



Giriraj Khandelwal &

Associates

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Volume 5

LAKSHYA

The monthly Newsletter

(Only for private circulation)



This newsletter covers the following:

- Compliance calendar under various laws for the month of October 21.
- Significant Circulars/Notifications issued under various laws
- Important Income Tax Judgements
- National news updates.
- Snapshot of important financial indicators
- Financial news from around the Globe

Either you run the day or the day runs you.

- Jim Rohn

❖ COMPLIANCE CALENDAR UNDER VARIOUS LAWS FOR THE MONTH OF OCTOBER 2021ESIC, PF & PT PAYMENT & PT RETURN

Nature of Payment/Return	Period	Particulars	Due Date
ESIC	Sep-21	Monthly Payment for ESIC Deducted	15 th Oct 2021
Provident Fund	Sep-21	Monthly Payment for Provident Fund	15 th Oct 2021
Professional Tax	Sep-21	Monthly Payment for Professional Tax Deducted	31 st Oct 2021
Professional Tax Return	Sep-21	Return filling for taxpayers liable to file monthly return	31 st Oct 2021

INCOME TAX

Form/Section	Period	Particulars	Due Date
TDS/TCS Payment	Sep-21	Payment of TDS/TCS for the month of September 2021	7 th Oct 2021
Form 26QB	Sep-21	Deposit of TDS amount under section 194-IA. (Transfer of immovable property)	30 th Oct 2021
Form 26QC	Sep-21	Deposit of TDS amount under section 194-IB (Payment of rent by certain individual/HUF)	30 th Oct 2021
Form 26QD	Sep-21	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 Oct 2021
Form 16B	Aug-21	TDS certificate in relation to challan cum statement filed in Form 26 QB under section 194-IA	15 th Oct 2021
Form 16C	Aug-21	TDS certificate in relation to challan cum statement filed in Form 26 QC under section 194-IB	15 th Oct 2021
Form 16D	Aug-21	TDS certificate in relation to challan cum statement filed in Form 26 QD under section 194-M	15 th Oct 2021
TDS Return	Jul to Sep-21	Quarterly statement of TDS for the period July to September 2021	31 st Oct 2021
		Payment of tax arrears with additional amount under Direct Tax Vivad Se Vishwas scheme (DTVSV)	31 st Oct 2021

IMPORTANT ROC COMPLIANCE

Forms	Period	Particulars	Due Date
ADT-1	F.Y. 2020-21	Appointment of auditor	Within 15 days from date of AGM
Form AOC-4	F.Y. 2020-21	Filing financial statements and other documents	Within 30 days from date of AGM
LLP Form 8	F.Y. 2020-21	Filing statement of accounts and solvency of LLP	30 th Oct 2021
Form MSME	Apr to Sep 2021	Half yearly return with the ROC for outstanding payments to MSME	31 st Oct 2021

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due date
GSTR-1	Details of Outward Supplies for taxpayers liable to file monthly returns	Sep-21	11 th Oct 2021
	Details of Outward Supplies for taxpayers opted for QRMP Scheme	July to Sep 21	13 th Oct 2021
GSTR-3B	Taxpayers not opting for QRMP scheme	Sep-21	20 th Oct 2021
	Taxpayers opting for QRMP scheme	Sep-21	22 nd Oct 2021*
GSTR-5	Non-Resident Foreign Taxpayers	Sep-21	20 th Oct 2021
GSTR-5A	NRI OIDAR Service Provider	Sep-21	20 th Oct 2021
GSTR-6	Input Service Distributor	Sep-21	13 th Oct 2021
GSTR-7	TDS Deductor	Sep-21	10 th Oct 2021
GSTR-8	TCS Collector	Sep-21	10 th Oct 2021
CMP-08	Taxpayer opted for composition scheme	July to Sep 21	18 th Oct 2021
ITC-04	Details of goods dispatched to and received from a job worker by the principal whose aggregate turnover in immediately preceding financial year exceeds 5 crores	April to Sep 21	25 th Oct 2021

* This is the due date for the state of Maharashtra and some other specified states mentioned in Category-1. For many other states the due date is 24th October 2021.

