



Welcome to our  
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during June 2022. We had tried to cover all important updates occurred during June 2022 in this volume of newsletter. The sole purpose of this circulation is to update finance professionals and business owners on direct & indirect taxes and other compliances. Feedbacks are welcome at [info@nucleusadvisors.in](mailto:info@nucleusadvisors.in).



## Table of Contents

**Page 03**

Newsletter Highlights

**Page 04 - 06**

Direct Tax Updates

**Page 07-13**

GST Updates

**Page 14**

MCA Updates

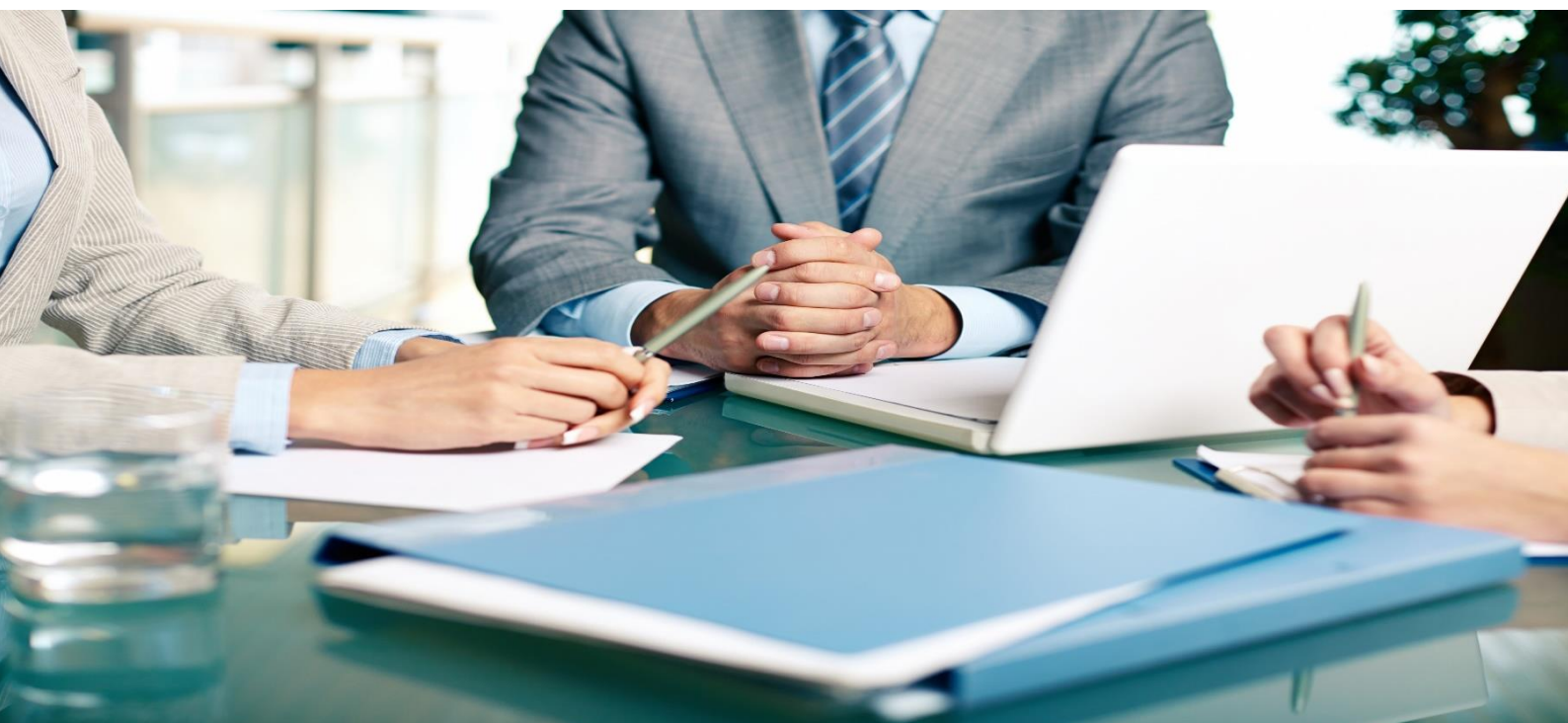
**Page 15**

Compliance Calendar



### Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax, MCA, Audit & Assurance notification, circulars and case laws which may directly or indirectly impact our readers. At Nucleus, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.



