



Welcome to our  
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during March 2022. We had tried to cover all important updates occurred during March 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).



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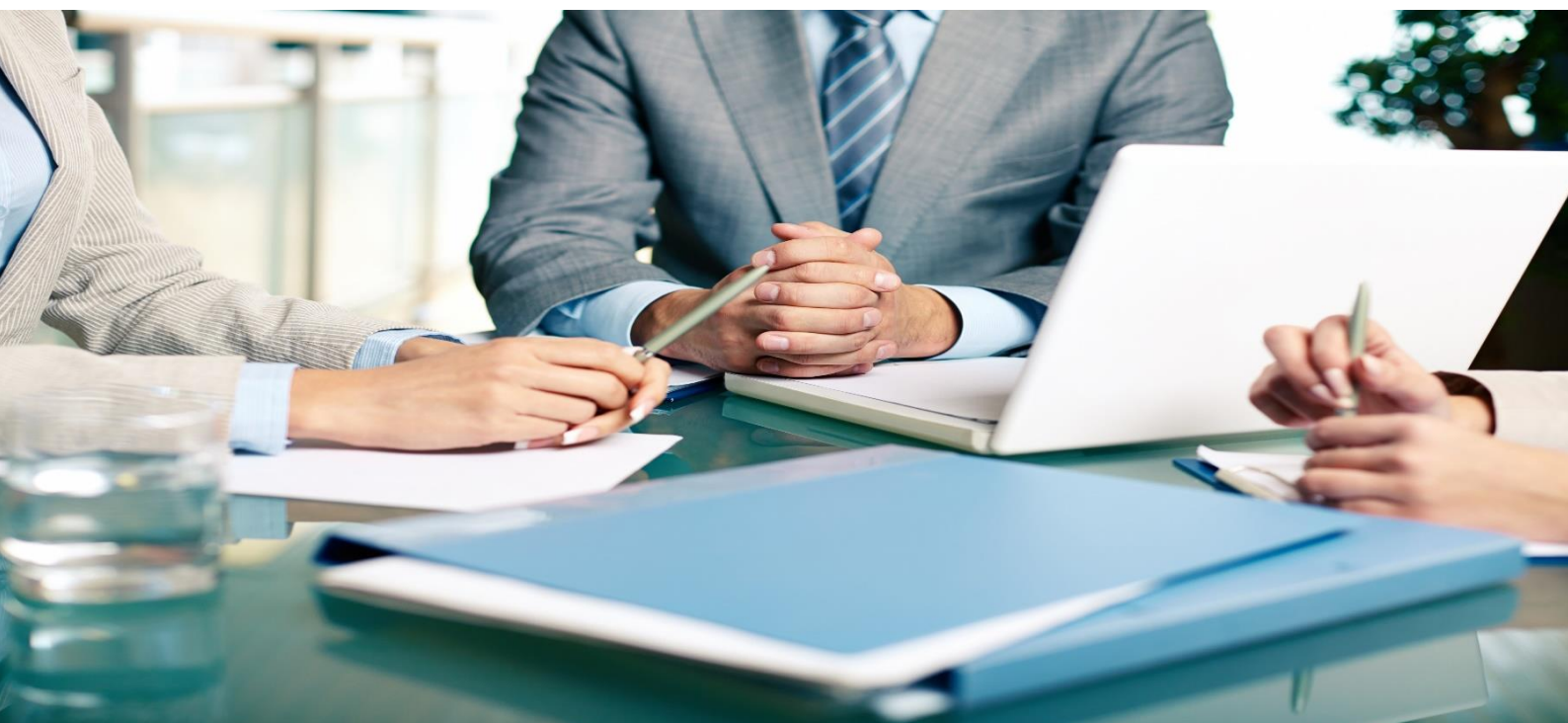
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## Why this Volume of Newsletter is important for reader?

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.



## Direct Tax Updates

- Faceless Jurisdiction of Income Tax Authorities Scheme, 2022
- Income Tax (Third Amendment) Rules, 2022
- E-Assessment of Income Escaping Assessment Scheme, 2022
- Faceless Inquiry or Valuation Scheme, 2022
- CBDT notifies the Kotak Infrastructure Debt Fund Limited to be eligible for Section 10(47) exemption: - Notification No. 22/2022
- CBDT had notified new ITR Forms for AY 2022-23 to file return of income for the financial year 2021-22
- Judicial Updates

## GST Updates

- Enhanced Registration application user interface (UI)
- Special composition scheme for Brick Kilns, as recommended by 45 GSTC (Notification No. 04/2022)

