

NEWSLETTER

Volume VIII – 2022-23

J P Chawla & Co. LLP

Chartered Accountants

Taxation | Audit | Outsourcing | Regulatory | Transaction Advisory | Business Intelligence



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In its latest study, the World Bank predicts that India's GDP will expand at a rate of 6.9% in the fiscal year 2022–2023 instead of the previously anticipated rate of 6.5%. The administration has taken a number of steps to strengthen the economy and is making significant efforts to make it dynamic.

In the report, Doing Business in India: The UK Perspective (2022 Edition), it is mentioned that in terms of the operational environment, Maharashtra received the top ranking, followed by Gujarat, Chandigarh, Haryana, Himachal Pradesh, Andhra Pradesh, and Uttar Pradesh.

In Indirect Taxes, GST authorities have given out detailed advisory Guidelines for the verification of Transitional Credit. The verification of transitional credit should be done in 90 days from 01.12.2022 to 28.02.2023.

In Direct Taxes, the CBDT has revised the monetary limit for the dossier cases to facilitate the focused monitoring and rationalization of workload.

Further, SEBI introduces a new option for the appointment, and removal of independent directors and rolled out guidelines for financial influencers on social media.

We sincerely hope this volume of the newsletter will update you regarding new developments in the area of Business, Tax, Assurance & Accounting and regulations.

Happy Reading!!
Sincerely Yours,

Rajat Chawla
Director & CEO
New Delhi

Reliance receives the green signal for the largest submarine cable ever

The ambitious underwater cable system for high-capacity and high-speed internet access from India (Mumbai) to Europe and Asia planned by Reliance has been approved by the environment ministry's expert panel.

India-Europe-Xpress (IEX) and India-Asia-Xpress (IAX), the largest underwater cable system in the world, are projected to go live between 2023 and 2024.

Since 2013–14, India's pharmaceutical exports have increased by 138%

Prime Minister asserted that India, the third-largest pharmaceutical producer in the world, was now a pharmacy for the entire globe during a speech at the Davos Summit in January.

He further asserted that by distributing vaccines and other essential pharmaceuticals to numerous countries as part of the "One Earth, One Health" goal, India prevented millions of deaths during the Covid-19 pandemic.

A visit to India by a delegation from Taiwan strengthens economic ties

Several high-level corporate delegations from the Taiwan India Business Association (TIBA) and the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) visited India to assess the untapped economic potential between the two nations.

The delegation's visit provided important insights, including the knowledge that India has a big talent pool and that utilizing Indians effectively will maximize business growth.

India-UK trade pact high priority; Next round of negotiations for trade agreement scheduled for December.

The upcoming round of discussions for the planned free trade agreement (FTA) between India and the UK is expected to take place next month.

By increasing exports to the UK market, the pact's decrease or elimination of customs tariffs would assist India's labour-intensive industries, such as textiles, leather, gems, and jewellery.

Bilateral commerce between the two countries increased from US\$ 13.2 billion in 2020–21 to US\$ 17.5 billion in 2021–22.

A multi-billion dollar 5G infrastructure roll-out is planned for India.

With multi-billion dollar investments made over the next few years by the country's top telecoms, India is set to witness the world's largest roll-out of 5G infrastructure. The government would also take the lead in developing the India stack, a networkbuilding process that would span every sector of the economy being digitized with the most cutting-edge technologies, at the Singapore Fintech Festival, which was held from November 2-4, 2022. India stack is a collection of APIs that enables businesses, entrepreneurs, governments, and developers to leverage a unique digital infrastructure to meet the difficult problems that the nation faces with the delivery of services without physical presence, paper, or cash. There are already 800 million mobile phone users in India, and that figure is growing. These users form the backbone of the quickly growing digital economy.

Tata Motors surpasses its goal and is the first company in India to deliver 50,000 EVs

Tata Passenger Electric Mobility in Pune produced its 50,000th electric vehicle—the Nexon EV—making it the first Indian automaker to reach that milestone.

