



THE TAXPAYER

Monthly newsletter for news, tax
planning & Investments

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GREETINGS!

We are pleased to bring our monthly newsletter to you. We hope you find the content useful. For feedback and queries please write us at paresh@pareshsarda.com

Visit our website www.pareshsarda.com for more reading!




Highlights

Brief on Digital Rupee

GST on Rent

Belated Income Tax
Return

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E-RUPEE INTRODUCTION TO DIGITAL CURRENCY



Relevant for Individuals

- **Let us explore what is E-Rupee and how it will ease payments. Also how it is different from Crypto Currency and the UPI system.**

- RBI launched E-rupee from 1st Nov
- Technically called: Central Bank Digital Currency (CBDC).
- A form of currency issued by RBI also known as Digital rupee or E-Rupee
- Same as a sovereign currency. So instead of withdrawing cash from bank, you can purchase tokens from bank in your e-wallet.
- Exchangeable one-to-one just like normal currency. fungible legal tender- no need of bank account
- lower cost of issuance of money - cheaper than printing notes or minting coins.

Is it same as Crypto Currency?

- No! E-rupee is not crypto currency:
 - Unlike cryptocurrency, E-rupee will be centralized & controlled by RBI.
 - Value of E-rupee will remain same as normal currency. In case of cryptocurrency, the value changes with demand and supply.

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E-RUPEE ***INTRODUCTION TO DIGITAL*** ***CURRENCY***

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Relevant for
Individuals

How E-rupee is different from Unified Payment Interface (UPI)?

- UPI transaction involves intermediation of bank.
- So, when you use an UPI app, your bank account gets debited & money gets transferred to recipient's bank.
- In case of E-Rupee, currency is digitally transferred from one wallet to another. There is no routing or intermediation of the bank.

E-Rupee is just like cash - only in digital form!

- In paper currency, you can draw Rs 1,000 from the bank, keep it in your wallet and spend it at a shop.
- Similarly, in case of E-Rupee, you will withdraw the digital currency and keep it in your wallet in your mobile.
- You make a payment at a shop or to another individual, it will move from your wallet to their wallet.

Which banks provide E-Rupee?

- State Bank of India | HDFC | Axis Bank | Punjab National Bank | Bank of Baroda | Canara Bank | IndusInd Bank | ICICI Bank
- Currently active in Mumbai, Delhi, Bengaluru and Bhubneshwar



Relevant for
Business

- **When will GST attract on renting out? and who is required to register under GST when the property is rented out to businesses?**
 - According to GST Act, renting out an immovable property would be treated as supply of service and would attract tax at 18%.
 - GST will be applicable only to certain types of rent such as
 - property is given out on lease, rent
 - any property is leased out including a commercial or residential property for business.
 - If total value of services provided and goods supplied by landlord < Rs. 20 Lakhs, no need to obtain GST registration
 - If total rent received from all the properties and total value of goods and services provided exceeds Rs. 20 Lakhs, need to obtain GST registration.
 - The place of supply shall be place of property.
 - GST does not apply in case of renting of property for residential purposes.

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Relevant for
Business

- Landlord and Property situated in different states then: IGST shall be applicable.
- Landlord & property is situated in same state then: then both CGST and SGST at 9% each would be charged.
- Landlord & Property in same state but the tenant is registered in another state, then:
 - If the landlord has taken GST registration in the same state in which the property is situated, then it is a case of intrastate transaction. So, both CGST and SGST would be charged.
 - In such cases, the tenant cannot take the input tax credit of CGST and SGST if he is not registered in the same state where the property is situated.
- If all the provisions to claim Input tax credit are fulfilled, ITC on GST paid on rent can be claimed.

TAX FILING

BELATED INCOME TAX RETURN



Relevant for
Individuals

- As you know, due date to file income tax return is 31st July (for non-audit case) and 31st October (for audit case) but is it possible to file return after the due date.
- Well, Yes! you can file the return even after respective due date also known as Belated Return.
- Belated return can be filed on or before 3 months before the end of the relevant assessment year.
- For example, for A.Y. 2022-23 (F.Y. 2021-22) last date to file belated return is 31st December 2022.
- Earlier this date used to be 31st March of relevant assessment year, but now it is 31st December.
- So, if you have not filed your income tax return yet, this is the time you should.
- However, while filing the belated return, one should keep following points in mind:
 - Interest may be applicable under section 234A, 234B and 234C.
 - A late fee will be levied under section 234F while filing belated return:
 - Gross total income is less than Rs. 2.5 Lakhs- No penalty

TAX FILING

BELATED INCOME TAX RETURN



Relevant for
Individuals

- Gross total income is more than Rs. 2.5 Lakhs and less than Rs. 5 Lakhs- Rs. 1,000
- Gross total income is more than Rs. 5 Lakhs- Rs. 5,000.
- Losses can not be carried forward except loss from house property, which can be carried forward even if you file belated return.

FCRA ANNUAL RETURN

Relevant for Charitable
Organizations

- **Points to be kept in mind while filing FCRA Annual Return**
- Every FCRA registered organisation has to submit an Annual Return in Form FC-4 to the Ministry of Home Affairs (MHA).
- Organisations shall file the return online before 31st December for its foreign fund receipts for the previous financial year.
- Also, if FCRA NGOs do not receive foreign contribution, filing of nil return is mandatory.
- Following documents are needed to be furnished along with FC-4:
 - Certificate from Chartered Accountant
 - Audited Balance Sheet, Income & Expenditure statement and the statement of Receipt and Payment account
 - Declaration by Chief Functionary
 - All FCRA Bank account statement duly certified by the officer of such bank.
- The annual returns should be authenticated by the signature of the Chief Functionary and seal of the association.

FCRA

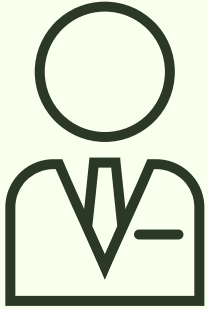
FCRA ANNUAL RETURN



Relevant for Charitable
Organizations

- The delay in filing of Annual return is an offence and attracts penalty as per the provisions of section 37 of the FCRA law.
- The prescribed penalty for the same is Rs.1,00,000/- or 5% of the foreign contribution received during the period of non-submission, whichever is higher.

DUE DATES



Relevant for Individuals,
businesses & NGOs

IMPORTANT DUE DATE

- Third Installment of Advance Tax-
15th December 2022
- Belated Income Tax-
31st Decmeber 2022
- FCRA Annual Return-
31st December 2022