GST RETURN FOR SEPTEMBER 2021 - LAST CHANCE FOR ADJUSTMENTS PERTAINING TO F.Y.2020-21

GSTR-1 and GSTR 3B returns filed for the month of September are very significant since the taxpayers can rectify the errors to the extent permissible in relation to the transactions of the previous financial year. The following aspects shall be considered in this regard:

- Firstly, in order to enjoy the benefit of any of the adjustments made in the sales and purchases of the F.Y. 2020-21, *the return for the period September 2021 shall be filed on or before their respective due dates*. The due date for filing GST Returns for the month of September 2021 are as below:

Sr No.	Form	Particulars	Due Date
1	GSTR-1	Taxpayers who have opted for monthly return	11 th October 2021
		Taxpayers who have opted for quarterly return i.e., QRMP scheme	13 th October 2021
2	GSTR-3B	Taxpayers whose turnover exceeded Rs. 5 Crores in previous financial year	20 th October 2021
		Taxpayers other than those mentioned in Sr No. 2 above.	22 nd October 2021

- **Availing the benefit of ITC within the specified time**
The taxpayer shall have the last opportunity to claim the ITC which was not claimed earlier for the period April 2020 to March 2021.
Further, for any ITC not reflected in GSTR 2A/2B, the taxpayer should follow up with the supplier and instruct him to file his return in GSTR-1.
- **Rectification of errors or omission in furnishing details of outward supply in GSTR-1**
The errors or omissions in respect of invoices, debit notes, credit notes and revised invoices issued in relation during the F.Y. 2020-21 can be incorporated in the GSTR-1 for the period September 21.
- **Non issuance of credit notes post September 2021**
The taxpayer shall have an opportunity to file the credit notes raised during the period of April 2020 to March 2021 which were not considered in the GST Return of the F.Y. 2020-21 in the return of September 2021.

IMPORTANT CIRCULARS/NOTIFICATIONS UNDER VARIOUS LAWS

Companies Act 2013

1. Extension of time limit for holding Annual General Meeting for F.Y. 2020-21

Considering several representations from different stake holders, seeking extension of timeline for conducting the AGM for F.Y. 2020-21, the Ministry of Corporate Affairs (MCA) has decided to extend the time limit for conducting AGM for F.Y 2020-21 by two months until **30th November 2021** from the original last date of **30th September 2021**.

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

2. Extension of due date for filling Cost Audit Report for F.Y. 2020-21

In view of various representations received from the stakeholders for extension of last date of filling Cost Audit Report by the Cost Auditor to the Board of Directors, the Ministry of Corporate Affairs (MCA) has extended the due date of submitting the Cost Audit Report by the cost auditor in **Form CRA-3 to 31st October 2021** (the original due date being 30th September 2021) and consequently, the companies are allowed to file the same in **Form CRA-4** within 30 days of its receipt.

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

Maharashtra Public Trust Act, 1950

3. Extension of due date for submission of trust accounts with the Office of the Charity Commissioner for F.Y. 2020-21

As per the circular no.590/2021 dated 27/09/2021 issued by the Charity Commissioner of Maharashtra, the due date for filling the trust accounts on the website of the Charity for the F.Y. 2020-21 has been extended by two months upto **30th November 2021**.

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

Foreign Contribution Regulation Act, 2010

4. Extension of validity of the registration certificate issued under the Foreign Contribution Regulation Act, 2010.

The Ministry of Home Affairs (MHA) in a Public Notice No. II/21022/23(22)/2020-FCRA-III dated 30th September 2021 has notified the extension of the validity of FCRA Registration Certificates.