The EV models now available from Tata Motors are the Tiago EV, Tigor EV, Nexon EV Prime, and Nexon EV Max.

Tata Motors claims that in addition to creating new products to satisfy shifting consumer wants, the company offers OTA (over-the-air) software upgrades to current EV customers so they may take advantage of a revitalized driving and ownership experience.

By FY26, India will surpass Germany as the fourth-largest economy

Michael Patra, the deputy governor of the RBI, predicts that by 2025–2026, India would surpass Japan (with a GDP of almost US\$ 5 trillion) and move up to a third place, matching Germany's GDP (just over US\$ 4 trillion as of 2021).

He claims that India, which currently has a GDP of over US\$ 3.2 trillion and is the world's fifth-biggest economy, ahead of the United Kingdom, is a global growth engine and will be the second largest contributor to global growth in 2022. The IMF World Economic Outlook forecasts a 0.3% decline in the German GDP in 2023. India's GDP is anticipated to grow by 6.9% in FY24, with tight monetary conditions limiting growth to 6.1%, according to the international organization.

Reserve Bank launches a pilot programme for digital currencies with a few banks

Select institutions are now able to settle secondary-market transactions in government securities thanks to a trial programme that the Indian central bank developed for digital currencies.

The e-rupee will be evaluated for retail use in a few locations within a month, according to the Reserve Bank of India.

Additionally, by avoiding the detrimental social and economic repercussions of private virtual currencies, these currencies will protect consumers.

Indirect Tax

Circular No. 181/13/2022- GST Dated 10th November 2022

Clarification of Refund

Section 54 of CGST Act 2017 allows the taxpayers to file refund application on account of accumulated input tax credit under the inverted duty structure head, refund allow to the taxpayers where the input tax rate is being higher than output tax rate. Vide Notification No. 14/2022 Central Tax dated 05.07.2022 with effect from 18.07.2022, the formula prescribed in sub rule (5) of Rule 89 of CGST Rules 2017 has been amended for grant of refund in case of inverted duty structure.

The department has issued the said circular and clarified the various issues which have been raised among taxpayers due to the amended formula for computing refund. Here the gist of clarifications are as follows:

Issue-1: Whether the formula prescribed under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of unutilised input tax credit on account of inverted duty structure, as amended vide Notification No. 14/2022-Central Tax dated 05.07.2022, will apply only to the refund applications filed on or after 05.07.2022, or whether the same will also apply in respect of the refund applications filed before 05.07.2022 and pending with the proper officer as on 05.07.2022?

Clarification- The new formula shall be applicable in the case where the refund application is filed on or after the 05th of August 2022. In absence of any clarification in relation to the applicability, amended formula shall be applicable prospectively and all the refund application which were filed before 05th August 2022 shall be granted as per the existed formula before amendment.

Issue-2: Whether the restriction placed on refund of unutilised input tax credit on account of inverted duty structure in case of certain goods falling under chapter 15 and 27 vide Notification No. 09/2022-Central Tax (Rate) dated 13.07.2022, which has been made effective from 18.07.2022, would apply to the refund applications pending as on 18.07.2022 also or whether the same will apply only to the refund applications filed on or after 18.07.2022 or whether the same will be applicable only to refunds pertaining to prospective tax periods?

Clarification- Restriction imposed on goods falling under Chapter 15 and 27 for availing refund on account of accumulated input tax credit shall be applicable in respect of all refunds filed after 18th July 2022.

Circular No. 182/14/2022- GST Dated 10th November 2022

Guidelines for verification of Transitional Credit

Considering the order of Hon'ble Supreme Court, the GSTIN portal enables the common portal for two months from 01.10.2022 to 30.11.2022 for the aggrieved taxpayers to file or revised TRAN-1/TRAN-2 and claim their transitional input tax credit. The verification of transitional credit should be done in 90 days from 01.12.2022 to 28.02.2023.