# NEWSLETTER HIGHLIGHTS

## Direct Tax Updates

- Cost Inflation Index for Financial Year 2022-23: -Notification No. 62/2022
- Amendment in Rule 21AI and insertion of Rule 21AIA: -Notification No. 64/2022
- Filing of Form 26QE & furnishing of Form 16E in case of TDS Deducted u/s 194S: - Notification No. 67/2022
- CBDT notifies tolerance limit under transfer pricing for Assessment Year 2021-22: - Notification No. 70/2022
- Exchange to furnish quarterly statement in Form 26QF: - Notification No. 73/2022
- Exclusion of certain items from the definition of VDA: - Notification No. 74/2022
- CBDT on the token which qualifies to be a virtual digital Asset: - Notification No.75/2022
- Judicial Updates

## GST Updates

- Key recommendation announced in the 47<sup>th</sup> GST council meeting

## MCA Updates

- Appointment of Foreign National as Director in Indian company
- MCA notifies Companies (Appointment and Qualifications of Directors) Second Amendment, rules, 2022
- Extension of Due date of LLP-11 without late fees



## DIRECT TAX UPDATES

### Cost Inflation Index for Financial Year 2022-23: -Notification No. 62/2022

CBDT has notified '331' as Cost inflation index for the Financial Year 2022-23.

### Amendment in Rule 21AI and insertion of Rule 21AIA: -Notification No. 64/2022

The following amendments have been made,

In Rule 21AI, which specifies Computation of exempt income of specified fund for the purposes of clause (4D) of section 10, sub-rule 2A has been inserted, namely:

“(2A) The income attributable to units held by non-resident (not being the permanent establishment of a non- resident in India) in a specified fund shall not be exempt under clause (4D) of section 10 of the Act unless the specified fund complies with sub-rule (2).”

“21AIA. Other conditions required to be fulfilled by a specified fund shall be that –

- a) the unit holder of the specified fund, other than the sponsor or manager of such fund, who becomes a resident during any previous year subsequent to the previous year in which such unit or units were issued, shall cease to be a unit holder of such specified fund within a period of three months from the end of the previous year in which he becomes a resident
- b) for the purposes of clause (a), the specified fund shall maintain the following documents in respect of its unit holders,—

- name of the unit holder
- tax identification number of the unit holder in the country of residence at the time the units were issued
- permanent account number, if available
- total number of units held
- total value of units held
- whether unit holder is a sponsor or a manager
- the previous year in which the unit holder became resident and
- date of exit from specified fund

The specified fund shall certify that it has fulfilled the conditions and furnish information in respect of units held by residents in the annual statement of exempt income in Form No. 10-IG.

### **Filing of Form 26QE & furnishing of Form 16E in case of TDS Deducted u/s 194S: - Notification No. 67/2022**

CBDT has issued Income-tax (19th Amendment) Rules, 2022. Every specified person responsible for deduction of tax at source @1% on the payment of purchase consideration to a resident person, on transfer of a virtual digital asset under section 194S shall furnish to the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) or the person authorized by the Principal Director General of Income-tax (Systems) or the Director General of Income tax (Systems), a challan-cum-statement in Form No. 26QE electronically within thirty days from the end of the month in which the deduction is made.

They shall also furnish the certificate of deduction of tax at source in Form No.16E to the payee within fifteen days from the due date for furnishing the challan-cum-statement in Form No.26QE under rule 31A after generating and downloading the same from the web portal specified by the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or the person authorized by him.

### **CBDT notifies tolerance limit under transfer pricing for Assessment Year 2021-22: - Notification No. 70/2022**

The price variation tolerance limits for Arm's Length Price (ALP) determination for transfer pricing u/s 92C, in respect of AY 2021-22. Accordingly, if variation does not exceed 1% of the wholesale price and 3% otherwise of international or specified domestic transactions, then actual transaction price shall be taken as ALP.

“Wholesale trading” means an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely:-

- purchase cost of finished goods is eighty per cent or more of the total cost pertaining to such trading activities and
- average monthly closing inventory of such goods is ten per cent or less of sales pertaining to such trading activities.

