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Volume 12

LAKSHYA

The monthly Newsletter
(Only for private circulation)



This newsletter covers the following:

- Compliance calendar under various laws for the month of June 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.

“Your Brand is the single most Investment that you can make in Your Business”

- Steve Forbes

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

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

INCOME TAX

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	May-22	Monthly Payment of TDS/TCS	7 th June 2022
Form 16B	April-22	TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	14 th June 2022
Form 16C	April-22	TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	14 TH June 2022
Form 16D	April-22	TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	14 TH June 2022
Form 16A	Jan-March 22	TDS certificate in relation to challan cum statement filed in Form 26 Q under section 194-M	15 th June 2022
Form No.3BB	May-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.	15 th June 2022
ITNS 280	A.Y 2023-24	First Instalment of Advance tax	15 th June 2022

Form 16	F.Y 2021-22	TDS certificate in relation to challan cum statement filed in Form 24 Q under section 192	15 th June 2022
Form 24 G	May-22	TDS/TCS paid without the production of a challan by an office of government	15 th June 2022
Form No.64D	F.Y 2021-22	Furnishing of Statement of Income paid or credited by Investment Fund to its unit holder	15 th June 2022
Form No.3CEK	F.Y 2021-22	E-filing of a statement by an eligible Investment fund of its activities	29 th June 2022
Form 26 QB	May-22	Deposit of TDS amount under section 194-IA (Transfer of immovable property)	30 th June 2022
Form 26 QC	May-22	Deposit of TDS amount under section 194-IB (Payment of rent by certain individual/HUF)	30 th June 2022
Form 26 QD	May-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 June 2022
–	F.Y 2021-22	Return in respect of Security Transaction Tax	30 th June 2022
–	Jan 22-Mar 22	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit	30 th June 2022
Form No.64B	F.Y 2021-22	Furnishing of statement of income distributed by business trust to its unit holders	30 th June 2022
Form No.64C	F.Y 2021-22	Statement to be furnished by Alternative Investment Fund (AIF) to units holders in respect of income distributed	30 th June 2022
–	F.Y 2021-22	Furnishing of Equalization Levy statement	30 th June 2022

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-7	Monthly Return by TDS Deductor	May-22	10 th June 2022
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	May-22	10 th June 2022
GSTR-1/ GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns	May-22	11 th June 2022
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme	May-22	13 th June 2022
GSTR-6	Monthly Return by Input Service Distributor	May-22	13 th June 2022
GSTR-3B	Taxpayers opted for monthly returns	May-22	20 th June 2022
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	May-22	20 th June 2022
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	May-22	20 th June 2022
PMT- 06	Challan for depositing GST by taxpayers who have opted for the quarterly filing of GSTR -3B under the QRMP scheme	May-22	25 th June 2022
GSTR-4	Annual Return to be filed by the taxpayer who have opted for composition scheme	F.Y.2021-22	30 th June 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 June 2022
DPT-3	Return in respect of Deposit and particulars not considered as Deposit as on 31 st March 2022.	30 th June 2022

IMPORTANT NOTIFICATIONS & CIRCULARS

1) CBIC Seeks to Waive off late fee for delay in filing Form GSTR-4 for F.Y 2021-22

CBIC Vide Notification No. 07/2022 - Central Tax dated 26th May ,2022 notifies that no late fees will be levied in furnishing form GSTR-4 for the F.Y 2021-22 for the period from the 1st day of May, 2022 till the 30th day of June, 2022.

To view the circular [click here](#)

2) Companies (Incorporation) second Amendment Rules, 2022 Substitutes Form INC-9 (Declaration by Subscribers and First Directors).

Central Government makes rules to amend the Companies (Incorporation) Rules, 2014 called as the companies (Incorporation) Second Amendment Rules ,2022 which will come into force with effect from 1st June 2022. It substitutes the new Form INC-9.

To view the circular [click here](#)

3) Relaxation in Paying additional fees in case of delay in Filing Form 11 (Annual Return) by Limited Liability Partnership up to 30th June ,2022.

In view of transition from version-2 of MCA-21 to version-3 and to promote compliance on part of LLPs, it has been decided to allow LLPs to file e-Form 11 (Annual Return of Limited Liability Partnership) for the Financial Year 2021-22 without paying additional fees up to 30th June, 2022.

