



Giriraj Khandelwal &

Associates

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Volume 14

LAKSHYA

The monthly Newsletter

(Only for private circulation)



This newsletter covers the following:

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

“There are no secrets to success. It is the result of preparation, hard work, and learning from failure.”

- Winston Churchill

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

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

INCOME TAX

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	Jul-22	Monthly Payment of TDS/TCS	7 th Aug 2022
Form 16B	Jun-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	14 th Aug 2022
Form 16C	Jun-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	14 th Aug 2022
Form 16D	Jun-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	14 th Aug 2022
Form 24G	Jul-22	TDS/TCS paid without the production of a challan by an office of government	15 th Aug 2022
Form No.3BB	Jul-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 Aug 2022
Form 16A	Apr-Jun 22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26Q	15 th Aug 2022

Form 26 QB	Jul-22	Deposit of TDS under section 194-IA (Transfer of immovable property)	30 th Aug 2022
Form 26 QC	Jul-22	Deposit of TDS under section 194-IB (Payment of rent by certain individual/HUF)	30 th Aug 2022
Form 26 QD	Jul-22	Deposit of TDS under section 194-M (Payment to resident for carrying out any work in pursuance of contract or by way of professional fees)	30 th Aug 2022

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-7	Monthly Return by TDS Deductor	July-22	10 th Aug 2022
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	July-22	10 th Aug 2022
GSTR-1/ GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns	July-22	11 th Aug 2022
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme	July-22	13 th Aug 2022
GSTR-6	Monthly Return by Input Service Distributor	July-22	13 th Aug 2022
GSTR-3B	Taxpayers opted for monthly returns	July-22	20 th Aug 2022
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	July-22	20 th Aug 2022
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	July-22	20 th Aug 2022
PMT- 06	Depositing of GST by taxpayers who have opted for the quarterly filing of GSTR -3B under the QRMP scheme	July-22	25 th Aug 2022
GSTR-11	Monthly return by Person holding Unique Identity Number (UIN)	July-22	28 th Aug 2022

IMPORTANT NOTIFICATIONS & CIRCULARS

A. CBDT Notifications & Circulars

1) Condonation of delay under Section 119(2)(b) of the Income Tax Act,1961 in filing Form No.10BB for A.Y.2018-19 and subsequent years.

CBDT Vide Circular No.15/2022 dated 19th July 2022 has authorized the Pr. Chief Commissioner of Income Tax / Chief Commissioner of Income Tax to admit applications for condonation of delay u/s 119(2)(B) of the Income-Tax Act, 1961 in filing form No.10BB where the delay is beyond 365 days upto three years.

To view the circular, [click here](#).

2) Condonation of delay under Section 119(2)(b) of the Income Tax Act,1961 in filing Form No.10B for A.Y.2018-19 and subsequent years.

CBDT Vide Circular No.16/2022 dated 19th July 2022 has authorized the Pr. Chief Commissioner of Income Tax / Chief Commissioner of Income Tax to admit applications for condonation of delay u/s 119(2)(B) of the Income-Tax Act, 1961 in filing form No.10B where the delay is beyond 365 days upto three years.

To view the circular, [click here](#).

3) Condonation of delay under Section 119(2)(b) of the Income Tax Act, 1961 in filing Form No.9A and Form No.10 for A.Y.2018-19 and subsequent years.

CBDT Vide Circular No.17/2022 dated 19th July 2022 has authorized the Pr. Chief Commissioner of Income Tax / Chief Commissioner of Income Tax to admit applications for condonation of delay u/s 119(2)(B) of the Income-Tax Act, 1961 in filing form No.9A and form No.10 where the delay is beyond 365 days upto three years.

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

B. CBIC Notifications & Circulars

4) Mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B and statement in FORM GSTR-1.

CBIC Vide Circular No. 170/02/2022 dated 6th July 2022 has made it mandatory to furnish of correct and proper information of inter-State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B and statement in FORM GSTR-1.