### **Exchange to furnish quarterly statement in Form 26QF: - Notification No. 73/2022**

CBDT has issued the Income-tax (20th Amendment) Rules, 2022. The amendment provides that where the exchange has agreed to pay tax in relation to a transaction of transfer of a virtual digital asset, owned by it, the Exchange shall deliver or cause to be delivered, a quarterly statement of such transactions in Form No. 26QF to the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems).

*“Exchange” means a person that operates an application or platform for transfer of virtual digital assets, which matches buy and sell trades and execute the same on their application or platform.*

### **Exclusion of certain items from the definition of VDA: - Notification No. 74/2022**

Central Government has excluded following virtual digital assets from the definition of virtual digital asset:

- Gift card or vouchers, being a record that may be used to obtain goods or services or a discount on goods or services

- Mileage points, reward points or loyalty card, being a record given without direct monetary consideration under an award, reward, benefit, loyalty, incentive, rebate or promotional program that may be used or redeemed only to obtain goods or services or a discount on goods or services
- Subscription to websites or platforms or application.

### **CBDT on the token which qualifies to be a virtual digital Asset: - Notification No.75/2022**

CBDT specifies a token that qualifies to be a virtual digital asset as a non-fungible token (such digital asset as the Central Government may, by notification in the Official Gazette, specify) shall not include a nonfungible token whose transfer results in a transfer of ownership of an underlying tangible asset and the transfer of ownership of such underlying tangible asset is legally enforceable.

### **Judicial Update**

#### **Mere access to the premises of a Joint Venture does not constitute a PE**

##### **FCC Co. Ltd. v. ACIT**

A Japanese company in the business of manufacturing and supplying automotive parts entered a joint venture (JV) agreement with another company in India and formed a JV in India. The Japanese company sent some of its employees to the factory site of JV in India to provide technical support to the JV in manufacturing and assembly of products.

The Indian tax authority argued that the Japanese company frequently sent its professionally qualified employees to the factory site of JV in India to guide its production and manufacturing activity and such factory site constituted a Fixed Place PE in India. It also argued that the Japanese company would constitute a Supervisory PE in India due to certain employees of the Japanese company helping to set up a new product line in India for which end-to-end supervision has been rendered. The period of stay of these employees in India exceeded six months and, hence, it would constitute a Supervisory PE of the Japanese company in India as well under Article 5 of the India-Japan double taxation avoidance agreement (DTAA).

The Tribunal analyzed whether the JV constituted a fixed place of business. In order to constitute a fixed place of business, it is necessary that the premises are at the disposal of the enterprise. The place is at the disposal of the enterprise when the enterprise has the right to use the premises and control over the premises. In the case at hand, the Japanese company had access to the premises of the JV but only limited to rendering of services to the JV with no control over the premises. Therefore, the Tribunal concluded that merely providing access to the premises does not constitute a Fixed Place PE for the Japanese company. Additionally, the Tribunal concluded that the employees of the Japanese company did not do the supervision in connection with any building site or construction, installation, or assembly project. Thus, the existence of a supervisory PE did not arise and thus, the computation of the duration of stay of the employees is not relevant.

## Recommendations of 47th GST Council Meeting

The Government in its 47<sup>th</sup> GST Council Meeting recommended certain changes in the GST rates. All the changes are tabulated as follows. Please note that all rate changes recommended by the 47th GST Council will be made effective from July 18, 2022

### I. Recommendations relating to GST rates on goods and services

#### A. Rate Rationalization to remove inverted duty structure [Approval of recommendations made by GoM on rate rationalization]

S. No.	Description	From	To
<b>GOODS</b>			
1.	Printing, writing or drawing ink	12%	18%
2.	Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, ladles, skimmers, cake-servers etc	12%	18%
3.	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%
4.	Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; Pawan Chakki that is Air Based Atta Chakki; Wet grinder;	5%	18%
5.	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery	12%	18%
6.	LED Lamps, lights and fixture, their metal printed circuits board;	12%	18%
7.	Drawing and marking out instruments	12%	18%
8.	Solar Water Heater and system;	5%	12%
9.	Prepared/finished leather/chamois leather / composition leathers;	5%	12%
10.	Refund of accumulated ITC not to be allowed on flowing goods:		
	i. Edible oils		
	ii. Coal		
<b>Services</b>			
11.	Services supplied by foreman to chit fund	12%	18%
12.	Job work in relation to processing of hides, skins and leather	5%	12%
13.	Job work in relation to manufacture of leather goods and footwear	5%	12%
14.	Job work in relation to manufacture of clay bricks	5%	12%
15.	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
16.	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof	12%	18%
17.	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