To view the circular [click here](#)

4) Ministry of Corporate Affairs (MCA) Clarifies on passing of Ordinary and Special resolution by the companies on account of Covid-19 Extension of timeline.

MCA vide General Circular No.3/2022 dated 05/05/2022 provides Clarification and allows companies to conduct their EGMs through Video Conference (VC) or Other Audio-Visual Means (OAVM) up to 31st December ,2022.

To view the circular [click here](#)

5) Reserve Bank of India Enhance the ceiling on loans to Individuals for carrying out house repairs /additions / alterations - Finance for Housing Schemes.

RBI on the review of its Policy Loans to Individuals for carrying out house repairs /additions/alterations which were earlier capped at Rs.1 Lakh in rural and semi-urban area and Rs.2 lakhs in urban areas has now been enhanced to Rs.2 lakhs in Rural and semi-urban area and Rs.5 Lakh in Urban Areas.

To view the circular [click here](#)

IMPORTANT CASE LAWS

1. Union of India Vs Ashish Agarwal

Appeal Number: 3005 to 3017, 3019-3020 of 2022

Date of Ruling: 4th May 2022

Judicial Level & Location: Supreme Court of India

Section Reference Number: 148/148A

Assessing Officer issued reassessment notices on or after 1-4-2021 under unamended Section 148.

FACTS

- The Assessing Officer had issued reassessment notices on or after 1-4-2021 under the erstwhile sections 148 to 151 by relying on Explanations in the Notification No. 20/2021, dated 31-3-2021 and Notification No. 38/2021, dated 27-4-2021 which extended applicability of aforesaid provision as they stood on 31-3-2021, before commencement of Finance Act, 2021, beyond period of 31-3-2021.
- The said reassessment notice was the subject matter of writ petitions before High Courts. The High Court's set aside all the reassessment notices on ground that reassessment notices issued after 1-4-2021 would be governed by substituted sections 147 to 151 which came into effect vide Finance Act, 2021.

HELD AS UNDER

- The respective impugned section 148 notices issued to the assesses shall be deemed to have been issued under section 148A as substituted by the Finance Act, 2021 and treated to be show-cause notices in terms of section 148A(b). The Assessing Officers within thirty days from this order provide to the assesses the information and material relied upon by the revenue and the assesses shall reply to the notices within two weeks.
- The requirement of conducting any enquiry with the prior approval of the specified authority under section 148A(a) shall be dispensed with as a one-time measure vis-à-vis those notices which had been issued under section 148 of the unamended Act from 01-04-2021 till date.
- The present order shall be applicable PAN INDIA on all judgments and orders passed by different High Courts on the issue under which similar notices issued after 01-04-2021 under section 148 are set aside and shall be governed by the present order and shall stand modified to the aforesaid extent. This order is passed in exercise of powers under article 142 of the Constitution of India so as to avoid any further appeals by the revenue on the very issue by challenging similar judgments and orders.

2. Wipro Limited Vs Deputy Commissioner of Income-tax

Appeal Number: IT(TP)A No.2556/Bang/2019

Date of Ruling: 23/05/2022

Judicial Level & Location: Income tax Appellate Tribunal Bangalore

Section Reference Number: 37, 40(a)(i), 10A, 10AA

ITAT: Holds Rs.601 Cr. spent by Wipro for developing AI, revenue in nature, not intangible asset.

FACTS

- Bangalore ITAT hold the expenses incurred by Wipro for developing Artificial Intelligence software 'Wipro HOLMES' and other software tools as allowable revenue expenditure, rejected Revenue's stand of treating expenses amounting to Rs.601.77 Cr as capital expenditure; For AY 2015-16.
- Revenue observed that Assessee-Company designed software tools for undertaking IOT, Block Chain and Machine Learning work and the expenses incurred in this regard was not capitalized by the Assessee.

HELD AS UNDER

- ITAT acknowledged that the Assessee's submission describing the nature of work carried out under various projects, notes that the core business of the company was to develop software for its clients and also develop domain specific software, which shall be sold/licensed to the public and opines, "The development of software, being the core business activities of the assessee company, the revenue generated from sale/licensing of software or in providing software development services constitute its income and accordingly, the expenditure incurred on development of relevant software should constitute revenue expenditure under revenue-cost matching principle.
- Even if the expenditure did not result in creation of any successful software product/application/tool etc., considering the business nature of the assessee, those expenses shall constitute revenue expenditure in the hands of the assessee, and accordingly ITAT Bangalore deleted the disallowance made by the Revenue.

