



Giriraj Khandelwal &

Associates

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Volume 8

LAKSHYA

The monthly Newsletter
(Only for private circulation)

This newsletter covers the following:

- Compliance calendar under various laws for the month of January 22.
- Important Circulars/Notifications issued under various laws
- Important Case Laws
- National news updates.
- Financial news from around the Globe
- Snapshot of important financial indicators



“Success Doesn’t Come from what you do occasionally, it comes from what you do consistently.”

-Marie Forleo

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

Nature of Payment	Period	Particulars	Due Date
ESIC Payment	Dec-21	Monthly Payment for ESIC Deducted	15 th Jan 2022
Provident Fund Payment	Dec-21	Monthly Payment for Provident Fund	15 th Jan 2022
Professional Tax Payment	Dec-21	Monthly Payment for Professional Tax Deducted	30 th Jan 2022
Professional Tax Return	Dec-21	Return filling for taxpayers liable to file monthly return	30 th Jan 2022

INCOME TAX

Form/Section	Period	Particulars	Due Date
TDS/TCS Payment	Dec-21	Monthly Payment of TDS/ TCS	7 th Jan 2022
Form No. 3BB	Nov-21	Furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of November 2021	15 th Jan 2022
Form 24G by Government officer	Dec-21	Furnishing of Form 24G by an office of the Government where TDS/TCS for the month of December 2021 has been paid without the production of a challan	15 th Jan 2022
Form 16B	Nov-21	TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	14 th Jan 2022
Form 16C	Nov-21	TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	14 th Jan 2022
Form 16D	Nov-21	TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	14 th Jan 2022
26 QB	Dec -21	Furnishing of challan-cum-statement in respect of tax deducted in the month of Dec-21 under section 194-IA	30 th Jan 2022

26 QC	Dec -21	Furnishing of challan-cum-statement in respect of tax deducted in the month of Dec-21 under section 194-IB	30 th Jan 2022
26 QD	Dec -21	Furnishing of challan-cum-statement in respect of tax deducted in the month of Dec-21 under section 194-M	30 th Jan 2022
TDS Return	Oct to December 2021	Quarterly statement of TDS for the quarter ending December 31, 2021	31 st Jan 2022
Form 27EQ	Oct to December 2021	Quarterly statement of TCS for the quarter ending December 31, 2021	15 th Jan 2022
Form 27D	Oct to December 2021	TCS certificate in relation to Quarterly challan cum statement filed in Form 27EQ	30 th Jan 2022
Form No. 15CC	Oct to December 2021	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC	15 th Jan 2022
Form No. 15G/15H	Oct to December 2021	Upload the declarations received from recipients in Form No. 15G/15H.	15 th Jan 2022
Form No 3CEAC		Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India in Form 3CEAC	31 st Jan 2022
Return on non-Deduction at Source	Oct to December 2021	Quarterly return of non-deduction at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2021	31 st Jan 2022

COMPLIANCE WITH CHARITY COMMISSIONER

Period	Particulars	Due Date
F.Y. 2020-21	Online Submission of Trust Accounts of a public trust registered under Maharashtra Public Trust Act, 1950	31 st Jan 2022 (Extended from 31 st Dec 2021)

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-1	Details of Outward Supplies for taxpayers liable to file monthly returns	Dec-21	11 th Jan 2022
GSTR-1	Details of Outward Supplies for taxpayers liable to File Quarterly returns	Oct to Dec 21	13 th Jan 2022
—	Furnishing of Sales Invoice details under IFF*	Dec-21	13 th Jan 2022
GSTR-3B	Taxpayers having Turnover more than Rs. 5 Crore	Dec-21	20 th Jan 2022
	Taxpayers having Turnover up to Rs. 5 Crore (Taxpayers not opting for QRMP scheme)	Dec-21	20 th Jan 2022
GSTR-5	Non-Resident Foreign Taxpayers	Dec-21	20 th Jan 2022
GSTR-5A	NRI OIDAR Service Provider	Dec-21	20 th Jan 2022
GSTR -6	Input Service Distributor	Dec-21	13 th Jan 2022
GSTR-7	TDS Deductor	Dec-21	10 th Jan 2022
GSTR-8	TCS Collector	Dec-21	10 th Jan 2022
GST CMP-08	Quarterly Returns for Composition Dealers	Oct to Dec 21	25 th Jan 2022
—	Monthly payment of tax for Taxpayers opted for QRMP Scheme	Dec-21	25 th Jan 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

