

MONTHLY NEWSLETTER

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S M L & ASSOCIATES,
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Getting Started

By Partners

Greetings to All!

We extend our gratitude for your responses about our monthly newsletter and here it is for the month of July'22!

As soon as the new month starts, the businesses need to start planning for the whole month in advance. Specially when it comes to the compliances related to Income Tax Filing, GST Filing and Company and LLP Annual Filing, it is always advisable that the businesses and companies know their due dates well in advance so that there is little chance of missing the deadline.

Here, we have prepared a Compliance Calendar for Tax and Statutory Due Dates for July 2022, that includes Compliance Calendar for GST due dates of July 2022 and Compliance Calendar for Income Tax Return due dates for the month of July, 2022.

Why worry around due dates now! Check our newsletter, make a **well-planned first month of Second Quarter of F.Y.2022-23** and enjoy this month with **100% Compliance!**



194 R – NEW SECTION APPLICABLE FROM 01/07/2022

By CA. M. Maalan Bharathi (Managing Partner)

INTRODUCTION:

Main source of revenue for government is in form of tax. In past couple of years direct tax collection have increased consistently 20% year on year. Direct tax can be collected on various means, for example it can be collected as advance tax, self-assessment tax and importantly as TDS i.e., Tax deducted at source. The currently government is concentrating more on TDS and trying to bring majority of people under the TDS compliance. Because in TDS the onus to pay tax is on the person who meets out the expenses. It is hard for government to identify the person who earns, but easy to withhold the person who spends. To tighten the compliance more, a new section 194 R is applicable from 01/07/2022. In this article lets get a overview of it.

ABSTRACT OF 194 R:

Any person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession, by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent of the value or aggregate of value of such benefit or perquisite:

DECODING OF THE SECTION:

From the above provision the applicability of TDS is triggered only when both the benefit provider and beneficiary is a resident as per Income Tax.

The second important point to note in the above definition is the words "From business or the exercise of a profession" based on the above words we can conclude that section 194 R would be triggered when a transaction takes place but only on purely business or professional perspective.

The rate of TDS is **prescribed @ 10%** and TDS needs to be deducted only when the value or aggregate of value of the benefit or perquisites **exceeds Rs. 20,000/- during the year.**

Again, there is relief to small businesses in the means of applicability. This section is applicable only when the turnover of the business exceeds **Rs. 1 crore** in the immediately preceding financial year and turnover of the business exceeds **Rs. 50 Lakhs** in the preceding financial year.



TAX DEDUCTION AT SOURCE

HOW TO COMPUTE THE VALUE:

The CBDT has clarified that the valuation would be based on **fair market value** of the benefit or perquisite except in following cases:-

- The benefit/perquisite provider has purchased the benefit/perquisite before providing it to the recipient. In that case, the purchase price shall be the value for such benefit/perquisite.
- The benefit/perquisite provider manufactures such items given as benefit/perquisite, then the price that it charges to its customers for such items shall be the value for such benefit/perquisite.

CONCLUSION:

Indian government is always criticized for higher tax rates when compared to other nations. Just imagine a country with population of 138 crores has been run by the revenue from 8 crore people. Yes nearly 8 crore people file tax return as per the latest statistics. In the forthcoming year we can expect government to introduce and implement few more new sections to deduct tax at source to bring the larger part of population under tax bracket.

For FAQ's on section 194R you can refer circular no. 12 of 2022 dt. 16th June 2022 or the following link <https://www.incometaxindia.gov.in/communications/circular/circular-no-12-2022.pdf>

DUE DATES FOR GST RETURNS - JULY ' 22

DUE DATE	FORM TO BE FILED	PERIOD	WHO SHOULD FILE?
10.07.2022	GSTR 7	June 2022	GSTR 7 is a return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST
	GSTR 8	June 2022	GSTR-8 is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST
11.07.2022	GSTR 1	June 2022	Taxpayers having an aggregate turnover of more than Rs. 1.50 Crores or opted to file Monthly Return
13.07.2022	GSTR 1 (QRMP)	April to June 2022	GST return for the taxpayers who opted for QRMP scheme
	GSTR 6	June 2022	Input Service Distributors
18.07.2022 (Extended from July 18 to July 30, 2022)	CMP-08	April to June 2022	Due date for opting for composition scheme for the quarter April to June
20.07.2022	GSTR 5 & 5A	June 2022	Non-Resident Taxpayers and ODIAR services provider
	GSTR 3B	June 2022	The due date for GSTR-3B having an Annual Turnover of more than 5 Crores

