

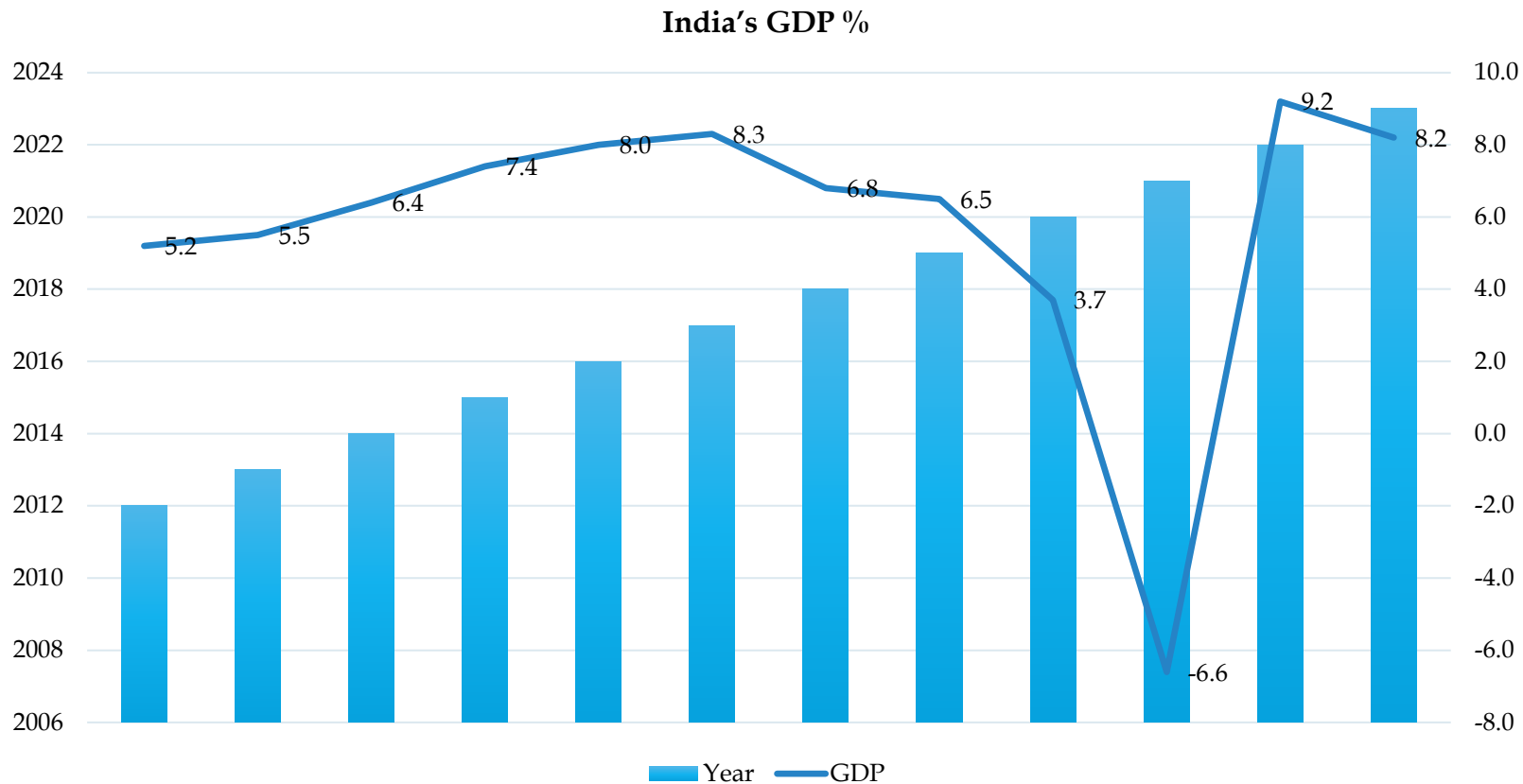
Union Budget 2022

Sanjay Jhanwar
Senior Advocate



Chir Amrit Corporate School

Trends in GDP Growth

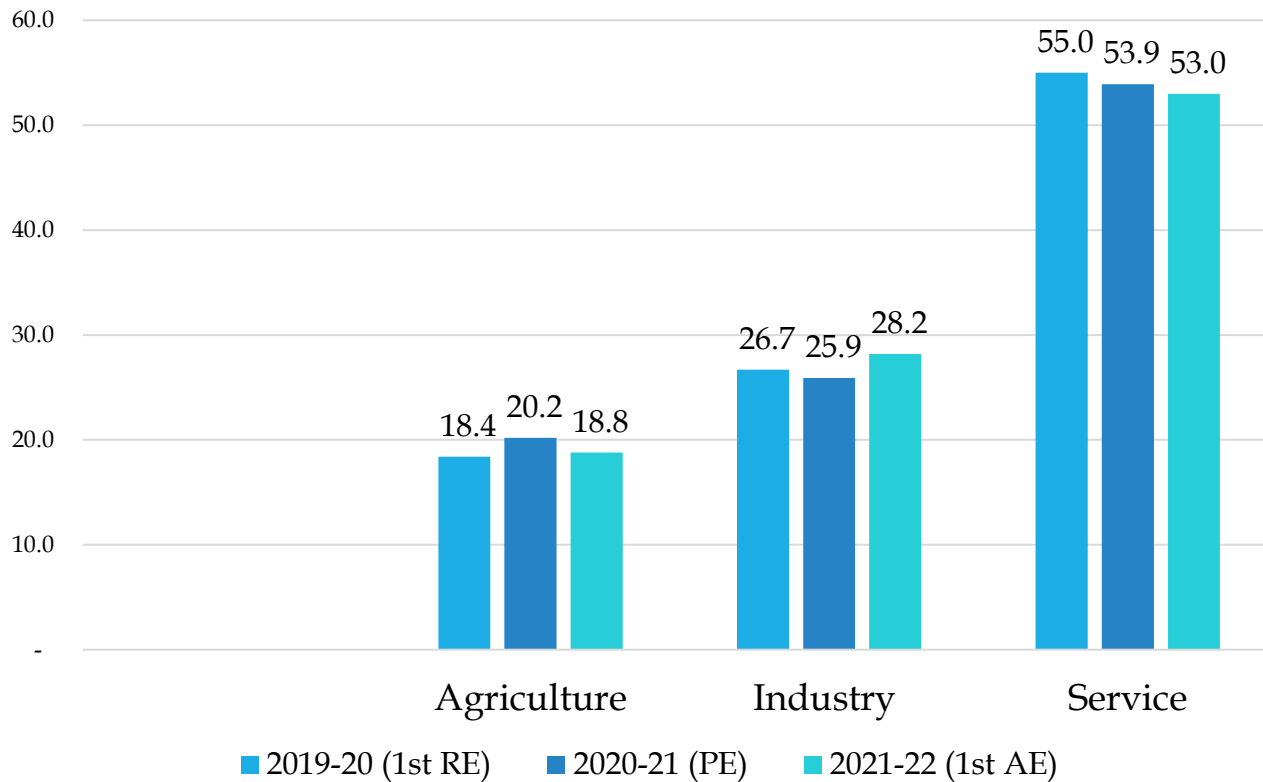


V Shaped recovery in 2021-22
and now 8.2%* expected in
2022-23.

***Conditions attached**

Sectoral Contribution to GVA

Sectoral Performance in Contribution to GVA



Agriculture Sector

→ Least affected during Covid. Rather it grew.

