SENSEX	NIFTY	USD	GOLD	CRUDEOIL
58136.36	17345.45	78.81	51668.00	7426.00

What happens if you miss the ITR filing deadline of July 31, 2022

The deadline to file an income tax return (ITR) is July 31, 2022. It is advisable to file your ITR before the due date, that is, July 31, 2022. However, if for some reason you do not manage to file your ITR before the deadline of July 31, 2022, read on to find out what will happen and what are options available to a taxpayer who wants to file his/her ITR post the deadline.

The penalty

Due date of filing belated ITR is December 31, 2022, for FY 2021-22 (AY 2022-23), unless extended by the government. If the ITR is filed after the due date (July 31) and before December 31, 2022, then a late filing fee will be levied.

A late filing fee will be levied if you file a belated tax return, i.e., after the deadline. Until assessment year (AY) 2017-18, there was no penalty for filing belated income tax returns. However, this penalty is applicable from AY 2018-19. A new, section 234F, was inserted by the government into the Income-tax Act, 1961. This section was further amended in Budget 2021.

The amendment was made as the government has reduced the time limit to file belated ITR by three months. Till FY 2019-20, an individual had an option to file belated ITR till the end of the relevant assessment year, i.e., till March 31. However, in Budget 2021, the government reduced the time limit to file belated ITR by three months, i.e., till December 31. Thus, a consequential amendment was made under section 234F to reduce the penalty levied on belated ITR filing by half.

Further, it is important to note that if you have any unpaid tax liability, then penal interest on the same would be levied, as applicable to your case, if you are filing a belated return. But if no tax is payable, the taxpayer won't be liable to pay this interest solely due to the belated filing of ITR.

How to file a belated return?

The process of filing a belated return is the same as filing the return on or before the due date. The main difference would be that while filling the applicable ITR form, you would have to select "Return filed under section 139(4)" in the drop-down menu in the relevant box in the form. Also, remember that if you are filing a belated return for FY2021-22 (AY 2022-23), then you need to fill the applicable ITRs as notified for FY 2021-22 only and not for any previous or later FY.

Can you revise the belated ITR?

Yes, you can. From FY16-17, i.e., AY17-18 onward, you are permitted to revise a belated return. However, if you file your tax return after the deadline, you will lose out on certain benefits and a penalty will be levied.

What if I have filed my returns but there is an error?

If after filing your tax return you realise that you have not reported certain incomes, or some deductions were not availed of in the return computation, it is possible to file a revised return. **(Cont.)**

The last date for filing a revised return for FY 2021-22 is December 31, 2022.

Do keep in mind that the last date to file a belated and revised return is the same for FY 2021-22, i.e., December 31, 2022. Therefore, if you e-file your belated ITR on December 31, 2022, then you can still revise your tax return online on the last day (i.e., December 31, 2022, on or before midnight), in case a mistake is discovered after it is e-filed.

How much time do I get to verify my return?

Merely filing your tax return is just half of the process - you need to verify it as well. As per the present tax laws, you can verify your return within 120 days of filing it.

Can I carry forward losses if I file a belated return?

"As per the Indian income tax laws, losses under any head of income (other than income from house property), can be carried forward only if the tax return is filed within the due date, i.e., July 31 of the relevant AY (unless extended by the government). However, taxpayers can carry forward the loss under the head income from house property, even if the tax return is filed after the due date," says Surana.

After 9 months, FPIs return to Indian equities with Rs 5,000-cr investment in July

After nine consecutive months of relentless selling, foreign investors have turned net buyers and invested nearly Rs 5,000 crore in Indian equities in July on softening dollar index and good corporate earnings. This is in sharp contrast to a net withdrawal of Rs 50,145 crore from the stock market seen in June. This was the highest net outflow since March 2020, when foreign portfolio investors (FPIs) had pulled out Rs 61,973 crore from equities, data with depositories showed.

According to data with depositories, FPIs infused a net amount of Rs 4,989 crore in Indian equities in July. They were buyers for nine days in the month.

The net inflow also propelled the equity markets northwards.

FPIs turned net buyers for the first time in July after nine straight months of massive net outflows, which started in October last year. Between October 2021 till June 2022, they sold a mammoth Rs 2.46 lakh crore in the Indian equity markets.