## **B. Other GST rate changes recommended by the Council**

<b>S. No.</b>	<b>Description</b>	<b>From</b>	<b>HBA</b>
<b>Goods</b>			
1.	Ostomy Appliances	12%	5%
2.	Orthopedic appliance- Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens	12%	5%
3.	Tetra Pak (Aseptic Packaging Paper)	12%	18%
4.	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5%/18%	18%
5.	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	Nil
6.	Cut and Polished diamonds	0.25%	1.50%
7.	IGST on specified defence items imported by private entities/vendors, when end-user is the Defence forces.	Applicable rate	Nil
<b>Services</b>			
1	Transport of goods and passengers by ropeways.	18%	5% (with ITC of services)
2	Renting of truck/goods carriage where cost of fuel is included	18%	12%

## **C Withdrawal of exemptions [Approval of recommendations made by GoM on rate rationalization]**

**C1.** Hitherto, GST was exempted on specified food items, grains etc when not branded, or right on the brand has been foregone. It has been recommended to revise the scope of exemption to exclude from it prepackaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk.

**C.2** In case of the following goods, exemption from GST will be withdrawn:

<b>S. No.</b>	<b>Description of goods</b>	<b>From</b>	<b>To</b>
<b>GST rate changes</b>			
1.	Cheques, loose or in book form	Nil	18%
2.	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	Nil	12%
3.	Parts of goods of heading 8801	Nil	18%

**C.3** In case of the following goods, the exemption in form of a concessional rate of GST is being rationalized:

<b>S. No.</b>	<b>Description of goods</b>	<b>From</b>	<b>To</b>
<b>GST rate changes</b>			
1.	Petroleum/ Coal bed methane	5%	12%
2.	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate
3.	E-waste	5%	18%



**C4.** In the case of Services, the following exemptions are being rationalized:

S. No.	Description
1.	Exemption on transport of passengers by air to and from NE states & Bagdogra is being restricted to economy class
2.	Exemption on following services is being withdrawn. <ol style="list-style-type: none"> <li>a. Transportation by rail or a vessel of railway equipment and material.</li> <li>b. storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)</li> <li>c. Fumigation in a warehouse of agricultural produce.</li> <li>d. Services by RBI, IRDA, SEBI, FSSAI,</li> <li>e. GSTN.</li> <li>f. Renting of residential dwelling to business entities (registered persons).</li> <li>g. Services provided by the cord blood banks by way of preservation of stem cells</li> </ol>
3.	Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of biomedical waste shall be taxed at 12% so as to allow them ITC
4.	Hotel accommodation priced upto Rs. 1000/day shall be taxed at 12%
5.	Room rent (excluding ICU) exceeding Rs 5000 per day per patient charged by a hospital shall be taxed to the extent of amount charged for the room at 5% without ITC.
6.	Tax exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

#### **D. Clarification on GST rate**

##### **D1. Goods**

1. Electric vehicles whether or not fitted with a battery pack, are eligible for the concessional GST rate of 5%.
2. All fly ash bricks attract same concessional rate irrespective of fly ash content
3. Stones covered in S. No.123 of Schedule-I (such as Napa stones), even if they are ready to use and polished in minor ways [not mirror polished], attract concessional GST rate of 5%.
4. The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, dried) attract GST at the 12%. Entry is also being amended to make this amply clear. Raw or fresh mangoes continue to be exempt.
5. Sewage treated water is exempted from GST and is not the same as purified water provided in S. No. 99 of notification 2/2017-CT(Rate). The word 'purified' is being omitted to make this amply clear.
6. Nicotine Polarilex Gum attracts a GST rate of 18%.
7. The condition of 90% fly ash content with respect to fly ash bricks applies only to fly ash aggregate, and not fly ash bricks. As a simplification measure, the condition of 90% content is being omitted.

##### **D2 . Clarification in relation to GST rate on Services**

1. Due to ambiguity in GST rates on supply of ice-cream by ice-cream parlours, GST charged @ 5% without ITC on the same during the period 1.07.2017 to 5.10.2021 shall be regularized to avoid unnecessary litigation.
2. Application fee charged for entrance or for issuance of eligibility certificate for admission or issuance of migration certificate by universities is exempt from GST.

