

TAX EDGE

Monthly Tax & Regulatory Updates



Audit



Tax



Regulatory

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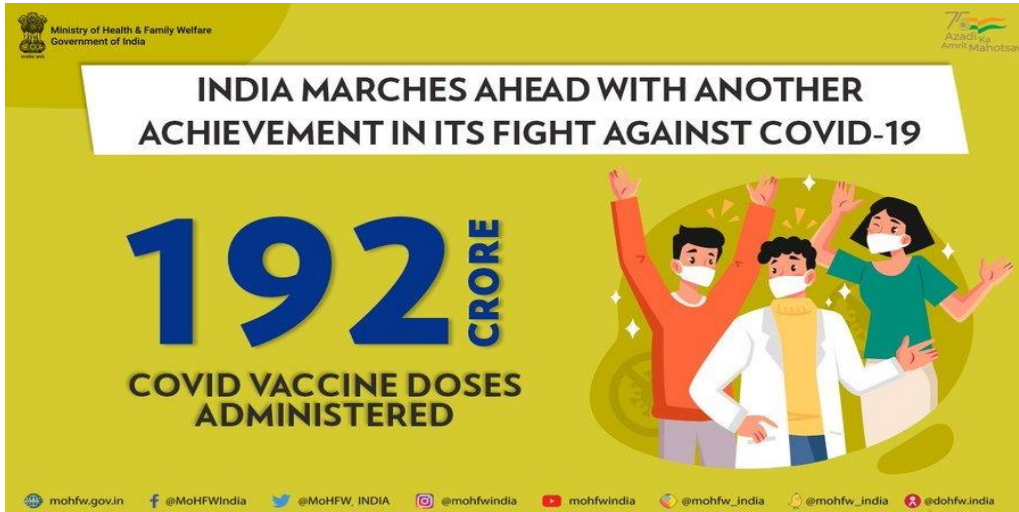


Measures to combat COVID-19

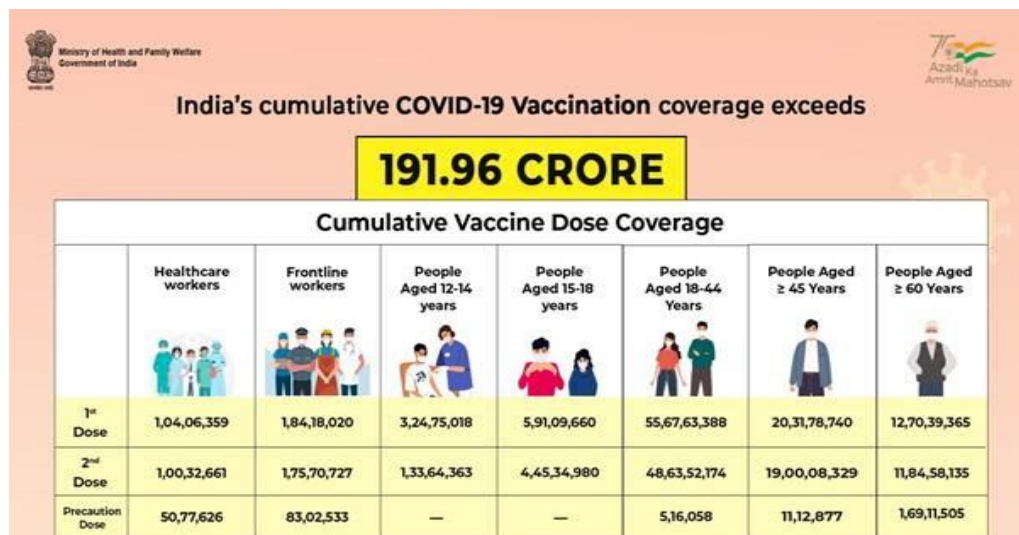


Measures to combat COVID-19

India's cumulative COVID-19 vaccination coverage exceeds 1.91 billion doses, over 32.4 million 1st dose vaccines administered for age group 12 – 14 years



