

# TAX EDGE

Monthly Tax & Regulatory  
Updates



Audit



Tax



Regulatory



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# **Measures to combat COVID-19**

# Measures to combat COVID-19

India's cumulative COVID-19 Vaccination Coverage exceeds 1.60 billion doses

Ministry of Health & Family Welfare  
Government of India

Help us to help you

INDIA MARCHES AHEAD WITH ANOTHER ACHIEVEMENT IN ITS FIGHT AGAINST COVID-19

**160 CRORE**

COVID VACCINE DOSES ADMINISTERED

Ministry of Health and Family Welfare  
Government of India

75 Azadi Ka Amrit Mahotsav

India's cumulative COVID-19 Vaccination coverage exceeds

**159.67 CRORE**

**Cumulative Vaccine Dose Coverage**

	Healthcare workers	Frontline workers	People Aged 15-18 years	People Aged 18-44 Years	People Aged ≥ 45 Years	People Aged ≥ 60 Years
1 <sup>st</sup> Dose	1,03,90,863	1,83,89,651	3,84,93,979	53,00,29,691	19,83,74,077	12,35,94,947
2 <sup>nd</sup> Dose	97,96,323	1,70,91,292	—	37,84,60,704	16,36,77,044	10,22,82,259
Precaution Dose	22,95,385	20,16,534	—	—	—	18,63,130

**#Unite2FightCorona**

As at 8 AM on 20<sup>th</sup> January, 2022

**73.38 Lakh** doses administered in last 24 hours

# Measures to combat COVID-19

India's COVID-19 vaccination coverage has exceeded 1.60 billion, achieved through 1,71,82,273 sessions. The break-up of the cumulative figure as per the provisional report till 20<sup>th</sup> January 2022 include:

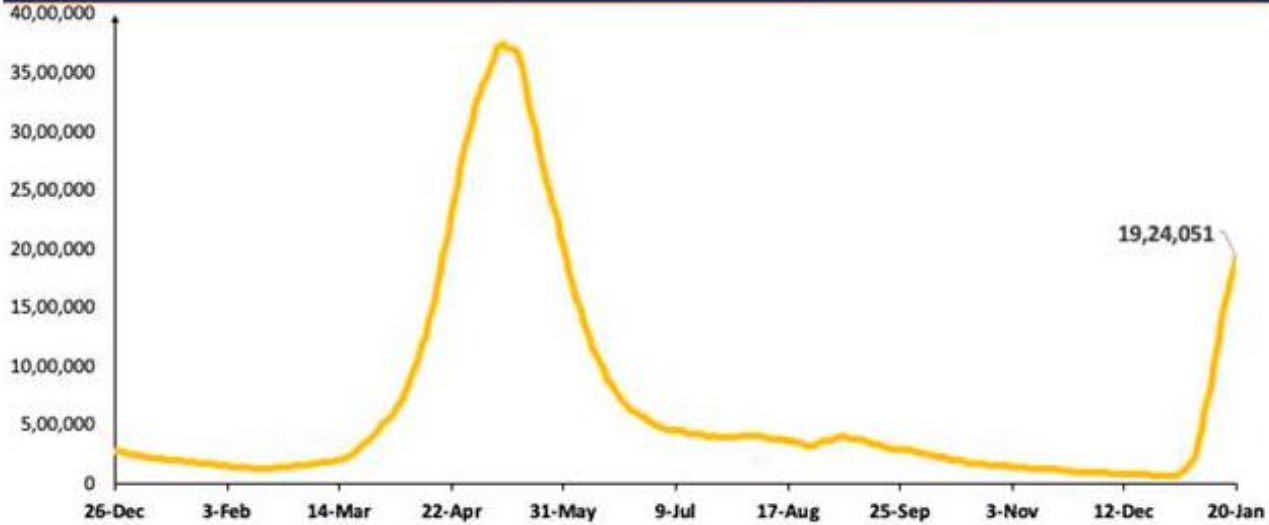
Cumulative Vaccine Dose Coverage		
HCWs	1 <sup>st</sup> Dose	1,03,90,863
	2 <sup>nd</sup> Dose	97,96,323
	Precaution Dose	22,95,385
FLWs	1 <sup>st</sup> Dose	1,83,89,651
	2 <sup>nd</sup> Dose	1,70,91,292
	Precaution Dose	20,16,534
Age Group 15-18 years	1 <sup>st</sup> Dose	3,84,93,979
Age Group 18-44 years	1 <sup>st</sup> Dose	53,00,29,691
	2 <sup>nd</sup> Dose	37,84,60,704
Age Group 45-59 years	1 <sup>st</sup> Dose	19,83,74,077
	2 <sup>nd</sup> Dose	16,36,77,044
Over 60 years	1 <sup>st</sup> Dose	12,35,94,947
	2 <sup>nd</sup> Dose	10,22,82,259
	Precaution Dose	18,63,130
Precaution Dose		61,75,049
Total		1,59,67,55,879

India's recovery rate stands at 93.69%. The total Active Caseload is 19,24,051. Active cases constitute 5.03% of the country's total Positive Cases. The testing capacity across the country continues to expand. 20<sup>th</sup> January 2022 saw a total of 19,35,180 tests being conducted. India has so far conducted over 70,93,56,830 cumulative tests.

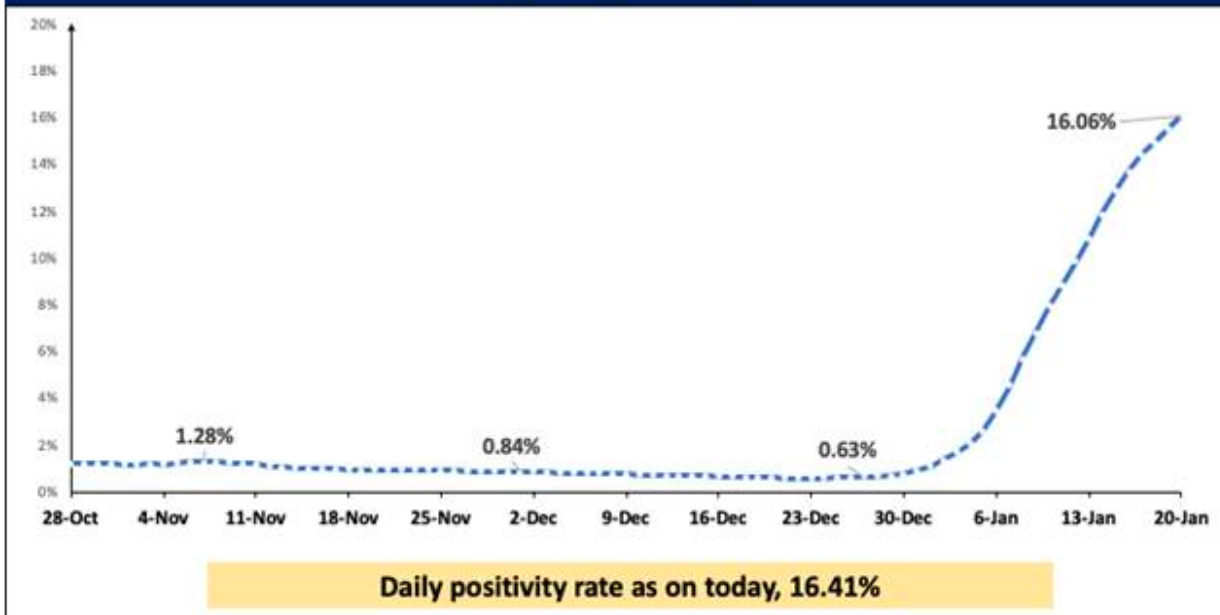
While testing capacity has been enhanced across the country, Weekly Positivity Rate in the country currently stands at 16.06% and the Daily Positivity rate also reported to be 16.41%.

# Measures to combat COVID-19

## India's Active cases Trajectory



## Case Positivity Trajectory (7 days moving average)



Please [Click Here](#) to read the Press Release dated 20<sup>th</sup> January 2022.

# Measures to combat COVID-19

## Union Government has provided more than 1.58 billion vaccine doses to States / Union Territories (UTs)

The Union Government is committed to accelerating the pace and expanding the scope of COVID-19 vaccination throughout the country. The nationwide COVID-19 vaccination started on 16<sup>th</sup> January 2021. The new phase of universalization of COVID-19 vaccination commenced from 21<sup>st</sup> June 2021. The vaccination drive has been ramped up through availability of more vaccines, advance visibility of vaccine availability to States and UTs for enabling better planning by them, and streamlining the vaccine supply chain.

