

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

Editorial

Dear Readers,

We welcome you to the **Fifteenth** edition of Devmantra Times for the month of **May 2022**.

Recovery of Economic Losses due to Covid 19-Long way to go

As per the report has been authored by officials in the RBI's Department of Economic and Policy Research The Indian economy may take more than a decade to overcome the losses emanating from the covid-19 pandemic. The report has estimated the output losses during the pandemic period at around Rs 52 lakh crore. With the ongoing Russia-Ukraine conflict, the downward risks to global and domestic growth are getting accentuated through surge in commodity prices and global supply chain disruptions.

Russia-Ukraine crisis

Prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world, primarily the Western powers. It is obvious that these will likely have unpredictable and undesired implications on the global financial system and economy.



The crisis has clouded India's growth outlook as well. Crude oil prices are lingering above US\$100 per barrel, wheat has gone up by 50% in the last two weeks, and edible oil prices are up 20% all of which are critical imports from the two warring nations.⁵ India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

It's not just India, but almost all emerging economies are reeling under these external shocks. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal.

Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax and Companies Act notification, circulars and case laws which may directly or indirectly impact our readers.

At Devmantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.

Devmantra was founded based on the unalterable premise of excellence, acuity, integrity and an unwavering commitment to delivery. These principles continue to form the edifice of our approach as an organization, to our clients, our professionals and our community, and this has served us well in our journey so far. This approach has allowed Devmantra to work with and advise the very best clients, both in India and internationally. We encourage our people to strive for excellence and innovation within a meritocratic working environment and support their entrepreneurial spirit. It is our consistent endeavour with our people, to ensure that they imbibe the culture of the firm and form part of the weft and weave of the fabric of Devmantra. Our core values remain the guiding principles for everything we do, and we would like to emphasize "Knowledge" as one of the fundamental beliefs which drive the success of our operations.

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

As we keep on reiterating, Knowledge is our number one priority. We don't count time when it comes to gain any new knowledge or to reinstate the earlier one. Our clients trust our expertise and putting countless hours in keeping ourselves up to date on the subject we are advising on, deserve their trust.

Regards,
CA. PRATIK NIYOGI, FCA
On behalf of the Editorial Team



GST
REGULATORY UPDATES
NOTIFICATION NO. 66/2015-20,
DATED 01-04-2022

FTP & HBP amended to provide extension of exemption of imports under specified export schemes (AA, EPCG, EOU, etc.)

Editorial Note : The existing exemptions of imports under specified export incentive schemes (such as advance authorisation, Export Promotion of Capital Goods, Export

oriented units, etc.) have been extended up to June 30, 2022. The DGFT has made suitable amendments under FTP & HBP to incorporate the above amendments.

**CIRCULAR NO. 7/2022-
CUSTOMS, DATED 31-03-2022**
Clarification explaining jurisdictional powers of proper officers under Customs laws in terms of Finance Act, 2022

Editorial Note : The Finance Act, 2022 has made various amendments under the Customs law to extend the scope and powers of the Proper officers in order to nullify the impact of the judgment of the Supreme Court in the case of Canon India. In this regard, the Government has issued necessary notifications extending the scope of officers in terms of that amendment. The clarification explains the impact of such notifications.

**NOTIFICATION NO. 32/2022 -
CUSTOMS(N.T.), DATED
07-04-2022**
CBIC notified exchange rates effective from April 8th, 2022

Editorial Note : The Central Board of Indirect Taxes and Customs has notified the rate of exchange of conversion of the foreign currencies into Indian currency or vice versa, with effect from 8th April 2022, for import and export of goods.

**PUBLIC NOTICE NO.
03/2015/2020,
DATED
13-04-2022**

Amendments to EPCG scheme to reduce compliance burden and enhance ease of doing business
Editorial Note : The DGFT has issued public notice to amend certain provisions of Foreign Trade Policy relating to EPCG authorisation scheme in order to reduce compliance burden and enhance ease of doing business.

