

SKJ iCAN

Newsletter

May 2022

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DIRECT TAXES**1] CBDT extends time line for electronic filing of Form NO.10AB for registration/approval u/s 10(23C) 12A or 80G of Income tax Act 1961**

Extension of time line for electronic filing of Form NO. 10AB for seeking registration or approval under Section 10(23C), 12A or 80G of the Income tax Act,1961 (the Act) – reg.

1. On consideration of difficulties in electronic filing of Form NO.10AB as stipulated in Rule 2C or 11M or 17A of the Income tax Rules, 1962 w.e.f. 01.04.2021, the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119(1) of the Act, extends the due date for electronic filing of such Form as under:

(i) The application for registration or approval under Section 10(23C), 12A or 80G of the Act in Form No.10AB, for which the last date for filing falls on or before 29th September, 2022, may be filed on or before 30th September, 2022.

[CBDT Circular No. 08/2002 dated 31st March 2022]

2] Insertion of Rule 21AAA and Form no. 10-EE

Taxation of income from retirement benefit account maintained in a notified country—

- Where a specified person has income accrued in a specified account or accounts, during a previous year relevant to any assessment year beginning on or after the 1st day of April, 2022, such income shall, at the option of the specified person, be included in his total income of the previous year relevant to the assessment year in which income from the said specified account or accounts is taxed at the time of withdrawal or redemption, as the case may be, in the notified country.
- The above income shall not include- A. has already be included in total income was not taxable in India, in the previous year as specified person was non-resident or on account of application of the double taxation avoidance agreement.
- The said option shall be exercised in Form No.10-EE and it shall be furnished electronically under digital signature or electronic verification code on or before the due date specified under sub-section (1) of section 139 of the Act, for furnishing the return of income.

[Source: NOTIFICATION G.S.R. 256(E) [NO. 24/2022 [F. NO.370142/7/2022-TPL], DATED 4-4-2022]

3] Insertion as Notified Country for purpose of section 89A of the Income Tax Act, 1961

The Central Government notified Canada, United Kingdom of Great Britain and Northern Ireland, United States of America as Notified Country for purpose of the said section.

[Source: NOTIFICATION S.O. 1568(E) [NO. 25/2022/F.NO. 370142/7/2022-TPL], DATED 4-4-2022]

4] Calculation and deduction of taxable interest relating to contribution in a provident fund exceeding specified limit

- TDS will be applicable in case of PF final settlement , transfer claims, on transfer from exempted establishment to EPFO and vice versa, on transfer from one trust to another, past accumulations transfer at the time of annual account processing , on back period accounting after accounts for year 2021-22 are processed. It will be applicable in death cases, applicable to all EPF members including members of exempted establishment or exempted trusts and it will also be applicable in case of International workers.
- If PF account is linked with a valid PAN in both live as well as death cases, shall be 10% and if the same is not linked with a valid PAN, rate of TDS will be double the rate of normal TDS. (Ref. section 194A of the Income Tax Act, 1961). In case of non-resident rate of TDS will be 30% u/195 subject to Double Taxation Avoidance Agreement (DTAA). The TDS will increase by cess and surcharge as per rates in force, however cess and surcharge will not be applicable if TDS is deductible as per provision of the DTAA u/s 90 of IT Act 1961.
- If the member has not linked with PAN , rate of TDS u/s 194A will be double than the normal rate of TDS i.e. 20% at the time of annual interest accounting as well in case of PF account settlement/ transfer as per the provision of section 206AA of the IT Act.

[Source: Circular No. WSU/6(1)2019/Income Tax/Part-I (E-33306) DATED 5-4-2022]

5] E-Dispute Resolution Scheme, 2022

The dispute resolution under this Scheme shall be made by the Dispute Resolution Committee on applications made for dispute resolution under Chapter XIX-AA of the Act in respect of dispute arising from any variation in the specified order by such persons or class of persons, as may be specified by the Board. The procedure for dispute resolution is mentioned in the notification.

[Source: NOTIFICATION S.O. 1642(E) [NO. 27/2022/F. NO.370142/5/2022-TPL-PART1 (PART1)], DATED 5-4-2022]

6] Amendment in Rules 2F AND 8B

Rule 2F- From now onwards sub-rule (3) will be substituted as- The infrastructure debt fund shall issue (i) rupee denominated bond or foreign currency bond in accordance with the directions of Reserve Bank of India or (ii) zero coupons bonds in accordance with rule 8B. There is amendment in sub-rule (4) also and it states which part of sub-rule should be in accordance with.

Rule 8B- Proviso of sub rule (1) is substituted and it says application shall not be made for notification of a bond which is to be issued beyond a period of two financial years. There are amendment in other sub rules also.