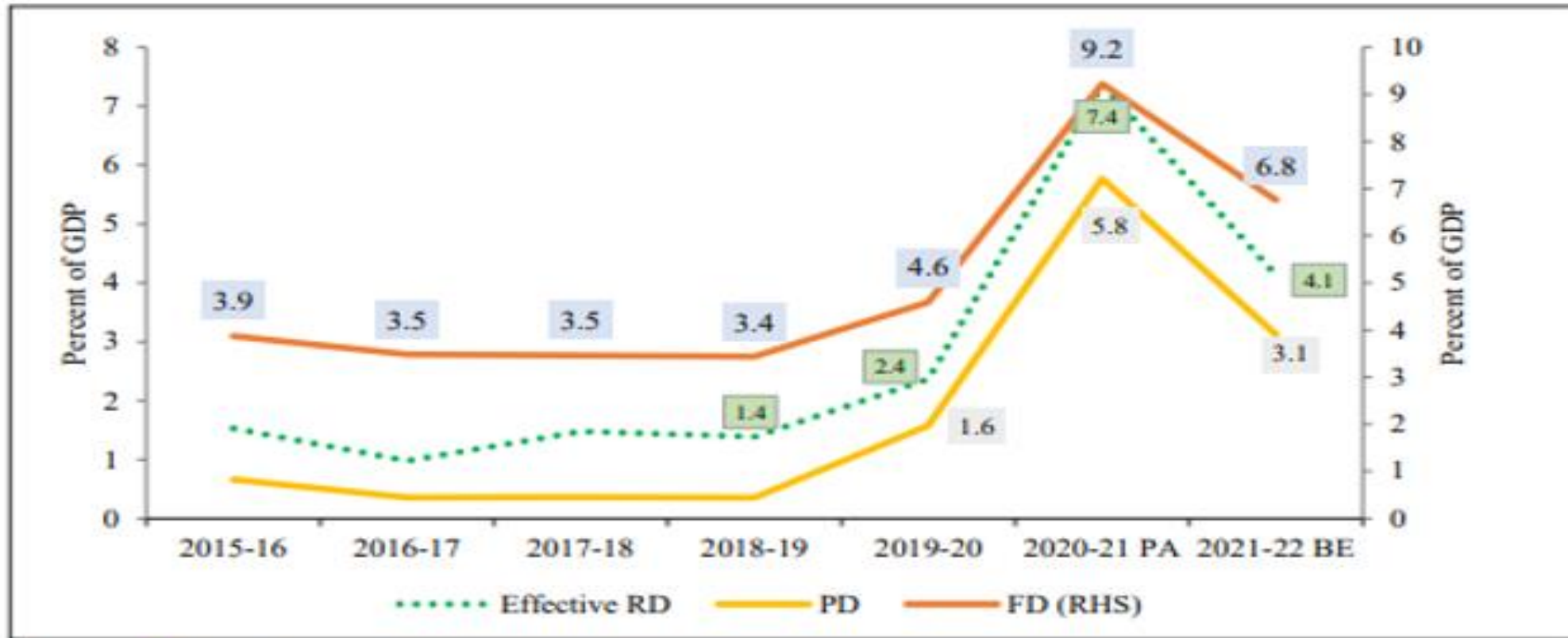
Industry Sector

→ Hit, but revived on account of Capex by Government and Demand

Service Sector

→ Hardest Hit as Human Intervention involved
Exception → IT and ITeS

Trend in Fiscal, Revenue and Primary Deficit

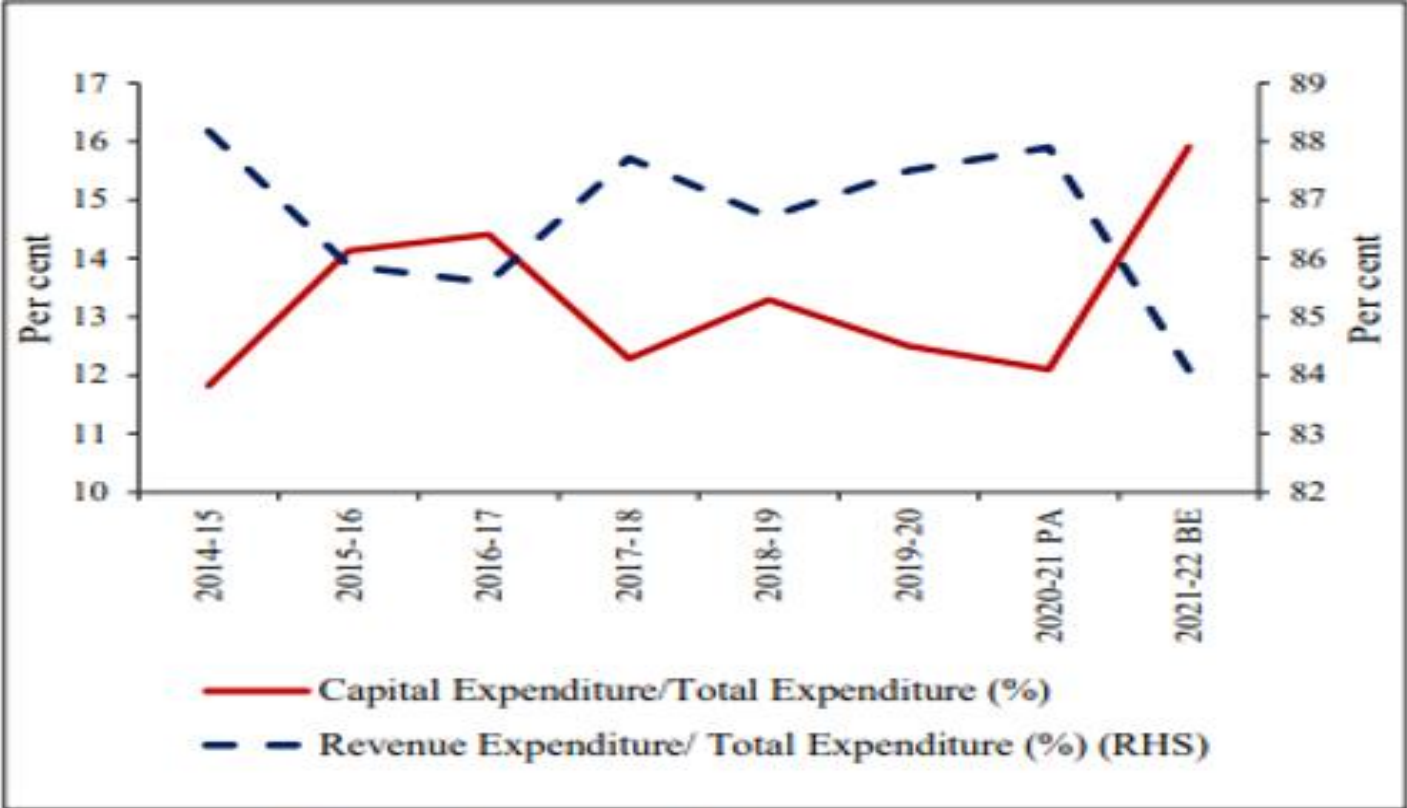


Source: Union Budget Documents & CGA

BE: Budget Estimate, PA: Provisional Actuals

FD: Fiscal Deficit; RD: Revenue Deficit; PD: Primary Deficit

Share of revenue & capital expenditure in the total

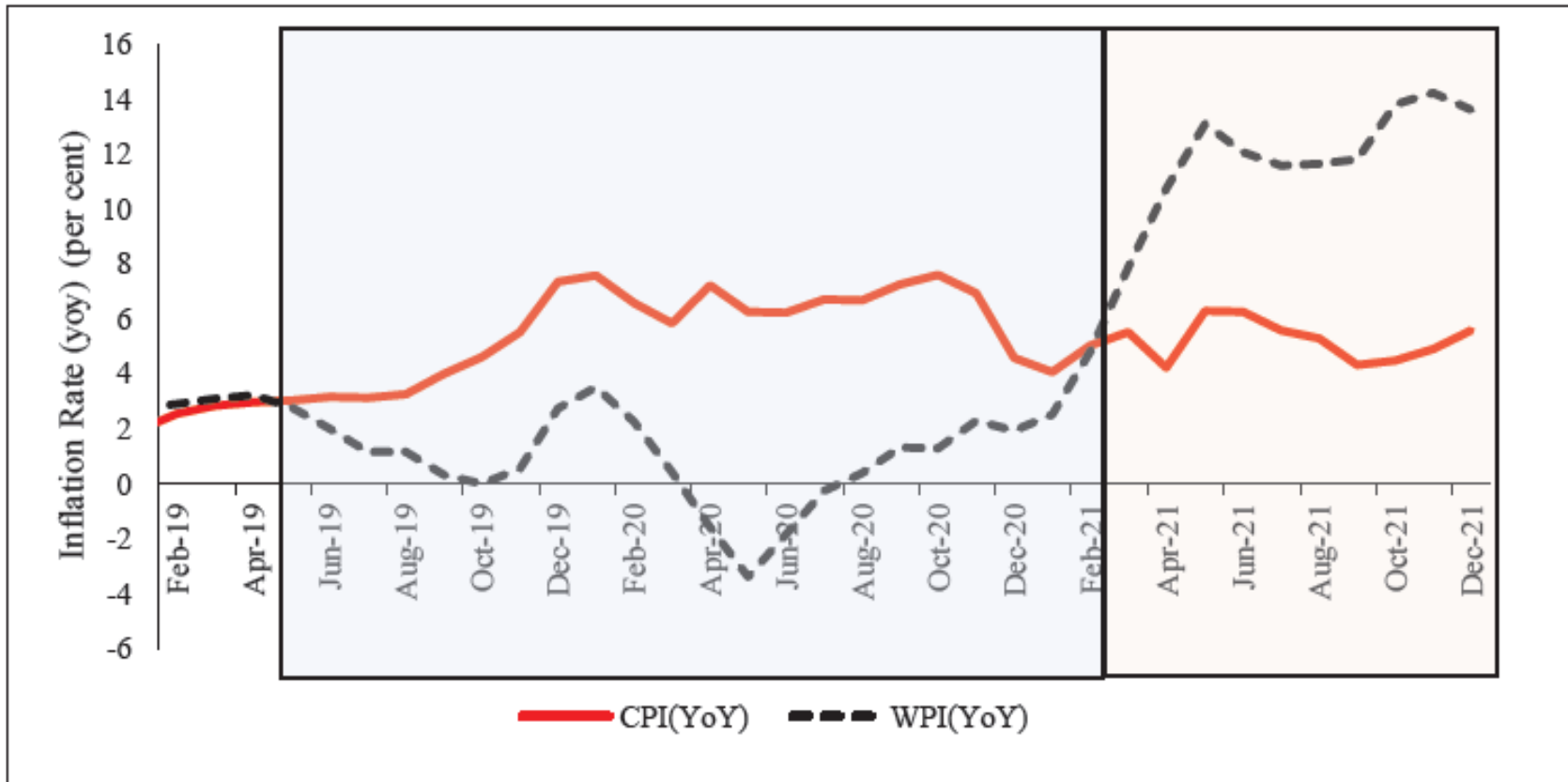


Capex → Increasing

Revenue Exp → Decreasing

Source: Union Budget Documents & O/o CGA
BE: Budget Estimate, PA: Provisional Actuals,

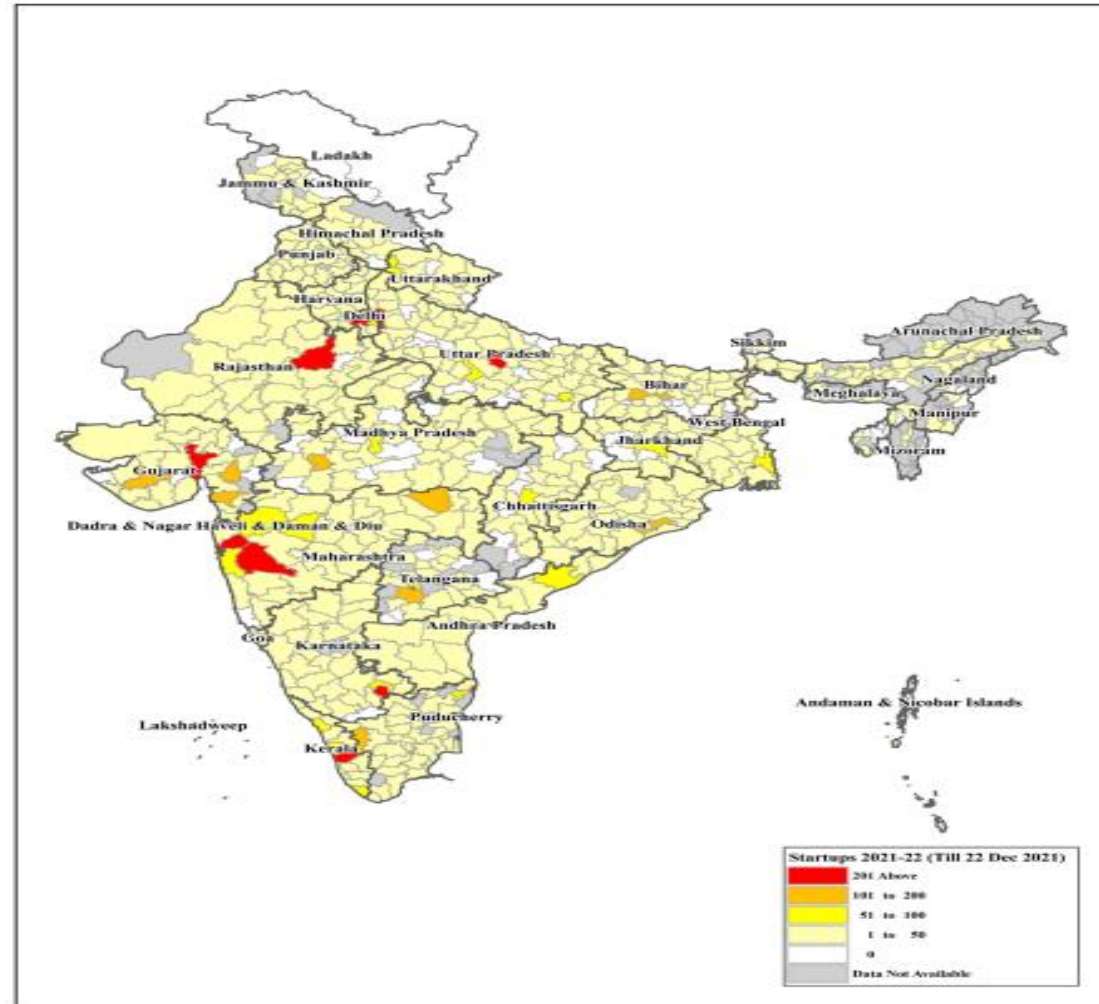
Divergence between YoY inflation in CPI and WPI



Currently,
CPI → 5.2%
WPI → >12.5%

Source: NSO, MoSPI and OEA, DPIIT

New Startups Recognized



Source: DPIIT
*As on 22nd December 2021

- In 2021 Government recognized over 14000, new startup.
- **Maharashtra** has the highest no of Start ups.
- **Delhi** has replaced **Bangalore** as the startup Capital of India

Other Laws & Policies

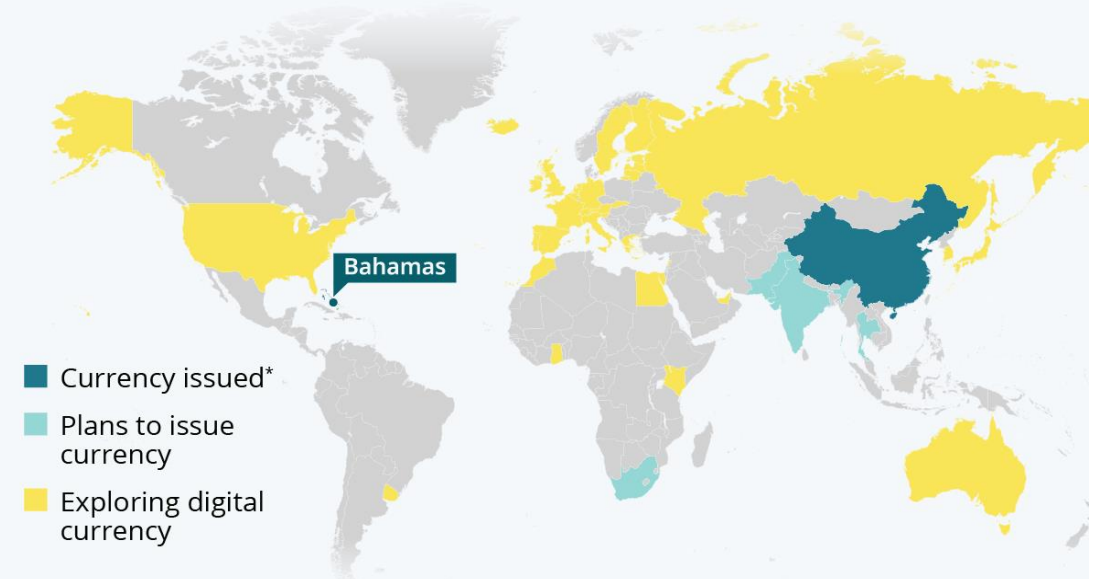
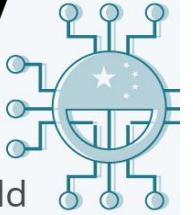


Digital Rupee

- **Launch:** Digital ₹ by RBI 2022 – 23 onwards
- **Basis :** Blockchain and other technology
- **Objective:** Currency Management and Digitisation
- **Measures:** Amendments proposed in RBI Act
- **Is Digital ₹ a cryptocurrency?**
- **How is it different from a wallet?**

China First Major Economy to Issue Digital Currency

Central Bank digital currencies launched, under development or considered around the world



* in launch phase in China as of April 6, 2021. Rest: As of March 22, 2021

Sources: Bloomberg, WSJ

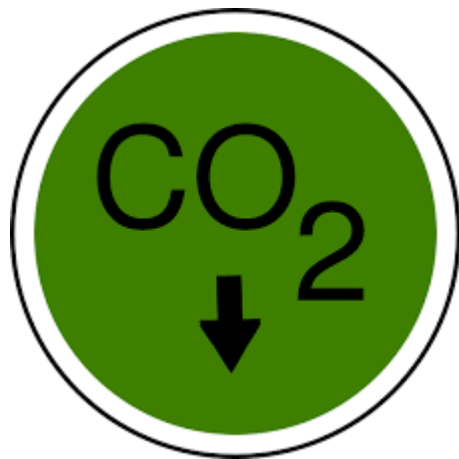
Credit Aid to MSME

- **Emergency Credit Line Guarantee Scheme (ECLGS)**
 - Hospitality Sector only; Extended till March, 2023
 - Total cover ₹ 5,00,000 Crore
- **Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) Scheme**
 - Credit Assistance to the potential entrepreneurs
 - Additional credit of ₹ 2,00,000 Crore
- **Raising and Accelerating MSME Performance (RAMP)**
 - MSME Competitiveness – A Post COVID Resilience and Recovery Programme (MCRRP)
 - Backed by World Bank; Outlay of ₹ 6,000 Crore over 5 years



Sovereign Green Bonds

- India's Commitment: Carbon-neutral by 2070
- Sovereign Green Bonds in 2022 – 2023
- Reduce carbon intensity of the Indian economy
- Deployment of proceeds for funding Green Infrastructure Projects of PSUs



Green Bond Snapshot

.....

