



The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)



Kalyan Dombivali Branch of WIRC of ICAI e-newsletter

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Chairperson Ke Dil ki Baat....

My dear friends, we have just completed a very interesting financial year 2021-22 and entered the new financial year 2022-23 with lots of optimism and hope that this year would be the revival to new age.



I am obliged and blessed to have been elected at the Chairperson of the Kalyan Dombivli Branch for the year 2022-23. Its possible only with the blessings of all the seniors, CA colleagues, young members and Students., who have been supportive all the time. Also, would like to thank on the elected Managing Committee members for having posted Trust on me and electing me as the Chairperson for this year.

It's been a wonderful journey to this position. The journey started in 2009 onwards when I joined Kalyan CPE Study Circle and then worked tirelessly for few years, when I became the Dy Convenor and thereafter the Convenor of Kalyan CPE Study Circle. During the tenure as the Convenor, I developed a lot of network and relationship with members. Members recognized the efforts and got me elected to the Branch, which was a big responsibility and I enjoyed the first term and was at different positions like Wicasa Chairman, Vice Chairman and Treasurer. With the all the efforts and work done during the last three years, members again recognised and blessed me and voted me the highest number of Votes. Thereafter the rest is a history now. Now as a Chairperson of this Branch, it a privilege to serve the branch members and students with best of my efforts.

The new team took charge of the Branch on 28th Feb 2022 and it's a big responsibility. I had lot of ideas and things to do and I immediately started to work on it. We already had plans to celebrate the Womens day as a Wonders of Women (WOW) Week. We also had the felicitation of newly qualified CAs in the December event. The women's week program was well attended and appreciated by members. During the same week, we formed the Direct Tax Study Circle at Ambernath - Badlapur, which was long awaited by the members of that region. We also arranged for Bank Branch Audit Seminar, which was again well attended by members and students. One project that we launched Rising Star, was inaugurated and the first speaker of this project took on to the stage.

Lot many ideas are on the plate. This year we will have many programs jointly with other branches. WIRC has allotted the Sub-Regional Conference for this year to the branch and we are excited to make it a big event and a successful event with the best of topics and speakers.

This year we are committed to build the Brand ICAI and build the trust on Chartered Accountants.

Stay tuned for more in the months to come.

Wishing you a happy reading and a healthy and safe days ahead.

Yours in Service...

CA. Kaushik Gada

Chairperson 2022-23

Kalyan Dombivli Branch of WIRC of ICAI



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Contributed by
CA Shekhar Patwardhan

HIGH COURT DECISIONS

BOMBAY HIGH COURT

Jetha Properties Pvt Ltd Vs CIT

IT Appeal No 96 of 2002 : Date of Publication 9th December 2021 : Section 37(1) AY 1991-92

The issue before the High Court was the whether the expenditure incurred on increasing the height of the Go-down in the case of an Assessee carrying on the business of giving the warehouses on Rent, is a Capital Expenditure or Revenue Expenditure? The High Court held that it's a Revenue Expenditure.

Decision in favour of :- Assessee

The High Court observed that the Expenditure was incurred wholly and solely to ensure that the existing business with the customer, which was offering attractive returns to appellant, was continued uninterrupted. Therefore the Expenditure so incurred was allowance as revenue expenditure. There was a benefit by way of continuing business with the customer or increase in compensation from the customer. Appellant achieved both these objectives by incurring the expenditure. It should be regarded as an integral part of the profit earning process. Expenditure, therefore, cannot be treated as capital expenditure but should be treated as revenue expenditure

The High Court further said the test to be applied for finding out whether an expenditure is revenue expenditure or not is to find out whether the expenditure is so related to the carrying on or conduct of the business that it may be regarded as an integral part of the profit earning process. If the expenditure is so connected with the carrying on of the business that it may be regarded as an integral part of the profit earning process, the expenditure cannot be treated as a capital expenditure. In other words, such expenditure is revenue expenditure. There is, however, no doubt that the expenditure incurred for the acquisition of a capital asset or a right of a permanent character or a benefit or advantage of enduring nature, is a capital expenditure. If the expenditure is an integral part of the cost of acquisition of a capital asset and not an integral part of the profit earning process, such expenditure can never be treated as a revenue expenditure.

SVITZER HAZIRA (P) LTD. vs. ACIT

Writ Petn No 3554 of 2019 : Date of Publication 21st December 2021 : Section 148 & 151 : AY 2014-15

The issue before the High Court was the validity of the Notice u/s 148 when the approval of the Higher authorities was taken post to issuance of Notice . Whether the Notice in that case can be held to be Valid Notice ? The High Court held that such Notice will be Void

Decision in favour of :- Assessee

In the said case the facts were that the notice was issued at 2.40 p.m. on 31st March, 2019. Sanction by the authority under s. 151 was digitally signed at 2.55 p.m. on 31st March, 2019.

