



# Giriraj Khandelwal &

# Associates

4<sup>th</sup> March 2022

Volume 9

## LAKSHYA

The monthly Newsletter

(Only for private circulation)

This newsletter covers the following:

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



“Conformity is the jailer of freedom and the enemy of growth”

- JOHN F. KENNEDY

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

Nature of Payment/Return	Period	Particulars	Due Date
ESIC Payment	Feb-22	Monthly Payment for ESIC	15 <sup>th</sup> Mar 2022
Provident Fund Payment	Feb-22	Monthly Payment for Provident Fund	15 <sup>th</sup> Mar 2022
Provident Fund Return	Feb-22	Monthly Return for Provident Fund	25 <sup>th</sup> Mar 2022
Professional Tax Payment	Feb-22	Monthly Payment for Professional Tax Deducted	31 <sup>st</sup> Mar 2022
Professional Tax Return	Feb-22	Return filling for taxpayers liable to file monthly return	31 <sup>st</sup> Mar 2022

INCOME TAX

Form/Section	Period	Particulars	Due Date
26 QB	Jan-22	Deposit of TDS amount under section 194-IA (Transfer of immovable property)	2 <sup>nd</sup> Mar 2022
26 QC	Jan-22	Deposit of TDS amount under section 194-IB (Payment of rent by certain individual/HUF)	2 <sup>nd</sup> Mar 2022
26 QD	Jan-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)	2 <sup>nd</sup> Mar 2022
TDS/TCS Payment	Feb-22	Monthly Payment of TDS/ TCS	7 <sup>th</sup> Mar 2022
Advance Tax		Fourth Installment of advance tax payment for assessment year 2022-23	15 <sup>th</sup> Mar 2022
Advance Tax		Whole amount of advance tax in respect of assessment year 2022-23 for assessee covered u/s 44AD / 44ADA	15 <sup>th</sup> Mar 2022

Return of Income	A.Y.2021-22	Filing of return of income for the following assessees (a) corporate assessee (b) non-corporate assessee (whose books of account are required to be audited) (c) partner of a firm whose accounts are required to be audited.	15 <sup>th</sup> Mar 2022
Return of Income	A.Y.2021-22	Return of income in the case of an assessee required to submit a report under section 92E pertaining to international or specified domestic transaction(s). (Transfer Pricing)	15 <sup>th</sup> Mar 2022
Form 16B	Jan-22	TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	17 <sup>th</sup> Mar 2022
Form 16C	Jan-22	TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	17 <sup>th</sup> Mar 2022
Form 16D	Jan-22	TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	17 <sup>th</sup> Mar 2022
26 QB	Feb-22	Deposit of TDS amount under section 194-IA. (Transfer of immovable property)	30 <sup>th</sup> Mar 2022
26 QC	Feb-22	Deposit of TDS amount under section 194-IB (Payment of rent by certain individual/HUF)	30 <sup>th</sup> Mar 2022
26 QD	Feb-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 <sup>th</sup> Mar 2022
Pan and Aadhar Number Link		The due date for linking of Aadhaar number with PAN	31 <sup>st</sup> Mar 2022
Form No 3CEAD	A.Y.2021-22	Country-By-Country Report in Form No. 3CEAD for the previous year 2020-21 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group.	31 <sup>st</sup> Mar 2022
Belated/Revised return of Income	A.Y.2021-22	Filing of belated/revised return of for all assessees.	31 <sup>st</sup> Mar 2022
Form 10A		Filing of application in Form 10A for registration/provisional registration/intimation/approval/provisional approval of Trust, institutions or Research Associations, etc.	31 <sup>st</sup> Mar 2022

*Form 10AB		Filing of application in Form 10AB for conversion of provisional registration into regular registration or renewal of registration/approval after five years of registration/approval of Trust, institution, etc.	31 <sup>st</sup> Mar 2022
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\*Note - Although the due for filing form 10AB is 31<sup>st</sup> Mar 2022, but the form is not yet live on the Income tax website.

### GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-7	Monthly Return by TDS Deductor	Feb-22	10 <sup>th</sup> Mar 2022
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	Feb-22	10 <sup>th</sup> Mar 2022
GSTR-1	Details of Outward Supplies for taxpayers liable to file monthly returns	Feb-22	11 <sup>th</sup> Mar 2022
—	(Optional) Furnishing of Sales Invoice details under IFF*	Feb-22	13 <sup>th</sup> Mar 2022
GSTR-6	Monthly Return by Input Service Distributor	Feb-22	13 <sup>th</sup> Mar 2022
GSTR-3B	Taxpayers having Turnover more than Rs. 5 Crore	Feb-22	20 <sup>th</sup> Mar 2022
	Taxpayers having Turnover up to Rs. 5 Crore (Taxpayers not opting for QRMP scheme)	Feb-22	20 <sup>th</sup> Mar 2022
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	Feb-22	20 <sup>th</sup> Mar 2022
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	Feb-22	20 <sup>th</sup> Mar 2022
PMT-06	Monthly payment of tax for Taxpayers opted for QRMP Scheme	Feb-22	25 <sup>th</sup> Mar 2022
GSTR-11	Statement of inward supplies received by persons having Unique Identification Number (UIN)	Feb-22	28 <sup>th</sup> Mar 2022
RFD-11	Application for Letter of Undertaking (LUT)	F.Y.2022-23	31 <sup>st</sup> Mar 2022
CMP-02	Intimation to pay tax under Composition Scheme	F.Y.2022-23	31 <sup>st</sup> Mar 2022

**IFF\*** refers to **Invoice Furnishing Facility**. The Invoice Furnishing Facility (IFF) is a facility where taxpayers who have opted for QRMP Scheme, can choose to upload their Business-to-business (B2B) invoices every month. Under the QRMP scheme, there is no requirement to upload invoices in GSTR-1 if the same has been uploaded in the IFF.

### ROC

GSTR-Form	Tax Period	Due date
AOC-4/AOC-4 CFS/AOC-4 XBRL	F.Y.2020-21	15 <sup>th</sup> Mar 2022
MGT-7/7A	F.Y.2020-21	31 <sup>st</sup> Mar 2022



## ❖ IMPORTANT NOTIFICATIONS & CIRCULARS

### 1) Relaxation on Levy of Additional fees in filing of e-forms AOC-4, AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/7A for the financial year ended on 31<sup>st</sup> March 2021 under Companies Act, 2013.

As per Circular No.01/2022 dated 14<sup>th</sup> February 2022 issued by Ministry of Corporate Affairs, it has been decided that no additional fees shall be levied up to 15<sup>th</sup> March 2022 for filing AOC-4, AOC-4 XBRL, AOC-4 non-XBRL and up to 31<sup>st</sup> March 2022 for MGT-7/7A. During the said period only, normal fees shall be payable for filing of the e-forms.

To view circular [click here](#)

### 2) Furnishing of Report on Corporate Social Responsibility in Form CSR-2 to the Registrar.

As per Notification dated 11<sup>th</sup> February 2022 issued by Ministry of Corporate Affairs, every company covered under the provisions of sub-section (1) to section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar for the preceding financial year (2020-2021) and onwards as an addendum to Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS).

To view circular [click here](#)

### 3) Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies.

As per the Notification RBI/2021-22/175 dated 23<sup>rd</sup> February 2022 RBI has decided that NBFCs - Middle Layer and NBFCs - Upper Layer with 10 and more 'Fixed point service delivery units as on October 1, 2022 shall be mandatorily required to implement 'Core Financial Services Solution (CFSS)', akin to the Core Banking Solution (CBS) adopted by banks.

To view circular [click here](#)

### 4) Revision of Limit of Aggregate Turnover for E-Invoice under GST w.e.f. from 1<sup>st</sup> April 2022.

The Central Board of Indirect Taxes & Customs (CBIC) vide the notification dated 24<sup>th</sup> February 2022 has notified that the e-invoice limit in relation to the turnover for registered persons has been lowered from 50 Crores to 20 crores with effect from 1<sup>st</sup> April 2022. As a result, every entity having turnover of 20 crore or more must generate electronic invoice for B2B transactions w.e.f 1<sup>st</sup> April 2022.

To view circular [click here](#)

### 5) Clarification regarding the Most-Favoured-Nation (MFN) clause.

The Central Board of Direct Taxes (CBDT) vide the circular no. 3/2022 dated 3<sup>rd</sup> February 2022 has given certain clarification with regards to the Most Favoured Nation (MFN) clause in the Protocol to India's DTAA with certain countries.

To view circular [click here](#)

## ❖ IMPORTANT CASE LAWS

### 1. Herbalife International India Private Ltd Vs The Assistant Commissioner of Income Tax

**Appeal Number:** ITA No.2219 & 2220/Bang/2017 & 3168/Bang/2017

**Date of Ruling:** 09-02-2022.

**Judicial Level & Location:** Income tax Appellate Tribunal Bangalore

**Section Reference Number:** 37

[ITAT: Disallows sales return provision under Sec.37\(1\), since not 'past event' with 'present obligation' as per AS-29](#)

#### FACTS:

- Herbalife International India Private Ltd created provision for sales return for Rs.4,63,85,108 and Rs.10,12,34,677 for A.Y.2013-14 and A.Y.2014-15 respectively. The Company sought to do so to derecognize the revenue so recognized by it earlier. Hence "Sales return" was deducted from the Sales in the Profit and Loss account. The AO disallowed the same. CIT(A) also upheld the order of the AO. The assessee appealed before the ITAT against the order.

