

**INTRODUCTION OF NEW SECTION 269ST, 285BA & 271DA
(05/04/2017)**

1. THIS IS TO CURB BLACK MONEY

These include placing restriction on cash transaction by introduction of new sections 269ST & 271DA to the Income-tax Act W.E.F. 1ST APRIL, 2017

It has been provided that **no person** (other than those specified therein) **shall receive an amount of two lakh rupees or more IN CASH,**

- (a) in aggregate from a person in a day;
- (b) in respect of a single transaction; or
- (c) in respect of transactions relating to one event or occasion from a person,

You will attract penalty of a sum equal to the amount of such receipt.

The restriction on cash transaction shall not apply to withdrawal of cash from a bank, co- operative bank or a post office savings bank.

It has also been provided that any capital expenditure in cash exceeding rupees 10,000 shall not be eligible for claiming depreciation allowance or investment-linked deduction. You will have to ensure that payment for purchase of any capital assets of more than Rs. 10,000/- shall be done only through banking channels. Similarly, the limit on revenue expenditure in cash has been reduced from Rs.20,000 to Rs.10,000.

In order to promote digital payments in case of small unorganized businesses, the rate of presumptive taxation has been reduced from 8% to 6% for the amount of turnover realised through cheque/digital mode.

Further, it has also mandated that any donation in cash exceeding Rs.2000 to a charitable institution shall not be allowed as a deduction under

2. E-Assessments

As an initiative to facilitate a simple way of communication between the Income tax Department and the Tax payer, E - proceedings through electronic means has been started without the necessity of the tax payer to visit the Income Tax Office and the Income Tax Officer.

3. YOUR AUDITORS ARE SUPPOSED TO REPORT TO DISCLOSE DEALINGS IN SPECIFIED BANK NOTES DURING DEMONETISATION.

In the Companies Audit report your auditors shall have to disclose in your financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th Nov, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the Company ?

4. YOU WILL BE COMPELLED TO FILE YOUR INCOME TAX RETURNS ON THE DUE DATES

The Income tax department has now provided u/s. 234F a late fee of Rs. 1,000/- for income below Rs. 5,00,000/- and a late fee of Rs. 5,000 for other cases till 31st December after the due date and Rs. 10,000/- till 31st March of the assessment year. So it is advisable to file your Income tax returns very well before the due date and instead of paying fine / late fee pay more tax if need be.

5. NINE MAJOR CHANGES IN THE INCOME TAX RETURNS FORMS

- (i) Mention of Aadhar No is compulsory and in the case of partnership firms Aadhar No : of all the partners has to be mentioned. This will reduce the use of duplicate PAN and will help find the correct address of the tax evaders etc. Please check your name on Aadhar card and on PAN and if it is not the same get it corrected immediately.
- (ii) Details of cash deposited between 9th Nov and 30th December, 2016 in Specified Bank Notes
- (iii) Unexplained credits or investment attracts tax @ 60% plus surcharge irrespective of slab rates. One can come clean by disclosing and reporting any unreported bank accounts, investments, transactions etc by paying 60%.
- (iv) You have to report the Dividend Income separately because Income from dividends exceeding Rs. 10 lakh is taxed @ 10%. Report your Long Term Capital Gains separately in the new return of income.
- (v) ITR-1 Sahaj is new for small tax payers having income below RS. 50 Lakh
- (vi) You can also claim deduction u/s. 80EE for Home Loan Interest for the first time home buyers.
- (vii) If your income exceeds Rs. 50 Lakhs and no Balance Sheet is prepared then declare the value of Assets and Liabilities with the complete address and description of the properties.

- (viii) If you opt for presumptive taxation method i.e. your turn over is less than Rs, 2 Crore, you need not maintain any books of accounts which means they have to simply pay tax on profit calculated on turn over either @ 8% or 6% as the case may be.

- (ix) In case of Trust it is compulsory to mention the internal audit conducted under any other act.