Steel Users Federation of India

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INSIDE THE ISSUE:

Greetings!

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CHART OF FORTHCOMING DUE DATES: -

a) GST due dates falling in the month of February, 2022.

SR NO.	PARTICULARS	DUE DATE
1	GSTR-1 (Monthly)	11.02.22
2	GSTR-1 (QRMP)	13.02.22
3	GSTR-3B	20.02.22
4	GST 9	28.02.22
5	GSTR 9C	28.02.22

b) Others due dates falling in the month of February, 2022

SR NO.	PARTICULARS	DUE DATE
1	TDS Payment	07.02.2022
2	ECB-2	07.02.2022
3	PF Payment	15.02.2022
4	Audit report U/s. 44AB	15.02.2022

I. OVERVIEW:

- **UNION BUDGET 2022-23 ANALYSIS:**

MAIN TAX PROPOSALS IN THE FINANCE BILL

Non-tax proposals in the Finance Bill

- The Reserve Bank of India Act, 1934 is being amended to enable RBI to issue its digital currency.

Policy Highlights

- **Legislative proposals**: The Special Economic Zones Act, 2005 will be replaced with a new legislation that will enable states to become partners in 'Development of Enterprise and Service Hubs', covering all existing and new industrial enclaves. Legislative changes will also be brought in to promote agro - forestry and private forestry. Amendments will be made in the Insolvency and Bankruptcy Code to facilitate cross border insolvency resolution.

- **Fiscal Management**: Rs 51,971 crore has been budgeted in 2021-22 towards settling the liabilities of Air India.

- **MSMEs**: Emergency Credit Line Guarantee Scheme (ECLGS) will be extended up to March 2023 and its guarantee cover will be expanded by Rs 50,000 crore to total cover of five lakh crore rupees. Credit Guarantee Trust for Micro and Small Enterprises will be revamped to facilitate additional credit of two lakh crore rupees.

- **Health and Nutrition**: Under Ayushman Bharat Digital Mission, an open platform for National Digital Health Ecosystem will be established. It will consist of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities. A National Tele Mental Health Programme will be launched to provide access to quality mental health counselling and care services.

- **Labour and Employment**: The Digital Ecosystem for Skilling and Livelihood (DESH) Stack e-portal will be launched. The portal will help citizens learn skills, acquire credentials, and assist in finding relevant jobs.

- **Infrastructure**: Projects relating to transport and logistics infrastructure in the National Infrastructure Pipeline will be aligned with PM GatiShakti framework, which was launched last year. The Prime Minister's Development Initiative for North-East (PM-DevINE) will be implemented through the North-Eastern Council to fund development projects in the North-East region. Also, one lakh crore rupees is being allocated to states for catalysing investments, in the form of 50 year interest free loans.

II. INCOME TAX ACT

- **KEY HIGHLIGHTS OF UNION BUDGET 2022 – CHANGES UNDER THE INCOME TAX LAW**

Following amendments have been proposed under Income tax Laws in the Finance Bill 2022 vide clause 2 to 84 which shall be effective from 1.4.2022 as per clause 1(2)(a) of the Finance Bill, 2022

1. Levy of Surcharge @ 12% in cases where tax has to be charged and paid under sub section (2A) of Section 92CE or section 115QA or section 115TA of the Income Tax Act.

2. Tax deduction limit increased to 14% on employers contribution to NPS account of State Govt. employees.

3. No Set off losses against undisclosed income.

4. Heath and Education cess shall not be allowed as business expenses under section 37 of Income Tax Act.

5. Tax holidays extended for startups for 1 more year.

6. Introduced new section 194S for TDS on virtual digital assets.

7. Reduction in rates of Alternate Minimum Tax for Co Operative Society.

8. Introduced Provisions for filing of updated return within the period of 2 years for correcting errors.

9. Newly incorporated manufacturing entities will be incentivized under concessional tax regime for one more year.

10. Tax incentives to IFSC Units.

11. Income tax relief on Covid 19 treatment expenses and compensation.

III. COMPANY LAW

- **ANALYSIS OF COMPANIES ACT SCHEDULE III AMENDMENT APPLICABLE W.E.F. 1.4.2022**

The Companies in India requires to prepare their financial statements in form of schedule III to the Companies Act 2013. Schedule III of Companies Act, 2013 came into force with effect from the 1st April, 2014 and subsequently amended.

Schedule III of Companies Act, 2013 divided into 3 divisions

Division I : Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006.

Division II : Financial Statements for a company whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015

Amendment to Division I :
The amendments to Division I are smaller changes and mostly relate to the words used in the Balance Sheet of an AS compliant company like the replacement of the word "Fixed Assets" under "Non Current Assets" with "Property, Plant and Equipment."

Amendment to Division II :
For Ind AS compliant companies, several amendments have been made. The following are the amendments that are brought for Ind AS compliant companies in respect of preparation and presentation of their financial statements.

Trade Payables under the heading "Equity and Liabilities" will disclose the trade payable to micro and small enterprises and enterprises other than micro and small enterprises on the face of the balance sheet.

'Equity' – A description of each reserve appearing under the head 'Equity' in the Balance sheet must be given in the notes to financial statements. The description can include each reserve's purpose, the reason for the movement in reserves during the year etc.

Non-Current and Current Trade receivables shall be further classified into: a) Trade Receivables considered good – Secured. b) Trade Receivables considered good – Unsecured. c) Trade Receivables that have an increase in Credit Risk that is significant. d) Trade Receivables – Credit Impaired.

Non-current and current loans shall be further classified as follows: a) Loans Receivables considered good – Secured. b) Loans Receivables considered good – Unsecured. c) Loans Receivables which have a significant increase in credit risk. d) Loans Receivables – Credit Impaired.

Amendment to Division III :
Financial Statements for an NBFC whose financial statements are drawn in compliance with the Companies (Indian Accounting Standards) Rules, 2015. NBFC that must comply with Indian AS – General Instructions

IV. GST

Key Changes under GST in Union Budget 2022

- Time limit to Avail ITC U/s. 16(4) Extended till 30th November of Next Year from 30th September
- Section 41 of the CGST Act is Being substituted So as to do away with the concept of "Claim" of ITC on A "Provisional basis".
- Section 47 of the CGST Act is being amended so as to provide for levy of late fee for delayed filing of TCS Returns.
- Additional condition for availment of ITC u/s. 16(2) – ITC can be availed only if the same is not restricted in GSTR 2B.
- Section 49 of the CGST Act is being amended so as to allow transfer of amount available in E-Cash ledger of a registered person to the E-Cash ledger of a distinct person.
- Refund claim of any balance in the Electronic Cash ledger shall be made available.
- Composition Tax Payer's Registeration can be cancelled Suo-Moto If they have not filed their GSTR -4 return beyond 3 months from the Due Date.
- The due date for filing return by Non Resident taxable person is prescribed as 13th day of Next month
- Rate of Interest u/s. 50(3) Prescribed as 18% in all cases
- The two way Communication process in filing GST Returns is scrapped
- Any rectification of Error in GSTR-1/GSTR-3B s now permitted till 30th November of Next Financial Year(Currently allowed till 30th September)
- Credit Note is Respect of Supply Made in A Financial Year can be issued by 30th November of Next Financial Year (Currently Allowed till 30th September)

Disclaimer:

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