**NOTIFICATION NO.
21/2022-CUSTOMS, DATED
13-04-2022**

Govt. exempts Customs Duty and AIDC on Cotton, not carded or combed w.e.f. 14th April, 2022
Editorial Note : The CBIC has issued notification to exempt Customs Duty and AIDC on Cotton, not carded or combed falling under HSN 5201 w.e.f. 14th April, 2022 till 30th September, 2022

Correlation of Customs Tariff w.r.t changes in effect from 1st May, 2022

Editorial Note : In the Finance Act 2022, amendments have been introduced in the First Schedule of the Customs Tariff Act, 1975, with effect from 1st May, 2022. In this document, Guidance Note on the Correlation Table is issued

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022



Rs. 2.78 lakh crore of compensation released to States for the year 2020-21: Press Release

Editorial Note : To ensure that States have adequate and timely resources to combat covid and related issues, Centre borrowed Rs. 1.1 lakh crore in 2020-21 and Rs. 1.59 lakh crore in 2021-22 and passed it on to States on a back-to-back basis. Taking into account this loan, Rs. 2.78 lakh crore of compensation has been released to States for the year 2020-21 itself and nothing is pending for the year.

INSTRUCTION NO. 4/2022, DATED 27-04-2022

CBIC issues instruction for granting exemption from customs duty on parts of specified medical oxygen related equipments

Editorial Note : The CBIC has issued instruction for granting exemption from customs duty on parts of specified medical oxygen related equipments to provide that the benefit of the exemption

notification may not be denied, merely on the issue of not observing the procedure.

RECENT JUDICIAL RULINGS ON GST CLASSIFICATION OF GOODS



Marine engine and spare parts thereof : Where applicant is importing marine engines under HSN Code 8407 and HSN Code 8408 as well as spare parts thereof under HSN Code 8409 and is supplying same for use as parts of fishing vessels, said goods will be liable to 5 per cent GST; when these goods are supplied for use of defence purpose, patrolling purpose, flood relief and rescue operations, 5 per cent GST can be charged - Ocean Blue Boating (P.) Ltd., In re - [2022] 137 taxmann.com 97 (AAR - MAHARASHTRA)

SECTION 2(17) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - BUSINESS

Where applicant Rotary Club collects contributions from its members and spends same towards meeting and administrative

expenditures only, activity of applicant is business - Rotary Club of Mumbai Elegant, In re - [2022] 137 taxmann.com 80 (AAR - MAHARASHTRA)

SECTION 7 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - SUPPLY - SCOPE OF

Where applicant Rotary club receives contributions from its members for expending same for weekly and other meetings and administrative expenses, contributions received by applicant amount to or result in a supply - Rotary Club of Mumbai Elegant, In re - [2022] 137 taxmann.com 80 (AAR - MAHARASHTRA)

SECTION 54 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - REFUND - TAX, REFUND OF

Refund of IGST paid cannot be denied on the ground that higher rate of duty drawback was availed when shipping bill has been amended and excess drawback availed was returned to the Department - Swastik International v. Union of India - [2022] 137 taxmann.com 289 (Gujarat)



DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

SECTION 73 OF THE FINANCE ACT, 1994 - RECOVERY OF SERVICE TAX NOT LEVIED OR PAID OR SHORT-LEVIED OR SHORT-PAID OR ERRONEOUSLY REFUNDED

Where assessee is paying 50% of service tax and 50% of service tax is recoverable from service recipients, any excess recovery of service tax can only be demanded under section 73A of finance Act, 1994 - R D Contractors And Consultants v. Commissioner of Central Excise & Service Tax, Panchkula - [2022] 137 taxmann.com 288 (Chandigarh - CESTAT) Figures of balance sheets are more authentic for computation, therefore, computation of demand of service tax is to be done as per balance sheets figures - R D Contractors And Consultants v. Commissioner of Central Excise & Service Tax, Panchkula - [2022] 137 taxmann.com 288 (Chandigarh - CESTAT) Absence of suppression of facts by assessee extended period of limitation not invocable; penalty is not imposable - R D Contractors And Consultants v. Commissioner of Central Excise & Service Tax, Panchkula - [2022] 137 taxmann.com 288 (Chandigarh - CESTAT)

