

***“SHARP, UPDATED AND EXPERIENCED”***

**TAXPERT ELECTRONIC SECTOR UPDATES  
January, 2022**

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**NOTIFICATIONS/ CIRCULARS/ PRESS RELEASES**

**TAX CALENDAR**

**RECENT JUDICIAL PRONOUNCEMENT**

**Where software purchased by assessee was a copyrighted article, payment made by assessee for acquiring license in such software was outside scope of definition of royalty as defined under section 9(1)(vi) [Plintron Mobility Solutions (P.) Ltd. V. Income-tax Officer, Corporate ward 5(2), Chennai]**

**FACTS OF THE CASE:**

1. The assessee company is engaged in the business of providing software solutions, filed its return of income for assessment year 2014-15 on 29-11- 2014 declaring total income of Rs. 79,54,530/-
2. The case has been taken up for scrutiny and the assessment has been completed u/s. 143(3) of the Income-tax Act, 1961 (herein after "the Act") on 21-12-2016 and determined total income of Rs. 2,09,01,140/-, inter alia, making additions towards disallowance of excess depreciation claimed on computer software amounting to Rs. 69,14,390/- and addition towards payment to a non-resident for purchase of software u/s. 40(a) (i) of the Act, for non deduction of tax at source u/s195 of the Act, 1961.
3. The assessee carried matter in appeal before the first authority, but could not succeed. The Ld. CIT(A) for the reasons stated in the appellate order dated 30-8-2017, confirmed additions made by the AO towards disallowance of excess depreciation on computer software and disallowance of payment made to non-resident for purchase of software for non-deduction of TDS u/s. 195 of the Act.
4. Aggrieved by the CIT(A), the assessee is in appeal before ITAT.

**ISSUE:**

1. Whether since software purchased by assessee was a copyrighted article, payment made by assessee for purchase of such software was outside scope of definition of royalty as defined under section 9(1)(vi) and thus, assessee was not required to withhold taxes under section 195 and consequently, payment made for purchase of software could not be disallowed under section 40(a)(i) for non-deduction of taxes at source?
2. Whether since software purchased by assessee are embedded in computer system and thus construed as an integrated part of computer system, Assessing Officer and Commissioner (Appeals) erred in restricting depreciation on software to 25 per cent as against 60 per cent as claimed by assesse?

**OBSERVED:**

As per Appendix -I to IT Rules, 1962, it has prescribed rate of depreciation for various assets, including computer and computer software, as per which software is eligible for higher depreciation at 60%.

The computer software has not been defined in the Act, but in Appendix -I to the IT Rules, 1962, it has been explained to include computer programme recorded on any disc, tape, perforated media or other information storage device. Therefore, computer software (whether canned form or uncanned form) is goods and a tangible asset by itself.

Further Rule 5 of IT Rules, 1962 governing the rate of depreciation for software, has prescribed 60% depreciation on computer and computer softwares. Since, the assesse has purchased the software which are embedded in the computer system, the same is eligible for depreciation of 60%.

**RECENT JUDICIAL PRONOUNCEMENT**

The assesse has acquired only a copyrighted article, but not a copyright itself. Thus, payment made by the assessee for purchase of software to non-resident supplier is outside the scope of the definition of Royalty as defined u/s. 9(1)(vii) and thus, the assessee does not required to deduct TDS u/s. 195 of the Act, 1961 and consequently, payment made for purchase of software cannot be disallowed u/s. 40(a)(i) of the Act for non-deduction of tax at source.

**HELD:**

The Hon’ble ITAT allowed the appeal filed by the assessee and held that the assessee does not required to deduct TDS u/s. 195 of the Act, 1961 and consequently, payment made for purchase of software cannot be disallowed u/s. 40(a)(i) of the Act for non-deduction of tax at source.

