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NEWSLETTER

AJAY RATTAN & CO. Chartered Accountants

Newsletter For June'22
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DUE DATES | JUNE 2022

Due Date	Compliance Detail	Applicable To
7th	a) TDC/TCS deposit b) Equalization Levy deposit	a) Non-Government Deductors b) All Deductors
10th	a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11th	GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 5 crore
13th	a) GST-6 [Return by input service distributor (ISD)] b) Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	a) Person registered as ISD b) Taxable persons having turnover ≤ Rs. 5 crore and opted for QRMP Scheme
15th	a) Deposit of PF & ESI contribution b) Deposit of 15% (1st Instalment) of Advance Tax for AY 2023-24. c) Issue of quarterly TDS Certificate for non-salary payments d) Issue of annual TDS Certificate in Form 16 for salary payment	a) All Deductors b) Taxpayers liable to pay advance tax. c) Non-Government Deductors d) Non-Government Deductors
20th	a) GSTR-5 (Return by Non- resident) b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return] c) GSTR-3B (Summary return)	a) Non-resident taxable person b) OIDAR services provider c) All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2021-22.
25th	Form GST PMT-06 (Payment of tax for Quarterly filers)	All taxable persons (except composition dealer) having annual turnover ≤ Rs. 5 crore in FY 2021-22.
30th	a) Filing of return of deposits / exempted deposits in form DPT-3 b) Modification of Importer-Exporter Code (IEC) details with Directorate General of Foreign Trade (DGFT) c) Furnishing of Form-1 (Equalization Levy Statement) d) Annual Return of LLP in form LLP-11	a) All Companies b) All entities having Importer- Exporter Code (IEC) Certificate c) All Deductors d) All Limited Liability Partnerships (LLPs)



Higher rate of withholding tax on payments to non-filers of tax returns –Central Board of Direct Taxes (CBDT) issues circular regarding use of compliance check functionality u/s 206AB & 206CCA of Income-tax Act, 1961

Circular No.10/2022

Finance Act 2022 has brought about the following changes in section 206AB and section 206CCA of the Act with effect from 1st April 2022:

(i) The provision of higher TDS under section 206AB is not applicable on tax to be deducted under sections 194-IA, 194-1B and 194M. This is in addition to already existing provision of its non-applicability on tax to be deducted under sections 192, 192A, 194B, 194BB, 194LB and 194N.

(ii) The definition of specified person has been amended in both section 206AB and section 206CCA. Now "specified person" means a person who satisfies both the following conditions:

(a) He has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/ collected. The previous year to be counted is required to be the one whose return filing date under sub-section (I) of section 139 has expired.

(b) Aggregate of tax deducted at source and tax collected at source is rupees 50,000/- or more in that previous year.

(iii) Further, it has been provided that provisions of section 206AB will not apply in case of deduction of tax on transfer of virtual digital asset (VDA) under section 194S of the Act to a person being an individual or Hindu undivided family, whose sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such VDA is transferred or if such person does not have any income under the head " Profit and gains of business or profession".

Thus, now a person can become a specified person for default in one year instead of earlier provision of default in two years.

Form and manner of filing appeal to the High Court on ruling pronounced or order passed by the Board for Advance Rulings

Notification No.57/2022

In exercise of the powers conferred by sub-section (1) of section 245W read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rule:

44FA. Form and manner of filing appeal to the High Court on ruling pronounced or order passed by the Board for Advance Rulings under sub-section (1) of section 245W.–

The form and manner of filing appeal to the High Court under sub-section (1) of section 245W of the Act against a ruling pronounced or order passed by the Board for Advance Rulings by the assessee, or the Assessing Officer on the directions of the Principal Commissioner or Commissioner, shall be the same as provided in the applicable procedure laid down by the jurisdictional High Court for filing an appeal to the High Court.

CBDT notifies additional transactions for mandatory requirement of obtaining Permanent Account No. (PAN), quoting & authenticating PAN

Notification No.53/2022

Background

The Income-tax Act, 1961 provides for certain situations wherein a taxpayer is mandatorily required to obtain PAN, such as below:

- Cases where total income of taxpayer exceeds maximum amount not chargeable to tax
- Cases where taxpayer carries on any business or profession whose sales / turnover exceeds Rs. 50 Lakh a year
- Resident taxpayer (other than individual) entering into a financial transaction of an amount aggregating to Rs. 2.5 Lakh or more during a year
- Any other situation specified by CBDT

The Finance Act (No. 2), 2019 added a new requirement to say that taxpayers entering into 'specified transactions' shall quote their PAN or Aadhaar in the documents pertaining to such transactions. The counterparty is obliged to ensure that such PAN or Aadhaar is properly quoted and authenticated.

