



Audit



Tax



Regulatory



M&A



TAX EDGE

Monthly Tax & Regulatory Updates

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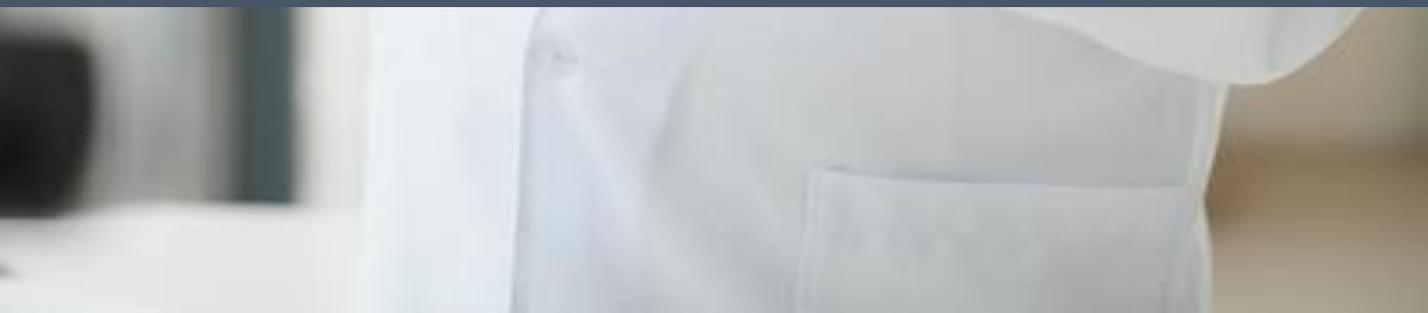
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Measures to combat COVID-19



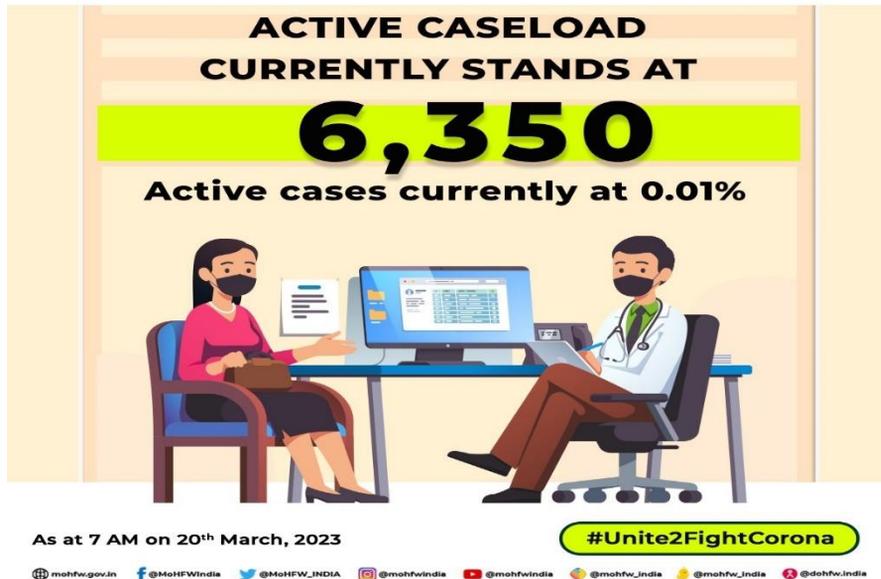
Measures to combat COVID-19

India's cumulative COVID-19 vaccination coverage exceeds 2.20 billion doses, over 0.95 billion 2nd dose & 0.23 billion precaution dose vaccines administered

