

SKJ iCAN

Newsletter

August 2022

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DIRECT TAXES**1] CBDT issues circular regarding Condonation of Delay in filing of form no 10BB FOR Assessment Year 2018-19 And Subsequent Years.**

- Commissioners of Income-tax (CIT) are authorized to admit applications for condonation of delay u/s 119(2) (b) of the Act if there is reasonable cause in filing such Form not in the stipulated time. Delay up to 365 days in filing Form No. 10BB for Assessment Year 2018-19 or any subsequent, CIT are authorized to admit such applications.
- Where there is delay of beyond 365 days up to three years in filing Form No. 10BB for Assessment Year 2018-19 or any subsequent, then Pr. Chief CIT/Chief CIT are authorised to admit such applications of condonation of delay under section 119(2) of the Act in case applicant was prevented from reasonable cause for filing such Form in stipulated time.

[CIRCULAR NO. 15/2022 [F.NO.197/89/2022-ITA-I] dated July 19, 2022]

2] CBDT issues circular regarding Condonation of Delay in filing of form no 9A FOR Assessment Year 2018-19 And Subsequent Years.

- Commissioners of Income-tax (CIT) to admit applications of condonation of delay in filing Form No. 9A and Form No. 10 for AY 2018-19 or for any subsequent Assessment Years where there is delay of up to 365 days and decide on merits.
- Where there is delay of beyond 365 days up to three years in filing Form No. 9A and Form No. 10 for Assessment Year 2018-19 or any subsequent, then Pr. Chief CIT/Chief CIT are authorised to admit such applications of condonation of delay under section 119(2) of the Act in case applicant was prevented from reasonable cause for filing such Form in stipulated time.

[CIRCULAR NO. 17/2022 [F.NO.197/89/2022-ITA-I] dated July 19, 2022]

GOODS AND SERVICE TAX**1] Substitution of sub-section (3) of section 50 of CGST Act**

Section 111 of the Finance Act, 2022 has been notified with retrospective effect from 01.07.2017 thereby substituting sub-section (3) of section 50 and doing away with sections 42(10) and 43(10) and states as under:

“Where the input tax credit has been wrongly availed and utilized, the registered person shall pay interest on such input tax credit wrongly availed and utilized, at such rate not exceeding twenty-four per cent as may be notified by the Government, on the

recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.”

[Notification No. 09/2022–CT dated 5th July, 2022]

2] Substitution of sub-section (10) of Section 49 of the CGST Act

Section 110(c) of the Finance Act, 2022 has been notified which allows for transfer of balance in electronic cash ledger to different GSTIN within the same PAN. The said substitution in the section now allows the registered taxpayer to transfer any amount available in the electronic cash ledger inter head & intra head and within distinct persons having the same PAN. The transfer would not be possible if the registered taxpayer has any unpaid liability in the electronic liability ledger.

[Notification No. 09/2022–CT dated 5th July, 2022]

3] Exemption to small taxpayers from filing of Annual return:

Annual Return in Form GSTR-9/9A is not required to be filed where the aggregate annual turnover of taxpayers is up to Rs 2crores.

[Notification No. 10/2022- Central Tax dated July 5, 2022]

4] Waiver of late fees for GSTR 4:

Late fees for furnishing GSTR 4 for the financial year 21-22 shall stand waived for the period from 1.05.2022 to **28.07.2022**.

[Notification No. 12/2022- Central Tax dated July 5, 2022]

5] Extension of dates of specified compliances in exercise of powers under section 168A of CGST Act

Owing to disruptions to revenue collections caused by COVID pandemic, following revenue-safeguarding provisions have been inserted:

- Time limit for issue of recovery order u/s 73(9) extended till Sep 30, 2023
- For recovery of erroneous refund, limitation shall not include period from Mar 2020 to Feb 2022

[Notification No. 13/2022- Central Tax dated July 5, 2022]

6] Amendments (First Amendment, 2022) to the CGST Rules, 2017

- **E Invoice** – Taxpayers having aggregate turnover above ₹20 crores in any of the FY from 2017-18, but not mandated to generate e-invoice (such as banks, FI, NBFC, SEZ developers) shall provide a **declaration** to the effect in the invoices issued by them.