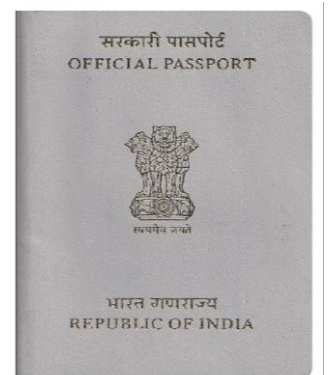
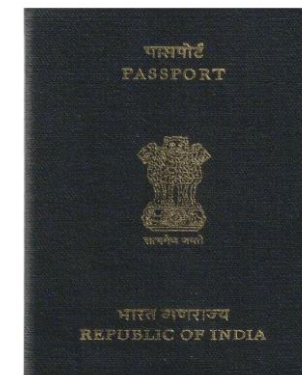
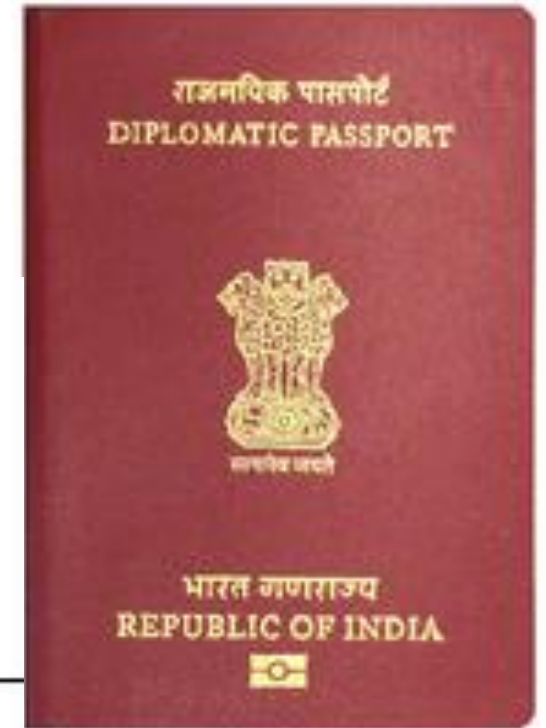
India **2nd largest** market with \$10.3 trillion transactions after China in H1 of 2019

India issued **\$6.11 Billion** in green bonds during the first 11 months of 2021

E-Passport

- **Proposal:** E-passport for ordinary citizens
- **Technology:** Embedded chip & futuristic technology
- **Data:** Stores personal & biometric information
- **Benefit:** Reduce fake passports; Smooth passage through immigration
- **Standards:** International Civil Aviation Organisation (ICAO)
- **Precedence:** 101+ countries issuing E-passports; India first E-passport to President in 2008

Electronic Passport Symbol



Digitization of Land Records

- Unique Land Parcel Identification Number (ULPIN)
- **Anywhere Registration**
- **One Nation – One Registration Software:** National Generic Document Registration System (NGDRS)
- Use of 'Kisan Drones' for digitization of land records
- Translation of Land records in 22 Schedule VIII Languages



Public Procurement

- **E-Bill**

- Central e-Bill system for suppliers and contractors of central ministries
- 75% payment within 10 days

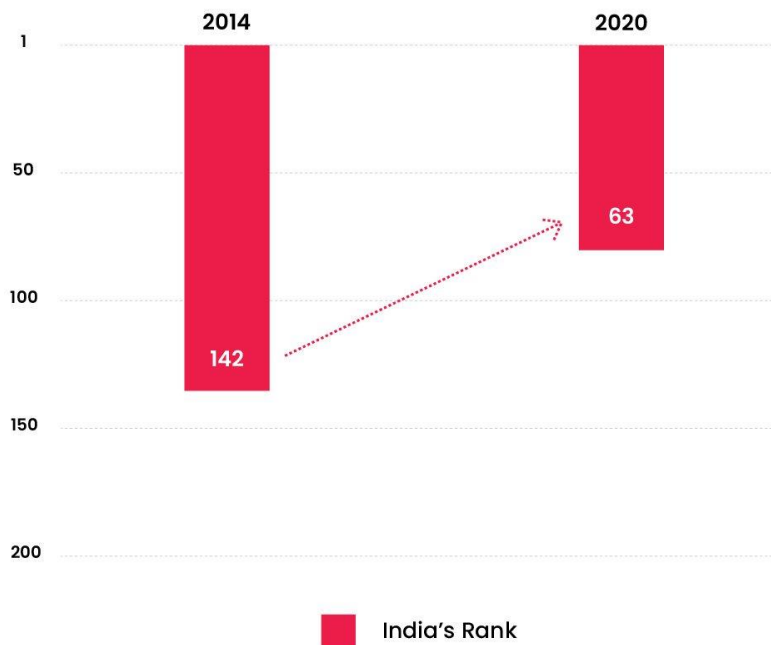
- **Surety Bonds**

- Replace bank guarantee in government tenders
- Saves indirect cost to contractors and suppliers
- IRDAI (Surety Insurance Contracts) Guidelines, 2022



Ease of Doing Business 2.0

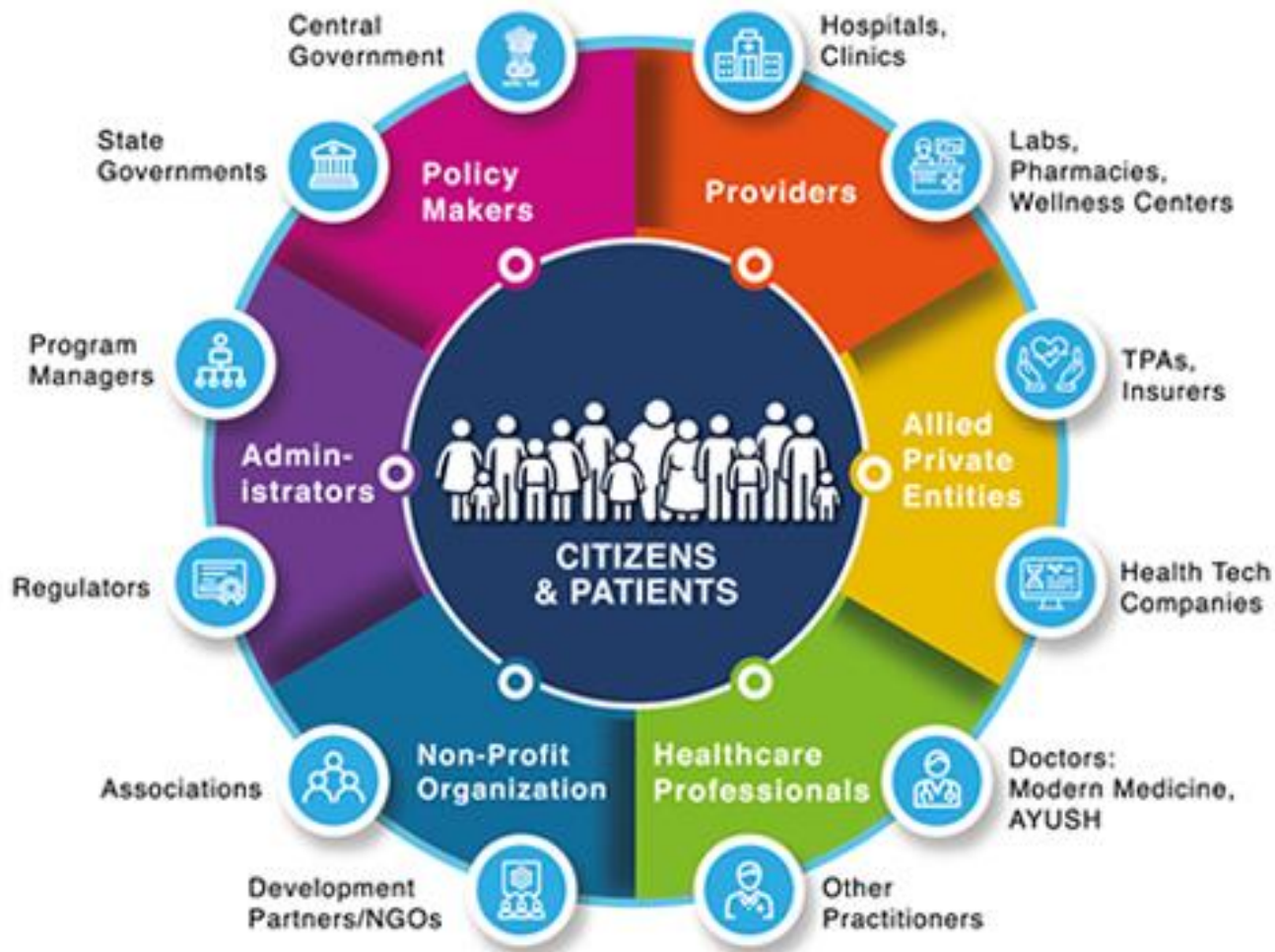
Improved Ranking Of India In Ease Of Doing Business



- Trust-based Governance
- Digitisation of manual processes and interventions
- Integration of the central and state-level systems through IT bridges,
- A single point access for all citizen-centric services
- Standardization and removal of overlapping compliances
- Reforms under IBC to enhance efficiency & facilitate cross-border insolvency resolution
- Centre for Processing Accelerated Corporate Exit (C-PACE) (2 Yrs to < 6 Mth)

National Digital Health Ecosystem

THE NDHM ECOSYSTEM



- From F.Y. 2022 – 23
- Under Ayushman Bharat Digital Mission
- Hassel free access & sharing of health records digitally
- Digital Registry of Health Providers & Facilities
- Unique Health Identity

Boost to GIFT City



- **World Class Universities**

- Courses on FinTech space: Financial Management, Science, Technology, Engineering and Mathematics
- Exemption from Domestic Regulations
- Fill-in gap for High End Human Resource

- **International Arbitration Centre**

- Timely settlement of dispute
- International jurisprudence

Revamping of SEZs

- New law to replace existing Special Economic Zones Act, 2005
- Enable states to become partners in 'Development of Enterprise and Service Hubs'
- Optimally utilise available infrastructure & enhance competitiveness of exports
- Reforms in customs administration of SEZs; Fully IT driven by 30.09.2022

SEZ Snapshot (As on 30.09.2021)

425 Formal SEZs Approvals

376 Notified SEZs

268 Operational SEZs

25.60 Lakh persons employed

6.26 Lakh Crore Investment

Exports

5.29 Lakh Crore FY 21 – 22 (as on 31.10.2021)

31% growth FY 20 – 21

PM Gatishakti

- **Efforts:** Next Century after *Amrit Kaal*
- **Focus:** Movement of people and goods; Energy Transmission; Sewerage etc.
- **Goals:** Accelerated economic growth & development; Increased productivity; Sustainable development
- **States:** Interest free loan of Rs. 1 lakh crores

20k Cr for Highway Network expanded by 25k Km

2k Km Railway Network under Kavach

8 Ropeway Projects for 60 km

400 new generation Vande Bharat Trains

100 Cargo Terminals in next 3 years

GatiShakti

Rates of Tax



Rates: Surcharge Capping

For Individuals (Other than Senior Citizen and Super Senior Citizen), HUF, AOP, BOI and Artificial Jurisdiction Person Whether Incorporated or Not**

SC Rate*	Nature	Slab
@ 10%	Total income (Dividend + Capital Gain (111A, 112, 112A) + All other sources of income)	> 50 lakhs but < 1 crore
@ 15%	Total income (Dividend + Capital Gain (111A, 112, 112A) + All other sources of income)	> 1 crore but < 2 crores
@ 25%	Total income (All other sources of income) (Excluding Dividend + Capital Gain)	> 2 crores but < 5 crores
@ 37%	Total income (All other sources of income) (Excluding Dividend + Capital Gain)	> 5 crores
@15%	Total income (Dividend + Capital Gain (111A, 112, 112A) + All other sources of income)	> 2 crores

* Subject to Marginal Relief

**AOP consisting of only companies as its member, the rate of surcharge shall not exceed 15 %.

Rates of Taxes

For Co-operative Society

Rate of Tax	A.Y. 2022-23	A.Y.2023-24
10%	Up to Rs. 10,000	Up to Rs. 10,000
20%	From Rs. 10,001 to Rs. 20,000	From Rs. 10,001 to Rs. 20,000
30%	Exceeding 20,000	Exceeding 20,000
Surcharge @ 7%*	-	exceed Rs. 1 crore but does not exceed Rs. 10 Crore.
Surcharge @ 12%*	exceeds Rs. 1 crore	exceed Rs. 10 Crore.

* Subject to Marginal Relief

AMT u/s 115JC for Cooperative Societies.

*w.e.f. 01.04.2022
(for AY 2023-24)*

1. Rate of Alternate Minimum Tax (AMT) for Cooperative Societies u/s 115JC is proposed to reduce from existing 18.5% to 15%.

Existing Provision
AMT for Cooperative Societies @ 18.5%.



Proposed Change
AMT for Cooperative Societies @ 15%.



