

The SWASA News



RESOLUTIONS AND INTROSPECTIONS

By Pavithra B, President, SWASA

Dear SWASA Members,

Greetings! The year of 2022 is drawing to an end reminding all of us that another year of our life is blending into history. If January is said to be the month for Resolution, December is the month for Introspection. This reminds me of the Warren Buffet's saying,

"An idiot with a plan can beat a genius without a plan"

One needs to look back to the past, analyse, and understand what they have achieved till now and on what they need to work on in the upcoming year. Look back for your mistakes, learn from them and plan accordingly so as to give a push to work on your unachieved agenda. After all, we are our best critic.

We started publishing the SWASA Newsletter in the year 2019 to accomplish the objectives of SWASA. It's a great pleasure to restart the programme after facing the unpleasant events. We proudly present this newsletter with a newer contents, look-n-feel features, articles, snippets, etc., with the cooperation of every SWASA Member.

Newsletter Highlights

A Message of Hope from the President

Editor's Column

TDS on benefit or perquisite

QRMP Scheme

Gallery - SWASA ANNUAL TOUR 2022



S R B R & Associates LLP
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While having discussions, our members have come forward to contribute original articles on professional and practical topics which interested them the most. A special thanks to all the SWASA Members contributing to the articles in this upgraded edition.

“Live as if you were to die tomorrow, Learn as if you were to live forever”

Learning new skills is one way we can rewrite the story of our lives. This quote has a deeper meaning and that too for our profession it is much important to constantly update ourselves with newer skills and knowledge.

With greetings once again, I wish you all a great success. Let your passion and love for the course drive you to attain great heights.

Happiee Reading!



EDITOR'S COLUMN

By Priyadharshika K, Secretary SWASA

“A Successful team is a group of many hands and one mind”

“Every new beginning comes from other beginning’s end” goes the saying. As we are beginning a new year, it’s a time for us to reflect on the past year and to look forward to all the new opportunities and possibilities that the future holds. To make this year count, we are starting by relaunching SWASA Newsletter after March, 2020 along with new SWASA members and committee members. This edition combines the joy and efforts of the people to relaunch the Newsletter.

Quarter I 2023 edition of SWASA Newsletter has brought out various contributions given by the SWASA members and memorable sharing of our annual tour to Chikmagalur.



A Message from the Partner - CA S Padmaja



Winston Churchill once said,

“Continuous effort - not strength or intelligence - is the key to unlocking our potential”

SWASA is an ocean of potential and opportunities. Although, the seed of the Newsletter was sown way back in 2018. But unleashing its potential and reviving its originality in newer form.

Wishing the entire team of SWASA a very good luck in making continuous and consistent efforts for a regular issue of the Quarterly Newsletter and its other activities.

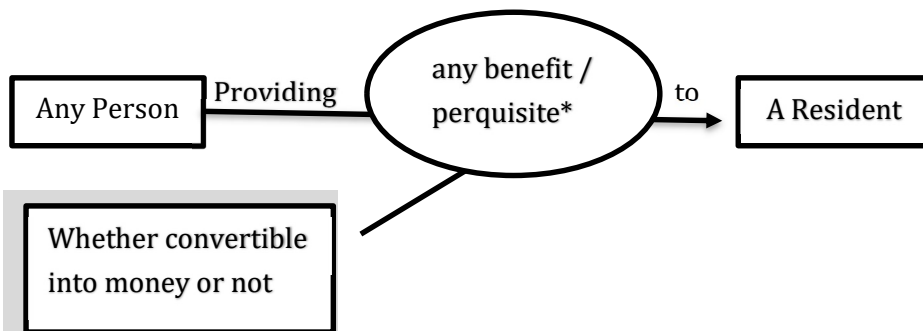
The new AVATAR that SWASA has taken is definitely nothing less than a reincarnation and we are looking forward to newer and useful updates that will enrich any reader in various spheres of life, including but not limited to personality, communication, subject knowledge.

Wishing the readers, a happy reading and updating!

