

# NEWSLETTER

## AUGUST 2022

### VOL.29



**Covering Updates for the Month of July' 22**  
For private circulation and clients only

# CONTENTS

Direct Tax Updates

---

Company Law Updates

---

Accounting Updates

---

RBI Updates

---

FEMA Updates

---

GST Updates

---

Due dates of various compliances  
falling in the month of August 2022



# DIRECT TAX UPDATES

## Circulars & Notifications

### 1. Reduction of Time limit for verification of Income Tax Return (ITR) from within 120 days to 30 days for transmitting the data of ITR electronically.

**(C.B.D.T. Notification No. 05/2022 dated 29.07.2022)**

The CBDT vide circular No. 3/2009 dated 21-5-2009 notified the new Income Tax return (ITR) forms for the AY 2009-10 and provided that the date of transmitting the data electronically will be the date of furnishing the return if the form ITR-V is submitted within 30 days after the date of transmitting the data electronically. Later the CBDT extended the time-limit for filling ITR-V to 120 days from the date of uploading the return of income. (Press release dated in 27.01.2010).

It has been decided that in respect of any electronic transmission of return data on or after the date of this notification comes into effect i.e., on or after 01st August 2022, the time-limit for E-verification or submission of ITR-V shall now be 30 days from the date of transmitting/uploading the data of return of income electronically.

Where ITR data is electronically transmitted and e-verified/ITR-V submitted within 30 days of transmission of data – in such cases the date of transmitting the data electronically shall be considered as the date of furnishing the return of income.

Where ITR data is electronically transmitted but e-verified/ITR-V submitted beyond the time-limit of 30 days of transmission of data – in such cases the date of e-verification /ITR-V submission shall be treated as the date of furnishing the return of income and all the consequences of late filing of return under the Act shall follow.

It is also clarified that where the return data is electronically transmitted before the date on which this notification comes into effect, the earlier time limit of 120 days would continue to apply in respect of such returns.

### 2. Condonation of delay under Section 119(2)(b) of the Income Tax Act, 1961 in filling of Form No. 9A, 10, 10B and 10BB for the Assessment Year 2018-19 and subsequent year.

**(C.B.D.T. Circular No. 15/2022 dated 19.07.2022)**

**(C.B.D.T. Circular No. 16/2022 dated 19.07.2022)**

**(C.B.D.T. Circular No. 17/2022 dated 19.07.2022)**

In exercise of the powers conferred under section 119(2) of the Income Tax Act, 1961 the CBDT by circular No. 2/2020 [F.No. 197/55/2018-ITA-I] dated 03.01.2020 authorized the Commissioners of Income Tax to admit applications of condonation of delay in filling Form No. 9A, 10, 10B and 10BB for the AY 2018-19 or for any subsequent Assessment Years where there is delay of upto 365 days and decide on merits.

Further to powers delegated to Commissioners of Income-tax as discussed above, the CBDT hereby directs that where there is a delay of beyond 365 days upto three years in filing Form No. 9A, 10, 10B and 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Pr. Chief Commissioners of Income Tax/ Chief Commissioners of Income Tax are authorized to admit such applications of condonation of delay under section 119(2) of the Act and decide on merits.

The Pr. Chief Commissioner / Chief Commissioner of Income Tax, as the case may be, shall preferably dispose the application within 3 months of receipt of the application.



# COMPANY LAW UPDATES

## Spending CSR funds for “Har Ghar Tiranga” Campaign:

It is clarified that spending of CSR funds for the activities related to “Har Ghar Tiranga” campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities..

