

MONTHLY NEWSLETTER

MARCH 2022
Volume II Issue 3

S M L & ASSOCIATES,
COIMBATORE
www.smlassociates.in

Greetings to All!

S M B & ASSOCATES is now S M L & ASSOCIATES!

And we also welcome on board Mr. Ashwath & Mrs. Chithra who are joining with us on our professional journey in providing the services with quality.

We are pleased to announce the opening of our **new branches** at Madurai & Bangalore in view of the satisfying increasing demand of our customers and to deliver prompt and speedy service to all our patrons. We thank you for your continued support and business and look forward to your patronage in the future also. The staff and management of S M L & ASSOCIATES forever endeavors to serve you better.



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Getting Started

By Partners

Greetings to All!

We extend our gratitude for the response on our monthly newsletter and here it is for the month of March'22!

Being the last month for the financial year, March is a significant month from the point of view of the tax compliance and other statutory due dates for ROC Reporting, GST Return Filings, and Income Tax Filing as it is the last month of the fiscal year.

Every registered business and professional can benefit from tax compliance and statutory compliance calendar to ensure that they are prepared for compliance well in advance.

Why worry around due dates now! Check our newsletter, make a **Well-Planned March**, and Enjoy **this month with 100% Compliance!**

“UPATED RETURNS” IN INCOME-TAX

~By CA. A. Lakshmanan

BACKGROUND:

- Union Budget, 2022 proposes to provide an opportunity to tax payers to correct omissions or errors by filing "Updated Return" within 2 years from the end of relevant assessment year along with additional payment of tax and incidental interest.
- The objective of introducing this facility is to promote voluntary tax compliance and reduce litigation.

EXISTING FILING OPTIONS:

- Let's consider AY 2022-23 as an example, the due date for filing ITR will be -
 - ORIGINAL RETURNS: 31/07/2022 → for “Non-Corporate Assessee without Tax Audit” → (u/s 139(1))
 - ORIGINAL RETURNS: 31/10/2022 → for “Corporate Assessee” & “Non-Corporate Assess with Tax Audit” → (u/s 139(1))
 - BELATED / REVISED RETURNS: 31/12/2022 → for both the above → (u/s 139(4)/139(5))
- As per the position before Union Budget 2022, ITR cannot be filed/revised after 31/12/2022

NEW FILING OPTION – UPDATED RETURN u/s 139(8A):

- Now, as per the Union Budget 2022, “Updated Returns” can be filed within 2 years from the end of relevant assessment year. So, for AY 2022-23, the time limit available to file will be:
 - UPDATED RETURNS: 31/03/2025 → i.e. 2 years from the end of relevant A.Y. (31/03/2023)
- Updated Returns can be filed even if Original Returns are not filed.
- The additional Tax to be paid is dealt u/s 140B

WHEN AN ASSESSEE CANNOT FILE UPDATED RETURNS:

- If updated returns
 - is a “Return of Loss”
 - has the effect of decreasing the total tax liability
 - has the effect of increasing the refund

(In nutshell, the facility provided to taxpayers can be availed only if additional tax revenue is generated by the department. The objective here is the taxpayer can voluntarily disclose the errors or omissions in the ITR in order to be free from future litigation)

- If any proceeding for assessment, reassessment and/or revision is **pending** or same is **completed** u/s 143(2) or 147 or 263 for any AY.
- The Taxpayer is **not permitted to revise** an Updated ITR filed u/s 139(8A).
- If search u/s 132 or any books of accounts, assets have been requisitioned u/ 132A has been initiated

in case of any person.

- If any survey u/s 133A has been conducted in his case.
- Notice u/s 153C has been issued in case of such person in consequence to any search u/s 132 or requisitioned u/s 132A initiated in case of any third party prior to 1st April 2021.
- Notice u/s 148 has been issued in his case in consequence to search u/s 132 on or after 1st April 2021 in case of third party.

