



Giriraj Khandelwal &

Associates

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Volume 13

LAKSHYA

The monthly Newsletter

(Only for private circulation)



This newsletter covers the following:

- Compliance calendar under various laws for the month of July 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 set your goals ridiculously high and it's a failure,
you will fail above everyone else's success”

- James Cameron

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

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

INCOME TAX

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	June-22	Monthly Payment of TDS/TCS	7 th July 2022
ECB-2	June-22	Return of External Commercial Borrowings	7 th July 2022
Form 16B	May-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	15 th July 2022
Form 16C	May-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	15 th July 2022
Form 16D	May-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	15 th July 2022
Form No.3BB	June-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 July 2022
Form 24 G	June-22	TDS/TCS paid without the production of a challan by an office of government	15 th July 2022

Form No. 15CC	April-June 22	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers)	15 th July 2022
Form 27EQ	April-June 22	Quarterly statement of TCS deposited	15 th July 2022
Form 15G/H	April-June 22	Upload the declarations received from recipients	15 th July 2022
FLA	FY 2021-22	Annual return of Foreign Assets & Liabilities	15 th July 2022
Form 26 QB	June-22	Deposit of TDS under section 194-IA (Transfer of immovable property)	30 th July 2022
Form 26 QC	June-22	Deposit of TDS under section 194-IB (Payment of rent by certain individual/HUF)	30 th July 2022
Form 26 QD	June-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 July 2022
Form 27D	April-June 22	TCS certificate in relation to challan cum statement filed in Form 27EQ	30 th July 2022
Form 26Q	April-June 22	Quarterly statement of TDS deposited	31 st July 2022
ITRs	FY 2021-22 (AY 2022-23)	Filing of Income Tax Returns by Individuals, Non-Corporates who are not liable to Tax Audit and who have not entered into any international or specified domestic transactions	31 st July 2022
Form no. 67	FY 2021-22	Due date for claiming foreign tax credit, uploading of statement of foreign income offered for tax and of foreign tax deducted or paid on such income	31 st July 2022
Form 10BBB	April-June 22	Intimation by a pension fund in respect of each investment made in India	31 st July 2022
Form II	April-June 22	Intimation by Sovereign Wealth Fund in respect of investment made in India	31 st July 2022

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-7	Monthly Return by TDS Deductor	June-22	10 th July 2022
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	June-22	10 th July 2022
GSTR-1/ GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns	June-22	11 th July 2022
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme	April-June 22	13 th July 2022
GSTR-6	Monthly Return by Input Service Distributor	June-22	13 th July 2022
GSTR-3B	Taxpayers opted for monthly returns	June-22	20 th July 2022
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	June-22	20 th July 2022
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	June-22	20 th July 2022
PMT- 06	Depositing of GST by taxpayers who have opted for the quarterly filing of GSTR -3B under the QRMP scheme	June-22	25 th July 2022
GSTR-4	Invoice wise Outward supplies by Composition Taxpayer	F.Y 2021-22	28 th July 2022
GSTR-11	Monthly return by Person holding Unique Identity Number (UIN)	June-22	28 th July 2022
CMP-08	Quarterly payment for Composition dealers	April-June22	31 st July 2022

ROC COMPLIANCE

Form	Particulars	Extended Due date
Form 11	LLP Annual Return Filing	15 th July 2022

IMPORTANT NOTIFICATIONS & CIRCULARS

A. CBDT Notifications & Circulars

1) Section 194R of the Income Tax Act, 1961

CBDT Vide Circular No.12/2022-Income Tax dated 16th June 2022 issued Guidelines for removal of difficulties under sub-section (2) of section 194R of the Income-tax Act, 1961.

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

2) Section 194S of the Income Tax Act, 1961

CBDT Vide Circular No.14/2022-Income Tax dated 28th June 2022 order under section 119 of the Income-Tax Act, 1961 in relation to tax deduction at source under section 194S for transactions other than those taking place on or through an Exchange.

