

FILING ITR FOR AY 21-22

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Gurugram Branch of NIRC OF ICAI
19th Aug 2021

EXTENSION OF DUE DATE FOR A.Y. 21-22

Extension of due date vide Circular on 20th May 2021

- Individual/HUF/AOP/BOI (book of accounts not required to be audited) extended from 31st July 2021 to 30th September 2021
- Audit report under Income tax act - 31st October 2021
- Businesses (Requiring Audit) - 30th November 2021
- Audit Report for Transfer Pricing cases (Sec 92E) - 30th November 2021
- Return of assessee is required to furnish a report of transfer pricing (TP) Audit (Sec 92E) - 31st December 2021
- Belated or Revised Return (31st December 2021) - 31st January 2022

Although, the due dates for filing the Income Tax Return for AY2021-22 has been extended, but there is no relief provided from the interest chargeable under Section 234A if the self-assessment tax liability exceeds Rs 1 lakh (net of Advance Tax and TDS, if any)

REDUCED PERIOD FOR REOPENING OF ASSESSMENT

Presently, an assessment can be re-opened up to 6 years and in serious tax fraud cases for up to 10 years.

- ❖ The government has also reduce this time-limit for re-opening of tax assessment from 6 years to 3 years.
- ❖ In serious tax evasion cases too, only where there is evidence of concealment of income of Rs 50 lakh or more in a year, can the assessment be re-opened up to 10 years.
- ❖ And this reopening can be done only after the approval of the Principal Chief Commissioner, the highest level of the Income Tax Department.

NOTIFICATION NO.21/2021 IN G.S.R. 242(E) DATED 31.03.2021

The Central Board of Direct Taxes has notified Income Tax Return Forms (ITR Forms) for the Assessment Year 2021-22 vide Notification **no.21/2021** in G.S.R. 242(E) dated 31.03.2021. Keeping in view the ongoing crisis due to COVID pandemic and to facilitate the taxpayers, no significant change have been made to the ITR Forms in comparison to the last year's ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 have been made.

There is no change in the manner of filing of ITR Forms as compared to last year. The notified ITR Forms are available on <http://egazette.nic.in/WriteReadData/2021/226336.pdf>.

From AY 2021-22, the tax department has discontinued the Excel and Java version of ITR utilities. In place of the Excel and Java version of ITR utilities, CBDT has introduced JSON utility. The department has released a step-by-step guide for using the new utility. This Offline Utility is enabled only **for ITR-1,2,3 and ITR-4**. Other ITRs will be added in the utility in subsequent releases.

The Utility is based on new technology "JSON" and it is enabled to import and pre-fill the data from e-filing portal. You can fill in the balance data. You can also edit the profile data other than PAN data in the utility, however, it is suggested to edit the same in your Profile at e-filing website and regenerate pre fill data.

KEY AMENDMENTS TO BE KEPT IN MIND FOR A.Y. 2021-22

- a. Exemption from ITR filing to senior citizens aged 75 years and above, earning only pension and interest income (Sec 194P wef 1st April 2021).
- b. IT department has introduced JSON utility and discontinued Excel and Java version of utilities
- c. New Tax regime – 115BAC for individual and HUF introduced with new Tax slab Structures without exemption and deductions (Business Income Assessee - form 10IE to be filed compulsory)
- d. New Tax regime – 115BAD for co-operative societies introduced with new Tax slab Structures subject to fulfillment of certain conditions (form 10IF to be filed compulsory)
- e. Deletion of Schedule DI (ITR 1 to 6)

NEW TAX REGIME – 115BAC FOR A.Y. 2021-22

Resident Individual and HUF	Existing Scheme			New Scheme U/s 115BAC
Taxable Income Slab	Age upto 60 yrs	age between 60 to 80 yrs	Age above 80 yrs	For all age
Up to Rs.2,50,000	Nil	Nil	Nil	Nil
Rs.2,50,000 to Rs. 3,00,000	5%	Nil	Nil	5%
Rs.3,00,000 to Rs. 5,00,000	5%	5%	Nil	5%
Rs. 5,00,000 to Rs.7,50,000	20%	20%	20%	10%
Rs. 7,50,000 to Rs. 10,00,000	20%	20%	20%	15%
Rs.10,00,000 to Rs. 12,50,000	30%	30%	30%	20%
Rs.12,50,000 to Rs. 15,00,000	30%	30%	30%	25%
Above Rs.15,00,000	30%	30%	30%	30%