The High Court said In the absence of valid explanation by cogent material, the Court cannot accept explanation by respondent No. 1 in the order of disposing of objections that physical approval was granted before issuance of notice under s. 148. Ses. The High Court further said that Sections 147 and 148 grant power to Revenue to reopen the earlier assessment and therefore assesseees are protected by safeguard against unnecessary harassment. Prior approval as contemplated by s. 151 operates as a shield from the arbitrary exercise of power by the AO. The power of prior approval has been conferred on the superior officer so that the superior officer shall examine the reasons, material or grounds and adjudicate whether they are sufficient and adequate to the formation of necessary belief on the part of the AO.

The legislature has advisedly used the expression 'no notice shall be issued' in s. 151. The expression 'No notice shall be issued' cannot be construed to mean post-facto approval. The expression "no notice shall be issued" reflects the intention of the legislature to indicate that prior approval is the sine qua non before issuance of notice under s. 148. The purpose of insertion of expression 'no notice shall be issued' before issuing a notice of reassessment is to avoid harassment to taxpayers and the arbitrary exercise of the power to reopen the assessment. It is introduced as an in-built safeguard by the legislature. Therefore, sanction to be granted by the authority under s. 151 has to be prior in point of time of issuance of notice under s. 148.

HIGH COURT OF DELHI

MANMOHAN KOHLI and Others Vs ACIT

Writ Petition Nos 6152 and others of 2021 : Date of Publication 15th December, 2021 Sections 148 & 148 A

This was a joint judgement after consolidating many writ petitions filed challenging the validity of reopening notices issued u/s 148 after 31st March 2021. The High Court held the Notices to be invalid .

Decision in favour of :- Assessee

The High Court observed that by virtue of s. 1(2)(a) of the Finance Act, 2021, the substituted ss. 147, 148, 149 and 151 pertaining to reopening of assessments came into force on 1st April, 2021; there is also no power with the executive/Revenue to defer/postpone the implementation of ss. 2 to 88 of the Finance Act, 2021 which includes the substituted ss. 147 to 151; the impugned Explanations in the notifications dt. 31st March, 2021 and 27th April, 2021 are beyond the power delegated to the Government, as the Relaxation Act does not give power to Government to extend the erstwhile ss. 147 to 151 beyond 31st March, 2021 and/or defer the operation of substituted provisions enacted by the Finance Act, 2021; accordingly, the provisions of s. 148A had to be complied with before issuing notices under s. 147; consequently, the impugned reassessment notices issued under s. 148 are quashed.

HIGH COURT CALCUTTA

Manoj Jain Vs Union of India

Writ Nos 11950 and Others : Date of Publication 17th January 2022 : Section 147,148, 148 A

This was a joint judgement after consolidating many writ petitions filed challenging the validity of reopening notices issued u/s 148 after 31st March 2021. The High Court held the Notices to be invalid.

Decision in favour of: - Assessee

While discussing the issue of the Validity of notice issued after 31st March, 2021 vis-a-vis applicability of s. 148A, the High Court observed that AO has not observed the statutory formalities under s. 148A as prescribed by the Finance Act, 2021 which are applicable w.e.f. 1st April, 2021 before issuance of notices under s. 148 on or after 1st April, 2021. It further said that the Explanations A(a)(ii)/A(b) to the notifications dt. 31st March, 2021 and 27th April, 2021 are ultra vires the Relaxation Act, 2020 and are therefore bad in law and null and void . The High court held that the All the impugned notices under s. 148 are quashed with liberty to the AOs concerned to initiate fresh reassessment proceedings in accordance with the relevant provisions of the Act as amended by Finance Act, 2021 and after making compliance of the formalities as required by the law—Ashok Kumar Agarwal vs. Union of India (2021) 322 CTR (All) 873 : (2021) 206 DTR (All) 329, BPIP Infra (P) Ltd. vs. ITO (2021) 323 CTR (Raj) 879 : (2021) 208 DTR(Raj) 145 **and** Mon Mohan Kohli & Ors. vs. Asstt. CIT & Anr. (2022) 324 CTR (Del) 28 : (2022) 209 DTR (Del) 65 followed.



Contributed by
CA Raja G. Valechha

APPLICABILITY OF PRINCIPLE OF RE-JUDICATA IN INCOME TAX ACT OR IN TAXATION LAW

Res-Judicata is a latin term. **Res** means “things” and **Judicata** means “already decided”. Therefore, **Res-judicata means the matter already adjudicated.** It is well settled principle of the law that when a dispute between the parties has already been decided by the court, **it shall not be subject to trial again.**

Section 11 of the Code of Civil Procedure (“CPC”), which embodies the important doctrine of the res-judicata, provides that **no court shall try any suit or issue, in which the matter directly or substantially in issue has been directly and substantially in issue in former suit between same parties (or between parties under whom they or any of them claim , litigation under the same title) in a competent court, and has been heard and finally decided by such a court’.**

In simple language it means a matter finally decided on its merits by the court having competent jurisdiction and then the same matter or issue cannot be subject to litigation again between the same parties.

