



Welcome to our
monthly newsletter

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



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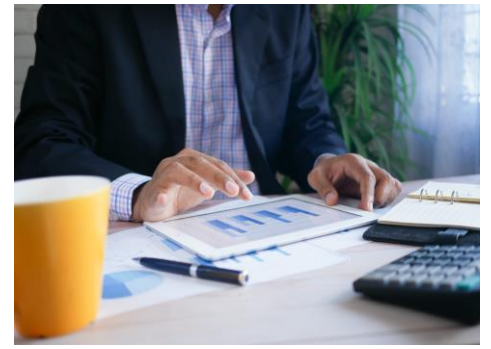
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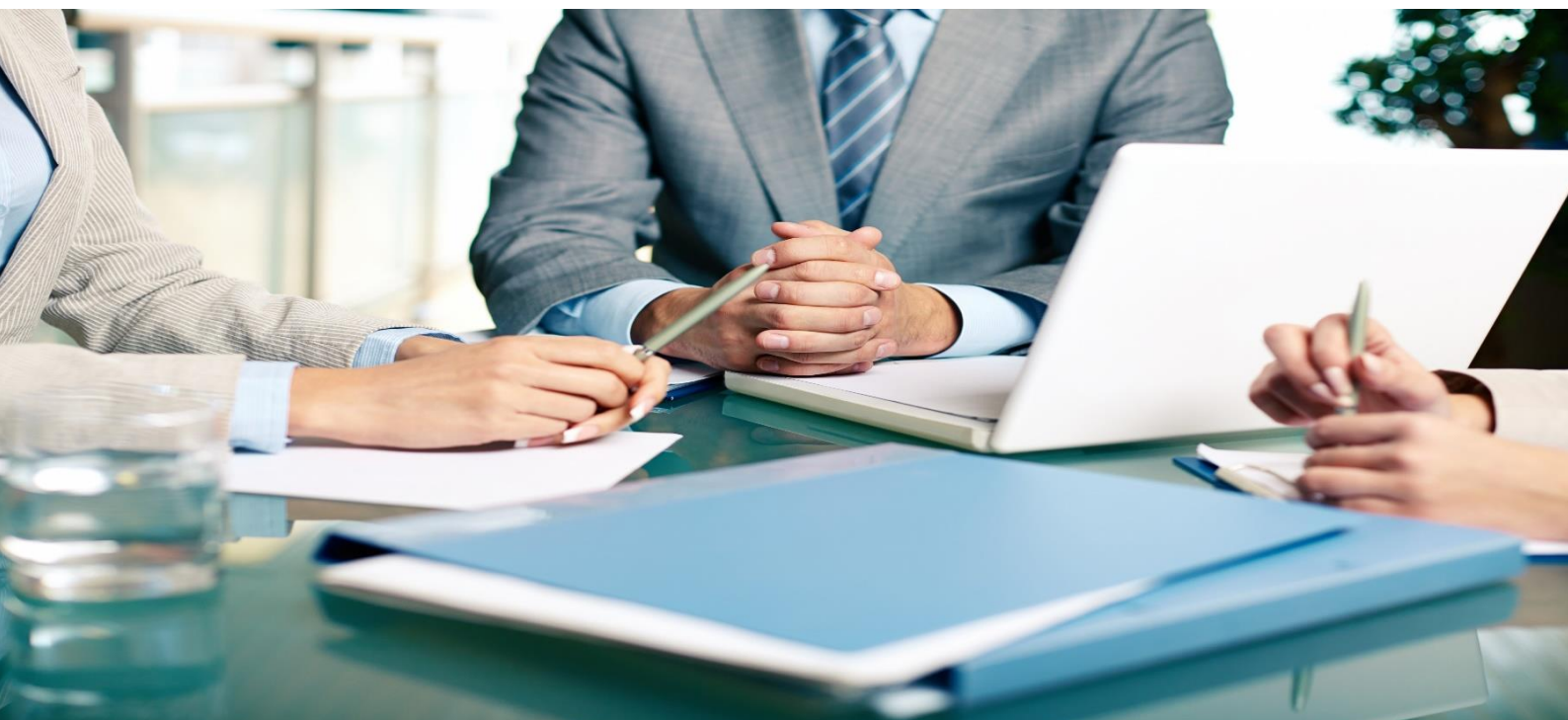
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Why this Volume of Newsletter is important for reader?