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

3) CBDT notifies Non fungible token as virtual digital asset

CBDT Vide Notification No.75/2022-Income Tax dated 30th June 2022 specifies a token which qualifies to be a virtual digital asset as non-fungible token within the meaning of sub-clause (a) of clause (47A) of section 2 of the Act but shall not include a non-fungible token whose transfer results in transfer of ownership of underlying tangible asset and the transfer of ownership of such underlying tangible asset is legally enforceable.

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

4) Exclusion of certain digital assets from definition of virtual digital asset

CBDT Vide Notification No.74/2022-Income Tax dated 30th June 2022 notifies following virtual digital assets which shall be excluded from the definition of virtual digital asset:

- i. Gift card or vouchers, being a record that may be used to obtain goods or services or a discount on goods or services.
- ii. Mileage points, reward points or loyalty card, being a record given without direct monetary consideration under an award, reward, benefit, loyalty, incentive, rebate or promotional program that may be used or redeemed only to obtain goods or services or a discount on goods or services.
- iii. Subscription to websites or platforms or application.

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

5) Cost Inflation Index for Financial Year 2022-23

CBDT Vide Notification No. 62/2022-Income Tax dated 14th June 2022 notifies Cost Inflation Index for Financial Year 2022-23 at 331 for the purpose of capital gain Calculation.

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

6) Clarification regarding form no. 10AC

CBDT Vide Circular No. 11/2022-Income Tax dated 3rd June 2022 has clarified that Form No.10AC has been issued during FY 2021- 2022 with the heading “Order for provisional registration” or “Order for provisional approval” instead of “Order for registration” or “Order for approval”, then all such Form No. 10AC shall be considered as an “Order for registration or approval.”

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

B. CBIC Notifications & Circulars**7) CBIC increases rate applicable under BCD exemption on Gold imported under replenishment scheme**

CBIC Vide Notification No. 35/2022-Customs dated 30th June 2022 seeks to increase the rate applicable under BCD exemption on Gold imported under replenishment scheme. The rate has been increased from 6.9% to 11.85%.

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

8) Exemption from additional Custom duty on imports of Petroleum Crude & ATF

CBIC Vide Notification No. 32/2022-Customs dated 30th June 2022 Seeks to exempt imports of Petroleum Crude and ATF from whole of the additional duty of Customs leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, as is equivalent to the Special Additional Excise Duty.

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

9) CBIC extends levy of GST Compensation Cess

CBIC Vide Notification No.1/2022-GST dated 24th June 2022 has extended the validity period for levy and collection of the GST Compensation Cess from 30/06/2022 to 31/03/2026.

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

10) Excise Duty levied on export of Petrol & Diesel

CBIC Vide Notification No.4/2022 and 10/2022 dated 30th June 2022 has levied additional duty of excise and special additional excise duty on Petrol & Diesel cleared for exports. The Special

Additional Excise Duty shall be leviable at Rs.5 per litre on Petrol and Rs.12 per litre on High-Speed Diesel Oil. Also, the Additional Duty of Excise shall be leviable at Rs.1 per litre on both Petrol and High-Speed Diesel Oil.

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

C. MCA Notifications & Circulars

11) MCA further extends the timeline for filing of Annual Return by LLPs

MCA Vide Circular No. 7/2022-Companies Act dated 29/06/2022 has decided to further extend the timeline and allow Limited Liability Partnership (LLPs) to file e- Form 11 (Annual Return) for the financial year 2021-22 without paying additional fees up to 15.07.2022.

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

47TH GST Council Meeting: The Key Decisions

- The E-Way bill applicability for Intra-State movement of gold to be decided by the states.
- Now online retailers below 40 Lakhs are not required to get GST registration for Intra-State transactions.
- Council approved report of GoM suggesting IT reforms. Recommended GSTN to put artificial intelligence & machine-learning mechanism for better risk-based monitoring of taxpayers.
- GST cess collection will be used for repayment of the Loan till 2026. GoM on rate rationalization extended for three more months. Also, GST compensation cess for states shall continue.
- Rate changes on certain items approved, will be implemented from 18th July.
- Option to goods transport agencies to discharge GST at 5% under forward charge.
- Denial of refund of accumulated ITC for Coal & Edible Oils.
- Correction of anomalies in formula for Inverted tax refund (to implement the Supreme Court's observations in VKC footsteps India Pvt Ltd).
- Permitted re-credit of refund amount in electronic credit ledger post return of erroneously granted refund by taxpayer.
- Clarification on grant of Inverted tax refund to traders selling goods at concessional rate (after recent positive rulings).