3. Ginned or baled fibre is covered in entry 24B of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 in the category of raw vegetable fibres. The exemption under this entry is being rationalized
4. Services associated with transit cargo both to and from Nepal and Bhutan are covered by exemption under entry 9B of notification No. 12/2017-CT(R) dated 28.06.2017.
5. Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%.
7. Renting of vehicle with operator for transportation of goods on time basis is classifiable under Heading 9966 (rental services of transport vehicles with operators) and attracts GST at 18%. GST on such renting where cost of fuel is included in the consideration charged is being prescribed at 12%.
8. Allowing choice of location of a plot is part of supply of long term lease of plot of land. Therefore, location charge or preferential location charges (PLC) are part of consideration charged for long term lease of land and shall get the same treatment under GST.
9. Services provided by the guest anchors to TV channels in lieu of honorarium attract GST.
10. Additional fee collected in the form of higher toll charges from vehicles not having Fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and shall be given the same tax treatment as given to toll charges.
11. Services in form of Assisted Reproductive Technology (ART)/ In vitro fertilization (IVF) are covered under the definition of health care services for the purpose of exemption under GST.
12. Sale of land after leveling, laying down of drainage lines etc. is sale of land and does not attract GST.
13. Renting of motor vehicles for transport of passengers to a body corporate for a period (time) is taxable in the hands of body corporate under RCM.
14. The expression 'public transport' used in the exemption entry at SI No. 17(d) of notification No. 12/2017-CT(R), which exempts transport of passengers by public transport other than predominantly for tourism purpose, in a vessel between places located in India, means that such transport should be open to public for point to point transport [e.g. such transport in Andaman and Nicobar islands].

#### Other miscellaneous changes

1. All taxable services of the Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.
2. Goods transport agency (GTA) is being given option to pay GST at 5% or 12% under forward charge; option to be exercised at the beginning of Financial Year. RCM option to continue.
3. Service provided by Indian Tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.

The rate changes recommended by the 47th GST Council will be made effective from 18th July, 2022.

**II. Further, the GST Council has inter-alia made the following recommendations relating to GST law and procedure:**

**A. Measures for Trade facilitation:**

1. In-principal approval for relaxation in the provisions for suppliers making supplies through E-Commerce Operators (ECOs)
  - I. **Waiver of requirement of mandatory registration under section 24(ix) of CGST Act for person supplying goods through ECOs**, subject to certain conditions, such as-
    - i. the aggregate turnover on all India basis does not exceed the turnover specified under sub-section (1) of section 22 of the CGST Act and notifications issued thereunder.
    - ii. the person is not making any inter-State taxable supply
  - II. Composition taxpayers would be allowed to make intra-State supply through e-commerce operators subject to certain conditions.

The details of the scheme will be worked out by the Law Committee of the Council. The scheme would be tentatively implemented with effect from 01.01.2023, subject to preparedness on the portal as well as by ECOs.

**2. Amendment in formula prescribed in sub-rule (5) of rule 89 of CGST Rules, 2017 for calculation of refund of unutilized Input Tax Credit on account of inverted rated structure**

- a) Change in formula for calculation of refund under rule 89(5) to take into account utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period. This would help those taxpayers who are availing ITC on input services also.

**3. Amendment in CGST Rules for handling of pending IGST refund claims:** In some cases where the exporter is identified as risky exporter requiring verification by GST officers, or where there is a violation of provisions of Customs Act, the refund claims in respect of export of goods are suspended/withheld.

**Amendment in rule 96** of the CGST Rules has been recommended to provide for transmission of such IGST refund claims on the portal in a system generated FORM GST RFD-01 to the jurisdictional GST authorities for processing. This would result in expeditious disposal of such IGST refund claims, after due verification by GST officers, thus benefitting such exporters.

**4. Re-credit of amount in electronic credit ledger** to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services, in contravention of rule 96(10) of the CGST Rules, is deposited by him along with interest and penalty, wherever applicable. A new FORM GST PMT-03A is introduced for the same.

This will enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.

**5. Clause (c) of section 110 and section 111 of the Finance Act, 2022** to be notified by Central Government at the earliest. These provisions relate to-

- a) retrospective amendment in section 50(3) of CGST Act, with effect from 01.07.2017, to provide that interest will be payable on the wrongly availed ITC only when the same is utilized;
- b) amendment in sub-section (10) of section 49 of CGST Act to provide for transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of CGST and IGST of a distinct person.