The Public Notice dated 30/09/2021 stated that with a view to ensure a smooth transition to the amended legal regime and, in the public interest, the government has decided that the FCRA registration certificates which are expiring during the period between 29th September 2020 and 31st December 2021, and which await renewal shall remain valid up to **31st December 2021**.

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

[Foreign Exchange Management Act, 1999](#)

5. Use of alternative reference rate (ARR) in place of LIBOR

As per the circular no. 13 dated 28th September 2021 issued by Reserve bank of India, it has permitted the banks which are authorised to deal in foreign exchange, to use any other widely accepted /alternative reference rate in place of LIBOR for interest payable in respect of export/import transactions.

To view the circular [click here](#)

IMPORTANT REPORTED & UNREPORTED DECISIONS UNDER INCOME TAX

1. Palak Khatuja vs Union of India

[2021] 130 taxmann.com 44 (Chhattisgarh)

Judicial Level & Location: High Court Chattisgarh

Section: 148

Date of Ruling: 01.09.2021

HC: Invoking doctrine of conditional legislation, upholds reassessment notices issued under old regime

FACTS

Assessee preferred writ petitions challenging the notices issued u/s 148 for AY 2015-16 on Jun 30, 2021, issued without adhering to the procedure u/s 148A. Assessee also submitted that the extension notifications would not override even to extend the period of operation of provisions of the old regime. Revenue submitted that because of pandemic and lock down lot of people could not file their return and submit the necessary papers, thus, the CBDT issued the notification for extending the application of old reassessment provisions initially up to April 30, 2021, which was further extended up to Jun 30, 2021, and therefore, the impugned notice was within the ambit of Revenue's power and thus, completely valid and legal

HELD

HC referred to Taxation & Others Laws (Relaxation & Amendment of Certain Provisions) Act, 2020 and observed, *"the delegation to the executive with conferment of the power to the Central Government to specify the date by way of relaxation of time limit, the main purpose of the Finance Act is not defeated. ... The legislature has resorted to conditional legislation to give the power to executive, in what circumstances the law should become operative or when the operation should be extended would be covered by doctrine of the conditional legislation."*; HC stated that the extension was necessitated by the pandemic and delegation was a practical necessity which can always be considered to be a sound basis for administrative efficiency and it does not by itself amount to abdication of power. HC held that this legislative delegation as per the notification was meant to uphold the mechanism as prevailed prior to Mar 31, 2021 is not in conflict with any Act and *"notification by executive i.e. Ministry of Finance would be the part of legislative function"*; HC held that by notifications, the operation of Section 148 was extended whereby Section 148A was deferred under a conditional legislation in the peculiar circumstances thus, the Central Government cannot be said to have encroached upon turf of Parliament; Thus, HC noted that it was for the benefit of the assesseees and to facilitate the individual to come out of woods, the time limit was extended and certain right was reserved in favour of the Revenue to maintain parity and consequently Section 148 under the old regime was also extended and rejected to interfere in the issuance of notice u/s 148

2. Shri Gyan Prasar Parmarthik Trust Vs CIT
[TS-858-ITAT-2021(Ind)]
Judicial Level & Location: ITAT Indore
Section: 80G & 12AA
Date of Ruling: 09/08/2021

ITAT: Trust engaged in charitable with religious activities, eligible for approval u/s 80G

FACTS

Assessee-Trust was registered u/s 12AA applied for approval u/s 80G which was rejected by CIT(E) on the grounds of violation of Section 80G(5)(ii) since all its expenses were religious in nature; Assessee submitted it was carrying out various charitable activities as mentioned in the trust deed and that it was granted approval u/s 80G; Further that the total expenditure on alleged religious activities during FY 2016-17 was only 4.10 % of the receipts; Revenue submitted that Assessee was solely running a temple and that only religious activities were being carried.

