

12th May 2022

Volume 11

LAKSHYA

The monthly Newsletter
(Only for private circulation)

This newsletter covers the following:

- Compliance calendar under various laws for the month of May 2022.
- Important Circulars/Notifications issued under various laws.
- Important Case Laws.
- National news updates.
- Financial news from around the Globe.
- Snapshot of important financial indicators.



“If you don’t drive your business, you will be driven out of business.”

- B.C. Forbes

COMPLIANCE CALENDAR UNDER VARIOUS LAWS FOR THE MONTH OF MAY 2022**ESIC, PF & PT PAYMENT & PT RETURN**

Nature of Payment/Return	Period	Particulars	Due Date
ESIC Payment	April-22	Monthly Payment for ESIC	15 th May 2022
Provident Fund Payment	April-22	Monthly Payment for Provident Fund	15 th May 2022
Provident Fund Return	April-22	Monthly Return for Provident Fund	25 th May 2022
Professional Tax Payment	April-22	Monthly Payment for Professional Tax Deducted	30 th May 2022
Professional Tax Return	April-22	Return filling for taxpayers liable to file monthly return	30 th May 2022

INCOME TAX

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	Apr-22	Monthly Payment of TDS/TCS	7 th May 2022
Form 16B	Mar-22	TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	15 th May 2022
Form 16C	Mar-22	TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	15 th May 2022
Form 16D	Mar-22	TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	15 th May 2022
	Jan-22 - Mar-22	Quarterly statement of TCS	15 th May 2022
Form No.3BB	April-22	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of April 2022	15 th May 2022
Form 24G	April-22	TDS/TCS paid without the production of a challan by an office of government	15 th May 2022

Form No.49C	F.Y 2021-22	Submission of a statement by non-resident having a liaison office in India for the financial year 2021-22	30 th May 2022
	F.Y 2021-22	Issue of TCS certificate for the 4 th Quarter of the Financial Year 2021-22	30 th May 2022
26 QB	April-22	Deposit of TDS amount under section 194-IA (Transfer of immovable property)	30 th May 2022
26 QC	April-22	Deposit of TDS amount under section 194-IB (Payment of rent by certain individual/HUF)	30 th May 2022
26 QD	April-22	Deposit of TDS amount under section 194-M (Payment to resident for carrying out any work in pursuance of contract or by way of professional fees)	30 th May 2022
		Return of tax deduction from contributions paid by trustees of an approved superannuation fund	31 st May 2022
24Q/26Q	Jan22 to Mar-22	Quarterly statement of TDS	31 st May 2022
Form No.61B	F.Y 2021-22	Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA(1)(k) for calendar year 2021 by reporting financial institution	31 st May 2022
		Application for allotment of PAN in case of non-individual resident person, which enters into financial transaction of Rs. 2,50,000 or more during F.Y 2021-22 and hasn't been allotted any PAN	31 st May 2022
		Application for allotment of PAN in case of person being managing director, director, partner, trustee, author, founder, Karta, chief executive officer, principal officer or office bearer of the person referred to in Rule 114(3)(v) or any person competent to act on behalf of the person referred to in Rule 114(3)(v) and who hasn't allotted any PAN	31 st May 2022
Form No.10BD	F.Y 2021-22	Return containing the details of donations received by the Charitable Organizations during the year.	31 st May 2022
Form No. 10BE	F.Y 2021-22	Certificate of donation issued to donors	31 st May 2022

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-7	Monthly Return by TDS Deductor	April-22	10 th May 2022
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	April-22	10 th May 2022
GSTR-1/ GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns	April-22	11 th May 2022
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme	April-22	13 th May 2022
GSTR-6	Monthly Return by Input Service Distributor	April-22	13 th May 2022
GSTR-3B	Taxpayers opted for monthly returns	April-22	20 th May 2022
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	April-22	20 th May 2022
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	April-22	20 th May 2022
PMT- 06	Challan for depositing GST by taxpayers who have opted for the quarterly filing of GSTR -3B under the QRMP scheme.	April-22	25 th May 2022
ITC - 03	A form for ITC reversal pertaining to previous years, in the case where a person freshly opts for the composition scheme for the FY 22-23.		31 st May 2022

ROC COMPLIANCE

Form	Particulars	Due date
LLP Form 11	Annual statement for submitting details of the business of the LLP and its partners for the F.Y 2021-22.	30 th May 2022

IMPORTANT NOTIFICATIONS & CIRCULARS

1) EPFO releases circular clarifying computation of interest on PF contributions exceeding prescribed limit.