Res-judicata in simple form can be construed as conclusiveness of judgment of the court of competent jurisdiction on an issue which is same or substantially same between same parties or those who claim under them , the same issue cannot be raised again by filing suit in the court. In **Satyadhan Ghosal V. Deorajan Debi, (AIR 1960 SC 941)** Justice J.Gupta observed, **“The Principle of res judicata is based on the need of giving finality to judicial decision. It applies between past and future litigation.**

Say for e.g. Assessee claimed advertisement expenses as deductible expenses from his total income in A.Y. 2021-2022. Assessing officer disallowed the claim of the assessee and added back the same to the total income of the assessee to be computed for A.Y. 2021-2022. Assessee files suit in the court and claims the advertisement expenses as deductible expenses. The Hon’ble Court settles down the matter in favour of the department and accordingly advertisement expenses added back to the Income of the Assessee of the A.Y. 2021-2022.

In subsequent A.Y. 2022-2023, assessee again incurs and claims the advertisement expenses as deductible expenses; however, the department turns down the claim of the assessee relying on the decision of earlier A.Y. (A.Y. 2021-2022) passed by the court. Assessee files suit in court of law and challenges decision of the Assessing officer. Now issues which trigger are:-

1. Whether assessee is barred, pursuant to provisions of section 11 of the CPC, from filing suit in the court in relation to disallowance of the advertisement expenses in subsequent A.Y. 2022-2023 in the court?
2. Assessing officer challenges the suit filed for the A.Y. 2022-2023 on the plea of Res-Judicata, as same issue has already been decided by the court between the same parties, and therefore assessee is not entitled to take shelter of the Hon'ble court, Whether course of action taken by the Assessing officer is tenable in law?
3. Whether judgment pronounced by the court, in a suit, applying the provision of the Section 11 of the CPC, for the A.Y. 2021-2022 will continue to apply for the A.Y. 2022-2023?
4. Income tax act, being branch of a Civil Law and therefore proceeding under Income tax Act are in the nature of civil proceedings, Whether section 11 of the CPC have any bearing on the Income tax proceedings?

Judicial precedent of applicability of Principle of resjudicata in Income tax proceedings:

As a general rule, **the principle of *res judicata* is not applicable to tax related proceedings.** Assessment of particular year is final, complete and binding in relation to the assessment year in which the decision is given unless there are good and sufficient reasons to take a different view. Some of the relevant judgments of the various Hon'ble Courts are tabulated herein below throwing light on the applicability of principle of Res-judicata in Income tax proceedings:

Sr.No.	Case Name and citation	Conclusion / Remark
1.	Installment Supply (P.) Ltd. And ... vs The Union Of India And Others 1962 AIR 53, 1962 SCR (2) 644 (The Supreme Court)	“.....It is well settled that in matters of taxation there is no question of res judicata because each year's assessment is final only for that year and does not govern later years, because it determines only the tax for a particular period...”
2.	Aroni Commercials Ltd. V. Dy CIT Writ Petition No.137 Of 2014 (Bombay High Court)	“.....though the <u>principle of res-judicata is not applicable to tax matters as each year is separate and distinct, nevertheless where facts are identical from year to year, there has to be uniformity and consistency in treatment.</u> ”

3.	Galileo Nederland BV,(367 ITR 319), (Delhi High Court)	“Decision on an issue or question taken in earlier years though not binding should be followed and not ignored unless there are good and sufficient reasons to take a different view. Said principle is based upon rules of certainty and that a decision taken after due application of mind should be followed consistently as this lead to certainty, unless there are valid and good reasons for deviating and not accepting earlier decision.”
4.	DhansiramAgarwalla (217ITR4) Gauhati High Court	“.....The totality of the circumstances and their combined effect are to be taken into consideration while deciding the question as to whether or not a particular fact is proved. Neither the principle of res judicata nor the rule of estoppel is applicable to the assessment proceedings, yet the rule of consistency does apply to such proceedings. ”

Conclusion:

There are glut of judgments which deals with the applicability of principle of res-judicata in taxation law. In spite Income tax Act being branch of a Civil Law, provisions of section 11 of the CPC does not have any bearing on it unless there are changes in facts and circumstances of the case and vice-versa and therefore if the suit decided for the earlier A.Y. (say A.Y. 2021-2022)the same will be applicable on the proceeding for the A.Y. 2022-2023 so as to maintain uniformity, continuity and consistency unless there are changes and facts and circumstances.