- Scrapping of E-Wallet Scheme and decision to perpetually continue IGST exemption for advance authorization/EOU/EPCG procurements.
- Clarification for refund on Deemed Exports.
- No ITC reversal on sale of Duty-credit scrips (MEIS, SEIS, RodTEP etc.) to promote exports.
- Clarification on interpretation of blocked/ineligible credits.
- Clarification on perquisites given to employees under contractual arrangement.
- Return GSTR-3B has been revised for reporting the supply of services through aggregators/e-commerce operators, the tax on which shall be paid by such operators.
- Excluding period from March 2020 to February 2022 for computing limitation period for filing of refund, issuance of demand / orders etc.
- No decision on GST rate for casinos, online gaming. GST council to again meet on 1st August to decide Tax on Casinos and establishment of the GST Appellate Tribunal and Group of Ministers (GoM) for the same.

IMPORTANT CASE LAWS

1. Sanjay Sadashiv Navale Vs Deputy Commissioner of Income Tax Act

Appeal Number: ITA No.452/PUN/2019

Date of Ruling: 31st May 2022

Judicial Level & Location: Income tax Appellate Tribunal Pune

Section Reference Number: 147

ITAT: Mere cash deposits by Assessee cannot be construed as undisclosed income, quashes reassessment

FACTS

- Assessee-Individual was subjected to reassessment proceedings, pursuant to search conducted at Sinhagad Technical Education Society and Shri Maruti Navale Group, whereby it was alleged that income of Rs.5.30 lacs for AY 2010-11 escaped assessment, on the ground that the cash deposits could not be explained from the known sources of income evident from the income tax return and other evidence available on record.
- On appeal, CIT(A) upheld the reassessment proceedings against which assessee preferred the instant appeal.

HELD AS UNDER

- ITAT finds no merit in the Revenue's argument that cash deposits made at the Assessee's behest cannot be explained from the known sources of income and other evidence available on record as the taxpayers in the instant case were non-filers.
- ITAT held Revenue's contention that merely because the Assessee deposited money in his bank account, there was an escapement of income proceeded on a fallacious assumption that the bank deposits constitute undisclosed income and the reasons for reopening the assessment proceedings were not sufficient, and thus quashed the reassessment; Thus, follows precedents and quashes reassessment.

2. Kantibhai Ugarbhai Patel Vs Commissioner of Income Tax (Appeals)

Appeal Number: 299 (AHD.) OF 2021

Date of Ruling: 03/06/2022

Judicial Level & Location: Income tax Appellate Tribunal Ahmedabad

Section Reference Number: 143(1) r.w.s 80 & 139(1)

Set-off of b/f capital loss cannot be disallowed u/s 143(1) r.w.s. 80 when ITR for relevant AY was filed well within the due date

FACTS

- The Assessing Officer (CPC) has made impugned disallowance in the course of processing of Return u/s 143(1) on the short ground that *“Disallowance of loss claimed, as the Income Tax Return of the previous year for which set off of loss is claimed was furnished beyond the due date specified under sub-section (1) of section 139 -u/s 143(1)(a)(iii)”*.
- The assessee has disputed this claim by making a submission through the online portal to the effect that *“Return of Income for AY 2011-12 was filed on 31/07/2011 vide receipt no 0621002696, with ITO, Ward 6(2), Ahmedabad. The return of Income was filed in time. Kindly correct your database. The set off is rightly claimed by me while filing ROI for AY 2019-20”*
- The Assessing Officer (CPC) proceeded ahead with declining set off of the loss carried forward. The matter heard before CIT(A) and the assessee is still not satisfied and is in further appeal before High Court.