***Taxpert Professionals Insights:***

***The CIT (A) has erred in its order that the assesse is eligible for 25% depreciation on software license.***

***The AO has erred on the disallowance of sum paid by the assesse for the purchase of software license due to non-deduction of TDS u/s 195 on the ground that the sum paid in the nature of Royalty***

**Expenses for pension fund provision are allowable as expenses. [ACIT Vs Punjab & Sind Bank (ITAT Delhi) ITA No. 631/Del/2019 [05/01/2022]**

**FACTS OF THE CASE:**

Punjab & Sind Bank (*hereinafter referred to as Assessee*) is a Bank who electronically filed its return of income for A.Y. 2014-15 on 28.11.2014 declaring loss of Rs.258,29,70,121/- under the normal provision of the Income Tax Act and Book Profit of Rs.900,02,73,036/- u/s 115JB of the Act.

The return of income was subsequently revised on 17.03.2016 without any change in the income that was filed in the original return.

Thereafter, the case was selected for scrutiny and consequently assessment was framed u/s 143(3) of the Act vide order dated 28.12.2018 and the total income was determined at Rs.519,14,68,198/- and the Book Profit u/s 115JB of the Act at Rs.1002,46,68,618/-.

Aggrieved by the order of AO, assessee carried the matter before CIT(A) who vide order dated 22.11.2018 in Appeal No.10897/566/CIT(A)-7/Del/2016-17 granted substantial relief to the assessee.

Aggrieved by the order of CIT(A), Revenue appealed to Hon’ble ITAT.

**RECENT JUDICIAL PRONOUNCEMENT**

**ISSUE:**

1. Whether the Ld. CIT(A) has erred both on facts and in law in deleting the addition of Rs. 372,70,70,520/- made by the Assessing Officer on account of disallowance of depreciation on securities?
2. Whether the Ld. CIT(A) has erred both on facts and in law in deleting the addition of Rs. 85,05,92,380/- made by the Assessing Officer on account of disallowance of contribution to P&S Bank employees’ Pension Fund Trust under section 36(1)(iv) of the Income-tax Act, 1961 read with Rule 87 & 88 of the Income Tax Rule, 1962?
3. Whether the Ld. CIT(A) has erred both on facts and in law in deleting the addition of Rs 19,17,00,000/- made by the Assessing Officer u/s 14A of the Income-tax Act, 1961 read with rule 8D(2)(ii) of the Income Tax Rules, 1962?
4. Whether the Ld. CIT(A) has erred both on facts and in law in deleting the addition of Rs. 85,05,92,380/- made by the Assessing Officer on account of disallowance of contribution to P&S Bank employees Pension Fund Trust under section 36(1)(iv) of the Income-tax Act, 1961 read with Rule 87 & 88 of the Income Tax Rules, 1962, while computing book profit u/s 115JB of the Income- tax Act, 1961 ?
5. Whether the Ld. CIT(A) has erred both on facts and in law in deleting the addition of Rs. 19,17,00,000/- made by the Assessing Officer u/s 1 4A of the Income-tax Act, 1961 read with rule under rule 8D(2)(ii) of the Income Tax Rules, 1962 while computing book profit u/s 115JB of the Income-tax Act, 1961?

**OBSERVED:**

The Hon’ble ITAT observed that identical issue arose before the Co-ordinate Bench of Tribunal in assessee’s own case for A.Y. 2013-14 and the Co­ordinate Bench of Tribunal deleted the addition by following the order in assessee’s own case for A.Y. 2011-12 & 2012-13. Thus, no distinguishing feature in the facts of the present case and that of earlier year has been pointed out by Revenue nor has Revenue placed any material on record to demonstrate that the order of Tribunal in assesses own case in earlier years has been set aside/overruled or stayed by higher judicial forum

**HELD:**

The Hon’ble ITAT dismissed the appeal of the Revenue.

***Taxpert Professionals Insights:***

***The issue was decided in of the assessee in the Assessment year 2009-10, where it was held that similar expenses were allowed in earlier assessments made under section 143(3) of the Act, and the decision of Delhi ITAT in the case of DCIT V. Ranbaxy Laboratories Ltd (2009) 124 TTJ (Delhi) 771, where the expenses towards provision for pension fund were held to be allowable expenses and section 43B has no application, is applicable. The fact that the assessee has made a contribution/payment to the pension fund strengthens the assessee's case even more. As a result of the aforementioned orders, Ld. CIT(A) determined that the addition to his score must be removed.***