SECTION 130 OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 - CONFISCATION OF GOODS OR CONVEYANCES AND LEVY OF PENALTY

Where assessee was only required to show cause within seven days of notice as to why action under section 130 should not be taken against him, assessee should approach proper officer for making his stand clear and seek audience before him; writ was not proper - Sudhish P.P. v. State Tax Officer - [2022] 137 taxmann.com 52 (Kerala)



INCOME TAX REGULATORY UPDATES

Gold and Silver rates as on March 31, 2022

Editorial Note : The Gold and Silver rates as on March 31, 2022 are out. The rate of gold (995 standard 24 carats) is Rs. 51,278 per 10 grams and gold (999 standard 24 carats) is Rs. 51,484 per 10 grams and rate of Silver (999) is Rs. 66,990 per 1 Kg.

NOTIFICATION NO. 25/2022, DATED 04-04-2022

CBDT notifies 'Canada', 'United Kingdom of Great Britain & Northern Ireland' and 'USA' as notified countries for Sec. 89A

Editorial Note : Section 89A provides relief from taxation on income from a 'retirement benefit account' maintained in a notified country. The CBDT has notified 'Canada', 'United Kingdom of Great Britain & Northern Ireland' and 'United States of America' as notified countries for said Section.

NOTIFICATION NO. S.O. 1642(E) AND G.S.R 274(E), DATED 05-04-2022

CBDT constitutes Dispute Resolution Committee; notifies e-Dispute Resolution Scheme, 2022

Editorial Note : The Finance Act, 2021 has inserted Section 245MA to provide for the constitution of 'Dispute Resolution Committee' (DRC). DRC will provide an opportunity for the resolution of a dispute arising from any variation in the 'Specified Order' and fulfils the 'Specified Conditions'. The CBDT has constituted DRC and also notified e-Dispute Resolution Scheme, 2022 to dispose of application facelessly.

NOTIFICATION NO. 28/2022, DATED 06-04-2022

CBDT amends Rules to allow Infrastructure Debt Fund to issue 'Zero Coupon Bonds'

Editorial Note : Rule 2F of the Income-tax Rules allows the Infrastructure Debt Fund to issue

DEV MANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

'Zero-Coupon Bonds'. The consequential amendment has also been brought in Rule 8B, which provides guidelines for notification of zero-coupon bond.

NOTIFICATION NO. 30/2022, DATED 11-04-2022

CBDT notifies "Rajasthan Electricity Regulatory Commission" for exemption under section 10(46) Editorial Note : The Central Board of Direct Taxes (CBDT) has notified 'Rajasthan Electricity Regulatory Commission' a Commission constituted by the State Government of Rajasthan for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961. Petition filing fees, licence fees and interest earned on investment of RERC shall be eligible exemption.

NOTIFICATION NO. 29/2022, DATED 11-04-2022

CBDT notifies 'The Somnath Temple managed by Shree Somnath Trust' for Sec. 80G deduction Editorial Note : The CBDT has notified 'The Somnath Temple managed by Shree Somnath Trust (PAN: AAATS9555Q) as a place of historic importance and a place of public worship of renown for the purposes of the section 80G.

CIRCULAR NO. WSU/6(1)2019/INCOMETAX- /PART-1(E-33306), DATED 06-04-2022

EPFO releases circular clarifying computation of interest on PF

contributions exceeding prescribed limit Editorial Note : The Employee Provident Fund Organization (EPFO) has released a circular clarifying the computation of taxable and non-taxable portions of interest on PF contributions made by the subscriber. The guidelines have been issued considering the CBDT notification GSR 604(E), dated 31-09-2021.