Additionally, the recent correction in the Indian equity markets has also provided a good buying opportunity, and FPIs have been taking advantage of the same by hand-picking high-quality companies.

However, FPIs pulled out a net amount of Rs 2,056 crore from the debt market during the month under review.

The flows have also been largely driven by short-term trends. So, we are still to see long-term money coming into the Indian markets, which is stickier. Plus, concerns about the US going into recession continue to persist. Any aggressive rate hike by US Fed, or expectation of the same, could further exacerbate capital outflows in emerging markets such as India

SEBI defers implementation of mutual fund holders' nomination rules till Oct 1

Markets regulator Sebi has deferred the implementation of rules pertaining to **nomination** for mutual fund holders till October 1.

The rules, which mandate investors, subscribing to mutual fund units, to submit details of nomination or opting out of nomination, was to come into force August 1.

Now, investors, who are subscribing to mutual fund units from October 1 will have the choice of providing nomination or opting out nomination, the Securities and Exchange Board of India (Sebi) said in a circular.

Asset Management Companies (AMCs) will have to provide an option to the unit holder to submit either the nomination form or the declaration form for opting out of nomination in physical or online mode as per the choice of the unit holder.

In case of physical option, the forms will carry the wet signature of all the unit holders and if it is online, e-sign facility will be used instead of wet signature of all the unit holders.

Besides, AMCs will validate the forms through two-factor authentication in which one of the factors will be a One-Time Password (OTP) sent to the unit holder concerned at his or her registered email or phone number.

The move is aimed at bringing uniformity in practices across all constituents in the securities market.

250% growth in mutual fund AUM since 2014: PM Modi

In the last 8 years, India has seen a financial inclusion wave, making even the poorest of the poor a part of the formal financial system, Prime Minister Narendra Modi said at a function at the Gujarat International Finance Tec-City (GIFT City).

The prime minister said that the "250% growth in mutual fund AUM in the last 8 years" stands testimony to the rising financial inclusion in India.

"According to AMFI, in 2014, the AUM of the mutual fund industry was around Rs. 10 lakh crore. In 8 years (by June 2022), the AUM was up 250% at Rs. 35 lakh crore," he said.

Good scope in financial education'

The prime minister said the rising mutual fund AUM shows that there is a large aspirational class in India which wants to invest for growth. "They want us (government institutions and private players) to ensure financial education and information is available freely," PM Modi said.

"There is good scope in financial literacy. Investors need financial courses which can help them understand different financial instruments. Moreover, these courses should be run on a not-for-profit model to build trust," he added.

PM Modi was speaking at a function at the GIFT City near Gandhinagar in Gujarat soon after laying foundation stone for the International Financial Services Centres Authority (IFSCA) and inaugurating the India International Bullion Exchange (IIBC) and NSE (National Stock Exchange) IFSC (International Financial Service Centre) and SGX (Singapore Exchange Ltd) Connect platform.

New SIP registrations surged 90% in FY22, says report

The number of registrations for new systematic investment plans (SIP) in mutual fund schemes surged nearly 90% to 2.66 crore by the end of the financial year 2022, according to a report by IDFC Mutual Fund.

Highlighting how retail investors trust small regular investments, the report showed that SIP retention improved from 39% in FY21 to 58% in FY22. The data showed that 1.41 crore SIP accounts were opened in FY2020-21 while 0.86 crore accounts ceased or matured.

On the other hand, 2.66 crore accounts were opened in FY2021-22 and 1.11 crore SIP accounts ceased or matured.

The IDFC MF report also highlighted that SIP book increased from ₹9,000 crore per month in March 2021 to over ₹12,300 crore in March 2022, a jump of 34%. Investor preference for SIPs has come amid Indian markets performing better among global peers, with the benchmark Sensex ending FY22 with an 17% jump to 58,569 points.

There has been also a steady rise in live SIP accounts from over 3 crores at the of April 2020 to above 5 crores at the end of February 2022.

The report highlighted that in the last financial year when markets put up a decent show, gross sales of the industry was more focused towards equity-oriented schemes. The data showed that gross sales in debt schemes went down by 12%. Further, 13% of the total equity gross sales was through new fund offers (NFOs) in FY22 compared with 8% in the previous fiscal. Another 25% of total equity gross sales came through SIP investments.

