

**INCOME- TAX (SIXTEENTH AMENDMENT) RULES, 2021 - INSERTION OF RULE 11UAE**  
**NOTIFICATION G.S.R. 338 (E) [NO.68/2021/F. NO.370142/16/2021-TPL], DATED 24-5-2021**

In the Income-tax Rules, 1962, after rule 11UAD, the following rule shall be inserted, namely: —

11UAE.Computation of Fair Market Value of Capital Assets for the purposes of section 50B of the Income-tax Act.—

- (1) For the purpose of clause (ii) of sub-section (2) of section 50B, the fair market value of the capital assets shall be the FMV1 determined under sub-rule (2) or FMV2 determined under sub-rule (3), whichever is higher.
- (2) The FMV1 shall be the fair market value of the capital assets transferred by way of slump sale determined in accordance with the formula -

$A+B+C+D - L$ , where,

A= book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale as reduced by the following amount which relate to such undertaking or the division, —

- (i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and
- (ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B = the price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C = fair market value of shares and securities as determined in the manner provided in sub-rule (1) of rule 11UA;

D = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;

L= book value of liabilities as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale, but not including the following amounts which relates to such undertaking or division, namely: —

- (i) the paid-up capital in respect of equity shares;
- (ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;
- (iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
- (iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;
- (v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;
- (vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.

- (3) FMV2 shall be the fair market value of the consideration received or accruing as a result of transfer by way of slump sale determined in accordance with the formula-  $E+F+G+H$ , where,

E = value of the monetary consideration received or accruing as a result of the transfer;

F = fair market value of non-monetary consideration received or accruing as a result of the transfer represented by property referred to in sub-rule (1) of rule 11UA determined in the manner provided in sub-rule (1) of rule 11UA for the property covered in that sub-rule;

G = the price which the non-monetary consideration received or accruing as a result of the transfer represented by property, other than immovable property, which is not referred to in sub-rule (1) of rule 11UA would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer, in respect of property;

H = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property.

(4) The fair market value of the capital assets under sub-rule (2) and sub-rule (3) shall be determined on the date of slump sale and for this purpose valuation date referred to in rule 11UA shall also mean the date of slump sale.

Explanation.—For the purposes of this rule, the expression “registered valuer” and “securities” shall have the same meanings as respectively assigned to them in rule 11U.

### **SECTION 249 OF THE INCOME-TAX ACT, 1961 - COMMISSIONER (APPEALS) - CLARIFICATION REGARDING LIMITATION TIME FOR FILING OF APPEALS BEFORE CIT(APPEALS)**

#### **CIRCULAR NO. 10 OF 2021 [F.NO.225/49/2021/ITA-III], DATED 25-5-2021**

The Central Board of Direct Taxes has issued Circular No. 8 of 2021 on 30th April 2021 providing various relaxations till 31st May 2021 including extending time for filing the appeals before CIT(Appeals). At the same time, the Hon'ble Supreme Court vide order dated 27th April 2021 in Suo motu Writ Petition (Civil) No. 3 of 2020 restored the order dated 23rd March, 2020 and in continuation of the order dated 8th March, 2021 directed that the period(s) of limitation, as prescribed under any General or Special Laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further orders.

The Central Board of Direct Taxes, clarifies that if different relaxations are available to the taxpayers for a particular compliance, the taxpayer is entitled to the relaxation which is more beneficial to him. Thus, for the purpose of counting the period(s) of limitation for filing of appeals before the CIT(Appeals) under the Act, the taxpayer is entitled to a relaxation which is more beneficial to him and hence the said limitation stands extended till further orders as ordered by the Hon'ble Supreme Court in Suo motu Writ Petition (Civil) No. 3 of 2020 vide order dated 27th April 2021.

### **INCOME-TAX (SEVENTEENTH AMENDMENT) RULES, 2021 - AMENDMENT IN RULE 31A, FORM 26A, FORM 26Q, FORM 27EQ AND FORM 27Q**

#### **NOTIFICATION G.S.R. 395(E) [NO. 71/2021/F. NO. 370142/19/2021-TPL], DATED 8-6-2021**

As per the above notification, the deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of notification issued under sub-section (5) of section 194A or in view of exemption provided under clause (x) of sub-section (3) of section 194A

The deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted in view of clause (d) of the second proviso to section 194 or in view of the notification issued under clause (e) of the second proviso to section 194.

The notification mandates the deductor at the time of preparing statements of tax deducted to furnish particular amounts paid or credited on which tax was not deducted in view of proviso to subsection (1A) or in view of sub-section (2) of section 196D.

Lastly, the deductor at the time of preparing statements of tax deducted to furnish particulars of amount paid or credited on which tax was not deducted in view of sub-section (5) of section 194Q with effect from 1st day of July, 2021.

The CBDT has amended the Rule 31A of Income Tax Rules, 1962 in respect of TCS, Form 26A, form 26Q and annexures to Form 26Q namely Deductee/Payee Wise Break Up Of TDS, Form 27EQ, annexures to Form 27EQ Party Wise Break Up Of TCS, Form 27Q and annexures to Form 27Q-Deductee Wise Break Up of TDS.

### **SECTION 143 OF THE INCOME-TAX ACT, 1961 - ASSESSMENT - GENERAL - SCRUTINY ASSESSMENT - GUIDELINES FOR COMPULSORY SELECTION OF RETURNS FOR COMPLETE SCRUTINY DURING FINANCIAL YEAR 2021-22 - CONDUCT OF ASSESSMENT PROCEEDINGS IN SUCH CASES**

**CIRCULAR F.NO.225/61/2021/ITA-II, DATED 10-6-2021**

Kindly refer to the above.