NOTIFICATION NO. 37/2022/F.NO. 370142/01/2020-TPL(PART1), DATED 21-04-2022

CBDT made return filing mandatory where turnover, TDS/TCS or deposit in saving bank account exceeds certain limit

Editorial Note : The CBDT has notified additional conditions under the seventh proviso to section 139(1) whereby return filing is made mandatory in case turnover from business or gross receipt from profession exceeds Rs. 60 lakh or Rs. 10 lakh, respectively. Further, return filing shall be mandatory if the amount of tax deducted and collected in case of a person exceeds Rs. 25,000 or deposit in saving bank account(s) is Rs. 50 lakh or more.

NOTIFICATION NO. 42/2022/ F. NO. 370142/10/2022-TPL, DATED 22-04-2022

Payment system providers entitled to Sec. 11 exemption can invest in 'Open Network for Digital Commerce Ltd.'

Editorial Note : A new clause (vb) is inserted under Rule 17C of the Income-tax Rules, 1962 to make the investment by authorized payment

service providers in the equity share capital or bonds or debentures of 'Open Network for Digital Commerce Ltd.', as a permissible mode of investment for exemption under section 11 of the Income-tax Act

NOTIFICATION NO. 46/2022, DATED 27-04-2022

CBDT notifies countries in which 'Original Fund' should be resident to claim Sec. 47 (viiac)/(viiad) exemption

Editorial Note : The Central Board of Direct Taxes (CBDT) has notified countries and specified territories in which the 'Original Fund' should be resident to claim exemption provided by Sections 47(viiac) and 47 (viiad).

NOTIFICATION NO. 48/2022/F.NO. 370142/18/2022-TPL(PART-1), DATED 29-04-2022

CBDT notifies Form ITR-U for filing of updated return

Editorial Note : The Finance Act, 2022 has introduced a new concept of updated return, wherein it allows up to 24 months to file the return of income. The CBDT has notified a new Rule 12AC and new Form ITR-U for filing of such updated return of income

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

CBDT notifies ITR forms for FY 2021-22

ITR Form	Who can file	Who cannot file
ITR-1 Sahaj	Resident individuals (ordinarily residents – ROR) having: <ul style="list-style-type: none"> Total annual income ≤ Rs. 50 Lakh; Income from salaries; Income from 1 house property; Income from other sources; Agriculture income < Rs. 5,000 	An individual who is either <ul style="list-style-type: none"> Director in a company, or Has invested in unlisted equity shares, or In cases where tax has been deducted at source (TDS) u/s 194N (cash payments > Rs. 1 crore by banking company / co-operative society), or If income-tax is deferred on Employee Stock Ownership Plan (ESOP)
ITR 2	Individuals and Hindu Undivided Families (HUFs) not having income from business or profession	-
ITR 3	Individuals and HUFs having income from business or profession	-
ITR 4 Sugam	Resident individuals / HUFs / firms (except limited liability partnerships) having total annual income ≤ Rs. 50 Lakh computed u/s 44AD, 44ADA, 44AE of the Act relating to presumptive taxation;	An individual who is either <ul style="list-style-type: none"> Director in a company, or Has invested in unlisted equity shares, or If income-tax is deferred on ESOP Has agricultural income > Rs.5,000
ITR 5	Persons other than individual, HUF, company or person filing ITR 7	-
ITR 6	Companies, other than companies claiming exemption u/s 11	-
ITR 7	Persons (including companies) required to furnish return u/s 139(4A) or 139(4B) or 139(4C) or 139(4D) only	-

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

RECENT JUDICIAL RULINGS ON INCOME TAX

SECTION 2(9) OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 - BENAMI TRANSACTION

Definition of 'benami transaction' in sec 2(9) of PBPT Act has no retrospective applicability to transactions entered into prior to 1-11-2016 - Nexus Feeds Ltd. v. Assistant Commissioner of Income-tax - [2022] 137 taxmann.com 494 (Telangana)

SECTION 10(23C) OF THE INCOME-TAX ACT, 1961 - HOSPITALS

Philanthropic purposes : Where assessee trust was running a medical dispensary wherein it was providing free medical treatment to patients and annual income of assessee trust was out of interest income from investment which had been made of surplus lying with it and there being no allegation that assessee trust was involved in any activity for profit or did not exist for philanthropic purposes, assessee Trust was within its rights to accumulate receipts as per its requirement and thus, would be eligible for exemption under section 10(23C)(iii)ae even though it had incurred only 12 per cent of receipts for philanthropic purposes and accumulated 88 per cent of its receipts - Swasthya Sewa Sansthan v. Commissioner of Income-tax (Exemption) - [2022]

137 taxmann.com 311 (Kolkata - Trib.)

