

TAX EDGE

Monthly Tax & Regulatory
Updates



Audit



Tax



Regulatory

March 2022

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Measures to combat COVID-19

Measures to combat COVID-19

India's cumulative COVID-19 vaccination coverage exceeds 1.82 billion doses




181.89 crore
Vaccine Doses administered so far



78.42 crore
total tests conducted



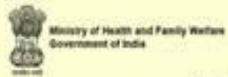

1,778
new cases in last 24 hours



2,542
patients recovered in last 24 hours



Recovery Rate
98.75%



India's cumulative COVID-19 Vaccination coverage exceeds

181.89 CRORE

Cumulative Vaccine Dose Coverage							
	Healthcare workers	Frontline workers	People Aged 12-14 years	People Aged 15-18 years	People Aged 18-44 Years	People Aged ≥ 45 Years	People Aged ≥ 60 Years
1 st Dose	1,04,03,185	1,84,12,362	52,10,775	5,63,96,784	55,39,50,209	20,26,37,680	12,66,60,199
2 nd Dose	99,92,561	1,74,92,689	—	3,61,18,886	46,08,40,292	18,41,11,064	11,46,77,771
Precaution Dose	43,79,371	67,03,788	—	—	—	—	1,09,27,618

As at 8 AM on 23rd March, 2022

#Unite2FightCorona

Measures to combat COVID-19

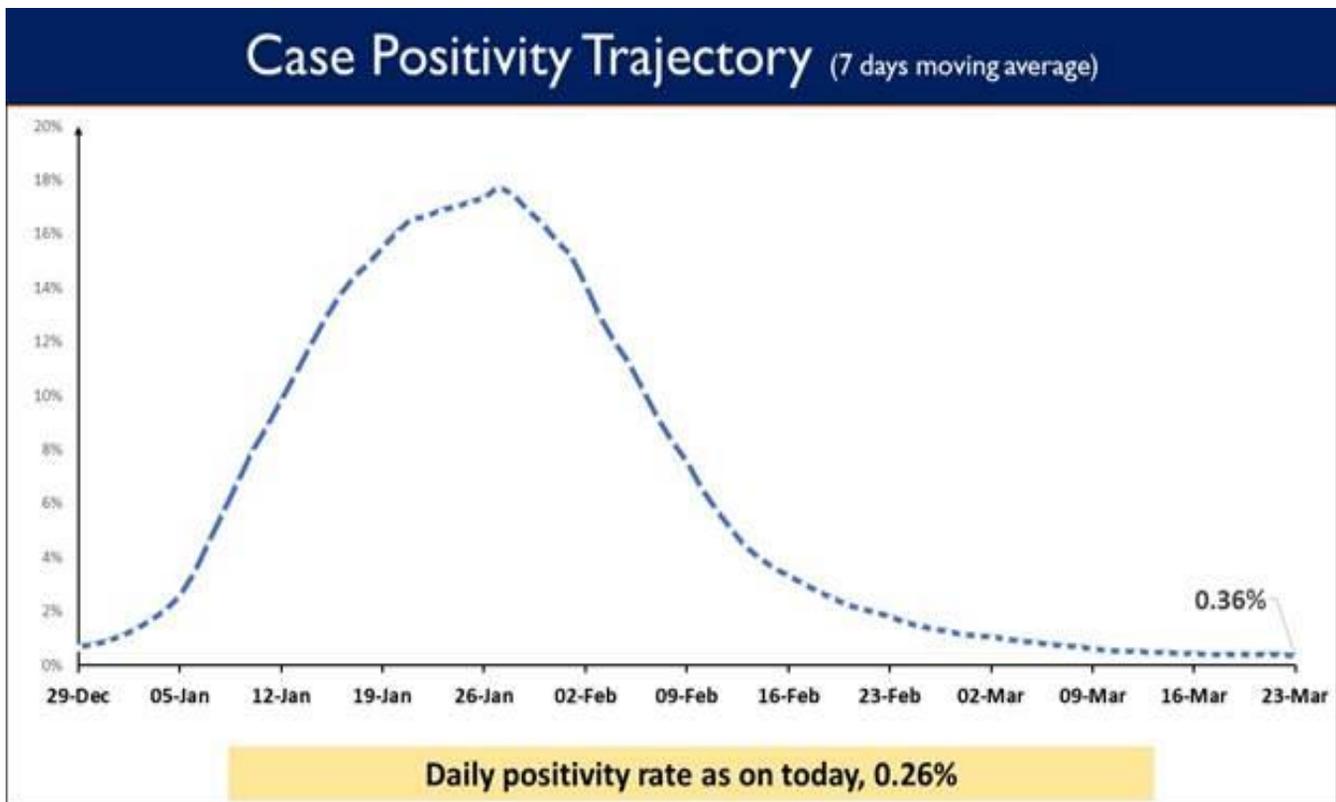
India's COVID-19 vaccination coverage has exceeded 1.82 billion doses, achieved through 2,14,87,809 sessions. The break-up of the cumulative figure as per the provisional report till 22nd March 2022 include:

Cumulative Vaccine Dose Coverage		
HCWs	1 st Dose	10403185
	2 nd Dose	9992561
	Precaution Dose	4379371
FLWs	1 st Dose	18412362
	2 nd Dose	17492689
	Precaution Dose	6703788
Age Group 12-14 years	1 st Dose	5210775
Age Group 15-18 years	1 st Dose	56396784
	2 nd Dose	36118886
Age Group 18-44 years	1 st Dose	553950209
	2 nd Dose	460840292
Age Group 45-59 years	1 st Dose	202637680
	2 nd Dose	184111064
Over 60 years	1 st Dose	126660199
	2 nd Dose	114677771
	Precaution Dose	10927618
Precaution Dose		2,20,10,777
Total		1,81,89,15,234

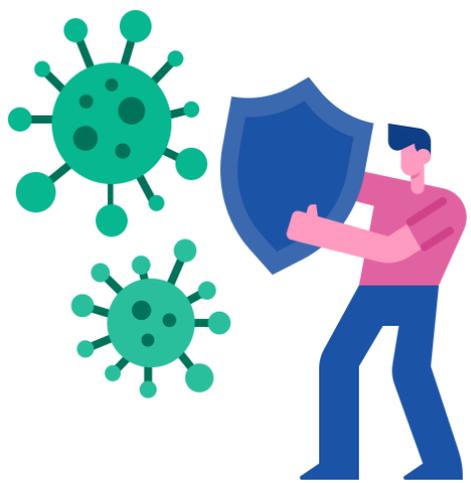


Measures to combat COVID-19

India's recovery rate stands at 98.75%. The total active caseload is 23,087. Active cases constitute 0.05% of the country's total positive cases. The testing capacity across the country continues to expand. 22nd March 2022 saw a total of 6,77,218 tests being conducted. India has so far conducted over 78,42,90,846 cumulative tests. While testing capacity has been enhanced across the country, weekly positivity rate stood at 0.36% and the daily positivity rate also reported to be 0.26%.