**RECENT JUDICIAL PRONOUNCEMENT**

**The list of comparable companies chosen to determine the arm’s length price must include both high margin companies as well as low margin companies which satisfy the chosen filter criteria. [ITAT Bangalore] [11/01/2022]**

**FACTS OF THE CASE:**

1. Deputy Commissioner of Income Tax (*herein referred to as respondent)* and M/s Infor (Bangalore) Private Limited. (*herein referred to as the Assessee)*, is a company which provides provision of Software Development Services (SDS) to its Associated Enterprises.
2. The Assessee filed a Transfer Pricing Study (TP Study) to justify the price paid in the international Transaction is at Arms Length Price (ALP) by adopting the Transaction Net Margin Method (TNMM) as the Most Appropriate Method of determining ALP.
3. The Assessee selected Operating Profit/Operating Cost (OP/OC) as the Profit Level Indicator for the purpose of comparison. The Assessee identified companies whose average arithmetic mean of profit margin was comparable with the Operating margin of the Assessee and therefore claimed that the price it charged in the international transaction should be considered as at Arm’s Length.
4. The Transfer Pricing Officer (TPO) accepted TNMM as the most appropriate method and also used the same profit level indicator for comparison i.e., OP/TC. He also selected comparable companies from database and identified 17 companies as comparable with the Assessee company.
5. The Transfer Pricing officer computed a sum of Rs.73,53,501/- and was added to the total income of the Assessee on account of determination of ALP for provision of Software development services by the Assessee to its Associated Enterprises.
6. The Assessee did not file objections before the Disputes Resolution Panel against the draft assessment order passed by the Assessing Officer wherein the addition suggested by the Transfer Pricing Officer as adjustment to ALP was added to the total income of the Assessee by the Assessing Officer.
7. The Assessee preferred appeal against the final order of assessment of the Assessing Officer before CIT(A). The CIT(A) excluded one out of the 17 comparable companies selected by the Transfer Pricing Officer.
8. The Assessee wanted to remove 7 companies from the names of 17 companies added by the transfer pricing officer and include the company that was excluded by the CIT(A) into his list of comparable companies.
9. Thus, the assessee filed the current appeal with the Tribunal.

**ISSUE:**

* 1. Whether 7 companies out of the 17 added by the Transfer pricing officer can be added, when the same 7 companies were excluded by the ITAT in a similar case earlier?
  2. Whether both high margin companies as well as low margin companies can be added to the list of comparable companies?

**RECENT JUDICIAL PRONOUNCEMENT**

**OBSERVED:**

The Hon’ble Tribunal relied on the judgement of the ITAT Bangalore Bench in the case of ACIT v. McAfee Software India Pvt.Ltd. (2016), where the assessee was a similar Software Development Services company, wherein the Transfer pricing officer had added the same 17 companies, for the same A.Y. and the bench had dismissed 8 of those companies as they were not comparable companies.

It was very clear that the primary business segment of the Company, that the assessee wanted to include into the list of comparable companies, is Software development services which constitutes 94.09% of the total revenue from operations. Hence, this company was rightly selected as a comparable by the TPO and wrongly rejected by the CIT(A) on wrong understanding of the facts about the nature of business of this company. The Hon’ble Tribunal observed that the CIT(A) has followed a very biased approach in retaining high margin companies based on information sought by TPO under Sec 133(6) and deleting low margin making companies by not accepting information sought by TPO under sec 133(6). The CIT(A) has turned a blind eye to the fact that this company had passed the 75% software development services filter applied by the TPO.

**HELD:**

In the first issue, relying on the reasoning given in Microsoft Software judgement, the Hon’ble Tribunal removed the names of the 7 companies from the list of comparable companies.

In the second issue, the company was added to the list of comparable companies as majority of their primary business was related to software development services and that the CIT(A) was wrong in only selecting to keep high margin companies as comparable companies.