## MCA Updates

- LLP (Second Amendment) Rules, 2022 notified by MCA
- Applicability of provisions of Audit trail
- Extension of due date for filing form CSR-2
- DGFT issued notification of operationalization of new online IT Module for Interest Equalization Scheme w.e.f. April 01, 2022



## Faceless Jurisdiction of Income Tax Authorities Scheme, 2022

For the purpose of this Scheme the exercise of all or any of the powers and performance of all or any of the functions conferred on, or, as the case may be, assigned to income-tax authorities, by or under the Act as referred to in section 120 of the Act; or vesting the jurisdiction with the Assessing Officer as referred to in section 124 of the Act, shall be in a faceless manner, through automated allocation, in accordance with and to the extent provided in-

1. Section 144b of the act with reference to making faceless assessment of total income or loss of assessee.
2. The faceless appeal scheme, 2021 notified under section 250(6b) & (6c) of the act with reference to the disposal of appeals.
3. The faceless penalty scheme, 2021 notified under section 274(2a) & (2b) of the act with reference to imposition of penalty under chapter xxi of the act.



4. The e-settlement scheme, 2021 notified under section 245d (11) & (12) of the act with reference to the settlement of pending applications by the interim board.

5. The e-advance rulings scheme, 2022 notified under section 245r (9) & (10) of the act with reference to dispute resolution for persons or class of persons, as specified by the board, who may opt for dispute resolution under the chapter xix-aa of the act with reference to dispute arising from any variation in the specified order fulfilling the specified conditions.

### **Income Tax (Third Amendment) Rules, 2022**

In the Income Tax Rules, 1962, in rule 114(5) the following sub-rule shall be inserted, namely:

“(5A) Every person who, in accordance with the provisions of section 139AA (2) , is required to intimate his Aadhaar number to the prescribed authority in the prescribed form and manner, fails to do so by the date referred to in the said sub-section, shall, at the time of subsequent intimation of his Aadhaar number to the prescribed authority, be liable to pay, by way of fee, an amount equal to,

1. Five hundred rupees, in a case where such intimation is made within three months from the date referred in Section 139AA (2) and
2. One thousand rupees in all other cases.

### **E-Assessment of Income Escaping Assessment Scheme, 2022**

For the purpose of this Scheme assessment, reassessment or recomputation under section 147 of the Act and issuance of notice under section 148 of the Act shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.

### **Faceless Inquiry or Valuation Scheme, 2022**

For the purpose of this Scheme issuing notice under section 142(1) of the Act, making inquiry before assessment under section 142(2) of the Act, directing the assessee to get his accounts audited under section 142(2A) of the Act and estimating the value of any asset, property or investment by a Valuation Officer under section 142A of the Act shall be in a faceless manner, through automated allocation, in accordance with and to the extent provided in section 144B of the Act with reference to making faceless assessment of total income or loss of assessee.

### **CBDT notifies the Kotak Infrastructure Debt Fund Limited to be eligible for Section 10(47) exemption: - Notification No. 22/2022**

The Central Government notifies the infrastructure debt fund namely, ‘the Kotak Infrastructure Debt Fund Limited’ to be eligible for Income Tax Exemption under section 10(47) subject to following conditions: -

1. That the infrastructure debt fund shall conform to and comply with the provisions of the IT Act, 1961, Rule 2F of the Income-tax Rules, 1962 and the conditions provided by the Reserve Bank of India in the regard, and
2. That the infrastructure debt fund shall file its return of income as required by the section 139(4C) of the IT Act, 1961 on or before the due date.

## CBDT had notified new ITR Forms for AY 2022-23 to file return of income for the financial year 2021-22

CBDT has so far notified the new ITR forms, from ITR Form 1 to ITR Form 6. Largely all the ITR forms have been kept unchanged from the last year, except few small changes.

### ITR 1 Form or SAHAJ

There is one addition in the ITR Form 1 that requires you to disclose the source of your pensions like Central government, State government or any other, but it will not make any difference in the computation of the taxable income.

### ITR 2 Form

The ITR 2 form has been modified to capture additional information. With respect to stock option benefits provided by eligible start-ups, the trigger for taxation is deferred to the point of sale. A separate schedule has now been introduced to capture details of such deferment. Interest accrued on PF contributions beyond specified limits is taxable. The tax return forms seek to capture details of such interest accrued as well. Under schedule of Income from Salary, additional disclosure for income from overseas retirement benefit accounts maintained is required. In lieu of the same, a line item for "income claimed for relief from taxation u/s 89A" has been provided to be reduced from Gross total salary.