Please [Click Here](#) to read the Press Release dated 23rd March 2022.



Measures to combat COVID-19

Union Government has provided more than 1.84 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 16th January 2021. The new phase of universalization of COVID-19 vaccination commenced from 21st 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 COVID-19 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.

More than 1.84 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 16,97,30,191 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 23rd March 2022.

Exorbitant prices being charged by vaccine manufactures

The Covaxin and Covishield are 2 different types of Covid-19 vaccine and their manufacturing processes are also different. The price of vaccine for procurement by Government of India is negotiated by National Expert Group on Vaccine Administration for COVID-19 (NEGVAC) and its subgroups involving detailed deliberations with the vaccine manufacturers. Under National COVID-19 Vaccination Programme, COVID-19 vaccine is available free of cost at Government COVID-19 Vaccination Centres (CVCs) to all eligible beneficiaries irrespective of their socio-economic status.

The vaccine manufacturers are free to fix the price of vaccine for procurement by Private Hospitals which has to be declared in a transparent manner. However, Government of India has fixed a maximum service charge of Rs. 150 per dose over and above the price of vaccine for vaccine administration at Private COVID-19 Vaccination Centres (CVCs). State Governments have been advised to monitor the price charged at the private hospitals.

Please [Click Here](#) to read the detailed Press Release dated 22nd March 2022.

Measures to combat COVID-19

Free-of-cost vaccination for 12-14 years' age group to begin in Government COVID-19 vaccination centers

Major Step Against Covid-19

Covid-19 Vaccination for **12+** Children

Eligibility: Children between 12-14 years of age

Vaccine: Corbevax (Manufactured by Biological E. Limited)

When: From 16th March 2022

Free of cost COVID19 vaccination for all beneficiaries of 12-14 age group are scheduled to begin from 16th March 2022, at Government COVID Vaccination Centers. The COVID-19 vaccine to be administered would be Corbevax manufactured by Biological E. Limited, Hyderabad.

This follows the decision of Union Government to start COVID-19 vaccination for 12-13 years' and 13-14 years' age groups (those born in 2008, 2009 and 2010. i.e. those who are already above 12 years of age) from 16th March 2022. Additionally, all above 60 years of age are now eligible for Precaution Dose, as the condition of comorbidity for this age group has been removed. The Precaution Dose (same as the previous 2 doses) is to be administered after 9 months (36 weeks) after the date of 2nd vaccination.

States were advised to ensure that only those who have attained the age of 12 years on the date of vaccination are vaccinated against COVID-19; if the beneficiary is registered but not attained the age of 12 years on the date of vaccination, COVID-19 vaccine is not to be given. Vaccinators and vaccination teams need to be trained to ensure that particularly for 12-14 years' age group there is no mixing of vaccines. States were advised to organize dedicated vaccination sessions through earmarked COVID-19 Vaccination Centers for vaccination of 12-14 years' age-group to avoid mixing with other vaccines.

Measures to combat COVID-19

Vaccines that can be used in different age groups:

Age group	Vaccine to be used
12-14 years (all beneficiaries born in 2008, 2009, 2010)	Corbevax (at Government centers), 2 doses at interval of 28 days
14 – 18 years	Covaxin (at Government centers and private centers)

States/UTs were informed that at present the age of beneficiary in CoWIN is being filtered based on Year of Birth. The responsibility for verification of age (12 years) will lie with the vaccinator/verifier at the time of vaccination for the 1st few days as the provision for recording the exact Date of Birth in Co-WIN portal is under process. Once implemented, the system, by default, will not allow registration of beneficiaries who are not of the recommended age.

Underscoring slow pace of vaccination among the vulnerable groups, States were urged to ensure that all those above 60 years of age are covered with both doses of COVID19 vaccine. Regular reviews to be conducted at District & Block levels to ensure coverage of eligible beneficiaries.

States were also advised to ensure judicious utilization of available COVID19 vaccines. As per earlier guidelines, States can replace those that are due for expiry and also replace them from 1 district within the State to another to ensure that vaccines are not wasted.

Please [Click Here](#) to read the Press Release dated 15th March 2022.





Goods & Services Tax (‘GST’)

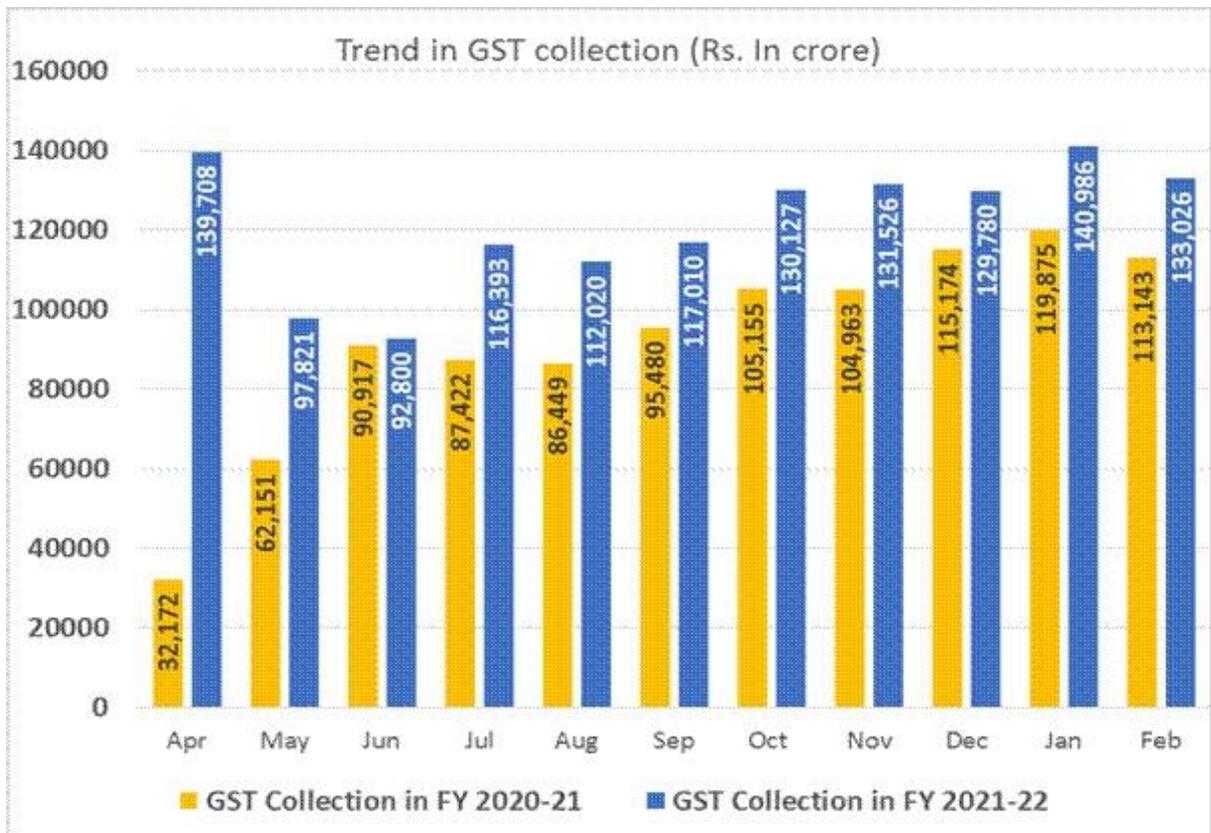
GST

GST revenue collection for February 2022 Rs. 133,026 Crore (18% higher than GST revenue collection in February 2021)