The parameters for compulsory selection of returns for Complete Scrutiny during Financial Year 2021-22 and conduct of assessment proceedings in such cases are prescribed as under:

S. No.	The Parameter	Assessment Proceedings to be conducted by
1	Cases pertaining to survey u/s 133A of the Income-tax Act, 1961(Act)	
	<p>Cases pertaining to Survey under section 133A of the Act subject to exclusion below:</p> <p>Exclusion:</p> <p>Cases where books of accounts, documents, etc. were not impounded and returned income (excluding any disclosure made during the Survey) is not less than returned income of preceding assessment year are not required to be considered for compulsory scrutiny.</p> <p>However, the said exclusion is not applicable where assessee has retracted from disclosure made during the Survey and such cases have to be considered for compulsory scrutiny.</p>	<p>(i) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, cases selected for compulsory scrutiny which have impounded material, shall have to be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2) of the Act.</p> <p>(ii) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in respect of cases selected for compulsory scrutiny and where there is no impounded material will be conducted by National Faceless Assessment Centre(NaFAC). The Assessing Officer shall upload the Survey Report in the ITBA at the time of issue of notice u/s 143(2) of the Act.</p>
2	Cases pertaining to Search and Seizure	
	<p>Assessments in Search and Seizure cases to be made under section(s) 153A, 153C read with section 143(3) of the Act and also for return filed for assessment year relevant to previous year in which the Search was conducted under section 132 or requisition was made under section 132A of the Act.</p>	<p>The case's falling u/s 153C, if lying outside Central Charges, the Jurisdictional Assessing Officer is required to issue notice u/s 143(2) in cases where return is furnished u/s 153C or 142(1) calling for information in cases where no return is furnished u/s 153C. Such cases shall be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2)/142(1) of the Act.</p>
3	Cases in which notices u/s 142(1) of the Act, calling for return, have been issued	
	(i) Cases where no return has been furnished in response to a notice u/s 142(1) of the Act.	These cases will be taken up for compulsory scrutiny by NaFAC.
	(ii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the information contained in NMS Cycle/AIR information/information received from Directorate of I&CI.	these cases will not be taken up for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing; Intelligence/Regulatory Authority/Agency; Audit Objection; etc.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.

4	Cases in which notices u/s 148 of the Act have been issued	
	i) Cases where no return has been furnished in response to notice u/s 148 of the Act.	In such cases, Jurisdictional Assessing shall issue notice u/s 142(1) of the Act, calling for information regarding the issues on the basis of which notice u/s 148 was issued, subsequent to which, assessment proceedings in such cases will be conducted by NaFAC.
	(ii) Cases where return is furnished in response to notice u/s 148 of the Act	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.
5	Cases related to registration/approval under various sections of the Act, such as 12A, 35(l)(ii)/(iia)/(iii), 10(23C), etc.	
	Cases where registration/approval under various sections of the Act, such as section 12A, 35(l)(ii)/(iia)/(iii), 10(23C), etc. have not been granted or have been cancelled/withdrawn by the Competent Authority, yet the assessee has been found to be claiming tax-exemption/deduction in the return. However, where such orders of withdrawal of registration/approval have been reversed/set-aside in appellate proceedings, those cases will not be selected under this clause.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.

Without prejudice to the above, the cases which are selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed guidelines, shall, as earlier, continue to be handled by these charges.

The exercise of selection of cases for compulsory scrutiny on the basis of the above parameters and service of notice u/s 143(2) of the Act will have to be completed by 30-6-2021. As per the amendments brought vide Finance Act, 2021, the time limit for service of notice u/s 143(2) of the Act has been reduced to three months from the month of end of the Financial Year in which the return is filed.

## **RELAXATION IN ELECTRONIC FILING OF INCOME TAX FORMS 15CA/15CB**

### **PRESS RELEASE, DATED 14-6-2021**

As per the Income-tax Act, 1961, there is a requirement to furnish Form 15CA/15CB electronically. Presently, taxpayers upload the Form 15CA, along with the Chartered Accountant Certificate in Form 15CB, wherever applicable, on the e-filing portal, before submitting the copy to the authorized dealer for any foreign remittance.

In view of the difficulties reported by taxpayers in electronic filing of Income-tax Forms 15CA/15CB on the portal [www.incometax.gov.in](http://www.incometax.gov.in), it has been decided that taxpayers can submit the aforesaid Forms in manual format to the authorized dealers till June 30th, 2021. Authorized dealers are advised to accept such Forms till June 30th, 2021 for the purpose of foreign remittances. A facility will be provided on the new e-filing portal to upload these forms at a later date for the purpose of generation of the Document Identification Number.

## **SECTION 48 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - COMPUTATION OF - NOTIFIED COST INFLATION INDEX UNDER SECTION 48, EXPLANATION (V) - FINANCIAL YEAR 2021-22 - AMENDMENT IN NOTIFICATION NO. S.O. 1790(E), DATED 5-6-2017**

### **NOTIFICATION S.O. 2336(E) [NO. 73/2021/F.NO.370142/10/2021-TPL], DATED 15-6-2021**

The Cost Inflation Index for the Financial Year 2021-22 has been notified as 317

## **CBDT INTRODUCES NEW FUNCTIONALITY 'COMPLIANCE CHECK FOR SECTION 206AB & 206CCA**

**CIRCULAR 11 OF 2021 DATED 22-06-2021**

To ease the compliance burden on tax deductor and tax collector in complying with provisions of section 206AB and 206CCA, the CBDT has introduced a new functionality "Compliance Check for Sections 206AB & 206CCA". This functionality is made available through reporting portal of the Income-tax Department to check whether deductee or collectee is a specified person for sections 206AB & 206CCA.