Notification can be accessed at:

<https://www.mca.gov.in/bin/dms/getdocument?mds=dXH1ziMu%252FmN%252BBSRLHN9evw%253D%253D&type=open>

## Launching first set of Company Forms on MCA21 V3 portal:

In continuous endeavour to serve better, the Ministry of Corporate Affairs is launching first set of Company Forms on MCA21 V3 portal. These forms will be launched on 31st Aug 2022 at 12:00 AM. Following forms will be rolled-out in this phase: DIR3-KYC Web, DIR3-KYC Eform, DPT-3, DPT-4, CHG-1, CHG-4, CHG-6, CHG-8 & CHG-9. To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- (1). Company e-Filings on V2 portal will be disabled from 15th Aug 2022 12:00 AM for the above 9 forms. All stakeholders are advised to ensure that there are no SRNs in pending payment and Resubmission status.
- (2). Online payments for the above 9 forms in V2 using Pay later option would be stopped from 07th Aug 2022 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).





# ACCOUNTING UPDATES

## A. EAC Opinion:

Expert Advisory Committee (EAC) of ICAI has provided an Opinion on Presentation of accrued interest in the Statement of Cash Flows

The relevant text of the Opinion is reproduced below:

“the Committee notes that in the case of entities (other than financial institutions), cash flows arising from interest received should be classified as cash flows from investing activities. Further, investing transactions (interest received in the extant case) that do not require use of cash or cash equivalents shall be excluded from the statement of cash flows. The Committee further notes that under indirect method of preparation of statement of cash flows, profit or loss is adjusted for the effects of items for which the cash effects are investing and then while presenting cash flows from investing activities, non-cash transactions are excluded.

In this context, the Committee notes that in the extant case, out of total interest income amounting to Rs. 2405.54 lakh, net accrued interest for the reporting period is Rs. 160.79 lakh, which is a non-cash transaction, i.e. not received in the form of cash or cash equivalent. Therefore, this portion of accrued interest which is non-cash should be excluded from the cash flows from investing activities while presenting the statement of cash flows as there is no cash inflow during the current reporting period. However, under indirect method, while adjusting the profit or loss for the effects of items for which cash effects are investing, the amount to be adjusted would be total interest income during the reporting period (i.e. including accrued interest) as the total effect of the investing transaction is to be nullified from the net profit under the cash flows from operating activity. Accordingly, on the basis of above-mentioned requirements, the Committee is of the view that the inclusion of accrued interest amounting to Rs. 160.79 lakh, under the cash flows from investing activities in the statement of cash flows of the Corporation, is not correct.”

EAC Opinion can be accessed at:

<https://resource.cdn.icaai.org/71104cajournal-august2022-9.pdf>



# RBI UPDATES

## 1. Fully Accessible Route (“FAR”) for investment by Non-Residents in specified government securities:

The government under its mission to liberalize foreign inflows have decided to include following specified securities under the FAR for investments in government securities by Non-Residents in addition to certain securities which were already specified under FAR in March 2020. Going forward, new issuance of 7 year and 14 year Tenure securities would also be covered under the FAR.

Table: Additional ‘specified securities’ under the Fully Accessible Route		
Sr. No.	ISIN	Security
1	IN0020220011	7.10% GS 2029
2	IN0020220029	7.54% GS 2036

Notification dated 7th July, 2022

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12354&Mode=0>

## 2. Relaxations in investment by Foreign Portfolio Investors (“FPI”) in Debt:

In terms of paragraphs 4(b)(i) and 4(b)(ii) of the Directions, short-term investments by an FPI in government securities (Central Government securities, including Treasury Bills and State Development Loans) and corporate bonds shall not exceed 30% of the total investment of that FPI in any category. It has been decided that investments by FPIs in government securities and corporate bonds made between July 08, 2022 and October 31, 2022 (both dates included) shall be exempted from the limit on short-term investments till maturity or sale of such investments.

In terms of paragraph 4(b)(ii) of the Directions, FPI investments in corporate bonds were subject to a minimum residual maturity requirement of one year. It has been decided to allow FPIs to invest in commercial papers and non-convertible debentures with an original maturity of up to one year, during the period between July 08, 2022 and October 31, 2022 (both dates included). These investments shall be exempted from the limit on short-term investments till maturity or sale of such investments.