HELD

ITAT refers to *Umaid Charitable Trust* wherein it was held that people of different religions all have faith in Lord Vishnu and expenditure for renovation on Lord Vishnu Temple does not pertain to benefit of any particular religion and points to an inclusive definition of charitable purpose which includes advancement of any other object of general public utility, even yoga, “*When a large number of people feel that meditation is a great source for physical, mental and spiritual well-being it must be held to be an activity for the advancement of general public utility. Rule of Consistency.*”; Holds that reasons cited by CIT(E) while denying approval u/s 80G(5B) to be meritless. ITAT found that apart from carrying out religious activities, Assessee is engaged in other activities such as health check-up camps, yoga camps, old age homes etc; ITAT found that since alleged religious expenditure comes to 4.10% of the total receipts and holds there was no violation of 80G(5B)

NATIONAL NEWS UPDATES

1. The GST revenue collections for September 2021 stood at Rs. 1,17,010 crores, crossing the Rs.1 Lakh crore mark for the third month in a row.
2. The figures of Direct Tax collections for the Financial Year 2021-22, as on 22-9-2021 show that net collections are at Rs. 5,70,568 crores, compared to Rs. 3,27,174 crores in the corresponding period of the preceding Financial Year i.e., FY 2020-21, representing an increase of 74.4%. The net collection (as on 22-9-2021) in FY 2021-22 has registered a growth of 27% over FY 2019-20 when the net collection was Rs. 4,48,976 crores.
3. The government has increased prices of natural gas by 62%, the first increase in the rates since April 2019. The hike could result in a 10-11% rise in CNG and piped cooking gas rates in few cities.
4. The output of India's eight core infrastructure sector grew by 11.6% in August 2021 as against a 6.9% decline in the same period last year as shown by the data published by the government. Coal production during the month increased by 20.6% year on year, while refinery showed a rise of 9.1% and electricity generation climbed 15.3%. However, crude oil and fertilizer production fell by 2.3% and 3.1% respectively.
5. India's fiscal deficit in April-August period stood at Rs. 4.68 lakh crore or 31.1% of budget estimate for financial year 2021-22. Net tax receipts were Rs.6.45 lakh crore, while the total expenditure was Rs.12.77 lakh crore.
6. India's manufacturing sector activity expanded for the third straight month in September 2021 as demand conditions strengthened amid the easing of COVID-19 restriction. The HIS Markit India Manufacturing Purchasing Managers' Index (PMI) improved from 52.3 in August 2021 to 53.7 in September 20.
7. OPEC quoted in their report that diesel and gasoline will make up 58% of India's oil demand in next 25 years. It additionally added that India's oil demand is expected to more than double to 11 million barrels by 2045.
8. The subsidiary of Piramal Enterprises, Piramal Capital & Housing Finance Limited (PCHFL) has merged with debt-ridden Dewan Housing Finance (DHFL) after paying Rs. 34,250 crores to the creditors of the troubled housing finance company.
9. The Income Tax Department has raised a hefty demand of Rs.8,334 crores as capital gain tax for assessment year 2018-19 on Grasim Industries led by the Billionaire Kumar Mangalam Birla. The tax demand relates to the Grasim's merger with Aditya Birla Nuvo and Aditya Birla Financial Services.
10. The Ministry of Commerce and Industry stated that India's exports have exceeded USD 100 Billion mark in the quarter ending September. A total of USD 101.89 billion in exports was reported in the country during the said quarter.



SNAPSHOT OF THE FINANCIAL MARKETS

- The Indian Rupee has depreciated by 2% amid the rise in the crude oil prices fueling up the global inflation rates. On 30th September 2021 the rupee had settled at **74.16** against the American currency.
- The crude oil prices have seen a rise on a monthly basis in September 2021 on MCX (Multi Commodity Exchange), rising to Rs. 5,557/- from the closing of Rs. 4,989 in August 2021.