Snapshot of popular Tax-saving Investments

Deduction u/s	Instrument	Returns	Lock-in period	Exemption status	
				Interest accrued: Exempt?	Maturity amount: Exempt?
80C (max. 1.5 Lakh)	Tax-saving mutual funds (ELSS)	19.06%*	3 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Saving scheme (NSC)	6.80%	5 years	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Provident Fund (EPF)	8.50%	Till retirement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Provident Fund (PPF)	7.10%	15 years	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Pension scheme (NPS)	7-14%*	Till retirement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Tax-saving FD	5.40-6.25%*	5 years	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Post-office FD	6.70%	5 years	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Life Insurance Premium	2-5%*	Policy tenure	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Fund-cum-insurance (ULIP)	8.5-16%*	5 years	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Senior citizens scheme (SCSS)	7.40%	5 years	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Girl child savings scheme (SSY)	7.60%	21 years	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
80CCD (max. 50K)	Pension scheme (NPS)	7-14%*	Till retirement	<input checked="" type="checkbox"/>	<input type="checkbox"/>

*These returns are market-linked/instrument-specific and may vary

E-Invoicing under GST



Contributed by
CA Bharat Khatri

e-Invoicing (Rule 48(4)) under GST in India

Introduction:

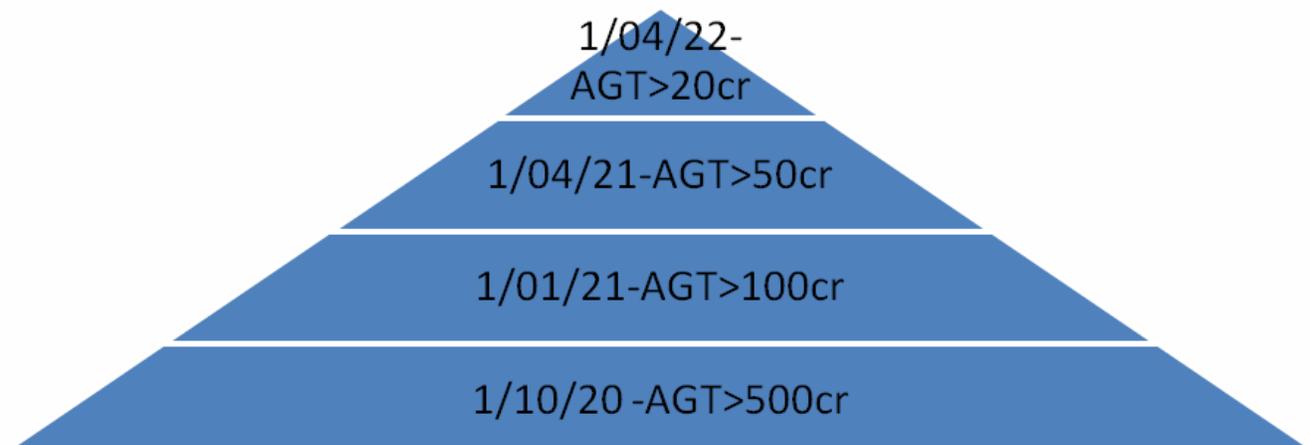
As the name suggests e-Invoicing it doesn't mean an invoice in electronic format but it is an invoice created by supplier in his accounting software and being reported on Invoice Registration Portal – IRP, after uploading the invoice in standard format the IRN will be generated and a signed invoice is received which will auto populate data in GSTRs and will be shared with buyer. The e-Invoicing was introduced via Notification No. 68/2019 – Central Tax – by inserting Rule 48(4) In the Central Goods and Services Tax Rules, 2017.

Reasons for Implementation:

- * Standardization of Invoicing
- * Eliminating Fake invoicing
- * Faster processing
- * Automation (Returns and E way bills)
- * Ease of doing business
- * Reducing cost& data entry errors etc.

Applicability:

To a registered person having aggregate turnover in preceding financial year more than the prescribed limits from time to time as follows:



Except (Sectors)

Insurance, banking, NBFCs, Goods Transport Agencies, Passenger Transport Services, Cinema, Special Economic Zones SEZ (SEZ Units Excluded via Notification No. 61/2020 – Central Tax), Free Trade & Warehousing Zones (FTWZ), Input service distributors etc.

Invoicing for Supply

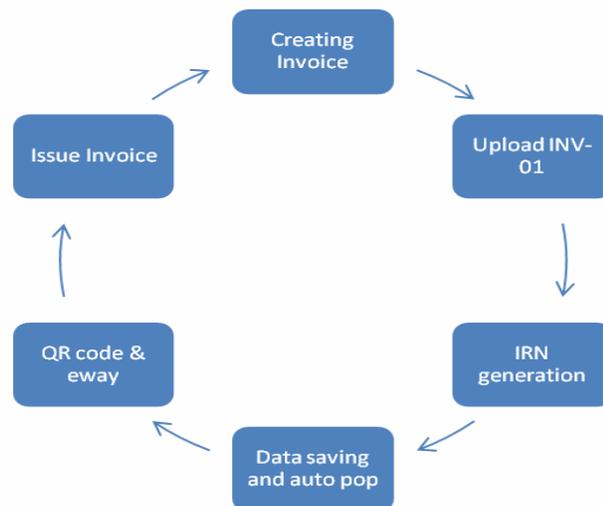
- To registered Business to Business (B2B) transactions
- To SEZ
- Exports / Deemed Exports

But excludes

- Business to Consumer transactions (B2C)
- Nil Rated supply
- Wholly exempt supplies
- high sea sales and bonded warehouse sales
- Import transactions

Process:

- Creating Invoice in the accounting software used by supplier.
- Uploading INV-01 on IRP with details.
- IRN is generated after validation on website.
- Data is saved in GST system and GSTR-1/2A is updated.
- QR code is added and invoice is signed, data is pushed for Eway bills.
- Issue of invoice to buyer with IRN and QR code.