As part of the nationwide vaccination drive, Government of India has been supporting the States and UTs by providing them COVID Vaccines free of cost. In the new phase of the universalization of the COVID19 vaccination drive, the Union Government will procure and supply (free of cost) 75% of the vaccines being produced by the vaccine manufacturers in the country to States and UTs.

Vaccine Doses	As on 20 <sup>th</sup> January 2022
Supplied	1,58,96,34,485
Balance Available	12,72,19,636

More than 1.58 billion vaccine doses have been provided to States/UTs so far through Union Government's free of cost channel and direct state procurement category.

More than 12,72,19,636 balance and unutilized COVID Vaccine doses are still available with the States/UTs to be administered.

Please [Click Here](#) to read the Press Release dated 20<sup>th</sup> January 2022.



# Measures to combat COVID-19

## Ministry of Health & Family Welfare issues Guidelines for International Arrivals



Ministry of Health and Family Welfare issued guidelines for international arrivals in India effective from 22<sup>nd</sup> January 2022 onwards. Following are the Standard Operating Procedure (SOP's) effective from 22<sup>nd</sup> January 2022.

### A. Planning for Travel:

- All travellers should
  - ✓ Submit complete and factual information in self-declaration form on the online Air Suvidha portal (<https://www.newdelhiairport.in/airsuvidha/apho-registration>) before the scheduled travel, including last 14 days travel details
  - ✓ Upload a negative COVID-19 RT-PCR report. The test should have been conducted within 72 hrs prior to undertaking the journey
  - ✓ Children under the age of 5 years shall remain exempted from undergoing tests at airports. However, if any child is found with symptoms, they will be asked to home quarantine
  - ✓ Each passenger shall also submit a declaration with respect to authenticity of the report and will be liable for criminal prosecution, if found otherwise



# Measures to combat COVID-19

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- They should also give an undertaking on the portal or otherwise to Ministry of Civil Aviation, Government of India, through concerned airlines before they are allowed to undertake the journey that they would abide by the decision of the appropriate government authority to undergo home/institutional quarantine/ self-health monitoring, as warranted.
- Continuing with the earlier approach, travellers from certain specified Countries (based on epidemiological situation of COVID-19 in those Countries) are identified for additional follow up. These include need for additional measures as detailed in 4<sup>th</sup> bullet point of Para D below. The listing of such specified Countries is a dynamic exercise based on evolving situation of COVID-19 across the world and will be made available on the websites of Ministry of Health & Family Welfare, (mohfw.gov.in) and the link of the same will be available at website of Ministry of External Affairs and Air Suvidha Portal
- All travellers who need to undertake testing on arrival, should preferably pre-book the test online on Air Suvidha Portal, to facilitate timely testing

## **B. Before Boarding:**

- Passengers originating or transiting from at-risk countries shall be informed by the airlines that they will undergo post arrival testing, quarantine if tested negative, stringent isolation protocols if tested positive etc.
- Do's and Don'ts shall be provided along with ticket to the travellers by the airlines/agencies concerned
- Airlines to allow boarding by only those passengers who have filled in all the information in the Self Declaration Form on the Air Suvidha portal and uploaded the negative RT-PCR test report
- At the time of boarding the flight, only asymptomatic travellers will be allowed to board after thermal screening
- All passengers shall be advised to download Aarogya Setu app on their mobile devices

## **C. During Travel**

- In-flight announcement about COVID-19 including precautionary measures to be followed shall be made at airports and in flights and during transit
- During in-flight crew shall ensure that COVID-19 appropriate behaviour is followed at all times
- If any passenger reports symptoms of COVID-19 during flight, he/she shall be isolated as per protocol
- Proper in-flight announcements should be made by the airlines regarding the testing requirements and people who need to undergo such testing to avoid any congestion at the arrival airports

# Measures to combat COVID-19

## D. On Arrival

- De-boarding should be done ensuring physical distancing
- Thermal screening would be carried out in respect of all the passengers by the health officials present at the airport. The self-declaration form filled online shall be shown to the airport health staff
- The passengers found to be symptomatic during screening shall be immediately isolated and taken to medical facility as per health protocol. If tested positive, their contacts shall be identified and managed as per laid down protocol
- Travellers from specified Countries at risk will follow the protocol as detailed below:
  - ✓ Submission of sample for post-arrival COVID-19 test\* at the point of arrival (self-paid). Such travellers will be required to wait for their test results at the arrival airport before leaving or taking a connecting flight
  - ✓ If tested negative they will follow, home quarantine for 7 days and shall undertake RTPCR test on the 8th day of arrival in India
  - ✓ Travelers shall also be required to upload results of repeat RT-PCR test for COVID-19 done on 8th day on Air Suvidha portal (to be monitored by the respective States/UTs)
  - ✓ If negative, they will further self-monitor their health for next 7 days
  - ✓ However, if such travellers are tested positive, their samples should be further sent for genomic testing at The Indian SARS-CoV-2 Genomics Consortium (INSACOG) laboratory network
  - ✓ They shall be treated/isolated as per laid down standard protocol.
  - ✓ The contacts of such positive case should be kept under home quarantine monitored strictly by the concerned State Government as per laid down protocol



# Measures to combat COVID-19

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- Travellers from other Countries will follow the below protocol:
  - ✓ A sub-section (2% of the total flight passengers) shall undergo post-arrival testing at random at the airport on arrival
  - ✓ These 2% of such travellers in each flight shall be identified by the concerned airlines (preferably from different countries)
  - ✓ Laboratories shall prioritize testing of samples from such travellers
  - ✓ All travellers (including those 2% who were selected for random testing on arrival and were found negative) will undergo home quarantine for 7 days and shall undertake RT-PCR test on the 8th day of arrival in India
  - ✓ Travelers shall also be required to upload results of repeat RT-PCR test for COVID-19 done on 8th day on Air Suvidha portal (to be monitored by the respective States/UTs)
  - ✓ If negative, they will further self-monitor their health for next 7 days
  - ✓ However, if such travellers are tested positive, their samples should be further sent for genomic testing at INSACOG laboratory network
  - ✓ They shall be treated/isolated as per laid down standard protocol.
- If travellers under home quarantine or self-health monitoring, develop signs and symptoms suggestive of COVID-19 or test positive for COVID-19 on re-testing, they will immediately self-isolate and report to their nearest health facility or call National helpline number (1075)/ State Helpline Number.

## **E. International travellers arriving at seaports / land ports**

- International travellers arriving through seaports/land ports will also have to undergo the same protocol as above, except that facility for online registration is not available for such passengers currently
- Such travellers shall submit the self-declaration form to the concerned authorities of Government of India at seaports / land ports on arrival.

Please [Click Here](#) to read the Guidelines for International Arrivals dated 20<sup>th</sup> January 2022.

# Measures to combat COVID-19

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## **COVID-19 Myth vs Facts: Media reports claiming under-reporting of COVID-19 deaths are ill-informed, baseless & misleading**

There have been some media reports alleging a 'significant undercount' of the actual number of people who have died in India due to COVID-19 in the first 2 waves, claiming that the final toll may be 'substantially greater' crossing about 3 million.

Government of India has a comprehensive definition to classify COVID-19 deaths, based on globally acceptable categorisation. All deaths are being independently reported by States, and are being compiled centrally. The backlog in COVID-19 mortality data being submitted by the States at different times are being reconciled in the data of Government of India on a regular basis. A large number of States have regularly reconciled their death numbers and have reported arrear deaths in a broadly transparent manner. Therefore, to project that deaths have been under-reported is without basis and without justification.

It is clarified that there is an extreme difference in COVID case load and linked mortality between Indian States. Any assumptions putting all States in one envelope would mean mapping skewed data of outliers together with States reporting lowest mortality which is bound to stretch the median towards higher and wrong results.

Please [Click Here](#) to read the detailed Press Release dated 14<sup>th</sup> January 2022.

## **COVID-19 Myth vs Facts: Media Reports stating vaccine shortage in Maharashtra are not factually correct**



# Measures to combat COVID-19

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There have been some media reports alleging vaccine shortage in Maharashtra, further stating that due to lack of vaccine the State Government is unable to increase the pace of vaccination in the state. Such reports are ill informed and incorrect.