New Rules 114BA and 114BB inserted by CBDT

Pursuant to above, the Government has now provided some additional situations in which (a) obtaining PAN is mandatory, and (b) quoting and authenticating PAN is mandatory, as below :

S. No.	Transactions	New Rule 114BA inserted	New Rule 114BB inserted
1.	Cash deposit(s) aggregating to Rs. 20 Lakh or more during a year in 1 or more accounts of a taxpayer with banks	<ul style="list-style-type: none">•Mandatory to obtain PAN•Application for allotment of PAN needs to be filed atleast 7 days in advance prior to the intended date of the transaction•Effective from 26 May 2022 onwards	<ul style="list-style-type: none">• Mandatory to quote PAN by every taxpayer. Bank is required to authenticate the same• Effective from 10 July 2022 onwards
2.	Cash withdrawal(s) aggregating to Rs.20 Lakh or more during a year in 1 or more accounts of a taxpayer with banks		
3.	Opening of current account / cash credit account with banks	While the Notification mandates to obtain PAN on opening of current account / cash credit account by a taxpayer, practically, it has been seen that banks always require PAN in order to open such accounts. Thus, effectively, it can be said that no additional compliance burden had been imposed by the Notification	



Extension of timeline till 31st December 2022 for companies to conduct Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM)

MCA has further clarified that the above extensions are limited to holding of AGM through VC or OAVM and in no way provides extension of time period for holding AGMs by companies under the Companies Act, 2013 (Act). Thus, companies which have not adhered to the relevant timelines of holding AGM for the Financial Year 2021-22 shall remain subject to legal action under the Act.

Government approval mandatory for issuance of securities to entities / nationals of countries sharing land-border with India

Background

Reserve Bank of India (RBI) vide press note no 3 (2020) dated 17th April 2020 had notified that prior Government approval shall be mandatorily required for all foreign investments made in India:

- By the entity of any country sharing land border with India;
- Where the beneficial owner of such a foreign investment is situated in or is a citizen of any country sharing land border with India;
- Transfer of ownership of any existing or future foreign investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the purview of the land border sharing countries

The objective of above change in regulation was to curb opportunistic takeovers of Indian businesses by citizens of countries like China, Hong Kong, etc.

Amendment by Ministry of Corporate Affairs (MCA) vide notification dated 5th May 2022

MCA has amended Rule 14 of Companies (Prospectus & Allotment of securities) Rules as below:

- In case of issuance of securities by way of private placement, no offer or invitation of any securities shall be made to a body corporate incorporated in or to the national of a country, sharing land border with India unless such body corporate or national, has obtained prior Government approval;
- The copy of Government's approval obtained by the investor body corporate / national, as the case maybe, shall be enclosed with the private placement offer cum application letter in the prescribed form PAS-4;
- Declaration is inserted in the private placement offer cum application letter in the prescribed form PAS- 4, as to whether the Government approval under the Foreign Exchange Management Act (FEMA) (Non- debt Instruments) rules, 2019 is required to be obtained or not, before the issuance of securities

Further, to give effect to the above provisions in the case of transfer of securities, MCA vide notification dated 4th May 2022 has amended the prescribed securities transfer form SH-4 by inserting a declaration as to whether the transferee entity / individual is required to obtain the Government approval under the FEMA (Non-debt Instruments) rules, 2019 or not, before the transfer of securities.



Central Board of Indirect Taxes & Customs (CBIC) extends the due date for payment of GST & filing Form GSTR-3B (summary return) for April 2022 amid technical glitches

CBIC has extended the following due dates amid technical glitches reported in generation of Form GSTR-2B (auto drafted input tax credit (ITC) statement) and auto population of Form GSTR-3B on the GST portal

- Due date for furnishing Form GSTR-3B for April 2022 has been extended till 24 May 2022.
[Notification Number 05/2022 – Central Tax, dated 17.05.2022\]](#)
- Due date for deposit of GST in Form PMT-06 for April 2022 has been extended till 27 May 2022.
[\[Refer Notification Number 06/2022 – Central Tax, dated 17.05.2022\]](#)

