

# 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 1.87 billion doses



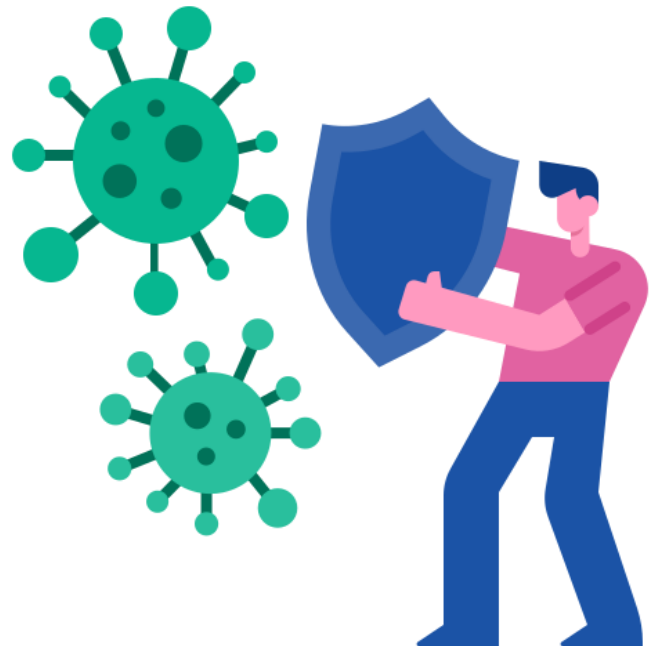
INDIA MARCHES AHEAD WITH ANOTHER  
ACHIEVEMENT IN ITS FIGHT AGAINST COVID-19

# 187 CRORE

COVID VACCINE DOSES ADMINISTERED



India's COVID-19 vaccination coverage has exceeded 1.87 billion doses as below, achieved through 2,28,80,254 sessions.



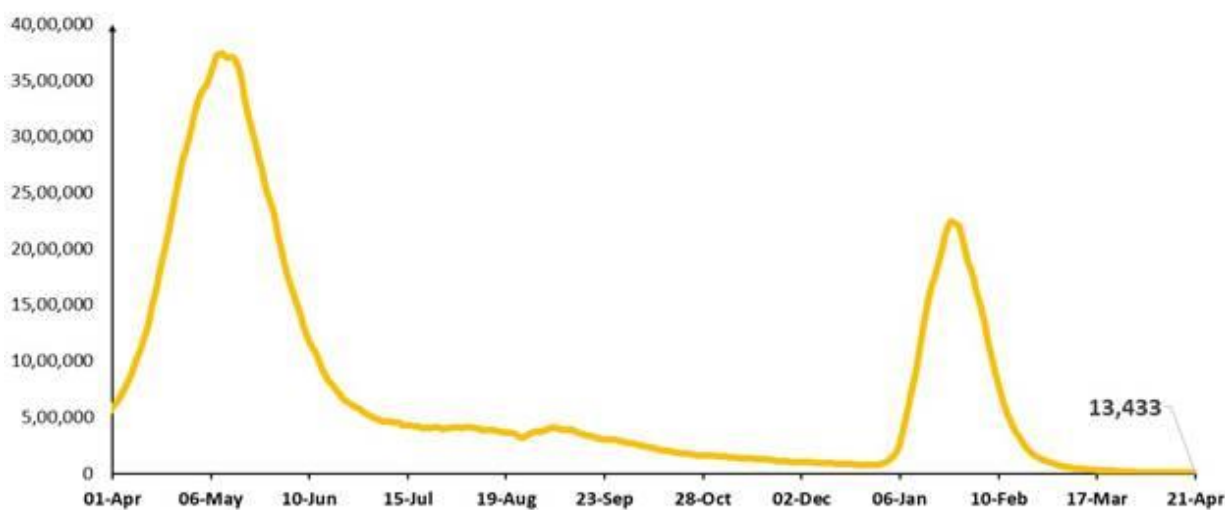
# Measures to combat COVID-19

Cumulative Vaccine Dose Coverage		
HCWs	1 <sup>st</sup> Dose	10404554
	2 <sup>nd</sup> Dose	10010217
	Precaution Dose	4645225
FLWs	1 <sup>st</sup> Dose	18414633
	2 <sup>nd</sup> Dose	17529032
	Precaution Dose	7237718
Age Group 12-14 years	1 <sup>st</sup> Dose	25387677
	2 <sup>nd</sup> Dose	1247298
Age Group 15-18 years	1 <sup>st</sup> Dose	58005588
	2 <sup>nd</sup> Dose	40877009
Age Group 18-44 years	1 <sup>st</sup> Dose	555377471
	2 <sup>nd</sup> Dose	474148203
	Precaution Dose	52080
Age Group 45-59 years	1 <sup>st</sup> Dose	202868175
	2 <sup>nd</sup> Dose	187093461
	Precaution Dose	185199
Over 60 years	1 <sup>st</sup> Dose	126827755
	2 <sup>nd</sup> Dose	116547222
	Precaution Dose	13849594
Precaution Dose		<b>2,59,69,516</b>
Total		<b>1,87,07,08,111</b>

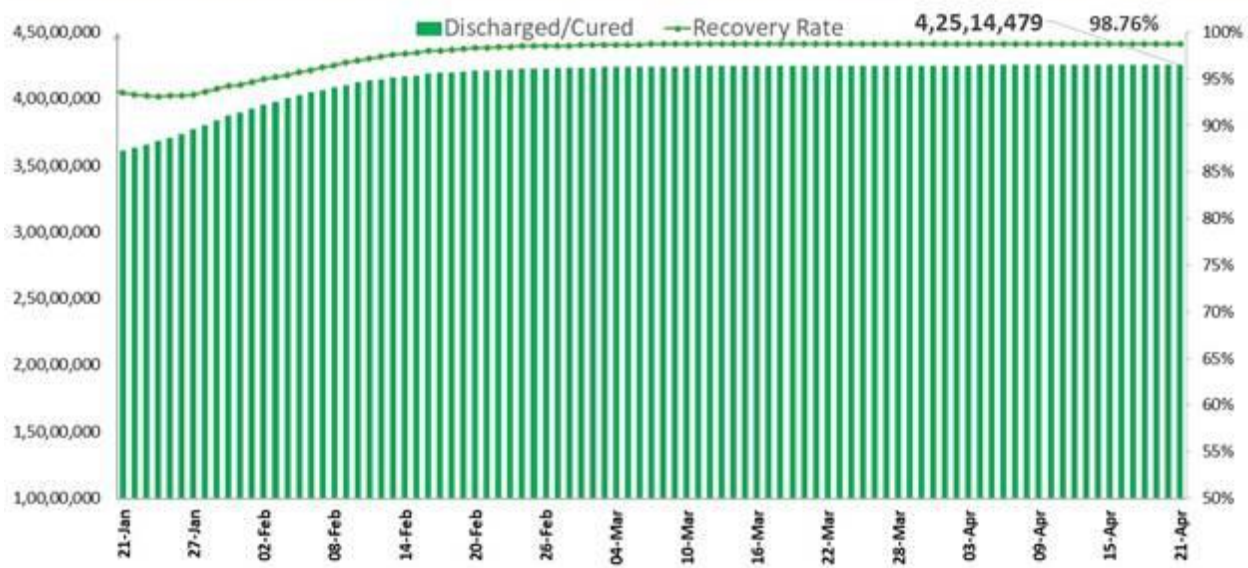
India's recovery rate stands at 98.76%. The total active caseload is 13,433. Active cases constitute 0.03% of the country's total positive cases. The testing capacity across the country continues to expand. 21<sup>st</sup> April 2022 saw a total of 449,114 tests being conducted. India has so far conducted over 83,33,77,052 cumulative tests. While testing capacity has been enhanced across the country, weekly positivity rate stands at 0.43%. Daily positivity rate has been reported to be 0.53%.