It is clarified that, as per the reports available on 14th January 2022, Maharashtra has over 24 lakh unutilized doses of Covaxin available with it. An additional 6.35 lakh doses have been received. As per their weekly consumption data available on Co-WIN, the average consumption by Maharashtra for Covaxin to cover the eligible beneficiaries for 15-17 years and for precaution dose is almost 2.94 lakh doses per day. Therefore, the State has adequate vaccine doses for about 10 days to cover the eligible beneficiaries with Covaxin.

Furthermore, for Covishield, the state has 1.24 crore unutilized and balance doses available as on date. With an average consumption of 3.57 lakhs per day, this will sustain for more than 30 days for the beneficiaries to be vaccinated using the vaccine.

Hence, the media reports are not factually correct and do not reflect the correct picture of the available stock of balance and unutilized COVID vaccine doses with Maharashtra.

Please [Click Here](#) to read the Press Release dated 14<sup>th</sup> January 2022.

## Steps taken by Government to ensure access to Testing, Treatment & Vaccines

Under National COVID-19 Vaccination Programme, COVID-19 vaccine is available free of cost for all citizens aged 18 years and above irrespective of their socio-economic status at all Government COVID-19 Vaccination Centres (CVCs). There is provision to facilitate vaccination of persons without prescribed identity cards such as migrants, seers, nomads, refugees, destitute, homeless people, beggars etc. through special sessions where 100% vaccination is done through on-site registration by the vaccinator under a prescribed procedure.

Government of India has issued advisory to all States / UTs for Near-to-Home COVID-19 Vaccination Centre (NHCVC) for elderly and differently abled citizens and for vaccination at the place of residence of persons who might be bed-ridden or have extremely restricted mobility or disability and/or special needs that may hamper their accessibility even to NHCVCs. From 3rd November 2021, programme has been launched wherein missed beneficiaries for 1<sup>st</sup> dose and due beneficiaries for 2<sup>nd</sup> dose are identified and vaccinated through house-to-house activity.

Union Ministry of Health & Family Welfare has been in regular interaction with the States / UTs to seek continued support in terms of strict and persistent implementation of 5-fold strategy (Test-Track-Treat-Covid Appropriate Behaviour-Vaccinate) against COVID-19.

Government of India has also significantly increased the testing capacity for COVID-19 related tests. As on 14th December 2021, more than 3,000 operational laboratories are conducting COVID-19 tests and reporting to Indian Council of Medical Research (ICMR) on RT-PCR, TruNat, CBNAAT and Other Molecular Nucleic Acid Tests for COVID-19.

Under PM-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) setting up of integrated public health laboratories in all districts and strengthening block public health units in 11 high focus states has been provisioned.

Please [Click Here](#) to read the Press Release dated 21<sup>st</sup> December 2021.

# **Goods & Services Tax (`GST`)**

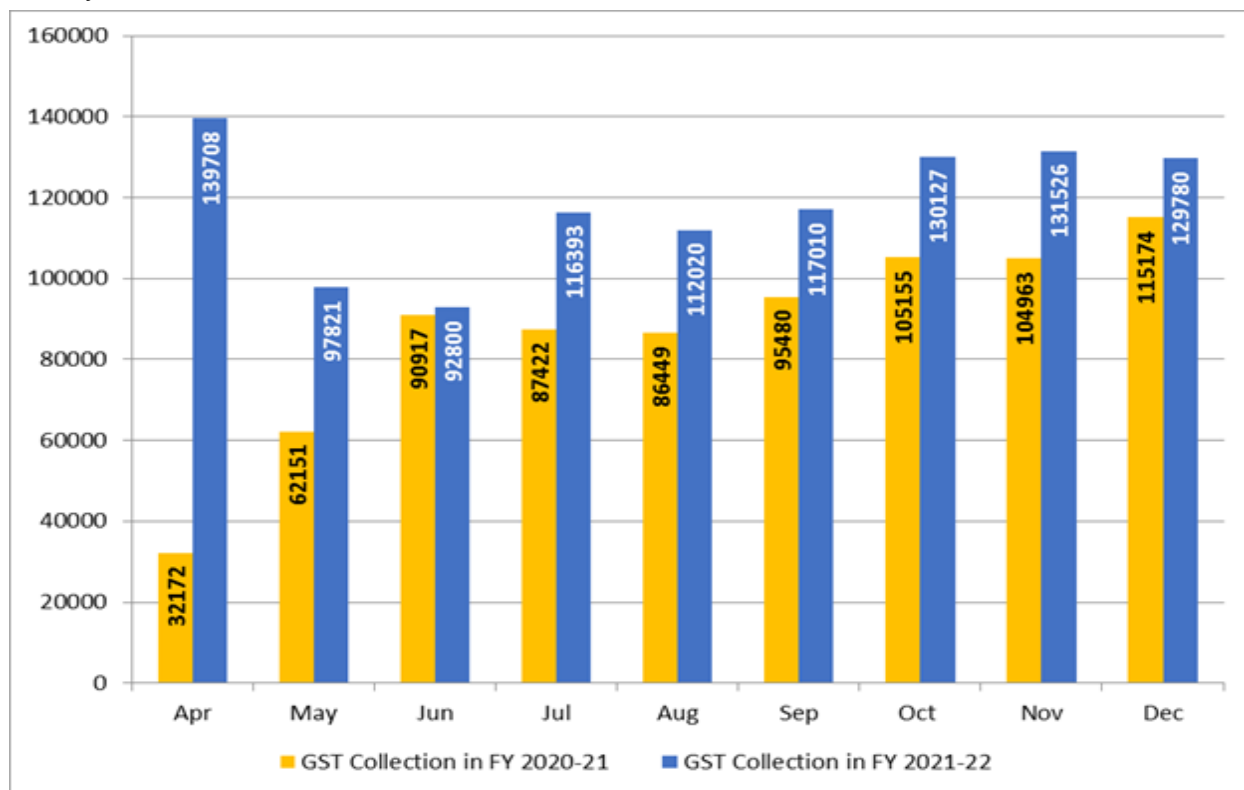
# GST

## GST revenue collection for December 2021 Rs. 1,29,780 Crore (13% higher than GST revenue collection in December 2020)

The gross GST revenue collected in the month of December 2021 is Rs.129,780 Crore (details given below).

IGST (Integrated Goods and Services Tax)	Rs. 69,155 Crore
CGST (Central Goods and Services Tax)	Rs. 22,578 Crore
SGST (State Goods and Services Tax)	Rs. 28,658 Crore
Compensation cess	Rs. 9,389 Crore
<b>Total</b>	<b>Rs. 129,780 Crore</b>

The revenues for the month of December 2021 are 13% higher than the GST revenues in the same month last year and 26% higher than the GST revenues in December 2019. During the month, revenues from import of goods was 36% higher and the revenues from domestic transaction (including import of services) are 5% higher than the revenues from these sources during the same month last year.



Please [Click Here](#) to read Press Release dated 1<sup>st</sup> January 2021.

## Upcoming functionality of Interest Calculator in Form GSTR-3B (Summary return)

- As a facilitation measure for taxpayers and for assisting taxpayers in doing a correct self-assessment, a new functionality of interest calculator is being released in Form GSTR-3B. This functionality will arrive at the system-computed interest on the basis of the tax liability values declared by the taxpayers. The interest applicable, if any, on the tax liability declared in Form GSTR-3B of a particular tax-period will be computed after the filing of the said GSTR-3B. These system-computed interest values will be auto-populated in the Table-5.1 of the GSTR-3B of the next tax-period. The facility would be similar to the collection of late fees for GSTR-3B, filed after the due date, posted in the next period's GSTR-3B
- The functionality has a user-friendly interface, which informs the taxpayers regarding the manner of system computation of interest values for each tax-head. The functionality also assists the taxpayers in correctly computing interest for the liability of any past period declared in the Form GSTR-3B for the current tax period, based on the details furnished by them on the portal
- The functionality will further improve ease of filing return under GST and is, therefore, in the direction of further reducing the compliance burden for taxpayers. The functionality, as and when available on the GST Portal shortly, will be intimated to the taxpayers.

Please [Click Here](#) to read the detailed advisory regarding the interest calculator in GSTR-3B.

Please [Click Here](#) to read the illustrations, details about functionality on computation of the interest, along with sample screenshots.

## Advisory on Revamped Search Harmonized System of Nomenclature (HSN) Code functionality

The Central Board of Indirect Taxes and Customs (CBIC) has issued an update on 6<sup>th</sup> January 2022 regarding advisory on Revamped Search HSN Code functionality.