❖ IMPORTANT NOTIFICATIONS / CIRCULARS / ORDERS UNDER VARIOUS LAWS

1) Extension of timelines for filing of Income-Tax returns and reports of Audit for A.Y.2021-22.

As per Circular No.01/2022 dated 11th January 2022 issued by Central Board of Direct Tax (CBDT) the Due Date for filing Audit Report under any Provision of the Act for F.Y.2020-21 which was Earlier Extended to **15th January 2022** has now been Further Extended to **15th February 2022** and the Due date of Furnishing of Return of Income of such Assesseees who are liable to Audit which was **15th February 2022** has been Further Extended to **15th March 2022**.

To View Circular [Click Here](#)

2) One time relaxation for verification for all income tax returns e-filed for the A.Y 2020-21.

As per Circular No.21/2021 dated 28th December 2021 issued by Central Board of Direct Tax, ITR's for **A.Y.2020-21** which are pending for verification can now be verified by sending a duly signed physical copy of ITR-V to CPC, Bengaluru through speed post or through EVC/OTP modes. Such verification process must be completed by **28.02.2022**.

To View Circular [Click Here](#)

3) 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 31st March 2021 under Companies Act, 2013.

As per Circular No.22/2021 dated 29th December 2021 issued by Ministry of Corporate Affairs, it has been decided that no additional fees shall be levied upto **15th February 2022** for filing above mentioned Forms. During the said period only normal fees shall be Payable for filing of the e-forms.

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4) Clarification of holding of Annual general Meeting (AGM) through Video Conferencing (VC) or other Audio-Visual Means (OAVM).

According to General Circular No.21/2021 dated 14th December 2021 issued by Ministry of Corporate Affairs, it has been decided to allow the companies who are proposing to organize AGMs in 2022 for Financials year ended on **31st March 2022** through VC or OAVM as per respective due dates by **30th June 2022**.

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5) **Extension for Online submission of Accounts with the Charity Commissioner for Financial year ended 31st March 2021.**

According to Circular 592/2021 dated 31st December 2021 issued by Charity Commissioner (Maharashtra), the Due date for Online submission of accounts with charity commissioner which was extended from 30th November to 31st December 2021 has been further Extended to **31st January 2022.**

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6) **Extension for Filing GST Annual return (GSTR-9) and Reconciliation Statement (GSTR-9C) Financial year ended 31st March 2021.**

According to General Circular No.40/2021 dated 29th December 2021 issued by Central Board of Indirect Taxes and Customs, the GST Annual return and Annual Reconciliation Statement shall be furnished on or before **28th February 2022.**

To View Circular [Click Here](#)

IMPORTANT CASE LAWS

1. **M/s Rich Feel Health and Beauty (P.) Ltd V/s Income Tax Officer, Ward 13(3)(2), Mumbai**

Citation :132 taxmann.com 228 (Bombay)

Date of order: 15/11/2021

FACTS

The assessee is a private limited company engaged in the business of selling hair care products, providing consultancy services, treatment in the hair care and beauty sector. It filed its return of income declaring revenue from the sale of products and from the provision of services. Return of income was processed, and intimation under section 143(1) was issued. Subsequently, assessee's case was selected for scrutiny and assessment order was passed under section 143(3), accepting the return of income of assessee.