The gross GST revenue collected in the month of February 2022 is Rs. 133,026 Crore as below.

IGST (Integrated Goods and Services Tax)	Rs. 67,472 Crore
CGST (Central Goods and Services Tax)	Rs. 24,435 Crore
SGST (State Goods and Services Tax)	Rs. 30,779 Crore
Compensation cess	Rs. 10,340 Crore
Total	Rs. 1,33,026 Crore

The revenues for the month of February 2022 are 18% higher than the GST revenues in the same month last year and 26% higher than the GST revenues in February 2020. During the month, revenues from import of goods was 38% higher and the revenues from domestic transaction (including import of services) are 12% higher than the revenues from these sources during the same month last year. February, being a 28-day month, normally witnesses revenues lower than that in January.



Please [Click Here](#) to read Press Release dated 1st March 2022.

Enhanced registration application user interface (UI)

User Interface (UI) with respect to the address fields in the Registration Application GST REG-01 has been enhanced as follows:

- Incorporation of a map tile along with a drag and drop facility of address pinhead on to the exact location of the applicant's address
- Once selected, the details will automatically fill in the various address input fields given in the application
- Address fields have been linked so as to auto- fill other macro level address entry fields based on the entry in one of such fields particularly PIN Codes. For example; on entering the PIN code, the corresponding State and Districts will get auto- filled
- The user can also directly fill-up the address input fields which are now aided with suggestive address input dropdowns from which the user can select the appropriate/relevant address field(s). This action will reduce errors in the address texts and will also ease the filling up of the appropriate address input fields by the user
- The address fields have been segregated appropriately to reduce confusions while entering the relevant inputs under various address heads
- Based on the address entries given by the user, the Latitude/ Longitude of the address will get auto populated which is non-editable

Please [Click Here](#) to read the update dated 10th March 2022.

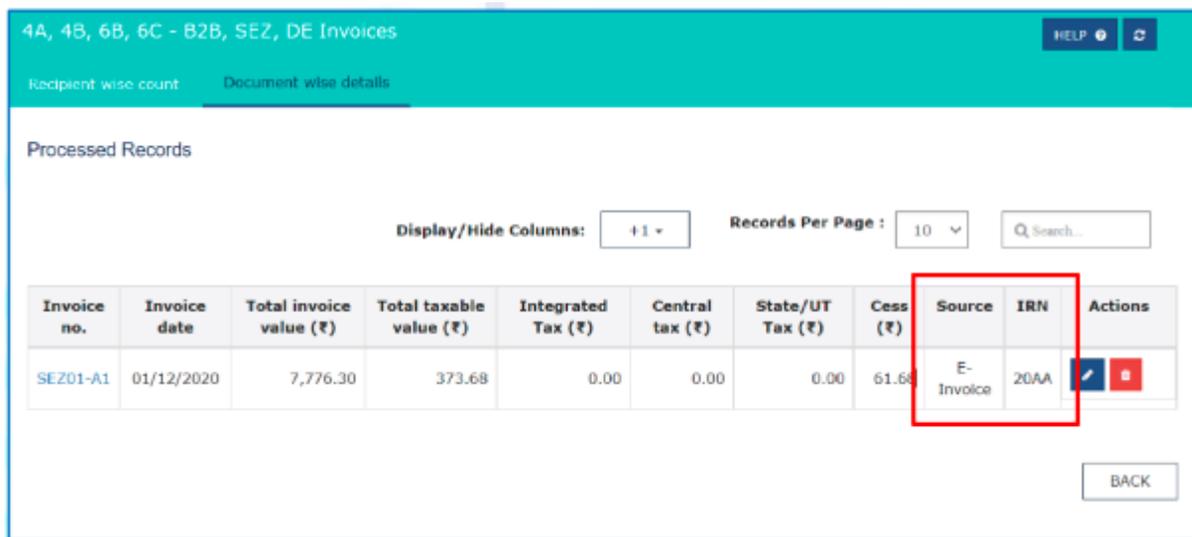
Please [Click Here](#) to read the detailed training kit for registration with GST.

Auto-population of e-invoice details into Form GSTR-1 (Outward supply return)

Generation of e-invoice is mandatory for certain class of taxpayers, as notified by the Government. These taxpayers are required to prepare and issue their e-invoices by reporting their invoice data in the prescribed format (e-invoice schema in Form GST INV-01) and reporting the same on the Invoice Registration Portal (IRP). Invoices reported successfully on the IRP are given a unique Invoice Reference Number (IRN). The documents (invoices, debit notes, credit notes) reported on the IRP are then transmitted electronically to the GST system and are auto-populated in the respective tables of GSTR-1 of such taxpayers. These auto-populated documents appear as 'Saved' records in GSTR-1 of the taxpayers, with source of the document mentioned as 'E-invoice' and IRN details also mentioned against every record. An illustration and screenshot of this scenario is mentioned below:

Illustration

Taxpayer reports the e-invoice on the IRP and consequently the IRN is generated on 24th November 2021. This invoice will be auto-populated in GSTR-1 of the taxpayer on 26th November 2021.



4A, 4B, 6B, 6C - B2B, SEZ, DE Invoices

Recipient wise count | Document wise details

Processed Records

Display/Hide Columns: +1 - Records Per Page: 10 Q Search...

Invoice no.	Invoice date	Total invoice value (₹)	Total taxable value (₹)	Integrated Tax (₹)	Central tax (₹)	State/UT Tax (₹)	Cess (₹)	Source	IRN	Actions
SEZ01-A1	01/12/2020	7,776.30	373.68	0.00	0.00	0.00	61.68	E-Invoice	20AA	 

BACK

Please [Click Here](#) to read the detailed advisory regarding auto-population of e-invoice data into GSTR-1.