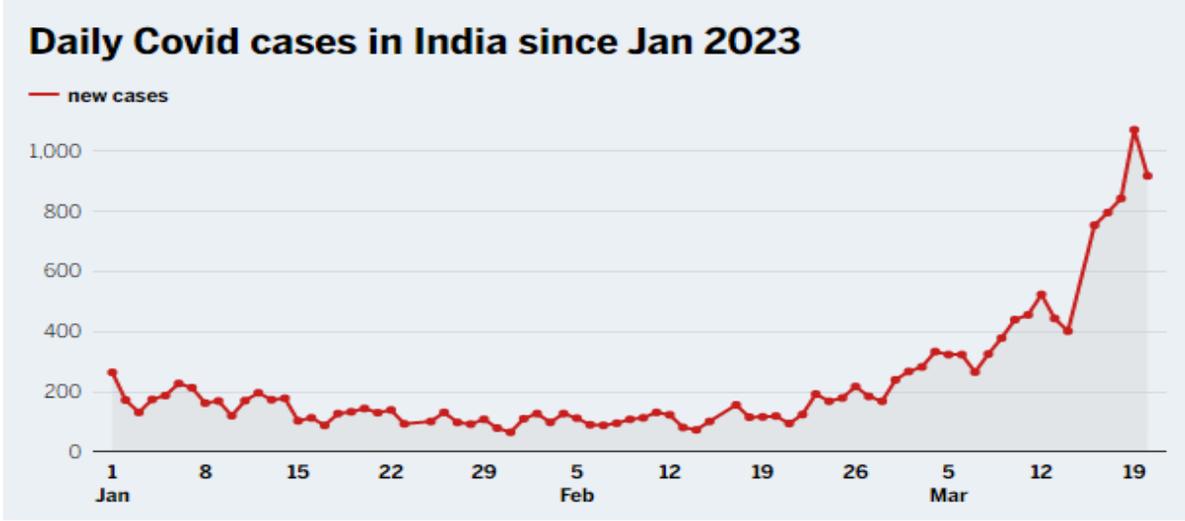
India's COVID-19 vaccination coverage has exceeded 2.20 billion doses. So far, more than 0.95 billion and 0.23 billion vaccines have been administered with the 2nd dose and precaution dose respectively.



Ministry of Health and Family Welfare
Government of India



India's active caseload currently stands at 6,350. Active cases now constitute 0.01% of the country's total positive cases. India's recovery rate stands at 98.8%. Weekly positivity rate stands at 0.86%, daily positivity rate stands at 2.08%.



Please [Click Here](#) to read the Press Release dated 20 March 2023.

Measures to combat COVID-19

Union Minister for Health & Family Welfare unveils 'India's Vaccine Growth Story' at World Book Fair 2023, Pragati Maidan

Union Minister for Health and Family Welfare, Dr. Mansukh Mandaviya released the book 'India's Vaccine Growth Story - From Cowpox to Vaccine Maitri' authored by Shri Sajjan Singh Yadav, Additional Secretary, Government of India at the World Book Fair 2023, at Pragati Maidan, New Delhi, on 4 March 2023. The book elaborates on India's impressive achievement in developing, producing and distributing COVID-19 vaccines. Shri Rajesh Bhushan, Union Health Secretary and other senior officers were also present on the occasion.



Praising the Prime Minister, Mr. Narendra Modi's faith in the Indian scientific community and the stellar healthcare professionals across country, Dr. Mandaviya said this combination led India to conquer unsurmountable challenges to achieve a feat no country has before, catering not just to its own nation, but supplying life-saving vaccines worldwide, all in due time. Lauding the unwavering dedication of healthcare professionals, Dr. Mandaviya stated that 'India administered 2.2 billion doses as a part of the world's largest COVID vaccination drive without any shortages across the nation resulted in saving 3.4 million lives'. The Minister also highlighted that when other countries were struggling with vaccine hesitancy, India set an exemplary pro-vaccination COVID management model.

Measures to combat COVID-19

Dr. Mandaviya stated 'It gives me immense pleasure to see research, manufacturing and vaccine drive has been portrayed in comprehensive fashion that recounts not just the pandemic crisis but also delves into vaccine history, that can be traced 2500 years back'. The Health Minister urged writers to come to fore stating that 'Research-based documentation is a medium that can bring to light India's heritage, illustrating to the world possibilities and solutions, as India's COVID-19 trajectory has done, leaning on our traditional roots and heritage'. He further elaborated 'our heritage reflects our knowledge and science that have stood the test of time, and proven exemplary in times of crisis'. Citing the example of our traditional greeting 'Namaste', that became a global way of greeting through the pandemic crisis, the Health Minister stated that 'our people must search within our heritage, they will find a deep repository of traditions based on scientific processes that have held India in good stead, and widely acknowledged by the world'.