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

- New Form ITR-A for successor entities to furnish their return of income: -Notification No. 110/2022
- New IT Rule 132 on Application for Re-computation of Income u/s 155(18): -Notification No. 111/2022

GST Updates

- Guidelines for filing fresh or revised TRAN-1 or TRAN-2
- Relevant Notifications Issued by CBIC for giving effect to amendments announced under Finance Act
- Supreme Court Judgement on “larger bench judgment shall prevail irrespective of the number of judges on the majority”
- Other Relevant Information

MCA Updates

- Clarification on AOC-4
- Extension of time for filing e-form DIR-3-KYC
- MCA revises threshold for paid-up capital of “small companies”



DIRECT TAX UPDATES

New Form ITR-A for successor entities to furnish their return of income: -Notification No. 110/2022

A new Rule 12AD providing return of income under Section 170A and a new form ITR-A for 'successor entities' to furnish their return of income u/s 170A of the Income Tax Act, 1961 consequent to business reorganization.

Rule 12AD provides that the modified return of income to be furnished by a successor entity to a business reorganization, as referred to in section 170A, for an assessment year, shall be in the Form ITR-A and verified in the manner specified therein. The return of income shall be furnished electronically under digital signature.

If the assessment or reassessment proceedings for an assessment year relevant to a previous year to which the order of the business reorganization applies have been completed or are pending on the date of furnishing of the modified return in accordance with the provisions of section 170A, the Assessing Officer shall, pass an order modifying the total income of the relevant assessment year determined in such assessment or reassessment, or proceed to complete the assessment or reassessment proceedings, as the case may be, in accordance with the order of the business reorganization and the modified return so furnished.

New IT Rule 132 on Application for Re-computation of Income u/s 155(18): -Notification No. 111/2022

New IT Form 69 is meant for submitting Application by an Assessee, latest by March 03, 2023, for Re-computation of Income under new IT Section 155(18), as inserted by the Finance Act, 2022, which deals with retrospective disallowance of surcharge/ cess as per amended Section 40(a)(ii). Accordingly, the AO shall modify the assessment order of past years on account of such retrospective disallowance of deduction for surcharge/ cess. Further, new IT Form 70 is meant for intimating the AO about payment of tax on re-computed income u/s 155(18).

Relevant Circulars Issued by CBIC

- CBIC released Guidelines for filing fresh or revised TRAN-1 or TRAN-2 during the period 01.10.2022 to 30.11.2022 as per Supreme Court Order (Circular No.180/12/2022-GST; dated September 09, 2022)
 - CBIC clarified that pursuant to the order of the Supreme Court, once the applicant files TRAN-1/TRAN2 or revises the said forms filed earlier on the common portal, no further opportunity to again file or revise TRAN-1/TRAN-2, either during this period or subsequently, will be available to him.
The Form is Live on GST Portal now.

Relevant Notifications Issued by CBIC

- Amendments made in Finance Act 2022 notified w.e.f 1st Oct 2022, (Notification No.18,19,20/2022-Central Tax; dated September 28, 2022):
 - Insertion of new sub-section 16(2)(a)
This new section will restrict the ITC to the extent available as per the auto-generated statement or GSTR 2B. Also, the Last date to claim ITC has been extended to 30 days of November following the end of the FY to which such ITC pertains.
 - By amending section 34, the Last date to report credit notes and avail tax adjustment of the credit note has been extended to November, 30 following the end of the FY to which such credit note pertains.
 - Last date to report credit note has been extended till November, 30 following the end of the FY to which such credit note pertains through amendment of section 34.
 - The Last date for rectification or error in respect of outward supplies can be made till November, 30 following the end of the FY to which such invoice pertains.
 - Omission of sections 42, 43, and 43A: Provision claim of ITC done away hence, the provisional ITC claim process, matching, and reversal are eliminated.
 - Section 47 is amended to provide for a late fee levy for delayed filing of returns under Section 52 (TCS return GSTR-8) and the Section 38 reference has been removed.
 - The Taxpayer needs to pay tax along with interest from now on if one has availed ITC but failed to pay the supplier within 180 days from the Invoice date. Earlier there were recommendations to impose interest for delayed payment beyond 180 days by the buyer to the vendor if ITC has been availed. But it was not notified. Now with new changes in place, the interest liability also accrues. This means that though the buyer can reclaim the credit after making the payments, the interest would become a cost.