The rules providing for the manner of calculation of interest under section 50 of CGST Act have also been recommended for more clarity. This will remove ambiguities regarding manner of calculation of interest and will also provide for transfer of balance in CGST and IGST cash ledgers between distinct persons, thereby improving liquidity and cash flows of such taxpayers.

6. **Waiver of late fee for delay in filing FORM GSTR-4 for FY 2021-22 and extension of due date for filing FORM GST CMP-08 for Q1 of FY 2022-23:**
  - a) To extend the waiver of late fee under section 47 for delay in filing FORM GSTR-4 for FY 2021-22 by approximately four more weeks, i.e. till 28.07.2022 (The existing waiver is for the period from 01.05.2022 till 30.06.2022)
  - b) To extend the due date of filing of FORM GST CMP-08 for the 1st quarter of FY 2022-23 from 18.07.2022 to 31.07.2022.

GSTN has also been asked to expeditiously resolve the issue of negative balance in Electronic Cash Ledger being faced by some of the composition taxpayers.

7. **Present exemption of IGST on import of goods under AA/EPCG/EOU scheme to be continued and E-wallet scheme not to be pursued further.**
8. **Issuance of the following circulars in order to remove ambiguity and legal disputes on various issues, thus benefiting taxpayers at large:**
  - a) Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.
  - b) Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
  - c) Clarification on mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B.
  - d) Clarification in respect of certain GST related issues:
    - i. Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export;
    - ii. Clarification on various issues relating to interpretation of section 17(5) of the CGST Act;
    - iii. Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement;
    - iv. Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.
9. Exemption from filing annual return in **FORM GSTR-9/9A** for FY 2021-22 to be provided to taxpayers having AATO upto Rs. 2 crores.
10. Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips by the exporters.
11. UPI & IMPS to be provided as an additional mode for payment of Goods and Services Tax to taxpayers under Rule 87(3) of CGST Rules.
12. In respect of refunds pertaining to supplies to SEZ Developer/Unit, an Explanation to be inserted in sub-rule (1) of rule 89 of CGST Rules to clarify that “specified officer” under the said sub-rule shall mean the “specified officer” or “authorized officer”, as defined under SEZ Rules, 2006.

13. Amendment in CGST Rules to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would facilitate the exporters of electricity in claiming refund of utilized ITC on zero rated supplies.
14. 14. Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies. Rule 95A of the CGST Rules, Circular No. 106/25/2019-GST dated 29.06.2019 and related notifications to be rescinded accordingly.

#### **B. Measures for streamlining compliances in GST**

1. Provision for automatic revocation of suspension of registration in cases where suspension of registration was done by the system under Rule 21A(2A) of CGST Rules, for non-compliance in terms of clause (b) or clause (c) of sub-section (2) of section 29[continuous non-filing of specified number of returns], once all the pending returns are filed on the portal by the taxpayer. (Amendment in rule 21A)
2. Proposal for comprehensive changes in FORM GSTR-3B to be placed in public domain for seeking inputs/suggestions of the stakeholders.
3. Time period from 01.03.2020 to 28.02.2022 to be excluded from calculation of the limitation period for filing refund claim by an applicant under section 54 and 55 of CGST Act, as well as for issuance of demand/ order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act. Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, to be extended till 30th September, 2023.

**C. The Council has decided to constitute a Group of Ministers** to address various concerns raised by the States in relation to constitution of GST Appellate Tribunal and make recommendations for appropriate amendments in CGST Act.

**D. The GST Council approved ad-hoc apportionment of IGST** to the extent of Rs. 27,000 crores and release of 50% of this amount, i.e. Rs. 13,500 crore to the States.

**E. The GoM on IT Reforms**, inter alia, recommended that the GSTN should put in place the AI/ML based mechanism to verify the antecedents of the registration applicants and an improved risk-based monitoring of their behavior post registration so that non-compliant tax payers could be identified in their infancy and appropriate action be taken so as to minimize risk to exchequer.

**Note:** The recommendations of the GST Council have been presented in this release containing major item of decisions in simple language for information of all stakeholders. The same would be given effect through relevant Circulars/ Notifications/ Law amendments which alone shall have the force of law.