The Health Minister encouraged writers to inculcate research-based documentation that would lend a voice to India's treasure of traditions and heritage that lay dormant and forgotten, and bring them to light. Shri Rajesh Bhushan, the Health Secretary further added that there are 12 kinds of diseases that can be prevented with vaccines known as vaccine-preventable diseases are a part of India's universal vaccination group and the Government of India provides these vaccines free of cost to expecting mothers, young and neonates.

Please [Click Here](#) to read the Press Release dated 4 March 2023.





Goods & Services Tax (`GST`)

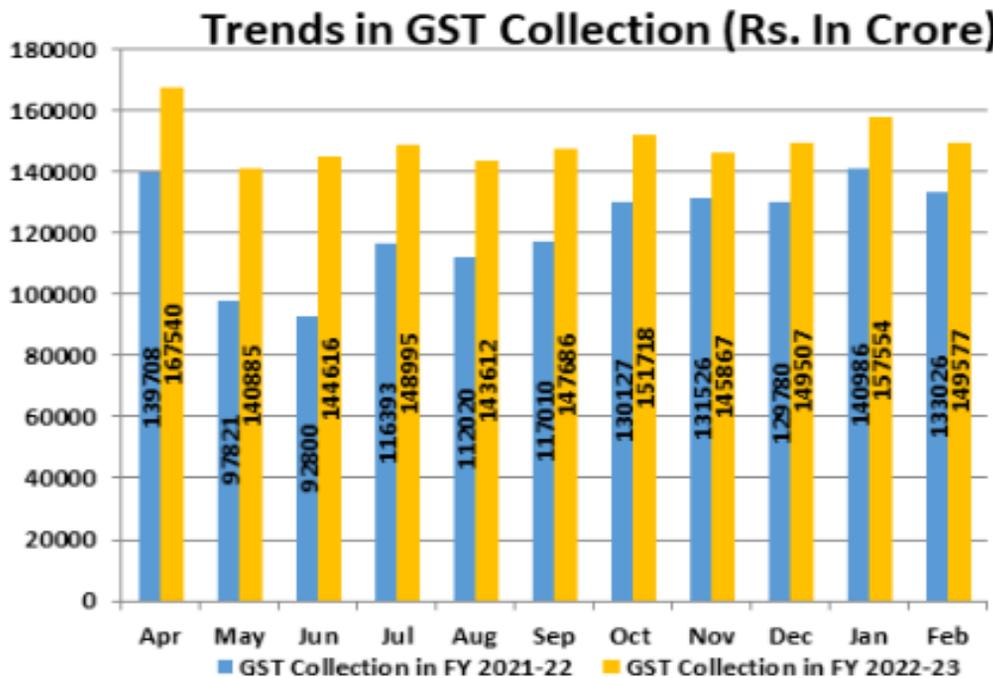


GST revenue collection for February 2023 Rs. 149,577 Crore (12% higher than GST revenue collection in February 2022)

The gross GST collected in the month of February 2023 is Rs. 149,577 Crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 75,069 Crore
CGST (Central Goods and Services Tax)	Rs. 27,662 Crore
SGST (State Goods and Services Tax)	Rs. 34,915 Crore
Compensation cess	Rs. 11,931 Crore
Total	Rs. 149,577 Crore

The revenues for the month of February 2023 are 12% higher than the GST revenues in February 2022. During the month, revenues from import of goods are 6% higher and the revenues from domestic transactions (including import of services) are 15% higher than the revenues from these sources during the same month last year.



Please [Click Here](#) to read Press Release dated 1 March 2023.

Clarification issued by Ministry of Finance – CGST Act, 2017 does not restrict GST registration of management consultants, architects & other professionals operating from residential premises

In response to a query raised in Rajya Sabha (upper house of Parliament), the Ministry of Finance has clarified as below:

Question

Whether management consultants, architects and other professionals operating from their homes are not allowed to obtain GST registration for working from residential premises? [considering that post COVID-19 pandemic, most of senior professionals and consultants have started their professional activities under the Work from Home (WFH) concept]

Clarification by Ministry of Finance

CGST Act, 2017 does not restrict GST registration of management consultants, architects and other professionals operating from residential premises, due to Covid-19 pandemic or otherwise.