The search HSN functionality was earlier given as a measure of facilitation to taxpayers to search the technical description of any particular HSN code of any goods or service used in the trade, in relation to HSN description in the Customs Tariff Act, 1975. However, there are many instances of goods and services where descriptions commonly used in trade in common parlance i.e. trade descriptions differ from the technical descriptions otherwise provided in the HSN descriptions of the Customs Tariff Act, 1975 and the above said functionality. Thus, finding the corresponding HSN codes in relation to a common description was a bit challenging for the taxpayer.

To reduce the challenge and make the functionality user friendly, 'Search HSN' functionality has been revamped by linking it with e-invoice database and Artificial Intelligence tools.



Search HSN Code

• indicates mandatory fields

Search By: \*

HSN  Description

Search HSN Chapter by Code \*

Commercial training and coaching services x

SEARCH

<b>Chapter Head</b>	99
<b>Description</b>	All Services
<b>HSN Code</b>	999293
<b>Technical Description</b>	Commercial training and coaching services
<b>Commonly used Trade Description(s)</b>	COMMERCIAL TRAINING AND COACHING SERVICES
	TRAINING CHARGES
	QUEEN THE ROAD LEARNERS COURSE DISCOUNT FEES
<b>Other related HSN code(s)</b>	<b>8 digits:</b> NA

[Download HSN in Excel Format](#)

Please [Click Here](#) to read the detailed advisory on revamped search HSN code functionality.

## Guidelines for recovery proceedings u/s 79 of the CGST Act, 2017

CBIC has issued Instruction no. 1/2022-GST dated 7<sup>th</sup> January 2022 regarding guidelines for recovery proceedings under the provisions of Section 79 of the CGST Act, 2017.

### Background

Section 75(12) of the CGST Act, 2017 provides that notwithstanding anything contained in sections 73 or 74 of the Act, where any amount of self-assessed tax in accordance with the return furnished u/s 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered u/s 79.

An explanation has been added to section 75(12) vide section 114 of the Finance Act, 2021 with effect from 1<sup>st</sup> January 2022, to clarify that 'self-assessed tax' shall include the tax payable in respect of outward supplies, the details of which have been furnished in GSTR -1, but not included in the GSTR -3B.

### Issue

There are some cases where there may be a genuine reason for the difference between the details of outward supplies declared in Form GSTR-1, and those declared in Form GSTR-3B e.g. typographical error. Such errors or omissions can be rectified in a subsequent Form GSTR-1/ GSTR-3B in subsequent tax period.

Therefore, in all such cases, an opportunity needs to be provided to the concerned registered person to explain the differences between Forms GSTR-1 and GSTR-3B.

## Clarification

Wherever any such tax is found to be short paid / not paid, the GST officer may send a communication to explain the reasons. If the taxpayer is able to justify the differences between Form GSTR-1 and GSTR-3B to the satisfaction of the officer, then there may not be any requirement to initiate proceedings for recovery u/s 79. However, if the said registered person fails to reply, then the proceedings for recovery may be initiated by the officer.

Please [Click Here](#) to read Instruction no. 1/2022-GST dated 7<sup>th</sup> January 2022.

## Module-wise new functionalities deployed on the GST Portal

Various new functionalities are implemented time-to-time on the GST Portal for the benefit of stakeholders. New functionalities made available in December 2021 for taxpayers by Goods and Service Network across different categories are given below:

Relating to	Form / Functionality	Detail
Returns	Changes made in Form GSTR-1 / Invoice Furnishing Facility (IFF)	<p>Taxpayers have been provided with –</p> <ul style="list-style-type: none"> <li>• A re-organized dashboard</li> <li>• Easy amendment and addition of records</li> <li>• Document counts on tiles with colour coding</li> <li>• Increase in number of records per page</li> <li>• Recipient wise count of records</li> </ul>
	Creation of 'My Masters' facility in GSTR-1/IFF	<ul style="list-style-type: none"> <li>• To help the taxpayer in making data entries faster and to reduce errors while creating their Statement of outward supplies in Form GSTR-1, 'My Master' facility has been created wherein taxpayers can save details of their recipients and suppliers and the HSN of the commodities they deal in for following 2 masters on the portal and in the offline tool: <ul style="list-style-type: none"> <li>✓ Product Master</li> <li>✓ Supplier/Recipient Master</li> </ul> </li> <li>• Now whenever a taxpayer enters data in the related field of GSTR-1 for which master exists, offline tool / portal will fetch the details from the Master and will show the probable values in the drop down based on the key words entered. By selecting the dropdown, all the corresponding fields of that row shall be filled up automatically</li> <li>• Taxpayers can also upload master created offline on GST common portal as JSON file to update their online master, and, similarly download the master created online and import it in the offline tool to update his master created offline</li> </ul>
	Allowing entry of suspended GSTINs as recipients in GSTR 1/IFF (B2B Tables)	The system used to return an error message if a supplier entered GSTIN of a suspended taxpayer in the B2B, B2BA, CDNR and CDNRA tables of Form GSTR-1/IFF. This validation has now been removed and taxpayer would be able to enter a suspended GSTIN as a recipient of taxable supplies in respective tables of Form GSTR-1/IFF
Appeals	Integration of Appeal Module with Enforcement Module	The Enforcement module has now been integrated with Appeal module. The taxpayers will now be able to file an online appeal against orders passed by an Enforcement Officer
	Integration of Appeal Module with Assessment Module	The Assessment module has now been integrated with Appeal module. The taxpayers will now be able to file an online appeal against orders passed by a Tax Officer

## **Works Contract Services provided to a Government authority / entity not eligible for reduced GST rate**

CBIC vide notification no. 22/2021–Central Tax (Rate) dated 31<sup>st</sup> December 2021 has notified that Construction services provided as composite supply of works contract as defined in section 2(119) of the CGST Act, 2017 to a Government authority / entity, shall not be eligible for reduced GST rate of 12%. The said change is effective from 1<sup>st</sup> January 2022 onwards.

Please [Click Here](#) to read the Notification no 22/2021–Central Tax (Rate) dated 31<sup>st</sup> December 2021.

## **Increase in GST rate of footwear (sales value not exceeding Rs.1,000 per pair) from 5% to 12%**

CBIC vide notification no. 21/2021–Central Tax (Rate) dated 31<sup>st</sup> December 2021 has notified that footwear with sales value not exceeding Rs.1000 (per pair) shall be taxed @ 12% GST with effect from 1<sup>st</sup> January 2022. Earlier the same was taxable at 5% GST.

Please [Click Here](#) to read the Notification no 21/2021–Central Tax (Rate) dated 31<sup>st</sup> December 2021.

## **Amendments in GST Rules to align with sections notified under Finance Act, 2021**

CBIC has notified the Central Goods and Services Tax (Tenth Amendment) Rules, 2021.

### **Key amendments:**

- Rule 36(4) has been substituted to provide that Input Tax Credit (ITC) shall not be available to the registered person unless the details of the invoice or debit note has been furnished by the supplier in its Form GSTR-1 (Outward supply return) or IFF and such details have been communicated to the recipient in Form GSTR-2B (Auto-drafted ITC Statement)
- Due date for Form GSTR-9 (Annual Return) as well as GSTR-9C (Reconciliation Statement) for the Financial Year (FY) 2020-21 has been extended from 31<sup>st</sup> December 2021 to 28<sup>th</sup> February 2022
- Rule 95 has been amended to provide that where Unique Identity Number of the applicant is not mentioned in a tax invoice, the applicant has to submit attested copy of such invoice along with the refund application in Form GST RFD-10
- To align with changes of section 129, rule 142 has been amended to provide for 7 days' time (instead of 14 days) for issuance of notice and further 7 days for issuance of order
- Rule 144A has been inserted to provide mechanism for recovery of penalty under section 129 of Central Goods and Services Tax Act, 2017 by way sale of goods or conveyance detained or seized in transit
- Form GST DRC-22A has been prescribed for filing objection against provisional attachment of property under section 83 of CGST Act

Please [Click Here](#) to read the Notification no 40/2021–Central Tax dated 29<sup>th</sup> December 2021.

## Central Board of Indirect Taxes & Customs (CBIC) notifies effective date for implementation of amendments proposed in Finance Act, 2021

CBIC issued notification no. 39/2021 dated 21<sup>st</sup> December 2021 to implement the amendments proposed in Finance Act, 2021 with effect from 1<sup>st</sup> January 2021 onwards.