TDS on BENEFIT or PERQUISITE

SECTION 194R

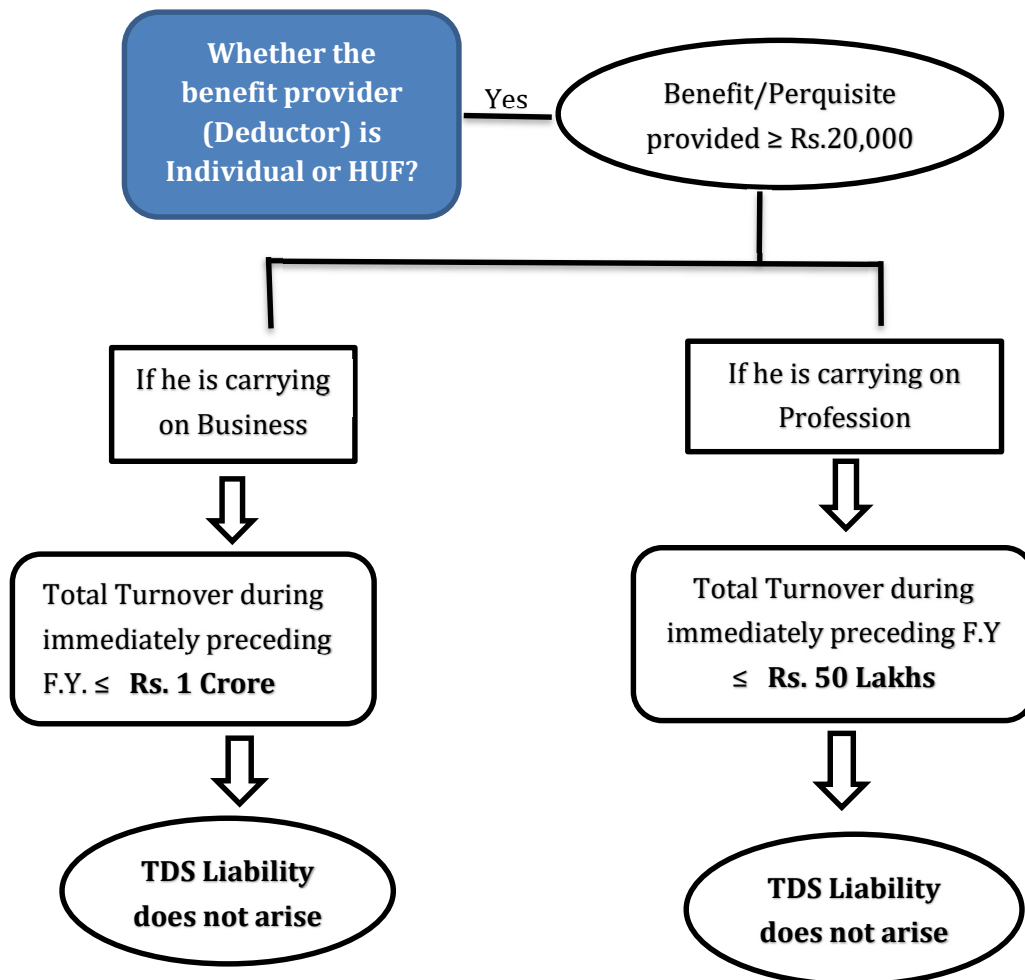
w.e.f 01-07-2022



Threshold Limit: Rs.20,000 during the F.Y

Rate: 10% of Aggregate Value of such benefit/ perquisite provided by deductor.

Exception only in case of Individuals or HUF:



*arising from business or profession

By Mukundan V
Audit Executive

Example 1:

Mr. S is a practicing Chartered Accountant engaged in business of tax consultation, whose turnover during the immediately preceding FY 2021-22 is Rs. 95 lakhs. Mr. A, director of XXX Enterprises, a client of Mr. S has provided Mr. S a wristwatch worth Rs.50,000 on his son's engagement as a gift. Whether Mr. A is liable for deduction if tax u/s 194R?