Please [Click Here](#) to read clarification dated 14 March 2023.



GST Network (GSTN) launches e-invoice registration services with private Invoice Registration Portals (IRPs)

Based on recommendation of GST Council, GSTN has informed the taxpayers about launching of 4 new private IRPs in addition to National Informatics Centre (NIC) for reporting e-invoices.

Particulars	Advisory / Comments															
What is IRP?	A portal which helps in authenticating the invoice / credit note / debit note by allotting Invoice Reference Number (IRN) and QR code to every document															
Existing number of IRP	At present, there is only 1 IRP i.e. NIC. The detail of existing and new IRPs is available at https://einvoice.gst.gov.in/einvoice/dashboard															
Launching of new IRPs	<p>GSTN has launched 4 new private IRPs having URL to generate IRN as below:</p> <table border="1"> <thead> <tr> <th>URL</th> <th>Activation Status</th> <th>Private Company</th> </tr> </thead> <tbody> <tr> <td><einvoice3.gst.gov.in></td> <td>Active</td> <td>Cygnnet</td> </tr> <tr> <td><einvoice4.gst.gov.in></td> <td>Active</td> <td>Clear Tax</td> </tr> <tr> <td><einvoice5.gst.gov.in></td> <td>Active</td> <td>Ernst & Young</td> </tr> <tr> <td><einvoice6.gst.gov.in></td> <td>Active</td> <td>IRIS</td> </tr> </tbody> </table>	URL	Activation Status	Private Company	<einvoice3.gst.gov.in>	Active	Cygnnet	<einvoice4.gst.gov.in>	Active	Clear Tax	<einvoice5.gst.gov.in>	Active	Ernst & Young	<einvoice6.gst.gov.in>	Active	IRIS
URL	Activation Status	Private Company														
<einvoice3.gst.gov.in>	Active	Cygnnet														
<einvoice4.gst.gov.in>	Active	Clear Tax														
<einvoice5.gst.gov.in>	Active	Ernst & Young														
<einvoice6.gst.gov.in>	Active	IRIS														
Benefits of new IRPs	<p>Taxpayer can find comprehensive information on e-invoice compliance in a user-friendly format such as:</p> <ul style="list-style-type: none"> • Checking of enablement status • Self-enabling for invoices • Search for IRNs • Web links to all IRP portals i.e. all relevant links/information in 1 place • Choice of more than 1 IRP 															
How to access?	<ul style="list-style-type: none"> • Taxpayer can access the new e-invoice portal using GSTN credentials for select services pertaining to his GSTN profile • The portal <einvoice.gst.gov.in> is reference site for all master data, news, updates & latest releases etc. For registering e-invoices, taxpayer still need to go to <einvoiceX.gst.gov.in> sites • Taxpayers can continue to report e-invoices on the NIC IRP portal <einvoice1.gst.gov.in> as previously 															
Grievance Redressal Portal	For e-invoice vis-à-vis IRP issues, Grievance Redressal Portal <selfservice.gstsystem.in> is available for supporting the taxpayer															



Goods and Services Tax e - Invoice System

🔑 Login

Home

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Help/Grievance Portal ▾

Updates

To view Advisory on e-Invoice Portal please [Click Here](#). As per the notification No. 1/2022 Dated :24-02-2022, e-Invoicing is mandatory

Attention All Taxpayers ! Now enjoy a seamless e-Invoice compliance experience.

GSTN announces the launch of the new national e-invoice portal <einvoice.gst.gov.in> of India

This One-Stop hub provides comprehensive information on e-Invoice compliance in a user-friendly format.

All-in-One Convenient Features:

Check Enablement Status
Self-enabled for invoicing

Search for IRNs
Web-link to all IRPs

Search IRNs

Check Enablement Status

Enable Me for e-Invoice

Download e-Invoice JSONs

Grievance

IRP Portal

E-Commerce



Goods and Services Tax e - Invoice System

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Updates

IRP Details

NIC-1



NIC-2



Cygnat



Clear Tax



Ernst & Young



IRIS



Please [Click Here](#) to read advisory dated 4 March 2023.