### Key changes notified

- Section 7(1) (aa) has been inserted in CGST Act, 2017 to widen the scope of the term 'Supply' to levy tax on activities or transactions by any person (other than individual) to its members and constituents or vice versa for cash, deferred payment, or other valuable consideration. The insertion of the aforesaid section is with intention to bring services provided by clubs to its members and vice versa under the purview of GST laws. Further by way of an explanation, it is clarified that the club and its members are 2 separate persons notwithstanding any judgement by any Court.

Subsequently, para 7 of Schedule II is omitted. As per this para, supply by any unincorporated association or body of persons to a member for cash, deferred payment or other valuable consideration was treated as supply of goods.

The amendment shall take effect retrospectively from 1<sup>st</sup> July 2017 onwards.

- Section 16 of the CGST Act 2017 is amended to impose another condition for availing ITC i.e., taxpayer shall avail the ITC on invoice or debit note only after the details of such invoice or debit note are furnished by the supplier in their statement of outward supplies and also, the same is communicated to the recipient in Form GSTR-2A/2B (Auto-drafted ITC Statement)
- Section 75(12) of CGST Act provides for recovery of unpaid self-assessed tax in accordance with section 79. An Explanation is inserted to clarify that 'self-assessed tax' shall include tax payable in respect of outward supplies, the details of which have been furnished in GSTR-1, but not included in GSTR-3B.
- Taxpayers cannot file Form GSTR-1 if Form GSTR-3B of the previous tax period is not filed.
- The scope of section 83 (Provisional attachment to protect revenue) of CGST Act, 2017 has been broadened to additionally include
  - ✓ Provisional assessment under section 60 of CGST Act, 2017;
  - ✓ Scrutiny of returns under section 61 of CGST Act, 2017;
  - ✓ Inspection of goods in movement under section 68 of CGST Act, 2017; and
  - ✓ Summons under section 70 of CGST Act, 2017

Further, the amended provision also allows provisional attachment of property belonging to the persons who retain the benefits and at whose instance the specified offences mentioned therein are committed.

# GST

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- Section 107(6) of CGST Act, 2017 has been amended to additionally provide that an appeal to the first appellate authority against a notice for seizure of goods can be filed only after payment of 25% of penalty. For other appeals, the pre-deposit criteria remain unchanged.
- Section 129(1) is amended to provide that detained and seized goods and conveyances shall be released on payment of:
  - ✓ Penalty @ 200% of the tax payable on such goods and, in case of exempted goods, on payment of an amount @ 2% of the value of goods or INR 25,000, whichever is less, where the owner of goods comes forward for payment of such penalty
  - ✓ Penalty @ 50% of the value of goods or 200% of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount @ 5% of the value of goods or INR 25,000, whichever is less, where the owner of goods does not come forward for payment of such penalty
- The provision allowing the detained or seized goods to be released on provisional basis upon execution of bond and furnishing of security, has been omitted. Further, time limit for issuing notice and passing order in case of detention or seizure of goods has been prescribed. Also, where the person transporting any goods or the owner of such goods, fails to pay the amount of penalty within 15 days from the date of receipt of order, then the goods or conveyance so detained or seized shall be liable to be sold or disposed to recover the penalty payable.
- Section 130 deals with confiscation of goods. The aggregate of fine and penalty leviable shall not be less than 100% of tax payable on such goods. The provision requiring the owner of goods or conveyance to pay any tax, penalty and charges in addition to fine, is omitted.
- Section 151 of the CGST Act 2017 is substituted to empower the jurisdictional Commissioner to call for information from any person relating to any matter dealt with in connection with the Act by way of an Order. The amendment simplifies the section by removing the current requirement of issuance of notification for such collection of statistics.
- Amended section 152 of CGST Act 2017 so as to provide that no information obtained by the jurisdictional Commissioner under specified sections including 151 shall be used for the purposes of any proceedings under the CGST Act, 2017 without giving an opportunity of being heard to the person concerned.

Please [Click Here](#) to read the Notification no 39/2021–Central Tax dated 21<sup>st</sup> December 2021.

# Direct Tax

# Direct Tax

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## Central Board of Direct Taxes (CBDT) issues clarifications regarding tax-exemption on sum received from Unit Linked Insurance Policy (ULIP)

ULIP is a common tax-saving investment made by taxpayers as it has dual benefits. Firstly, when the premium is paid it is claimed as deduction u/s 80C of the Income-tax Act, 1961 ('Act'). Secondly, the sum received from ULIP is tax-exempt u/s 10(10D) of the Act, subject to conditions.

The Finance Act, 2021, amended section 10(10D) of the Income-tax Act to withdraw the tax-exemption on sum received (including bonus) from ULIP, if the amount of premium payable for any of the previous years during the term of the policy exceeds Rs.2.5 lakh. When the exemption stands withdrawn, tax will be payable on the capital gains i.e. difference between sum received (including withdrawals and bonus) and total premium paid.

Also, if premium is payable for more than 1 ULIP issued on or after 1<sup>st</sup> February 2021, the exemption of sum received u/s 10(10D) shall be available only with respect to such policies where the aggregate premium does not exceed Rs.2.5 lakh for any of the previous years during the term of any of those policies.

The position on sum received from multiple ULIPs held by an investor where the aggregate premium of such multiple policies exceeds Rs.2.5 lakh per annum was unclear. There were some more grey areas which have now been clarified in more detail by CBDT and with the help of examples vide circular no. 2 dated 19<sup>th</sup> January 2022. Please [Click Here](#) to read Circular no. 2 dated 19<sup>th</sup> January 2022.

Please [Click Here](#) to read the newly inserted Rule 8AD in the Income-tax Rules, 1962 which prescribes manner for computation of capital gains for the purpose of section 45(1B). The sum received from high premium ULIPs are treated as capital gain in the following manner:

- Sum received from high premium ULIPs *for the 1st time* - Capital gains shall be the amount received, including amount allocated by way of bonus, as reduced by the aggregate of premium paid during the term of such policy, till date of receipt of sum from ULIP
- Sum received from high premium ULIPs for 2<sup>nd</sup> time and subsequently - Capital gains shall be the amount which is received by assessee, including amount allocated by bonus, as reduced by:
  - ✓ Amount which already considered as capital gains in any previous year; and
  - ✓ Amount of premium paid during the term of such policy, till date of receipt of sum from ULIP. However, the premiums which are already considered while computing capital gains as mentioned above shall not be considered

# Direct Tax

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## **CBDT notifies E-Advance Rulings Scheme, 2022 to enable electronic conduct of advance ruling process**

### **Background**

Finance Act, 2021 had introduced the Board for Advance Rulings (BFAR) to replace Authority for Advance Rulings (AAR). CBDT vide Notification No. 7 dated 18<sup>th</sup> January 2022 has now introduced the E-Advance Rulings Scheme, 2022 (Scheme) to enable electronic conduct of the advance ruling process. The scheme is applicable to applications of advance rulings made to BFAR or transferred to BFAR. Highlights of the Scheme as mentioned below.

### **Procedure for filing an application**

- An application shall be made by the applicant in prescribed forms to the Secretary or any other officer authorised in writing by the Secretary of the BFAR, by e-mail
- If the applicant is not assessable in India, he shall indicate in Annexure I (provided in the relevant Forms) to the application
  - ✓ His head office in any country
  - ✓ Place where his office and residence is located or is likely to be located in India, and
  - ✓ Name and address of his representatives in India, if any, authorised to receive notices and papers and act on his behalf.
- In case of any defect, the Secretary may send the application back to the applicant for rectification. The application shall be considered to have been made on the date when it is re-submitted. An application may be withdrawn by the applicant within 30 days from the date of application.