[Notification No. 14/2022- Central Tax dated July 5, 2022]

7] Changes in Form GSTR-3B

- Form GSTR3B is modified as follows:
 - Supplies through ECO (3.1.1.i) and supplies on which tax is paid as ECO (3.1.1.ii) are now to be reported after *Table 3.1.a*. Suitable changes are made to *Table 3.2* to complement above mentioned reporting.
 - *Table 4* of GSTR3B is changed to specifically provide for reporting on following:
 - Reversal u/r 38, 42 and 43
 - ITC reclaimed which was reversed in earlier tax period
 - Ineligible ITC in terms of Sec 16(4) and ITC restricted owing to place of supply provisions

[Circular 170/02/2022-GST dated 6 July 2022]

8] Clarifications on various issues pertaining to GST

- ITC availed by the recipient of deemed export supply for claiming refund of tax paid on supplies regarded as deemed exports is not to be included in the “Net ITC” for computation of refund of unutilized ITC on account of zero-rated supplies under rule 89(4) or on account of inverted rated structure under rule 89(5) of the CGST Rules, 2017.
- The proviso after sub-clause (iii) of clause (b) of sub-section (5) of section 17 of the CGST Act is applicable to the whole of clause (b) of sub-section (5) of section 17 of the CGST Act.
- The perquisites provided by the employer to the employee in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST when the same are provided in terms of the contract between the employer and employee.
- Any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the provisions of GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person.

[Circular 172/02/2022-GST dated 6 July 2022]

9] Refund under inverted duty structure where supply is subject to concessional notification

Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification has been issued

[Circular 173/02/2022-GST dated 6 July 2022]

10] Prescribing manner of re-credit in electronic credit ledger using FORM GST PMT-03A

The proper officer, on being satisfied that the full amount of erroneous refund along with applicable interest, as per the provisions of section 50 of the CGST Act, and penalty, wherever applicable, has been paid by the said registered person in FORM GST DRC-03 by way of debit in electronic cash ledger, he shall re-credit an amount in electronic credit ledger, equivalent to the amount of erroneous refund so deposited by the registered person, by passing an order in FORM GST PMT-03A, preferably within a period of 30 days from the date of receipt of request for re-credit of erroneous refund amount so deposited or from the date of payment of full amount of erroneous refund along with applicable interest, and penalty, wherever applicable, whichever is later.

[Circular 174/02/2022-GST dated 6 July 2022]

11] Manner of filing refund of unutilized ITC on account of export of electricity.

The applicant would be required to file the application for refund under “Any Other” category electronically in FORM GST RFD-01, on the portal and the circular gives the procedure for filing of refund.

[Circular 175/02/2022-GST dated 6 July 2022]

12] Rate Changes effective from 18 July 2022

The rate changes recommended in the 47th GST Council Meeting have been made effective vide Notifications 3 to 11 – Central Tax(Rate) and Notifications 15-16 – Central Tax issued on 13 July 2022. The rate change notifications so issued are effective from 18 July 2022.

The notifications can be accessed at <https://taxinformation.cbic.gov.in/content-page/explore-notification>

COMPANY LAW**1] The Companies (Incorporation) Second Amendment Rules, 2022. Amendment to Form INC-9 & INC-32 (SPICe+)**

MCA has notified the Companies (Incorporation) Second Amendment Rules, 2022 amending **the Companies (Incorporation) Rules, 2014**.

The **Form INC-9** related to Declaration by Subscribers and First Directors has been amended with effect from 1st June, 2022.

Now, the declaration includes compliance of Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 where applicable.

