



THE TAXPAYER

Monthly newsletter for news, tax
planning & Investments



GREETINGS!

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

Visit our website
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reading!





Highlights

News and updates

Taxation of NPS and
PF

Upcoming due dates

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NEWS & UPDATES

F&O TURNOVER CALCULATION



Relevant for Individuals

News and updates

Taxation of NPS and PF

Upcoming due dates

- **The premium in options sold need not be added while calculating Options Turnover. Can be a big relief from audit to many!**
- Recently the Institute of Chartered Accountants of India (ICAI) issued Guidance note on income tax audit.
- The ICAI issues clarification about various topics in such guidance note.
- One important clarification issued by ICAI is that while calculating the Options turnover, the premium paid shall not be considered. The ICAI in its previous guidance note had advised to consider such premium for turnover calculation. Now with recent clarification, the method to calculate turnover stands changed.
- This may prove to be a huge relief to many taxpayers as the reduction in turnover may result in relaxation from tax audit.

NEWS & UPDATES

FCRA UPDATE



Relevant for Charitable
Organizations

News and updates

Taxation of NPS and
PF

Upcoming due dates

- Recently the FCRA department issued clarification that an organization can submit an application for revision of any unfavorable order. Such application shall be made through official website of the FCRA. There is no specific format for the application and therefore such application should be written on plain paper, and duly signed by authorized person.
- A fee of Rs. 3000 shall be paid along with such application.
- Application can be filed within a year from the date of unfavorable order.
- Physically submit applications shall not be accepted.
- This will be effective from 1st April 2022
- The department has also issued FAQs in this regard. Such FAQs and the copy of order is available at fcraonline.nic.in

NEWS & UPDATES



Relevant for Charitable
Organizations

News and updates

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RECORDS TO BE KEPT BY NGO

- Applicable to NGOs registered under 12AA or 10(23C)(iv) of income tax act
- Applicable from FY 2022-23
- To be maintained at registered office or at place resolved by trustees and informed to IT department within 7 days.
- Maintain for 12 years
- Following books to be maintained:
 - ACCOUNT BOOKS:
 - Cash book, ledger, journal, copy of bills and receipts issued by NGO,
 - original bills and receipts for purchases/spending, other relevant records
 - Separate books for NGO's business activities, if any
 - FIXED ASSETS REGISTER
 - For movable and immovable assets, along with registration / transfer
 - documents for properties

NEWS & UPDATES

RECORDS TO BE KEPT BY NGO



Relevant for Charitable Organizations

News and updates

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- PROJECTS REGISTER
 - Listing name, address, objectives of each project/institution.
- INCOME REGISTER/S
 - Details of donors (name, address, PAN, Aadhaar), rent from property, fees, corpus donations
- APPLICATION REGISTER/S
 - Details of spending and grants made within/outside India, carryforward (form 9A), accumulation (form 10), amounts given as corpus grants to others
 - Separately for any amounts utilized out of any corpus fund
 - Similar details for amounts applied out of income brought forward or accumulated in past or out of loans and borrowings

NEWS & UPDATES

RECORDS TO BE KEPT BY NGO



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- REGISTER OF DONATIONS FOR REPAIRS TO RELIGIOUS BUILDINGS
 - For religious organizations; Similar to Income and Application Registers listed above
- LOANS REGISTER
 - Details of all loans taken and repaid
 - Details of lenders (name, address, PAN, Aadhaar)
- INVESTMENT REGISTER
 - Money kept in permitted/non-permitted investments
 - Separately for corpus and non-corpus investments
- KEY PERSONS REGISTER
 - Details of key persons (name, address, PAN, Aadhaar)

NEWS & UPDATES



Relevant for Businesses

News and updates

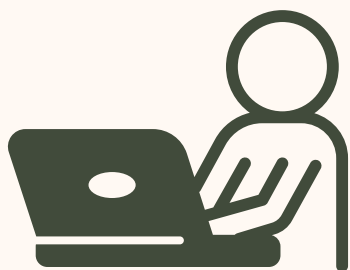
Taxation of NPS and PF

Upcoming due dates

INCREASE IN PMEGP SUBSIDY

- **Projects upto 50 lacs are now eligible for PMEGP subsidy upto 35%**
- From 1st June 2022 the Central Government has increased the eligible project's size.
- Previously projects upto Rs. 25 lacs were eligible for PMEGP subsidy.
- Now projects up-to Rs. 50 lacs and 20 lacs are eligible under manufacturing and service industry respectively. This is now at par with Maharashtra's CMEGP scheme. Further the PMEGP has also liberated to include all projects by clarifying that projects exceeding above cap can also claim partial subsidy benefits.
- Subsidy ranging from 15% to 35% are available depending upon various conditions of the schemes.
- Further, the PMEGP scheme has also increased the 2nd loan for expansion of business to 1 crore with 15% capital subsidy.

KNOW HOW



Relevant for Individuals

News and updates

Taxation of NPS and
PF

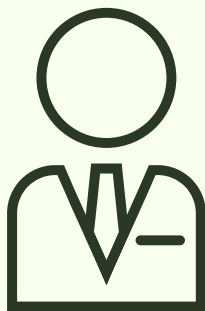
Upcoming due dates

TAXATION OF PF AND NPS

- **In last few years the taxation of PF and NPS have changed - specially on amount contributed by employer and interest thereof!**
- Employer's contribution in excess of 7.50 lacs is taxable . This is combined limit for PF, NPS and Superannuation Fund (anyone using that yet!). Lets call the amount in excess of 7.50 lacs as "Excess Portion".
- The interest earned on such "excess portion" is also taxable.
- Withdrawal from PF after completion of 5 years of continuous employment is tax exempt.
- Withdrawal of 60% of NPS at 60 years of age is tax exempt.
- Before turning 60, one can withdraw 25% subject to some conditions.
- Read more about this :

[Click Here](#)

DUE DATES



Relevant for Directors and Partners in LLP

News and updates

Taxation of NPS and PF

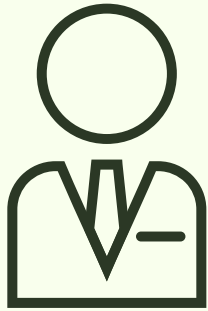
Upcoming due dates

KYC OF DIN HOLDERS

- **KYC of Director Identification Number (DIN) holders to be completed by 30th September.**
- All DIN holders are required to complete their web based KYC with Ministry of Corporate affairs before 30th September 2022.
- Post that date the DIN shall become invalid.
- KYC can be completed after 30th September with a fine of Rs. 5000.

DUE DATES

ADVANCE TAX



Relevant for Directors and Partners in LLP

News and updates

Taxation of NPS and PF

Upcoming due dates

- **Everyone whose income tax liability is more than 10,000. should pay advance tax in four installments. Second installment is 15th September.**
- 15th September is the last date to pay 2nd installment of advance tax for current financial year.
- A total of 45% of advance tax should be paid by this date to avoid interest on late payments and short payments. While calculating the 45% amount, advance tax paid in June is also to be considered.
- Advance tax is payable by all taxpayer whose tax liability is more than Rs.10,000 after deducting TDS. There is some relaxation for senior citizens who don't have any business income.