- The Indian Share Market has continued with the bullish trend in the month of September 2021. The summary of the monthly changes in the Indices is stated below:

Indices	August 2021 (Closing Value)	September 2021 (Closing Value)	Percentage change during the month
NIFTY 50	17,132	17,618	2.8%
SENSEX	57,552	59,120	2.7%
BANK NIFTY	36,424	37,440	2.7%

- The summary of performance of global indices have been given below:

Indices	August 2021 (Closing Value)	September 2021 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	15,265	14,444	(0.05%)
NIKKEI 225	28,104	29,438	4.75%
SHANGHAI	3,540	3,568	0.80%
DAX	15,984	15,260	(4.53%)
KOSPI	3,193	3,068	(3.91%)

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

Crypto's	August 2021 (Closing Value) In USD	September 2021 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	47,130	43,890	(6.87%)
ETHEREUM	3,396	2,997	(11.75%)
DOGECOIN	0.278	0.197	(29.13%)

FINANCIAL NEWS FROM AROUND THE GLOBE

1. The share prices of Uber, Lyft and other **gig-economy companies** wobbled after a judge in California struck down Proposition 22, a voter approved measure that allows the firms to continue classifying their drivers as independent contractors rather than workers
2. South Africa's official unemployment rate rose to **34.4%**, the highest level since the current method of counting joblessness began in 2008. Including those in the labor force who was discouraged from looking for work, the rate rose to **44.4%**.
3. South Korea's Central Bank raised the benchmark interest rate by a quarter of a percentage point, to **0.75%**. It was the first-rate increase in almost three years and comes amid growing consumer debt in the surging economy.
4. Zoom reported **\$1bn** in quarterly revenue for the first time. Net profit rose sharply to **\$317m**. But its share price plunged amid concerns about growth prospects for the video-conference company as more workers return to the office. Zoom is taking steps to diversify by moving into the virtual consumer-contact business.
5. The euro zone's annual rate of **inflation** jumped to **3%** in August, from 2.2% in July. Germany's inflation hit **3.9%**, according to the country's statistics office, the highest since December 1993.
6. **Brazil's GDP** contracted by **0.1%** in the second quarter compared with the first. The decline was unexpected, even though the country underwent another wave of covid-19.
7. **Rivian**, an electric-vehicle startup that is backed by Amazon and specializes in vans, filed for an **IPO** on NASDAQ stock exchange.
8. Trading in bonds issued on Chinese stock exchanges by **Evergrande** was suspended for a second time, after the property developer, one of China's largest, warned that it was at risk of a default. The highly indebted company's woes have sent shock waves through China's property industry.
9. **Total Energies**, a French company, signed contracts in **Iraq worth \$27bn** to explore for oil and gas and develop solar energy.
10. **EasyJet**, a low-cost airline based in Britain, said it had rejected a takeover approach. The carrier recorded its first annual loss last year because of travel restrictions; its stock market value has tumbled. After disclosing the aborted takeover bid EasyJet said it would shore up its finances via a **£1.2bn (\$1.7bn)**.
11. China's hidden local government debt has swelled to more than half the size of China's economy claimed an economist from the Goldman Sachs. Additionally, they stated that the debt rose to about 8.2 trillion dollars at the end of the last year which is equivalent to 52% of China's GDP.
12. Brent Crude oil prices rose \$80 a barrel on Tuesday, the highest since October 2018. The US benchmark West Texas Intermediate (WTI) crude also rose as high as \$76.67 a barrel.
13. Cotton futures have raced past \$1 pound and the contract for December delivery in New York climbed to \$1.005 a pound, the highest since November 2011, Bloomberg reported.

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As can be seen from the data provided, most of the IPOs have seen substantial gains in the current year due to the sudden spike in the cash inflows in the markets. Due to the lockdown restrictions during the past one year many individuals mostly the youths have started entering the stock market. This has increased the liquidity in the market which has proved advantageous for the companies to get listed on the exchanges demanding heavy listing premiums. Since the current case market scenario is suitable for listing many companies have lined up for filing their documents with the SEBI for getting listed on the stock exchanges. The summary of the same has been given below:

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