Upcoming enhancements & improvements in Form GSTR-1

The statement of outward supplies in Form GSTR-1 is to be furnished by all normal taxpayers on a monthly or quarterly basis, as applicable. Quarterly Form GSTR-1 filers have also been provided with an optional Invoice Furnishing Facility (IFF) for reporting their outward supplies to registered persons (B2B supplies) in the 1st 2 months of the quarter. Continuous enhancements and technology improvements in form GSTR-1/IFF have been made from time to time to enhance the performance and user-experience of Form GSTR-1/IFF, which has led to improvements in summary generation process, quicker response time and enhanced user-experience for the taxpayers.

The previous phase of Form GSTR-1/IFF enhancement was deployed on the GST Portal in November 2021. In that phase, new features like the revamped dashboard, enhanced B2B tables and information regarding table/tile documents count were provided. In continuation to the same, the next phase of the GSTR-1/IFF improvements would be implemented shortly on the GST portal.

Form GSTR-1/IFF can be viewed as usual by navigating 'Return Dashboard > Selection of Period > Details of outward supplies of goods or services GSTR-1 > Prepare Online'.

GST

Enhancements being done in this phase of Form GSTR-1 / IFF improvement

- **Removal of 'Submit' button before filing:** The present 2-step filing of Form GSTR-1/IFF involving 'Submit' and 'File' buttons will be replaced with a simpler single-step filing process. The upcoming 'File Statement' button will replace the 2-step filing process and will provide taxpayers with the flexibility to add or modify records till the filing is completed by pressing the 'File Statement' button.
- **Consolidated Summary:** Taxpayers will now be shown a table-wise consolidated summary before actual filing of Form GSTR-1/IFF. This consolidated summary will have a detailed and table-wise summary of the records added by the taxpayers. This will provide a complete overview of the records added in Form GSTR-1/IFF before actual filing.
- **Recipient wise summary:** The consolidated summary page will also provide recipient-wise summary, containing the total value of the supplies and the total tax involved in such supplies for each recipient. The recipient-wise summary will be made available with respect to the following tables of Form GSTR-1/IFF, which have counter-party recipients:
 - ✓ Table 4A: B2B supplies
 - ✓ Table 4B: Supplies attracting reverse charge
 - ✓ Table 6B: SEZ supplies
 - ✓ Table 6C: Deemed exports
 - ✓ Table 9B: Credit/Debit notes



GST

[Summary PDF](#)

Taxpayers can now view and download detailed summary of the Form GSTR-1/IFF in a new PDF format. The earlier format of the Form GSTR-1 summary was slightly different from the notified format, in which few tables of the notified format were clubbed together and made available to the users. The new summary format has been aligned with the notified format of Form GSTR-1. It will also contain the total outward supplies liability of the taxpayer (other than reverse charge), to be auto-populated in Form GSTR-3B (consolidated summary return of inward and outward supplies).

9C - Amended Credit/Debit Notes (Unregistered) - CDNURA							
Net Differential amount (Amended Debit notes - Amended credit notes) - Total	6	Note	81,000.00	2,430.00			-1,
Unregistered Type ▼							
10 - Amendment to taxable outward supplies to unregistered person in returns for earlier tax periods in table 7 - B2C (Others)							
Net differential amount (Amended - Original)	2	Net Value	1,80,000.00	900.00	450.00	450.00	8,
11A(1), 11A(2) - Advances received for which invoice has not been issued (tax amount to be added to the output tax liability) (Net of Refund Vouchers)							
Total	3	Net Value	96,000.00	1,320.00	52.50	52.50	24,
11B(1), 11B(2) - Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Ta Nos. 4, 5, 6 and 7							
Total	4	Net Value	2,59,000.00	981.25	675.00	675.00	16,
11A - Amendment to advances received in returns for earlier tax periods in table 11A(1), 11A(2)							
Total	1	Net Value	90,000.00	9,00,000.00	0.00	0.00	80,
11B - Amendment to advances adjusted in returns for earlier tax periods in table 11B(1), 11B(2)							
Total	2	Net Value	1,80,000.00	967.50	0.00	0.00	9,
12 - HSN-wise summary of outward supplies							
Total	2	NA	16,000.00	16,000.00	15,000.00	7,800.00	7,
13 - Documents issued							
Net issued documents ▼	1210	All Documents					
Total Liability (Outward supplies other than Reverse charge)			66,900.00	9,66,482.25	1,11,817.50	1,11,817.50	23,02,0

[BACK](#)[DOWNLOAD SUMMARY \(PDF\)](#)[FILE STATEMENT](#)

GST

Steps to file Form GSTR-1

The existing filing steps of Form GSTR-1/IFF shall be replaced with the following steps:

- Click 'Generate Summary' button to generate the summary
- Click 'Proceed to File/Summary' button to view the final summary before filing, and
- Click 'File Statement' button to file GSTR-1/IFF

With the removal of 'Submit' button in Form GSTR-1/IFF, the information uploaded in the Form shall now freeze only upon clicking the 'File Statement' button. Any document if it is added after the Summary Generation, then the summary will have to be generated again

In such cases, the 'Proceed to File/Summary' button will change to 'Generate Summary' button and

taxpayer will have to click this 'Generate Summary' button again before filing.

Please [Click Here](#) to read detailed advisory and sample screenshots of the upcoming improvements and enhancements in Form GSTR-1/IFF.





Direct Tax

Direct Tax

Finance Bill, 2022 passed by lower house of Parliament (Lok Sabha) after amendments

The Finance Minister presented Union Budget for Financial Year (FY) 2022-23 on 1st February 2022. The Finance Bill introduced in the lower house of Parliament has since been passed on 25th March 2022 with about 39 amendments / changes. The key changes have been summarized below.

(A) Taxation of Virtual Digital Assets (VDA) including Cryptocurrency

VDA has been defined in the initially introduced Bill as any information / code / number / token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value which is exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account. It includes use in any financial transaction / investment and can be transferred, stored or traded electronically. Non fungible token or any other token of similar nature is included in the definition.