Thereafter, assessment was sought to be reopened in case of assessee on ground that advertisement and marketing expenditure incurred by assessee were not deductible in view of provisions of section 37(1), as assessee was prohibited from advertising under the provisions of the Indian Medical Council Act, 1956 read with Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002. Objections filed by assessee against reopening were also rejected

HELD By High Court as under:

On careful scrutiny of the documents placed on record, it appears that the Assessing Officer had applied his mind in the original assessment to the fact that assessee had incurred advertisement and marketing expenditure. It also appears from the contents of the notice that assessee was called upon to differentiate between the nature of expenses shown under the head depreciation and amortization vis-a-vis advertisement and marketing expenses shown in profit and loss account. It was claimed by revenue in the original assessment that a substantial portion of the brand building was done by way of advertisement and marketing. Further, assessee was called upon to file a copy of agreement with BCC (Time of India) containing details of securities premium and advertisement. The requisite details, including a copy of agreement, actual advertising invoices, were filed and the issue was discussed with the Assessing Officer at length before passing the order under section 143(3).

It is not in dispute that the assessment is sought to be reopened after a period of 4 years. The criteria's for reopening of assessment after a period of 4 years are no longer res integra in view of the judgment of Division Bench of this Court in the case of Ananta Landmark (P.) Ltd. v. Deputy Commissioner of Income-tax [2021] 131 taxmann.com 52 (Bom.) wherein this Court held that where assessment was not sought to be reopened on reasonable belief that income had escaped assessment on account of failure of assessee to disclose truly and fully all material facts that were necessary for computation of income but was a case wherein assessment was sought to be reopened on account of change of opinion of Assessing Officer about manner of computation of deduction under section 57, reopening was not justified. It is also held that when the primary facts necessary for assessment are fully and truly disclosed, the Assessing Officer is not entitled to a change of opinion for commencing proceedings for reassessment. It is also held that when on consideration of the material on record, one view is conclusively taken by the Assessing Officer, it would not be open for the Assessing Officer to reopen assessment based on the very same material and to take another view.

In the facts of the present case, it is clear that the Assessing Officer in the original assessment was aware of the issue of expenses incurred on advertisement and marketing by the assessee. Once the Assessing Officer had applied his mind in the regular assessment proceedings of assessee having incurred advertisement and marketing expenditure, it is not open for the Assessing Officer to reopen the assessment.

Therefore, the Assessing Officer could not have reopened the assessment merely on the basis of change of opinion and could not have issued a notice of reopening of assessment to assessee.

2. Kartik Vijaysinh Sonawane v/s Deputy C.I.T Circle-8

Judicial Level & Location: Income tax Appellate Tribunal Lucknow

Citation: [2021] 132 taxmann.com 293 (Gujarat)

Date of Order :15/11/2021

FACTS:

The petitioner-assessee was a pilot by profession and was an employee of 'K' Airlines. The Airlines deducted TDS in case of assessee, however, since amount had not been deposited by the Airlines in the Central Government Account, the credit when claimed by the assessee was not given by the respondent and the demand had been raised with interest.

The assessee filed rectification applications under section 154 and asked for cancellation of demand. These were ignored and recovery notice was issued to assessee by respondent Income-tax Department.

HELD by High Court as Under:

The case is no longer res integra and is covered by the decision of this very Court rendered in case of Devarsh Pravinbhai Patel v. Asstt. CIT [R/SCA No. 12965 of 2018, dated 24-9-2018] where too, the petitioner was an employee of the Kingfisher Airlines and worked as a pilot. In his case also the TDS on the salary made to the petitioner had not been deposited. It is only when the department raised the tax demand with interest and initiated the actions of the recovery that this Court was approached. Relying on the decision of the Gauhati High Court rendered in case of Asstt. CIT v. Om Prakash Gattani [2001] 117 Taxman 549/[2000] 242 ITR 638, this Court allowed the same by holding that the petitioner-assessee deductee is entitled to credit of the tax deducted at source with respect to amount of TDS for which Form No. 16A issued by the employer deductor has been produced and consequently department was directed to give credit of tax deducted at source to the petitioner-assessee - deductee to the extent Form No. 16 A issued by the deductor have been issued. Consequently, the impugned demand notice is quashed and set aside. However, it is clarified and observed that if the department is of the opinion deductor has not deposited the said amount of tax deducted at source, it will always been open for the department to recover the same from the deductor. Thus, it is held that the Department cannot deny the benefit of tax deducted at source by the employer of the petitioner during the relevant financial years. Credit of such tax would be given to the petitioner for the respective years. If there has been any recovery or adjustment out of the refunds of the later years, the same shall be returned to the petitioner with statutory interest.