CBIC has provided the late fee payable for delay in furnishing of **FORM GSTR-4 (Annual Return of Composition Dealer)** for the Financial Year 2021- 22 under section 47 of the said Act shall stand waived for the period from the 1st day of May, 2022 till the 30th day of June, 2022. [\[Refer Notification Number 07/2022 – Central Tax, dated 17.05.2022\]](#)

Form GSTR-1 (statement of outward supplies) / Invoice Furnishing Facility (IFF) enhancements deployed on GST Portal

Background

The statement of outward supplies in Form GSTR-1 is to be furnished by all normal taxpayers on a monthly or quarterly basis, as applicable. Quarterly GSTR-1 filers have also been provided with an optional IFF for reporting their outward supplies to registered persons (B2B supplies) in the 1st two months of the quarter. Continuous enhancements and technology improvements in GSTR-1 / IFF have been made from time to time to enhance the performance and user-experience of GSTR-1 / IFF, which has led to improvements in summary generation process, quicker response time and enhanced user-experience for the taxpayers. The previous phase of GSTR-1 / IFF enhancement was deployed on the GST Portal in November 2021. In that phase, new features like the revamped dashboard, enhanced B2B tables and information regarding table / tile documents count were provided. In continuation to the same, the next phase of the GSTR-1 / IFF improvements is now available on the Portal, for which an advisory has been issued by team GSTN on 27 April 2022.

The following changes have been done in this phase of the GSTR-1 / IFF enhancements:

New Functionalities made available for Taxpayers on GST Portal in March, 2022

Improvement/ Enhancement on GST portal	Before	Now	Benefit of Improvement/ Enhancement
Removal of 'Submit' button before filing	Filing of GSTR-1 / IFF was done in 2 steps in which taxpayer had to upload the data and then needed to submit the data first and then finally file the return. After submitting the data, taxpayer was unable to modify the data	Submit' and 'File' buttons are replaced with a 'File Statement' button making the filing a simpler 'Single-step filing' process	Taxpayers will get flexibility to add / modify records till the filing is completed by pressing the file statement button
Consolidated Summary	GSTR-1 summary generated from the portal did not report table wise summary of taxable value and tax amounts in separate columns. Taxpayers had to use some other software for the confirmation	Taxpayers will now be shown a table-wise consolidated summary before actual filing of GSTR-1/IFF. This consolidated summary will have a detailed and table-wise summary of the records added by the taxpayers	This will provide a complete overview of the records added in GSTR-1 / IFF before actual filing
Recipient wise Summary	There was no option to generate recipient wise summary	The consolidated summary page will also provide recipient-wise summary, containing the total value of the supplies and the total tax involved in such supplies for each recipient The recipient-wise summary will be made available with respect to the following tables of GSTR-1 / IFF, which have counter-party recipients: <ul style="list-style-type: none"> • Table 4A: B2B supplies •Table 4B: Supplies attracting reverse charge • Table 6B: SEZ supplies •Table 6C: Deemed exports • Table 9B: Credit / Debit notes 	Ease of reference

Functionality for computation of Annual Aggregate Turnover (AATO) for Financial Year (FY) 2021-22

The functionality of AATO for the FY 2021-22 has now been made live on taxpayers' dashboards with the following features:

- The taxpayers can view the exact Annual Aggregate Turnover (AATO) for the previous Financial Year (FY).
- The taxpayers can also view the Aggregate Turnover of the current FY based on the returns filed till date.
- The taxpayers have also been provided with the **facility of turnover updation** in case taxpayers feel that the system calculated turnover displayed on their dashboard varies from the turnover as per their records.
- This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in their turnover shall be summed up for computation of Annual Aggregate Turnover for each of the GSTINs.
- The taxpayer can amend the turnover **twice within** the month of May, 2022. Thereafter, the figures will be sent for review of the Jurisdictional Tax Officer who can amend the values furnished by the taxpayer wherever required.

Reporting 6% rate in GSTR-1

A new tax rate of 6% IGST or 3% CGST+ 3% SGST has been introduced on certain goods vide Notification No. 02/2022 dated 31st March 2022. Changes are being made on the GST portal to include this rate in GSTR-1. As a temporary measure, taxpayers who have to report goods at this rate may do so by reporting the entries in the 5% heading and then manually increasing the system computed tax amount to 6%. This can be done by entering the value in the '*Taxable value*' column next to 5% tax-rate and then increasing the system computed tax-amount to 6% IGST or 3% CGST + 3% SGST in the '*Amount of Tax*' column under the relevant Table, namely B2B, B2C or Export, as applicable. This will ensure that correct tax amount is reported in GSTR-1.



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