The Employee Provident Fund Organization (EPFO) vide the circular no. **WSU/6(1)2019/INCOMETAX/PART-1(E-33306)** dated 5th April 2022 has provided clarification in relation to the computation of taxable and non-taxable portions of interest on PF contributions made by the subscriber. The guidelines have been issued considering the CBDT notification GSR 604(E), dated 31-09-2021.

To view the circular [click here](#)

2) SEBI modifies guidelines for FPIs, Designated Depository Participants, and 'Eligible Foreign Investors'

SEBI vide SEBI Circular No. **IMD/FPI&C/CIR/P/2019/124** dated 05-11-2019 issued operational guidelines for FPI, DDP, and FI whereby the designated depository participant is required to grant certificate of registration, bearing the registration number generated by NSDL in a centralized manner.

To view the circular [click here](#)

3) Disclosures in Financial Statements - Notes to Accounts of NBFCs

The Reserve Bank of India vide notification RBI/2022-23/26 dated- 19th Apr,2022 has notified additional disclosures in financial statements - notes to accounts of NBFCs. NBFCs shall disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements.

To view the circular [click here](#)

4) Amendment in section 139 (1) of Income Tax Act, 1961

The CBDT vide Notification No. 37/2022 dated 21st April 2022 in G.S.R. 307(E) through Income-tax (Ninth Amendment) Rules, 2022 notified conditions for furnishing a return of income in terms of clause (iv) of the seventh proviso to sub-section (1) of section 139 of Income-tax Act, 1961 ('Act') and for this purpose, a new Rule 12AB is inserted in the Income-tax Rules, 1962.

To view the notification, [click here](#)

5) Somnath Temple considered an eligible monument for 80 G deduction

The CBDT vide the notification no. 29/2022 dated 11th April 2022 has notified Somnath Temple as a place of historic importance and a place of public worship of renown under Section 80 G of Income Tax Act, 1961.

To view the notification, [click here](#)

6) [Introduction of E-Dispute Resolution Scheme, 2022](#)

In order to facilitate faster resolution of tax disputes for small taxpayer, the CBDT vide the notification no. 27/2022 dated 5th April 2022 has introduced the “e-Dispute Resolution Scheme, 2022”. This scheme describes the procedure to the resolution of disputes electronically followed by various faceless schemes introduced by the Government.

To view the notification, [click here](#)

7) [Filing of updated returns](#)

The Income tax department vide the notification no. 48/2022 has inserted a new rule named 12 AC and notified a new form “ITR - U” for A.Y. 2020-21 and subsequent years. This notification entitles the assessee to file updated return of income for the A.Y. 2020-21 and onwards.

To view the notification [click here](#)

8) [Constitution of Dispute Resolution Committee](#)

CBDT vide Notification No. 26/2022 dated 5th April 2022 in G.S.R 274(E) through Income-tax (Seventh Amendment) Rules, 2022 notified the Constitution of Dispute Resolution Committee in accordance with the provisions of section 245MA of the Income-tax Act, 1961 (‘Act’).

Further, The Board has notified e-Form No. 34BC for electronic filing of an application for settlement of the dispute before the Dispute Resolution Committee.

To view the notification, [click here](#)

9) [Amnesty scheme for indirect tax dues other than GST](#)

The Government of Maharashtra had proposed an amnesty scheme for various taxes levied before the introduction of Goods and Services Tax (GST), in the State Budget 2022-23 presented on 11th March 2022. The scheme shall apply to all pending dues under specified State legislations for the period upto 30th June 2017.

To view the extract, [click here](#)

10) [Amnesty scheme for Stamp Duty penalties](#)

The Maharashtra government has introduced an amnesty scheme to waive the penalty to a significant extent imposed for the deficit payment of stamp duty in select cases. The waiver shall apply only to pending cases as of March 31, 2022, and in which at least one notice has been served.

As per the new amnesty scheme, the state government has decided to waive the penalty to 10% from April to July 2022, and 50% between August to November, 2022.

To view the circular [click here](#)

IMPORTANT CASE LAWS

1. Resolve Salvage & Fire India Private Limited Vs DCIT

Appeal Number: I.T.A No.841 /Mum/2019

Date of Ruling: 18th April 2022

Judicial Level and Location: Income tax Appellate Tribunal Mumbai

Section Reference Number: 201(1), 201(1A)

ITAT: Interest on delayed payment of TDS, compensatory in nature, deductible in computing taxable income.

FACTS

- The assessee being a company paid Rs. 1.61 crores as interest on late payment of TDS, and vide a letter made a fresh claim for the amount which was added back by the Revenue on the grounds that such interest was penal in nature.
- Revenue contended that fresh claim made by the assessee could not be entertained unless otherwise made by filing revised return of income.
- On Appeal, the CIT(A) allowed the fresh claim, but disallowed the interest on merits.