Procedure for verification of Transitional Credit

1. The jurisdictional officer can access the Form TRAN-1/TRAN-2 filed/revised by the taxpayer.
2. The jurisdictional officer of Central/State GST shall pass an appropriate order against the claimed filed by the applicant.
3. Declaration in Annexure-1 format shall be filed by the applicant for claiming input of transitional credit.
4. If there is no change in the field revised Form TRAN-1/TRAN-2, such form shall be rejected by the proper officer after being reasonable opportunity of being heard.
5. Verification of transitional credit shall be done by the officer as per the guidelines mentioned in Annexure-I of the said circular.
6. State/ UT tax officers may refer the guidelines issued by their respective GST authorities, if any.
7. Where the transitional input tax claimed by the application for Central and State/UT as well, in case the information shall be shared by the proper officer to the counterpart officer also.
8. While conducting the verification an officer is also required to check whether any appeal or proceedings in TRAN-1/TRAN-2 has been concluded or pending.
9. A verification report shall be prepared by counterpart officer in Annexure-II of this circular specifying the amount admissible, liable for rejection along with the ground on which the same amount is liable for rejection.
10. The jurisdictional officer or counter party officer may ask the applicant to provide requisites documents, returns/invoices for verification claim.
11. The proper officer shall upload an order on common portal specifying the transitional credit amount allowed to be transferred on electronic credit ledger.
12. If originally filed Form TRAN-1/TRAN-2 specify that excess amount is credited in electronic credit ledger in terms of revised TRAN-1/TRAN-2 filed by the applicant.
13. The excess amount of credit is liable to be demanded and recovered along with interest from the applicant.

Coordination between Central and State/UT tax authorities

- A. Zonal Principal Chief Commissioner/Chief Commissioner of Central Tax and Chief Commissioner/Commissioner of Commercial Taxes of various States/UT shall appoint nodal officers for coordination between the counterpart tax authorities.
- B. Detail of Nodal officer along with mobile number and e-mail id shall be exchanged with counterpart authorities. The Zonal Commissioner/Commissioner of related authorities monitor the progress made in this regard.
- C. Communications by tax officer among taxpayer should be done through the common portal.
- D. If communication made other than portal, the communication should be done with use of DIN.

Notification No. 22/2022 -Central Tax, Dated 15th November 2022

Substitution of period in Form GSTR-09

As per the notification time period, figure, letter, and words in Form GSTR-09, under the heading instruction has been substituted from "April 2022 to September 2022" to "April 2022 to October 2022 filed up to November 2022.

Notification No. 23/2022 -Central Tax, Dated 23rd November 2022

Authorized Competition Commission of India to handle Anti Profiteering Cases

The Central Government with effect from 01.12.2022 has empowered the Competition Commission of India to handle Anti Profiteering cases where the input tax credit or reduction in rate of tax is being properly carrying forward to the recipient of goods or service by way of commensurate reduction in prices.

Notification No. 24/2022- Central Tax, Dated 23rd November

Amendment in Anti-Profiteering Rules

While the Central Government has empowered the Competition Commission of India to handle cases related to Anti Profiteering cases therefore changes have been done by the Government in CGST Rules 2017 as well through the amendment. The amendment in rules are as follows, namely:

- a. Rule for Constitution of Authority- Rule 122 is omitted.
- b. Rule for Appointment, Salary, terms and condition for appointment of Chairman and members -Rule 124 is omitted.
- c. and Secretary to the Authority -Rule 125 is omitted.

- d. In Rule 127- the word “duties” shall be substituted with word “Function” and the word “it shall be the duty of Authority” shall be substituted with word “The authority shall discharge following functions, namely”.
- e. Rule for “decision to be taken by authority” – Rule 134 is omitted.
- f. Rule for “Tenure of Authority” – Rule 137 is omitted.
- g. “Authority” means the Authority notified under sub-section (2) of section 171 of the Act is substituted in explanation after Rule 137.



Direct Tax

Notification of Draft Common Income Tax Return for Inputs

The CBDT has notified the proposed draft Common Income Tax Return for input from the stakeholders and the general public. Currently, the taxpayers are filing the ITR 1 to ITR 7 based on the type of person and nature of income. The proposed draft ITR takes a relook at the return filing system in tandem with international best practices. It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7.