Return of Income



Updated Return of Income

Existing Types of ITR

- Original Return
- Belated Return
- Revised Return

Proposed Types of ITR

- Original Return
- Belated Return
- Revised Return
- Updated Return

Updated Return of Income

Who has filed or not filed original, belated or revised return is eligible.

Within 24 Months from end of relevant A.Y.

Additional tax @ 25% or 50% on additional income.

Updated Return of Income cannot be filed where

Updated return is a return of loss.

Decreasing total tax liability.

Updated return results in refund or increase of refund

Updated Return of Income cannot be filed where

Search u/s 132 or Requisition u/s 132A has been initiated

Survey has been conducted u/s 133A (except TDS survey)

Notice is issued for money, bullion, jewellery, valuable article and books of accounts found in case of another

Applicable for A.Y. of Search / Survey / Requisitioned and 2 A.Ys preceding such A.Y

Updated Return of Income cannot be filed where

Updated Return is already filed for relevant A.Y.

Proceedings for assessment / reassessment/ re-computation /revision is pending or completed.

AO has information under PMLA Act, Benami Act, Black Money Act or SFEM Act and the same has been communicated

Updated Return of Income (Other Exceptions)

Information has been received under agreement referred to in Section 90 or 90A

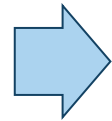
Any prosecution proceedings of Chapter XXII

Notified persons or class of persons.

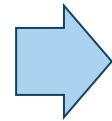
Payment of Additional Tax, Interest, Surcharges Before Filing of Updated Return

w.e.f 01.04.2022

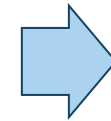
New Section 140B is proposed to be inserted.



Liability to pay tax, interest and any fee payable for delay in filing or default or delay in payment of advance & additional tax



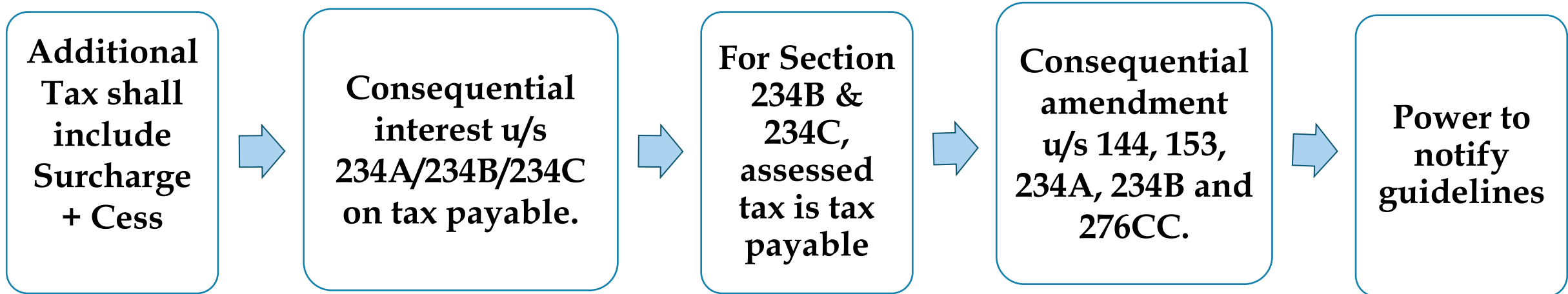
Tax Rate is 25% if return filed beyond time limit of revised or belated return, but before 12 months from end of the relevant A.Y



Tax Rate is 50% if return furnished after 12 months but before 24 months from end of the relevant A.Y

Payment of Additional Tax, Interest, Surcharges Before Filing of Updated Return

w.e.f 01.04.2022



Time Limit of Assessment of updated return: 9Months from end of FY in which return in filed.

Implication of Updated Return for A.Y 2023-24 and time limits

Particulars	Due Date to File ITR	Notice u/s Section 143(2)	Time limit of completion of assessment
Original Return	July/Oct 2023	June 2024	December 2024*
Revised Return	December 2023	June 2024	December 2024*
Belated Return	December 2023	June 2024	December 2024*
Updated Return	March 2026	June 2026	December 2026*

* 9 months from end relevant A.Y.

Existing Section 158AA

- Appeal by revenue having identical question of law is pending before Hon'ble SC.
- Commissioner or Pr. Commissioner may direct AO to file application before ITAT that appeal shall be filed after disposal of pending question of law.

Newly Proposed Section 158AB

- Apply to pending appeals / SLPs of revenue before jurisdictional High Court or Supreme Court involving identical question of law.
- Collegium may direct and intimate Commissioner or Pr. Commissioner to not to file any appeal before ITAT or jurisdictional High Court

Reducing Litigation on Cases Involving Identical Question of Law

w.e.f 01.04.2022

Commissioner or Pr. Commissioner shall direct AO file application before ITAT or HC for filing of appeal after the question attains finality.



No direction to AO unless acceptance is received from Assessee. If not received, appellate jurisdiction shall be exercised.



If order of CIT(A) or ITAT is not in conformity with final decision appellate jurisdiction shall exercised.



No direction shall be given u/s 158AA(1) on or after 01.04.2022



Streamlining of Procedure of Faceless Assessment

Streamlining of Procedure of Section 144B

w.e.f 01.04.2022

	Present Provision	Proposed Provision
Scope	Covered only the term “Assessment” u/s 143(3) and 144	Covers Assessment, Re-assessment and re-computation u/s 143(3), 144 and 147
RFAC	Regional Faceless Assessment Centre (RFAC) was part of the jurisdiction of the Faceless Assessment procedure	RFAC Removed
Transitional provision	Provisions existed for assessments opened prior to Section 144B for continuation of procedure u/s 144B	Omitted
Order passed by AU	The orders passed by Assessment Unit (AU) are termed as “ <i>Draft assessment order</i> ”	The term has been changed to “ <i>income or loss determination proposal</i> ”

Streamlining of Procedure of Section 144B

	Present Provision	Proposed Provision
Review Unit	Review of order would be assigned to AU other than the AU which passed the draft assessment order	Review of order would now be assigned to the same AU which passed the income or loss determination proposal
Special audit	No provision of conducting special audit by AU during the faceless assessment	Provision for special audit has been made available to the AU u/s 142(2A)
144B(9)	Assessment proceedings becomes void if procedure specified u/s 144B not followed	Omitted (with retrospective effect from 01.04.2021)
Personal hearing	Required approval from RFAC	No approval required

Extension of Date of Limitation

Sections	Date of Limitation	Extended Date of Limitation for issuing directions
Section 92CA Faceless determination of arm's length price	31.03.2022	31.03.2024
Section 144C Faceless Dispute Resolution Panel	31.03.2022	31.03.2024
Section 253 Faceless appeal to Appellate Tribunal	31.03.2022	31.03.2024
Section 255 Faceless procedure of Appellate Tribunal	31.03.2023	31.03.2024

Rationalization of Provisions to assessment or reassessment



Rationalization of provisions relating to assessment & reassessment

w.e.f. 01.04.2022

Existing Provision

Approval for issuance of notice u/s 148 shall be required.



Proposed New Proviso

Approval for issuance of notice u/s 148 shall **not** be required where the AO has passed an order u/s 148A(d) treating it to be a fit case to issue notice with the prior approval of the specified authority.

Meaning of Information

w.e.f. 01.04.2022

any information flagged for the relevant A.Y. in accordance with the risk management strategy in formulated by the Board.

~~any final objection raised by the CAG of India~~ audit objection to the effect that the assessment for the relevant A.Y. has not been made in accordance with the provisions.

any information received under an agreement referred to in section 90 or section 90A.



any information made available to the AO under the scheme notified u/s 135A.

any information which requires action in consequence of the order of a Tribunal or a Court.

Notice u/s 148 may be issued based on information with prior approval of specified authority.

Deemed Information

Proceedings in case of Assessee

- Search u/s 132 or Requisition u/s 132A on or after 01.04.2021
- Survey u/s 133A has been conducted on or after 01.04.2021

In case of any other person

- where AO is satisfied that money, bullion, jewellery seized in case of any other person on or after 01.04.2021 belongs to assessee
- that books of accounts, documents seized in case of any other person on or after 01.04.2021 relates to assessee

Existing Provision:

Relevant A.Y. - 3 A.Ys.
immediately preceding the AY
of search, survey or requisition
action.

Proposed Provision:

Relevant A.Y. - A.Ys.
immediately preceding the AY
of search, survey or requisition
action.

It has been proposed to include the survey conducted u/s 133A(5) within the provisions of Explanation 2.

w.e.f. 01.04.2022

w.r.e.f. 01.04.2021

Widened Scope of Section 149

Amendment
in clause (b)
of Section
149(1)

- Notice within 10 years can be issued in following 2 additional cases-
 - Expenditure in respect of a transaction or in relation to an event or occasion; or
 - an entry or entries in the books of account.

w.r.e.f. 01.04.2021

Amendment
in Proviso 1st

- No notice under section 148, **153A** or **153C** would be issued, if such notice could not have been issued because of time limit before the commencement of the Finance Act, 2021.

w.r.e.f. 01.04.2021

New Sub-
section 1A

- Notice for each A.Y. can be issued if limit of Rs. 50 lakhs in respect of an asset or expenditure in relation to an event or occasion incurred in one or more than one previous year.

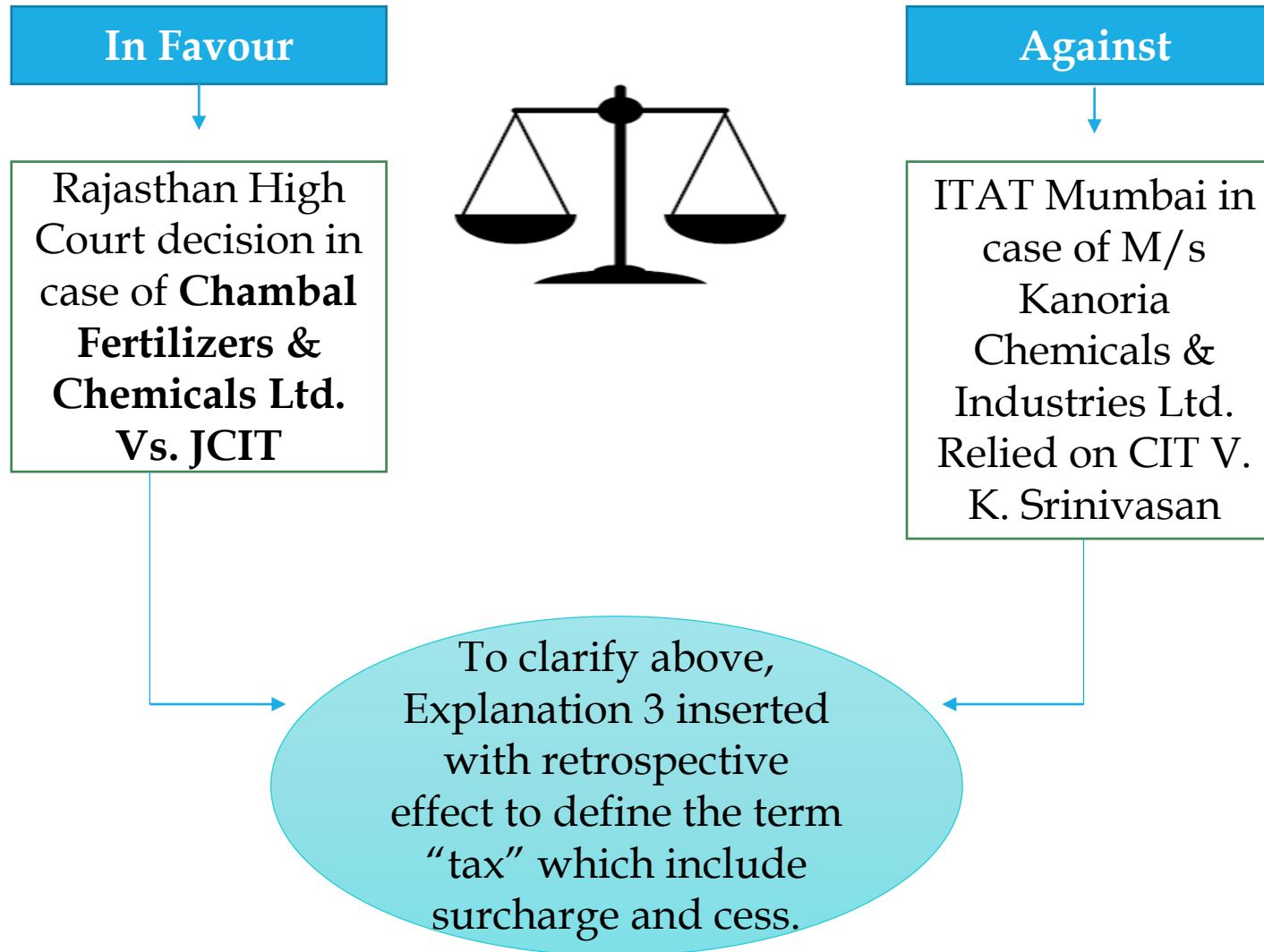
w.e.f. 01.04.2022

**Cess and Surcharge is not
allowable as a Deduction**



Disallowance of Cess and Surcharge

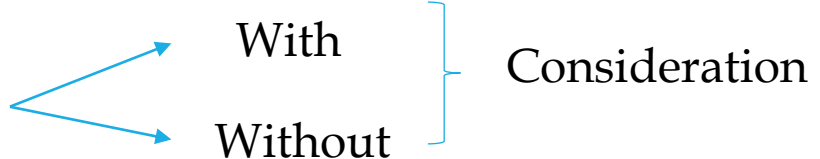
- *w.r.e.f. 01.04.2005*
(for AY 2005-06)





Virtual Digital Asset (VDA)

SECTION 2(47A) – VIRTUAL DIGITAL ASSETS

- a) Information or code or number or token Generated → Cryptographic means or otherwise
- b) Providing a digital representation of value  } Consideration
- c) Exclude- Indian Currency and foreign currency
Include- NFT & any token
- d) With the promise or representation of having inherent value, or functions as a store of value or a unit of account
- includes its use in any financial transaction or investment, but not limited to, investment schemes and can be transferred, stored or traded electronically.