# Measures to combat COVID-19

## India's Active Cases Trajectory



## Recovered cases over 4.25 Cr & Recovery rate at 98.76%



Please [Click Here](#) to read the Press Release dated 21<sup>st</sup> April 2022.

# Measures to combat COVID-19

## Union Government has provided more than 1.92 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 21 <sup>st</sup> April 2022	
Supplied	1,92,27,23,625
Balance Available	20,16,91,220

More than 1.92 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 20,16,91,220 balance and unutilized COVID-19 Vaccine doses are still available with the States/UTs to be administered.

Please [Click Here](#) to read the Press Release dated 21<sup>st</sup> April 2022.

# Measures to combat COVID-19

## Prime Minister's insurance scheme for health workers fighting COVID-19 extended till 16 Oct 2022

The 'Pradhan Mantri Garib Kalyan Package' (PMGKP), insurance scheme for health care workers fighting COVID-19 has been extended by 180 days from 19<sup>th</sup> April, 2022 (i.e, till 16<sup>th</sup> October, 2022). It has been decided to extend the policy to continue to provide the safety net to dependents of health workers who are deputed to take care of COVID-19 patients.

The PMGKP was launched on 30<sup>th</sup> March, 2020 to provide comprehensive personal accident cover of Rs. 50 Lakh to 22.12 lakh health care providers including community health workers and private health workers who may have been in direct contact and care of COVID-19 patients and may be at risk of being impacted.

Since the launch of the scheme, so far, 1905 claims of health workers who died while being deployed for COVID-19 related duties have been settled.

Please [Click Here](#) to read the detailed Press Release dated 19<sup>th</sup> April 2022.

## Union Health Minister chairs review meeting with key experts & officials on new XE-variant of COVID-19



Dr Mansukh Mandaviya, Union Minister of Health and Family Welfare, chaired on 12<sup>th</sup> April 2022 a meeting with the key experts and officials of the country on the new 'XE variant' of COVID-19. While reviewing the cases of COVID-19 in the country, he directed the officials to boost ongoing monitoring and surveillance of new variants and cases.

On the medical infrastructure and resources front, Dr. Mandaviya directed officials to constantly review the availability of essential drugs and medicines required for Covid treatment. He further emphasized that the ongoing vaccination drive must be carried out at full pace and all eligible should be vaccinated.

The meeting was attended by members of the National Institution for Transforming India (NITI) Aayog and health ministry.

Please [Click Here](#) to read the Press Release dated 12<sup>th</sup> April 2022.





# Goods & Services Tax (‘GST’)

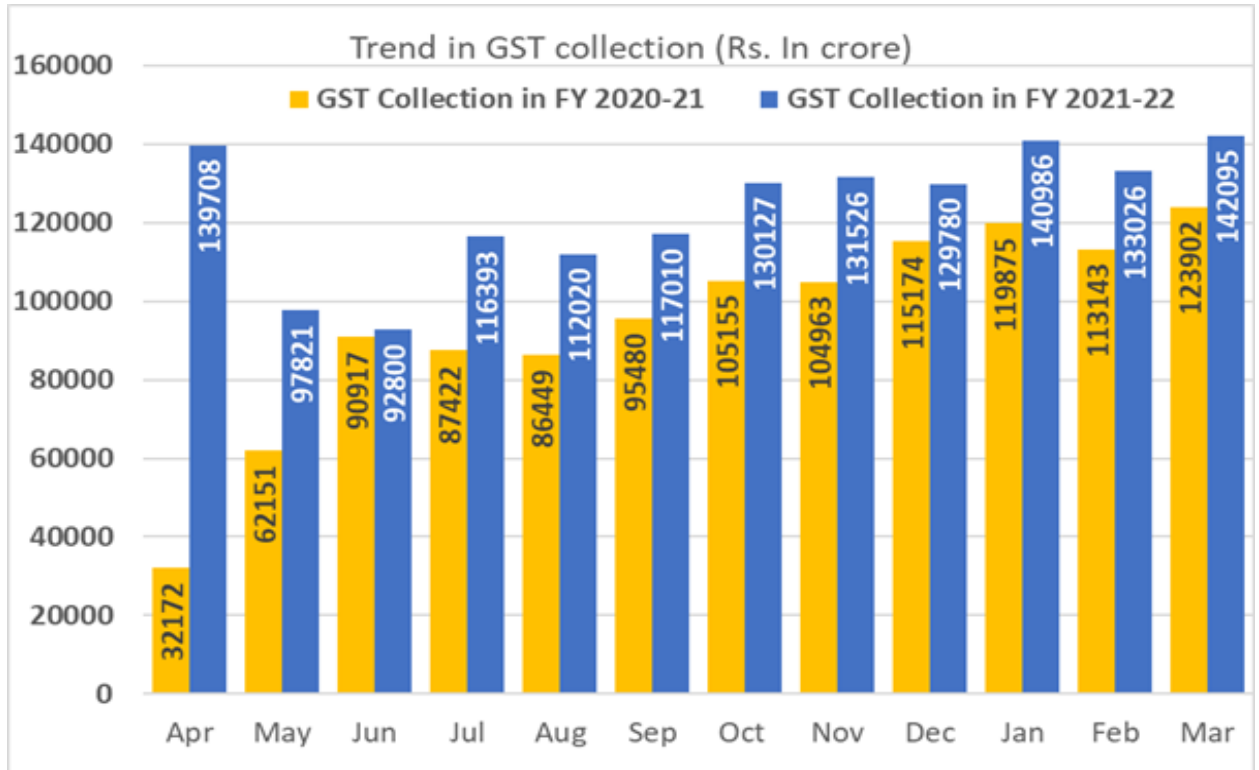
# GST

## GST revenue collection for March 2022 Rs.142,095 Crore (15% higher than GST revenue collection in March 2021)

The gross GST revenue collected in the month of March 2022 is Rs.142,095 Crore as below.

IGST (Integrated Goods and Services Tax)	Rs. 74,470 Crore
CGST (Central Goods and Services Tax)	Rs. 25,830 Crore
SGST (State Goods and Services Tax)	Rs. 32,378 Crore
Compensation cess	Rs. 9,417 Crore
<b>Total</b>	<b>Rs. 1,42,095 Crore</b>

The revenues for the month of March 2022 are 15% higher than the GST revenues in March 2021 and 46% higher than the GST revenues in March 2020. During the month, revenues from import of goods was 25% higher and the revenues from domestic transaction (including import of services) are 11% 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> April 2022.