HELD AS UNDER:

- ITAT observed that CIT(A) relied on the Bombay High Court ruling in *Ferro Alloys* to disallow the interest claim, wherein the issue was not discussed on merits in view of the Delhi HC ruling in *Bharat Commerce* which was pending before the Supreme Court.
- Further, the ITAT observed that in the aforesaid SC ruling, the issue involved was relating to interest on late payment of advance tax whereas in the instant case, the issue was related to late remittance of TDS.
- ITAT held that the Assessee deducted tax on behalf of third party and failed to remit the same within due date and thus, the interest charged on such amount was only compensatory in nature.
- Additionally, relying on the coordinate bench ruling in *STUP Consultants* ITAT held that interest paid on delayed payment of TDS under Section 201(1A) is allowable as deduction.

2. Bhushan Logistics Pvt. Ltd Vs Income Tax Officer

Appeal Number: ITA No. 2480/Mum/2019

Date of Ruling: : 8th April 2022

Judicial Level & Location: Income tax Appellate Tribunal Mumbai

Section Reference Number :37

ITAT: Deletes ad hoc disallowance of cash expenditure on fuel, freight for transport operator.

FACTS

- Assessee-Company incurred Rs.1.23Cr. towards diesel, petrol and oil expenses and Rs.5.31 Cr. towards freight expenses in cash for A.Y.2014-15 whereas, Revenue, doubting the correctness of claim of expenditure disallowed 1% of the expenses for want of verification which was upheld by the CIT(A) against which Assessee preferred the instant appeal.
- As regards the issue of disallowance of salary paid to Directors under Section 40(a)(ia), ITAT finds the recipients offered such salary income to tax in their return and also that Assessee submitted certificate in Form 26A as required under first proviso to Section 201(1), thus remands the issue for verification of details and de novo consideration.

HELD AS UNDER

- Mumbai ITAT partly allowed Assessee's appeal, deletes ad hoc disallowance of cash expenditure incurred on diesel, petrol, oil and freight, hold such expenses are unavoidable and difficult to accurately document in case of Assessee engaged in transportation business.
- ITAT observes that the percentage of freight expenses and diesel, petrol and oil expenses in cash in comparison to freight income was minuscule and that Revenue failed to provide any basis for making disallowance on an ad hoc basis.
- Thus, sets aside CIT(A) order and deletes the disallowance of cash expenditure out of diesel, petrol and oil expenses and freight expenses.
- On disallowance of rent for non-deduction of tax at source, ITAT finds Assessee was required to pay Rs.1.50 lakh in terms of the leave and license agreement, and it being below the threshold for requiring tax deduction at source, deletes the disallowance: ITAT Mumbai

NATIONAL NEWS UPDATES

- 1) The gross GST revenue collected in **April 2022** is Rs **1,67,540 crore**, of which central GST is Rs 33,159 crore, State GST is Rs 41,793 crore, Integrated GST is Rs 81,939 crore (including Rs 36,705 crore collected on import of goods) and Cess is Rs 10,649 crores (including Rs 857 crores collected on import of goods)
- 2) **Delhi-NRC** is the ninth most expensive prime office space market in Asia-Pacific with an occupancy cost of \$60 per sq feet per year as per Knight Frank's Asia-Pacific Prime Office Rental Index for Q1 2022 revealed. The region's most expensive markets are Hong Kong (\$186) and Singapore (\$105). Mumbai (\$50.9) and Bengaluru (\$26.7) are at 15th and 21st positions respectively.
- 3) **ISMC (International semiconductor consortium)** will invest Rupees 22,900 crore (\$3 billion) to setup India's first and largest semiconductor fabric unit in Karnataka which is expected to generate over 1500 direct and 10,000 indirect jobs.
- 4) **Indian Economy** might take nearly 15 years to meet up losses incurred during coronavirus pandemic, according to the Reserve Bank of India's (RBI) report on currency and finance for F.Y.2022.
- 5) **Pharma exports** touched ₹1,83,422 crore in 2021-22 against ₹90,415 crore in 2013-14, a 103% rise in eight years. Currently, 60% of the world's vaccines and 20% of generic medicines come from India.
- 6) Stockbroking firm **Zerodha** recorded more than 50% jump in revenue and profitability for 2021-22, as a shift to work from home culture, increased savings, bull market, volatility, IPOs, and India stack led to significant growth in the unicorn startup's investor base in the last two years.
- 7) The government has approved the sale of its 51% shareholding in **Pawan Hans Limited** to Star9 Mobility Private Ltd for ₹211.14 crore which is a consortium of Big Charter Private Limited, Maharaja Aviation Private Limited and Almas Global Opportunity Fund SPC.
- 8) **Khadi & Village Industries Commission (KVIC)** has clocked a record annual turnover of ₹1.15 lakh crore in 2021-22. With this, it has become the first and only FMCG company in the country to have recorded a turnover of over ₹1 lakh crore.
- 9) Assets worth ₹5,551.27 crore of **Xiaomi Technology India Private Limited** have been seized in connection with alleged illegal outward remittances made by the company.
- 10) The country's **foreign exchange reserves** declined by \$311 million to reach \$603.694 billion and **Gold reserves** increased by \$626 million to \$43.145 billion.
- 11) India's unemployment rate rises to 7.83% in April 2022 from 7.60% in March 2022, and the highest unemployment rate is 34.5% in Haryana.
- 12) **Delhivery** is likely to come up with IPO which will be open from 11, May 2022 and close on 13, May 2022. The IPO issue price on an approximation basis would be around Rs. 5235 crores.
- 13) UPI recorded 5.58 billion transactions in April 2022 which were of worth of Rs.9.83 lakh crore in month of April 2022.