Conclusion:

The department have implemented the e-Invoice with an intension to avoid the fake invoices, to facilitate real time availability of data, to auto populate billing information for any software, to reduce data entry errors and many more reasons. Department have implemented this in phased manner initially for larger companies then covering smaller company as we have seen the recent amendments in aggregate turnover applicable limits. The process of generating e invoice is very simple starting with creation of bills in local system be it any accounting software then filling the invoice date in requisite format so as to generate JSON file and then upload on IRP, after that IRN is generated and GST system is updated with invoice data and at last the e invoice is given to buyer.



ANNUAL RETURN FILING DUE DATES (FY 2021-22)



Month	Name of the E-Form	Due date in FY 2021-22 (AY 2022-23)	Applicable to whom?	Remarks
April, 2022	MSMe Half yearly Returns	30.04.2022	All MSMEs	For the period of October'20 to March'21
May,2022	Form PAS-6	30.05.2022 (For the half year ending on 31.03.2022)	Unlisted Public companies	Reconciliation of Share Capital Audit Report on half yearly basis
June,2022	Form DPT 3	30.06.2022	All the companies needs to file this form	Return of Deposit
July,2022	FLA Return	15.07.2022	Foreign Liabilities and Assets Annual Return	Annual Return to RBI
	TDS Return (Quarter 1)	31.07.2022	Organizations and employers who deduct tax and salaried person from whose salary the tax is deducted	TDS Return for 1st Quarter
	ITR Filing (Non-Audit cases)	31.07.2022	For the companies that do not require audit	Income Tax Return filing for Companies
September,2022	DIR 3 KYC	30.09.2022	Due date from Financial year 2019-20 onwards	Mandatory for Every individual having DIN
	ITR Filing (Audit cases)	30.09.2022	For the companies that require audit	Income Tax Return filing for Companies
October 2022	Form ADT-1 (Appointment of Statutory Auditor)	14.10.2022	Private & Public Limited companies.	If the AGM is held on 30.09.2022
	Form AOC 4	29.10.2022	All companies listed with SE of India, having 5 cr of capital and 100 cr turnover	If the AGM is held on 30.09.2022
	Form MGT 15	30.10.2022	Listed companies	Report of Annual general Meeting
	Form MGT 14	29.10.2022	All the listed Companies	If the AGM is held on 30.09.2022
	MSMe Half yearly Returns	31.10.2022	All MSMEs	For the period of April to September 2022
	TDS Return (Quarter 2)	31.10.2022	Organizations and employer who deducts tax and salaried person from whose salary the tax is deducted	TDS Return for 22nd Quarter
November, 2022	Form MGT 7	28.11.2022	All the companies registered in India	If the AGM is held on 30.09.2022
	Form PAS-6	29.11.2022 (For the half year ending on 30.09.2022)	Unlisted Public companies	Reconciliation of Share Capital Audit Report on half yearly basis



Contributed by
CA Ankita Agrawal



EASE OF DOING BUSINESS IN INDIA

Introduction:

The 'Ease of doing business' is basically a ranking index developed by the leading economists of World Bank, which shows how easy it is to establish business in a country based on 12 specific parameters. In the ease of doing business (EODB) index, lower numerical value indicates a higher rank & vice versa. This index measures the country's regulations that favor business activities & also those that constrain it.

Parameters:

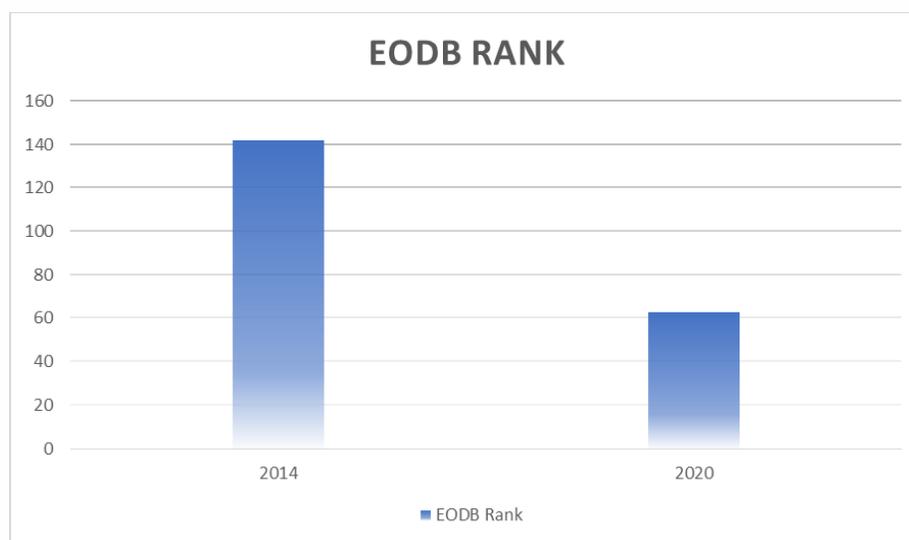
The data considered for EODB report is collected based on the following major parameters which are listed as below:

