

DIRECT TAX CA. Haresh Kenia, CA. Deepak Lala	
--	--

1. CBDT notifies Rule 132 and Form No. 69 for re-computation of Income under section 155(18) after disallowing deduction for Surcharge and Cess

The Central Board of Direct Taxes, in exercise of the powers conferred by section 295, read with section 155 (18) of the Income-tax Act, 1961, vide notification no G.S.R. 733(E), dated 28-9-2022, gives Income-tax (32nd Amendment) Rules, 2022. It amends the income tax rules and inserts New Rule 132C. It also inserts Form 69 and form 70. It came into force from the 1st day of October 2022.

Form 69 being application for re computation of income under sub-section (18) of section 155 of the Act. and Form -70 being intimation by assessee furnishing the details of payment of tax in to the Assessing Officer within thirty days from date of making the payment.

Form 69 is prescribed requesting assessing officer to re computation of total income of the previous year without allowing the claim for deduction of surcharge or cess, which has been claimed and allowed as deduction under section 40 in the said previous year. This form is to be furnished on or before the 31st day of March 2023.

The Assessing Officer shall, on receipt of the application in Form No. 69, recompute the total income by amending the relevant order and issue notice under section 156 specifying the time period within which amount of tax payable, if any, is to be paid, —

- (i) for the assessment year relevant to the previous year referred to in sub-rule (1); and
- (ii) for the assessment years subsequent to the assessment year referred to in clause (i), if the order for such assessment year results in variation in carry forward of loss or allowance for unabsorbed depreciation or credit for tax under section 115JAA or section 115JD.

2. Extension of Timeline for filing of various Reports of audit for the assessment year 2022-23- Section 119 Instruction to Subordinate Authorities

The Central Board of Direct Taxes (CBDT) , in exercise of its powers under Section 119 of the Act, vide CIRCULAR NO. 19/2022 [F. NO. 225/49/2021/ITA-II], dated 30- 9-2022, extends the due date of furnishing of report of audit under any provision of the Act for the Previous Year 2021-22, which was 30th September, 2022 in the case of assesses referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, to 7th October, 2022. This is on consideration of difficulties faced by the taxpayers and other stakeholders in electronic filing of various reports of audit under the provisions of the Income-tax Act, 1961

3. Guidelines for Compounding of Offences Under the Income-tax Act.

In conformity with the Government's policy of facilitating Ease of Doing Business and decriminalisation of offences, CBDT has taken steps in this direction and issued revised Guidelines for Compounding of offences under the Income-tax Act, 1961 dated 16-9-2022 with reference to various offences covered under the prosecution provisions of the Act.

The CBDT vide LETTER F.NO. 285/08/2014-IT (Inv. V)/196, DATED 16-9-2022, in supersession of all earlier Guidelines on this subject, including the last Guidelines of the Board issued vide F.No. 285/08/2014IT (Inv. V)/147, dated 14th June 2019, the following Guidelines are issued, henceforth, for compliance by all concerned.

The guideline contains the following features ;-

- Compounding Provision

- Compounding is not a matter of right
- Applicability of these Guidelines to prosecutions under IPC
- Classification of Offences
- Eligibility Conditions for Compounding
- Offences not to be compounded
- Relaxation of time
- Authority Competent to Compound an Offence
- Compounding Procedure
- Compounding Charges
- Compounding fee

Readers may refer to complete text of the notification for further details

4. CBDT Order for extension of time limit to file ITR-A under section 170A

ORDER under Section 119 - F. NO. 370142/41/2022-TPL, dated 26-9-2022 As Corrected by Corrigendum F.NO. 370142/41/2022-TPL,dated 27-9-2022.

CBDT vide order F. NO. 370142/41/2022-TPL, under section 119 of the Income-tax Act, 1961, issued on 26.09.2022 extends the time limit for filing of modified return of income in ITR-A under section 170A of the Act to 31.03.2023 where the order of business reorganisation of the competent authority was issued in the period between 1st April, 2022 and 30th September, 2022.

The Finance Act, 2022 has inserted section 170A in the Income tax Act, 1961 with effect from 1st April, 2022 relating to effect of order of tribunal or court in respect of business reorganisation which provides that the entities going through such business reorganization, may furnish modified return of income for any assessment year to which such order of business reorganisation is applicable. The section further provides that such modified returns shall be furnished within a period of six months from the end of the month in which such order of business reorganisation was issued by the competent authority.

In this regard, Rule 12AD was notified vide notification no 110 / 2022 dated 19.09.2022 which comes into force with effect from 01.11.2022. As per the Notification dated 19.09.2022, ITR form in ITR-A is notified for this purpose. This has reduced the time available to furnish the modified return in ITR-A for successor companies in cases where the order of business reorganisation of the competent authority was issued in the period between 1st April, 2022 and 30th September, 2022.

This has resulted in genuine hardships and provided inadequate time to the successor companies in furnishing the modified return of income under section 170A. Hence, in order to provide relief to such successor companies/business entities, the Board has decided to extend the due date to furnish the modified return of income in ITR-A under section 170A to 31st March 2023 in all the cases where the order of business reorganisation of the competent authority was issued in the period between 1st April, 2022 and 30th September, 2022.

5. FAQs on Form 3CD filing errors and suggests resolution

CBDT has issued 5-page FAQs on the filing of Tax Audit Report Form 3CA-CD/3CB-CD on 27.09.2022, 3 days before the due date of filing of Form 3CA-3CD/3CB-3CD, which has been uploaded on the e-filing portal. The message displayed on the portal suggests referring to the same for error-free filing.

The clarifications contain 13 questions covering various types of errors which a user may encounter while uploading the tax audit form and the probable resolutions to those errors.

Readers may refer to complete text for further details