Insertion of New section 115BBH

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

1. TAXATION ON VIRTUAL DIGITAL ASSET “VDA”
 - a) @30%
 - b) Special rate hence excluded from other total income

2. To Compute Income → Following not allowed as deduction
 - a) Any Expenditure (except Cost of Acquisition)
 - b) Allowance
 - c) Set off of loss

➤ No loss arising from VDA to be Carried Forward



Insertion of New section 194S

w.e.f. 01.07.2022

1. TDS ON VDA

- a) @ 1% of consideration
- b) Payee is a resident, irrespective of whether the payer is a resident or not.
- c) Section 203A and 206AB ----- X ----- to Specified Person
- d) 194O X

2. NO TAX- if value of consideration

- a) Specified person - <50,000/-
- b) Other person - <10,000/-

3. SPECIFIED PERSON

- a) Individual & HUF → Total Sales/Gross Receipts does not exceed
 - Business- 1 Crore
 - Profession – 50 Lakhs
 - Does not have a PGBP income



Explanation u/s 56(2)(vii)

- Property Means
 - (i) immovable property being land or building or both;
 - (ii) shares and securities;
 - (iii) jewellery;
 - (iv) archaeological collections;
 - (v) drawings;
 - (vi) paintings;
 - (vii) sculptures;
 - (viii) any work of art;
 - (ix) bullion;



Explanation u/s 56(2)(Vii)

- Property Means
 - (i) immovable property being land or building or both;
 - (ii) shares and securities;
 - (iii) jewellery;
 - (iv) archaeological collections;
 - (v) drawings;
 - (vi) paintings;
 - (vii) sculptures;
 - (viii) any work of art;
 - (ix) bullion;
 - (x) Virtual Digital Asset**

Restriction on Concessional Tax Rate

*w.e.f. 01.04.2023
(for AY 2023-24)*

Section 115BBH

Dividend income received from specified foreign company is taxable @ 15%



Withdrawal of Section 115BBH

To provide parity between Indian company and Specified foreign company
Said **section is withdrawn from FY 2022-23**

*Specified Foreign company- in which 26% or more held by Indian company

Disallowance u/s 37(1) of IT Act



Clarification regarding disallowance u/s 37(1)

- It is proposed to insert Explanation 3 which clarify the Explanation 1 of Section 37(1) which widen the scope of Explanation 1 by following points:
 - Expenditure incurred for any purpose which is offence in India or outside India.
 - Expenditure incurred to provide benefits/perquisite to a person, and acceptance of such benefits is in violation of law or rule or regulation or guidelines.
 - Expenditure to compound an offence under any law, in India or outside India.
- CBDT Vs. Conferderation of Indian Pharmaceutical Industry (2013) 335 ITR 338 (HP) affirmed.
- Overruled by ITAT Mumbai in Case of Macleods Pharmaceuticals.

Expanding the Scope of Cash Credits u/s 68



Expanding the Scope of Cash Credits u/s 68

W.e.f. 01.04.2023
(AY 2023-24 onwards).

Proviso inserted:

If Amount credited

↓
Loan or borrowing or
any such amount by
whatever name
called.



Creditor to provide
satisfactory
explanation
regarding the nature
and source of
income.



Rationalization of provisions of Charitable Trust and Institutions



Taxability

- 30% of Specified Income without any deduction or setoff of loss

“Specified Income” means: Income due to

- Not allowed Accumulation over 15%
- Accumulated but Cease to invest or paid to other Trust
- Investment in other than prescribed modes
- **Unreasonable benefit to specified person**
- Not excluded from Income u/s 11(1)(c): International Welfare application where condition of investment outside India where there is no interest of India present

Levy of Penalty for passing benefits to specified persons

Quantum of Penalty in First year of violation

- 100% of income applied for the benefit of specified person.

Quantum of Penalty in subsequent years of violation

- 200%

New Section 271AAE introduced

- Penalty to ensure that unreasonable benefit is not passed to any trustee or other specified persons.
- w.e.f. 01.04.2023

Exit Tax now applicable under Section 10(23C)

Exit Tax is triggered when organisation converts into non-charitable organization (**Includes Cancellation**).

Currently, provisions of exit tax is applicable only u/s 12AA/12AB.

Now, exit tax has become applicable for Section 10(23C) also.

Change in Procedure for Approval or Cancellation of Trust in case of specified violations

1. Amendment in **Section 10(23C)** and **Section 12AB(4)** –

Where fund or institution is approved under Automatic Approval system and subsequently,

- i. PCIT or CIT noticed occurrence of **one or more specified violations** or
- ii. Received a **reference from AO** under Section 143(3) or
- iii. Such case is selected in accordance with **the risk management strategy** formulated by the Board,

Then **PCIT or CIT** shall,

- a) **Call for such documents** and information
- b) Pass an **order** in writing **cancelling the registration** after giving a reasonable opportunity of being heard
- c) Pass an order in writing **refusing to cancel the registration**
- d) **Forward a copy** of the order to the AO and such trust.

Power given to AO under Section 143(3)

1. Amendment in second proviso in **Section 143(3)**

Where **AO is satisfied** that trust has committed **specified violation** then **AO shall-**

- i. Send a **reference to the PCIT or CIT** to **withdraw** the approval or registration and
- ii. No order making an **assessment of the total income** or loss of such trust shall be made by him without giving effect to the order passed by the PCIT or CIT.

2. Consequential amendments in **Section 153(iii)** to provide that the **period commencing** from the date on which the **AO makes a reference** to the PCIT or CIT under Section 143(3) and ending with the date on which the **copy of the order is received by the AO** shall be **excluded in computing the period of limitation.**

Definitions

Specified Violation

- Income of Trust applied **other than objects**.
- Income not incidental to objects or **separate books are not maintained**.
- **Non-genuine activity** carried out by Trust
- **Non-Compliance** of requirement of other law.
- Applied Income from property held under Trust for **private religious purpose**.
- Applied income for benefit of any **particular religious community or caste**.

Specified Date

Day on which the period of **6 months** calculated from the end of the quarter in which the first notice is issued by PCIT or CIT on or after 01.04.2022 calling for document of making inquiry.

Section 11(3): Taxability of Accumulated Income

Existing Provision

Taxable in 6th Year if Accumulated Income not applied



Proposed Change

Taxable in 5th Year i.e. last year of accumulation time limit

Voluntary Contribution for Renovation & Repair of Notified Temples etc.

*w.r.e.f. 01.04.2021
(A.Y. 2021-22 onwards)*

Voluntary
Contribution for
Renovation & Repair
of Notified Temples
etc.

Whether corpus ??

Option to treat as corpus if

- Application for specific purpose for which donation received
- Not donated to any person
- Separate identity of corpus maintained
- Invested in specified modes u/s 11(5)

Preparation of Books of Accounts

w.e.f. 01.04.2023

Total income, without giving effect to the provisions of Section 10(23C) or Section 11 and 12,
> **maximum amount which is not chargeable to tax,**



Requirement of Specified Books of Accounts

Computation of Taxable Income in case of Denial of Exemption



Computation of Taxable Income in case of Denial of Exemption to Trusts & Institutions

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Sec 10(23C) & 13(10)

Denial of Exemption to Trust or Institution

- Commercial Receipts > 20%
- Not getting accounts audited
- Non filing of Return

Computation of Total Income

Allowability of Expenditures

- Subject to 40(a)(ia), 40A(3) & 40A(3A)
- No set off of losses

Expenditures Disallowed if

- From corpus standing on last day of F.Y. immediately preceding the previous year
- From loan and borrowing
- Depreciation w.r.t. asset claimed as application
- In the form of contribution or donation

“Like Default Like Punishment” for Trusts & Institutions



“Like Default Like Punishment” for Trusts & Institutions

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Existing Provision

Denial of **ENTIRE** exemption if trusts or institutions

- Pass unreasonable benefits to specified persons
- Not keep funds invested in specified modes u/s 11(5)



Proposed Change

Only **THAT PART** of income to be included in Total Income

- which has been applied to pass unreasonable benefits to specified persons
- Not invested in specified modes

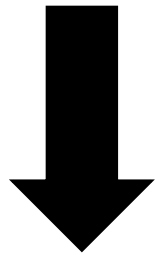
Set off of loss from Undisclosed Income



New Section 79A- No set off of loss from Undisclosed Income

*w.r.e.f. 01.04.2022
(A.Y. 2022-23 onwards)*

Set off of losses brought forward or unabsorbed depreciation u/s 32(2) from the total income in any previous year which includes undisclosed income.



Not Allowed

The expression “**undisclosed income**” means,-

- any income of the previous year represented, either wholly or partly, by any **money, bullion, jewellery or other valuable article or thing or any entry** in the books of accounts or other documents or transactions found in the course of search or a requisition or a survey, other than under Section 133A(2A), which has-
 - **not been recorded** on or before the date of search or requisition or survey, in the books of accounts or other documents maintained in the normal course relating to such previous year; or
 - **not been disclosed** to the PCCIT or CCIT or PCIT or CIT before the date of search or requisition or survey, or
- any income of the previous year represented, either wholly or partly, by any **entry in respect of an expense** recorded in the books of account or other documents maintained in the normal course relating to the previous year which is found to be false and which would not have been found to be so, had the search not been initiated or the survey not been conducted or the requisition not been made.

Response to Covid Expenses



Deduction u/s 80-DD 'Disabled Dependant'

*w.e.f. 01.04.2020
(for AY 2020-21)*

Any sum paid by the employer- Perquisites u/s 17 :

- Any said sum paid by the Employer as expenditure incurred by the employee on his or his family's treatment for any illness relating to COVID-19 shall not be chargeable as "Perquisites" in the hands of the Employee.



Gift u/s Section 56(2)(x) of IT Act

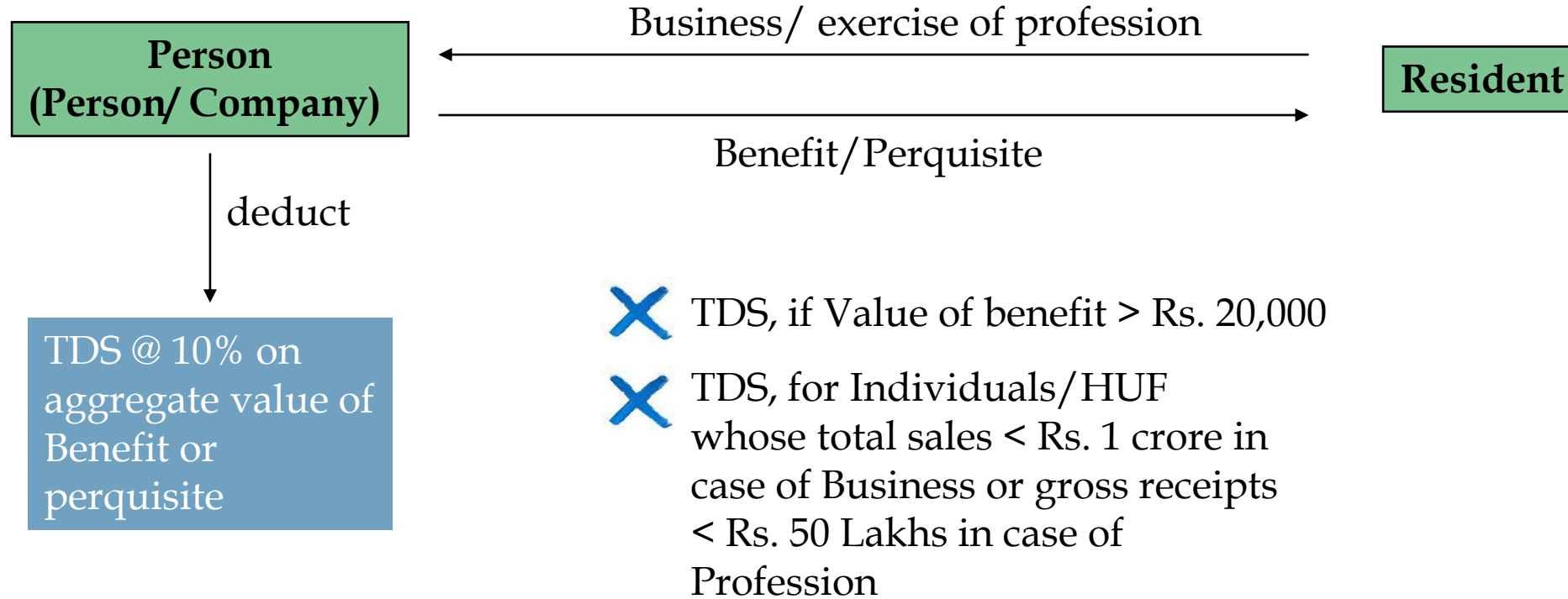
Sum Received due to COVID-19 is Non-Taxable :

- Sum received by an individual - for his or his family's medical treatment.
- Sum received by the family member of a deceased person –
 - From the employer - without any limit
 - From any other person(s) - subject to a maximum of Rs. 10 lakh if received within the twelve months from the date of death.