# GST

## Central Board of Indirect Taxes & Customs (CBIC) exempts Basic Customs Duty (BCD) & Agriculture Infrastructure & Development Cess (AIDC) on import of Raw Cotton till 30th Sep 2022



CBIC has exempted cotton (not carded or combed, chapter 5201 of Customs Tariff), from BCD and AIDC from 14<sup>th</sup> April 2022 till 30<sup>th</sup> September 2022. Currently, there is a 5% BCD on cotton imports, and 5% is charged as AIDC.

Please [Click Here](#) to read the Notification No. 21/2022-Customs dated 13<sup>th</sup> April 2022.



## Standard Operating Procedure (SOP) for scrutiny of returns for Financial Years (FYs) 2017-18 & 2018-19

CBIC has issued Instruction no. 2/2022-GST dated 22<sup>nd</sup> March, 2022 stipulating the SOP to be followed for scrutiny of returns for FYs 2017-18 and 2018-19.

### Background

Section 61 of the CGST Act read with rule 99 of the CGST Rules, provides for scrutiny of returns. Till the time a Scrutiny Module for online scrutiny of returns is made available on the CBIC-GST application, as an interim measure, the following SOP issued by CBIC needs to be followed.

### Selection of returns for scrutiny

Selection of returns for scrutiny is to be based on specific risk parameters. For this purpose, the Directorate General of Analytics and Risk Management (DGARM) has been assigned the task to select the GSTINs registered with Central tax authorities, whose returns are to be scrutinized, and to communicate the same to the field officers for further action.

For convenience of field officers, DGARM would also provide some relevant data (along with likely revenue implication) pertaining to the returns to be scrutinized. The data provided by the DGARM is generated at a particular point of time which may undergo change at the time of scrutiny of returns by the 'Proper Officer' (meaning explained below) due to subsequent compliances carried out by the taxpayer or by the suppliers of the taxpayer. The Proper Officer shall, therefore, rely upon the latest available data.

### 'Proper Officer' for scrutiny of returns

Superintendent of Central Tax in-charge of the jurisdictional range of the taxpayer is to be considered as the 'Proper Officer' for this purpose.

### Scrutiny Schedule

- Once the list of GSTINs whose returns have been selected for scrutiny, is communicated to the field formations, the proper officer (with the approval of the divisional Assistant / Deputy Commissioner) shall finalize a scrutiny schedule. The scrutiny schedule will specify month-wise schedule for scrutiny in respect of all the GSTINs selected for scrutiny
- While preparing the scrutiny schedule, the scrutiny of the GSTINs which appear to be riskier based on the likely revenue implication indicated by DGARM, may be prioritized. Such scrutiny schedules in respect of all the ranges within the CGST Zone shall be reported to the Directorate General of Goods and Services Tax (DGGST) by the concerned Zone
- The proper officer shall conduct scrutiny of returns pertaining to minimum of 3 GSTINs per month. Scrutiny of returns of 1 GSTIN shall mean scrutiny of all returns pertaining to a FY year for which the said GSTIN has been identified for scrutiny

# GST

## Process of scrutiny by the Proper Officer

- The proper officer shall scrutinize the returns and related particulars furnished by the registered person to verify the correctness of the returns. Information available with the proper officer on the system in the form of various returns and statements furnished by the registered person and the data/details made available through various sources like DGARM, Advanced Analytics in Indirect Taxation (ADVAIT), GSTN, E-Way Bill Portal, etc. may be relied for this purpose
- At this stage, the proper officer is expected to rely on the information available with him or with the tax department. As far as possible, scrutiny of returns should have minimal interface between the proper officer and the registered person. There should normally not be any need for seeking documents / records from the taxpayers before issue of Form GST ASMT-10 (notice for intimating discrepancies in GST return)
- The proper officer shall issue a notice to the registered person in Form GST ASMT-10 informing him of the discrepancies noticed and seeking his explanation thereto. While issuing such notice, the Proper Officer may, as far as possible, quantify the amount of tax, interest and any other amount payable in relation to such discrepancies. Discrepancies so communicated should, as far as possible, be specific in nature and not vague or general. There may be cases where the registered person may already have made additional payment of tax, cess, etc., after filing of the returns for the relevant tax period, through Form GST DRC-03 (voluntary tax payment form). The payments thus made through Form GST DRC-03 may also be considered while communicating discrepancies to the taxpayer in Form GST ASMT-10.
- For each GSTIN identified for scrutiny for a FY, the proper officer is required to scrutinize all the returns pertaining to the corresponding FY under consideration and a single compiled notice in Form GST ASMT-10 may be issued to the taxpayer for that FY
- The registered person may accept the discrepancy mentioned in the notice and pay the tax, interest and any other amount or may furnish an explanation for the discrepancy in Form GST ASMT-11. The proper officer shall conclude the proceedings by informing the registered person in Form GST ASMT-12
- In case no satisfactory explanation is furnished by the registered person in Form GST ASMT-11 within 30 days of being informed by the proper officer, or where the registered person, after accepting the discrepancies, fails to pay the tax, interest and any other amount arising from such discrepancies, the proper officer, may proceed to determine the tax and other dues u/s 73 or section 74 of GST Act, 2017
- However, if the proper officer is of the opinion that the matter needs to be pursued further through audit or investigation, then he may refer the matter to the jurisdictional Principal Commissioner / Commissioner for the decision whether the matter needs to be referred to Audit Commissionerate or Anti-evasion Wing of the Commissionerate, as the case may be

# GST

## Timelines for scrutiny of returns

Process / Event	Timeline / Frequency
Communication of list of GSTINs selected for scrutiny (by DGARM to the nodal officer of the Commissionerate concerned)	Time to time
Distribution of the list of GSTINs selected for scrutiny by the nodal officer to the proper officers concerned	Within 3 working days of receipt of the list from DGARM
Finalization of scrutiny schedule with the approval of the concerned Assistant/Deputy Commissioner	Within 7 working days of receipt of the details of the concerned GSTINs from the nodal officer
Sharing the scrutiny schedule by the zone with DGGST	Within 30 days of receipt of the details of the concerned GSTINs from DGARM
Issuance of notice by the proper officer for intimating discrepancies in Form GST ASMT-10, where required	Within the month, as mentioned in scrutiny schedule for scrutiny of the returns of the said GSTIN.
Reply by the registered person in Form GST ASMT-11	Within 30 days of being informed by the proper officer in Form GST ASMT-10 or such further period as may be permitted by the proper officer
Issuance of order in Form GST ASMT12 for acceptance of reply furnished by the registered person, where applicable	Within 30 days from receipt of reply from the registered person in Form GST ASMT-11
Initiation of appropriate action for determination of the tax and other dues u/s 73 or 74, in cases where no reply is furnished by the registered person	Within 15 days after completion of 30 days of issue of notice in Form GST ASMT-10 or such further period as permitted by the proper officer
Initiation of appropriate action for determination of tax and other dues u/s 73 or 74, in cases where reply is furnished by the registered person, but the same is not found acceptable by the proper officer	Within 30 days from receipt of reply from the registered person in Form GST ASMT-11
Reference, if any, to the Commissioner for decision regarding appropriate action u/s 65 or section 66 or section 67	Within 30 days from receipt of reply from the registered person in Form GST ASMT-11 or within 45 days of issue of Form GST ASMT-10, in case no explanation is furnished by the registered person