Specifically, debt schemes witnessed huge outflow of ₹1.67 lakh crore in FY22.

The report said FY22 was a year of equity and hybrid schemes, which predominantly incorporates equity and both. Average assets under management (AAUM) of equity schemes grew 32% and that of hybrid schemes grew 39% during the fiscal.

Further, index funds witnessed a spurt in AAUM with the launch of multiple fixed income index funds. In fact, debt schemes were the only category with negative net sales during the year.

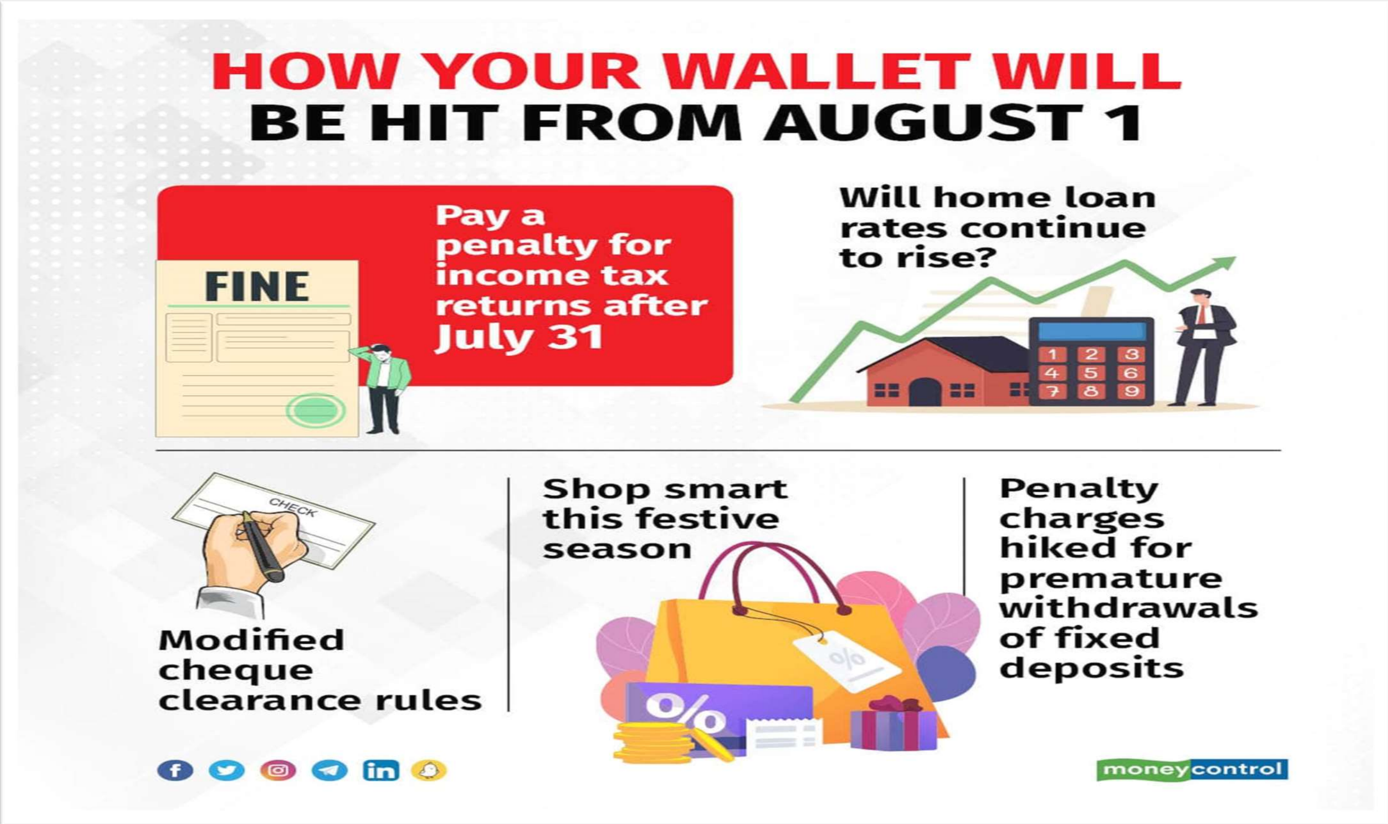
1.14 crore new investors join the MF industry in one year

As many as 1.14 crore new investors started investing in mutual funds over the last one year, shows AMFI data. With this, the industry witnessed 48% increase in terms of number of new MF investors.