Notification dated 7th July, 2022

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12355&Mode=0>

## 3. International Trade Settlement in INR:

In order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, it has been decided to put in place an additional arrangement for invoicing, payment, and settlement of exports / imports in INR. Before putting in place this mechanism, AD banks shall require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai.

The broad framework for cross border trade transactions in INR under Foreign Exchange Management Act, 1999 (FEMA) is as delineated below:

- Invoicing: All exports and imports under this arrangement may be denominated and invoiced in Rupee (INR).
- Exchange Rate: Exchange rate between the currencies of the two trading partner countries may be market determined.
- Settlement: The settlement of trade transactions under this arrangement shall take place in INR in accordance with the laid down procedure.

For detailed framework, refer notification dated 11th July, 2022

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12358&Mode=0>



## FEMA UPDATES

### International Trade Settlement in Indian Rupees (INR)

In order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, it has been decided to put in place an additional arrangement for invoicing, payment, and settlement of exports / imports in INR. The authorised dealers have been permitted to open, after prior approval from the RBI, rupee Vostro accounts. The special rupee Vostro account would be opened in the corresponding banks of the partner trading country.

For settlement, Indian importers undertaking imports would make payment in Indian rupee. This would be credited into the special account of the corresponding bank against invoices of the overseas supplier.

In the case of exporters, the export proceeds would be paid in Indian rupee from the balance of the designated special Vostro account of the corresponding bank of the partner country.

The circular also significantly permits the set-off of export receivables against import payables in respect of the same overseas buyer and supplier.

[https://www.rbi.org.in/scripts/FS\\_Notification.aspx?Id=12358&fn=5&Mode=0](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12358&fn=5&Mode=0)

### Reserve Bank of India - Notifications

April 14, 2015 Dear All Welcome to the refurbished site of the Reserve Bank of India. The two most important features of the site are: One, in addition to the default site, the refurbished site also has all the information bifurcated functionwise; two, a much improved search – well, at least we think so but you be the judge.

[www.rbi.org.in](http://www.rbi.org.in)





## GST UPDATES

### Note on applicability of e-invoice from 01/10/2022 for taxpayers having aggregate turnover exceeding Rs. 10 crore.

The GST Council, in its 37th meeting held on 20.09.2019, has recommended the introduction of electronic invoice ('e-invoice') in GST in a phased manner. E-invoicing was initially made applicable w.e.f 01.10.2020 for the registered person having aggregate turnover of Rs. 500 crore and above only.

Since then, aggregate turnover is being reduced in a phased manner so as to cover maximum taxpayers under the e-invoicing in following manner:

Phases	Applicable to taxpayers having aggregate turnover of more than	With effect from	Notification No
1	Rs. 500 Crore	01/10/2020	Notification No. 61/2020- Central Tax dated 30.07.2020
2	Rs. 100 Crore	01/01/2021	Notification No. 88/2020–Central Tax dated 10.11.2020
3	Rs. 50 Crore	01/04/2021	Notification No. 05/2021–Central Tax dated 08.03.2021
4	Rs. 20 Crore	01/04/2022	Notification No. 01/2022- Central Tax dated 24.02.2022
5	Rs. 10 Crore	01/10/2022	Notification No. 17/2022–Central Tax dated 01.08.2022

#### Notes:

- E-invoicing provisions are applicable when the stated aggregate turnover threshold limits crosses in any of previous financial year(s) starting from FY 2017-18. Thus, aggregate turnover limit of current financial year is not to be considered.
- Certain Entities are not required to generate e-invoicing even though their annual aggregate turnover crosses specified limit viz. SEZ units (not developer), insurer or banking company or financial institution, Goods Transport Agency, passenger transport service provider and invoicing in case of services by way of admission to exhibition of cinematograph films in multiplex screens, a government department, a local authority.
- E-invoicing is applicable only for B2B Taxable Supplies of goods or services or both, debit note/ credit note, exports.
- E-invoicing is not Applicable for B2C Supplies, Exempted Supplies (Bill of Supply), Receipt Voucher (on advance received for supply of services), Refund Voucher (Refund of advance money received), Payment Voucher & Self-Invoice (for RCM liability received from unregistered person), ISD Invoice.