#### HELD AS UNDER:

- ITAT Referred to the accounting principles on purchases and closing stock and observed that sales return would result in increase in physical goods however, "making Provision for expected Sales return will not result in corresponding receipt of goods and increasing of closing stock, which was against accounting principles.
- ITAT opined that when sales return does not qualify as expenditure in terms of Section 37(1), the provision for sales return cannot be allowed u/s 37(1). ITAT distinguished Mumbai ITAT's ruling in Bayer Bioscience on the basis that Mumbai ITAT did not refer to AS-29 and AS-4 and also not considered accounting principles on purchase, purchase return, sales, and sales return.
- ITAT referred to definition of 'provision' as defined in AS-29 issued by ICAI. It observed that there should exist a 'present obligation' as a result of 'past event' for creation of a provision. It further stated that in the present case sales return is separate event from sale of a product, even though it has connection with the sales. was not 'scientific or reasonable' since sales returns for current year pertained to sales of preceding years, thus, had no relationship with current year sales.

## 2. The Income Tax Officer Vs Kirit Raojibhai Patel

**Appeal Number:** ITA No. 2339/Mum/2017

**Date of Ruling:** 14-02-2022

**Judicial Level & Location:** Income tax Appellate Tribunal Mumbai.

**Section Reference Number:** 50C

[ITAT: Holds consideration from sale of TDRs, a non-taxable capital receipt.](#)

### FACTS:

- Assessee-Individual along with his brother entered into a development agreement permitting developers to load TDR and construct new building by utilizing part of the plot's primary floor space index and received Rs.1.86 Cr (his share of consideration) which was offered to tax under head capital gains and exemption u/s 54 and 54EC was claimed against the capital gains.
- The payment received by the assessee was treated by the learned AO as a compensation for permitting to load additional transferable development rights in the plot hence the above transaction according to him does not amount to transfer within the provisions of Section 45 of the income tax act hence, he proposed to tax the above sum as Income from other sources.
- Assessee aggrieved with that order preferred an appeal before the learned Commissioner Of Income Tax (Appeals) - 32, Mumbai, who passed an order on 31/3/2010 holding that the amount received by the assessee are capital receipts and are not chargeable to capital gains tax at all.

### HELD AS UNDER:

- Mumbai ITAT dismissed Revenue's appeal and held that the consideration received by the Assessee on sale of Transferable Development Right (TDR) was not chargeable tax as capital gains as no cost of acquisition incurred by the assessee in respect of the asset transferred
- ITAT relied on the Bombay HC ruling in Sambhaji Nagar Co-op Housing Society and held that the sum received on transfer of TDR which does not have any cost of acquisition cannot be charged to tax under the head capital gains. ITAT upheld the CIT(A) order and opined that the consideration received by the assessee on sale of transferable development rights not chargeable to tax under the head capital gain in view of the fact that there is no cost of acquisition.



## NATIONAL NEWS UPDATES

- 1) **Finance Minister, Nirmala Sitharaman**, on being asked about for LIC IPO said that she needs to go back and review the situation and also said that she would like to go ahead with it, because it is something they had planned for some time purely based on Indian considerations.
- 2) **State Bank of India** won't process any transactions involving Russian entities that have been sanctioned after the invasion of Ukraine.
- 3) The **Goods and Services Tax (GST)** revenue collected in February 2022 was Rs.1.30 lakh crore, 18% higher than the same month last year. Further, this is the 5<sup>th</sup> time GST collection has crossed 1.30 lakh crores mark.
- 4) **Future Retail** has suspended most of its online and offline operations amid reports of Reliance Industries taking over its stores including Big Bazaar.
- 5) **India's GDP** growth slowed down to 5.4% during the third quarter of 2021-2022 compared to 8.4% in the previous quarter.
- 6) **India's oil** import bill is set to cross the \$100 billion mark in F.Y.22, almost double of what it spent in FY21 at \$62.2 billion.
- 7) **Bharti Airtel** announced that it has entered into an agreement with Vodafone Plc to buy 4.7% stake in Indus Towers. The deal will be done on the principal condition that the amount paid shall be inducted by Vodafone as fresh equity in Vodafone Idea (VIL) and simultaneously remitted to Indus Towers to clear VIL's outstanding dues.
- 8) **RBI** have cancelled the registration certificate of **PC Financial** services for gross violations of outsourcing and know-your-customer norms of the central bank's guidelines.
- 9) **Amazon and Reliance Industries** are expected to take on Sony Group and Walt Disney's India units for five-year TV and digital broadcast rights of IPL which could cost to a record of ₹50,000 crore.
- 10) **India and the UAE** have signed the first bilateral free trade agreement. The Comprehensive Economic Partnership Agreement (CEPA) is expected to raise the total trade up to \$100 billion in the next 5-years and will cut import duties on various products while boosting the export of jewellery and apparel.
- 11) **Adani Group** will acquire a minority stake in **Quintillion Business Media (QBM)** Private Limited as it ventures in the news industry.
- 12) The **Indian government** has refunded ₹7,900 crore to Britain's Cairn Energy Plc to settle a dispute over the levy of retrospective taxes.