***Taxpert Professionals Insights:***

***Selecting only high margin companies may lead to an upward adjustment of transfer pricing for the assessee as thus an eligible comparable company should not be dismissed on the mere fact that they are a low margin company.***

**RECENT JUDICIAL PRONOUNCEMENT**

**High Court directs Tribunal to pass orders afresh after considering the relevant documents and invoices on the issue of levy of entertainment tax when service tax has been paid [Dish TV India Ltd. V State of Karnataka [2022] 134 taxmann.com 224 (Karnataka)[10-12-2021]**

**FACTS OF THE CASE:**

1. The Dish TV India Ltd. **(***hereinafter referred to as Petitioner*) is a Direct to Home (DTH) service provider and is granted DTH license by the Ministry of Information and Broadcasting (Government of India) under Section 4 of the Indian Telegraph Act, 1885, and the licensee is liable to pay applicable service tax on the value of such services charged from the subscribers for providing DTH services.
2. The business premises of the petitioner was inspected by the competent officer and after issuing show cause notice, the petitioner was given opportunity to produce necessary records.
3. since the petitioner had failed to produce the relevant documents regarding collection of service tax/ entertainment tax, assessment and re-assessment orders were passed against the petitioner for the period commencing from April 2006 to June 2009 by 39 separate orders and being aggrieved by the same, the petitioner had filed appeal before the Joint Commissioner of Commercial Taxes under Section 8-B(5) of the Act.
4. The said appeal was dismissed on 08.07.2014 and the assessment and re-assessment orders passed against the petitioner was confirmed. Being aggrieved by the same, the petitioner had filed 39 separate appeals before the Tribunal under Section 8-E(1) of the Act, and by order dated 10.03.2016, the said appeals were dismissed confirming the orders passed by the First Appellate Authority.
5. Aggrieved, the Petitioner filed a revision petition challenging the common order dated 10.03.2016 passed by the Tribunal in STA.Nos.1916 to 1954/2014 before Hon’ble High Court of Karnataka.

**ISSUE:**

1. Whether entertainment tax under the provisions of 4-C of KET Act, 1958, is leviable on the consideration towards the services excluding the service tax component or on both?
2. Whether entertainment tax can be levied on the transaction of service which is so characterized under the Finance Act, 1994?
3. Whether the State of Karnataka has legislative competence to levy tax under KET Act, 1958 on the transaction which is exclusively reserve for Union Parliament for the purposes of service tax under Entry 92C of the List I of Schedule VII of the Constitution of India?
4. Whether States are prohibited under constitutional discipline of Article 246 to adopt the sources of revenue which are exclusive received for the Union Parliament?
5. Whether in the absence of Rules for determination of the component of Entertainment and that of services, the composite and indivisible contract can be disintegrated for the purpose of levy under KET Act, 1958?
6. Whether the case of the petitioner is covered by the judgment in the case of Anand Swarup Mahesh Kumar Vs Commissioner of Sales Tax [(1980)4 SCC 451]?
7. Whether the Ld. Tribunal was justified to proceed with the appeals while the question of legislative competence of State of Karnataka are pending consideration before this Hon'ble Court?

**RECENT JUDICIAL PRONOUNCEMENT**

**OBSERVED:**

The Hon’ble High Court of Karnataka observed that the Tribunal referring to various provisions of the Finance Act, 1994, as well as the Service Tax Rules, 1994, has noticed that it is not possible or permissible to segregate the service tax component for the purpose of levy of entertainment tax in the case of the appellant as the service tax component is not indicated separately in the bills or invoices issued to the customers. No proof is available on records to show that service tax has been separately collected. It was further observed that the charging Section 4-G of the Act uses the expression 'on the amounts received or receivable' is liable for entertainment tax at 6%, and therefore, the assessing authority is correct in levying entertainment tax on service tax component, and the appellate authority is correct in confirming the same.

**HELD:**

The Hon’ble High Court of Karnataka held the following

1. The petition is allowed in part;
2. The common order dated 10.03.2016 passed in STA Nos.1916 to 1954 of 2014 passed by the Karnataka Appellate Tribunal, Bengaluru, is set aside
3. The matter is remanded back to the Tribunal for re-consideration;
4. The Tribunal shall re-consider the matter in the light of the observations made hereinabove and appropriate orders shall be passed in an expedite manner;
5. All the rights and contentions of the parties are left open;
6. Since both the parties are represented by their learned Counsel, the parties/learned counsel are directed to appear before the Tribunal on 18.01.2022 without waiting for any notice.