NEW TAX REGIME – 115BAC FOR A.Y. 2021-22

Continued under New Scheme :

- Tax rebate u/s 87A up to Rs.12500 for age below 60 years and Rs.10000 for age between 60 years to 80 years is available only if Taxable Income is \leq Rs.5,00,000. Hence No tax on Individual or HUF having taxable income upto Rs.5,00,000.
- Surcharge:

Income Slab	Surcharge
Total Income = 50 Lakhs – 1 Crore	10 % of Tax
Total Income = 1 crore - 2 crore	15% of Tax
Total Income = 2 Cr. – 5 Cr	25% of Tax
Total Income > 5 Crore	37.50% of Tax

In case total income includes	Surcharge
LTCG u/s 111A and STCG u/s 112A	not exceed 15% on such capital gain
Dividend income	not exceed 15% on such Dividend Income

- Health and Education Cess (on Tax plus Surcharge) levied @ 4% to continue.

NEW TAX REGIME – 115BAC FOR A.Y. 2021-22

New Scheme can be availed subject to following conditions:-

- The option shall be exercised for every previous year where the individual or the HUF has no business income.
- In cases where assessee has business Income the option once exercised (to be exercised before due date u/s 139(1)) for a previous year shall be valid for that previous year and all subsequent years. It can be revoked once in subsequent years, but cannot opt for scheme again.

Around 70 of the existing exemptions and deductions (more than 100) to be removed in the new simplified regime.

* Following Losses are not allowed to be set off -

- (i) carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in (a) above; or
- (ii) Under the head house property with any other head of income – Section 71B

Employee can opt for New tax slab under new Section 115BAC even if employer deducts tax at normal rates.

NEW TAX REGIME – 115BAC FOR A.Y. 2021-22

Following exemptions and deductions are not available:

- (i) Leave travel concession -section 10(5);
 - (ii) House rent allowance -section 10(13A);
 - (iii) Specified allowances granted to employees (Other than certain travel and transfer allowances - section 10(14);
 - (iv) Allowances to MPs/MLAs-section 10(17);
 - (v) Allowance for income of minor - section 10(32);
 - (vi) Exemption for SEZ unit - in section 10AA;
 - (vii) Standard deduction of Rs.50000/-, deduction for entertainment allowance and employment/professional tax - section 16;
 - (viii) Interest under section 24 in respect of self-occupied or vacant property;
 - (ix) Additional depreciation under section 32(1)(iia);
 - (x) Deductions under section 32AD, 33AB, 33ABA;
 - (xi) Various deduction for donation for or expenditure on scientific research contained in sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35;
- contd..

NEW TAX REGIME – 115BAC FOR A.Y. 2021-22

Following exemptions and deductions are not available:

(xii) donation or Expenditure on Scientific Research (other than inhouse revenue and capital expenditure) - 35AD or section 35CCC;

(xiii) Deduction from family pension - section 57(iia);

(xiv) Any deduction under Chapter VIA ie

80C – Insurance, PPF, PF, School Fees, Tax saving Mutual Fund, Tax saving deposits etc,

80CCD – pension fund, 80D - Mediclaim,

80E – Interest on Education Loan,

80EE – Interest on Housing loan,

80G - Donation,

80TTA – interest on bank deposit.

(Allowable deduction - u/s 80CCD(2), 80JJAA and 80LA.