The facts being almost identical, no separate reasoning are desirable and the petition is being allowed. The department is precluded from denying the benefit of the tax deducted at source by the employer during the relevant financial years to the petitioner.

The credit of the tax shall be given to the petitioner and if in the interregnum any recovery or adjustment is made by the respondent, the petitioner shall be entitled to the refund of the same, with the statutory interest, from the date of receipt of copy of this order.

NATIONAL NEWS UPDATES

- 1) RBL Bank witnessed a quarter-on-quarter (QoQ) drop of 11.3 % in retail and small business deposits in the October-December 2021 quarter. Retail and small business deposits fell to Rs. 27,871 crore over the quarter. Total deposits in the quarter also fell 2.58 % QoQ to Rs.73,637 crore.
- 2) The Government of New Delhi kept the Interest rates on small savings schemes unchanged for Q4 of FY 2021-22. Public Provident Fund and National Savings Certificate will continue to carry an annual interest rate of 7.1 % and 6.8 % respectively. The decision comes amid elevated inflation rates and increasing cases of Omicron in India.
- 3) Union Commerce Minister Piyush Goyal announced on 3rd December that India has achieved the **highest ever monthly exports of 37 billion USD** in December 2021, a 37 % year-on-year increase. He added that it is clear that India is well on its way to achieving an export target of 400 billion USD.
- 4) Oil and Natural Gas Corporation (ONGC) on 3rd December announced that its Director (Human Resources) **Dr Alka Mittal** has been entrusted with additional charge of Chairman and Managing Director (CMD). She has become the first woman to head the energy major, it added
- 5) According to data from Centre for Monitoring Indian Economy (CMIE), **unemployment rate** rose to **7.9 %** in December from 7.0 % in November. Urban unemployment rate rose to 9.3 % in December from 8.2 % in November while rural unemployment rate was up 7.3 % from 6.4 %, the data showed.
- 6) The RBI released a framework for small value offline digital payments that don't require internet or telecom connectivity. Such payments can be carried out face-to-face using instruments like cards, wallets or mobile devices. Transactions are subject to a limit of Rs.200 per transaction and an overall limit of Rs.2,000 for all transactions until the balance in the account is replenished.
- 7) The goods and services tax (GST) revenue collected in December 2021 saw a 13 % rise year-on-year at **Rs.1.29 lakh crore**, the finance ministry revealed.
- 8) More than **5.78 crore income tax returns** for Assessment Year (AY) 2021-22 were filed till 7pm 31st December 2021, including 35.74 lakh filed on December 31 alone, the Income Tax Department said. The returns filed for AY 2021-22 were lesser than 5.95 crore returns filed for AY 2020-21. The last date for filing the returns was December 31, 2021.
- 9) Major edible oil brands have reduced their MRP by **10-15 %** to provide relief to customers, industry body Solvent Extractors' Association of India (SEA) said. The Prices have been cut down by the companies after the Food Ministry had asked them to act in sync with the reduction in Import duties on edible oils. Adani Wilmar, Ruchi Soya, Emami, Gemini and other companies have reduced edible oil prices.
- 10) Bajaj Auto will be investing **Rs.300 crore** to commence work at its new electric vehicle plant in Pune. This facility will have a production capacity of five lakh EVs per year and will employ nearly 800 people. The first vehicle from the new unit, spread over half-a-million square feet space, is expected to be rolled out by June 2022.