Please [Click Here](#) to read advisory dated 25 February 2023.

Advisory on opting for payment of GST under the forward charge mechanism by a Goods Transport Agency (GTA)

In compliance of Notification No. 03/2022 – Central Tax (Rate) dated 13 July 2022, GSTN has provided an option on GST Portal for taxpayers providing GTA services who are willing to pay tax under forward charge mechanism, as below.

Particulars	Advisory / Comments									
Who is GTA?	A taxpayer who provides service in relation to transport of goods by road and issues consignment note									
Background	<ul style="list-style-type: none"> Prior to July 2022, recipient of GTA service was liable to pay GST under Reverse Charge. CBIC vide Notification No. 03/2022 – Central Tax (Rate) dated 13 July 2022 has provided an option for all GTAs to pay GST under Forward Charge subject to filing of declaration in Annexure-V As of now, there are 2 options available for making payment of GTA services as below: <table border="1" data-bbox="425 948 1379 1238"> <thead> <tr> <th>Option</th> <th>Liability to pay GST</th> <th>Compliance</th> </tr> </thead> <tbody> <tr> <td>Forward Charge</td> <td>GTA</td> <td>Declaration in Annexure V</td> </tr> <tr> <td>Reverse Charge</td> <td>Recipient of GTA Services</td> <td>NA</td> </tr> </tbody> </table>	Option	Liability to pay GST	Compliance	Forward Charge	GTA	Declaration in Annexure V	Reverse Charge	Recipient of GTA Services	NA
Option	Liability to pay GST	Compliance								
Forward Charge	GTA	Declaration in Annexure V								
Reverse Charge	Recipient of GTA Services	NA								
How to submit declaration in Annexure V?	Post Login, Navigate Services > User Services > Opting Forward Charge payment by GTA									
What is the due date to submit Annexure V annually?	In advance, by 15 March of preceding Financial Year (FY). For the FY 2023-24, the due date to submit Annexure V is 15 March 2023.									
Option to withdraw declaration	No withdrawal option									

Please [Click Here](#) to read advisory dated 25 February 2023.



Direct Tax



Direct Tax

Direct tax collection for Financial Year (FY) 2022-23 (upto 10th March 2023) Rs. 16.68 Lakh Crore (approx.), 22.58% higher than gross collection for corresponding period last year

Central Board of Direct Taxes has released the following statistics till 10 March 2023:

Description (for the period 1 April 2022 till 10 March 2023)	Amount / Percent	Remarks
Gross direct tax collection	Rs. 16.68 lakh crore	22.58% higher than gross collection for corresponding period last year
Net direct tax collection (after adjustment of refunds)	Rs. 13.73 lakh crore	<ul style="list-style-type: none">16.78 % higher than net collection for corresponding period last yearThe collection represents 96.67% of the total direct tax budget estimates & 83.19% of the revised estimates for FY 2022-23
Growth rate of corporate income tax <ul style="list-style-type: none">GrossNet (after adjustment of refunds)	18.08 % 13.62 %	-
Growth rate of personal income tax (including securities transaction tax) <ul style="list-style-type: none">GrossNet (after adjustment of refunds)	27.57 % 20.06 %	-
Refunds issued	Rs. 2.95 lakh crore	59.44% higher than refunds issued during corresponding period last year

Please [Click Here](#) to read Press Release dated 11th March 2023.

Direct Tax

Tax exemption granted to income earned by Insolvency & Bankruptcy Board of India (IBBI)

Background

Section 10(46) of the Income-tax Act, 1961 allows tax exemption on income earned by certain authorities set up by the Government of India, with the object of regulating or administering any activity for the benefit of general public. The Government is allowed to notify such authorities time to time in its official gazette.

Tax exemption granted to income earned by IBBI

Pursuant to section 10(46), Government has notified that following income earned by IBBI shall be tax exempt for FYs 2022-23 to 2026-27.