CHANGE IN RESIDENT'S DEFINITION (SECTION 6)

APPLICABLE FROM 1ST APRIL 2021

Existing:

An Indian citizen/person of Indian origin is considered to be resident in India if:

- * He has been in India for an overall period 365 days or more within 4 years preceding that year; and
- * He is in India for overall period of 182 days or more in that year

Amended:

- Exception provided to Indian citizen/person of Indian origin for visiting India in that year be decreased to **120 days** from existing **182 days** if the citizen or person of Indian origin having total income (other than income from foreign sources) **exceeding Rs.15 lakhs** during the previous year
- **Removed** - an individual or an HUF shall be said to be "not ordinarily resident" in India in a previous year, if the individual or the manager of the HUF has been **non-resident** in India **in 7 out of 10 years** preceding that year
- The definition of **RNOR** is further extended to provide that in relation to citizens having income **more than Rs.15 lakhs**, they will be treated as RNOR if their **stay is less than 182 days** and that such a citizen of India who is deemed to be resident in India would be RNOR.
- An Indian Citizen who is **not liable to tax in any other Country or territory** (by reason of his domicile or residence) shall be deemed to be resident in India if the citizen or person of Indian origin having total income (other than income from foreign sources) **exceeding Rs.15 lakhs** during the previous year

CHANGE IN RESIDENT'S DEFINITION (SECTION 6)

APPLICABLE FROM 1ST APRIL 2021

Finance ministry has clarified by issuing a Press Release on the very next day of Union Budget ie 02.02.2020 that an Indian Citizen who becomes deemed resident of India under this Amended provision, income earned by him shall not be taxed in India unless it is derived from an Indian Business or Profession.

As a result, every Indian Citizens who are bonafide workers in other countries and Non Resident in India will not be taxed in India for the income earned through such employment outside India.

Further, owing to the new provisions under FA 2020 regarding tax residency of individuals, the following individuals would now qualify to be **NOR**:

- an Indian citizen or person of Indian origin with total income, other than income from foreign sources, exceeding INR 15 lakh during the previous year and who has been in India for 120 days or more but less than 182 days; or
- Indian citizen who is deemed to be resident (i.e. Indian citizen with total income, other than income from foreign sources, exceeding INR15 lakh during the previous year) not liable to tax in any other jurisdiction (by reason of his domicile or residence).

For all other individuals (other than Indian Citizen or person of Indian Origin), there is no change in definition

WHO SHOULD FILE ITR

If any of the below mentioned condition fulfilled it is mandatory to file ITR

a. If gross annual income is more than the basic exemption limit as specified below:

For individuals above 80 years	Rs. 5 Lacs
For individuals between 60 to 80 years	Rs. 3 Lacs
For individuals below 60 years & HUF	Rs. 2.5 Lacs

b. If Fall in 7th proviso of Sec 139(1)

Are you filing return of income under Seventh proviso to section 139(1) but otherwise not required to furnish return of income? If yes, please furnish following information. Select ▼

Note: To be filled only if a person is not required to furnish a return of income under section 139(1) but filing return of income due to fulfilling one or more conditions mentioned in the seventh proviso to section 139(1)

Have you deposited amount or aggregate of amounts exceeding Rs. 1 Crore in one or more current account during the previous year?	Select ▼	<input type="text"/>
Have you incurred expenditure of an amount or aggregate of amount exceeding Rs. 2 lakhs for travel to a foreign country for yourself or for any other person?	Select ▼	<input type="text"/>
Have you incurred expenditure of amount or aggregate of amount exceeding Rs. 1 lakh on consumption of electricity during the previous year?	Select ▼	<input type="text"/>

WHO SHOULD FILE ITR

If any of the below mentioned condition fulfilled it is mandatory to file ITR

- c. If taxpayer is a company or a firm / LLP, irrespective of income
- d. If earning from or have invested in foreign assets during the year
- e. If TDS deducted or tax paid and want to claim income tax refund from the department
- f. If wish to apply for visa or do foreign travel
- g. If wish to apply for loan
- h. If TDS deducted is greater than Rs.50000/- (Sec206AB)