FINANCIAL NEWS FROM AROUND THE GLOBE

- 1) **Australian Economy** expanded by 3.9 % in the second Quarter over the same three months last year but shrank by 1.9 % compared with the previous quarter. Melbourne and Sydney ended their extensive pandemic lockdowns in October 2021.
- 2) United Nation Issued a report on Afghanistan's economy. It predicted that the **Economy would shrink by 20 % within a year**. Foreign aid, which has accounted for 40 % of GDP, has been sharply curtailed since Taliban's military takeover in August.
- 3) **Nissan** outlined an ambitious plan to invest in electric vehicles. The Japanese company will spend 17.7 billion USD on producing new electric or hybrid models, aiming for an "electrification mix" of more than 50 % globally by 2030.
- 4) The **Euro Zone's** average annual rate of inflation rose to 4.9 % in November, the highest it has been since the creation of the single currency more than 20 years ago, adding more pressure on the European Central bank to start winding down its stimulus programme.
- 5) **Nubank** lowered the target share-price range for its forth coming IPO in New York. The Brazilian fintech firm. Latin America's most valuable start-up could still be valued at 42 billion USD, placing it above Brazil's Bank in terms of market capitalization.
- 6) Productivity among American workers in the 3rd Quarter declined by 5.2 % (on Annual Basis) from the previous quarter, the Steepest such fall since 1960.
- 7) In October **Tesla** became the first ever carmaker to pass a stock market value of 1 trillion USD. Earlier in the year Tesla bought 1.5 billion USD worth of Bitcoin a risky investment given the digital currency's volatility.
- 8) **Sri Lanka** could go bankrupt in 2022 due to COVID-19. The World Bank estimates that 5,00,000 Sri-Lankans have fallen below the poverty line since the beginning of COVID-19.
- 9) **Morgan Stanley** has agreed to pay 60 million USD to settle a data security lawsuit by customers. The class action suit alleges that the bank exposed customers' personal data when it twice failed to properly retire some of its older information technology. As per the settlement, customers can apply for reimbursement of up to 10,000 USD each in out-of-pocket losses.
- 10) The **BMW** brand delivered an all-time high of 2.21 million vehicles in 2021, up 9.1 % from 2020, the company revealed. It also more than doubled its sales of fully electric vehicles globally. The BMW Group delivered 2.52 million vehicles, an 8.4 % increase from 2020.
- 11) Japan's high-end toaster company Balmuda's stock has crashed after it entered the smartphone market with its 'Balmuda Phone', which received a poor response. Balmuda's shares fell as much as 10% on 11th Jan 2022 trading, a day after Balmuda said it paused smartphone sales due to an unidentified issue regarding compliance.

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has weakened a bit in the month of December 2021, On 31st December 2021 the rupee had settled at Rs.74.37 against the American currency.
- The bull run for the markets have been affected due to rising cases for Omicron Variant.
- The summary of Indices is as follows:

Indices	December 2021 (Closing Value)	November 2021 (Closing Value)	Percentage change during the month
NIFTY 50	17,352	16,983	2.17 %
SENSEX	58,245	57,064	2.06 %
BANK NIFTY	35,458	35,695	(0.66 %)

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

Indices	December 2021 (Closing Value)	November 2021 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	15,644	15,537	0.68 %
NIKKEI 225	28,800	28,027	2.75 %
SHANGHAI	3,639	3,567	2.01 %
DAX	15,876	15,100	5.13%
KOSPI	2,977	2,896	2.79%

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

Crypto's	December 2021 (Closing Value) IN USD	November 2021 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	46,177	56,911	(18.86 %)
ETHEREUM	3,668	4,636	(20.88 %)
DOGECOIN	0.170	0.215	(20.93%)

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