TDS on Perquisites New Sec. 194R



TDS on Perquisites – New Section 194R



Higher TDS/TCS in case of Non-Filers



Rationalization of Sections 206AB & 206CCA

Existing Provision

- Non furnishment of Return for 2 immediately preceding A.Y.s made "Specified Person" liable to higher TDS/TCS
- Section 206AB also applied to transactions covered u/s 194-IA, 194-IB & 194M
- Drafting error for terms "deductee" & "collectee" u/s 206AB & 206CCA respectively and term "filed" w.r.t. Return



Proposed Changes

- Only 1 year to be considered instead of 2
- No Section 206AB over transactions covered u/s 194-IA, 194-IB & 194M
- Omission of terms "deductee" & "collectee" from Sections 206AB & 206CCA respectively.
- Term "filed" to be substituted with term "furnished"

Stamp Duty Value to be considered for 194-IA TDS



Implications of Stamp Duty u/s 194-IA

Existing Provision

SDV of transferred property not considered for TDS unlike Sections 43CA & 50C



Proposed Change

- SDV of transferred property to be considered
- But no tolerance band of 10% like u/s 43CA & 50C

Treatment of Excess Goodwill as STCG



Excess Goodwill transferred from Block of Asset

w.r.e.f. 01.04.2021
(A.Y. 2021-22 onwards)

Finance Act 2021

Goodwill

Block of Assets
Sec 43(6)(c)(ii)

Remove WDV
of Goodwill

STCG on Transfer
of Dep. Asset u/s 50

Rules may be
prescribed

Finance Act 2022

Clarified by way of explanation
→ Removal from Block of
Assets → Deemed to be a
transfer u/s 50

Sub Rule 3 → Excess Goodwill
→ Liable for STCG

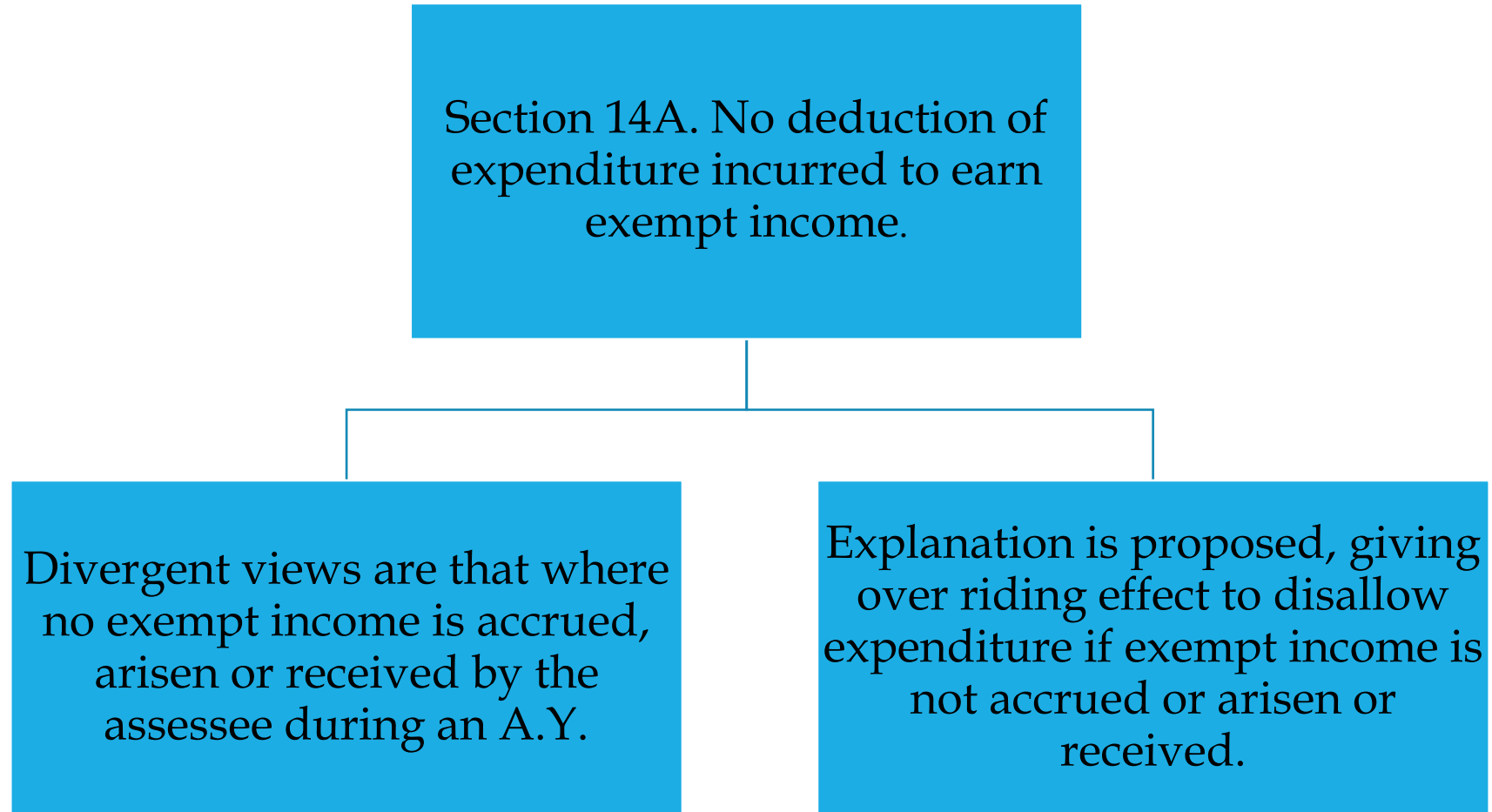
Rules notified by IT 19th
Amendment Rules 2021

Disallowance of Exp. u/s 14A



Clarification of Disallowance of Expenditure u/s 14A

w.e.f 01.04.2022



Clarification of Disallowance of Expenditure u/s 14A

Section 14A Existing.

- No deduction of expenditure incurred to earn exempt income.
- Issue: Applicability is disputed where no exempt income is accrued, arisen or received.

Section 14A Proposed Explanation.

- Over riding effect is given to explanation.
- It disallow expenditure even if exempt income is not accrued or arisen or received.

Misc. Amendments



Amendments to facilitate disinvestment

w.e.f. 01.04.2021
(for AY 2021-22)

Proposed amendments in Section 79 –

Carry forward of Accumulated loss of the erstwhile public sector company, if –

- **In terms of Subsection (2) –**
 - ultimate holding company of such erstwhile public sector company, immediately after the completion of strategic disinvestment, continues to hold, directly or indirectly at least 51% of the voting power of the erstwhile public sector company.

If there is a non-compliance of the aforesaid condition in any previous year, then the restriction as envisaged by sub-section 1 with respect to set off and carry forward of losses shall be applicable on erstwhile public company from such previous year onwards.



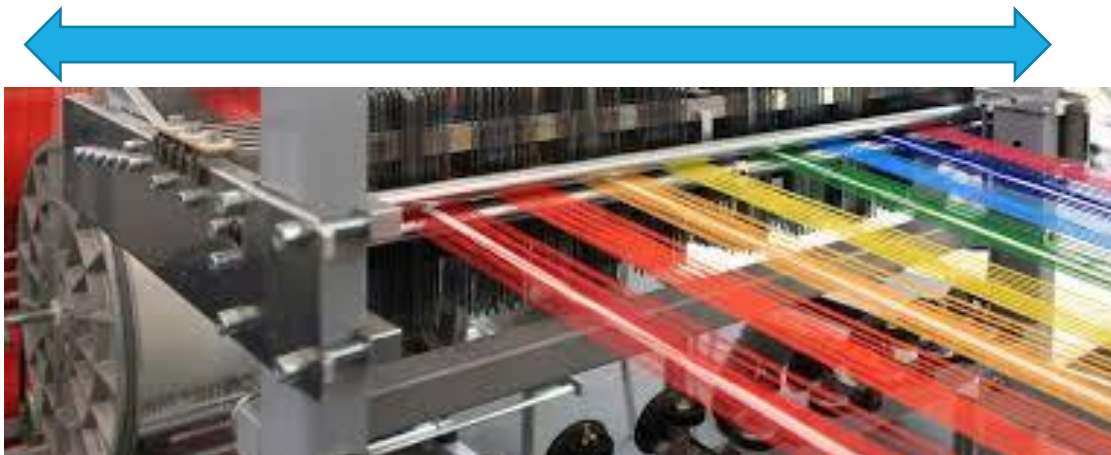
Extension for Commencement of Manufacturing

Extension of Date of Commencement of Manufacturing-

Section 115BAB provides that domestic manufacturing company incorporated and registered on or after 01.10.2019 would be taxed at the concessional tax rate of 15% subject to the condition that such company commences the manufacture or production on or before 31st March 2023. Such time limit for commencing manufacture or production is proposed to be extended to 31st March 2024.

01.04.2023

01.04.2024



Extension of Date of Incorporation for Eligible Start-up -

Section 80IAC provides for **100 % deduction of profits** derived by an eligible start-up carrying out an eligible business, subject to -

- Three consecutive AY out of ten years
- Total turnover does not exceed **Rs. 100 crore**
- Incorporated between -

01.04.2016

01.04.2021

01.04.2023



Parity between Employees of C.G. & S.G.

*w.e.f. 01.04.2022
(for AY 2023-24)*

1. Section 80CCD(2) provides deduction @ 14% of salary to employee of Central Government and @ 10% of salary to employee of State Government in respect of contribution made by the respective Government as an Employer to their Notified Pension Scheme (NPS) account. However, it has been rationalised now and the employee of State Government would be eligible for deduction @ 14%.

Existing Provision
Deduction <ul style="list-style-type: none">• Employee of C.G. - 14%,• Employee of S.G. - 10%.



Proposed Change
Deduction <ul style="list-style-type: none">• Employee of C.G. - 14%,• Employee of S.G. - 14%.



Deduction u/s 80-DD 'Disabled Dependant'

w.e.f. 01.04.2023
(for AY 2023-24)

Deduction to the Resident Individual or HUF being parent or guardian for insurance premium paid for the maintenance of disabled dependant:

- Following the case where *Justice A.K.Sikri in W.P. no. 1107/2017 of Ravi Agrawal vs. UOI* and another, it has been proposed to provide that deduction be allowed in cases where the insurance scheme provides for payment of annuity to the dependant upon attaining of 60 years of age by the individual or in case of HUF



- Whatever income is received by dependent during his lifetime shall not be included in the total income of subscriber being individual or in case of HUF

Addition in Explanation u/s 271AAB

w.e.f. 01.04.2022

“Specified Date” meaning

Existing Explanation

The due date of furnishing of return of income u/s 139(1) or the date on which the period specified in the notice issued u/s 153A for furnishing of return of income expires.



Proposed Addition

Also applicable to Notice issued u/s 148 in case of search is initiated on or after 01.04.2021.

Section 272A-Increase in penalty!

w.e.f. 01.04.2022

Existing

- Rs. 100/- for every day during which the failure continues.

Proposed

- Rs. 500/- for every day during which the failure continues.

Revision of Orders u/s 92CA when Prejudicial to the Interest of Revenue (Section 263)

W.e.f. 01.04.2022
(AY 2022-23 onwards).

PCIT/CCIT/PCIT
/CIT

to revise

Order passed u/s
92CA by TPO.

Consequentially,
AO to complete
assessment within
2 months.

If Fresh Assessment
directed:

Before 9 months from
end of FY of order.

If other than fresh
assessment directed:

Effect of order – given
within 3 months of
order.



Rationalization of Provisions for Claiming TDS Refund

W.e.f. 01.04.2022
(AY 2022-23 onwards).

Insertion of new section - 239A



Refund Application to
AO within 30 days from
date of payment of tax.

Tax u/s 195, **other than
interest** - deducted + paid
but
Payer claims - no
requirement of TDS.

AO :

- i. Provide Opportunity of being heard.
- ii. Dispose application within 6 months from date of application.

Amendment related to Business Reorganisation

- *w.e.f. 01.04.2022 (for AY 2022-23)*

Business reorganisation involves amalgamation or de-merger of business of one or more persons

Assessment proceedings pending/completed on predecessor u/s 170(2A)

It is proposed that such proceedings deemed to be made on successor.

Modified Return of Income of successor u/s 170A

Successor to file modified return **within 6 months** from end of month in which order issued by competent authority.

Existing Provision

There is no provision to revise the notice of demand.



Proposed Provision

- Insertion of new Section 156A.
- Due to supremacy of IBC law, now AO shall serve revise notice of demand in case any demand reduced by competent authority.

Conversion of Interest Payable into Debenture or any other instrument not allowed

- *w.e.f. 01.04.2023
(for AY 2023-24)*

Explanation 3C, 3CA and 3D of Section 43B

Existing Provision

Interest payable converted into debentures deemed as actual payment as upheld by several courts.