### **Procedure on receipt of an application**

- BFAR shall intimate the applicant about the allocation or transfer, as the case may be
- Where an application transferred to the BFAR has been allowed by means of an AAR order, on or prior to the date on which such case is transferred to the BFAR, such application shall be considered to have been allowed by the BFAR



# Direct Tax

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- Upon allocation or transfer, as the case may be of an application (other than cases of transfer to BFAR which have been allowed by the AAR), the BFAR shall:
  - ✓ Where the applicant is assessed to tax in India, forward a copy of the application to the Principal Commissioner of Income-tax (PCIT) or Commissioner of Income-tax (CIT) as the case may be; or
  - ✓ Where the applicant is not assessable in India, forward a copy of the application to Joint Secretary (Foreign Tax and Tax Research), along with a requisition to furnish the relevant records within such time as allowed by the BFAR.
- Upon receipt of the requisition in case of an applicant not assessable in India, the Joint Secretary (Foreign Tax and Tax Research) shall assign such application to the Principal Chief Commissioner of Income-tax (International Taxation) or Chief Commissioner of Income-tax (International Taxation), as the case may be, requesting him to furnish the relevant records, within such time as may be specified by the BFAR
- Upon receipt of request, the records shall be furnished to the BFAR by the authority to whom the reference has been made
- Where the request is in respect of a transaction already undertaken, the BFAR may require the authority to whom the reference has been made to verify the facts contained in the application
- Where the authority to whom the reference has been made fails to furnish relevant records, the BFAR may proceed to allow or reject the application, by order, without waiting for the said records
- However, where records have been submitted, the Board after examination of the application and the said records, may-
  - ✓ Allow the application; or
  - ✓ Call upon the applicant to explain as to why the application may not be rejected and direct him to submit any relevant material or information. In such a case the applicant may request for hearing. Where the applicant furnishes the explanation, the BFAR may by an order allow or reject the application, providing reasons for rejection in case the application is rejected
- The BFAR shall send a copy of the order to the applicant and the PCIT or CIT, as the case may be

# Direct Tax

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## Order for Advance Ruling

- Where an application for advance rulings has been allowed by an order, the BFAR may send a notice to the applicant and the authority to whom the reference has been made, to submit such further material, information or evidence, as may be relevant to the proceedings, within such time or extended time, as may be allowed by the BFAR
- The applicant or the authority to whom the reference has been made, may submit any further information or evidence to the BFAR
- The applicant or the authority to whom the reference has been made, shall respond to the notice, within the specified time or such time as may be extended by the BFAR, on the basis of a request made in this behalf
- The BFAR shall, after considering the response, and after providing an opportunity of being heard (through video conferencing or video telephony) on the request of the applicant pronounce the advance ruling on the question specified in the application and send a copy thereof to the applicant and the authority to whom the reference has been made
- The applicant shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the BFAR or before the Secretary, ministerial staff, executive or consultant posted with the BFAR. The Principal Director General of Income Tax (Systems) or Director General of Income Tax (Systems) shall make suitable facilities for video conferencing
- An appeal against an order for advance ruling passed by the BFAR under the Scheme shall lie before the High Court. The Assessing Officer, having jurisdiction over the applicant, on the directions of the PCIT or CIT, may file an appeal to the High Court against an order of the BFAR
- The proceedings before the BFAR shall not be open to the public and no person (other than the applicant, his employee, the concerned officers of the BFAR or the Income-tax authority or the authorised representatives) shall, without the permission of the BFAR, remain present during such proceedings, even on video conferencing or video telephony
- All the communications shall be exchanged by electronic mode. The BFAR if it considers fit may send its order for publication in any authoritative report or press with such condition as it may specify. The Scheme is effective from 18 January 2022 onwards.

Please [Click Here](#) to read Notification no. 7 dated 18<sup>th</sup> January 2022.

# Direct Tax

## CBDT further extends time limit to furnish Income-tax Return (ITR) & Audit Report for Assessment Year (AY) 2021–22

In view of difficulties faced by taxpayers due to COVID-19 pandemic as well as electronic filings on the new income-tax e-filing portal, CBDT has further extended time limit to furnish ITRs and audit reports for AY 2021–22 as below.

Sr. No	Compliances	Original Due Date	Due Date as per Circular no. 17 dated 9 Sep 2021	Extended Due Date as per Circular no. 01 dated 11 <sup>th</sup> Jan 2022
ITRs				
1.	Taxpayers required to furnish Transfer Pricing (TP) report in Form 3CEB (including partner of a partnership firm / limited liability partnership)	30 <sup>th</sup> Nov 2021	28 <sup>th</sup> Feb 2022	15 <sup>th</sup> Mar 2022
2.	Taxpayers required to get their accounts audited (including partner of a partnership firm / limited liability partnership) and not covered in serial no. (1) above	31 <sup>st</sup> Oct 2021	15 <sup>th</sup> Feb 2022	
Audit Reports / TP Report in Form 3CEB				
3.	Tax audit or any other audit report for taxpayers covered in serial no. (1) above	31 <sup>st</sup> Oct 2021	-	15 <sup>th</sup> Feb 2022
4.	Tax audit or any other audit report for taxpayers covered in serial no. (2) above	30 <sup>th</sup> Sep 2021	15 <sup>th</sup> Jan 2022	
5.	TP Report in Form 3CEB	31 <sup>st</sup> Oct 2021	31 <sup>st</sup> Jan 2022	

There is no extension for due dates which have already expired, i.e., furnishing ITRs for taxpayers who are not required to furnish TP report or get their accounts audited.

Please [Click Here](#) to read Circular no. 1 dated 11<sup>th</sup> January 2022.

# Direct Tax

## CBDT notifies Faceless Appeal Scheme, 2021 in supersession of Faceless Appeal Scheme, 2020

### Background

The Finance Act, 2020 provided right to the Central Government to make the Faceless Appeal Scheme, for the purposes of disposal of appeal by the Commissioner of Income-tax (Appeals) [CIT(A)]. On 25<sup>th</sup> September 2020, the Faceless Appeal Scheme 2020 was notified by the CBDT.

Recently, CBDT has issued a notification prescribing a new Faceless Appeal Scheme, 2021 (the Scheme) framed by the Central Government in supersession of the earlier Faceless Appeal Scheme, 2020. The new scheme comes into effect on 28<sup>th</sup> December 2021. Highlights of the new Scheme are given below.

### Scope of the Scheme

The appeal under this (new) Scheme shall be disposed in respect of such territorial area / persons / class of persons / incomes / class of incomes, as may be specified by CBDT.

### Faceless Appeal Centres

CBDT may set up the following units / center:

- National Faceless Appeal Centre (NFAC) to facilitate the conduct of e-appeal proceedings in a centralised manner
- Appeal units (AU) to facilitate the conduct of e-appeal proceedings by the Commissioner (Appeals)  
The AU shall have the following authorities, namely–
  - ✓ One Commissioner (Appeals);
  - ✓ Such other income-tax authority, ministerial staff, executive or consultant to assist the Commissioner (Appeals)

### Communication

All communication between the Commissioner (Appeals) and the appellant / any other person / Assessing Officer shall be routed through NFAC.

# Direct Tax

## Procedure in Appeal

The appeal shall be disposed as per following procedure:

- NFAC shall assign the appeal for disposal to a Commissioner (Appeals) of a specific Appeal Unit through an automated allocation system
- On assignment of an appeal, the Commissioner (Appeals):
  - ✓ May condone the delay in filing appeal and record the reasons for such condonation
  - ✓ Shall through NFAC give notice to the appellant asking him to file his submission within the date and time, and also send a copy of such notice to Assessing Officer either directly or through NFAC
  - ✓ May through NFAC obtain further information, document or evidence from the appellant
  - ✓ May through NFAC obtain a report of the Assessing Officer either directly or through NFAC, on grounds of appeal or information, document or evidence furnished by appellant
  - ✓ May request Assessing Officer directly or through NFAC, for making further inquiry and submit a report
  - ✓ Shall, through NFAC serve a notice upon the appellant or any other person, or the Assessing Officer directly or through NFAC, to submit such information, document or evidence or report, as may be specified by the Commissioner (Appeals) or relevant to the appellate proceedings, on a specified date and time
- The appellant or any other person and the Assessing Officer either directly or through NFAC, shall furnish a response to the notice, within the date and time specified, to the Commissioner (Appeals) through NFAC
- The appellant may file additional grounds of appeal to the Commissioner (Appeals) through NFAC, specifying the reason for omission of such ground in the appeal filed by him
- Where the additional ground of appeal is filed-
  - ✓ The Commissioner (Appeals) shall send the additional ground of appeal to Assessing Officer, either directly or through NFAC, for providing comments
  - ✓ Assessing Officer shall furnish their comments, within the date and time specified, to the Commissioner (Appeals) through NFAC
  - ✓ NFAC, on receipt of comments from AO, shall send such comments to the Commissioner (Appeals), and where no such comments are furnished, inform the Commissioner (Appeals) accordingly
  - ✓ the Commissioner (Appeals) shall, after considering the comments received from Assessing Officer —
    - If is satisfied that the omission of additional ground from the form of appeal was not wilful or not unreasonable, admit such ground or
    - Not admit the additional ground and record the reasons in writing