[Source: NOTIFICATION G.S.R. 275(E) [NO. 28/2022/F. NO.370142/4/2022-TPL], DATED 6-4-2022]

7] Insertion as Notified Place of Historic Importance and a place of public worship for the purpose of section 80G of the Income Tax Act, 1961

The Central Government hereby notifies "The Somnath Temple" managed by Shree Somnath Trust (PAN: AAATS9555Q) to be place of historic importance and a place of public worship of renown for the purposes of the section 80G.

[Source: NOTIFICATION S.O. 1770(E) [NO. 29/2022/F. NO.176/2/2022-ITA-I], DATED 11-4-2022]

8] Insertion as Approved Social Science or Statistical Research Associations or Institutions for the purpose of Section 35(1) (iii) of the Income Tax Act, 1961

The Central Government hereby approves 'Sri Sharada Institute of Indian Management Research Foundation Trust, New Delhi, (PAN: AAJTS0088H)' as 'other Institution' under the category of 'University, College or other institution' for research in social science or statistical research for the purposes of clause (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961, read with rules 5C and 5E of the Income-tax Rules, 1962. This shall be applicable for or Assessment Years 2023-2024 to 2027-2028.

[Source: NOTIFICATION S.O. 1875(E) [NO. 33/2022/F.NO.203/06/2021/ITA-II], DATED 19-4-2022]

9] Insertion of Rule 12AB

Conditions for furnishing return of Income compulsorily by persons referred to in clause (b) of sub-section (1) of section 139.—

- (i) if his total sales, turnover or gross receipts, as the case may be, in the business exceeds sixty lakh rupees during the previous year; or
- (ii) if his total gross receipts in profession exceeds ten lakh rupees during the previous year; or
- (iii) if the aggregate of tax deducted at source and tax collected at source during the previous year, in the case of the person, is twenty-five thousand rupees or more;(for senior citizen it is fifty thousand rupees or more) or
- (iv) the deposit in one or more savings bank account of the person, in aggregate, is rupees fifty lakh or more during the previous year

[Source: NOTIFICATION G.S.R. 307(E) [NO. 37/2022/F.NO.370142/01/2020-TPL (PART1)], DATED 21-4-2022]

GOODS AND SERVICE TAX**1] E-invoice generation mandatory for those with aggregate turnover > Rs. 20 Cr:**

E- invoicing becomes mandatory in case aggregate turnover (i.e. PAN based) during any of the financial year 2017-18 to 2021-22 has crossed the limit of 20 Cr. Aggregate turnover here means taxable supplies as well as exempt supplies (which includes interest received from banks)

[Source: Notification 01/2022-Central Tax dt. Feb 24, 2022]

2] Steps before filing application for revocation of cancellation of registration:

Maharashtra State Tax Department has clarified that before filing application for revocation of cancellation of registration all GST returns pending till date that must be filed along with payment of due taxes. Until then such application would be liable for rejection.

[Source: MahaGST Circular 06A of 2022 dt. Mar 23, 2022]

3] Notification of new composition scheme for brick kiln sector providers:

Government has notified new biennial tax structure giving following two options. Note that existing composition scheme (allowing payment of tax @ 1% without ITC) would be closed and tax payers would have to opt from any of the following. Developers need to consider these tax structure to ensure cost efficiency in whole project:

Option 1: Payment of tax @ 12%

- ITC available with no restriction
- Opt for monthly/ quarterly filing scheme.

Option 2: Payment of tax @ 6%

- ITC not available in respect of inputs or goods used for supplying such goods
- Common ITC to be reversed in terms of Sec 17(2) of CGST Act, 2017 read with rule 42 or as the case may be 43 of CGST Rules, 2017
- Opt for monthly/ quarterly filing scheme.

[Source: Notification 3/2022 and 4/2022 dt. Mar 31, 2022]

COMPANY LAW**1] Requirement of mandatory audit trail in company accounting software postponed to financial year commencing on or after 01.04.2023.**

MCA vide notification dated 31st March 2022, postponed the requirement of compulsory audit trail in company accounting software.

[Refer MCA Notification dated 31st March 2022]

FTP & CUSTOMS

- Government has provided for relaxation relating to fulfillment of export obligation to EPCG license holders by allowing the flexibility of filing an application for extending the first block of EO period in case the EO is not fulfilled, without the need to pay customs duty proportionate to unfulfilled EO. Earlier there was no such relaxation and license holder had to pay customs duty saved on unfulfilled EO.
[Source: Public Notice 3/2015-2020 dt. April 13, 2022]
- IGST & Compensation Cess exemption to EOUs, EPCG and AA license holders has been extended till Jun 30, 2022.
[Source: Notification 66/2015-2020 dt. April 1, 2022]
- Existing Foreign Trade Policy and Handbook of Procedures is applicable until Sep 30, 2022.
[Source: 64/2015-2020 dt. Mar 31, 2022]

OTHERS**1] Extension of the validity of FCRA registration certificates till 30.06.2022**

In continuation of Ministry of Home Affairs' **Public Notice No. II/21022/23(22)/2020-FCRA-III**, Dated 31st December, 2021, the Central Government, in public interest, has decided to extend the validity of FCRA registration certificates of certain categories of FCRA registered entities, as follows:

- (i) The validity of registration certificates of such entities whose validity was extended 31.03.2022 in terms of the Public Notice dated 31st December, 2021 and whose renewal
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application is pending will stand extended till 30.06.2022 or till the date of disposal of renewal application, whichever is earlier.