# GST

## Reporting and Monitoring

- A Scrutiny Register shall be maintained in the prescribed format by the proper officer in respect of the GSTINs allotted for scrutiny. The progress of the scrutiny exercise as per the scrutiny schedule shall be monitored by the jurisdictional Principal Commissioner / Commissioner on monthly basis
- A Scrutiny Progress Report in prescribed format shall be prepared by the Proper Officer at the end of every month. The monthly Scrutiny Progress Report for each Commissionerate of the CGST Zone shall be compiled for each month and forwarded to the DGGST by the Principal Chief Commissioner / Chief Commissioner of the concerned Zone by 10th day of the succeeding month. The DGGST, in turn, would present the progress report to the CBIC, through the GST Policy Wing, by the 20<sup>th</sup> day of the corresponding month
- Till the time scrutiny module is made available on the CBIC-GST application / AIO for CBIC officers, the aforesaid interim procedure for scrutiny of returns may be conducted on manual basis. Any communication with the taxpayer for the purpose of scrutiny shall be made with the use of DIN as per the guidelines mentioned in the Circular No. 122/41/2019-GST dated 5th November 2019

## Intent of the SOP

The SOP has been envisaged by the Government to enable the tax department to leverage technology and risk-based tools to encourage self-compliance and to conduct scrutiny of returns with minimal interaction with the registered persons.

Please [Click Here](#) to read Instruction No. 02/2022-GST dated 22<sup>nd</sup> March 2022.



## New functionalities for taxpayers on GST portal in March 2022

Relating To	Form / Functionality	Detailed Information
Home Page	Enhancements made in the 'Search Taxpayer' functionality	The 'Search Taxpayer' link on the home page of GST Portal has been provided with an additional Help Link 'Search Temporary ID' for searching taxpayers assigned with temporary ID
Registration	Aadhaar authentication/Aadhaar enrolment ID mandatory for Form GST REG-21 (application for revocation of cancellation)	The taxpayers registered as Tax Collector at Source (TCS) will now be able to file an application for revocation of the cancellation of registration in Form GST REG-21 only if they have successfully undergone Aadhaar Authentication or if they submit Aadhaar Enrolment ID as part of their e-KYC verification
	Integration of MMI (Mapmy India) in address field for Registration applications	<ul style="list-style-type: none"><li>The Geo coded addresses given by MMI have been integrated with the GST System for existing normal taxpayers and persons applying for registration as normal taxpayer in Form GST REG-01 (application for registration). This feature is also enabled for normal taxpayers while applying for core/ non-core amendment in their registration details involving change of address</li><li>For such applications, the address related fields are now geo-coded, and the applicants while entering details receive an auto suggestion for the address, on basis of keyed-in inputs which they can select. Further, a map tile has also been integrated with the User Interface of the applicants with a drag and drop feature for the address pinhead</li></ul>



Relating To	Form / Functionality	Detailed Information
Returns	Changes in Table 4 (A) of Form GSTR-3B (consolidated summary return of inward and outward supplies)	<ul style="list-style-type: none"> <li>As per the Notification No. 40/2021 – Central Tax dated 29th Dec 2021, no Input Tax Credit (ITC) shall be availed by the registered person in respect of invoices or debit notes the details of which are not furnished in Form GSTR-1 (monthly Statement of outward supplies). Hence, the taxpayers are allowed to avail only that ITC which is available in Form GSTR-2B (auto-drafted ITC statement) which is auto-populated in table 4 of Form GSTR-3B</li> <li>Accordingly, the system-based validation on the threshold of the excess ITC that can be availed by the taxpayer has been reduced to 0% from the earlier 5%. The system will give now warning message if a taxpayer increases the auto-populated ITC in table 4A (ITC Available). However, as of now, the taxpayer will still be allowed to proceed and file the return with the edited values</li> </ul>
	Displaying payment liability ratio, its calculation and providing Form GST DRC03 link	<ul style="list-style-type: none"> <li>System computed liability is auto-populated in Form GSTR-3B on the basis of values reported in Form GSTR-1 / Invoice Furnishing Facility (IFF). In addition, liability on account of inward supplies attracting reverse charge is auto-populated from Form GSTR-2B</li> <li>A functionality has been implemented to display liability payment ratio and its computation details to taxpayer. This ratio of auto-populated liability and the liability actually paid by taxpayer would indicate the compliance behavior of a taxpayer. The taxpayers are also provided with a linkage to Form GST DRC-03 to make any liability payment</li> </ul>
	Facility for submitting consent for availing loan by MSME taxpayers	A link has been provided in the 'File Returns' Page under Returns Dashboard of the portal, where MSME taxpayers can give their consent for availing 'Mudra' Loan upto Rs.10 lakh or MSME Loan upto Rs 5 Crore
	Offline utility for TDS (tax deducted at source) / TCS credit received	An excel based TDS & TCS Credit Received offline utility has been made available on the portal for download. This utility will help the taxpayer to prepare the TDS and TCS credit received return in offline mode.
	Changes implemented in Form GSTR-5 (Return for non-resident taxpayer)	A new 'Proceed to File' button has been provided and 'Submit' button has been removed in Form GSTR-5 filed by non-resident taxpayers. Further, table for reporting inward supplies attracting reverse charge has also been provided in Form GSTR-5
Refunds	Updating the message in 'Track Application' Status	PMT-03 is an order to re-credit cash / ITC amount on the rejection of a refund claimed. The Status message 'PMT03 Undertaking has been submitted. Kindly wait for the issuance of PMT-03 by Tax Officer for recrediting the amount to Credit/Cash Ledger, if applicable' is now displayed to the taxpayers while tracking their refund application if the status of the PMT-03 undertaking is successfully filed and is pending processing by the tax officer.



# Direct Tax

# Direct Tax

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## Central Board of Direct Taxes (CBDT) notifies additional conditions for furnishing of Income-tax Return (ITR) by Individuals / Hindu Undivided Families (HUFs)

### Background

As per the Income-tax Act, 1961 ('Act'), an individual / HUF is required to file ITR *only if* his / her taxable income exceeds the basic exemption limit. The criteria / base was expanded in 2019 wherein the following were added to the list of conditions for mandatory filing of ITR:

- Cash deposited in current a/c > Rs.100,00,000 in a year
- Expenditure on foreign travel > Rs.2,00,000 in a year
- Expenditure on consumption of electricity > Rs.1,00,000 in a year
- Other conditions as may be prescribed

### Additional conditions prescribed by CBDT

Vide Notification no. 37 dated 21<sup>st</sup> April 2022, CBDT has added the following to the list of conditions for mandatory filing of ITR by inserting new Rule 12AB in the Income-tax Rules, 1962 ('Rules'):

- Annual sales / turnover / gross receipts from business > Rs.60,00,000, or
- Annual professional receipts > Rs.10,00,000, or
- If the aggregate tax deducted at source ('TDS') / tax collected at source ('TCS') during the year  $\geq$  Rs.25,000 (Rs.50,000 in case of resident individual of age  $\geq$  60 years during the relevant year), or
- If the aggregate annual deposit in 1 or more savings bank account  $\geq$  Rs.50,00,000

The step is aligned with Government's object of increasing the tax base by making more people having substantial financial transactions to file their returns.