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

5) Clarification of demand and penalty provisions under the Central Goods and Services Tax Act, 2017.

CBIC Vide Circular No. 171/03/2022 dated 6th July 2022 has provided clarification on various issues relating to applicability of demand and penalty provisions under the Central Goods and Services Tax Act, 2017 in respect of transactions involving fake invoices.

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

6) Clarification on various issue pertaining to GST.

CBIC Vide Circular No. 172/04/2022 dated 6th July 2022 has provided clarification on various issue:-

- a) Refund claimed by the recipients of supplies regarded as deemed export.
- b) Section 17(5) of the CGST Act.
- c) Perquisites provided by employer to the employees as per contractual agreement.
- d) Utilisation of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.

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

7) Clarification on issue of claiming refund under inverted duty structure.

CBIC Vide Circular No. 173/05/2022 dated 6th July 2022 has provided clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification where the rate of tax on output supplies is less than the rate of tax on inputs, the credit accumulated on account of the same is admissible for refund under the provisions of clause (ii) of the first proviso to sub-section (3) of section 54 of the CGST Act.

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

8) Prescribing manner of re-credit in electronic credit ledger using FORM GST PMT-03A.

CBIC Vide Circular No. 174/06/2022 dated 6th July 2022 has prescribed manner of re-credit in electronic credit ledger using FORM GST PMT-03A which allows proper officer to re-credit the amount in the electronic credit ledger of the taxpayer. Further, sub-rule (4B) in rule 86 of the Central Goods and Services Tax Rules, 2017 has been inserted vide Notification No. 14/2022-CT dated 05.07.2022 to provide for re-credit in the electronic credit ledger where the taxpayer deposits the erroneous refund sanctioned to them.

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

9) Refund of unutilized ITC on account of export of electricity.

CBIC Vide Circular No. 175/07/2022 dated 6th July 2022 has prescribed the manner of filing refund claim of unutilized ITC on account of export of electricity.

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

10) Withdrawal of Circular No.106/25/2019-GST dated 29.06.2019

CBIC Vide Circular No. 176/08/2022 dated 6th July 2022 has withdrawn certain clarification given in relation to rule 95A of for refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange.

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

11) FAQ's on GST applicability on pre-packaged and labelled goods.

CBIC Vide Circular No. 190354/172/2022 dated 17th July 2022 has provided FAQ's on GST applicability on pre-packaged and labelled goods.

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

12) Levy and collection of tax on Reverse Charge on certain specified supplies of services.

CBIC Vide Notification No. 5/2022- Central Tax (Rate)[f. No. 190354/176/2022-tru] dated 13th July 2022 has notified levy and collection of tax on reverse charge on certain specified supplies of services.

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

13) Notified supplies of goods in respect of which no refund of unutilised input tax credit will be allowed where rate of tax on input is higher than rate of tax on output supplies.

CBIC Vide Notification no. 9/2022- Central Tax (Rate)[f.no. 190354/172/2022-tru], dated 13th July 2022 has notified the supplies of goods in respect of which no refund of unutilised input tax credit will be allowed where rate of tax on input is higher than rate of tax on output supplies.

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

IMPORTANT CASE LAWS

1. Cowtown Software Design Pvt. Ltd Vs Deputy Commissioner of Income Tax (TDS)

Appeal Number: ITA No.294/Mum/2022

Date of Ruling: 22nd July 2022.

Judicial Level & Location: Income tax Appellate Tribunal Mumbai

Section Reference Number:194C, 194J, 201, 201(1A)

ITAT: Payments made to the digital media advertisement agency would fall within the ambit of provisions of Section 194C.