Mr. A is not liable to deduct TDS u/s 194R as the said gift does not arise from business or exercising profession.

Example 2:

TKS Film (Proprietor), has provided 30 tickets to its business consultants, tickets to album release function for a movie produced by them. Each ticket worth Rs.1000. Total turnover of TKS Film (Proprietor) is Rs. 97 Lakhs during F.Y. 2021-22. Total turnover of Business Consultants (M/s TTT & Co) is Rs. 33 Lakhs during F.Y. 2021-22. Date of Album release function-15/08/2022¹. Whether TKS Film (Proprietor) is liable for deduction if tax u/s 194R?

TKS Film (Proprietor), is not liable to deduct TDS u/s 194R as the turnover of TKS Film (Proprietor) during the immediately preceding financial year is less than Rs. 1 Crore.

[3rd Proviso to 194R (1)]

Example 3:

The management of RK Enterprises, a cycle manufacturer, decided to provide a cycle worth Rs. 6000 to its main distributor TR & Co LLP for each quarter as a gift. Whether TDS liability shall arise at the end of 1st quarter or 4th quarter, when the threshold limit is crossed and how TDS shall be deducted?

RK Enterprises is liable to deduct TDS before disbursement of said gift (Cycle) as the expected benefit/perquisite will exceed Rs.20,000 during the F.Y. and RK Enterprises shall collect Rs.600 (10% of Rs. 6000) from TR & Co for payment of TDS, as the consideration is given in kind, for payment of TDS. Alternatively, TR& Co can pay Rs. 600 by way of advance tax and share the challan with the provider. RK Enterprises shall report the same in TDS return along with challan number². TR& Co can also claim depreciation on Rs.24000 on fulfilment of other conditions for claiming depreciation if it is used for its business.

¹ It is to be noted that the provisions of 194R is applicable with effect from 01/07/2022. Thus, the benefit/ perquisite which has been provided till 30/06/2022 would not be subjected to TDS under this provision.

- If a company in which public are substantially interested provides bonus or right shares to all its shareholders, liability u/s 194R does not arise.
- One-time loan settlement with borrowers or waiver of loan granted on reaching settlement with the borrowers by specified banks /financial institutions would not be subjected to tax deduction at source under section 194R of the Act.
- Sales discount, cash discount and rebate allowed to customers – No 194R TDS liability.
- GST shall be excluded in value of benefit/ perquisite.
- If there is a dealer conference to educate the dealers about the products of the company- 194R not applicable. However, expenses incurred on dealers for conference because of overstay does amount to 194R. For this purpose, overstay excludes day immediately before and after the day of conference.
- Non-compliance of the provision of section 194R of the Act would not only result in **disallowance under clause (ia) of section 40** of the Act but may also result in treating the benefit/perquisite provider **as assessee in default under section 201** of the Act with all other consequences. To avoid that conflict the benefit provider may, at his option, **not claim such expense as deductible** while calculating his total income. [CBDT Circular No. 18 of 2022]

QRMP (Quarterly Return Monthly Payment) Scheme

- Dinesh A.V, Audit Executive

Introduction

This Scheme was introduced for the purpose of ease of doing the business. The GST Council in its 42nd meeting held on 05th October, 2020 had recommended that registered persons having Aggregate Annual Turnover up to Rs.5 Crores may be allowed to furnish return on quarterly basis along with monthly payment of tax, with effect from 01.01.2021.

Eligibility of the Scheme

1. In terms of Notification No. 84/2020-Central Tax, dated 10.11.2020, a registered person who is required to furnish a return in FORM GSTR-3B, and who has an Aggregate Annual Turnover of up to Rs.5 Crore's in the preceding financial year is eligible for the QRMP Scheme.