QUICK ANALYSIS OF INCOME TAX FORMS RELEASED FOR AY 2021-22

Form No.	Applicable to	Not Applicable to
Form No. ITR-1 SAHAJ	For individuals being a resident (other than not ordinarily resident) having total income upto Rs.50 lakh, having Income from Salaries, one house property, other sources (Interest etc.), and agricultural income upto Rs.5000/-	<ul style="list-style-type: none"> • Not-ordinary residents (R&OR), Non-Resident (NR) • Individual who is a director in a company • Individual who has made investment in unlisted equity share • Individual in whose case Payment or deduction of tax in respect of ESOP's allotted by an eligible start-up has been deferred. • If tax has been deducted u/s 194N
Form No. ITR-2	For Individuals and HUFs not having income from profits and gains of business or profession and who is not the partner and earning income from a partnership firm	
Form No. ITR-3	For individuals and HUFs having income from profits and gains of business or profession	

QUICK ANALYSIS OF INCOME TAX FORMS RELEASED FOR AY 2021-22

Form No.	Applicable to	Not Applicable to
Form No. ITR-4 Sugam	For Individuals, HUFs and Firms (other than LLP) being a resident having total income upto Rs.50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE	<ul style="list-style-type: none"> • Not-ordinary residents (R&OR), Non-Resident (NR) • Individual who is a director in a company • Individual who has made investment in unlisted equity share • Individual in whose case Payment or deduction of tax in respect of ESOP's allotted by an eligible start-up has been deferred.
Form No. ITR-5	For persons other than,- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7	
Form No. ITR-6	For Companies other than companies claiming exemption under section 11	
Form No. ITR-7	For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only	

APPLICABILITY OF ITRS FOR A.Y. 21-22– NATURE OF INCOME WISE ANALYSIS

INDIVIDUAL AND HUF

NATURE OF INCOME	ITR 1 SAHAJ (Only Resident Ind)	ITR 2	ITR 3	ITR 4 Sugam (Only Resident Ind)
Income from Salary/pension (for ordinarily resident person)	YES	YES	YES	YES
Income from Salary/pension (for RNOR & NR person)		YES	YES	
Income or loss from one house property (excluding brought forward & carried forward losses)	YES	YES	YES	YES
Income or loss from one house property (with brought forward & carried forward losses)		YES	YES	
Income or loss from more than one house property		YES	YES	
Income from Business or Profession (Non Speculative)			YES	
Income from Presumptive Business – Residents			YES	YES
Income from Presumptive Business – NOR/ NR			YES	
Income from Speculative Business and other special Incomes			YES	
Interest, salary, share of profit, etc. received by a partner from a partnership firm			YES	

APPLICABILITY OF ITRS FOR A.Y. 21-22– NATURE OF INCOME WISE ANALYSIS

INDIVIDUAL AND HUF

NATURE OF INCOME	ITR 1 SAHAJ (Only Resident Ind)	ITR 2	ITR 3	ITR 4 Sugam (Only Resident Ind)
Income from an agency business or income in the nature of commission or brokerage			YES	
Holding of unlisted shares during the year		YES	YES	
Capital Gains/ Losses on sale of Capital assets		YES	YES	
Income from other sources (other than winnings from lottery and race horses or losses under this head)	YES	YES	YES	YES
Income from other sources (including winnings from lottery and race horses or losses under this head)		YES	YES	
Income from other sources – Family Pension Scheme – Residents	YES	YES	YES	YES
Income from other sources – Family Pension Scheme – NOR and NR		YES	YES	
Deduction u/s 57 other than Family Pension Scheme		YES	YES	
Dividend Income	YES	YES	YES	YES
Director in company any time during the previous year		YES	YES	

APPLICABILITY OF ITRS FOR A.Y. 21-22– NATURE OF INCOME WISE ANALYSIS

INDIVIDUAL AND HUF

NATURE OF INCOME	ITR 1 SAHAJ (Only Resident Ind)	ITR 2	ITR 3	ITR 4 Sugam (Only Resident Ind)
Agricultural Income exceeding Rs.5000		YES	YES	
Voluntary offer of income (Unexplained income) under Section 68,69, 69A etc (taxable at 60% u/s 115BBE)		YES	YES	
Income from foreign sources / assets / any account outside India / signing authority in account outside India		YES	YES	
Income to be apportioned under Section 5A (Relating to clubbing of Income for Portuguese Citizens)- Portuguese Civil Code		YES	YES	
Total Income exceeding Rs.50 lakhs		YES	YES	
Claim of relief of tax under Section 90, 90A or 91		YES	YES	
Adjustments of Brought Forward Losses of earlier years		YES	YES	