3. R N Fashion Vs Union Of India And Ors

Appeal Number: APOT/85/2022 IA No. GA /1 / 2022

Date of Ruling: 20th May 2022

Judicial Level & Location: High Court Calcutta

Section Reference Number: 148A

HC: Public holiday & weekend for replying to Sec.148A(a) notice, not 'meaningful opportunity'; Sets aside Sec.148A(d) order.

FACTS

- Assessee was issued a show cause notice under Section 148A(b) requiring the Assessee to submit his response by Mar 18, 2022 which was submitted on Mar 21, 2022 whereas Revenue passed the order under Section 148A(d) on Mar 23, 2022 stating that no response was filed by the Assessee within the stipulated time of 7 days which got challenged under a writ petition.
- HC finds that Mar 18, 2022 was a public holiday and opines that opportunity provided under Section 148A(b) should be a meaningful opportunity; Observes that the law provides for a time of seven days, not exceeding thirty days from the date of issue of notice and that a reasonable view ought to be taken by the Revenue as the reply could not be submitted on a public holiday.

HELD AS UNDER

- Since the response was uploaded by the Assessee on Mar 21, 2022 as against the time allowed upto Mar 18, whereas Mar 19 and Mar 20 were Saturday and Sunday; Remarks that the Revenue was not aware of the provisions of the General Clauses Act and needs to be appraised of it.
- HC Observes that “the assessing officer acted in great haste and virtually reduced the procedure under the amended provision to a nullity.”; HC Calcutta noted that time for completing reassessment would expire in 2023, therefore, found no reason behind the order passed in haste.

NATIONAL NEWS UPDATES

- 1) The stock market debut of **Life Insurance Corporation**, India's biggest-ever IPO raising 2.7 billion USD, a state-run business and household name in India, was a disappointment, as the share price swooned by almost 8% on the first day of trading.
- 2) Asia's richest man, **Gautam Adani** made his biggest acquisition to date when his conglomerate agreed to buy the Indian assets controlled by Holcim, a cement producer, for 10.5 billion USD.
- 3) Projects worth **Rs.1,34,200 crore** will boost rail, road, air network in northeast, says our Finance Minister-Ms. Nirmala Sitharaman. They are carrying out 20 railway projects worth Rs.74,000 crore for 2,011 km, which are spread across the northeast. The Centre is also developing 4,000 km of roads in the northeast region at a total cost of Rs.58,000 crore.
- 4) India has produced over **350 lakh tonnes of sugar** during the year 2021-22. Despite being the highest producer and second-largest exporter of sugar, the government has announced restrictions on its export to keep a lid on prices in the domestic market.
- 5) **Tamil Nadu** ended the 2021-22 fiscal with foreign direct investment (FDI) of Rs.22,396 crore, up about 30.1% from Rs.17,208 crore in 2020-21.
- 6) **Tata Motors** on 30/05/2022 announced that its subsidiary TPEML (Tata Passenger Electric Mobility Limited) has signed Memorandum of Understanding (MoU) with the government of Gujarat for the potential acquisition of Ford India's Sanand plant.
- 7) Goods and Services Tax revenues in May 2022 likely at Rs.1.4 lakh crore. GST revenue in April-22 at a record high of Rs. 1.67 lakh crore. The average monthly GST revenue in F.Y 22-23 is expected at Rs 1.4 lakh crore. Average monthly GST revenue in F.Y.21-22 was Rs 1.23 lakh crore.
- 8) Releasing the benefits under the **PM CARES for Children scheme**, Prime Minister Narendra Modi on 30th May 2022 announced that Rs 4,000 would be provided through various schemes to meet the daily needs of children who lost their parents to Covid-19.
- 9) The Directorate General of Civil Aviation (DGCA) on 30th May 2022 imposed Rs.10 lakh fine on no-frills airline **SpiceJet** for training 737 Max aircraft's pilots on a faulty simulator.
- 10) **JSW Steel's** net profit to owners stood at Rs.3,234 crore in Q4 F.Y.21-22 compared to Rs.4,198 crore in the same quarter last year.
- 11) The Reserve Bank of India nearly doubled its gold purchase to 65 tonnes in F.Y.21-22 raising its total holding to 760.42 tonnes, as part of its asset diversification policy with gold showing better performance as a safe asset class during the recent global financial turmoil.
- 12) The government is expecting a revenue loss of Rs 10,000-15,000 crore annually due to the recent recalibration in customs duty on iron and steel and plastic. The government, with effect from May 22, waived customs duty on the import of some raw materials, including coking coal and ferronickel, a move which will lower the cost for the domestic industry and reduce the prices.