Budget Proposal	Existing law	Finance Bill, 2022 presented in Parliament on 1 st Feb 2022	Changes in Finance Bill 2022 (passed by Parliament on 25 th Mar 2022)
<p>Taxation of VDA</p> <p>Amended section(s) of the Income-tax Act ('Act'): 115BBH inserted, 56(2)(x) amended</p> <p>Effective from: Assessment Year (AY) 2023-24 onwards</p>	<p>No specific scheme for taxation on transfer of VDA / Cryptocurrency</p>	<ul style="list-style-type: none"> Income arising from transfer of any VDA shall be taxable @ 30% u/s 115BBH. No deduction or set-off of loss shall be allowable while computing said income, except cost of acquisition Loss arising on transfer of VDA cannot be: <ul style="list-style-type: none"> ✓ Set-off against any other taxable income, or ✓ Carried forward to subsequent years Existing rule of taxability of income from other sources to apply on gifting of VDA as well 	<ul style="list-style-type: none"> Any loss arising from transfer of VDA would be a dead loss. It will not be allowed to be set-off even against income arising from transfer of another VDA Definition of 'transfer' shall apply even if VDA is not held as a capital asset. Thus, income from VDA shall be taxed u/s 115BBH even if the income is covered under the head business or profession or other sources Section 115BBH to override all other provisions of the Income-tax Act to tax income from transfer of VDA at 30% Income from transfer of VDA shall be computed as per section 115BBH even if the cost of acquisition is nil or cannot be computed

Direct Tax

Budget Proposal	Existing law	Finance Bill, 2022 presented in Parliament on 1 st Feb 2022	Changes in Finance Bill 2022 (passed by Parliament on 25 th Mar 2022)
<p>Withholding tax on transfer of VDA</p> <p>Section(s) amended: 194S inserted</p> <p>Effective from: 1st July 2022 onwards</p>	<p>No provision for withholding tax on transfer of VDA / Cryptocurrency</p>	<ul style="list-style-type: none"> • Withholding tax @ 1% on payment for transfer of VDA to a Resident • Exemption from withholding tax obligation in following cases: <ul style="list-style-type: none"> ✓ Payer is a 'specified person', & ✓ Aggregate value of such consideration to a Resident < Rs. 50,000 during the FY • 'Specified person' means an Individual / HUF: <ul style="list-style-type: none"> ✓ Whose gross receipts / turnover from Business ≤ Rs. 1 Crore in the FY preceding the FY of transfer, or ✓ Whose gross receipts from Profession ≤ Rs. 50 Lakh in the FY preceding the FY of transfer, or ✓ Having income under any head other than Business or Profession 	<ul style="list-style-type: none"> • Drafting of new section 194S left ground for confusion as the same could be interpreted to mean that payer's responsibility to deduct tax is fulfilled if the payee has paid tax on income arising from transfer of VDA. To avoid the confusion, the amended Finance Bill has clarified that the payer shall be required to ensure that tax required to be deducted u/s 194S has been duly deducted. More of a clarificatory amendment. • Transaction in VDA can attract withholding tax under any other provision even if tax has been deducted u/s 194S. For example, if an architect receives bitcoin from his client as consideration for services, then the architect shall be liable to deduct tax u/s 194S as he is giving the consideration in kind in the form of architecture services to the client. On the other hand, client may also be liable to deduct tax u/s 194J as he is making payment in the form of VDA for services provided by the architect

Direct Tax

(B) New provision for filing 'Updated Income-tax Return (ITR)' u/s 139(8A) within 2 years from the end of relevant AY on payment of additional tax, effective 1st April 2022 onwards

Updated ITR u/s 139(8A) cannot be filed in following cases amongst others, as per Finance Bill, 2022 presented in Parliament on 1st Feb 2022	Changes in Finance Bill 2022 (passed by Parliament on 25 th Mar 2022)
<ul style="list-style-type: none"> • If it is an <u>ITR to report Loss</u> • For years in which search / survey / requisition has taken place including <u>2 years prior to the year of such search / survey / requisition</u> 	<ul style="list-style-type: none"> • Updated ITR u/s 139(8A) can be filed even if original ITR was a 'loss' return u/s 139(3), provided net income as per the updated ITR is a positive figure (profit) and not negative (loss) • '2 years' criteria has been replaced with 'any assessment year' • A new (5th) proviso has been inserted in section 139(8A) to provide that if as a result of filing updated ITR for a particular year, the following is reduced for any subsequent year, then the taxpayer shall be required to file the updated ITR for each such subsequent year: <ul style="list-style-type: none"> ✓ loss or any part thereof carried forward under Chapter VI of the Act; or ✓ unabsorbed depreciation carried forward u/s 32(2); or ✓ Minimum Alternate Tax (MAT) credit carried forward u/s 115JAA; or ✓ Alternate Minimum Tax (AMT) credit carried forward u/s 115JD

(C) Charitable Trusts / Institutions

Finance Bill, 2022 presented in Parliament on 1 st Feb 2022	Changes in Finance Bill 2022 (passed by Parliament on 25 th Mar 2022)
<p>Procedure was prescribed to be followed by Principal Commissioner / Commissioner for cancellation of approval granted to a fund / institution referred to in section 10(23C) (iv)/ (v)/ (vi)/ (via). However, no specific reference was made for cancellation of provisional approval of such institutions</p>	<p>The Principal Commissioner / Commissioner has been empowered to cancel the final as well as provisional approval granted to such funds / institutions</p>

Direct Tax

(D) Others

Budget Proposal	Existing law	Finance Bill, 2022 presented in Parliament on 1 st Feb 2022	Changes in Finance Bill 2022 (passed by Parliament on 25 th Mar 2022)
<p>Surcharge and Cess are not tax-deductible while computing income from business / profession</p> <p>Section(s) amended: 40(a)(ii)</p> <p>Effective from: AY 2005-06 onwards</p>	<p>As per section 40(a)(ii), 'tax' paid under the Income-tax Act is not an allowable expenditure while computing income from business / profession. However, certain taxpayers are claiming deduction of 'cess' / 'surcharge' on the ground that it (cess / surcharge) is not specifically mentioned in the section</p>	<p>It has been clarified that 'surcharge' & 'cess' are not tax-deductible expenditure while computing income from business / profession</p>	<p>Given that the budget proposal is effective from AY 2005-06 onwards, if an assessee has wrongly claimed deduction on account of 'surcharge' or 'cess' in any previous year, the assessee shall be considered to have under-reported his income for such year and shall be liable to pay tax along with penalty @ 50% on the tax payable on such under-reported income</p>
<p>Amendments related to successor entity subsequent to 'business reorganization'</p> <p>Section(s) amended: 170 amended, 156A, 170A inserted</p> <p>Effective from: 1st April 2022 onwards</p>	<ul style="list-style-type: none"> Section 170 governs the procedure of taxation in case of succession pursuant to 'business reorganization'. In practice, once an application is filed with Court, it takes a long time to conclude. Courts have held that tax proceedings pending / completed on the predecessor in such cases are illegal as the predecessor ceases to exist Due to the long time-gap involved between the effective date of 'business reorganization' and date of issue of final order by the Court, taxpayers are unable to modify their ITRs for the said intervening period 	<ul style="list-style-type: none"> Income-tax proceedings made on the predecessor in the event of a 'business reorganization', shall be considered to have been made on the successor, & hence valid Taxpayers undergoing 'business reorganization' are enabled to file modified ITRs for the intervening period 	<ul style="list-style-type: none"> The word 'business reorganization' has been replaced with 'succession'. The word 'succession' has a wider meaning. Further, the term 'successor' has been defined The Finance Bill 2022 proposed to validate proceedings 'made' on the predecessor. It did not cover the situation where such proceedings have been 'initiated' during the pendency of reorganisation (now succession) and completed later. The scope of validity has been extended to proceedings 'made or initiated' on the predecessor
<p>Extension of time limit for completion of assessment for AY 2020-21</p> <p>Section(s) amended: 153(1)</p>	<p>Section 153 provides time-limit for completion of assessment / reassessment in case of a taxpayer. Current time limit for completion of assessment for AY 2020-21 is 31st March 2022</p>		<p>The time limit has been extended to 30th September 2022</p>