# Direct Tax

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- The appellant may furnish additional evidence to the Commissioner (Appeals), through NFAC, in form specified by NFAC, specifying therein as to how his case is covered by the exceptional circumstances
- Where the additional evidence is furnished—
  - ✓ The Commissioner (Appeals) through NFAC shall send the additional evidence to Assessing Officer, for furnishing a report on the admissibility of additional evidence
  - ✓ Assessing Officer shall furnish the report, within specified date and time, to the Commissioner (Appeals) through NFAC
  - ✓ NFAC, on receipt of the report from Assessing Officer, shall send such report to the Commissioner (Appeals), and where no such report is furnished, inform the Commissioner (Appeals)
  - ✓ The Commissioner (Appeals) may, after considering the additional evidence and the report furnished by Assessing Officer, admit or reject the additional evidence, for reasons to be recorded in writing, and the same shall form a part of the appeal order
  - ✓ The Commissioner (Appeals) shall, if he admits such evidence, prepare a notice to provide an opportunity to Assessing Officer, to examine such evidence or to cross-examine such witness, or to produce any evidence or document, or any witness in rebuttal and furnish a report and send such notice to Assessing Officer
  - ✓ Assessing Officer shall furnish the report within the date and time specified, to the Commissioner (Appeals) through NFAC
  - ✓ NFAC shall send the report furnished by Assessing Officer, to the Commissioner (Appeals) or where no such report is furnished, inform the Commissioner (Appeals)
  - ✓ Assessing Officer may request the Commissioner (Appeals) through NFAC to direct the production of any document or evidence by the appellant, or the examination of any witness
  - ✓ The Commissioner (Appeals) for the purpose of making enquiries in the appeal proceedings, if it deems fit, prepare a notice –
    - directing the appellant to produce such document or evidence or
    - for examination of any other person, being a witnessand send such notice to NFAC
  - ✓ NFAC shall serve the notice upon the appellant or any other person, being a witness
  - ✓ The appellant or any other person, shall furnish his response to the notice within the date and time specified, to the Commissioner (Appeals) through NFAC
  - ✓ NFAC, on receipt of response from the appellant or any other person, shall send such response to the Commissioner (Appeals) or where no such response is furnished, inform the Commissioner (Appeals) accordingly

# Direct Tax

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- Where the Commissioner (Appeals) intends to enhance an assessment or a penalty or reduce the amount of refund –
- ✓ The Commissioner (Appeals) shall prepare a show-cause notice containing the reasons for such enhancement or reduction and send such notice through NFAC
- ✓ NFAC shall serve the notice upon the appellant
- ✓ The appellant shall, within the date and time specified, furnish his response to NFAC
- ✓ Where a response is furnished by the appellant, NFAC shall send such response to the Commissioner (Appeals), or where no such response is furnished, inform the Commissioner (Appeals) accordingly
- The Commissioner (Appeals) shall, thereafter:
  - ✓ Prepare in writing, an appeal order stating the points for determination, the decision thereon and the reason for decision; and
  - ✓ Send such order after signing the same digitally to NFAC along with the details of the penalty proceedings
- NFAC shall upon receipt of the order
  - ✓ Communicate such order to the appellant
  - ✓ Communicate such order to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner
  - ✓ Communicate such order to Assessing Officer either directly or through NFAC, for such action as may be required
  - ✓ Where initiation of penalty has been recommended in the order, serve a notice on the appellant calling upon him to show cause as to why penalty should not be imposed upon him under the relevant provisions of the Act

Notwithstanding anything contained above, the appeal, may be transferred at any stage of the appellate proceedings, if considered necessary, to such Commissioner (Appeals) as may be specified in the order.

## Penalty Proceedings

- Commissioner (Appeals) may send a notice to the appellant through NFAC for initiation of any penalty proceedings calling upon the appellant to show cause as to why penalty should not be imposed upon him
- The appellant or any other person, shall furnish a response to the show-cause notice, within the date and time specified, to the Commissioner (Appeals) through NFAC or where no such report is furnished, NFAC shall inform the Commissioner (Appeals) accordingly

# Direct Tax

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- The Commissioner (Appeals) shall, after taking into account all the relevant material available on the record, including the response furnished, if any, by the appellant or any other person —
- ✓ Prepare a penalty order and send a copy of such order after digitally signing the same to NFAC or
- ✓ Drop the penalty after recording reasons, under intimation to NFAC
- If Commissioner (Appeals) drops the penalty, NFAC shall send an intimation thereof, or where the Commissioner (Appeals) sends the order for imposition of penalty, NFAC shall communicate such order, to, —
- ✓ The appellant or any other person and
- ✓ Assessing Officer either directly or through NFAC for such action as may be required under the Act

## Rectification Proceedings

- The Scheme provides for rectification of any order through an application with NFAC to be made by the appellant or Commissioner (Appeals) who has passed the order or the AO
- The NFAC shall assign the application to Commissioner (Appeals) through 'automated allocation system' who would examine it and send notice to NFAC to grant an opportunity of hearing to the party other than the one who filed the application for rectification
- Commissioner (Appeals) after considering the application and response shall either rectify the mistake or reject the application with reasons recorded and send it digitally signed to NFAC which shall communicate the same to the taxpayer and the Assessing Officer

## Appellate Proceeding

- An appeal against an order passed by the Commissioner (Appeals) under this Scheme shall lie before the Income Tax Appellate Tribunal having jurisdiction over the jurisdictional Assessing Officer of the appellant assessee
- Subject to scope of the Scheme, where any order passed by the Commissioner (Appeals) is set-aside and remanded back to the Commissioner (Appeals) by the Income Tax Appellate Tribunal or High Court or Supreme Court, NFAC shall assign the order to a Commissioner (Appeals) for further action in accordance with the provisions of this Scheme

## Exchange of communication exclusively by electronic mode

- All communications between NFAC and the appellant, or his authorised representative, shall be exchanged exclusively by electronic mode. Similarly, all internal communications between NFAC, NFAC, Assessing Officer and the appeal unit shall also be exchanged exclusively by electronic mode.



# Direct Tax

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## Authentication of electronic record

- The Commissioner (Appeals) and NFAC (through authorized signatory) shall affix their digital signatures for authentication of electronic record
- The appellant shall authenticate electronic records by affixing their digital signatures or under electronic verification code or by logging into his registered account in the designated portal

## Delivery of electronic record

- Every notice or order or any other electronic communication under this Scheme shall be delivered to the addressee, being the appellant, by way of-
  - ✓ Placing an authenticated copy thereof in the appellant's registered account; or
  - ✓ Sending an authenticated copy thereof to the registered email address of the appellant or his authorised representative or
  - ✓ Uploading an authenticated copy on the Mobile App of the appellant followed by a real time alert
- Every notice or order or any other electronic communication under this Scheme shall be delivered to the addressee, being any other person, by sending an authenticated copy thereof to the registered email address of such person, followed by a real time alert
- The appellant shall furnish his response to any notice or order or any other electronic communication, under this Scheme, through his registered account, and once an acknowledgement is sent by NFAC containing the hash result generated upon successful submission of response, the response shall be deemed to be authenticated

## No personal appearance in the centres or units

- A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the income-tax authority at the NFAC or appeal unit set up under this Scheme
- Personal hearing can be requested by the taxpayer for making oral submissions or present his case before Commissioner (Appeals)
- Commissioner (Appeals) shall allow such request and provide a hearing through a telecommunication application software that supports video conferencing and telephony to the extent technologically feasible as per the procedure laid down by the CBDT
- Scheme also provides for the examination or recording of statements of the taxpayer or any person for which the CBDT shall establish appropriate facilities to ensure that the benefits of the Scheme are accessible to the appellant or his authorised representative

Please [Click Here](#) to read the Notification no. 139 / 2021 dated 28<sup>th</sup> December 2021.

# Company Law

# Company Law

## Ministry of Corporate Affairs (MCA) increases late filing fees up to 18 times in certain cases of delay in filings

MCA vide notification dated 11<sup>th</sup> January 2022 has notified the provisions of section 56 of the Companies (Amendment) Act, 2020 along with Companies (Registration Offices & Fees) Amendment Rules, 2022 which shall come into effect from 1<sup>st</sup> July 2022 onwards.