FINANCIAL NEWS FROM AROUND THE GLOBE

- 1) **Russia's** main stock market reopened trading in all its listed companies. This came a few days after trading in 33 equities was allowed to resume following a month-long shutdown because of the invasion of Ukraine. The MOEX index dropped by 2.2% on the first full day of operations .
- 2) **Netflix** lost 2,00,000 customers, its first net drop more than a decade, it expects to lose another 2m between April 2022 to June 2022.
- 3) The **British government** outlined its strategy for providing up to 95% of electricity from low-carbon sources by 2030 and gave firm commitments to increase offshore-wind capacity from 10GW to 50GW.
- 4) The **Reserve Bank of Australia** increased its benchmark rate for the first time in 11 years, to 0.35%, amid high inflation.
- 5) **Intercontinental Exchange (ICE)**, the owner of the New York Stock Exchange, agreed to buy Black Knight, a provider of mortgage data and software for \$13.1 bn.
- 6) **Quantas** confirmed orders for 12 Airbus A350-1000s that will fly non-stop from Australia to New York and London starting in late 2025.
- 7) Germany's government took control of **Gazprom Germania**, the division of Russia's Gazprom that operates natural gas storage hubs in the country, after it was suddenly acquired by two firms.
- 8) **Turkey's** annual inflation rate hit 61% in March 2022. The food prices were up by around 70% year on year, energy costs by 103% and transport by 99%.
- 9) America's house price boom continued apace, with the S&P CoreLogic Case- Shiller Index registering a rise of nearly 20% in February, on a year-on-year basis.
- 10) According to the country's statistics office, **Germany's annual inflation** rate is expected to come in at 7.3% for March 2022 which is the highest rate since the German reunification in 1990.
- 11) **Chinas' GDP** was 4.8% larger in the first quarter of 2022 than a year earlier. The figure was better than expected but didn't capture the full effect of the recent lockdowns imposed in Shanghai and other cities of China.
- 12) **GoTo** had a successful IPO debut on the Jakarta stock exchange. GoTo which was formed last year by the merger of Gojek, a ride hailing platform, and Tokopedia, an e-commerce firm. GoTo backers include Softbank and Alibaba.
- 13) Société Générale decided to sell **Rosbank**, a big Russian firm it owns, joining a long list of companies to leave Russia. The French bank is one of the several Western companies with a serious presence in Russian financial industry.

Source: The Economist

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has depreciated a bit in the month of April 2022 against USD, on 30th April 2022 the rupee had settled at **Rs.76.52/-** against the closing value of **Rs.75.92/-** on 31st March 2022.
- Due to rising tensions amid the Russia-Ukraine conflict, the brent crude oil prices have risen to **\$108.36/barrel** as on 30th April 2022 as compared **\$107.30/barrel** to on 31st March 2022.
- The summary of Indices is as follows:

Indices	March 2022 (Closing Value)	April 2022 (Closing Value)	Percentage change during the month
NIFTY 50	17,464	17,103	(2.06%)
SENSEX	58,564	57,061	(2.56%)
BANK NIFTY	36,371	36,088	(0.77%)

- The summary of performance of global indices the has been given below:

Indices	March 2022 (Closing Value)	April 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	14,352	12,335	(14.05%)
NIKKEI 225	27,821	26,848	(3.49%)
SHANGHAI	3,252	3,047	(6.30%)
DAX	14,414	14098	(2.19%)
KOSPI	2,757	2695	(2.24%)

- The summary of performance of various crypto currencies have been given below:

Crypto's	March 2022 (Closing Value) IN USD	April 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	45,544	37,715	(17.18%)
ETHEREUM	3,280	2,730	(16.76%)
DOGECOIN	0.1370	0.1275	(6.93%)

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