Please [Click Here](#) to read the Notification No. 37 / 2022 dated 21<sup>st</sup> April 2022.

# Direct Tax

## CBDT notifies E-Dispute Resolution Scheme, 2022

### Background

The Finance Act, 2021 introduced new provision (section 245MA) in the Act constituting a Dispute Resolution Committee (DRC), with the objective to settle disputes of small / medium taxpayers, where

- Returned income  $\leq$  Rs. 50 Lakh, and
- Aggregate amount of variation proposed  $\leq$  Rs. 10 Lakh

The DRC has powers to reduce / waive penalty / give immunity from prosecution for any offence punishable under the Act. On 5<sup>th</sup> April 2022, the CBDT has issued notification nos. 26 and 27 prescribing the e-Dispute Resolution Scheme, 2022 and its Rules.

### (A) The E-Dispute Resolution Scheme, 2022

#### (a) Scope of the Scheme

The DRC shall resolve disputes under the Scheme, on applications made in respect of dispute arising from any variation in the specified order by such persons / class of persons prescribed by CBDT.

#### (b) Procedure to be followed by the DRC

##### (i) Filing of Application for dispute resolution

A taxpayer fulfilling the eligibility conditions may apply electronically to the DRC in Form 34BC

- ✓ Within such time from the date of constitution of DRC, as may be prescribed by CBDT, for cases where appeal has already been filed and is pending before the Commissioner (Appeals) or
- ✓ Within 1 month from the date of receipt of specified order, in any other case

The application shall be sent by email to the official email id of DRC alongwith proof of payment of tax on the returned income and payment of statutory fee of Rs.1,000.

##### (ii) Screening of Application

- The DRC shall examine the application. If it believes that the application should be rejected, it shall serve a notice to the taxpayer. On request from the taxpayer, DRC shall give an opportunity of being heard through video video conferencing facility
- The assessee shall furnish a response to the notice within the allowed time

# Direct Tax

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- After considering the response, DRC may reject or accept the application to be heard on merits. The decision of the DRC shall be communicated to the taxpayer on his registered e-mail address
- In case of acceptance, within 30 days of receipt of communication, the taxpayer shall be required to submit to DRC a proof of withdrawal of appeal filed u/s 246A of the Act or withdrawal of application before the Dispute Resolution Panel (DRP) or convey that there is no pending proceeding in his case, failing which the DRC may reject the application

## (iii) Processing of the Application

- Once the application is admitted, the DRC shall call for records for examination. The DRC shall also seek a report from Assessing Officer (AO) on the issues covered in the application. The taxpayer shall duly submit the information called for
- After considering the material available on record, the DRC may decide to
  - ✓ Make modifications to the variations in specified order, which are not prejudicial to the interest of the taxpayer, and decide for waiver of penalty and immunity from prosecution in accordance with the provisions of Rule 44DAC, and pass an order of resolution accordingly or
  - ✓ Not to make modifications to the variations in the specified order, however, may decide for waiver of penalty and immunity from prosecution provisions in accordance with Rule 44DAC, and pass an order of resolution accordingly, which shall be treated as an order not prejudicial to the interest of the taxpayer or
  - ✓ Not to make any modification to the specified order, and pass an order disposing off the application, which shall be treated as an order not prejudicial to the interest of the assessee

within 6 months from the end of the month in which application for dispute resolution is admitted by the DRC

- The DRC shall serve a copy of the order of resolution to the taxpayer (and AO) including notice of demand. The taxpayer shall deposit the same and submit proof of payment to DRC and AO. DRC shall, on receipt of acknowledgment of payment of demand, by an order in writing, grant immunity from prosecution and waiver of penalty if applicable, in accordance with Rule 44DAC

# Direct Tax

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## (c) Power of DRC

The DRC shall have the power to waive penalty or grant immunity from the prosecution provisions of the Act on fulfilment of conditions specified in Rule 44DAC

## (d) Appeal or Revision

No appeal or revision shall lie against the modified order

## (e) Exchange of communication exclusively by electronic mode

All communications between the DRC and the taxpayer, as well as internal communication between the DRC or any income-tax authority, shall be exchanged exclusively by electronic mode. Taxpayer shall not be required to appear either personally or through authorised representative in connection with any proceedings under the Scheme

## (B) DRC rules

CBDT has issued corresponding Rules and Form 34BC with respect to e-Dispute Resolution Scheme. The Rules deal mainly with constitution of DRC and power to reduce or waive penalty imposable or grant immunity from prosecution under the Act.

Please [Click Here](#) to read the Notification No. 27 / 2022 dated 5<sup>th</sup> April 2022.

Please [Click Here](#) to read the Notification No. 26 / 2022 dated 5<sup>th</sup> April 2022.



# Direct Tax

## **CBDT extends timeline for application for charitable trusts / institutions in certain cases**

### Background

Earlier, the registration granted to charitable trusts / institutions was provided on perpetual basis. However, the same was overhauled by Finance Act, 2020. The new regime provides for filing forms within the corresponding time-limits as mentioned below. The time limit for filing one of the said forms (10AB) has been extended by CBDT considering the difficulties faced by taxpayers in filing forms electronically.

Form	Category of Registration	Time limit for application	Extension in time limit by CBDT vide Circular no. 8 dated 31 <sup>st</sup> March 2022
10A	Fresh / 1 <sup>st</sup> time registrations	Minimum 1 month before the commencement of previous year relevant to assessment year from which registration is sought	No change
	Migration from registration under old regime to new regime of registration	Within 3 months from 1 <sup>st</sup> April 2021 (i.e., on or before 30 <sup>th</sup> June 2021), which was further extended to 31 <sup>st</sup> March 2022	
10AB	Renewal of registrations obtained under new regime after every 5 years	Minimum 6 months before expiry of said period	Where the due date to file application in Form 10AB falls on or before 29 <sup>th</sup> September 2022 (may include the period from 1 <sup>st</sup> April 2021 to 29 <sup>th</sup> September 2022), the same can now be filed any time on or before 30 <sup>th</sup> September 2022.  For example, if a charitable institution has modified its objects in November 2021, such charitable institution was required to make fresh application for registration within 30 days (i.e., in December 2021). If for any reason, such application could not be filed by December 2021, the charitable institution can now file it by 30 <sup>th</sup> September 2022.
	Conversion of provisional registration granted for 3 years to final registration	Earlier of: <ul style="list-style-type: none"><li>• At least 6 months prior to expiry of provisional registration; or</li><li>• Within 6 months of commencement of charitable activity</li></ul>	
	Modification in objects	Within 30 days from the date of such modification	
	Cases where registration of the trust is made inoperative if trust was having dual registrations under different schemes of exemption	Minimum 6 months before commencement of assessment year from which the said registration is sought to be operative (i.e., prior to end of September of relevant tax year)	

Please [Click Here](#) to read Circular no. 8 / 2022 dated 31<sup>st</sup> March 2022.

