

SKA

TAX FLASH NEWS

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CBDT amends Tax Audit report, Transfer pricing report and ITR-6 pursuant to newly notified concessional tax regimes

CBDT vide notification number 82/2020 dated 01-10-2020 notifies amendments in Tax Audit report in Form 3CD, Transfer Pricing audit report in Form 3CEB, Rule 5 relating to depreciation and ITR-6 for AY 2020-21 pursuant to the newly notified concessional tax regimes under Sections 115BAA [for companies], 115BAB [for manufacturing companies], 115BAC [reduced slab rates for individuals] and 115BAD [for co-operative societies]. Also notifies Forms for exercise of concessional Tax regime for Individual/HUF and Co-operative societies.

Key points of the amendment are hereunder –

- 1) Rule 5 relating to depreciation has been amended to provide that person opting for new concessional Tax regime, the rate of depreciation allowances shall be restricted to forty percent on the written down value of block of assets.
- 2) Rule 5 relating to depreciation has been further amended to provide that domestic company opting for new concessional Tax regime under section 115BAA, any unabsorbed additional depreciation which is not allowed to be set off due to opting of new Tax regime, the written down value of the block of asset as on 01st day of April 2019 shall be increased by such depreciation not allowed to be set off.
- 3) Rule 5 relating to depreciation has been further amended to provide that individual or HUF and Co-operative society opting for new concessional Tax regime under section 115BAC and 115BAD respectively, any unabsorbed additional depreciation which is not allowed to be set off due to opting of new Tax regime, the written down value of the block of asset as on 01st day of April 2020 shall be increased by such depreciation not allowed to be set off.
- 4) Schedule DPM of ITR-6 relating to “computation of depreciation” has been amended to give the effect of above amendment.

- 5) Schedule CFL of ITR 6 relating to “details of losses to be carried forward to future years” has been amended to provide the details of business loss adjusted on account of opting for taxation under section 115BAA.
- 6) New rule 21AF has been inserted to notify a Form 10-IE for making an application for exercise/withdrawal of option of new concessional Tax regime under section 115BAC for Individual/HUF.
- 7) New rule 21AH has been inserted to notify a Form 10-IF for making an application for exercise of option of new concessional Tax regime under section 115BAD for Co-operative society.
- 8) The following amendment has been made in Tax Audit Form No. 3CD –
 - (a) Serial No. 8a has been inserted in form 3CD to provide the following -

“whether the assessee has opted for taxation under section 115BA/115BAA/115BAB?”
 - (b) Serial No. 18 relating to depreciation as per Income Tax has been amended to give the effect of adjustment made to the written down value under section 115BAA.
 - (c) Serial No. 32 relating to details of brought forward loss or depreciation allowances has been amended to report the amount of losses/allowances not allowed due to opting of section 115BAA and amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAA.
- 9) Transfer pricing report Form No. 3CEB has amended to report - Has the assessee entered into any specified domestic transaction(s) with any persons referred to in section 115BAB(6) which has resulted in more than ordinary profit expected to arise in such business?

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The Chambers, Suite Nos - 606 - 608

1865, Rajdanga Main Rd, East Kolkata Township,

Opposite Gitanjali stadium, Kolkata – 700107

Phone : +91 33 40089902/ 03/ 04

Email :- updates@skagrwal.co.in

Website:- www.skagrwal.co.in