***Taxpert Professionals Insights:***

***The impugned order of the Tribunal held that it was not possible or permissible to segregate the service tax component for the purpose of levying entertainment tax because the service tax component was not indicated separately on the invoices and there was no proof on record that service tax was collected separately. As a result, the impugned order is set aside and the case is returned to the Tribunal for further reconsideration***

**Pure reimbursement doesn’t give rise to any revenue & can’t be handled as FTS [Synamedia Ltd. [formerly known as ‘NDS Limited’] Vs ACIT (ITAT Bangalore) [IT(IT)A No. 364/Bang/2017]**

**FACTS OF THE CASE:**

1. The **Synamedia Ltd. [formerly known as ‘NDS limited’] (*hereinafter referred to as A****ssessee*) is a non-resident foreign company incorporated in United Kingdom. It is in the business of supply of open digital technology and services to digital pay television (pay-TV) platform operators and content providers.
2. The assessee entered into agreement with its customers for supply of integrated hardware systems along with embedded software. The hardware is primarily in the form of viewing cards, Set-top-Box (STB) and other connected components, usually used in viewing television through satellite. The embedded software is required to run the hardware components.
3. During the AY 2007-08, Assessee filed a NIL return of income. The return of income was processed under section 143(1) of the Income Tax Act, 1961 (`the Act’) and the case was not picked for scrutiny under section 143(3) of the Act. Subsequently, the Assessing Officer (***hereinafter referred to as*** AO) re-opened the assessment by issuing a notice under section 148 of the Act citing that certain third party receipts were not offered to tax in the return of income for AY 2007-08. Various Submissions were filed before the Ld.AO in relation to notices issued.
4. The assessee filed objections before the Dispute Resolution Panel (DRP) confirming the order of the AO which upheld the analysis of the AO. Aggrieved by the aforesaid order of the DRP the Assessee appealed to the Tribunal.

**ISSUE:**

1. Whether the learned AO has erred in treating the receipts pertaining to licensing of software by the Appellant to be in the nature of ‘royalty’ as defined under the provisions of the Act read with the Double Taxation Avoidance Agreement entered into between India and United Kingdom (`DTAA’).
2. Whether the learned AO has erred in treating the receipts pertaining to sale of hardware in the nature of Set Top Box, Viewing cards, CAM hardware etc. by the Appellant to be in the nature of a licensing arrangement and treating the same as ‘royalty’ as defined under the provisions of the Act and DTAA.
3. Whether the learned AO has erred in law and in fact, in treating the receipts on account of rendering of support services to be in the nature of ‘Fees for Technic al Services’ (`FTS’) as defined under the provisions of the Act read with the DTAA.
4. Whether the learned AO has erred in law and in fact by treating the amounts as recovered by the Appellant from Cisco Video Technologies India Private Limited (`CVTIPL’) to be in the nature of consideration received for provision of ‘Business support services’ chargeable to tax as FTS as defined under the provisions of the Act and the DTAA.

**RECENT JUDICIAL PRONOUNCEMENT**

**OBSERVED:**

The Hon’ble ITAT Observed that pure reimbursement does not give rise to any income and the decisions cited by the learned AR in this regard lay down the above principle. We find that the revenue authorities have not firstly held that as to whether there was one-to-one tally of sums spent by the Assessee that was reimbursed by NDS Pay TV. Once this factual finding is rendered then there has been no payment for any services whatsoever. The question is can one infer that the sums reimbursed were for services rendered by Assessee when there is one to one tally. In our view it cannot be said so

**HELD:**

The Hon’ble ITAT set aside this issue and remand the same for consideration by the AO.

***Taxpert Professionals Insights:***

***If there is no proof that FTS services were supplied. FTS can only be charged under the DTAA if it makes technical knowledge available to the person making the payment. There is no finding in the application of the DTAA's "make accessible" requirement as to what technical service was made available to NDS Pay TV.***

**NOTIFICATIONS**

**NOTIFICATIONS/ CIRCULARS/ PRESS RELEASES**

**5.89 crore ITRs filed on new e-filing portal as on 31-12-2021: CBDT[PRESS RELEASE]**

Nearly 5.89 crore Income Tax Returns (ITRs) have been filed on the new e-filing portal of the Income Tax Department as on 31st December, 2021, the extended due date.