	Starting a business
	Dealing with construction permits
	Getting electricity
	Registering property
	Getting credit
	Protecting minority investors
	Paying taxes
	Trading across borders
	Enforcing contracts
	Resolving insolvency
	Employing workers
	Contracting with the Government

1. **Starting a business:** This parameter takes into account how easy it is to setup a business (manufacturing or otherwise) & register the same under different acts in a country. The licenses to be taken into account for starting a business & the time duration required to get those regulatory approvals constitute this parameter. The Central Government has recently come up with a form SPICe for company incorporation which combines PAN, TAN & DIN into a single form. Also, the requirement of inspection before registration under the Shops & Establishment Act in Mumbai & Delhi has been done away with.
2. **Dealing with construction permits:** It includes the number of regulatory procedures required to be complied with & the time duration required for obtaining construction permits in India. India ranked 184 on this parameter in 2014, which improved to 27 in 2020. Municipal corporations of Delhi & Greater Mumbai have introduced a fast-track system for issuing building permits by using digital signatures, online scrutiny of building plans, Common Application Form (CAF), etc. The cost of obtaining construction permit has also reduced significantly from 23.2% to 5.4% of the country's per capita income.
3. **Getting Electricity:** This parameter measures how many requirements are to be complied with for getting electricity running for a business. India ranked 137 on this parameter in 2014, which significantly improved to 22 in 2020. Currently, it takes only 53 days & 4 procedural requirements in Mumbai & 3 in Delhi to be complied with in order to get electricity for a business in India. Also, currently no physical documents are accepted & everything is done online.
4. **Registering Property:** This parameter takes into consideration registering the land or premise of the business with the Land records department of the country. Currently, all these records have been digitized in major metropolitan cities of our country to ensure proper transparency for future buyers. Also, the time taken for this procedural requirement has been significantly improved upon.
5. **Getting Credit:** Many a time, a business has an idea but lack of funds for starting a business or it also happens that a business needs to generate additional capital for his business. This parameter determines how easy it is to raise funds by way of bank loans, debentures, bonds, letter of credit, etc. in a country. In India, Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest (SARFAESI) Act was already in place which is amended to include security interest by hypothecation of fixed assets, inventory, accounts receivables and also under-construction building. India ranked 25th on this parameter in Ease of Doing Business Report of 2020.
6. **Protecting Minority Investors:** In all business, there are at least some of the minority investors who have invested their money in the business but do not have a significant voting power. This parameter estimates how well protected the minority investors are from a monetary view point. India ranked 13th amongst 190 countries in this parameter.
7. **Paying Taxes:** It estimated the average rate of tax (direct & indirect) to be paid to the Government for conducting business in the country. There is a plethora of measures which the Government has come up with in past 4-5 years, some of which are - The corporate tax rate was reduced to 25% from 30% for mid-size firms. Also, the concessional rate of 22% was introduced for domestic companies. The tax rate of new domestic manufacturing companies is reduced to 15%. A robust infrastructure is established for online filing of tax returns. E-verification system is introduced foregoing the need to physically visit the Income Tax department. With the introduction of GST Act, many duties & cesses are subsumed.
8. **Trading across borders:** This parameter deals with the ease in export-import via air, roads, water or by any other means. In the recent past, The Central Board of Excise & Customs (CBEC) has come up with a platform called 'Indian Customs Single Window Project' to facilitate trade, through which the Ex-Im traders can digitally submit all their documents online. There are only 3 mandatory documents required for customs purposes. Also, an application called e-Sanchit is launched to allow all traders to file all documents digitally.

- 9. Enforcing Contracts:** After a legally binding contract has been entered into, it is very important to be able to enforce the same on the contacting parties. This parameter takes into account the enforceability of contracts entered into by a business. For this, the Commercial Courts & Appellate Division of High Courts have been established in metro cities of Mumbai & Delhi. Also, an automated system is launched to assign judges to the cases apart from e-filing being introduced to file a case in some parts of the country.
- 10. Resolving insolvency:** Sometimes, a business moves towards bankruptcy & there are little chances of reviving the same. Therefore, Central Government had come up with The Insolvency & Bankruptcy Code for a fast as well as effective resolution / revival process with a time duration of 90 days.
- 11. Employing workers:** This parameter counts in the employability & skillsets of workers, labor cost, the laws governing the same (Minimum Wages Act, etc.) & also the laws against exploitation & wage-discrimination. It basically measures how easy it is to find or attract workforce.
- 12. Contracting with the government:** It measures the extent of enforceability of contracts entered into with the Government. Generally, the Government of the country is believed to have a final say in any contract. But if such is the case & business loses out on anything, the contract itself becomes risky for the business as a whole.

