



## LATEST NEWS ALERTS

**Taxpayer needs to reversed ITC credit unpaid by supplier by 30<sup>th</sup> November of subsequent Year.**

# Executive Summary

## Income Tax

- Limit of Rs. 2 Lakh may not constitute an event or occasion for the purposes of 269ST(c) in respect of co-operative societies, a dealership / distributorship contract by itself.
- In SFT reporting of Interest income will be reported for all account/deposit holders where any interest exceeds zero per account in the financial year excluding Jan Dhan Accounts. Limit of Rs. 5000 is abolished.
- Compliance due date is extended from 30<sup>th</sup> September 2021 to 31<sup>st</sup> March 2023 with respect to exemption u/s 54 to 54GB. However, Due date of ITR is lapsed.

## Goods & Services Tax (GST) & Customs

- CBIC has clarified supply of services by way of transportation of goods outside India
- CBIC issues clarification regarding time limit for re-computation of GST.
- CBIC issues clarification regarding treatment of statutory dues under GST law.
- CBIC prescribes manner of filing application for refund

## Companies Act 2013/ Other Laws

- MCA has amended Companies (Management and Administration) Rules, 2014 by modifying the format of e form MGT-3 & MGT 14
- MCA extended timelines for conducting Extra Ordinary General Meeting through Video Conference Mode
- Sebi Introduces Information Database and Repository on Municipal Bonds
- RBI extended the deadline for Safe Deposit Locker/Safe Custody Article Facility Provided By Banks
- NFRA to introduce Annual Transparency Report by Audit Firms.



## INCOME TAX



➤ **Circular No. 25/2022 F.NO. 225/129/2022/ITA-II], DATED 30-12-2022:** has clarified that in respect of co-operative societies, a dealership / distributorship contract by itself may not constitute an event or occasion for the purposes of 269ST(c) i.e. in respect of transactions relating to 1 event or occasion from a person. Receipt related to such a dealership / distributorship contract by the co-operative society on any day in a year, which is within Rs. 2 lakh and complies with 269ST(a) and (b), may not be aggregated across multiple days for purposes of (c).

➤ CBDT vide **Notification No.01/2023 dated 05.01.2023** abolish the limit of Rs.5000 for Interest income to be reported in SFT filing. This information need to be furnished by Banking company, Co-operative bank, Post office etc. Now after amendment, the information is to be reported for all account/deposit holders where any interest exceeds zero per account in the financial year

excluding Jan Dhan Accounts.

➤ CBDT vide **Circular No.01/2023 dated 06.01.2023** extended the time limit to make investment as per section 54 to 54GB which has original time limit is 30<sup>th</sup> September 2021. Now as per circular due date of compliance is 31<sup>st</sup> March 2023. However, it must be noted that ITR compliance due date is already lapse for FY 2020-21.



## GOODS AND SERVICES TAX



CBIC Notification No. 26/2022 Dated 26th December 2022 after the recommendation of 48<sup>th</sup> council meeting:

- (a) Form GSTR-1 has been amended to change the manner of reporting details relating to supplies made through the e-commerce operator ('ECO');
- (b) The procedure is prescribed for filing an application for refund by the unregistered buyers where the contract/ agreement for the supply of services, like construction of flat/house and long-term insurance policy, is cancelled;
- (c) Rule 37A is inserted to provide for the mechanism and time limit of reversal of ITC by the recipient where the supplier does not pay the tax to the Government. If supplier has not deposited the GST by 30<sup>th</sup> September then buyer has the time limit to reverse it by 30<sup>th</sup> November. After the same buyer has to reverse the same with interest.
- (d) New Rule 88C and Form GST DRC-01B introduced for issuing intimation to the taxpayer for the differences between liability reported in Form GSTR-1

and Form GSTR-3B, where such difference exceeds a specified amount and/or percentage;

- (e) Rule 37(1) is amended w.e.f. 01-10-2022 to provide for the reversal of input tax credit only proportionate to the amount not paid to the supplier vis-a-vis the value of the supply, including tax payable;
- (f) Rule 108 and Rule 109 are amended to provide clarity on the requirement of submission of the certified copy of the order appealed against and the issuance of final acknowledgement by the appellate authority; and
- (g) New Rule 109C and Form GST APL-01/03W are introduced to provide the facility for withdrawal of an application of appeal up to a certain specified stage.
- CBIC vide Circular No.184/16/2022 has clarified the below in respect of supply of services

by way of transportation of goods outside India (including by mail or courier).

- Where both supplier and recipient of the aforesaid supply are located in India than the place of supply - Place of destination of such goods.
  - the aforesaid supply of service shall be treated as Inter-state supply (IGST would be chargeable).
  - the recipient would be eligible to avail ITC in respect of IGST charged by the supplier of such aforesaid services.
  - 96-Foreign Country the state code that needs to be mentioned by the supplier of aforesaid service while reporting the place of supply in Form GSTR-1.
- Circular No. 185/17/2022-GST CBIC issues clarification regarding time limit for re-computation of GST liability by tax authorities, if charges of fraud, willful-misstatement or suppression of facts is not established against a taxpayer GST officer is required to issue the order of re-computation of GST liability within 2 years from the date of communication of order of appellate authority / court u/s 75.

Further, in case where the notice u/s 74 was issued beyond the period of 2 years and 9 months as mentioned in (c) above, the entire proceedings will have to be dropped, being hit by the time limitation u/s 73

- Circular No. 187/19/2022-GST Since the IBC proceedings also resolve any outstanding government debts against the corporate debtor under the CGST Act or other applicable legislation, they appear to fall under the definition of "other processes" in section 84 of the CGST Act.