HELD AS UNDER

- HC acknowledged that it is evident from a copy of the income tax return for the assessment year 2010-11, that the assessee had duly filed the income tax return, for the assessment year 2010-11, well within the time permitted u/s. 139 (i) i.e., on 31st July 2011.
- The very foundation of impugned adjustment under section 143(1) is wholly unsustainable in law. Therefore, High Court vacate the impugned action of the Assessing Officer to allow the set off of loss brought forward from the assessment year 2010-11. The assessee, accordingly get the relief for set off of long-term capital loss.

3. Sanika Avadhoot Vs Income Tax Officer(International Taxational)**Appeal No : ITA No.1880/Mum/2020****Date of Ruling: 9th May 2022****Judicial Level & Location: Income tax Appellate Tribunal Mumbai****Section Reference Number: 54****ITAT: Differential stamp duty arising due to purchase of property other than one originally agreed, not taxable.****FACTS**

- Assessee-Individual was subjected to scrutiny for AY 2016-17 whereby Revenue found that Assessee executed a purchase agreement for a flat, bearing value of Rs.5.62 Crores whereas its stamp duty value was Rs.8.05 Crores and added the difference of Rs.2.42 Cr. to assessee's income, which was deleted by the CIT(A) on appeal.

- Assessee booked a flat for which he was subsequently informed that same flat could not be constructed for various reasons in lieu of which another flat was agreed to be provided by the developer. Thereafter, the developer informed assessee of its inability to provide the flat, on which assessee threatened the developer for specific performance to provide the flat or face criminal proceedings and with a view to avoid litigation, they mutually agreed that another flat would be provided to the assessee.

HELD AS UNDER

- ITAT concurs with the CIT(A)'s findings that when the developer failed to provide original flat then it had offered another flat in the building which was to be constructed on a future date and that when assessee booked the flat that property was not in existence and was to be constructed in future.
- Also notes that the CIT(A) explained that if such transactions were to be treated as transfer by notionally assigning a value, then the benefit of indexation and Section 54 to be given to the Assessee and upholds the CIT(A)'s order.

NATIONAL NEWS UPDATES

1. Shares of Reliance Industries Ltd (RIL), Oil and Natural Gas Corporation (ONGC) witnessed a sharp fall after the export tax hike announcement. The government has levied an **Rs.6 per litre tax** on exports of petrol and ATF and **Rs.13 per litre** on export of diesel.
2. The basic import duty on yellow metal has been hiked to **12.5% from 7.5%**. India meets most of its gold demand through imports, which were putting pressure on the rupee which today as on 30th June 2022 hit a record low of **Rs. 79** against the US dollar.
3. Manufacturing Purchasing Managers' Index compiled by S&P Global, remained resilient, it fell to a nine-month low of **53.9** in June from May's **54.6**, lower than the Reuters polls median prediction of **54.5**.
4. India plans to release final details of a nationwide battery-swapping policy for **electric two and three-wheelers**.
5. PAN cardholders will now have to pay a **Rs. 1000** fine for not linking the PAN with their Aadhar card from July 1, 2022.
6. India's central bank also lifted its benchmark rate by half a point to **4.9%** the biggest rise in over a decade.
7. India's economy grew by **4.1%** in the three months ending March 31st, year on year, a slower pace than in recent quarters. After rebounding from covid-19, the country is now beset by rising prices. Annual inflation reached an overall **7.8%** in April, but the category for food, which accounts for half the consumer price index, hit **8.4%**.
8. The country's largest lender State Bank of India (SBI) crossed the **1 trillion rupee-mark** in gold loans and expects the segment to see significant growth in the current fiscal.
9. A flat **15%** discount or a maximum discount of upto **Rs. 3 lakh** is being offered on hybrid cars prices below **Rs. 40 lakhs**.
10. Global financial institution, World Bank will give **\$1.915 billion** to support India's health sector for pandemic preparedness and enhanced health service delivery.
11. In June, India's power consumption increased **17.2%** year on year (YoY) to **134.13 billion** units (BU) due to extreme heat and surge in economic activity.
12. Goods and Service Tax (GST) collections in June touched **Rs. 1.45 trillion**, the second highest since the debut of the indirect tax regime five years ago. The collections are also 56% above the June 2021 figure of **Rs. 92,800 crores**.
13. The month of June turned out to be a bloodbath for the equities market when it comes to a foreign funds outflow. The Foreign Portfolio Investors (FPI) removed a whopping **Rs.50,203 crore** from the equities market in June-the highest monthly outflow so far in June.