Direct Tax

Ministry of Finance releases statistics of direct tax collections for Financial Year (FY) 2021-22

The Ministry of Finance has released the below statistics on 17th March 2022. Direct tax collections for FY 2021-22 as on 16th March 2022 show that net collections are at Rs.13,63,038 crore compared to Rs. 9,18,430 crore over the corresponding period of preceding FY 2020-21, representing an increase of 48.41%. Refunds amounting to Rs. 1,87,325 crore have also been issued in the FY 2021-22 so far.

Particulars	1 st April 2021 to 16 th March 2022 (Rs. Crore)	1 st April 2020 to 16 th March 2021 (Rs. Crore)	1 st April 2019 to 16 th March 2020 (Rs. Crore)	1 st April 2018 to 16 th March 2019 (Rs. Crore)
Gross Direct Tax Collections	15,50,364	11,20,638	11,34,706	11,68,048
Net Direct Tax Collections	13,63,038 Increase of 48.41% over preceding FY	9,18,430	9,56,550	10,09,982
Advance Tax Collection (Cumulative)	6,62,896	4,70,984	4,40,281	5,06,714

Please [Click Here](#) to read the Press Release dated 17th March 2022.



Direct Tax

Section 115BAA of the Income-tax Act, 1961 allowing option to follow concessional tax regime for domestic companies – Central Board of Direct Taxes (CBDT) condones delay in filing of Form 10-IC for Assessment Year (AY) 2020-21

Background

Section 115BAA of the Act provides for an optional concessional tax regime for domestic companies @ 25.17% (including surcharge and cess) on profits, provided they are willing to give-up / forego on certain specific tax exemptions / incentives mentioned in the said section. The option to exercise being governed by the said provision is applicable from AY 2020-21 onwards. The taxpayer is required to submit Form 10-IC with the tax authorities if it wants to follow section 115BAA. The form is required to be submitted on or before the due date of filing corporate ITR u/s 139(1) of the Act for the relevant year. The option once exercised is applicable to subsequent AYs. Failure to submit Form 10-IC timely results in denial of the concessional tax rate.

The issue that arose

AY 2020-21 being the 1st year for which section 115BAA is applicable, representations have been received by the CBDT from industry that delay in filing Form 10-IC for the said year should be condoned. This is because many companies though have opted for section 115BAA in AY 2020-21, have not filed Form 10-IC which was a statutory requirement. While processing corporate ITRs of AY 2020-21, huge demands were created as higher tax rate under regular provisions of the Act was applied.

Condonation of delay by CBDT for AY 2020-21

Accepting the representations from industry, CBDT has condoned the delay for submission of Form 10-IC in cases where the following conditions are fulfilled.

- The ITR for AY 2020-21 has been filed on or before the due date u/s 139(1) of the Income-tax Act
- The assessee-company has opted for taxation u/s 115BAA in 'Filing Status' in 'Part A-GEN' of the Form ITR-6, and
- Form 10-IC is filed electronically on or before *30th June 2022*

Please [Click Here](#) to read Circular no. 6/2022 dated 17th March 2022.

Direct Tax

Tax-deduction u/s 35 for expenditure on scientific research by way of sum paid to a research association / university / college / institution – Permission to submit application in Form 3CF manually (instead of electronically) for grant of approval

Background

Section 35 of the Income-tax Act allows tax-deduction of expenditure on scientific research by way of, amongst others, sums paid to a research association or any other university, college or institution which has its main object as scientific research and development (R&D). For this purpose, an application needs to be submitted by such research association / university / college / institution electronically in Form 3CF with Commissioner / Director of Income-tax during the year relevant to AY from which the approval is sought.

The issue that arose

Difficulty in electronic filing of Form 3CF

Relief granted by CBDT

Form 3CF may be filed manually (instead of electronically) during the period 16th March 2022 till 30th September 2022 or date of availability of Form 3CF on the e-filing portal, whichever is earlier.

Please [Click Here](#) to read Circular no. 5/2022 dated 16th March 2022.

Ministry of Finance releases statistics of Income-tax Returns (ITRs) filed till 15th Mar 2022, being the due date for filing ITR by companies & other taxpayers required to submit tax audit report

More than 6.63 crore ITRs were filed for AY 2021-22 on the new e-filing portal of the Income-tax department as on 15th March 2022, which was the due date for filing of ITRs by companies and other taxpayers required to file tax audit report. As on 15th March 2022 (due date) alone, more than 5.43 lakh ITRs were filed, compared to 4.77 lakh last year on the due date.

Out of the 6.63 crore ITRs, 46% are ITR-1 (individuals who are resident with annual income up to Rs. 50 lakh from salary / 1 House Property / other sources, agricultural income up to Rs.50,000), 9% are ITR-2 (individuals earning income other than income business income and not eligible to file ITR-1), 15% are ITR-3 (individuals having income from proprietary business and who are not eligible to file ITR 1, ITR 2 or ITR 4), 26% are ITR-4 (presumptive income) and 2% are ITR-5 (limited liability partnerships, association of persons, body of individuals), ITR-6 (companies) and ITR-7 (charitable trusts / institutions / university / colleges, etc).

Over 43% of these ITRs have been filed using the online ITR form on the portal and the balance have been uploaded using the ITR created from offline utilities, including departmental software.

Please [Click Here](#) to read the detailed Press Release dated 16th March 2022.

Direct Tax

CBDT issues annual circular on deduction of tax at source (TDS) from salaries for FY 2021-22

Every year, CBDT issues an annual circular sometime between December to March to guide employers and employees understand the various rules relating to TDS on salaries. The Circular is helpful in understanding under 1 roof all the relevant provisions under the Income-tax Act, circulars, notifications, etc. which an employer and employee should be aware of and comply before the fiscal year end of 31st March.

