



INCOME TAX ALERT

N. A. SHAH **BULLETIN**

April 2021

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

M. A. PARIKH & CO. IS NOW A PART OF N. A. SHAH ASSOCIATES LLP

Obligation to furnish statement of specified financial transactions for the year ended 31.03.2021

1. Section 285BA of the Income Tax Act, 1961 ('Act') requires certain specified persons

- who is responsible for registering, or; maintaining books of accounts or other document
- containing a record of any specified financial transaction or any reportable account as may be prescribed

shall furnish a statement in respect of such specified financial transaction or such reportable account ('SFT') during the financial year.

2. Rule 114E prescribes the nature of transactions and the threshold value for reporting of such transactions and which is summarized as under:-

Sr. No.	Class of Person who is required to furnish SFT	Nature and value of Transaction
A) Applicable to All		
1.	Any person liable for tax audit u/s 44AB of the Act	Receipt of cash payment exceeding INR 2 lakhs for sale of goods or services of any nature
2.	Authorized person under FEMA	Receipt from any person for sale of foreign currency including any credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of travelers cheque or draft or any other instruments of an amount aggregating to INR 10 lakhs or more in a financial year
B) Applicable to Companies		
3.	A company issuing shares	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for issue of shares (including share application money)
4.	A company or institution issuing bonds or debenture	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for acquiring bonds or debenture

5.	A company listed on recognized stock exchange purchasing its own securities	Buyback of shares from any person (other than securities purchased from open market) for an amount or value aggregating to INR 10 lakhs or more in a financial year
6.	A company paying dividend	Any amount of dividend distributed during the financial year
C) For others (Special category)		
7.	A banking company or a co-operative banks	<ul style="list-style-type: none"> • payment made in cash for purchase of bank drafts or pay order aggregating to INR 10 lakhs or more in a financial year • payments made in cash aggregating to INR 10 lakhs or more in a financial year for purchase of prepaid instruments issued by RBI • cash deposits or cash withdrawals aggregating to INR 50 lakhs or more in a financial year, in or from one or more current account of a person
8.	A banking company or Co-operative bank to which Banking Regulation applies or any other company or institution issuing credit card	<ul style="list-style-type: none"> • payments made by a person of an amount aggregating to <ol style="list-style-type: none"> 1. INR 1 lakh or more in cash 2. INR 10 Lakhs or more by other mode against bills in respect of one or more credit cards issued to that person, in a financial year.
9.	A banking company or a co-operative banks or Post Master General	<ul style="list-style-type: none"> • cash deposits aggregating to INR 10 Lakhs or more in a financial year, in one or more accounts (other than a current account and time deposit) of a person
10.	A banking company or a co-operative banks or Post Master General or Nidhi Company or Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 [(2 of 1934)], to hold or accept deposit from public.	<ul style="list-style-type: none"> • one or more time deposits (other than renewal) of a person aggregating INR 10 Lakhs or more in a financial year
11.	A banking company or a co-	Payment of interest to a person where the

	operative bank or Post Master General or Non-banking financial company	cumulative interest paid during the financial year exceeds INR 5,000/- (excluding interest from accounts which are exempt from tax)
12.	A trustee or authorized person of a mutual fund	Receipt from any person of an amount aggregating to INR 10 lakhs or more in a financial year for acquiring units of one or more scheme of a mutual fund
13.	Registrar or sub-registrar	Purchase or sale of immovable property for INR 30 Lakhs or more or valued by the stamp valuation authority at INR 30 lakhs or more
14.	<ul style="list-style-type: none"> • Recognized Stock Exchange; • Depository or Recognized Clearing Corporation; • Registrar to an issue and share transfer agent registered under SEBI. 	Capital gains on transfer of listed securities or units of mutual funds

Filing of preliminary response

A preliminary response is required to be filed in case if the assessee has not entered into any reportable transactions during FY 2020-21

Timeline for filing the statement

Every specified person (mentioned in column 2 of above table) who has entered into specified financial transactions (mentioned in column 3 of above table) during the financial year 2020-21, is required to furnish the information in Form No. 61A / prescribed format, electronically on or before 31st May, 2021 with the income tax department.

Penalty for non-filing the statement

Penalty of INR 500 per day of default shall be levied if the statement is not filed on or before 31st May

Penalty of INR 1000 per day of default shall be levied if the statement is not furnished within the time prescribed by the income tax officer in notice issued under section 285BA(5) of the Act.

The penalty shall not be levied if there is a reasonable cause for the failure to furnish the Form 61A within the prescribed time.

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