SECTION 32 OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 - QUALIFICATIONS FOR APPOINTMENT OF CHAIRPERSON AND MEMBERS OF APPELLATE TRIBUNAL

Madras HC strikes down as unconstitutional the provisions of sec 32(2)(a) of PBPT Act regarding qualifications of Judicial Member of Appellate Tribunal - V. Vasanthakumar v. Union of India - [2022] 137 taxmann.com 495 (Madras)

SECTION 54 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAIN - PROFIT ON SALE OF PROPERTY USED FOR RESIDENCE

General : Section 54 cannot be confined only to a residential house and cannot be interpreted to mean that it has no application to land appurtenant to a residential building - Charu Agarwal v. Deputy Commissioner of Income-tax, (International Taxation) - [2022] 137 taxmann.com 283 (Delhi - Trib.)

SECTION 92C OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - COMPUTATION OF ARM'S LENGTH PRICE

Adjustments - Guarantee commission : Where assessee had provided corporate guarantee to a bank, on strength of which, bank had provided funds to its wholly owned subsidiary and Tribunal in earlier year on similar facts directed Assessing Officer/TPO to compute corporate guarantee at rate of 0.5 per cent, ALP of corporate guarantee would be computed at rate of 0.5 per cent of

guarantee value - Teleperformance Global Services (P.) Ltd. v. Assistant Commissioner of Income-tax - [2022] 137 taxmann.com 310 (Mumbai - Trib.)

Adjustments - Guarantee commission : Where provision of performance guarantee by assessee to third party on behalf of its AE had benefitted assessee itself since actual service to be provided to third party was outsourced to assessee by its AE and entire compensation received from customer came back to assessee and TPO simply followed adjustment made in earlier years, issue of determination of ALP for provision of performance guarantee was restored to file of TPO for fresh adjudication - Teleperformance Global Services (P.) Ltd. v. Assistant Commissioner of Income-tax - [2022] 137 taxmann.com 310 (Mumbai - Trib.)

Dispute resolution panel - Scope of direction :

Where Assessing Officer passed a final assessment order without incorporating directions of DRP in it and said order was merely a verbatim repetition of draft assessment order, impugned order not being in conformity with provisions of section 144C was to be set aside - Olympus Medical Systems (P.) Ltd. v. ACIT - [2022] 137 taxmann.com 306 (Delhi - Trib.)

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

SECTION 92C OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - COMPUTATION OF ARM'S LENGTH PRICE

Comparables, functional similarity - Information technology enabled services (ITESs) : A company engaged in business of Medical Transcription and Translation services could not be considered as a comparable to appellant engaged in providing information technology enabled services and thus ought to be excluded from list of Comparables - Morgan Stanley Advantage Services (P.) Ltd. v. Deputy Commissioner of Income-tax - [2021] 133 taxmann.com 488 (Mumbai - Trib.)

Comparables, functional similarity - Information technology enabled services (ITESs) : Where assessee was providing information technology enabled services to its AEs, company engaged in rendering KPO services could not be recharacterized by TPO to make it comparable with that of assessee - Morgan Stanley Advantage Services (P.) Ltd. v. Deputy Commissioner of Income-tax - [2021] 133 taxmann.com 488 (Mumbai - Trib.)

Methods for determination of - TNM method : TPO had to justify and document reasons for rejection of five methods prescribed in rule 10B while selecting 'other

method' as most appropriate method - SABIC India (P.) Ltd. v. Deputy Commissioner of Income-tax - [2021] 133 taxmann.com 489 (Delhi - Trib.)