- Grants-in-aid received from Central Government
- Fees received under Insolvency and Bankruptcy Code, 2016
- Fines collected under Insolvency and Bankruptcy Code, 2016, and
- Interest income accrued on any of the above income

Conditions for entitlement to tax exemption

- IBBI shall not engage in any commercial activity
- Activities and nature of the above mentioned income shall remain unchanged throughout the FYs; and
- IBBI shall file its Income-tax return (ITR) as per section 139(4C)(g) of the Income-tax Act, 1961

Please [Click Here](#) to read the Notification.





Company Law



Establishment of 'Centre for Processing Accelerated Corporate Exit' (C - PACE) to facilitate speedy processing & approval of applications for company closure under strike-off mode

Background

Companies Act, 2013 read with Insolvency & Bankruptcy Code, 2016 (IBC), provides modes for closure of companies such as:

- Strike off u/s 248 of Companies Act, 2013
- Voluntary Winding up under IBC

Closure of company via Strike off mode is the most common and easiest process in cases where company has:

- Not done any business in the preceding 2 FYs; and
- Nil assets and Nil liabilities at the time of submission of application for company closure

Need for C – PACE

Pursuant to section 248 of the Companies Act, 2013, application for strike off of a company is required to be submitted with the Registrar of Companies (RoC) in e-Form STK-2. The RoC scrutinizes the application and if found in order, issues closure certificate to the company.

Reportedly, it has been observed that time taken by RoC to process and approve the strike off applications varies between 6-8 months (approx), causing inconvenience and additional compliance cost on the companies under strike off process.

To expedite the process of approval of strike off applications, Finance Minister Ms. Nirmala Sitharaman had proposed in the Union Budget 2022-23, the establishment of C – PACE for facilitating speedy approval of applications for strike off.

In line with the same, the Ministry of Corporate Affairs (MCA) vide notification dated 17 March 2023 has notified the establishment of C – PACE with effect from 1 April 2023 onwards to facilitate speedy processing and approval of applications for company closure under strike-off mode.

The C – PACE shall be located at the Indian Institute of Corporate Affairs (IICA), Plot No. 6, 7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana – 122050.

Please [Click Here](#) to read Notification dated 17 March 2023.



Reserve Bank of India (‘RBI’)



RBI & Central Bank of the United Arab Emirates (CBUAE) sign Memorandum of Understanding (MoU) to promote innovation in financial products & services

RBI and CBUAE signed a MoU on 15 March 2023 in Abu Dhabi, to enhance cooperation and jointly enable innovation in financial products and services. Under the MoU, the 2 central banks will collaborate on various emerging areas of Fintech, especially Central Bank Digital Currencies (CBDCs) and explore interoperability between the CBDCs of CBUAE and RBI.

CBUAE and RBI will jointly conduct proof-of-concept (PoC) and pilot(s) of bilateral CBDC bridge to facilitate cross-border CBDC transactions of remittances and trade. This bilateral engagement of testing cross-border use case of CBDCs is expected to reduce costs, increase efficiency of cross border transactions and further the economic ties between India and UAE.

The MoU also provides for technical collaboration and knowledge sharing on matters related to Fintech and financial products and services.



The officials of both central banks during the signing of MoU in Abu Dhabi (Photo/@IndembAbuDhabi)

Please [Click Here](#) to read the Press Release dated 15 March 2023.



Securities Exchange Board of India ('SEBI')



SEBI clarifies criteria for categorizing 'Registrar to an Issue & Share Transfer Agents' (RTAs) as 'Qualified RTAs' (QRTAs) along with the time period for which the QRTAs shall be so recognized

Meaning of QRTAs

QRTAs have been defined as RTA servicing more than 2 crore client folios. QRTAs are required to comply with:

- Enhanced responsibilities through adoption and implementation of an internal policy framework; and
- Periodic reporting requirements as specified in various SEBI circulars issued from time to time.

Criteria for categorizing RTA as a QRTA

An RTA shall be categorized as a QRTA if at any time during a FY, the combined number of physical and demat client folios serviced by the RTA for listed companies exceeds 2 crore. In case of an RTA being categorized as a QRTA, an intimation to this effect shall be sent by the RTA within 5 working days to SEBI.