Besides changes specific to particular forms, there are few amendments which are common for all ITR Forms.

1. Under General Information, assessee has to mention whether he is required to file a return as per other conditions prescribed under clause (iv) of seventh proviso to section 139(1) of the Act

2. Under Income from Other Sources (IFOS) schedule, Interest accrued on contributions to provident fund to the extent taxable as per first and second proviso of section 10(11) and first and second proviso to section 10(12) of the Act is an additional disclosure. Further, forms require additional information on dividend income.

## Judicial Updates

Exemption u/s 54B allowable, despite not claimed in ITR	
Case	ITO Vs Raja Vikram
Decision	Income Tax Appellate Tribunal, Raipur Bench
In favor of	Assessee

- Assessee was subjected to reassessment proceedings for AY 2007-08 on failure to offer consideration from sale of urban land to tax. Revenue held that the land in question was not 'agricultural land' as contemplated under Section 2(14) & held the same eligible to tax, against which Assessee raised a claim for deduction under Section 54B on investments made in new agricultural land.
- Revenue observed that Assessee did not raise the claim for deduction under Section 54B in the original return, revised return or in the return filed in response to notice u/s 148, & denied the same, holding that the claim could not be raised on the basis of a simpliciter claim in the course of assessment proceedings
- On appeal, the CIT(A) held that once the Revenue concluded that the agricultural land in question was situated within the municipal limits, then the deduction u/s 54B towards purchase of new agricultural lands ought to have been suo motu allowed.
- On appeal, ITAT noted that as per the settled position, it was not permissible for an assessee to raise a fresh claim for deduction otherwise than by filing a revised return of income. Also, that "the limitation in entertaining a claim for deduction otherwise than by filing a revised return of

income is limited to the power of the assessing authority & does not impinge on the powers of the Tribunal. Thus, ITAT observed that in this case, the Assessee was under a bona fide belief that agricultural land which was subject matter of sale was not a capital asset & in the returns filed, had no occasion to raise a claim for deduction u/s 54B. It was only when Assessee's claim for exemption of the gain on transfer of the agricultural land in question was scuttled by the Revenue by treating the land as capital asset, assessee raised the claim u/s 54B in view of the changed circumstances.

## 1. Enhanced Registration application user interface (UI)

- i. Following enhancements are done in User Interface (UI) with respect to the address fields in the Registration Application GST REG-01: -
  - Incorporation of a map tile along with a drag and drop facility of address pinhead onto the exact location of the applicant's address.
  - Once selected, the details will automatically fill in the various address input fields given in the application.
  - Address fields have been linked so as to auto-fill other macro-level address entry fields based on the entry in one of such fields, particularly PIN Codes. For example; on entering the PIN code, the corresponding State and Districts will get auto-filled.
  - The user can also directly fill up the address input fields which are now aided with suggestive address input dropdowns from which the user can select the appropriate/relevant address field(s). This action will reduce errors in the address texts and will also ease the filling up of the appropriate address input fields by the user.
  - The address fields have been segregated appropriately to reduce confusion while entering the relevant inputs under various address heads.
- ii. Based on the address entries given by the user, the Latitude/ Longitude of the address will get auto-populated which is non-editable.

## 2. Special composition scheme for Brick Kilns, as recommended by 45 GSTC (Notification No. 04/2022)

- i. CBIC seeks to amend notification no. 14/2019-Central Tax. The said notification contains the list of taxpayers who are manufacturers of notified goods and will be ineligible to avail composition scheme. Four new entries have been inserted under the new notification which are as follows:

S. No	HSN	Description of Supply (Notified Goods)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala.
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes.
4	6815(Newly inserted)	Fly ash bricks or fly ash aggregate with 90 percent. or more fly ash content; Fly ash blocks
5	6901 00 10(Newly inserted)	Bricks of fossil meals or similar siliceous earths.
6	6904 10 00(Newly inserted)	Building bricks
7	6905 10 00(Newly inserted)	Earthen or roofing tiles