FINANCIAL NEWS FROM AROUND THE GLOBE

- 1) **America's** annual rate of Inflation as measured by the consumer-price index fell to 8.3 % in April-22 from 8.5 % in March-22, the first drop in eight months.
- 2) **FIFA**, football's governing body, and **Electronics Arts** a video-game publisher, announced an end to a three-decade deal by which FIFA lent its name to an annual series game. The deal had brought in a **150 million USD per year**, making it the organization's biggest commercial ventures besides the World Cup.
- 3) **Softbank** said its Tech-focused investment fund posted a loss of **33 billion USD** for the year ending march 31st 2022. Japanese Conglomerate to an overall annual loss of 1.7 trillion Yen.
- 4) **Disney+** in the first quarter, took its subscription base to 137.7 million. That is still some way behind Netflix's 222 million, but Disney+ is sticking to its goal of reaching up to 260 million users by 2024.
- 5) **Pfizer's** sales from its covid vaccine set to dip in coming years, shored up its future revenue stream by agreeing to acquire Bio-haven Pharmaceuticals, which develops drugs for neurological disorders, for 11.6 billion USD.
- 6) Building on its pledge of "delivering a smoke-free future", **Philip Morris International**, which makes Marlboro cigarettes, struck a deal to buy Swedish Match for 16 billion USD. Swedish Match's smoke-alternative products include a type of snuff called "snus", tobacco pouches that are placed behind the upper lip.
- 7) **Twitter** insisted that it would enforce the buy-out deal it struck with **Elon Musk**, for 44 billion USD, after Mr. Musk said he was putting the offer on hold. Mr. Musk wants the company to provide evidence that spam and fake accounts make up less than 5% of all its users, as claimed by Twitter. Mr. Musk thinks the figure is 20%.
- 8) **Walmart** said that higher food prices were also eating into its profits. Its share price swooned. The S&P 500 plunged by 4%, its biggest one-day loss since mid-2020. The Nasdaq composite fell by 4.7%, as tech giants such as Amazon and Apple shed more than 5% of their value.
- 9) Global wheat prices surged after India, the world's second-biggest producer, decided to halt exports of the grain as it tackles soaring domestic food prices. Similar price increases have destabilized neighboring Sri Lanka. Wheat supplies were already tight following Russia's invasion of Ukraine.
- 10) **South Korea's** central bank raised its main interest rate by a quarter of a percentage point, i.e. 1.50% to 1.75%. New Zealand raised its rate by half a point, to 2%.
- 11) The implementation of a landmark deal to introduce **global standards for corporate tax**, including a minimum tax rate of 15%, will be delayed by a year and not come into force until 2024, according to the secretary-general of the Organization of Economic Co-operation and Development (**OECD**), which brokered the pact. The agreement, which has been signed by more than 130 countries, faces resistance from Republicans in the American Senate and in some European countries.

Source: The Economist

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has depreciated a bit in the month of May 2022 against USD, on 31th May 2022 the rupee had settled at **Rs.77.59/-** against the closing value of **Rs.76.52/-** on 30th April 2022.
- The summary of Indices is as follows:

Indices	April 2022 (Closing Value)	May 2022 (Closing Value)	Percentage change during the month
NIFTY 50	17,103	16,585	(3.03%)
SENSEX	57,061	55,566	(2.62%)
BANK NIFTY	36,088	35,739	(0.97%)

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

Indices	April 2022 (Closing Value)	May 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	12,335	12,131	(1.65)
NIKKEI 225	26,848	27,280	1.61
SHANGHAI	3,047	3,186	4.56
DAX	14098	14,576	3.39
KOSPI	2695	2669.66	(0.94)

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

Crypto's	April 2022 (Closing Value) IN USD	May 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	37,715	32,040	(15.05%)
ETHEREUM	2,730	1,960	(28.21%)
DOGECOIN	0.1275	.0866	(32.08%)

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