APPLICABILITY OF ITRS FOR A.Y. 21-22– NATURE OF INCOME WISE ANALYSIS

OTHER THAN INDIVIDUAL AND HUF

NATURE OF INCOME	ITR 4 (Only Resident Ind)	ITR 5	ITR 6	ITR 7
Firm (excluding LLPs) opting for presumptive taxation scheme	YES			
Firm (including LLPs), AOP, BOI, Artificial Juridical Person and Local Authority		YES		
Companies other than companies claiming exemption under sec 11			YES	
Persons required to furnish return under:				
a. Section 139(4A) Trust other than Section 11				YES
a. Section 139(4B) Political Party				YES
a. Section 139(4c) Various exempt entities				YES
a. Section 139(4D) Universities, College, Institute u/s 35(1)(ii)/(iii)				YES
Business Trust		YES		
Investment Fund – Section 115UB		YES		

CHANGES EFFECTING ITR FORMS FOR A.Y. 21-22

FOR ALL TAX PAYERS

Particulars	ITR 1 SAHAJ (Only Resident Ind)	ITR 2	ITR 3	ITR 4 Sugam (Only Resident Ind)	ITR 4 (Only Resident Ind)	ITR 5	ITR 6	ITR 7
Tax deducted u/s 194N	NA	YES	YES	YES	YES	YES	YES	YES
No option to C/F TDS u/s 194N	NA	YES	YES	YES	YES	YES	YES	YES
Sch OS – insertion of row to allow deduction of interest expense	YES	YES	YES	YES	YES	YES	YES	YES
Increase in threshold limit for Tax Audit	NA	NA	YES	NA	NA	NA	YES	NA
Deferment of tax on ESOPs (Part-B of Sch TTI)	NA	YES	YES	NA	NA	NA	NA	NA
Special disclosure of marginal relief	NA	YES	YES	NA	NA	YES	NA	NA
Exercise of option prescribed u/s 115BAC	YES	YES	YES	YES	YES	NA	NA	NA
Exercise of option prescribed u/s 115BAD	NA	NA	NA	NA	NA	YES	NA	NA

CHANGES EFFECTING ITR FORMS FOR A.Y. 21-22

FOR ALL TAX PAYERS

Particulars	ITR 1 SAHAJ (Only Resident Ind)	ITR 2	ITR 3	ITR 4 Sugam (Only Resident Ind)	ITR 4 (Only Resident Ind)	ITR 5	ITR 6	ITR 7
Adjustment of unabsorbed depreciation and Adjustment of carried forward losses if assessee has opted for Section 115BAC or 115BAD	NA	NA	YES	NA	NA	YES	NA	NA
Introduction of Section 80M	NA	NA	NA	NA	NA	NA	YES	NA
Deletion of Schedule DI	YES	YES	YES	YES	YES	YES	YES	NA
Clause-wise disclosure in respect of interest taxable under Section 115A read with Section 194LC	NA	YES	YES	NA	NA	YES	YES	YES
Date of cash donation – Sec 80GGA	NA	YES	NA	NA	NA	YES	YES	NA
Insertion of Reference of Form 16D	NA	NA	YES	YES	YES	YES	YES	YES
Nature of security to be furnished in Schedule 112A and Schedule 115AD	NA	YES	YES	NA	NA	YES	YES	NA
Nature of business code for Sec 80P	NA	NA	NA	NA	NA	YES	NA	NA

NEW FEATURES IN 26AS

- Information as per DTAA or TIEA
- Details of pending Proceeding
- Details of Completed Proceeding
- Information of any Demand or Refund
- Cash payment of credit card bills > Rs.1 Lac
- FDs, Share, MFs, Bonds, Debenture > Rs. 10 Lacs
- Receipt of any foreign exchange currency > Rs. 10 Lacs
- Expense in Foreign Currency through cards/ cheque > Rs.10 Lacs

GOVERNMENT OF INDIA




Proposed Measures for Widening of Tax Base

ENSURING BETTER COMPLIANCE & TRANSPARENCY

No TAXPAYER LEFT BEHIND!