Out of 5.89 crore ITRs filed for AY 2021-22 as on 31st December, 49.6% of these are ITR1 (2.92 crore), 9.3% are ITR2 (54.8 lakh), 12.1% are ITR3 (71.05 lakh), 27.2% are ITR4 (1.60 crore), 1.3% are ITR5 (7.66 lakh), ITR6 (2.58 lakh) and ITR7 (0.67 lakh). Over 45.7% of these ITRs have been filed using the online ITR form on the portal and the balance have been uploaded using the ITR created from the offline software utilities.

5.95 Crore ITRs were filed in the last financial year i.e 2020 - 21 which is more than the number of ITRs filed in AY- 2021- 22.

**No change in interest rates of small saving schemes for quarter January 2022 to March 2022: FinMin [NOTIFICATION Dated: 4-01-2022]**

The rate of interest on various small savings schemes for the fourth quarter of financial year 2021-22 starting from 1st January, 2022 and ending on 31st March, 2022 shall remain unchanged from the current rates applicable for the third quarter i.e 1st October, 2021 to 31st December, 2021.

**Govt. exempts FPIs from reporting of client’s KYC records with Central KYC registry under money laundering norms. [NOTIFICATION Dated: 4-01-2022]**

G.S.R. 5(E).—In exercise of the powers conferred by sub-clause (i) of clause (h) of sub-rule (2) of rule 9A of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, the Central Government in consultation with the regulatory authority, namely the Securities and Exchange Board of India, in the public interest and in the interest of the regulated entity, namely the Foreign Portfolio Investor, hereby directs that the provisions of sub-rule (1A) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 shall not apply to the Foreign Portfolio Investor.

Thus, Rule 9(1A), will not be applicable to Foreign Portfolio investor.

**CBDT re-designates posts of Commissioner of Income Tax (Appeal Unit) for Faceless Appeal Scheme 2021. [10-01-2022]**

The Central Board of Direct Taxes (CBDT) has re-designated posts of Commissioner of Income Tax (Appeal Unit) as Commissioner of Income-tax (Appeals) Unit for Faceless Appeal Scheme 2021 with effect from 28/12/2021.

**CIRCULARS**

**NOTIFICATIONS/ CIRCULARS/ PRESS RELEASES**

**Due date for filing of audit reports & ITRs extended to February 15, 2022 & March 15, 2022 respectively: CBDT [CIRCULAR NO. 01/2022 [F. NO. 225/49/2021/ITA-II], DATED 11-1-2022]**

On consideration of difficulties reported by the taxpayers and other stakeholders due to COVID and in electronic filing of various reports of audit under the provisions of the Income-tax Act,1961 (Act), the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, provides relaxation in respect of the following compliances:

1. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which was 30th September 2021, in the case of assessees referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, as extended to 31st October 2021 and 15th January 2022 by Circular No.9/2021 dated 20-5-2021 and Circular No.17/2021 dated 9-9-2021 respectively, is hereby further extended to 15th February, 2022;
2. The due date of furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which was 31st October, 2021, in the case of assessees referred in clause (aa) of Explanation 2 to sub-section (1) of section 139 of the Act, is hereby extended to 15th February, 2022;
3. The due date of furnishing of Report from an Accountant by persons entering into international transaction or specified domestic transaction under section 92E of the Act for the Previous Year 2020-21, which was 31st October 2021, as extended to 30th November 2021 and 31st January 2022 by Circular No.9/2021 dated 20-5-2021 and Circular No.17/2021 dated 9-9-2021 respectively, is hereby further extended to 15th February, 2022;
4. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 31st October 2021 under sub-section (1) of section 139 of the Act, as extended to 30th November 2021 and 15th February 2022 by Circular No.9/2021 dated 20-5-2021 and Circular No.17/2021 dated 9-9-2021 respectively, is hereby further extended to 15th March, 2022;
5. The due date of furnishing of Return of Income for the Assessment Year 2021-22, which was 30th November 2021 under sub-section (1) of section 139 of the Act, as extended to 31st December 2021 and 28th February 2022 by Circular No.9/2021 dated 20-5-2021 and Circular No.17/2021 dated 9-9-2021 respectively, is hereby further extended to 15th March, 2022.