The inputs on the draft ITR may be sent electronically to the email address dirtpl4@nic.in with a copy to dirtpl1@nic.in by 15th December 2022.

-[F No 370133/16/2022-TPL]

Revision of Monetary Limit for Dossier Cases

The CBDT has revised the monetary limit for the dossier cases to facilitate the focused monitoring and rationalization of workload.

Monitoring Authority	Current Limit	Current Limit
Range Head	Up to INR 30 lakh	INR 10 lakh to INR 1 Crore
Pr. CIT	Above INR 30 Lakh to INR 3 Crores	Above INR 1 Crore to INR 25 Crore
CCIT	Above INR 3 Crores to INR 15 Crores	For Delhi and Mumbai Regions – Above INR 25 Crores to INR 250 Crores For other regions – Above INR 25 Crores to INR 100 Crores
Pr. CCIT	Above INR 15 Crores to INR 25 Crores	For Delhi and Mumbai Regions – Above INR 250 Crores to INR 500 Crores For other regions – Above INR 100 Crores to INR 500 Crores
Pr. DGIT (Admin & TPS)	All dossiers above INR 25 Crore by Pr.DGIT (Admin) with assistance of ADG (Recovery) Pr.DGIT (Admin) to monitor specific very high demand cases on the directions of Member (Revenue) with assistance of ADG (Recovery)	All dossiers above INR 500 Crore by Pr.DGIT (Admin & TPS) with assistance of ADG (Recovery) Pr.DGIT (Admin & TPS) would submit proposals for monitoring very high demand cases for approval of Member (TPS)
Member (Revenue),CBDT	-	-

-[Instruction No. 1/2022]

Notification of Explanatory Notes to Finance Act, 2022

The CBDT has notified the explanatory notes to the provisions of Finance Act, 2022

-[Circular No. 23/2022]

Income Tax Judgement – TCS provisions on scrap sale are also applicable to Traders.

Ahmedabad ITAT held that TCS provisions on scrap sale are applicable on trader and these provisions are not restricted to manufacturers. It was held that there is no requirement that the goods to be eligible for scrap should be produced/manufactured by the seller itself.

-[TS-850-ITAT-2022(Ahd)]



Audit and Assurance

Peer Review Mandate - Phase II Roll Out

In furtherance to the Announcement by Peer Review Board (PRB) of the Institute of Chartered Accountants of India (ICAI) related to "Peer Review Mandate - Roll Out" dated 12.02.2022 hosted at <https://www.icai.org/post/peer-review-mandate-roll-out>, read with Announcement "Peer Review Mandate - Roll Out - (Revised)" dated 11.04.2022 hosted at <https://www.icai.org/post/peer-review-mandate-roll-out-revised>, phase II of the mandate is becoming applicable from April 1, 2023. The Practice Units may accordingly take note and subject themselves to the Peer Review process.

It may be reiterated that phase II, for which, mandate will be applicable from April 1, 2023, and covers Practice Units which propose to undertake:

- a. statutory audit of unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31st March of immediately preceding financial year or
- b. attestation services and having 5 or more partners

In both the above cases, before undertaking any statutory audit, the concerned Practice Unit should possess Peer Review Certificate.



Regulations

Security Exchange Board of India (SEBI)

SEBI introduces new option for appointment, removal of independent directors

SEBI has introduced a new option for appointment and removal of independent directors from the boards of companies, a move that will provide flexibility to such a process. Under this, the appointment and removal of independent directors could be done by way of two parameters - threshold for ordinary resolution and threshold for majority of minority shareholders.

Currently, the appointment, re-appointment or removal of independent directors is made through a special resolution. For a special resolution to be passed, 75 per cent of 'yes' votes are needed from a company's board. To give these effects, SEBI has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

In addition, the regulator has introduced provisions pertaining to schemes of arrangement for entities having listed debt securities, handling of unclaimed amounts pertaining to non-convertible securities of listed entities, and continuous disclosure norms for entities with listed non-convertible securities, pertaining to financial results and related requirements.