Expansion of scope of Reporting of Transactions (SFT):

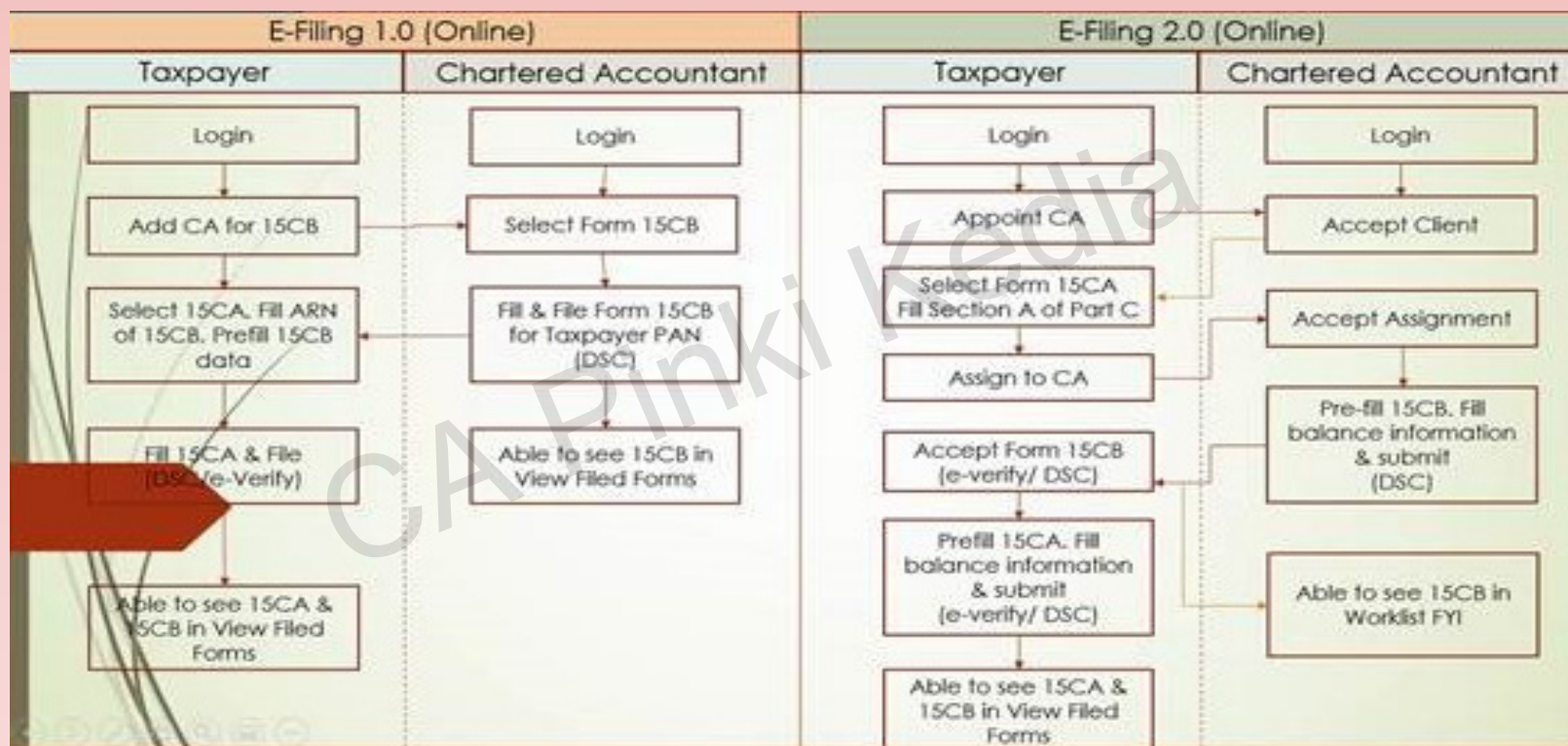
 Payment of educational fee /donations above ₹1 lakh p.a.	 Electricity consumption above ₹1 lakh p.a.	 Domestic business class air travel/foreign travel
 Payment to hotels above ₹20,000	 Purchase of jewelry, white goods, painting, marble, etc. above ₹1 lakh	 Deposit/credits in current account above ₹50 lakh
 Deposit/credits in non-current account above ₹25 lakh	 Payment of property tax above ₹20,000 p.a.	 Life Insurance premium above ₹50,000
 Health insurance premium above ₹20,000	 Share transactions / D-MAT accounts/Bank lockers	