Further, in **Form INC-32 (SPICe+)**, in Part-B, in Declaration, the following words have been inserted at the end, namely:-

“I, on behalf of the proposed directors, hereby declare that person seeking appointment is a national of a country which shares a land border with India, necessary security clearance from Ministry of Home Affairs, Government of India shall be attached with the consent. O Yes O No. (if yes is opted, a copy of the security clearance is to be attached)”

[MCA Notification 20th May 2022]

2] Clarification related to spending of CSR fund for `Har Ghar Tiranga'

`Har Ghar Tiranga', a campaign under the aegis of Azadi Ka Amrit Mahotsav, is aimed to invoke the feeling of patriotism in the hearts of the people and to promote awareness about the Indian National Flag. In this regard, it is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities under item no. (ii) of Schedule VII of the Companies Act, 2013 pertaining to promotion of education relating to culture.

[General circular No.08/2022 dated 26th July 2022]

FTP, CUSTOMS & EXCISE

1] Extension of deadlines for submission of application under MEIS till August 31, 2022:

Para 3.13A of the Foreign Trade Policy 2015-20 has been amended to extend the last date of submitting applications under Merchandise Exports from India Scheme (“MEIS”), for exports made from September 01, 2020 to December 01, 2020, to August 31, 2022.

[Notification No. 15/2015-2020 dated July 1, 2022]

2] SOP v1.1 issued for implementation of Govt. notification prohibiting import of mobile phones with duplicate, fake and non-genuine International Mobile Equipment Identity:

CBIC has issued a Standard Operating Procedure ("SOP") (Version 1.1) for implementation of Central Government notification prohibiting import of mobile phones with duplicate, fake and non-genuine International Mobile Equipment Identity. The said SOP has been issued based on the Office Memorandum dated July 04, 2022 received from Department of Telecommunication, Ministry of Communication, New Delhi.

The SOP version 1.0 has been modified appropriately due to operationalization of new system i.e. Indian Counterfeited Device Restriction (ICDR) system w.e.f. January 28, 2020.

[Instruction No. 12/2022-Customs dated July 07, 2022]

3] DGFT unrestricted the Export Policy of Wheat Flour (atta) w.e.f. July 12, 2022:

The DGFT has issued amendments in the Export Policy of Wheat Flour (atta) falling under S.No.64 against ITC (HS) code 1101 of Chapter 11 of Schedule 2 of the ITC (HS) Export Policy under the Foreign Trade Policy, 2015-2020 (“FTP”).

Amended Export Policy –

Sr. No	ITC HS Codes	Description	Export Policy	Revised Export Policy
64	1101	Wheat Flour (Atta), Maida, Samolina (Rava / Sirgi), Wholemeal atta and resultant atta	Free	Free. However, export of wheat flour (atta) is subject to recommendation of Inter-Ministerial Committee (IMC) on export of wheat.

CBIC has issued Instruction dt July 11, 2022 and the procedure for submission of requests for seeking Inter-Ministerial Committees (“IMC’s”) approval for the export of Wheat Flour (Atta) has been issued by the DGFT.

[Notification No. 18/2015-2020 dated July 06, 2022, Instruction No. 14/2022-Customs dated July 11, 2022 and Trade Notice No. 14/2015-2020 dated July 18, 2022]

4] DGFT removed minimum 15 days criteria prior to SIMS registration requirement:

The DGFT has issued amendments in the registration time period of the Steel Import Monitoring System (“SIMS”) under the Foreign Trade Policy 2015-2020 (“FTP”), whereby the requirement of advance registration of minimum 15 days from the expected date of arrival of import consignment under SIMS has been abolished.

Existing Policy Condition	Revised Policy Condition
The Steel Importing Monitoring System (SIMS) shall require importers to submit advance information in an online system for import of items and obtain an automatic Registration Number by paying registration fee of Rs. 1 per thousand subject to minimum of Rs. 500/ and maximum of Rs. 1 lakh on CIF value. The importer can apply for registration not earlier than 60th day and not later than 15th day before the expected date of arrival of import consignment. The automatic Registration Number thus granted shall remain valid for a period of 75 days.	The Steel Importing Monitoring System (SIMS) shall require importers to submit advance information in an online system for import of items and obtain an automatic Registration Number by paying registration fee of Rs. 1 per thousand subject to minimum of Rs. 500/ and maximum of Rs. 1 lakh on CIF value. The importer can apply for registration not earlier than 60th day before the expected date of arrival of import consignment. The automatic Registration Number thus granted shall remain valid for a period of 75 days.