For each of these parameters, a certain rank is given to each country & weights are attached to develop an overall EODB ranking. Higher rank naturally means that the country's environment is more conducive for thriving & maintaining business operations.



In the World bank report of 2020, India is placed at 63rd position amongst 190 countries. In the year 2014, India ranked 142nd amongst 190 economies. This significant improvement is led by improvement in 2 major indices of getting construction permits & getting electricity.

Recent news:

There is a recent news that some irregularities are present in the data collected from some countries. However, World Bank has reported that India's data contains no such irregularities. A World bank official reported that India could attract more manufacturing companies amidst World bank's decision to discontinue its annual 'Doing business' report due to data collection irregularities specifically from China.

Some officials also mentioned that India is gearing its policies & has come out with a detailed plan to break into the top 50 countries in the index ranking, making it a reliable & trustworthy business destination.

Conclusion:

The significant improvement of 79 ranks in past 5 years will give a major impetus to the 'Make in India' campaign launched by our Prime Minister, leading towards the end-goal of 'Atmanirbhar Bharat' (self-sufficient India). Since India ranks 2nd in terms of population, it is the primary market for business organizations to showcase & sell their products/services & therefore assumes an important role to play. Ascertaining the recent policy & regulatory changes, one can safely assume a further significant improvement in EODB ranking index for India.

FINANCIAL SNIPPETS

8 FINANCIAL LESSONS FROM RAMAYANA

SWIPE



Choose your advisers wisely:

Kaikeyi listened to Manthara's advice, and Ramayana happened. Stay away from relatives trying to sell LIC policies and distributors who are disguised as advisors for their own benefit.



Contingency Fund:

In an unexpected manner, Lord Ram was sent to 'Vanvas' for 14 Years and was forced to leave his luxurious Palace. Not everyone can live with this sudden change in lifestyle. Have an adequate emergency funds to handle unforeseen circumstances.



Build a Corpus:

Lord Ram, Sita, and Laxman left Ayodhya with almost nothing. They patiently built the network and Vanar Sena over the years in order to reach the objective of defeating the Ravan. Likewise, it takes patience to build the corpus, to defeat the inflation in the long run.



Set your budget:

Set "Laxman Rekha" of your financial budget and make sure that you do not cross it due to luring online discounts. Understand the difference between needs and wants and be financially disciplined.



Get your life secured:

You are not Laxman, and there is no Hanuman, who can get Sanjeevani for you, so get health & life insurance today.



Be Patient & Think Long Term:

During the 14 years of 'Vanvas', Lord Ram had to face many ups and downs, including the kidnapping of Sita. Lord Ram patiently waited until the situation was favorable to him, rather than choosing shortcuts. Stay invested for the long term, there is no shortcut to success in the financial market.



Cultivate discipline:

Lord Rama practiced "Dharma" in order to be right, responsible and disciplined in life. We can apply a similar theory to our finances. We need to save judiciously, spend carefully and invest wisely to lead a disciplined financial life.



Wipe your slate and start over:

14-day Lanka War marked the defeat of evil and set the stage for new paths. Similarly, forget your bad decisions that you'd made in the past and make right & informed decisions to streamline your financial journey.





Contributed by
CA Dishti Khanchandani

“Updated Return in Budget 2022”

Budget 2022 was presented by Hon’ble FM in the August Parliament focusing on growth and on developing and recovering the loss through COVID pandemic.

One of the noteworthy amendments in the budget was relating to Updated Return.

Section 139 of the Income Tax Act, 1961 was amended and a provision was added relating to updated return. The same is done to reduce litigation burden and increase transparency. The provisions of the same are elaborated below:

1. Any person may furnish an updated return of his income for the previous year in the prescribed form at any time within TWENTY FOUR months from the end of relevant A.Y.
2. However, the same is not applicable in case of
 - ⇒ **Return of Loss** – However, the same is subject to discussion since, if the return is reducing the loss; then also it is not allowed. The department should allow the same.
 - ⇒ NO additional deduction/Benefit can be claimed in the Updated Return
 - ⇒ If it has the effect of decreasing the total tax liability or increasing the refund amount.
 - ⇒ A search has been initiated under section 132;
 - ⇒ A survey has been conducted under section 133A,(other than for TDS/TCS);
 - ⇒ Any prosecution proceedings under the Chapter XXII have been initiated for the relevant assessment year
 - ⇒ Any books of account or documents, seized or requisitioned under section 132 or section 132A survey is conducted or requisition is made and two assessment years preceding such assessment year:
 - ⇒ Updated return once furnished cannot be furnished again.
 - ⇒ Any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the relevant assessment year in his case – which means that even when an intimation is passed, you cannot file an updated return. The department should allow filing of Updated Return even after receipt of Intimation u/s. 143(1).
 - ⇒ The AO has information in respect of such person for the relevant assessment year in his possession under the
 - * Smugglers and Foreign Exchange Manipulators, 1976
 - * Prohibition of Benami Property Transactions Act, 1988
 - * Prevention of Money-laundering Act, 2002
 - * Black Money(Undisclosed Foreign Income and Assets) Imposition of Tax Act, 2015