The Aggregate Annual Turnover for the preceding financial year shall be calculated on the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the preceding financial year. In case the Aggregate Annual Turnover exceeds Rs.5 Crore's during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

2. In terms of Rule 61A of the CGST Rules, a registered person can opt in for any quarter from the first day of the second month of preceding quarter to the last day of the first month of the quarter. In order to exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

For example: A registered person intending to avail the Scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July. If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have

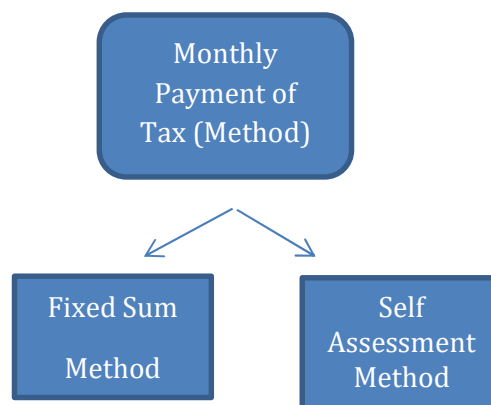
furnished the return for the month of June which was due on 22nd/24th July.

General Points:

- Registered persons are not required to exercise the option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.
- The option to avail the QRMP Scheme is GSTIN wise (different GSTINs on same PAN) can opt for the QRMP Scheme and remaining GSTINs may not opt for the Scheme.

Monthly Payment of Tax:

Select "Monthly payment for quarterly taxpayer" as reason for generating the challan. The said person can use any of the following two options (Fixed Sum Method and Self-Assessment Method) provided below for monthly payment of tax during the first two months



- i. **Fixed Sum Method:** A facility has been made available on the portal for generating a pre-filled challan in **FORM GST PMT-06** for an amount equal to thirty-five per cent (35%) of the tax paid in cash in the preceding quarter where the return was furnished quarterly; or equal to the tax paid in cash in the last month of the immediately preceding quarter where the return was furnished monthly.

- ii. **Self-Assessment Method:** The said person, in any case, can pay the tax due by considering the tax liability on inward and outward supplies and the input tax credit available, in **FORM GST PMT-06**. In order to facilitate ascertainment of the ITC available for the month, an auto-drafted input tax credit statement has been made available in **FORM GSTR-2B**, for every month.

Benefits of QRMP Scheme:

1. It provides value added features to save time and effort manifold
2. Intuitive Payment Dashboard for Challan Management and Tax Saving Optimization
3. Reconciliation of Sales with Monthly IFF and Quarterly GSTR-1

Caution point

The QRMP challan payment can be used only for the payment of tax for the scheme only. This challan can not used for any other purpose.

Input Tax Credit Claims under QRMP Scheme

- i. There is no procedural difference in the way Input Tax Credit (ITC) is claimed by a registered person opting into the QRMP scheme.
- ii. The QRMP taxpayers who are using the self-assessment method of calculating the tax payments for the first two months of the quarter can consider the ITC available as per their GSTR-2B for the month.
- iii. Accordingly, they can pay the balance as cash towards the GST liability.

Interest on Delay payment of Tax Liability

1. The interest will be applicable as follows if the taxpayer opts for Fixed Sum Method

Possibility

Tax liability is paid by 25 th of the following month	Tax liability is not paid by 25 th of the following month	Final tax liability for the first two months < amount paid already	Final tax liability for the first two months > amount paid already and the difference is paid within due date of quarterly return	Final tax liability for the first two months > amount paid already and the difference is not paid within due date of quarterly return
↓	↓	↓	↓	↓
Interest	Interest	Interest	Interest	Interest
Nil	18% on tax Liability (from 26 th of the following month till the date of payment)	Nil	Nil	18% on Tax Liability (From GSTR 3B due date till the date of payment)

And

For the third month of the quarter the taxpayer has to pay interest at 18% per annum if the tax liability paid beyond on due date.

2. The interest will be applicable as follows if the taxpayer opts for Self Assessment Method

The taxpayer has to pay interest at 18% per annum on the net tax liability which remains unpaid or paid beyond the due date for the first two months of the quarter.