Proposed Provision

Interest payable on existing loans converted into debentures or any other instruments shall not be deemed as actual payment.

Interest to be paid for default of TDS/TCS

**Interest
Payable
for
TDS/TCS
defaults**

As per AO's Order

➤ **AO's Order to be
in accordance
with Section
201(1A)/206C(7)**

Widening the Reporting requirement under Form 52A

Present scope of activities for filing Form 52A

Production of Cinematographic films



Proposed scope of activities covered under Form 52A in addition to existing provisions

1. Event management
2. Documentary production
3. Production of programmes for telecasting on television or Over the top (OTT) platforms or any other similar platform
4. Sports event management
5. Other performing arts or any other activity specified by the Central Government



Form 52A is required to be furnished by the specified persons if the aggregate payments > Rs. 50,000 from specified activities

Inclusion of Securities & Pooled Investment Vehicles' Units u/s 94

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Relevant Section	Present Provision	Proposed Provision
Definition of Unit u/s 94	Does not include Units of InvIT, REIT & AIF	Definition to include Units of InvIT, REIT & AIF
Bonus Stripping u/s 94(8)	Applicable to Units only	Applicable to Units (including units of InvIT, REIT and AIF) and Securities
Dividend Stripping u/s 94(7)	Applicable to Units & Securities	

Existing Provision

- AO have Power to impose Penalty under section 271AAB, 271AAC, 271AAD

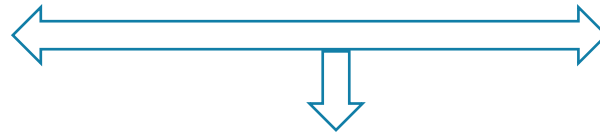
Proposed Provision

- Power to impose Penalties extended to Commissioner (Appeals)

Exemption under Sec. 10 restricted for certain individuals

*w.e.f. 01.04.2022
(A.Y. 2022-23 onwards)*

Government of
India



Government of
Foreign State / An Agency

An Individual assigned to duties in India in relation to technical assistance programme/project/agreement

Exemption of
income
remuneration, fee
or income

10(8)

➤ Individual Himself

10(8A)

➤ As a consultant

10(8B)

➤ As an employee to
consultant

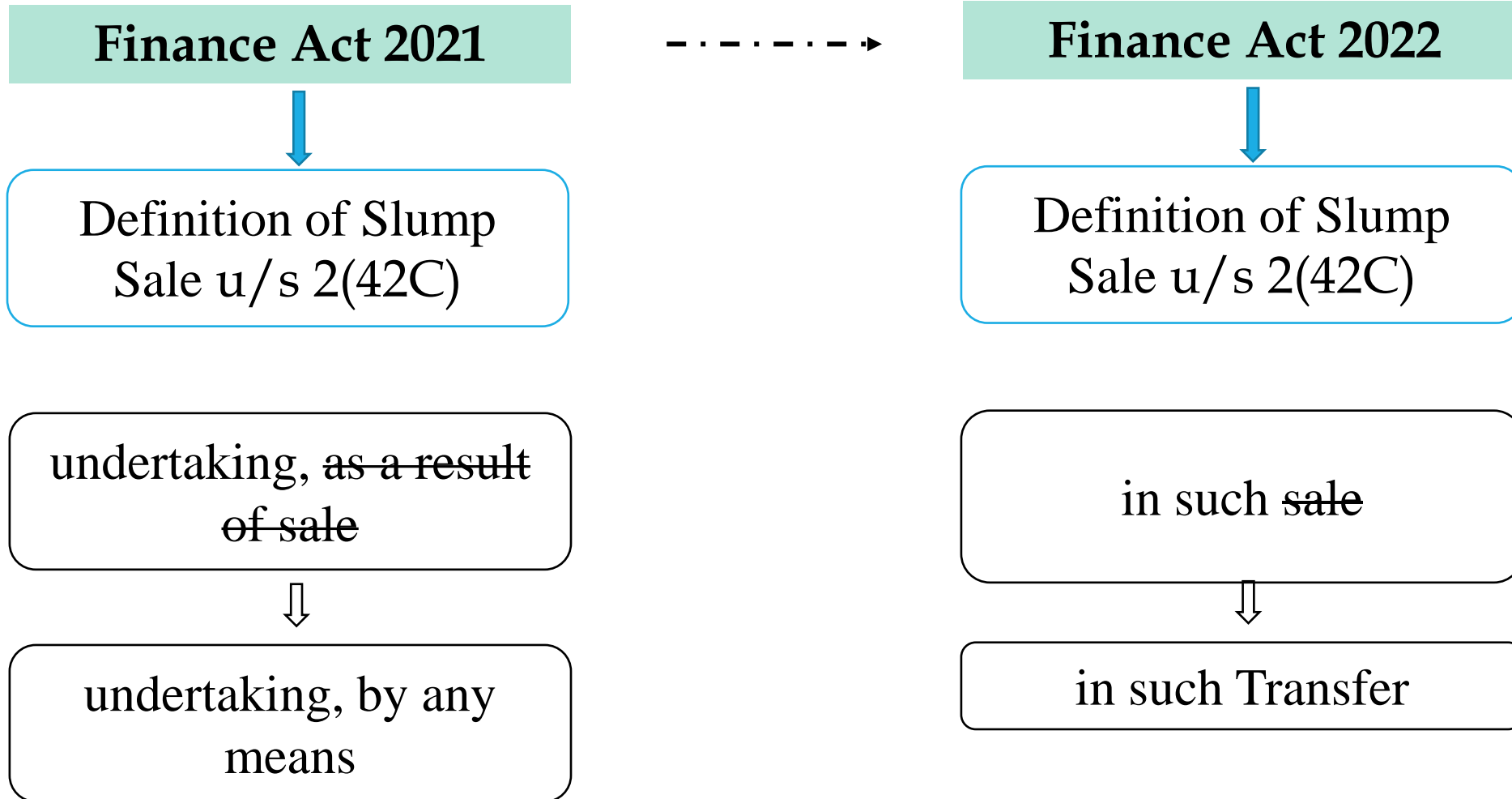
10(9)

➤ As a family member
of all the 3 above

Restricted upto
FY 2021-22.

Definition of Slump Sale

*w.r.e.f. 01.04.2021
(A.Y. 2021-22 onwards)*



PROPOSED CLARIFICATION

1. Change in title of the section-
 - a) Liability of directors of private company **in liquidation** → Liability of directors of private company.

2. Addition in Explanation-
 - a) Inclusion of fees in the term 'tax due'.

Section 35(1A): Scientific Research through Research Association

w.r.e.f. 01.04.2021

Existing Provision

Drafting Error: Deduction denied to Research Association for not filing the Statement of Donation



Proposed Change

Correction: Deduction denied to the Donor for not filing the Statement of Donation by Research Association

Search & Seizure - Others



Amendment in Section 132: Search and Seizure

w.e.f. 01.04.2022

Section
132(8)

- Books of account seized shall not be retained for exceeding 30 days from the date of the order of **assessment** u/s 153A(Assessment in case of search or requisition) or u/s 158BC(c)(Block Assessment)

Proposed
Provision

- It is proposed that this provision shall be applicable to an **order of assessment or reassessment or recomputation** made in a search case u/s 132(8) of IT Act.

Consequent
ial
Amendmen
t

- Is proposed u/s 132B (Application of seized or requisitioned assets.).

Amendment related to time limits



Various amendments to Section 153

**Time Limit for
Updated
Return**

**Nine months from the
end of F.Y. in which
the updated return is
furnished**



Amendment in explanation(1) of Section 153

Insertion of clause (xii)

- Exclusion of period (not exceeding 180 days) starting from the date on which search is initiated u/s 132 or requisition made u/s 132A and ending on the date on which the books of account, or any money, bullion , jewellery or other valuable article are handed over to the AO.

Amendment in Section 153B

w.e.f. 01.04.2021

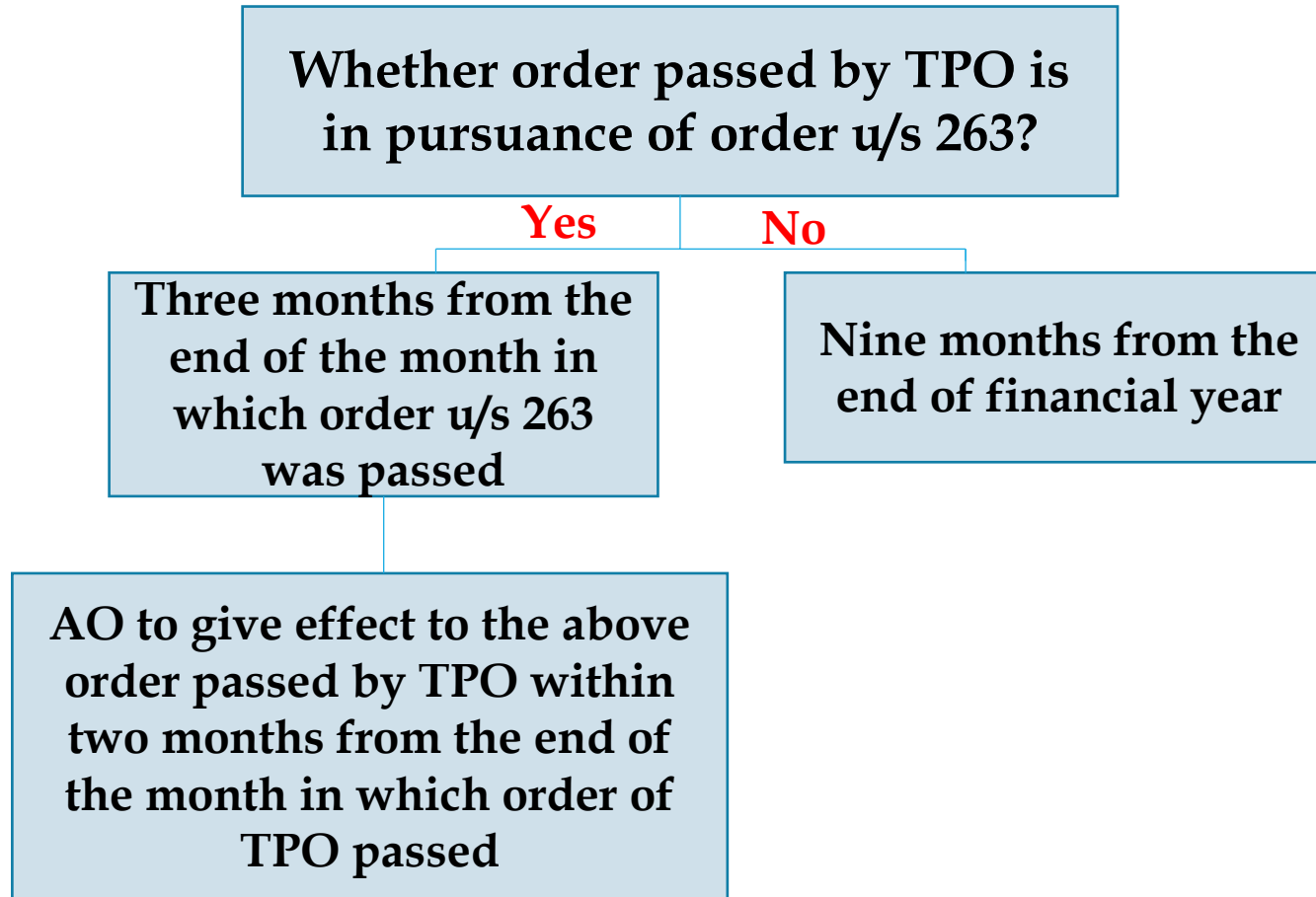
Sub-section (4)
inserted

- This Section shall not apply after if search is initiated u/s 132 or requisition made u/s 132A on or after 01.04.2021.

Inserted clause
(xi) under
Explanation

- Exclusion of period (not exceeding 180 days) starting from the date on which search is initiated u/s 132 or requisition made u/s 132A and ending on the date on which the books of account, or any money, bullion, jewellery or other valuable article are handed over to the AO.

Time limit w.r.t to Transfer Pricing Orders



Alignment of Provisions Related to Offences & Prosecutions



Alignment of Provisions Related to Offences & Prosecutions

W.e.f. 01.04.2022
(AY 2022-23 onwards).



Omission of Sections 269UC, 269UE and 269 UL

- Sunset Clause is proposed to be introduced to bar fresh proceedings u/s 276AB.

Omission of second proviso to Section 194B

- It is proposed to align the effect of the said omission in Section 276B.

Section 278A:
Punishment in case of
second & subsequent
Offences

- Earlier – Only in case of non payment of TDS.
- Proposed Amendment – To include non payment of TCS as well.

Section 278AA:
Exemption from
punishment imposed in
case of reasonable cause
for such failure.

- Earlier – Only in case of non payment of TDS.
- Proposed Amendment – To include non payment of TCS as well.

Expanding Ambit in Certain Sections



Expanding Ambit in Certain Sections

W.e.f. 01.04.2022
(AY 2022-23 onwards).