Please [Click Here](#) to read Press Release dated 31<sup>st</sup> March 2022.

# Direct Tax

## **CBDT relaxes provisions of Tax Collection at Source (TCS) in respect of non-resident individuals visiting India**

### Background

- Section 206C(1G) of the Income-tax Act provides for collection of tax by a seller of an overseas tour programme package from a buyer, being a person purchasing such package, @ 5% of the amount of the package
- Reportedly, representations were received by Government from domestic tour operators who were facing difficulties in collection of tax from non-resident individuals visiting India who were booking overseas tour package from such domestic tour operators. Since such persons may not have a PAN, tax is required to be collected at higher rates. Further, such non-residents may find it difficult to furnish their ITR and claim refunds

### Relaxation granted by CBDT

CBDT has granted relaxation from the requirement of TCS to a buyer who is (a) non-resident, and (b) visits India. Thus, a domestic tour operator is not required to collect tax on sale of overseas tour package to non-resident individuals visiting India.

Please [Click Here](#) to read the Notification no. 20 / 2022 dated 30<sup>th</sup> March 2022.

Please [Click Here](#) to read the Press Release dated 31<sup>st</sup> March 2022.

## **Time-limit extended till 31st March 2023 for taxpayers to intimate their Aadhaar for linking with Permanent Account Number (PAN) without facing adverse consequences**

### Background

- Reportedly, instances had come to the notice of the Income-tax department that multiple Permanent Account Numbers (PANs) have been allotted to a single person or a single PAN has been allotted to more than 1 person
- In order to have a robust way of de-duplication of PAN data base, Finance Act, 2017 made it mandatory for a taxpayer who is eligible to obtain Aadhaar, to quote his Aadhaar in the application form for PAN and return of income
- It is mandatory for every person who has been allotted a PAN as on 1<sup>st</sup> July 2017 to intimate his Aadhaar number, so that the Aadhaar and PAN can be linked. This was required to be done on or before 31<sup>st</sup> March 2022, failing which the PAN shall become inoperative. The PAN can be made operative again upon intimation of Aadhaar to the prescribed authority after payment of a prescribed fee



# Direct Tax

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## Consequences of PAN becoming inoperative

- The person shall not be able to file tax-return using the inoperative PAN
- Pending tax returns will not be processed
- Pending refunds cannot be issued to inoperative PANs
- Pending proceedings as in the case of defective returns cannot be completed once the PAN is inoperative
- Tax will be required to be deducted at a higher rate as PAN becomes inoperative
- In addition to the above, taxpayer might face difficulty at various instances like banks and other financial portals, as PAN is one of the important KYC criterion for all kinds of financial transactions

## Relaxation issued by CBDT

- In order to mitigate inconvenience to taxpayers, as per Notification 17/2022 dated 29<sup>th</sup> March, 2022, a window of opportunity has been provided to taxpayers upto 31<sup>st</sup> March, 2023 to intimate their Aadhaar to the prescribed authority for Aadhaar-PAN linking without facing repercussions. As a result, taxpayers will be required to pay a fee of Rs. 500 up to 3 months from 1st April, 2022 and a fee of Rs.1000 after that, while intimating their Aadhaar
- Till 31st March, 2023 the PAN of the assesseees who have not intimated their Aadhaar, will continue to be functional for the procedures under the Act, like furnishing of return of income, processing of refunds etc.
- After 31st March, 2023, the PAN of taxpayers who fail to intimate their Aadhaar, as required, shall become inoperative and all the consequences under the Act for not furnishing, intimating or quoting the PAN shall apply to such taxpayers.

Please [Click Here](#) to read the Notification no. 17 / 2022 dated 29th March 2022.

Please [Click Here](#) to read the Circular no. 7 / 2022 dated 30th March 2022.

Please [Click Here](#) to read the Press Release dated 30th March 2022.

# Direct Tax

## CBDT notifies ITR forms for FY 2021-22

CBDT has notified following ITR forms for FY 2021-22, corresponding to Assessment Year 2022-23.

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

Please [Click Here](#) to read Notification no. 21 dated 30<sup>th</sup> March 2022.

Please [Click Here](#) to read Notification no. 23 dated 1<sup>st</sup> April 2022.



# International Tax

# International Tax

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## Deferral of taxation of income earned from retirement benefit account (RBA) maintained in a 'notified' country - CBDT notifies rules & countries

CBDT vide Notifications 24/2022 and 25/2022 dated 4<sup>th</sup> April 2022 has notified Rule 21AAA, Form 10-EE and 'notified' countries for the purpose of section 89A of the Act relating to relief from taxation on income earned from RBA maintained in a 'notified' country. The notifications come into effect from 4<sup>th</sup> April 2022 itself.

### Background

- Usually, RBAs outside India to which non-residents (NR) contribute, operate on Exempt-Exempt-Tax (EET) basis of taxation, i.e., contributions and accruals are tax-exempt, but withdrawals are taxable
- Issue arises when the withdrawals are made when the taxpayers become resident in India in future years
- Given the above, taxpayers made representations to the Indian Government that there is a mismatch in the year of taxability of withdrawal from RBAs by residents who had opened such accounts when they were NR in India. The withdrawals may be taxed on receipt basis in such foreign countries under their domestic tax law, while the accruals in the RBAs may be taxed in India on year-on-year basis. This creates challenges for claiming Foreign Tax Credit (FTC) in India and leads to double taxation despite availability of benefit under the relevant Double Taxation Avoidance Agreement (DTAA)

### Example

- Mr. X worked in Canada from Year 1 to 5 when he was NR in India and resident in Canada. During his employment in Canada, he contributed to RBA in Canada, which is taxable in the year of withdrawal in Canada
- The accruals in Canadian RBA during Years 1 to 5 are not taxable in India since Mr. X is NR in India. Mr. X returned to India in Year 6 and became a resident of India. He made withdrawal from the Canadian RBA in Year 10
- The issue was, if the accruals in Canadian RBA during Years 6 to 10 were taxable in India. If so, since no tax was paid in Canada during those years, Mr. X was unable to claim FTC against his Indian tax liability

# International Tax

## Insertion of new section 89A by Finance Act, 2021

To address the mismatch and avoid inconvenience to taxpayers, the Finance Act, 2021 inserted new section 89A in the Income-tax Act with effect from 1<sup>st</sup> April 2022 which provides the following:

- Income of a 'specified person' from a 'specified account' shall be taxable in the manner and year 'prescribed by the Central Government'
- 'Specified person' means a person resident in India who has opened a specified account in a 'notified country' while being NR in India and a resident in that country
- 'Specified account' (RBA) means an account maintained in a notified country by the specified person in respect of his retirement benefit and the income from such account is not taxable on accrual basis but is taxed by such country at the time of withdrawal of income or redemption
- 'Notified country' means a country notified by the Central Government

