glimpses of the Virtual CPE Meeting held on 22nd June 2022