According to the said provisions, whenever there is a default on 2 or more occasions in filing certain e-forms prescribed under the Companies Act, 2013, then such delayed filings shall be subject to the payment of higher additional late filing fees as below:

Period of delay	Additional late filing fees (in normal cases)	Higher additional late filing fees (in certain cases)	e-forms not covered
Upto 15 days	1 time of normal filing fees	Nil	<ul style="list-style-type: none"><li>SH-7 (increase in authorized share capital)</li><li>MGT-7 and MGT-7A (annual return)</li><li>AOC-4, AOC-4 (CFS) and AOC-4 XBRL (annual audited financial statements)</li><li>Charge related forms such as CHG-1 and CHG-4</li></ul>
15 – 30 days	2 times of normal filing fees	3 times of normal filing fees	
30 - 60 days	4 times of normal filing fees	6 times of normal filing fees	
60 - 90 days	6 times of normal filing fees	9 times of normal filing fees	
90 - 180 days	10 times of normal filing fees	15 times of normal filing fees	
More than 180 days	12 times of normal filing fees	18 times of normal filing fees	

Please [Click Here](#) to read the Notification dated 11<sup>th</sup> January 2022.

Please [Click Here](#) to read the Amendment Rules' Notification dated 11<sup>th</sup> January 2022.

## Waiver of late filing fees on financial statements & annual return filed till 15th February 2022 & 28th February 2022 respectively for Financial Year (FY) 2020-21

MCA vide circular dated 29<sup>th</sup> December 2021 has notified that no late filing fees shall be levied upto 15<sup>th</sup> February 2022 for filing financial statements for FY 2020-21 with the Registrar of Companies (ROC) in the prescribed e-forms such as AOC-4, AOC-4(CFS), AOC-4 XBRL & AOC-4 Non-XBRL.

Further no late filing fees shall be levied upto 28<sup>th</sup> February 2022 for filing annual return for FY 2020-21 with the ROC in the prescribed e-forms MGT-7 & MGT-7A.

Please [Click Here](#) to read the circular dated 29<sup>th</sup> December 2021.

# **Directorate General of Foreign Trade ('DGFT')**

## **Importer-Exporter Code (IECs) not updated after 1st July 2020 shall be deactivated from 1st February 2022**

DGFT vide notification dated 12<sup>th</sup> February 2021 had mandated all IEC holders to ensure that their IEC details were updated electronically on the web portal of DGFT on an annual basis during the 1<sup>st</sup> quarter of every FY starting from April – June 2021. However, considering the issues faced by many IEC holders, DGFT from time to time had extended the due date for IEC updation up till 31<sup>st</sup> August 2021. Further repeated intimations were also issued to the IEC holders vide trade notice(s) dated 20<sup>th</sup> September 2021 and 19<sup>th</sup> November 2021 prior to the start of the IEC deactivation process.

Accordingly, after various reminders and intimations, DGFT vide trade notice dated 14<sup>th</sup> January 2022 has notified that all IECs which have not been updated by the respective IEC holders after 1<sup>st</sup> July 2020 shall be mandatorily deactivated with effect from 1<sup>st</sup> February 2022. The concerned IEC holders are provided an opportunity to update their IEC latest by *31<sup>st</sup> January 2022*, failing which the given IECs shall be deactivated from 1<sup>st</sup> February 2022.

Any IEC deactivated after 31<sup>st</sup> January 2022 can be reactivated through the web based portal of DGFT wherein the IEC holder shall have to update the IEC online and shall not require any manual intervention or physical office visits.

Please [Click Here](#) to read the Trade Notice no 31/2021-22 dated 14<sup>th</sup> January 2022.



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# **Reserve Bank of India (`RBI`)**

## **No prior RBI approval required for acquisition & transfer of immovable property in India by Non-Resident Indians (NRIs) & Overseas Citizen of India (OCIs)**

RBI vide press release dated 29<sup>th</sup> December 2021 has clarified that no prior RBI approval shall be required for acquisition and transfer of immovable property in India by NRIs & OCIs except agricultural land, farm house & plantation property. The clarification comes as a response to the queries received by RBI, based on newspaper reports on a Supreme Court Judgement, on whether prior approval of RBI is required for acquisition/transfer of immovable property in India by as Overseas Citizen of India OCIs. RBI has clarified that the concerned Supreme Court Judgement dated 26<sup>th</sup> February 2021 in Civil Appeal 9546 of 2010 was related to provisions of Foreign Exchange Regulation Act (FERA), 1973, which has been repealed by section 49 of Foreign Exchange Management Act (FEMA), 1999.

Please [Click Here](#) to read Press Release dated 29<sup>th</sup> December 2021.



# **Securities Exchange Board of India ('SEBI')**



## **Increasing awareness regarding online mechanisms for investor grievance redressal**

In order to protect the interests of investors in securities and to promote the development and regulation of the securities market, SEBI has always encouraged investors to lodge their complaints through the online mechanisms such as SEBI Complaint Redress System (SCORES) online portal and SCORES mobile application for effective & transparent grievance redressal.

As another step in this direction, SEBI vide circular dated 5<sup>th</sup> January 2022 has notified that all Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories / Clearing Corporations are advised to display the following details on the home page of their websites and mobile applications:

- Link / option to lodge complaint directly;
- Link to SCORES website / link to download SCORES mobile application;
- Make necessary amendments to the relevant bye-laws, rules and regulations;
- Communicate to SEBI, the status of the implementation of the provisions of this circular through the Monthly Development Report (MDR)

Please [Click Here](#) to read Circular dated 5<sup>th</sup> January 2022.

## **Clarification on timing of submission of No Objection Certificates (NOCs) from banks / financial institutions in case of scheme of merger / arrangement by Listed entities**

Pursuant to the provisions of SEBI (Listing Obligations & Disclosure requirements) (LODR) regulations, in case of merger / arrangement of a Listed entity, the concerned entity is required to obtain NOC from its scheduled commercial banks / financial institutions / debenture trustees (as the case may be) to the proposed merger. Further, listed entity is also required to obtain NOC from the respective Stock Exchange where its shares are listed. Once obtained, both the aforesaid NOCs are to be submitted with SEBI.

Accordingly, SEBI vide circular dated 3<sup>rd</sup> January 2022 has clarified that every listed entity undertaking a scheme of merger / arrangement shall first submit with SEBI the NOC obtained from scheduled commercial banks / financial institutions / debenture trustees (as the case may be) followed by the NOC obtained from respective Stock Exchange.

Please [Click Here](#) to read Circular dated 3<sup>rd</sup> January 2022.

# Compliance Calendar

## Compliance calendar for the month of February 2022

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 <sup>th</sup> February	January 2022	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
10 <sup>th</sup> February		a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to deduct TCS under GST
11 <sup>th</sup> February		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 5 crore
13 <sup>th</sup> February		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having turnover < Rs. 5 crore
15 <sup>th</sup> February		Deposit of PF & ESI contribution	All Deductors
	October- December 2021	TDS certificate in Form 16A (non-salary)	
	FY 2020-21	Filing of Tax Audit Report u/s 44AB of Income-tax Act	Applicable in case annual turnover during FY 2020-21 exceeds threshold limit as below: <ul style="list-style-type: none"> <li>For businesses – (a) Rs.1 crore, (b) Rs.10 crore in case cash receipts / cash payments does not exceed 5% of aggregate receipts / payments during the year</li> <li>For profession – Rs.50 lakh</li> </ul>
		Transfer Pricing Report in Form 3CEB	Taxpayers having international transactions with associated enterprises / specified domestic transactions
		Form AOC-4 (Annual accounts)	All Companies are required to file Annual accounts with ROC
20 <sup>th</sup> February	January 2022	a) GSTR-5 (Return by Non-resident) b)GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	a) Non-resident taxable person b) OIDAR services provider
		GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2020-21
25 <sup>th</sup> February		Form GST PMT-06 (Payment of tax for Quarterly filers)	All taxable persons (except composition dealer) having annual turnover < Rs. 5 crore in FY 2020-21
28 <sup>th</sup> February	FY 2020-21	Annual Return in Form GSTR-9	All taxpayers having aggregate annual turnover exceeding Rs. 2 crore in FY 2020-21
		Annual Return in Form GSTR-9A	For composition taxpayers having aggregate annual turnover exceeding Rs. 2 crore in FY 2020-21
		Reconciliation Statement in Form GSTR-9C.	All taxpayers having aggregate annual turnover exceeding Rs. 5 crore in FY 2020-21
		Form MGT-7 (Annual return)	All Companies are required to file Annual return with ROC

# About KrayMan

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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

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