The Commissioner of GST shall issue an intimation in Form GST DRC-25 reducing the amount of statutory dues payable by the corporate debtor to the Government under the CGST Act or under existing laws when a confirmed demand for recovery has been issued by the tax authorities for which a summary has been issued in Form GST DRC-07/DRC 07 against the corporate debtor and where the proceedings have been finalized against the corporate debtor under IBC.

- Circular No. 188/20/2022 -GST CBIC prescribes manner of filing application for refund by unregistered buyers in case of cancellation of agreement for supply of services
- The unregistered person shall obtain a temporary registration on the common portal using his



Permanent Account Number (PAN). While doing so, the unregistered person shall select the same state/UT where his/her supplier

- The application for refund shall be filed in FORM GST RFD-01 on the common portal under the category 'Refund for unregistered person'. The applicant shall upload statement 8 (in pdf format) and all the requisite documents as per the provisions of sub-rule (2) of rule 89 of the CGST Rules
  - The acknowledgment / reference no. (ARN) shall be generated which can be used to track the status of the application. The application can be filed within 2 years from the date of issue of letter of cancellation by the supplier.
- Recently, a functionality of "Automated Drop Proceedings" of GSTINs suspended due to non-filing of returns has been implemented on the GST Portal. This functionality is available for the taxpayers who have filed their pending returns i. e. 6 monthly or 2 Quarterly returns.
- If such taxpayers have filed all their pending returns, the system will automatically drop the proceedings and revoke suspension.
  - If the status of the GSTIN does not automatically turn 'ACTIVE', then taxpayers are advised to revoke the suspension once the due returns have been filed, by clicking on 'Initiate Drop Proceeding' for which navigation



## Companies Act, 2013



➤ **MCA has amended Companies (Management and Administration) Rules, 2014 by modifying the format of e form MGT-3 & MGT 14**

MCA vide notification dated 21-1-2023 has amended Companies (Management and Administration) Rules, 2014 by modifying the format of e form MGT-3 & MGT 14 thereby substituting the old e forms MGT-3 & MGT -14 with the new e forms MGT-3 & MGT-14 respectively.

➤ **MCA extended timelines for conducting Extra Ordinary General Meeting through Video Conference Mode**

MCA has clarified vide general circular no. 11/2022 dated December 28, 2022, that the companies can conduct their extraordinary general meetings through video conference or other audio visual means or transact items through postal ballot up to September 30, 2023 in accordance with the framework provided in the general circular no.14/2020 dated April 8, 2020 and general circular no. 03/2022 dated May 5, 2022. All other requirements provided in the aforesaid circulars shall remain unchanged.

## RBI

### ➤ **RBI extended the deadline for Safe Deposit Locker/Safe Custody Article Facility Provided By Banks**

RBI vide its circular dated January 23, 2023, has extended deadline for Safe Deposit Locker/Safe Custody Article Facility to December 31, 2023. Banks were required to renew their locker agreements with existing locker customers by January 1, 2023. However, it has come to the notice of the Reserve Bank that large number of customers are yet to execute the revised agreement and are facing difficulties in doing the same. In many cases, the banks are yet to inform the customers about the need for renewal of agreements before January 1, 2023. Further, there is a need for revision in the Model Agreement drafted by the Indian Banks' Association (IBA) to fully comply with the revised instructions. Considering the above aspects, the deadline for banks is being extended in a phased manner to December 31, 2023.

### ➤ **NFRA to introduce Annual Transparency Report by Audit Firms**

The National Financial Reporting Authority (NFRA) has published draft requirements regarding the preparation and publication of the Annual Transparency Report (ATR) by auditors/audit firms as a step toward improving the transparency about management and governance of audit firms and their internal policy framework to ensure high quality audits and prevent conflict of interest by maintaining independence.



## SEBI

### ➤ **Sebi Introduces Information Database and Repository on Municipal Bonds**

SEBI vide its press release no. 1/2023 dated 22/01/2023 announced as a part of its initiative to develop Bond markets, an outreach programme on Municipal Bonds and Municipal Finance was organized on January 20 and 21, 2023 at New Delhi to provide a common platform for stakeholders to discuss the concerns of the issuers of Municipal Debt Securities, the requirements of investors, the extant regulatory framework and to recommend measures to increase awareness of and improve traction in the market for Municipal Debt Securities.

## Insolvency And Bankruptcy Code

- **IBBI specifies the proforma for reporting the liquidator's decision, if different from the advice of SCC**

The IBBI has made available an electronic platform at [www.ibbi.gov.in](http://www.ibbi.gov.in) , for reporting the liquidator's decisions different from the advice given by the SCC. The insolvency professionals are directed to make use of the aforesaid proforma for reporting to the Board and Adjudicating Authority, under proviso to sub-regulation (10) of regulation 31A. This Circular is issued in exercise of the powers under section 196 of the Insolvency and Bankruptcy Code, 2016



## MONTHLY COMPLIANCE CALENDAR

07 Feb Equalization Levy Deposit	07 Feb TDS/TCS deposit liability	10 Feb GSTR-7/8 for month of Jan
11 Feb GSTR-1 for month of Jan	13 Feb GSTR-5/6 for month of Jan	13 Feb GSTR-1/ IFF for Jan under QRMP scheme
15 Feb Provident Fund/ ESI	20 Feb GSTR-3B/5A for Jan	22/24 Feb GSTR-3B for Jan 2023 Group -1/2 States

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