The data shows that over 16 lakh new investors joined the MF industry last quarter i.e., April-June 2022. Overall, the total number of investors increased from 3.37 crore as on Mar 22 to 3.53 crore as on Jun 22.

Particulars	Jun-22	Jun-21	Increase	% Increase
Unique PAN	3,48,38,550	2,34,59,689	1,13,78,861	49%
Unique PEKRN	4,60,390	4,42,681	17,709	4%
Total	3,52,98,940	2,39,02,370	1,13,96,570	48%

Experts attribute this to the rising mutual fund awareness through AMFI campaigns, media channels and IAPs.



Pay penalties for belated income tax returns

Did you not file your income-tax returns (ITRs) by July 31? Then be prepared to pay a **penalty for filing belated returns**. A belated return is a return which is filed after the due date mentioned in the income tax rules. The deadline for filing ITRs is July 31, but one can still file returns till December 31 of the assessment year (2022-23 at present). A penalty of Rs 5,000 will be charged for a delay in filing returns, if the total income to be reported exceeds Rs. 5 lakh. If the total income of the person is less than Rs 5 lakh, then the penalty payable is up to Rs 1,000.

Aggressive monetary policy announcement by the RBI

For June, India's headline retail **inflation** rate, as measured by the Consumer Price Index (CPI), was 7.1 percent. This takes the average inflation for April-June to 7.3 percent, 20 basis points lower than the Reserve Bank of India's (RBI) forecast of 7.5 percent, according to data released on July 12 by the Ministry of Statistics and Programme Implementation.

To curb high inflation, RBI will remain aggressive over the next few monetary meetings in terms of policy rate action, according to economists.

“We expect another 50-basis point rate hike at the August meeting (one basis point is one-hundredth of a percentage point), taking the policy rate to 5.4 percent, above the pre-pandemic peak of 5.15 percent but with far higher inflation now than then,” says Kunal Kundu, India economist, Societe Generale. Based on the rate hike announcement, banks may start raising interest rates on home loans and other loan products linked with the repo rate as an external benchmark as per terms of the loan agreement.

(Cont.)

Sakthi Financial Services

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Cheque clearance rules modified at BoB

In a message to account holders, Bank of Baroda has announced modifications in its cheque clearance rules. From August 1, 2022, the bank has said that customers have to electronically confirm important information about cheques exceeding a value of Rs 5 lakh. Earlier, customers had to confirm certain details for cheques of Rs 10 lakh and above. The customer needs to authenticate the cheque with the bank before it can be cleared under the bank's Positive Pay System.

Positive Pay is a tool designed to detect fraudulent activity. It does this by matching information related to the cheque presented for clearing: the cheque number, cheque date, payee name, account number, amount, and other details, against a list of cheques previously authorised and issued by the issuer. The process involves reconfirmation of key details of large-value cheques.

Yes Bank increased the penalty charges for premature withdrawals of fixed deposits

Effective August 8, Yes Bank has raised the penalty for premature withdrawals of **fixed deposits** (FDs) booked for a tenure of less than or equal to 181 days, to 0.50 percent from 0.25 percent earlier. Similarly, it has hiked the penalty for premature withdrawal of FDs with a tenure of more than 182 days to 0.75 percent from 0.50 percent earlier. The bank will charge the penalty on all FDs booked / renewed for less than Rs 5 crore. The premature withdrawal penalty is not applicable to senior citizens.

Spend smartly this festive season

In August, thanks to Raksha Bandhan, Independence Day and other festivals, there are shopping offers from e-commerce websites, retail chains and independent neighbourhood stores. Make a budget and track your shopping expenses during the festive season. Prepare a list of gift items to **avoid impulsive spending**. Use cards of partner banks for additional discounts and cashbacks. Redeem reward points for additional savings. Avoid shopping for stuff you may not use immediately, and zero-cost EMI schemes, as they are debt traps.

(Source:- Economictimes, Moneycontrol, Livemint, Cafemutual, IBJArates, AMFI Etc.)