(ii) The validity of those FCRA entities whose 5 years validity period is expiring during 04.2022 to 30.06.2022 and who have applied/apply for renewal before expiry of 5 years validity period will stand extended up to 30.06.2022 or till the date of disposal of renewal application, whichever is earlier.

2. All FCRA registered associations are therefore advised to take note that in case of refusal of the application for renewal of certificate of registration, the validity of the certificate shall be deemed to have expired on the date of refusal of the application of renewal and the association shall not be eligible either to receive the foreign contribution or utilise the foreign contribution received.

3. This issues with the approval of the Competent Authority of the above decision and take appropriate action in the matter.

[PUBLIC NOTICE Dated: the 24th March, 2022]

2] Extension of Time for Submission/Uploading of FCRA online Annual Returns for the Year 2020-21 up to 30th June, 2022.

Extension of Time for Submission/Uploading of online Annual Returns for the Year 2020-21- regarding.

As per rule 17 of the Foreign Contribution (Regulation) Rules, 2011, every person who receives foreign contribution under the Foreign Contribution (Regulation) Act, 2010, shall submit a signed or digitally signed report in electronic form in Form FC-4 with scanned copies of income and expenditure statement, receipt and payment account and balance sheet for every financial year: beginning on the 1st day of April within nine months of the closure of the financial year.

In exercise of the powers conferred by section 50 of the Foreign Contribution (Regulation) Act, 2010, the Central Government hereby extends the time for submission/uploading of online annual returns for the year 2020-21 up to 30th June, 2022.

[PUBLIC NOTICE Dated: 31st March, 2022]

3] ICAI Implementation Guide on Reporting under Rule 11(e) and Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014

Section 143(3) of the Companies Act, 2013 speaks of various matters on which auditors are required to report in their auditor's report. Clause (j) of Section 143(3) states that auditor's report shall also state such other matters as may be prescribed. Rule 11 of the Companies (Audit and Auditors) Rules, 2014 specifies such other matters that are to be reported by the auditor.

The Ministry of Corporate Affairs (MCA) has issued the “**Companies (Audit and Auditors) Amendment Rules, 2021**” introducing three new rules:

Rule 11(e) Management Representation on funds received and invested

Rule 11(f) Compliance of rule for dividend declared or paid

Rule 11(g) accounting software with **feature of recording audit trail**

ICAI Implementation Guide on Reporting under Rule 11(e) and Rule 11(f) of the Companies Rules 2014

The Reporting requirements of these Rules are applicable for audits of companies for the financial year 2021-22 and onwards.

ICAI has issued an Implementation Guide on Reporting under Rule 11(e) and Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014” for providing guidance in reporting by the chartered accountants

[April 26th 2022]

COMPLIANCE CALENDAR FOR MAY 2022

Due Date	Particulars
May	INCOME TAX
7	TDS/TCS Deposit - for the month of April 2022
15	Issue of TDS Certificate for tax deducted u/s 194-IA/ 194-IB/ 194M in Mar 22
15	Quarterly statement of TCS deposited for the quarter ending March 31, 2022
30	Challan/ statement of TDS u/s 194IA, 194IB,194M for April 2022
30	TCS certificates for the 4th Quarter of the Financial Year 2021-22
31	Quarterly statement of TDS deposited for the quarter ending March 31, 2022
May	PF/ ESI
11	ESI half yearly return due date for Oct 21 to Mar 22
15	PF Contribution & ECR filing April 2022
15	ESI Contribution for April 2022
May	MVAT
21	Due date for filing and payment of MVAT dues (periodicity- monthly) for April-2022
May	GOODS & SERVICE TAX
10	GSTR-7 for April 2022
10	GSTR-8 for April 2022.
11	GSTR 1 for April 2022
13	GSTR 6 for April 2022.
13	Invoice Furnishing Facility (IFF) for April 2022
20	GSTR 3B for April 2022 (Monthly filing scheme)
20	GSTR 5 & 5A for April 2022
22	GSTR 3B for April 2022 (QRMP Scheme)
25	Form PMT-06 for April 2022