DUE DATES FOR LLP ANNUAL FILING - JULY'22

NATURE OF ENTITY	DUE DATE	FORM TO BE FILED	PERIOD	WHO SHOULD FILE?
LLP	15.07.2022 (extended from 30.06.2022)	Form 11	FY 2021-22	An annual statement for submitting details of the business of the LLP and its partners for the FY 2021-22

DUE DATES FOR INCOME TAX COMPLIANCE / PF / ESI - JULY 2022

07.07.2022	Challan No. ITNS-281	June 2021	Payment of TDS/TCS deducted /collected in June 2022.
	Deposit of TDS	April to June 2022	Due date for deposit of TDS for the period April 2022 to June 2022 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
15.07.2022	TDS Certificate	May 2022	Due date for issue of TDS Certificate for tax deducted under Section 194IA in the month of May, 2022
	TDS Certificate	May 2022	Due date for issue of TDS Certificate for tax deducted under Section 194IB in the month of May, 2022
	TDS Certificate	May 2022	Due date for issue of TDS Certificate for tax deducted under Section 194M in the month of May, 2022
	Form 15CC	April to June 2022	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2022
	Statement of TCS	April to June 2022	Quarterly statement of TCS deposited for the quarter ending 30 June, 2022
	Form 15G/15H	April to June 2022	Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2022
	Form No. 3BB	June 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 June, 2022
	Electronic Challan cum Return (ECR) (PF)	June 2022	E-payment of Provident Fund

15.07.2022	ESI Challan	June 2022	ESI payment
30.07.2022	TDS Challan-cum-statement	June 2022	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194 IB, 194M
	Quarterly TCS Certificate	April to June 2022	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2022
31.07.2022	Quarterly TDS Statement	April to June 2022	Quarterly statement of TDS deposited for the quarter ending June 30, 2022
	ITR filing	FY 2021-22	ITR filing for non audit cases and who have not entered into any international or specified domestic transaction
	Non-TDS Return by banking company	April to June 2022	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2022
	Form no. 67	FY 2021-22	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2021-22 and of foreign tax deducted or paid on such income in Form no. 67.
	Statement under rules 5D, 5E & 5F	IF ITR is filed on 31.07.2022	Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2022)
	Form No. 9A	IF ITR is filed on 31.07.2022	Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2022)
	Form No. 10	IF ITR is filed on 31.07.2022	Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on or before July 31, 2022)
	Form No. 10BBB	April to June 2022	Intimation in Form 10BBB by a pension fund in respect of each investment made in India for quarter ending June, 2022

SOME OF THE KEY HIGHLIGHTS OF 47th GST COUNCIL MEETING:

Relief for E commerce Suppliers

1. The GST Council decided to remove compliance obstacles for online retailers.
2. It made registration easier for e-commerce suppliers and helped them pay less in taxes by allowing them to register under the composition system for intrastate supplies.
3. Once the IT system is in place, the new composition scheme for e-commerce suppliers for intrastate online sales will be put into effect on January 1st, 2023.
4. It means that these intrastate e-commerce vendors will no longer be required to register for mandatory GST if their annual revenue does not surpass the lower limitations established for particular states/UTs, which are Rs. 40 lakh for commodities and Rs. 20 lakh for services.
5. Regardless of turnover, interstate providers using e-commerce platforms are obligated to register.

GST Council approved GSTR-3B modifications

1. The GST Council approved GSTR-3B modifications (Monthly GST return for taxpayers).
2. For improved compliance and ease of compliance, it allowed auto-population of the majority of details in Form GSTR-3B and annual returns in Form GSTR-9.
3. The new GST return system would be discontinued since it is no longer necessary, the Council stated clearly.
4. A proposal for extensive changes to GSTR-3B will be made available to the public for comment.

Relaxation in GSTR 9

1. It will still be applicable with a few adjustments and easings.
2. For the remainder of FY 2021-2022, those having threshold turnovers below Rs. 2 crore are still exempt from filing GSTR-9 and GSTR-9A.
3. The deadline for issuing decisions relating to claims tied to the annual return due date under Section 73 of the CGST Act for FY 2017-18 has been extended until September 30, 2023.

Due date extension for GSTR 4

1. Instead of the former extension of up to 30 June 2022, GSTR-4 for FY 2021-22 will now receive a waiver of the late charge for submitting until July 28, 2022.
2. The CMP-08 deadline for April-June 2022 (Q1 of FY 2022-23) has been extended from July 18-July 30, 2022.