FINANCIAL NEWS FROM AROUND THE GLOBE

1. The World Bank slashed its forecast of global GDP growth this year to **2.9%**. Real income per person in 2023 is expected to remain below pre-pandemic levels in **40%** of developing economies.
2. In Britain, retail sales fell at an annual rate of **1.1%** in May the biggest drop since January 2021, when the country was in lockdown. Retail footfall was up by **6.9%** versus the average for May. Spending in pubs rose by **74%**, year on year.
3. Turkey's president reiterated his pledge to continue cutting interest rates, despite annual inflation running at **73.5%**.
4. Australia's central bank made a more assertive push to tame inflation by raising its main interest rate by half a percentage point, to **0.85%**.
5. Didi Globals' depressed stock surged by as much as **60%**, after reports that an almost year-long ban on downloading, the ride-hailing giant's app would soon be lifted.
6. Elon Musk sent a formal complaint to Twitter stating that it was in "clear material breach" of their \$44bn buy-out agreement by "actively resisting" his request for the number of the fake and spam accounts on the platform.
7. Oil prices rose sharply, in part because of the EU's long-delayed agreement to place an embargo on Russian oil. The price of Brent crude closed above **\$120** a barrel for the first time in two months.
8. Sheryl Sandberg unexpectedly decided to step down as chief operating officer of Meta.
9. Nasdaq's Golden Dragon China Index of Chinese companies that list shares in America recorded its first monthly gain in May since October. Sentiment was also boosted by Alibaba's solid growth in quarterly sales.
10. Gold fields, a gold-mining company based in South Africa, agreed to buy Yamana gold, a Canadian rival, for **\$6.7bn**. The combined firm will be the world's fourth-largest producer of gold.
11. Unilever appointed Nelson Peltz to its board, after the activist investors' fund accumulated a **1.5%** stake.
12. Alphabet inc's Google has agreed to pay **\$90 million** to settle a legal fight with app developers over the money they earned creating apps for android smartphones and for enticing users to make in-app purchases, according to a court filing.
13. Howard Schultz said he would step down as chief executive of Starbucks early next year.
14. Tesla's share price plunged after a report that Mr. Musk was thinking of cutting the carmaker's workforce by **10%**. Tesla employees wanting to spend less time in the office could benefit from the results of the world's biggest experiment of four-day week work.

Source: The Economist

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has depreciated in the month of June 2022 against USD, on 30th June 2022 the rupee had settled at **Rs.78.90/-** against the closing value of **Rs.77.59/-** on 31st May 2022.
- The summary of Indices is as follows:

Indices	May 2022 (Closing Value)	June 2022 (Closing Value)	Percentage change during the month
NIFTY 50	16,585	15,780	(4.85%)
SENSEX	55,566	53,019	(4.58%)
BANK NIFTY	35,739	33,425	(6.48%)

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

Indices	May 2022 (Closing Value)	June 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	12,131	11,029	(9.08%)
NIKKEI 225	27,280	26,393	(3.25%)
SHANGHAI	3,186	3,399	6.67%
DAX	14,576	12,642	(13.27%)
KOSPI	2669.66	2,333	(1.52%)

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

Crypto's	May 2022 (Closing Value) IN USD	June 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	32,040	19,925	(37.81%)
ETHEREUM	1,960	1,071	(45.36%)
DOGECOIN	.0866	.0640	(26.10%)

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