(In above four cases, the Taxpayer is not eligible to file an Updated ITR for block of 3 AYs covered by the provision of section 148 (New Regime))

- If any of the following information is in possession of the AO which is communicated to the Taxpayer prior to filing of an Updated ITR
 - Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act 1988,
 - Prevention of Money - Laundering Act, 2002, or
 - The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act 2015
- Any information is received u/s 90 or 90A of the ITA which is also communicated to the Taxpayer prior to filing an Updated ITR
- If any prosecution proceeding has been initiated against such person under Chapter XXII
- Any other class of person that may notified by the Central Government in future

ADDITIONAL TAX:

- If the Updated Return is filed after 9 months from the end of financial year but within 12 months from the end of relevant assessment year, then additional tax shall be equal to 25% of aggregate of tax and interest payable.
- If the Income Tax Return is filed after 12 months from the end of relevant assessment year but before 24 months from the end of relevant assessment year, then additional tax shall be equal to 50% of aggregate of tax and interest payable.
- Let's take AY 2022-23 for example, therefore
 - 9 months from end of F.Y. → 01/01/2023
 - 12 months from end of relevant A.Y. → 31/03/2024
 - 24 months from end of relevant A.Y. → 31/03/2025
 - Hence, additional tax needed to be paid if updated returns is filed within:
 - 01/01/2023 to 31/03/2024 → 25% of Additional (Tax + Interest)
 - 01/04/2024 to 31/03/2025 → 50% of Additional (Tax + Interest)
- Additional fees u/s 234F on Updated ITR
 - If an ITR has been filed u/s 139(1), then no fees is payable along with an Updated ITR.
 - If no ITR has been filed, additional fees of Rs.5,000 shall be payable.

ILLUSTRATION:

- Let us assume as assessee has filed Original ITR for AY 2022-23 w/i due date and tax payable was ₹3,90,000 with the following break-up:
 - TDS Credit → ₹1,40,000
 - Advance Tax Credit → ₹2,10,000
 - Self-Assessment tax paid → ₹40,000
- After the end of relevant A.Y, the assessee found certain omissions and hence decided to file Updated Returns wherein the tax payable as per updated returns is ₹5,00,000 (i.e., an increase of ₹1,10,000)
- ∴ Additional Tax Payable calculation is as follows:

Particulars	Original ITR is filed & Updated ITR is filed w/i 12 months	Original ITR is filed & Updated ITR is filed beyond 12 months but w/i 24 months
TAX PAYABLE AS PER UPDATED RETURNS		
Amount of Tax Payable as per Updated Return (w/o considering Additional Tax u/s 140B(3))	5,00,000.00	5,00,000.00
<u>Add:</u> Interest Payable	50,000.00	80,000.00
<u>Add:</u> Late Fee Payable	-	-
TOTAL TAX PAYABLE in UPDATED RETURNS [A]	5,50,000.00	5,80,000.00
DEDUCTIONS ALLOWED AS PER 140B		
<u>Add:</u> Following Amounts as per Original Returns		
→ Self-Assessment Tax considered u/s 140A	40,000.00	40,000.00
→ TDS or TCS Credit on Entire Income	1,40,000.00	1,40,000.00
→ Advance Tax Credit	2,10,000.00	2,10,000.00
→ Tax Relief claimed u/s 89/90/91/90A	-	-
→ Tax Credit Claimed, to be set off as per provisions of 115JAA or 115JD	-	-
<u>Less:</u> Amount of Refund already issued	-	-
TOTAL DEDUCTIONS as per 140B [B]	3,90,000.00	3,90,000.00
INCREASED TAX AMOUNT & ADDITIONAL TAX		
Amount on which Additional Tax is payable u/s 140B(3) [C = A-B]	1,60,000.00	1,90,000.00
Additional Tax [D]	40,000.00	95,000.00
	(1,60,000 * 25%)	(1,90,000 * 50%)
∴ Total Tax Payable u/s 140B (C+D)	2,00,000.00	2,85,000.00

DUE DATES FOR GST RETURNS - FEBRUARY' 22

DUE DATE	FORM TO BE FILED	PERIOD	WHO SHOULD FILE?
10.03.2022	GSTR 7	Feb-22	GSTR 7 is a return to be filed by the persons who are required to deduct TDS (Tax deducted at source) under GST
10.03.2022	GSTR 8	Feb-22	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
11.03.2022	GSTR 1	Feb-22	Taxpayers have an aggregate turnover of more than Rs. 5 Crores or opted to file Monthly Return
13.03.2022	GSTR 1 IFF	Feb-22	Opted for quarterly filing as per QRMP Scheme
13.03.2022	GSTR 6	Feb-22	Input Service Distributors
20.03.2022	GSTR 5 & 5A	Feb-22	Non-Resident Taxpayers and ODIAR services provider
20.03.2022	GSTR 3B	Feb-22	The due date for GSTR-3B having an Annual Turnover of more than 5 Crores
20.03.2022	GST Challan Payment	Feb-22	If you don't have enough ITC for February, you'll have to pay a GST challan (for all Quarterly Filers).