Adjustment - Working capital adjustment : Working capital adjustment was to be granted on actual basis without any cap or restriction - Deputy Commissioner of Income-tax v. Tenova Technologies (P.) Ltd. - [2022] 137 taxmann.com 282 (Bangalore - Trib.)

Adjustments - Marketing expenses : Where assessee company made payment towards marketing services fees expenses to its AE, however, TPO instead of benchmarking international transaction held that a payment made by assessee under another license agreement entered into by it with its AE already included such marketing fees, thus, there was duplication of services, TPO could not question whether service was duplicate in nature and its jurisdiction was only to benchmark transaction as per section 92C, thus, matter was to be remanded for doing same - L'Oreal India (P.) Ltd. v. ACIT, Mumbai - [2021] 133 taxmann.com 487 (Mumbai - Trib.)



CORPORATE LAW UPDATES

Filing of declaration for commencement of business by Nidhi companies

Pursuant to the provisions of section 10A of the Act read with Companies Incorporation rules, every company incorporated with share capital in India shall commence business only after filing a declaration regarding payment of subscription money against the share capital subscribed by every promoter / shareholder of the company in prescribed e-form INC-20A. This declaration is required to be filed within 180 days from the date of incorporation of the company with the Registrar of Companies (ROC).

In line with the aforesaid provisions, MCA vide notification dated 8th April 2022 has also extended the requirement of filing the declaration for commencement of business by Nidhi companies with ROC at the stage of incorporation itself. Accordingly, all Nidhi companies shall commence business only after filing the declaration for commencement of business in prescribed e-form INC-20A with ROC under Rule 12 of Companies (Incorporation) amendment rules, 2022.

CIRCULAR NO. SEBI/HO/IMD/F-PI&C/CIR/P/2022/57, DATED 29-04-2022

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

SEBI modifies guidelines for FPIs, Designated Depository Participants and 'Eligible Foreign Investors'

Editorial Note : SEBI vide SEBI Circular No. IMD/FPI&C/-CIR/P/2019/124 dated 05-11-2019 issued operational guidelines for FPI, DDP, and FI whereby the designated depository participant is required to grant certificate of registration, bearing the registration number generated by NSDL in a centralised manner. SEBI has decided to modify the operational guidelines. Now, the designated depository participant is required to grant the certificate of registration, bearing the registration number generated by SEBI.

SECTION 188 OF THE COMPANIES ACT, 2013 - RELATED PARTY TRANSACTIONS

SEBI not justified in penalising company by taking a 'hyper-technical' view of the law on Related

Party Transactions - Securities and Exchange Board of India v. R.T. Agro (P.) Ltd. - [2022] 137 taxmann.com 496 (SC)

SECTION 232 OF THE COMPANIES ACT, 2013 - AMALGAMATION

Where applicant companies i.e. transferor companies and transferee company had jointly filed application in relation of scheme of amalgamation proposed between them along with relevant documents, convening and holding of meetings of Equity Shareholders, Secured and Unsecured Creditors of applicant companies was to be dispensed with - Inward Vinimay (P.) Ltd., In re - [2022] 137 taxmann.com 285 (NCLT-Jaipur)

SECTION 247 OF THE COMPANIES ACT, 2013 - VALUATION BY REGISTERED VALUERS

Where in FIR filed by CBI as regards inflated valuation of properties registered valuer 'R' was not named as an accused and there was no direct allegation on her and case was under investigation,

contraventions alleged in Show Cause Notice (SCN) as regards eligibility to be registered valuer did not appear to be established and SCN was disposed of without any direction - Ms. Esther Rani Jakkula., In re - [2022] 137 taxmann.com 292 (IBBI)

RBI notifies guidelines for loans & advances granted by Non - Banking Financial Companies (NBFCs) to its directors, their relatives, senior officers & real estate borrowers. RBI vide notification dated 19th April 2022 has notified following guidelines for loans & advances granted by NBFCs to its Directors, their relatives, senior officers & real estate borrowers.