FACTS

- Assessee-Company was engaged in the business of providing shared services to group companies which includes manpower services and infrastructure services which was subject to survey during the course of which Revenue discovered that assessee, for the A.Y. 2017-18 made payments to an Ad agency after deducting TDS under Section 194C at 2%.
- Revenue concluded that the entire payment would fall within the ambit of professional services under section 194J and liable to TDS at 10% and accordingly passed the order under section 201/201(1A) for the difference of 8% TDS.

HELD AS UNDER

- ITAT notes that the assessee made payment to an Ad agency in accordance with the agreement entered between assessee and the Ad agency, whereby the Ad agency was acting as digital media agency for the assessee, while providing various services such as e-mail services, web management, online media buying and management fees. Also noted that the Ad agency engaged various professional artists for preparation and execution of the advertisement content and provide the ultimate advertisement content on behalf of the assessee on digital platforms with no direct connection or agreement with the assessee.
- ITAT further observes that it was not assessee's concern to understand the source from where the Ad agency obtains its professional services and assessee was bound to make payments only on the advertisement content received from Ad agency in digital format, which would constitute the payment made for carrying out any work falling within the ambit of provisions of Section 194C.

2. Parijat Trust Vs Deputy Commissioner of Income Tax

Appeal Number: ITA Nos.5088/Del/2019

Date of Ruling: 13th July 2022.

Judicial Level & Location: Income tax Appellate Tribunal Delhi

Section Reference Number:80GGA, 35A, 80G

ITAT: Payments Allows deduction under Chapter VI-A where Trust assessed as AOP, not claimed Sec.11 exemption.

FACTS

- Assessee-Trust was assessed as an AOP and was denied deduction of Rs.24.72 Lacs under section 80GGA in respect of donation paid to eligible trusts on the ground that the assessee claimed exemption under Section 11.
- Assessee further filed a rectification letter before the revenue which was not considered and the addition was sustained, and CIT(A) dismissed assessee's appeal and held that exemption was claimed under Section 11 and no income was shown in the return of income in respect of which exemption was not available under Section 13 and thus the exemption under Chapter VI-A was not allowed.

HELD AS UNDER

- ITAT allows assessee's appeal and directs the Revenue to grant deduction under Section 80G/80GGA read with Section 35AC as claimed by the Assessee on donations since the assessee had not claimed any exemption under Section 11.
- ITAT rejected the revenue's submission that the assessee claimed exemption under Section 11 by observing that assessee had not claimed any exemption and was assessed as AOP, Relying on co-ordinate bench ruling in Sunflower Trust, wherein similar order of CIT(A) was dismissed and it was held that assessee is eligible for deduction under Chapter VI-A noting that such claim for deduction under Chapter VI-A was accepted in earlier assessment years.
- Further noted that the Revenue has not brought forward any other contrary binding precedents on this issue, and thus, directs the revenue to grant the deduction under Section 80GGA read with Section 35A as claimed by the Assessee under Chapter VI-A.