## CBDT notifies Rule 21AAA and Form 10EE to (a) Implement section 89A, and (b) Prescribe the 'notified countries' whose RBA will qualify for the relief

The new Rule 21AAA and Form 10EE:

- Enables a resident person to exercise the option for deferral of taxation of income from such foreign RBA to the year of withdrawal / redemption from such RBA
- Notifies *Canada, UK and USA* as eligible countries in respect of which such option can be exercised

Where a specified person has exercised the option provided under the Rule, the total income of such person for the year in which income is taxable shall not include the following income:

- The income which has already been included in the total income of such person in any of the earlier years during which such income accrued and tax thereon has been paid in accordance with the Act; or
- The income was not taxable in India, in the year during which such income accrued, on account of:
  - ✓ Such person being an NR or not ordinarily resident (RNOR) during that year; or
  - ✓ Application of DTAA

The foreign tax paid on such income, if any, shall be ignored for the purposes of computation of FTC under the Income-tax Rules

# International Tax

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The option to be exercised shall be in the Form to be furnished electronically on or before the due date of filing original return of income u/s 139(1) of the Act. The Form is a one-time compliance and once furnished for a particular year applies to all subsequent years (unless the specified person becomes an NR).

The relief, by way of deferral to the year of withdrawal / redemption, ceases when the specified person becomes NR subsequent to the year in respect of he / she has exercised the option (relevant year). In a case where the specified person becomes an NR during any relevant year, then:

- The option exercised by the specified person shall be deemed to have never been exercised with effect from such relevant year
- The income which has accrued in the specified RBAs during the period, beginning with the year in respect of which the option under the Rule was exercised and ending with the year immediately preceding the relevant year, shall be taxable during the year immediately preceding the relevant year and tax shall be paid on or before the due date for furnishing the return of income for the relevant year.

Subject to the specified person becoming NR in a subsequent year, the option once exercised for a specified RBA in respect of a year shall apply to all subsequent years and cannot be subsequently withdrawn for the year for which the option was exercised or any year subsequent to that year.

The Form requires the specified person to furnish basic details such as name, address, PAN, year of exercising the option and relevant details of the specified RBAs maintained by the specified person and details of the option exercised by the specified person. The specified person is also required to furnish primarily the following information:

- How the income from the specified RBA is taxable in the notified country (i.e., accrual basis, receipt basis or any other basis). The year in which the income from the specified RBA is eligible to be withdrawn. Nature of income (i.e., salary, interest, dividend or any other income)
- Amount of income from the specified RBA, which has already been included in the total income of any earlier TY during which such income accrued when the specified person was resident and the TYs in which it was so included
- Amount of income from the specified RBA which was not taxable in India when the specified person was NR / not-ordinary resident / DTAA resident of the other country, the years in which it was so exempt and acknowledgement numbers of returns filed in India for such years, if any

Please [Click Here](#) to read the Notification No. 24 / 2022 dated 4<sup>th</sup> April 2022.

Please [Click Here](#) to read the Notification No. 25 / 2022 dated 4<sup>th</sup> April 2022.



# Company Law

# Company Law

## Ministry of Corporate Affairs (MCA) mandates filing of declaration for commencement of business by Nidhi companies

### Meaning of Nidhi company

Nidhi company is a type of Non-Banking Financial Company (NBFC) incorporated as a public limited company u/s 406 of the Companies Act, 2013 (Act). It is formed to borrow and lend money to its members and is strictly prohibited from accepting deposits or lending funds to any other person / entity except its members. It inculcates the habit of saving among its members and works on the principle of mutual benefit. Nidhi company is not required to obtain any license from Reserve Bank of India (RBI), hence it is easy to form. The name of every Nidhi company should end with suffix 'Nidhi Limited'.

### Filing of declaration for commencement of business by Nidhi companies

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

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

Please [Click Here](#) to read the notification dated 8<sup>th</sup> April 2022.

## Certain particulars of statutory register / index / return in respect of shareholders of the company not to be allowed for inspection

Rule 14 of Companies (Management & Administration) rules provides that all statutory registers and indices maintained u/s 88 of the Companies Act, 2013 (Act) along with the copies of annual return prepared u/s 92 of the Act shall be open for inspection during business hours of every working day for:

- any shareholder, debenture holder, other security holder or beneficial owner without payment of fee; and
- any other person on payment of fee specified in the Articles of Association (AOA) of the company

MCA vide notification dated 6<sup>th</sup> April 2022 has clarified that following particulars of register / index / return in respect of shareholders of the company shall not be made available for inspection:

- Address / registered address (in case of a body corporate shareholder);
- E-mail Id;
- Unique Identification number;
- Permanent account number (PAN)

Please [Click Here](#) to read the notification dated 6<sup>th</sup> April 2022.



# Company Law

## Faster exit for companies under voluntary liquidation - Reduced timelines for preparation of list of stakeholders, distribution of proceeds & completion of liquidation proceedings

The Insolvency & Bankruptcy Code, 2016 (IBC) read with Insolvency & Bankruptcy Board of India (IBBI) (Voluntary Liquidation Process) regulations, 2017 provides mechanism for voluntary liquidation of companies. It has been noticed that there has been a substantial delay in completion of voluntary liquidation proceedings, although the process in general, involves nil or negligible claims of creditors, fewer assets, if any, to be realized and few litigations, if any, to be concluded.

To curtail such delay and ensure faster exit for companies under voluntary liquidation, IBBI vide notification dated 5<sup>th</sup> April 2022 has notified IBBI (Voluntary Liquidation Process) amendment regulations, 2022 to reduce the timelines for following activities undertaken during the voluntary liquidation process:

Regulation	Existing provision	Amendment
30	In case no claim from the creditors has been received till the due date for receipt of claims, then the Liquidator shall prepare the list of stakeholders within 45 days from the expiry of the due date for receipt of claims	The time limit for preparation of list of stakeholders has been reduced from 45 days to 15 days from the expiry of the due date for receipt of claims
35	The Liquidator shall distribute the proceeds from realization of sale of assets to all the stakeholders / claimants within 6 months from the date of receipt of the realized amount	The time limit for distribution of proceeds to all the stakeholders / claimants has been reduced from 6 months to 30 days from the date of receipt of the realized amount.
37	The Liquidator shall endeavour to complete the entire liquidation process within 12 months in all situations	The Liquidator shall endeavour to complete the entire liquidation process within: <ul style="list-style-type: none"><li>• 270 days from the liquidation commencement date, where the creditors have approved the insolvency resolution; &amp;</li><li>• 90 days from the liquidation commencement date in all other cases</li></ul>
38	The Liquidator shall submit the application for voluntary liquidation along with the final report with National Company Law Tribunal (NCLT)	The Liquidator shall along with the application for voluntary liquidation and final report, also submit a compliance certificate in prescribed form-H u/s 59(7) of the IBC with NCLT. It shall facilitate the NCLT to adjudicate the liquidation application expeditiously

Please [Click Here](#) to read the notification dated 5<sup>th</sup> April 2022.