DEV MANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

Loans & Advances granted to		
Directors & Relatives	Senior Officers	Real Estate Borrowers
<p>No NBFC shall without the prior approval of its Board of Directors / Committee of Directors grant loans & advances > Rs 5 crore to:</p> <ul style="list-style-type: none"> • its Directors or Directors' relatives; • any firm in which any of its Directors or their relatives is interested as a partner, manager, employee or guarantor; • any company in which any of its Directors or their relatives is interested as a major shareholder, director, manager, employee or guarantor • NBFCs shall obtain a declaration from the borrower giving details of the relationship of the borrower with the NBFCs Directors / senior officers for loans & advances > Rs 5 crore. NBFCs shall recall the loan if it comes to their knowledge that the borrower has given a false declaration • These guidelines shall be duly brought to the notice of every Director and be placed before the NBFCs Board of Director • NBFCs shall disclose in their annual financial statements, the aggregate amount of such sanctioned loans & advances 	<ul style="list-style-type: none"> • Loans & advances granted to the senior officers of the NBFC shall be reported to the NBFC's Board of Directors • No senior officer or any Committee comprising of that senior officer as its member shall, while exercising the powers of sanction of any loan facility, shall grant any loans & advances to the relative of that senior officer. Such a facility shall only be sanctioned by the next higher sanctioning authority under the delegation of powers 	<ul style="list-style-type: none"> • NBFCs before granting any loans & advances to the real estate borrowers shall ensure that the borrowers have obtained prior permission from the Government / local Government / other statutory authorities for the project, wherever required • To ensure that the loan approval process is not hampered on account of taking the aforesaid statutory approvals, NBFC may sanction approval for the loan & advances. However, the disbursements shall be made only after the borrower has obtained requisite approvals from the Government / other statutory authorities
<p>* The terms 'Loans & advances' will not include loans / advances against the following:</p> <ul style="list-style-type: none"> • Government securities; • Life insurance policies; • Fixed deposits; • Stocks & shares; • Housing loans, car advances, etc. granted to an employee of the NBFC under any scheme applicable generally to employees 		

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

Tax Compliance Calendar for May 2022

Compliance Due Date	Concerned (Reporting)Period	Compliance Detail	ApplicableTo
7th May	April 2022	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
10th May		a)GSTR-7(TDS return under GST)	a)Person required to deduct TDS under GST
		b)GSTR-8(TCS return under GST)	b)Person required to deduct TCS under GST
11th May		GSTR-1(Outward supply return)	Taxable persons having turnover > Rs.5crore
13th May		GSTR-6[Return by input service distributor(ISD)]	Person registered as ISD
		Invoice Furnishing Facility-IFF (Details of outward supplies of goods or services)	Taxable persons having turnover< Rs.5crore
15th May		Deposit of PF&ESI contribution	All Deductors
		January-March 2022	Quarterly statement of TCS deposited
20th May		April 2022	a) GSTR-5 (Return by Non- resident) b)GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]
	GSTR-3B (Summary return)		All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2021-22

DEVMANTRA TIMES

MAY EDITION

ISSUE NO : 15, DATE : 01ST MAY 2022

25th May		Form GST PMT-06 (Payment of tax for Quarterly filers)	All taxable persons (except composition dealer) having annual turnover ≤ Rs. 5 crore in FY 2021-22
30th May	FY 2021-22	Form 11 (Annual Return) with Ministry of Corporate Affairs (MCA)	Limited Liability Partnership Firm (LLPs)
		Submission of Form 49C	Non – Resident having a Liaison Office in India
	January-March 2022	TCS certificate in Form 27D	All Collectors
31st May	January-March 2022	Quarterly statement of TDS deposited	All Deductors
	FY 2021-22	Statement of financial transaction (Form No.61A)	Specified reporting persons as per section 285BA of the Income-tax Act,1961
	Calendar Year 2021	Annual statement of reportable accounts (Form No.61B).	Financial Institutions