NATIONAL NEWS UPDATES

1. A record of **72.42 lakh** Income tax returns were filed on the last day of such filing on July 31, and the total cumulative returns filed were **5.83 crore**.
2. Goods and Service Tax (GST) collections in July touched **Rs. 1.48 Lakh Crore**, the second highest since the introduction of GST and up 28% year-on-year.
3. The Bangalore Metro Rail Corporation Limited (BMRCL) has installed the first Automated External Defibrillators (AED) at Kempegowda station.
4. Around **30,000 kg** of seized drugs were destroyed at four locations on 30th July under the directions of Home Minister Amit Shah, who virtually attended the public destruction of the drugs. The drugs with a total value of ₹100 crore were destroyed in four locations- Delhi, Chennai, Guwahati and Kolkata.
5. India's first tribal President Droupadi Murmu Ji took oath on 25th July, 2022 as the 15th President of India.
6. Indian Institute of Science (IISc) Bangalore signed an MoU with the Indian Navy to collaborate for aviation research. The areas of collaboration under this MoU will fall under the domain of aerospace/aeronautical engineering, including design and education technology.
7. Nissan Motor India had shipped over **10 lakh** vehicles from the Renault-Nissan manufacturing facility in Chennai. After reaching the milestone, company officials said that Nissan had exported vehicles to **108** countries from its plant in Chennai since exports began in September 2010.
8. Sun Pharmaceutical Industries reported an increase of **43%** in consolidated net profit to **₹2,061 crore** for the quarter ended June 2022 and the Shares of the company were trading **5.45%** higher at **₹943.55** on the BSE.
9. Tata Motors reported a consolidated net loss of **₹5,007 crore** in the quarter ended June 2022.
10. Income Tax department has conducted search operations on the premises of multiple private hospitals in Noida, Faridabad and Gurugram for allegedly evading taxes.
11. Finance Minister Nirmala Sitharaman said that the Centre has raised a tax demand of **₹14,820 crore** after completing assessment in 368 cases under the black money law dealing with undisclosed foreign income. She further said that 648 disclosures involving undisclosed foreign assets worth **₹4,164 crore** were made in the one-time three months compliance window.
12. Online payment providers Razorpay and Pine Labs are among the first companies to receive in-principle approval from RBI for payment aggregator (PA) and payment gateway (PG) licences. The RBI has asked the companies to conduct an audit within the next six months for final approval.
13. The Small Industries Development Bank of India (SIDBI) shall develop an online platform to bring together startups and investors. This portal would help startups as they would not look for Alternate Investment Funds (AIFs) outside.

14. D-Mart owner and operator Avenue Supermarts reported a profit after tax (PAT) of almost **₹680 crore** in Q1 of Financial Year 2023, after marking a jump of around **490%** from **₹115.13 crore** year-on-year. The company also reported over **94%** increase in its revenue from operations which came in at **₹9,806.89 crore**.
15. The RBI has imposed a monetary penalty of **₹1.05 crore** on Kotak Mahindra Bank for not following its directions on customer protection and loans and advances. The bank also failed to credit eligible amount to Depositor Education and Awareness Fund within the prescribed period.

FINANCIAL NEWS FROM AROUND THE GLOBE

1. Russia defaulted on its foreign debt for the first time since 1918 after Western sanctions blocked it from paying its creditors. Despite having sufficient foreign currency to service its debt, Moscow failed to make interest payments of about **\$100m** on two bonds, both of which were originally due on **27th May**.
2. EY, an auditing firm, was fined **\$100m** by the Securities and Exchange Commission (sec), America's securities regulator, settling claims that dozens of its audit staff cheated on ethics exams.
3. Credit Suisse which is Switzerland's bank, was found guilty by the country's top criminal court for its role in the laundering of drug money by Bulgarian clients between 2004 and 2008. The lender was fined **SFr2m (\$2.1m)** and ordered to pay **€18.6m (\$19.5m)** in compensation to the Swiss government.
4. Toyota which is one of the carmaker, recalled a fleet of 2,700 electric vehicles over faulty wheels less than two months after launching its first batch of battery-powered sport-utility vehicle. The company plans to spend **\$35bn** to roll out 30 electric car models by 2030.
5. Novartis who is a Swiss drugmaker said a restructuring to save at least **\$1bn** by 2024 could lead to the loss of 8,000 jobs, or around **7.4%** of its workforce globally, including up to 1,400 in Switzerland.
6. Australia's central bank raised its main interest rate by half a percentage point, to **1.35%**, the third consecutive increase. Annual inflation of **5.1%** is at a 20-year high and expected to rise again when official figures are published later.
7. The French government said it would fully renationalize EDF, which is France's biggest electricity provider. EDF has been beset by financial woes because of the government's cap on electricity bills. It has also had to lower power production from its ageing nuclear plants.
8. Underlining market dynamics the petrol prices in America fell down, as oil prices continued to retreat amid speculation of a recession. West Texas Intermediate, the American benchmark, fell below **\$100** a barrel. Brent crude hovered above **\$100**.
9. Twitter lodged a lawsuit against Elon Musk that seeks to force him to complete his takeover of the company for **\$44bn**.