### **Appointment of Foreign National as Director in Indian company**

- MCA has tightened the norms for the appointment of any person, as director in an Indian Company, who is a national of a country that shares a land border with India.
- Accordingly, in case the person seeking appointment is a national of a country that shares a land border with India, necessary security clearance from the Ministry of Home Affairs, the Government of India shall also be attached along with the consent.
- Further, no application number shall be generated in case of the person applying for the Director Identification Number is a national of a country that shares a land border with India, unless necessary security clearance from the Ministry of Home Affairs, Government of India has been attached along with an application for Director Identification Number.

### **MCA notifies Companies (Appointment and Qualifications of Directors) Second Amendment, rules, 2022**

- The amendment is brought under Rule 6 which deals with compliances required by a person eligible and willing to restore his name in the independent director databank.
- Accordingly, any individual whose name has been removed from the databank may apply for restoration of his name on payment of fees of one thousand rupees and the institute shall allow such restoration subject to the conditions-
  - a) that his name shall be shown in a separate restored category for a period of one year from the date of restoration within which, he shall be required to pass the online proficiency self-assessment test and thereafter his name shall be included in the databank, only, if he passes the said online proficiency self-assessment test.
  - b) in such case, the fees paid by him at the time of initial registration shall continue to be valid for the period for which the same was initially paid;
  - c) and in case he fails to pass the online proficiency self-assessment test within one year from the date of restoration, his name shall be removed from the data bank and he shall be required to apply afresh for inclusion of his name in the databank.

### **Extension of Due date of LLP-11 without late fees**

- Based on the representation given by the ICSI, seeking an extension on timelines for filing the Annual Return (Form 11) by LLPs without paying additional fees, MCA has considered the extension.
- In view of the transition from version 2 of MCA-21 to version 3 and to promote compliance on part of LLPs, it has been decided to further extend the last date and allow LLPs to file e-Form 11 (Annual Return of Limited Liability Partnership) for the Financial Year 2021-2022 without paying additional fees up to July 15, 2022.

## Direct Taxes

### July 07, 2022

- Due date for deposit of tax deducted/collected for the month of June, 2022.

### July 15, 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194M in the month of May, 2022
- Due date for Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2022
- Quarterly statement of TCS deposited for the quarter ending 30 June, 2022
- Due date for uploading the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2022

### July 30, 2022

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194IM in the month of June, 2022
- Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2022

### July 31, 2022

- Due date for Return of income for the assessment year 2022-23 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies or (d) an assessee who is required to furnish a report under section 92E.
- Quarterly statement of TDS deposited for the quarter ending June 30, 2022
- Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2021-22 and of foreign tax deducted or paid on such income in Form no. 67
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2022.
- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1)

## Indirect Taxes

### July 10, 2022

- Due date for filing of GSTR 7 (Tax Deductor) and GSTR 8 (Tax Collector).

### July 11, 2022

- Due date for filing of GSTR 1 for Regular Taxpayers.

### July 13, 2022

- Due date for filing of GSTR-6 & GSTR1/IFF

### July 20, 2022

- Due date for filing of GSTR 3B (Regular Tax Payer)
- Due date for filing of GSTR 5 (Non-Resident Taxable Person).
- Due date for filing of GSTR 5A (Non-Resident OIDAR Service Provider).

### July 22, 2022

- Due date for filing of GSTR 3B as per QRMP scheme for **group A States** (Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep)

### July 24, 2022

- Due date for filing of GSTR 3B as per QRMP scheme for **group B States** (Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi)

### July 28, 2022

- Due date for filing of GSTR 11



### Do You Know?

State government employees can claim deduction under Section 80CCD (2) for NPS contribution by the employer up to 14 % of their basic salary and dearness allowance. Earlier the limit was 10 % of their basic salary and dearness allowance.

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# ABOUT US

Nucleus AAR Advisors LLP is an Investment Banking and Risk Advisory Firm providing specialized services in the field of Startup Advisory, M&A Advisory, International Taxation, Audit & Assurance. We partner with entrepreneurs in their critical decision making by providing them various analysis customized as per their requirement. We also help in the effective implementation of decisions and its subsequent monitoring as well.

Team Nucleus is comprised of people from Big4s and reputed consulting firms with combined experience of 30+ years. Team is distinguished by their functional and technical expertise combined with their hands-on experience, thereby ensuring that our clients receive the most professional



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