DUE DATES UNDER COMPANIES ACT - MARCH' 22

DUE DATE	FORM TO BE FILED	PERIOD	WHO SHOULD FILE?
15.03.2022	Form AOC 4 (CFS, XBRL, Non-XBRL)	FY 2020-21	Form AOC 4 filing by Companies (The deadline for submitting the Form was previously set for February 15, 2022, but it has been extended to March 15, 2022.)
31.03.2022	Form MGT 7/ 7A	FY 2020-21	Form MGT 7A filing by Companies and One Person Company (The deadline for submitting the Form was previously set for February 28, 2022, but it has been extended to March 31, 2022.)

**DUE DATES FOR INCOME TAX COMPLIANCE / PF / ESI -
MARCH 2022**

02.03.2022	TDS Certificate	Jan-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IA is in January 2022.
02.03.2022	TDS Certificate	Jan-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IB is in January 2022.
02.03.2022	TDS Certificate	Jan-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194M is in January 2022.
07.03.2022	TDS/TCS	Feb-22	Deposit of tax deducted/collected for February 2022 is due on this day. All sums deducted/collected by a government office, however, must be paid to the Central Government's credit on the same day that tax is paid without the provision of an Income-tax Challan.
15.03.2022	Advance Tax	AY 2022-23	Fourth Instalment of advance tax for the Assessment Year 2022-23.
15.03.2022	Section 44AD/44ADA	AY 2022-23	The due date for assesses is covered by the presumed scheme of section 44AD / 44ADA to pay the entire amount of advance tax for the assessment year 2022-23.
15.03.2022	Return of Income	AY 2021-22	If the assessee is (a) a corporate assessee or (b) a non-corporate assessee (whose books of account are required to be audited) or (c) a partner of a firm whose accounts are required to be audited or the spouse of such a partner if the provisions of section 5A apply, the due date for filing a return of income for the assessment year 2021-22 is.
15.03.2022	Report under section 92E	Ay 2021-22	Return of income for the assessment year 2021-22, if an assessee is required to file a report under section 92E relating to an overseas or defined domestic transaction.
15.03.2022	PF	Feb-22	Due Date for the payment of PF contribution

15.03.2022	ESI	Feb-22	Due Date for the payment of Employee State Insurance Contributions
17.03.2022	Section 194-IA	Jan-22	In January 2022, the TDS Certificate for tax deducted under section 194-IA is due.
17.03.2022	Section 194-IB	Jan-22	In January 2022, the TDS Certificate for tax deducted under section 194-IB is due.
17.03.2022	Section 194M	Jan-22	In January 2022, the TDS Certificate for tax deducted under section 194M is due.
25.03.2022	PF Return	Feb-22	Every month, all entities with PF registration must file a provident fund return. Each month's PF return is due on the 25th.
30.03.2022	TDS under Section 194-IA	Feb-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IA is in February 2022.
30.03.2022	TDS under Section 194-IB	Feb-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IB is in February 2022.
30.03.2022	TDS under Section 194M	Feb-22	The deadline for submitting a challan-cum-statement for tax deducted under section 194M is in February 2022.
31.03.2022	Aadhar number and PAN	-	The due date for linking PAN and Aadhar number information.
31.03.2022	Form 10A	-	Application for registration/provisional registration/intimation/approval/provisional approval of Trusts, institutions, or Research Associations, etc., in Form 10A. (which was required to be filed on or before 30-06-2021)
31.03.2022	Form 10AB	-	Application in Form 10AB for conversion of provisional registration to regular registration or renewal of registration/approval after five years of registration/approval of Trust, institution, etc. (which was due on or before February 28,2022).

31.03.2022	Form no. 3CEAD	FY 2020-21	A parent entity or alternate reporting entity, resident in India, must submit a Country by Country report in Form 3CEAD for the prior year 2020-21 in respect of the multinational group of which it is a constituent.
31.03.2022	Form no. 3CEAD	The accounting Year 2020-21	A constituent entity, resident in India, must file a Country-By-Country Report in Form Number 3CEAD for a reporting accounting year (assuming the reporting accounting year is April 1, 2020, to March 31, 2021) in respect of the international group of which it is a constituent if the parent entity is not required to file a report under section 286(2) or the parent entity is a resident of a country with which India does not have an agreement for the exchange of reports, etc.