Pursuant to the above, CBDT has issued circular on 15th March 2022 containing instructions in relation to TDS u/s 192 on salary payment during the FY 2021-22 (AY 2022-23), including explanations on following issues:

- Rates of Income-tax as per Finance Act, 2021
- Broad scheme of TDS on salaries
- Persons / Employers responsible for deducting tax at source and their duties
- Computation of income under the head 'Salaries'
- Permissible deductions while calculating taxable income
- Rebate of Rs. 12,500 for individuals having total income upto Rs.5 lakh
- TDS on payment of accumulated balance under recognized provident fund and contribution from approved superannuation fund
- Dos and Don'ts to obtain evidence / proof of claims
- Calculation of tax to be deducted
- Illustrations and Forms

In addition, the circular also explains about computation of tax under the concessional tax regime u/s 115BAC of the Income-tax Act where total income is required to be computed without benefit of specified exemptions, deductions, set-off of losses and additional depreciation. A snapshot of tax rates for FY 2021-22 under the regular provisions of the Act viz a viz section 115BAC is given below.



Direct Tax

(A) Tax rates under regular provisions of the Income-tax Act

Srl no.	Total Income (Rs.)	Normal Tax Rate
1	≤ 250,000	Nil
2	250,000 to 500,000	5% of the amount by which Total Income exceeds Rs.250,000
3	500,000 to 1,000,000	Rs.12,500 + 20% of the amount by which Total Income exceeds Rs.500,000
4	> 1,000,000	Rs.112,500 + 30% of the amount by which Total Income exceeds Rs.1,000,000
Tax Rate for Individuals being (a) resident in India, & (b) age of 60 years or more but less than 80 years at any time during FY 2021-22		
1	≤ 300,000	Nil
2	300,000 to 500,000	5% of the amount by which Total Income exceeds Rs.300,000
3	500,000 to 1,000,000	Rs.10,000 + 20% of the amount by which Total Income exceeds Rs.500,000
4	> 1,000,000	Rs.110,000 + 30% of the amount by which Total Income exceeds Rs.1,000,000
Tax Rate for Individuals being (a) resident in India, & (b) age of 80 years or more at any time during FY 2021-22		
1	≤ 500,000	Nil
2	500,000 to 1,000,000	20% of the amount by which Total Income exceeds Rs.500,000
3	> 1,000,000	Rs.100,000 + 30% of the amount by which Total Income exceeds Rs.1,000,000

(B) Concessional Tax Rates u/s 115BAC of the Income-tax Act

Srl no.	Total Income (Rs.)	Tax Rate
1	≤ 250,000	Nil
2	250,000 to 500,000	5%
3	500,000 to 750,000	10%
4	750,000 to 1,000,000	15%
5	1,000,000 to 1,250,000	20%
6	1,250,000 to 1,500,000	25%
7	> 1,500,000	30%

Please [Click Here](#) to read Circular no. 4 dated 15th March 2022.



Company Law

Company Law

Limited Liability Partnerships (LLPs) - Ministry of Corporate Affairs (MCA) notifies changes regarding incorporation, signing of accounts & annual return of LLPs under liquidation

MCA vide notification dated 4th March 2022 has notified LLP amendment rules, 2022, to introduce below changes with respect to LLPs:

Amended LLP Rules, 2009	Existing provision	Amendment
11(1)	Maximum 2 proposed Designated Partners (DPs) shall apply for allotment of Designated Partner Identification Number (DPIN) at the time of incorporation of LLP	The limit for allotment of DPIN at the time of incorporation of LLP has been increased from 2 DPs to 5 DPs
11(3)	Issuance of Certificate of Incorporation (COI) to LLPs registered under LLP Act, 2008 in prescribed form 16	Along with COI, Permanent Account Number (PAN) & Tax Deduction Account Number (TAN) shall also be issued by the tax department to newly incorporated LLPs
24(6)	Annual statement of account & solvency of LLP shall be signed by its DPs	In cases where either corporate insolvency resolution process (CIRP) has been initiated against the LLP or the LLP is in liquidation under Insolvency & Bankruptcy Code, 2016 (IBC), the statement of account & solvency may be signed by interim resolution professional / resolution professional / liquidator / LLP administrator
25(2)	<p>Annual return of an LLP having:</p> <ul style="list-style-type: none">• Turnover upto Rs. 5 crore, or• Contribution upto Rs. 50 lakh during the financial year; <p>shall be accompanied with a certificate from one of its DPs, who is other than the signatory to the annual return, stating that annual return contains true and correct information</p>	<p>In cases where either CIRP has been initiated against the LLP or the LLP is in liquidation under IBC & has:</p> <ul style="list-style-type: none">• Turnover up to Rs. 5 crore or• Contribution up to Rs. 50 lakh during the corresponding financial year <p>the annual return of such LLP may be signed by interim resolution professional / resolution professional / liquidator / LLP administrator.</p> <p>Further no certification from DP shall be required in such a case</p>

Company Law

In addition to the above, the following updated e-forms are now available on the MCA portal for filing.

E-Form	Description
RUN LLP	Name reservation of LLP
FiLLiP	Incorporation of LLP
Form no.3	Information regarding LLP agreement & changes, if any
Form no.4	Notice of appointment, cessation, change in name / address / designation of DP or Partner and consent to become Partner / DP
Form no.5	Notice for change in name of LLP
Form no.8	Statement of account & solvency & charge filing of LLP
Form no.9	Consent by DPs
Form no.11	Annual Return of LLP
Form no.12	Intimation of other address for service of documents
Form no.15	Notice for change of place of registered office of LLP
Form no.16	Issue of COI
Form no.17	Application for conversion of partnership firm into LLP
Form no.18	Application for conversion of company into LLP
Form no.19	Certificate of Registration on conversion
Form no.22	Notice of intimation of order of Court / Tribunal / Central Government to Registrar of Companies
Form no.23	Application for direction to LLP to change its name
Form no.24	Application to the Registrar for striking off name
Form no.25	Name reservation / renewal of Foreign LLP
Form no.27	Registration of particulars by Foreign LLPs
Form no.28	Alteration in documents filed for registration by Foreign LLP
Form no.31	Compounding of offence
Form no.32	Addendum for rectification of defects / incompleteness

Please [Click Here](#) to read Notification dated 4th March 2022.



Reserve Bank of India (‘RBI’)

Credit Guarantee Scheme for Subordinate Debt (CGSSD) applicable to stressed micro, small & medium enterprises (MSMEs) extended till 31st March 2023

Government of India had launched a Credit Guarantee Scheme for Subordinate Debt (CGSSD) on 24th June 2020 to provide credit facility through lending institutions to the promoters of stressed MSMEs who are eligible for restructuring as per RBI guidelines on the books of the lending institutions.

The aforesaid CGSSD which was initially valid till 31st March 2021 was further extended till 31st March 2022 in order to continue the financial assistance to stressed MSMEs.

However, on the basis of the requests received from various stakeholders of the scheme, the CGSSD has been further extended till 31st March 2023.

Please [Click Here](#) to read the Press Release dated 14th March 2022.