## FINANCIAL NEWS FROM AROUND THE GLOBE

- 1) **Microsoft** agrees to buy **Activision Blizzard**, the company behind the “Call of Duty” and series and “Warcraft” for \$69bn.
- 2) Britain’s annual rate of **inflation** rose to 5.4%, its highest level in 30 years.
- 3) **Toshiba**, another Japanese conglomerate under pressure to increase shareholder return, ditched a plan to split into three companies and said it now proposed spinning off just its devices business, which includes semiconductors.
- 4) **Tesla** reported record net profit of \$2.3bn in the fourth quarter of 2021.
- 5) **South Korea’s** economy grew by 4% in 2021, the fastest pace of expansion in 11 years. It was helped by jump in exports and construction activity, which offset a slow recovery in the covid hit service sectors.
- 6) **The IMF** predicted that the **world economy** will grow by 4.4% this year. That is a downward revision from its projection in October of 4.9%.
- 7) **Russian** President Vladimir Putin has ordered a ban on foreign exchange loans and transfers by its residents to outside of the country from March 1, in response to the economic sanctions imposed by the West. It also prohibits companies from buying back their own stocks.
- 8) Russia’s invasion of Ukraine shook stock markets that were already unsettled by the crisis. The day before the attack the S&P 500 had already hit its lowest level in eight months, taking it down by almost 12% since the beginning of the year. Before the assault the Nasdaq was also down from the start of January, by 17%. The Moscow Exchange suspended trading when the invasion began.
- 9) **Airbus** signed an agreement with cfm International, a venture between General Electric and Safran, a French aerospace firm, to develop a combustion engine for aircraft fueled by hydrogen. The company said it was its most significant step yet “to usher in a new era of hydrogen-powered flight”
- 10) **Volkswagen** announced that it is in advanced discussions to float its Porsche sports-car brand in an IPO. The German carmaker is in talks with its biggest shareholder, the holding company that is owned by the Porsche-Piëch family.
- 11) **Airbnb** reported record revenues for 2021, as pandemic restrictions eased. Long-term stays of 28 nights or more are the company’s fastest-growing category by trip length, now accounting for a fifth of nights booked.
- 12) Another takeover was announced in the chip industry, as **Intel** agreed to pay \$5.4bn for Tower Semiconductors, an Israeli “foundry” company that makes chips and circuit boards for other firms, including Panasonic and Samsung, without designing them.

## SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has weakened a bit in the month of February 2022 against USD, On 28<sup>th</sup> February 2022 the rupee had settled at **Rs.75.55/-** against the closing value of **Rs.74.89/-** on 31<sup>st</sup> January 2022.
- Due to rising tensions amid the Russia-Ukraine conflict, the brent crude oil prices have risen to **\$100.99/barrel** as on 28<sup>th</sup> February 2022 as compared to **\$91.21/barrel** on 31<sup>st</sup> January 2022.
- The summary of Indices is as follows:

Indices	February 2022 (Closing Value)	January 2022 (Closing Value)	Percentage change during the month
NIFTY 50	16,794	17,340	(3.15 %)
SENSEX	56,247	58,014	(3.05%)
BANK NIFTY	36,205	37,975	(4.66 %)

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

Indices	February 2022 (Closing Value)	January 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	13,751	14,240	(3.43%)
NIKKEI 225	26,527	27,002	(1.76%)
SHANGHAI	3,462	3,361	3.00%
DAX	14,461	15,471	(6.53%)
KOSPI	2,699	2,663	1.34%

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

Crypto's	February 2022 (Closing Value) IN USD	January 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	43,193	38,483	12.24%
ETHEREUM	2,919	2,688	8.59%
DOGECOIN	0.13	0.14	(6.10%)

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