[Notification No. 19/2015-2020 dated July 07, 2022]

5] Inapplicability of MOOWR licence for warehousing of solar power generating units or items like Solar Panel, Solar Cell etc. for Power Plants with resulting goods 'electricity':

The CBIC vide Instruction issued clarifies the in-applicability of Manufacture and Other Operations in Warehouse (no.2) Regulations, 2019 ("MOOWR 2019") under section 65 of the Customs Act, 1962 ("the Customs Act") licence for warehousing of solar power generating units or items like solar panel, solar cell etc. for power plants with resulting goods 'electricity'.

The goods to be exported viz, electricity is of such nature that it is incapable to affix one-time-lock to the load compartment of the means of transport in which such goods are removed and as such, condition prescribed in regulation 15 fails to be satisfied.

[Instruction No. 13/2022 dated July 09, 2022]

6] Deputy DRI or Assistant DRI to act as the proper officer under the Customs:

New SI. No. 4A has been inserted in NN. 26/2022 (Customs), so as to introduce the Deputy Director of Revenue Intelligence or Assistant Director of Revenue Intelligence as the proper officer under Section 109A (i.e. Power to undertake controlled delivery of any consignment of goods).

[Notification No. 61/2022-Customs (N.T.) dated July 13, 2022]

RERA

1] Declaration of separate bank accounts for real estate projects

MahaRERA has issued an order whereby every promoter in addition to providing the details of the separate bank account while filing the application for registration, is now required to submit a declaration about the separate bank account on the letterhead in the format prescribed in the order.

[Order No. 34/2022 dated July 27, 2022]

COMPLIANCE CALENDAR FOR AUGUST 2022

Due Date	Particulars
	INCOME TAX
7	TDS/TCS Deposit - for the month of July, 2022
14	Issue TDS Certificate for tax deducted u/s 194-IA/194-IB/194M in June, 2022
15	furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of July, 2022
15	Quarterly TDS certificate in respect of tax Deducted for payments other than salary for the quarter ending June 30, 2022
30	Due date for furnishing of challan-cum-statement in respect of tax deducted u/s 194-IA/194-IB and 194M for the month of July, 2022
	PF/ ESI
15	PF Contribution & ECR filing July 2022
15	ESI Contribution for July 2022
	August
	MVAT
21	Due date for filing and payment of MVAT dues (periodicity- monthly) for July-2022
	August
	GOODS & SERVICE TAX
10	GSTR-7 (by the person who are required to deduct TDS under GST) for July 2022
10	GSTR-8 (by the e-commerce operator who are required to collect TCS under GST) for July 2022.
11	GSTR 1 for the month of July 2022 for taxpayer who has not opted QRMP scheme
13	GSTR 6 (to be filed by Input Service Distributor) for the month of July 2022.
13	Invoice Furnishing Facility (IFF) for the month of July 2022 who has opted for QRMP scheme
16	Last date to opt-in/out for Forward Charge/Reverse charge for FY 2022-23 (To be filed by a GTA for payment of GST on the GTA services supplied by him)
20	GSTR 3B for the month of July 2022 for taxpayer having turnover more than INR 5 Crore or for taxpayer who has not opted for QRMP scheme having turnover less than INR 5 Crore
20	GSTR 5 & 5A by Non-resident taxable person for July 2022.
22	GSTR 3B for the month of July 2022 for taxpayer having turnover less than INR 5 Crore and has not opted for QRMP scheme
25	Form PMT-06 for the month of July 2022 for taxpayer who has opted for QRMP scheme