# DUE DATES

## Due dates of various compliances falling in the month of August 2022

S.No	Due Date	Act/Authority	Compliance Description
1.	07/08/2022	GujRera	In case of projects whose dynamic quarter completes in July, 2022
2.	07/08/2022	Income Tax	Deposit of Tax Deducted at Source (TDS) / Tax Collected at source (TCS) during the month of July-2022
3.	10/08/2022	GST	GSTR-7 for the month of July-2022 for persons required to deduct TDS
4.	10/08/2022	GST	GSTR-8 for the month of July-2022 for e-commerce operator required to Collect TCS
5.	11/08/2022	GST	GSTR-1 for the month of July-2022 for taxpayers having turnover more than Rs. 5 crores or opted to file Monthly Return
6.	13/08/2022	GST	Filing of Invoice Furnishing Facility (IFF) for July- 2022 for taxpayers who opted for Quarterly Return Monthly Payment (QRMP) option
7.	13/08/2022	GST	GSTR-6 for the month of July-2022 for Input Service Distributor
8.	15/08/2022	PF/ESIC	Payment of PF / ESIC for the month of July 2022
9.	20/08/2022	GST	Payment of GST & Filing of GSTR-3B for the month of July-2022, for taxpayers having turnover of more than Rs.5 Crore in preceding financial Year
10.	20/08/2022	GST	GSTR-5 & 5A by Non-resident taxable person & OIDAR for the month of July - 2022
11.	25/08/2022	GST	Payment of GST in form GST PMT-06 for the month of July-2022 for taxpayers who opted for Quarterly Return Monthly payment(QRMP) Option
12.	30/08/2022	Income Tax	Furnishing of challan-cum statement of tax deducted under 194-IA,194-IB and 194M in the month of July-2022

## **Manubhai & Shah LLP**

Chartered Accountants

### **CORPORATE OFFICE**

G-4, Capstone, Opp. Chirag Motors,  
Gujarat College Road, Ellisbridge,  
Ahmedabad - 380 006, Gujarat, India.  
Phone : +91 79 2647 0000  
Email : [info@msglobal.co.in](mailto:info@msglobal.co.in)

### **MUMBAI OFFICE**

3C Maker Bhavan No II,  
18, New Marine Lines,  
Mumbai - 400 020, Maharashtra, India.  
Phone : +91 22 6633 3668/59/60  
Fax : +91 22 6633 3561  
Email : [infomumbai@msglobal.co.in](mailto:infomumbai@msglobal.co.in)

Unit No-. 502,  
5th Floor, Modi House,  
Bajaj Cross Road, Kandivali (West),  
Mumbai - 400 067,  
Maharashtra, India,

### **NEW DELHI OFFICE**

G-63, SFS, Gaurav Apartments,  
New Delhi – 110 017  
Phone : +91 98187 84187

### **KNOWLEDGE PROCESSING CENTRE**

2nd Floor, "D" Wing,  
Shivalik Corporate Park,  
Behind IOC Petrol Pump,  
132ft. Ring Road, Satellite,  
Ahmedabad - 380 015, Gujarat, India.

13th Floor, A Block,  
Ratnakar Nine Square,  
Opp. Keshav Baug party Plot,  
Mansi Road, Vastrapur,  
Ahmedabad - 380 015, Gujarat, India.

### **BRANCHES**

RAJKOT | JAMNAGAR | BARODA | UDAIPUR | GANDHINAGAR

Manubhai & Shah LLP, a Limited Liability  
Partnership with LLP identity No. AAG-0878.