Clarification 1: It is clarified that this extension shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees.

Clarification 2: For the purpose of Clarification 1, in case of an individual resident in India referred to in sub-section (2) of section 207 of the Act, the tax paid by him under section 140A of the Act within the due date (without extension under Circular No.9/2021, Circular No.17/2021 and this Circular) provided in that Act, shall be deemed to be the advance tax.

Thus, the due date for filing Transfer Pricing Study Report has been extended to 15th February, 2022

**NEWS**

**NOTIFICATIONS/ CIRCULARS/ PRESS RELEASES**

**Cryptic no more: Cryptocurrencies, CBDC may get to coexist**

Globally, central banks have been exploring CBDCs since 2019, but only China has taken the plunge. But, unlike China which has clamped down on trading and mining of cryptocurrencies, India has paved the way for both.

**Budget 2022: Crypto industry celebrates breakthrough moment, but 30% tax a concern**

Though FM Sitharaman's announcement doesn’t make crypto legal, it does give official recognition to these digital assets, bringing much-needed legitimacy to the sector.

**Budget 2022: Clarity needed on duty changes in electronic components**

Industry body ELCINA or Electronic Industries Association of India said that there is a larger promise in the Budget for the sector.

**Budget 2022: Govt’s digital push to drive big business for startups and tech firms**

Experts pointed out that the government's digital push would in turn lead to more IT and technology projects being awarded, benefiting Indian and global technology companies.

**Digital university to be set up to provide education, says FM Sitharaman**

The FM said that the 1-Class-1-TV channel will be implemented to provide supplementary education to children to make up for the loss of formal education due to the pandemic, noting that hospitality services by the small and medium sectors are yet to bounce back.

**Budget 2022-23: EV firms seek inclusive PLI scheme, edtech firms want a tax cut**

EV and mobility startups want the government to make its production-linked incentive (PLI) scheme more inclusive and reduce the GST on electric two-wheelers.

**TAX CALENDAR**

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| **DIRECT TAXATION** | |
| DUE DATES | PARTICULARS |
| **07th February, 2022** | Due date for deposit of Tax deducted/collected for the month of December, 2021. |
| **14th February, 2022** | Due date for issue of TDS Certificate (Form 16C) for tax deducted under sections 194-IA, 194IB & 194M in the month of January, 2021 |
| **15th February, 2022** | Due date for filing of rIncome Tax Return FY 2020-21 if the assessee is  (a) corporate-assessee or non-corporate assessee (whose books of account are required to be audited) or  (b) partner of a firm whose accounts are required to be audited or (d) required to submit a report under section 92E pertaining to international or specified domestic transaction(s) |
|  |  |
| **INDIRECT TAXATION** | |
| DUE DATES | PARTICULARS |
| **10th February, 2022** | GSTR-7 (Monthly)- Summary of Tax Deducted at Source (TDS) and deposited under GST laws |
| GSTR 8- Summary of Tax Collected at Source (TCS) and deposited by e-commerce operators under GST laws |
| **11th February, 2022** | GSTR 1- Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of Oct-Dec 2021 |
| **13th February, 2022** | GSTR 6- Details of ITC received and distributed by an ISD |
| **20th February, 2022** | GSTR 5- Summary of outward taxable supplies and tax payable by a non-resident taxable person |
| GSTR-5A - Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not opted for the QRMP scheme for the quarter of Oct-Dec 202 |
| GSTR 3B- Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of Jul- Sept 2021 |
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| **CORPORATE LAWS** | |
| DUE DATES | PARTICULARS |
| **15th February, 2021** | Due date of filing AOC-4 as per rule 12 of companies (Accounts) Rules 2014 within 30 days of Annual General meeting. |
| **20th February, 2021** | Form LLP -8 Extended till 30th December 2021 |
| **15th February, 2021** | MGT-7 as per Section 92 of Companies Act, 2013 if AGM is held on or before 1st November 2021 |

We hope these updates would have enlightened you. For further information, feel free to connect with us at:

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