RBI notifies regulatory framework for microfinance loans extended by commercial banks, co-operative banks & non-banking financial companies (NBFCs)

RBI vide notification dated 14th March 2022 has notified 'regulatory framework for Microfinance loans Directions, 2022' which shall come into effect from 1st April 2022 onwards.

[What is Microfinance loan?](#)

A Microfinance loan is defined as a collateral-free loan given to a household having annual household income of upto Rs 3,00,000. For this purpose, the household shall mean an individual family unit, that is, husband, wife & unmarried children. All collateral-free loans, irrespective of their end use & mode of application / processing / disbursal (either through physical or digital channels) provided to low-income households, that is, households having annual income of upto Rs 3,00,000 shall be considered as microfinance loans.

[Eligible lending banks / financial institutions](#)

Following banks / financial institutions are eligible to provide microfinance loans and are accordingly covered under the regulatory framework for Microfinance loans Directions, 2022:

- All Commercial Banks (including small finance banks, local area banks and regional rural banks) excluding payments banks;
- All Primary (urban) Co-operative Banks / State Co-operative Banks / District Central Co-operative Banks, and
- All NBFCs (including Microfinance Institutions and Housing Finance Companies)

[Mechanism for pricing of microfinance loans](#)

Every lending bank / financial institution / NBFC (as the case may be) shall put in place a board-approved policy regarding pricing of microfinance loans which shall include the following:

- A well-documented interest rate model / approach for arriving at the all-inclusive interest rate;
- Delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters;
- The range of spread of each component for a given category of borrowers and
- A ceiling on the interest rate and all other charges applicable to the microfinance loans

[Guidelines for conduct of lending banks / institutions / NBFCs towards microfinance borrowers](#)

- Fair Practice Code (FPC) based on these directions shall be put in place by all the lending banks / institutions / NBFCs with the approval of their Boards;
- FPC shall be displayed by the lending banks / institutions / NBFCs in all its offices & on its website;
- FPC shall be issued in a language understood by the borrower;
- Lending banks / institutions / NBFCs shall also put in place a mechanism for identification of the borrowers facing repayment-related difficulties, engagement with such borrowers & providing them necessary guidance about the recourse available

Please [Click Here](#) to read the notification dated 14th March 2022.

RBI clarifies, no 3rd party is authorized to assist RBI in the redressal of customers grievances against RBI regulated entities

In the wake of the misinformation being spread amongst the general public through social media channels, conveying to the public to lodge their complaints against RBI regulated entities through 3rd parties for a charge / fees or otherwise for early redress of grievances. Addressing the same, RBI vide Press Release dated 9th March 2022 has clarified that it does not have any arrangement with any 3rd party for redressal of grievances against RBI regulated entities.

RBI further mentioned that it has laid down a cost free grievance redress mechanism under Reserve Bank - Integrated Ombudsman Scheme (RB-IOS) which does not involve payment of any fees / charges in any form or manner. Customers having grievances against RBI regulated entities for deficiency in services, which is not redressed satisfactorily or in a timely manner by the said entities, can directly lodge their complaint on the Complaint Management System (CMS) portal (<https://cms.rbi.org.in>) of RBI or by e-mail at crpc@rbi.org.in or in physical mode at the Centralised Receipt & Processing Centre (CRPC) set up at RBI, 4th Floor, Sector 17, Chandigarh - 160017.

Complainants having queries on RB-IOS or desiring information relating to their complaints lodged through the above methods, can reach the Contact Centre of RBI at toll-free number #14448 (currently available from 9:30 am to 5:15 pm India time on working days) in Hindi, English & 9 regional languages (Bengali, Gujarati, Kannada, Odia, Malayalam, Marathi, Punjabi, Tamil and Telugu).

Please [Click Here](#) to read the Press Release dated 9th March 2022.



Securities Exchange Board of India ('SEBI')

Substantial Acquisition of Shares & Takeovers (SAST) Regulations: SEBI notifies changes such as manual filing of disclosures in certain cases & recording of encumbrances on securities in the depository system

SEBI vide circular dated 7th March 2022 has notified changes under SAST Regulations such as below.

- **Manual filing of disclosures in some cases**

SEBI vide Circular dated 13th August 2021 had implemented the automated system driven disclosures in phases & accordingly omitted the manual filing for most of the disclosure filed with SEBI under SAST regulations with effect from 1st April 2022. However SEBI vide circular dated 7th March 2022 has notified few cases where manual disclosures shall continue to be filed with SEBI such as:

- ✓ Triggering of disclosure requirement due to acquisition or disposal of the shares, as the case may be, by the acquirer together with persons acting in concert (PACs);
- ✓ Triggering of disclosure requirement in case the shares are held in physical form by the acquirer and / or PACs;
- ✓ Listed companies which have not provided PAN of promoter(s) / member(s) of the promoter group to the designated Depository or companies which have not appointed any Depository as their designated Depository

- **Recording of encumbrances on securities in the Depository system of SEBI**

- ✓ In order to streamline the dissemination of the information related to encumbrances on securities and thus bring in more transparency, in consultation with the Stock exchanges and Depositories, it has been decided that all types of encumbrances under SAST regulations shall necessarily be recorded in the Depository system of SEBI;
- ✓ The Depositories shall capture details of the ultimate lender along with the name of the trustee acting on behalf of such ultimate lender such as Banks, NBFCs, etc;
- ✓ In case of issuance of debentures, the name of the debenture issuer shall be captured in the Depository system & the Depositories shall also capture the reasons for encumbrances in the Depository system;
- ✓ The Depositories shall also devise an appropriate mechanism to record all types of outstanding encumbrances in the Depository system by 30th June 2022.

Please [Click Here](#) to read the Circular dated 7th March 2022.

Compliance Calendar

Compliance calendar for the month of April 2022

Compliance Due Date:	Concerned (Reporting) Period:	Compliance Detail:	Applicable To:
7 th April	March 2022	Equalization Levy deposit	All Deductors
10 th April		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 th April		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 5 crore
13 th April		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
	January-March 2022	GSTR-1 (Outward supply return)	Taxable persons having turnover < Rs. 5 crore
15 th April	March 2022	Deposit of PF & ESI contribution	All Deductors
18 th April	January-March 2022	CMP – 08 (Statement – cum - challan for composition dealer)	Composition dealer
20 th April	March 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
22 nd April	January-March 2022		All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
24 th April			All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state.
30 th April	FY 2021-22	GSTR 4 (Annual Return for composition dealer)	Composition dealer.
	March 2022	TDC/TCS deposit	Non-government Deductors
	October 2021 -March 2022	Details of MSME Trade Payables outstanding for more than 45 days from the date of acceptance of the goods or services.	All Companies having MSME trade payable outstanding for more than 45 days

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

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