Period for which an RTA shall be recognized as QRTA

An RTA shall be considered as a QRTA from the date of its categorisation as QRTA until the next 3 FYs, irrespective of the subsequent fall in number of client folios (both physical and demat) serviced by the QRTA for listed companies.

Considering the various systems and procedures to be put in place by the new QRTA, a period of 60 days from the date of its categorisation as a QRTA shall be provided to the new QRTA for complying with the enhanced requirements mandated for QRTAs by SEBI.

Please [Click Here](#) to read the Circular dated 10 March 2023.

SEBI imposes certain restrictions on placement of bids, price & volume of shares for companies undertaking buyback of shares through stock exchange

SEBI vide circular dated 8 March 2023 has laid down certain restrictions for companies undertaking buyback of shares through stock exchange, such as:

- The company shall not buyback > 25% of the average daily trading volume (in value) of its shares or other specified securities in the 10 trading days preceding the date of buyback
- The company shall not place bids in the pre-open market, in the 1st 30 minutes and the last 30 minutes of the regular trading session
- The company's buyback order price should be within the range of $\pm 1\%$ from the last traded price

Company as well as its appointed broker shall ensure compliance with the aforesaid provisions. The stock exchange shall monitor their compliance and in case of any instance(s) of such non-compliance, it shall impose appropriate fines and / or other enforcement actions as necessary.

Please [Click Here](#) to read the Circular dated 8 March 2023.



Compliance Calendar

Compliance calendar for the month of April 2023

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th April	March 2023	TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th April		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
11 th April		b) GSTR-8 (TCS return under GST)	b) Person required to collect TCS under GST
		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2021-22 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2021-22 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13 th April		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
	Jan-Mar 2023	GSTR-1 (Outward supply return)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2021-22 and opted for QRMP scheme
15 th April	March 2023	Deposit of PF & ESI contribution	All Deductors
18 th April	Jan-Mar 2023	CMP –08 (Statement – cum challan for composition dealer)	Composition dealer
20 th April	March 2023	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2021-22 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2021-22 and not opted for QRMP scheme
		a) GSTR-5 (Return by Non-resident).	a) Non-resident taxable person (NRTP)
		b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	b) OIDAR services provider
22 nd April	Jan-Mar 2023	GSTR-3B (Summary return)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2021-22 and opted for QRMP scheme
24 th April			
30 th April	March 2023	TDS deposit	Non-Government Deductors
	Oct 2022 - Mar 2023	MSME Form - I (Filing of MSME dues outstanding for > 45 days from the date of acceptance of the goods or services)	All Companies having MSME trade payable outstanding for more than 45 days
	FY 2022-23	GSTR-4 (Annual Return for composition dealer)	Composition dealer

About KrayMan

KrayMan Consultants LLP is an Accounting and multi-disciplinary Advisory Firm founded in 2012 by professionals with Big-4 Consulting and Industry experience. Our forte lies in handholding foreign companies establishing presence in India by demystifying the complex Indian regulatory environment making it easy for them to do business in India. Since inception, we have been delivering value to a mix of multinational Clients from across the globe

The Leadership team comes with rich experience and is supported by a capable & efficient team of professionals including Chartered Accountants, Company Secretaries, Cost Accountants, Advocates and MBAs who are committed in providing timely, professional and quality services to our Clients

We believe that in today's dynamic and ever changing business environment, it is important for accounting, tax & legal professionals to operate with a global approach and mind set. In pursuit of extending global footprints, we have a Japan Desk and an EU Desk to support investments from these countries into India.

In addition, we are members of various associations and forums both at national as well as international levels viz. JCCII, IICCI, IFCCI, CBA, PAN, CII and TiE Delhi

Contact Us



India Head Office

1170 A, 11th Floor, Tower B1
Spaze i-Tech Park
Sector 49, Sohna Road
Gurugram – 122018 (India)
T +91 (124) 4309418; 4003418

Japan Office

501 Auto X Kudo Building,
2-11-2 Nihonbashi-Kaigaracho,
Chuo-ku, Tokyo,
103-0014, Japan

EU Office

Corso Palestro,
50-25122 Brescia,
Italy

For any assistance, please write to us at:
communications@krayman.com

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