Section 119

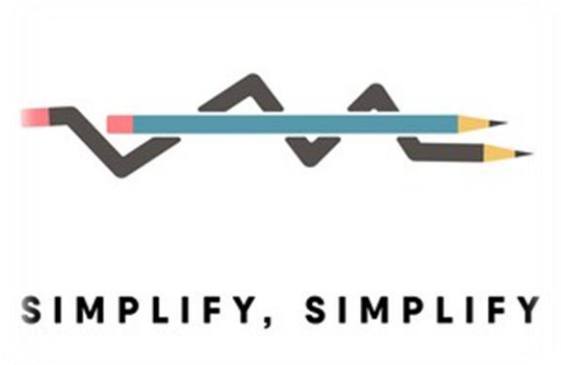
Waiver of late fees u/s 234F, if deemed fit by Board.

Section 133A

Inclusion of specified officers subordinate to Principal Director General or Director General or Principal Chief Commissioner or Chief Commissioner.

Amendments in Section 148A

- **Prior approval of specified authority not required** before providing an opportunity of being heard to the assessee.
- **Procedures before issuance of notice u/s 148 shall not apply** where information has been received under the faceless collection of information scheme notified u/s 135A.



Insertion of Section 148B

w.e.f. 01.04.2022

Order of Assessment/ Reassessment/ recomputation consequent to search, survey and requisition under the Act shall be passed by AO below the rank of **JC only after approval of AC/JC/AD/JD.**



DRC



Existing Provision Section 245MA

- Specified person are allowed to opt dispute resolution
- Does not contain enabling provision to enable AO to pass order giving effect to direction of DRC.

Proposed Amendment in Section 245MA

- New sub-section is proposed to be inserted to enable AO to pass an order giving effect to the direction of the DRC.
- Time Limit to pass order → 1 month of receipt of order

Consistency b/w 10(23C) and 12AA/AB



10(23C): Accumulation Provisions

01.04.2023

Explanation 3 inserted in **Section 10(23C)** for conditions to be fulfilled to comply with accumulation provisions-

- **Furnishes a statement** stating purpose and **period of accumulation** shall **not exceed 5 years**.
- Accumulated money invested in modes **u/s 11(5)**.
- Statement furnished **before due date u/s 139(1)**.

Computing 5 years - The period during which **accumulated income could not be applied**, due to an order or injunction of any court, shall be excluded.

1. Explanation 4 inserted in Section 10(23C) –

Income referred in proposed Explanation 3 shall be **deemed to be income of previous year** in which following takes place-

Income applied exclusively to the objects or , or ceases to be accumulated

Income ceases to remain invested in modes u/s 11(5)

Accumulated income not utilised for specified purpose

Income is credited or paid to any trust/Institution

1. **Explanation 5** inserted in **Section 10(23C) – Power** given to **AO** to allow trusts for circumstances beyond their control to apply such accumulated **income for such other purpose in India as is specified in the application**. However, purpose in conformity with objects.

Filing of return within due date for claiming exemption

Insertion of twentieth proviso to Section 10(23C)

→ In order to claim exemption u/s 10(23C), trust or institution is required to furnish **return of income within time allowed u/s 139(4C).**

Explanation to Section 10(23C)

- Application on actual payment
- irrespective of the year in which liability to pay arose as per the method of accounting employed by the trust.
- If already claimed on due basis then not allowed on payment

Prescribed Authority for Approval of Trust

Existing Provision

Reference to “Prescribed Authority”
in certain places in 10(23C)



Proposed Change

Reference to be of Principal
Commissioner or Commissioner

Incentives to Units in IFSC



Exemption on Royalty & Non-deliverable forward Contract

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Transfer Income

- Extension of Section 10(4F) proposed
- Providing exemption on Royalty Income of Non-Resident on lease of Ship
 - ✓ If paid by an unit located in IFSC & eligible to claim exemption u/s 80LA

Portfolio of Securities or Financial Products or Fund

- Extension of Section 10(4E) proposed
- Providing exemption to the income accrued or arisen, or received to a Non-resident on the transfer of Portfolio of Securities or Financial Products or Fund
 - ✓ If in account maintained with an Offshore Banking Unit in any IFSC

Exemption on Royalty & Non-deliverable forward Contract

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Insertion of
new clause
(4G) in
Section 10.

- Royalty Income from transfer of offshore derivative instruments or over the counter derivatives
- Entered into with an Offshore Banking Unit of an IFSC.

Amendment in Section 80LA for IFSC

*w.e.f. 01.04.2023
(A.Y. 2023-24 onwards)*

Existing Position

- Income from transfer of an asset being Aircraft which was leased by a unit of IFSC to any person.

Proposed Changes

- Income from transfer of an asset being Aircraft as well as Ship which was leased by a unit of IFSC to any person.

Exemption to Non-resident on Transfer of Shares

w.e.f. 01.04.2022
(A.Y. 2022-23 onwards)

- Amend Explanation to Section 56(viib)
- Specified fund shall also include Category I or a Category II Alternative Investment Fund which is regulated under IFSC Authority Act, 2019.
- Effect that the provisions of Section 56(viib) shall not be applicable on shares issued to such funds.

Proposed Amendment in GST.



**GST Collection
Touches Record of
Rs. 1.40 Lakhs Crore.**



Input Tax Credit



New Condition Inserted For Entitlement of ITC- 16(2)(ba)

W.e.f. date to be notified.

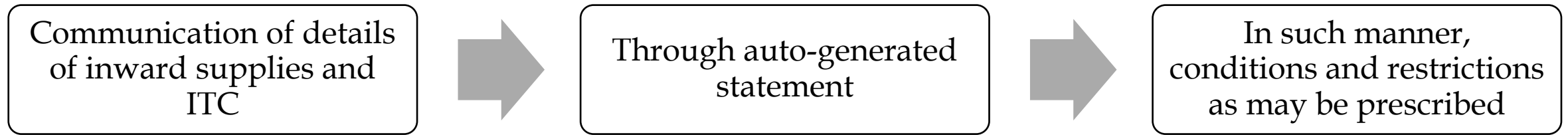
- It is proposed to insert new condition for Availment of ITC under Section 16(2) of CGST Act which provides that no registered person shall be entitled for ITC unless the details of ITC in respect of the said supply communicated to such registered person under Section 38 has not been restricted.
- A registered person is entitled for ITC of only so much of amount which is generated under the Section 38.

Section 38-Substituted



New Mode of Communication of Details of Inward Supplies and ITC

W.e.f. date to be notified.



- The auto-generated statement shall consist of following information:
 - details of inward supplies in respect of which ITC may be available to the recipient. And
 - details of supplies in respect of which ITC cannot be availed, whether wholly or partly, by the recipient due to the prescribed categories of suppliers such as :
 - new registration
 - default in payment of outward tax,
 - tax not paid as per return,
 - excess credit availed, etc.
 - defaulted in complying mandatory payment of tax liability in cash if applicable
 - other classes as may be prescribed

Section 42, 43 and 43A of CGST Act -Omitted



Two-Way Communication Process in Return Filing has been Proposed to be Eliminated

W.e.f. date to be notified.

- Section 42, 43 and 43A of CGST Act have been proposed to be omitted.
 - Section 42 provides for matching, reversal and reclaim of ITC.
 - Section 43 provides for matching, reversal and reclaim of reduction in output tax liability.
 - Section 43A procedure for furnishing return and availing ITC.
- Consequential amendments in Section 16(2)(c), Section 49(2), first proviso to Section 37(1), Section 37(2) and Section 39(9) of CGST Act has been proposed.
- Section 38 of CGST Act has been proposed to be substituted.

Furnishing Details of Outward Supplies (GSTR-1)



Furnishing details of Outward Supply- Section 37

W.e.f. date to be notified.

- Amended prescribes for such conditions and restrictions for furnishing details of outward supplies and for communicating such details to the recipient of the said supplies.
- It is proposed to extend time limit for rectification of errors of details in outward supplies details from ~~“furnishing of return under section 39 for the month September”~~ to “30th November” of the following financial year to which such detail pertains.
- New condition inserted for furnishing of details of outward supplies for any period which is details of outward supplies for previous tax periods has been furnished. However, the Government has been empowered to exempt the taxpayers from this restriction.



Modification in Time Limit for Availment of ITC- 16(4)

W.e.f. date to be notified.

- Time limit for claiming ITC has been delinked with due date of furnishing monthly return.

Existing Provision

- Time limit for taking ITC is the due date of furnishing monthly for the month of September following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.



Proposed Change

- New time limit is 30th day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Cancellation of Registration



Conditions for Cancellation of Registration Due to Non-Furnishing of Returns Amended

Existing Provision

Section 29 (2) (b) : A person paying tax under Section 10 has not furnished returns for **three consecutive tax periods**.

Section 29 (2) (c) : Any registered person other than (b) has not furnished return for a **continuous period of six months**.



Proposed Change

A person paying tax under Section 10 has not furnished return for F.Y. **beyond 3 months** from due date of return.

A person, other than section 10, has not furnished return for such **continuous tax period** as may be prescribed.

Availment of ITC



Availment of Input Tax Credit u/s 41

- As per existing law, every registered person shall be entitled to take eligible ITC on self-assessed basis and such amount is credited on a provisional basis to his electronic credit ledger.
- Section 41 of CGST Act has been proposed to be substituted to provide for Availment of self-assessed ITC and such amount shall be credit to electronic credit ledger without any provisional acceptance.
- The proposal amends the words “be entitled to take the credit of eligible input tax” with the words “be entitled to avail the credit of eligible input tax”.

Electronic Credit Ledger



Modification in Condition for Utilization of Amount Available in Electronic Credit Ledger

- It is proposed to introduce subsection (12) to New Section 49 to provide that the Government may specify such maximum proportion of output tax liability which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.

Electronic Cash Ledger



Amendments in Relation to Electronic Cash Ledger

- Section 49(10) has been proposed to be amended to allow transfer of amount available in electronic cash ledger under the CGST Act of a registered person to the electronic cash ledger for, integrated tax or central tax of a distinct person subject to a restriction that has such registered person does not have any unpaid liability in his electronic liability register.
- Section 54 of the CGST Act has been proposed to be amended to explicitly provide that refund of amount available in electronic cash ledger can be claimed in such form as may be prescribed.

Interest



- Interest u/s 50(3) on ITC wrongly aailed and *utilized*.

Existing Provision

A taxable person who makes an **undue or excess claim of input tax credit under sub-section (10) of section 42 or undue or excess reduction in output tax liability under sub-section (10) of section 43**, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate... ..



Proposed Change

Where the input tax credit has been **wrongly aailed and utilised**, the registered person shall pay interest on such input tax credit wrongly aailed and utilised, at such rate... ..

Supplies Made to a SEZ Developer or a SEZ Unit



Relevant Date for Refund Claim in Respect of Supplies Made to a SEZ Developer or a SEZ Unit

New Clause (ba) has been proposed to be inserted under Clause 2 to Explanation to Section 54 of CGST Act which provides a relevant date for filing refund claim in respect of supplies made to a SEZ developer or a SEZ unit.

In case of zero-rated supply of goods or services or both to a SEZ developer or a SEZ unit, the relevant date is the due date for furnishing of return under section 39 in respect of such supplies.

Miscellaneous Amendments



Miscellaneous Amendments

Credit Note

- Time limit extended for furnishing detail of credit note in monthly return. As per the proposed amendment, the details of credit note can be furnished in any monthly return falling before **30th November** following the end of the financial year in which such supply was made.

Non-Resident Taxable Person

- Non-resident taxable person shall furnish the return for a month within 13 days after the end of a calendar month or within seven days after the last day of the period of registration specified under Section 27(1), whichever is earlier. (20 days has been substituted with 13 days).

Miscellaneous Amendments

Option to make payment to the persons filing on quarterly basis

- Those registered persons who are furnishing return on quarterly basis under proviso to Section 39(1) shall pay to the Government either the self-assessed tax or in lieu of the self-assessed tax, an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.

GSTR-3B not possible without GSTR-1

- Furnishing of details of outward supplies of a tax period under Section 37(1) of CGST Act has been proposed as a condition for furnishing the return under section 39 for the said tax period. However, as per the proposed amendment, Government has been empowered to exempt the registered person from such restriction.

Miscellaneous Amendments

Late Fee

Proposed levy of late fee on delayed filing of return under section 52 (Collection of tax at source).

Refund

Persons notified under Section 55 of CGST Act (specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation, Consulate or Embassy of foreign countries), may make an application for refund of tax paid on inward supplies before the expiry of 2 years from the last day of the quarter in which such supply was received. Prior to amendment, the said time limit was 6 months.

Miscellaneous Amendments

Withholding of or recovery from Refund

- Section 54(10) has been proposed to be amended to extend the scope of withholding of or recovery from refunds. As per the existing law, it is only applicable on refund due under Section 54(3) of CGST Act. With the proposed amendment, refund can be withhold of or recovery from refund can be made in all cases.



Miscellaneous Amendments with Retrospective Effect



- Notification 9/2018- Central Tax dated 23.01.2018 has been proposed to be amended so as to notify www.gst.gov.in as the Common Goods and Services Tax Electronic Portal, for all functions provided under CGST Rules, other than those provided for e-way bill and for generation of invoices under Rule 48(4) of CGST Rules.

- Clarificatory amendment stating that service by way of grant of **alcoholic liquor license**, against consideration in the form of license fee or application fee or by whatever name it is called undertaken by the State Governments in which they are engaged as public authorities, shall be treated neither as a supply of goods nor a supply of service.
- However, this has been made subject to the condition that no refund shall be made of tax which has been collected, but which would not have been so collected, had the said notifications been in force at all material times.

Thank You !!