SEBI to roll out guidelines for financial influencers on social media

SEBI is formulating guidelines for financial influencers or finfluencers to curb the unsolicited stock recommendations and financial advice on social media platforms, including YouTube, Instagram, and Twitter, without availing the market regulator's registration.

The move from capital market watchdog comes after the increasing number of social media influencers on multiple social media platforms that advise and recommend trades without a license. The market regulator is likely to roll out guidelines to govern the growing base of financial influencers on social media. The need for guidelines for social media influencers has been in buzz lately with the rising culture of application-based content, where popular influencers promote a particular asset without a proper license to do so.

TAX CALENDAR																															
December-2022																															
Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
Date	Regulation	Obligation																												Form/Challan No.	
7	FEEMA	- Last date of reporting of actual transactions of External Commercial Borrowings (ECB) through AD Bank under FEMA																												ECB-2	
7	Income Tax	- Last date of online payment of Tax deducted at source/Tax collected at source for the month of November-2022																												Challan 281	
10	GST	- Last date of filing Form GSTR 7 for the month of November-2022 (to be filed by the e-commerce operators required to deduct TDS under GST)																												GSTR-7	
10	GST	- Last date of filing Form GSTR 8 for the month of November-2022 (to be filed by the person required to deduct TDS under GST)																												GSTR-8	
11	GST	- Last date of filing Form GSTR 1 for the month of November-2022 for the taxpayer for taxpayer not in QRMP scheme																												GSTR-1	
13	GST	- Last date of filing Form GSTR 6 for the month of November-2022 (to be filed by input service distributor)																												GSTR-6	
13	GST	- Last date of filing Form GSTR 5 and payment of GST for the month of November-2022 (to be filed by non-resident person)																												GSTR-5	
15	Income Tax	- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-IM and 194S in the month of October-2022																												Form 16B & 16C	
15	Income Tax	- Due Date for Deposit third installment of Advance Tax for the financial year 2022-23 for all assessee																												Challan 280	
15	Provident Fund	- Last date of online payment of provident fund for the month of November-2022																												PF Challan	
15	ESI	- Last date of online payment of ESI fund for the month of November-2022																												ESI Challan	
20	GST	- Last date of payment of GST and filing of GSTR 3B for the month of November-2022 for taxpayer not in QRMP scheme																												Form GSTR-3B and Form GST PMT -06, in case of payment of GST	
20	GST	- Last date of filing Form GSTR 5A and payment of GST for the month of November-2022 (to be filed by non-resident person)																												GSTR-5A	
25	Provident Fund	- Provident Fund return filing for November-2022 (including pension and insurance scheme form)																													
30	Income Tax	- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA, 194-IB, 194M and 194S in the month of November-2022																													Form 26QB & 26QC
31	Income Tax	- Due date for filing of belated/ revised return of income for the assessment year 2022-23 for all assessee (provided assessment has not been completed before December 31, 2022)																													ITR Forms

JPC is a professional services firm based in New Delhi & Noida, India. We were established in the year 1974 with the aim to create value for our clients by delivering quality, comprehensive, timely, practical and innovative services. We offer a comprehensive range of services, including taxation services, regulatory services, transaction advisory services, financial & management consultancy services, assurance & risk services, and outsourcing services. Over the past several decades, we have established significant competitive presence in the country. Our vast and diversified client base includes Multinational enterprises, domestic companies, high net worth individuals, government companies and institutions in all leading industry verticals. We are a team of distinguished Chartered Accountants, Management Accountants, Corporate Financial Advisors and Tax Consultants. Our team has the requisite skills and experience to provide complex business, financial, assurance, tax and regulatory services to our clients. Our strength lies in our timely performance-based, industry-tailored and technology-enabled services which are delivered by some of the most talented professionals in the country. For more information about JPC's service offerings, visit www.jpc.co.in

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