Supreme Court Judgment

- A Constitution Bench of the Supreme Court has ruled that a larger bench judgment shall prevail irrespective of the number of judges on the majority, i.e., a 4-3 majority judgment of a seven-member bench would prevail over a decision by a 5-0 majority of a five-member bench.

Other Relevant Information

- The 48th meeting of the GST Council which was expected to meet on September 2022 may now meet in October 2022
- Discussion on the levy of GST on Casinos and Online Games, also the constitution of GST Tribunals in the country expected in the next GST Council Meeting.
- Guidelines for Launching of Prosecution under the CGST Act, 2017 have been released vide Instruction No. 04/2022-23 [GST - Investigation] dated - September 01, 2022]
- The gross GST revenue collected in September 2022 is Rs 1,47,686 crore also Delhi records a 32% hike in GST collection in September.
- The Notified changes of Table 4 of GSTR-3B have been incorporated in GSTR-3B and **are available on GST Portal since 01.09.2022**. The taxpayers are advised to report their ITC availment, reversal of ITC and ineligible ITC correctly as per the new format of Table 4 of GSTR-3B at GST Portal for the GSTR-3B to be filed for the period August 2022 onwards

Clarification on AOC-4

- MCA provide clarification on Amendment to Schedule III to the Companies Act, 2013 vide MCA Notification dated 24th March, 2021 mandates companies to round off the figures appearing in the Financial Statements depending upon their total income.
- However, if the companies provide absolute figures in e-forms ie. AOC-4, the same shall not be treated as incorrect certification by the Professionals.

Extension of time for filing e-form DIR-3-KYC

- A representation has been received in the Ministry requesting for extension of time beyond 30 September, 2022 for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without payment of fee.
- The matter has been examined in the Ministry and it has been decided to allow filing of e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without filing fee up to 15 October, 2022.

MCA revises threshold for paid up capital of “small companies”

The Ministry of Corporate Affairs (MCA) has taken several measures in the recent past towards ease of doing business and ease of living for the corporates.

- These included decriminalisation of various provisions of the Companies Act, 2013 & the LLP Act, 2008, extending fast track mergers to start ups, incentivising incorporation of One Person Companies (OPCs) etc.
- Earlier, definition of “small companies” under the Companies Act, 2013 was revised by increasing their thresholds for paid up capital from “not exceeding INR 50 lakh” to “not exceeding INR 2 crore” and turnover from “not exceeding INR 2 crore” to “not exceeding INR 20 crore”.
- This definition has, now, been further revised by increasing such thresholds for paid up Capital from “not exceeding INR 2 crore” to “not exceeding INR 4 crore” and turnover from “not exceeding INR 20 crore” to “not exceeding INR 40 crore”.

COMPLIANCE CALANDER

Direct Taxes

October 07, 2022

- Due date for deposit of tax deducted/collected for the month of September, 2022.
- Due date for filing of audit report under section 44AB for the assessment year 2022-23 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2022)

October 15, 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB & 194M in the month of August, 2022
- Due Date for quarterly statement of TCS deposited for the quarter ending September 30, 2022
- Due date for furnishing statement in Form no. 3BB by a stock exchange

October 30, 2022

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

October 31, 2022

- Quarterly statement of TDS deposited for the quarter ending September, 2022
- Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2022
- Copies of declaration received in Form No. 60 during April 1, 2022 to September 30, 2022 to the concerned Director/Joint Director
- Due date for filing of return of income for the assessment year 2022-23 if the assessee (not having any international or specified domestic transaction) is corporate-assessee or non-corporate assessee (whose books of account are required to be audited) or partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies
- Audit report under section 44AB for the assessment year 2022-23 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E
- Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction.

Indirect Taxes

October 10, 2022

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

October 11, 2022

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

October 13, 2022

- Due date for filing of GSTR-6 & GSTR1/IFF
- Due date for filing of GSTR 5 (Non-Resident Taxable Person).

October 18, 2022

- Due date for filing of CMP-08 (Composition Tax Payers)

October 20, 2022

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

October 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)

October 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)

October 25, 2022

- Due date for filing of ITC-04.



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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