- ii. This notification has come into force from April 1, 2022



## LLP (Second Amendment) Rules, 2022 notified by MCA

- According to the amendment, now the new LLP under incorporation can make an application for allotment of DIN 5 (five) individuals in Form FiLLiP instead of two.
- In line with the incorporation of companies, now the Certificate of Incorporation of LLP shall be issued by the Registrar in Form 16 and shall mention Permanent Account Number and Tax Deduction Account Number issued by the Income Tax Department.
- Further, in cases where Corporate Insolvency Resolution Process (CIRP) has been initiated against an LLP then the Statement of Account and Solvency may be signed by interim resolution professional or resolution professional, or liquidator or limited liability partnership administrator and in case any LLP is having turnover up to five crore rupees during the corresponding financial year or contribution up to fifty lakh rupees has come under liquidation under the said Code, 2016, the annual return may be signed on behalf of the limited liability partnership by interim resolution professional or resolution professional, or liquidator or limited liability partnership administrator and no certification by a designated partner shall be required.
- Through this amendment, Form 29 is merged into Form 28 and accordingly, Form 28 will be filed for alteration in the certificate of incorporation or registration; alteration in names and addresses of any of the persons authorised to accept service on behalf of a foreign limited liability partnership (FLLP); alteration in the principal place of business in India of FLLP; and cessation to have a place of business in India.

## Applicability of provisions of Audit trail

- MCA has notified the Companies (Accounts) Second Amendment Rules, 2022. As per the amendment notification, the MCA has extended the implementation of Audit Trail software to a financial year commencing on or after April 01, 2023 earlier such provision was applicable from April 01, 2022.

## Extension of due date for filing form CSR-2

- The MCA vide its notification dated February 11, 2022 had introduced form CSR-2 by inserting sub-rule (1B) in rule 12 of the Companies (Accounts) Rules, 2014.
- It was provided that for the preceding F.Y. (2020-21), form CSR-2 shall be filed on or before March 31, 2022, after filing form AOC-4.
- However, due to technical difficulties being faced by the stakeholders, the MCA has extended the due date by May 31, 2022 by notifying Companies (Accounts) Second Amendment Rules, 2022.

## DGFT issued notification of operationalization of new online IT Module for Interest Equalization Scheme w.e.f. April 01, 2022

- All exporters seeking benefit under the Interest Equalisation Scheme need to apply online by navigating to the DGFT website-Services-Interest Equalisation Scheme.
- A Unique IES Identification Number (UIN) will get generated automatically which is required to be submitted to the concerned bank when availing Interest Equalisation against their pre and post-shipment rupee export credit applications.
- The UIN generated shall have a validity of 1 year from the date of registration, during which an application for availing benefit of IES can be submitted to the concerned bank.

- The auto-generated Acknowledgement containing the UIN number needs to be submitted to the concerned bank along with the prescribed application by the bank, if any, for availing benefit under IES. Further, it is mandatory for exporters to submit UIN acknowledgment to the concerned bank for all applications made on or after April 01,2022.



# COMPLIANCE CALANDER

## Direct Taxes

### April 07, 2022

- Due date for deposit of Tax deducted by an office of the government for the month of March, 2022

### April 14, 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194-IM in the month of February, 2022

### April 15, 2022

- Due date for 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 March, 2022
- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2022

### April 30, 2022

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2022 has been paid without the production of a challan
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB & 194-IM in the month of March, 2022
- Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2021 to March 31, 2022
- Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2022
- Due date for deposit of TDS for the period January 2022 to March 2022 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.

## Indirect Taxes

### April 10, 2022

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

### April 11, 2022

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

### April 13, 2022

- Due date for GSTR-1 (Jan-Mar, 2022)
- Due date for filing of GSTR-6

### April 18, 2022

- Due date for filing of Form CMP-08.

### April 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).

### April 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)

### April 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)

### April 30, 2022

- Due date for filing of GSTR 4.



### Do You Know?

The government has proposed that transfer of any virtual/cryptocurrency asset will be taxed at 30%. No deduction except cost of acquisition will be allowed and no loss in transaction will be allowed to be carried forward. TDS will be imposed on payments for the transfer of crypto assets at a rate of 1% for transactions over a certain threshold. Furthermore, gifts of crypto assets will be taxed in the recipient's hands.

## OUR CONTRIBUTORS



**CA PRAVESH GOEL**  
Managing Partner



Email - [pkg@nucleusadvisors.in](mailto:pkg@nucleusadvisors.in)



**CA Hemendra Singh Chauhan**  
Associate Partner



Email - [hemendra@nucleusadvisors.in](mailto:hemendra@nucleusadvisors.in)



**CS Neha Rathore**  
Secretarial Partner



Email - [neha@nucleusadvisors.in](mailto:neha@nucleusadvisors.in)



**CA Abhishek Gupta**  
Associate Partner



Email - [abhishek@nucleusadvisors.in](mailto:abhishek@nucleusadvisors.in)

# 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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[www.linkedin.com/company/  
nucleusadvisors](https://www.linkedin.com/company/nucleusadvisors)



+91-99999 57077



[info@nucleusadvisors.in](mailto:info@nucleusadvisors.in)