# Company Law

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## **Extension of timeline from 31st March 2022 to 31st May 2022 for filing annual Corporate Social Responsibility (CSR) report for FY 2020-21 with Registrar of Companies (ROC)**

Pursuant to Companies (Accounts) amendment rules, 2022, every company undertaking CSR activities u/s 135 of the Companies Act, 2013 is required to file annual CSR report with ROC for the preceding FY 2020-21 and onwards. The annual CSR report shall be filed in prescribed form CSR-2 as an addendum to form(s) AOC-4 / AOC-4 XBRL / AOC-4 NBFC (prescribed forms for filing financial statements) with ROC.

For preceding FY 2020-21, annual CSR report in form CSR-2 was to be filed separately on or before 31<sup>st</sup> March 2022 post the filing of form(s) AOC-4 / AOC-4 XBRL / AOC-4 NBFC with ROC. However, MCA vide notification dated 31<sup>st</sup> March 2022 has extended the timeline for filing CSR report for FY 2020-21 from 31<sup>st</sup> March 2022 to *31<sup>st</sup> May 2022*.

Please [Click Here](#) to read the notification dated 31<sup>st</sup> March 2022.

## **MCA extends the timeline for mandatory usage of accounting software by companies which has feature of recording audit trail for each & every transaction from FY 2022-23 to FY 2023-24**

Pursuant to Rule 3 of Companies (Accounts) rules, companies may choose to keep and maintain their books of accounts in electronic mode which shall remain accessible in India so as to be used for subsequent reference. Accordingly, MCA vide notification dated 24<sup>th</sup> March 2021 had mandated that every company which uses accounting software for maintaining its books of accounts in electronic mode, shall from FY 2021-22 onwards, only use such accounting software which has a feature of recording audit trail (edit log facility) of each and every transaction. The said amendment was introduced by MCA to encourage transparency and corporate governance. However, MCA vide subsequent notification had extended the timeline for mandatory usage of the said accounting software from FY 2021-22 to FY 2022-23.

Now, considering the need to provide sufficient time to companies to procure, install, adapt and adhere to the usage and operation of the said accounting software, MCA vide notification dated 31<sup>st</sup> March 2022 has once again extended the timeline for mandatory usage of the said accounting software from FY 2022-23 to *FY 2023-24*.

Please [Click Here](#) to read the notification dated 31<sup>st</sup> March 2022.



# Directorate General of Foreign Trade ('DGFT')

## Tenure of Foreign Trade Policy (FTP) 2015-20 extended till 30th September 2022

The Directorate General of Foreign Trade (DGFT) vide previous notification(s) had extended the tenure of FTP 2015-20 from time to time till 31<sup>st</sup> March 2022. Vide notification dated 31<sup>st</sup> March 2022, DGFT has again extended the same till 30<sup>th</sup> September 2022. Accordingly, the new FTP 2021-25 can be expected towards the end of year 2022.

Please [Click Here](#) to read the notification dated 31<sup>st</sup> March 2022.





# Reserve Bank of India (‘RBI’)

## RBI notifies guidelines for loans & advances granted by Non-Banking Financial Companies (NBFCs) to its directors, their relatives, senior officers & real estate borrowers

RBI vide notification dated 19<sup>th</sup> April 2022 has notified following guidelines for loans & advances granted by NBFCs to its Directors, their relatives, senior officers & real estate borrowers.

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



# Securities Exchange Board of India ('SEBI')

## **SEBI notifies guidelines for execution of Demat Debit & Pledge Instruction (DDPI) for transfer of securities towards deliveries / settlement obligations & pledging / re-pledging of securities**

### Background

SEBI had previously issued guidelines regarding execution of Power of Attorney (PoA) by the security holder(s) in favor of the stock brokers and depository participants. This PoA provided authorization by security holder(s) to the stock brokers and depository participants to access their beneficial owner account(s) for undertaking stock exchange related delivery of securities or settlement obligations arising out of trades executed by such a security holder.

In order to make this process more transparent and to curb the possible misuse of PoAs given by the client security holder(s) to their stock brokers and depository participants, SEBI vide circular dated 4<sup>th</sup> April 2022 has issued guidelines, effective from 1<sup>st</sup> July 2022, regarding execution of 'Demat Debit & Pledge Instruction' (DDPI) by client security holder(s) with their respective stock brokers and depository participants for transfer of securities towards deliveries / settlement obligations & pledging / re-pledging of securities.

### DDPI guidelines

Under DDPI, client security holder(s) can explicitly agree to authorize their stock brokers and depository participants to access their beneficiary ownership account for the limited purpose of meeting pay-in obligations for settlement of trades executed by the client security holder(s). The use of DDPI will be limited only for following purposes:

- Transfer of securities held in the beneficial owner account of the client security holder towards stock exchange related delivery of securities or settlement obligations arising out of trades executed by the client security holder;
- Pledging / re-pledging of securities in favour of the trading member (TM) / clearing member (CM) for the purpose of meeting the margin requirements of the client security holder

Further, the existing PoAs will continue to remain valid till the time client security holder revokes the same. Thus, the stock brokers and depository participants will not directly or indirectly compel the client security holders to execute the DDPI or deny services to the client if he / she refuses to execute the DDPI.

Please [Click Here](#) to read the circular dated 4<sup>th</sup> April 2022.



# Compliance Calendar

## Compliance calendar for the month of May 2022

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To	
7 <sup>th</sup> May	April 2022	TDC/TCS deposit	Non-government Deductors	
		Equalization Levy deposit	All Deductors	
10 <sup>th</sup> May		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST	
		b) GSTR-8 (TCS return under GST)	b) Person required to deduct TCS under GST	
11 <sup>th</sup> May		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 5 crore	
13 <sup>th</sup> May		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD	
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having turnover ≤ Rs. 5 crore	
15 <sup>th</sup> May		Deposit of PF & ESI contribution	All Deductors	
		January-March 2022	Quarterly statement of TCS deposited	All Collectors
20 <sup>th</sup> May		April 2022	a) GSTR-5 (Return by Non-resident)	a) Non-resident taxable person
	b)GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]		b) OIDAR services provider	
GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2021-22			
25 <sup>th</sup> May	Form GST PMT-06 (Payment of tax for Quarterly filers)		All taxable persons (except composition dealer) having annual turnover ≤ Rs. 5 crore in FY 2021-22	
	30 <sup>th</sup> May		FY 2021-22	Form 11 (Annual Return) with Ministry of Corporate Affairs (MCA)
			Submission of Form 49C	Non – Resident having a Liaison Office in India
January-March 2022			TCS certificate in Form 27D	All Collectors
31 <sup>st</sup> May	January-March 2022		Quarterly statement of TDS deposited	All Deductors
	FY 2021-22.		Statement of financial transaction (Form No.61A)	Specified reporting persons as per section 285BA of the Income-tax Act,1961
	Calendar Year 2021		Annual statement of reportable accounts (Form No.61B).	Financial Institutions

# 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

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