- Deduction/collection of tax at higher rates for non-filers of return
- Compulsory Filing of return by the person having bank transactions above ₹30 lakh, all professionals, businesses having turnover above ₹50 lakh, payment of rent above ₹40,000

UPDATE PROFILE TO AVAIL FOLLOWING SERVICES

- Condonation Request
- Downloaded Pre-filled XML
- Register as Representative
- Register to Act on behalf of Another person
- Authorize another person to act on behalf of self
- Manage ITD Reporting Entity Identification Number (ITDREIN)

PROCESS FOR ONLINE FILING OF FORM 15CA-CB



Punishment for default / false statements

Section	Offence	Particulars	Punishment
276CC	Wilful failure to furnish the return of income u/s 139(1), pursuant to notice u/s 142(1)/ Sec. 148/ Sec. 153A	If the tax sought to be evaded exceeds Rs.25 lacs.	Minimum: 6 Months Maximum: 7 Years & Fine
		In any other case.	Minimum: 3 Months Maximum: 2 Years & Fine
276CCC	Wilful failure to furnish the return of income u/s 139(1), pursuant to notice u/s 142(1)/ Sec. 148/ Sec. 153A	If the tax sought to be evaded exceeds Rs.25 lacs.	Minimum: 6 Months Maximum: 7 Years
		In any other case.	Minimum: 3 Months Maximum: 2 Years
276D	Wilful failure to produce account books and documents and wilful failure to comply direction u/s 142(2A).	Non compliance under Section 142(1), for production of books and Section 142(2A) (Special Audit)	Imprisonment upto 1 year or Fine of Rs.4 - Rs.10 per day during which default continues or both.
277	False statement in verification, etc.	If the tax sought to be evaded exceeds Rs. 25 lacs.	Minimum: 6 Months Maximum: 7 Years & Fine
		In any other case	Minimum: 3 Months Maximum: 2 Years & Fine
277A	Falsification of books of account or documents, etc..	If a person (1st person) falsifies books of another person (2nd person) then the 1st person is guilty and he is subject to imprisonment. The 1st person will be prosecuted whether or not the 2nd person has evaded any tax or not.	Minimum: 3 Months Maximum: 2 Years & Fine

Punishment for default / false statements

Penalty for false entry in books of account - new section 271AAD

If it is found during any proceeding under the Act that in the books of accounts maintained by him there is –

- i) a False Entry, or
- ii) an omission of any entry which is relevant for computation of total income of
- iii) such person, to evade tax liability

There will be Levy of penalty equal to the aggregate amount of false entries or omitted entry.

Also any other person who causes the person to make a false entry or omits or causes to omit any entry, shall pay **penalty equal to aggregate amount** of such false entry or omitted entry.

False entry includes use or intention to use:

- Forged or falsified documents, such as a false invoice or a false piece of documentary evidence, or
- Invoice in respect of supply or receipt of goods or services or both issued by the person or any other person without actual supply or receipt of such goods or services or both, or
- Invoices in respect of supply or receipt of goods or services or both to or from a person who does not exist

Penalty for false statements - new section 271K

Penalty for failure to furnish false statements, etc for a sum not less than 10,000 but which may extend to 1 lakh rupees (relates to exemption and deduction u/s 35 and 80G).



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