Additional income tax of

- ⇒ 25% of 'aggregate tax and interest' is payable if updated return is filed after the expiry of time limit to file belated/revised return but within one year from the end of the relevant Assessment Year and
- ⇒ 50% of 'aggregate tax and interest' payable if updated return is filed thereafter

Another Interesting amendment made is in TDS provisions by introduction of **Section 194R**:

- The same is applicable from July 1st, 2022.
- It states that any benefit or perquisite received whether convertible into money or not; arising from business or profession will be charged as business income.
- The responsibility of TDS is on the person paying such benefit to deduct TDS @ 10% before providing such benefit on the value of such benefit or perquisite. Note, that TDS is required to be deducted only when the value of perquisite exceeds Rs. 20,000 in a Financial Year.
- Moreover, Section 28(iv) of the Income tax act, charging section of Profits and Gains from Business/ profession already covered in its purview any benefit/perquisite whether convertible into money or not; arising from business or exercise of a profession.
- Hence, this section introduced by the department aims to bring tax the income covered in Section 28(iv).
- Now, there is no definition of benefits/perquisites arising from a business in the Act and hence, some clarification needs to be given by the department for the same.
- Also, there is a question as to how will these benefit and perquisites will be valued since there are no valuation rules notified as of now.
- Also, the department should clarify that the applicability of the same on **Sales Incentive**; provision to deduct tax at source shall not apply to a regular sale transaction when an incentive in the form of benefit is provided by a manufacturer to distributor or by a distributor to are seller as such an incentive is not to benefit the recipient party but to increase the sales of the product.
- Similarly, incentives received by Insurance Agents from the insurance companies are also given to boost their product; hence, clarification on the same is awaited.

*A Budget is telling your money where to go
instead of wondering where it went.*

-Dave Ramsey

Celebrating Women's Day With knowledge Initiative

CA Kalyan Dombivli Branch of WIRC of ICAI



(Prevention Of Sexual Harrasment) at Workplace (Virtual)

Awareness of POSH

: Speaker :
CA Aishwarya Prabhu

CA KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI



Self Defence Techniques × (For Females)

: Trainer :
SMITA DAVE



CA KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI



: Speaker :
Rachna Sharma

Mental Health, Parenting Challenges & Work Life Balance (Virtual)

CA KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI

Session 1	Session 2	Session 3
 <p>: Speaker : Ms. Rekha Bhabhra</p> <p>Mind Mapping Technologies</p>	 <p>: Speaker : Mrs. Avni Gala</p> <p>Beauty Within</p>	 <p>: Speaker : Mrs. Anita Kusundal</p> <p>Key of Success</p>

Felicitations of Newly Qualified Chartered Accountants

On 06th March, 2022





List of Committee's formed at Branch

- CPE Co-ordination Committee**
- Newsletter Committee**
- Website Development Committee**
- PR & Liasoning Committee**
- Women Empowerment Committee**
- Young Members Committee**
- Student Committee**
- Sports & Events Committee**
- Infrastructure Committee**
- Reading Room & Library Committee**

Newsletter Committee

CA Parag Prabhudesai
Newsletter Committee Chariman

CA Vikas Kamra
Convenor

Member

CA Keyur Gangar
CA Girish Tarwani

Newsletter Advertisement Scheme

KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI

Newsletter Advertisement scheme

Particulars	Pages	Monthly Scheme	yearly Scheme
1. Between pg 2 to 5 - Available 2 Pages	Quarter Page	Rs 2,500/- Plus GST	Rs 25,000/- Plus GST
	Half Page	Rs 5,000/- Plus GST	Rs 50,000/- Plus GST
	One page	Rs 10,000/- Plus GST	Rs 1,00,000/- Plus GST
	Two pages	Rs 15,000/- Plus GST	Rs 15,000/- Plus GST
2. Between Last 5 pages - Available 2 pages	Quarter Page	Rs 2,000/- Plus GST	Rs 20,000/- Plus GST
	Half Page	Rs 4,000/- Plus GST	Rs 40,000/- Plus GST
	One page	Rs 8,000/- Plus GST	Rs 80,000/- Plus GST
	Two pages	Rs 12,000/- Plus GST	Rs 1,20,000/- Plus GST

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