It is important to note that the taxpayer has to pay interest at 18% per annum if there is any late payment of tax in the third month of a quarter.

Due dates for filing quarterly GSTR-3B

S No	GST Registration in States and Union Territories	Due Date
1	Tamil Nadu , Chhattisgarh, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli, Daman and Diu, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh	22nd of the month succeeding such quarter
2	Other States and Union Territories of India not covered in S.No. 1	24th of the month succeeding such quarter

Applicability of Late Fee:

Act	Late fees per day delay (if Tax Liability arises)	Late fees per day (In Case of Nil Return)
CGST	Rs.25	Rs.10
SGST	Rs.25	Rs.10
IGST	Rs.50	Rs.20

No late fee is applicable for delay in payment of tax in first two months of the quarter.

IFF (Invoice Furnishing Facility)

i. With this scheme, eligible taxpayers can make use of the optional Invoice Furnishing Facility (IFF), to pass on the ITC to the recipient of the supplier.

ii. IFF allows you to file four GSTR-1 returns in a year, and upload invoices for the first two months of a quarter instead of waiting until the end of the quarter while filing the return. With IFF, the recipient of supplier can claim Input Tax Credit (ITC) faster.

iii. For the first two month of the quarter, details of your outward supplies to a registered person can be submitted till the 13th of the following month. For the last month, GSTR-1 has to be filed.

iv. The said details of outward supplies shall, however, not exceed the value of Rs.50 Lakhs in each month

SWASA Annual Tour 2022

Chikmagalur 15th Dec to 17th Dec



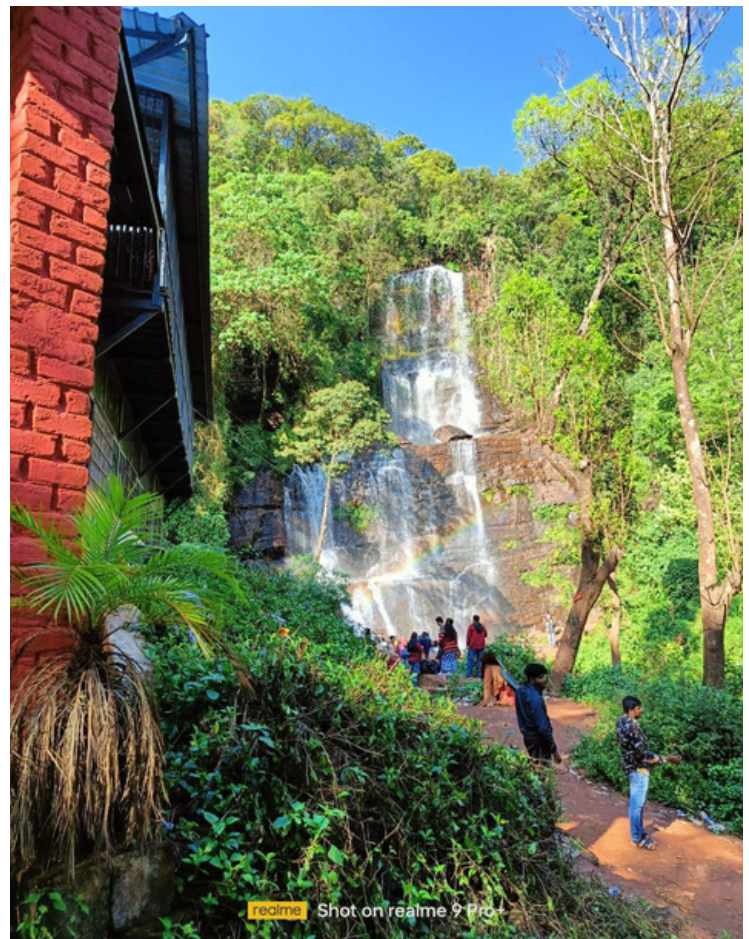
The humpty dumpties sat on a wall



The humpty dumpties had a great fall



Up above the world so high....



The one
proper
group photo
we could get