10. South Korea's central bank lifted its main interest rate by half a percentage point, to **2.25%**. It was the biggest rise under a policy regime that started in 1999. The country's inflation rate is **6%**. Canada's central bank surprised markets when it increased its rate by a full percentage point to **2.5%**.
11. Andrew Bailey promised that the Bank of England would do whatever it takes to get inflation in Britain back to a target of **2%** (the annual rate stands at 9.1%). The central bank's governor suggested that this may well mean sharper increases to interest rates than the quarter of a percentage point rises that it has implemented recently.
12. Renault's sales in the first half of the year dropped by **30%** compared with the first six months of 2021.
13. Companies that lease aeroplanes have taken a hit over the war. SMBC Aviation Capital, one of the world's biggest lessors of aircraft, recorded a **\$1.6bn** impairment to cover the loss of 34 jets stuck in Russia after sanctions were imposed on the country's aviation industry.
14. The London Stock Exchange saw its biggest stock market debut in a decade. Haleon, a spin-off from GlaxoSmithKline, began trading with a market capitalization of **£30.5bn (\$36.4bn)**.
15. China's economy grew by just **0.4%** in the second quarter, year on year, the second-worst rate of growth in 30 years (the country's GDP contracted at the start of the pandemic).
16. The French government provided more details of its plan to fully renationalize EDF by buying the **16%** of shares it doesn't own. The state has set aside **€9.7bn (\$9.9bn)** for the buy-out, which has to be approved by parliament.
17. China's cyber-security regulator fined Didi Global **8bn yuan (\$1.2bn)** to conclude an investigation into mishandling of privacy data at the ride-hailing giant.
18. The Federal Reserve raised its benchmark interest rate by another three-quarters of a percentage point, to a range of between **2.25%** and **2.5%**. Central banks around the world are said to have reacted too late to the threat of sharp increases in inflation, forcing them to adopt a more aggressive approach to tightening monetary policy.
19. The European Central Bank recently lifted its deposit rate for the first time in a decade, taking it from a negative rate of **-0.5%** to **zero**.
20. A raft of quarterly earnings pointed to a sharp slowdown in digital advertising. Meta reported its first-ever decline in revenue, year on year, albeit of **1%**. Revenue at Alphabet, Google's parent company, grew at the slowest pace since mid-2020. Snap and Twitter also gave a bleak outlook for digital ads when they reported weak earnings.
21. Credit Suisse reported a quarterly net loss of **SFr1.6bn (\$1.7bn)**. Unlike many rivals, the Swiss bank's income from trading fell sharply, and its investment-banking business made a big loss.
22. AMTD Digital Shares in a Hong Kong tech company jumped by an astronomical **32,000 per cent** in week.

Source: The Economist

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has depreciated in the month of July 2022 against USD, on 31st July 2022 the rupee had settled at Rs.79.20/- against the closing value of Rs.78.90/- on 30th Jun 2022.
- The summary of Indices is as follows:

Indices	June 2022 (Closing Value)	July 2022 (Closing Value)	Percentage change during the month
NIFTY 50	15,780	17,158	8.73%
SENSEX	53,019	57,570	8.58%
BANK NIFTY	33,425	37,491	12.17%

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

Indices	June 2022 (Closing Value)	July 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	11,029	12,391	12.35%
NIKKEI 225	26,393	27,802	5.34%
SHANGHAI	3,399	3,253	(4.29%)
DAX	12,642	13,484	6.66%
KOSPI	2,333	2,452	5.08%

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

Crypto's	June 2022 (Closing Value) IN USD	July 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	19,925	23,337	17.12%
ETHEREUM	1,071	1,682	57.00%
DOGECOIN	0.064	0.068	6.25%

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