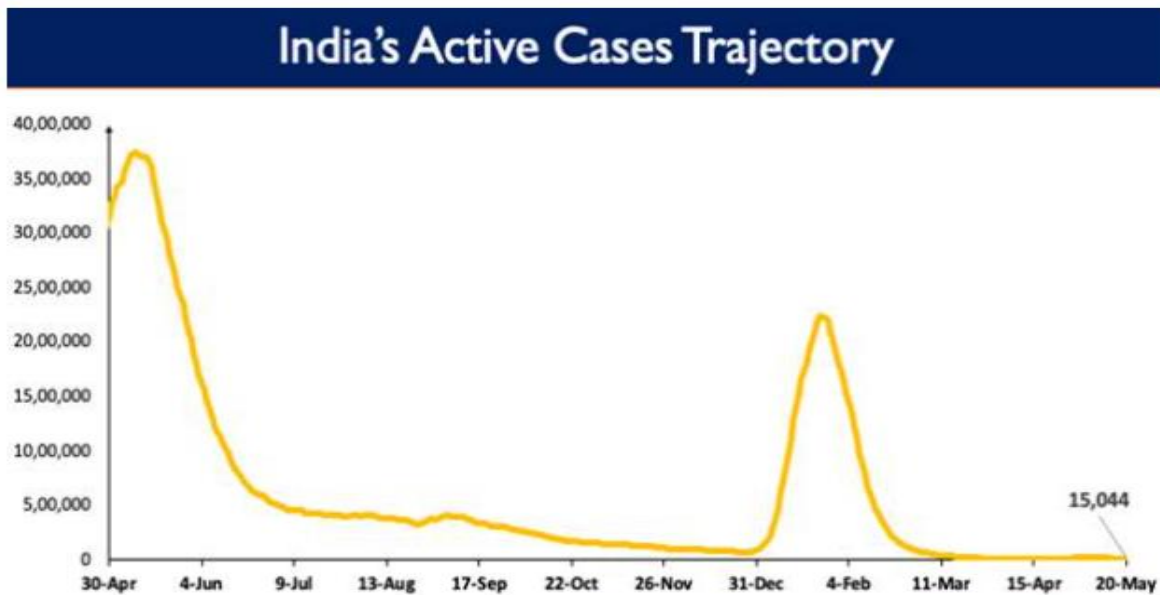
India's COVID-19 vaccination coverage has exceeded 1.91 billion doses, achieved through 2,41,17,166 sessions.



COVID-19 vaccination for the age group 12-14 years was started on 16 March 2022. So far, more than 3,24,75,018 adolescents have been administered with the 1st dose of COVID-19 vaccine. Similarly, the COVID-19 precaution dose administration for age group 18-59 years also started from 10 April 2022 onwards.

India's active caseload currently stands at 15,044. Active cases now constitute 0.03% of the country's total positive cases. India's recovery rate stands at 98.75%. Weekly positivity rate stands at 0.53%, daily positivity rate stands at 0.50%.

Measures to combat COVID-19



Please [Click Here](#) to read the Press Release dated 20th May 2022.

Union Government has provided more than 1.93 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 January 2021. The new phase of universalization of COVID-19 vaccination commenced from 21 June 2021. The vaccination drive has been ramped up through availability of more vaccines, advance visibility of vaccine availability to States and UTs for enabling better planning by them, and streamlining the vaccine supply chain.

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

Vaccine doses as on 20 th May 2022	
Supplied	1,93,53,58,865
Balance Available	16,72,85,910

More than 1.93 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 16,72,85,910 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 20th May 2022.

Measures to combat COVID-19

Union Minister of State for Health & Family Welfare launches National Emergency Life Support (NELS) courses for Doctors, Nurses & Paramedics

Union Minister of State for Health and Family Welfare, Dr Bharati Pravin Pawar launched NELS courses for doctors, nurses and paramedics. Apart from the training modules, the program also includes developing training infrastructure in all States/UTs to implement the NELS course and creating a cadre of trainers to train doctors, nurses and paramedics working in emergency departments of the hospitals and ambulance services.



The Union Minister of State said that till now, health care professionals in the country had to rely on foreign modules and paid courses which were not only expensive but were also limited in scope to a handful of emergencies without considering needs and priorities of our population landscape. “Therefore, realizing the Hon’ble Prime Minister’s policy of ‘Make in India’ and ‘Atmanirbhar Bharat’, the NELS provides standardized curriculum which is based on Indian context and developed in India”, she stated.

The Minister requested the States to send proposals for establishing NELS skill centres at their medical colleges and urged all skill centers to ensure that trainings are not only operationalized but also utilized to the maximum extent to improve the quality of emergency care services in the State. She also requested disaster management cell to regularly interact with participating institutions and monitor their activities to make this a successful initiative.

The activities under the NELS entail developing emergency life support training modules for doctors, nurses and paramedics after experts’ consultations and based on the Indian context, setting up and equipping skill centres in medical colleges under Center / States to impart skill-based training on emergency life support for all categories of health functionaries, 120 skills centres to be established under SFC (FY: 2021-26) (out of which 90 skill centres are in various stage of development). NELS course is comprehensive and deals with the management of medical emergencies, surgical emergencies, cardiac emergencies, respiratory emergencies including ventilator management protocol for COVID-19 and other disease, trauma-related emergencies, obstetric emergencies, paediatric emergencies, snake bites, poisoning etc.

Please [Click Here](#) to read the Press Release dated 18 May 2022.

Measures to combat COVID-19

Health Ministry flags considerable decline in COVID 19 vaccination in some states/UTs & urges to prevent wastage of vaccine by following 'first expiry first out' principle

The Union Health Ministry has flagged concerns regarding the considerably slow pace of COVID19 vaccination across some States and UTs, and has urged them to significantly expedite the pace towards full vaccination coverage by saturating all eligible beneficiaries. This was communicated to all States and UTs by Shri Rajesh Bhushan, Union Health Secretary as he reviewed the status of COVID vaccination with Health Secretaries of States and UTs, through a video conference (VC).



Union Health Secretary stressed on a clear and effective communication strategy for increasing the pace of the nationwide COVID19 vaccination, noting that customised regional communication best practices have yielded appreciable results in India's highly commendable COVID19 coverage of over 1.91 billion doses. Focus on regional influencers, community leaders, innovative campaigns, etc., was highlighted.

With data on state-wise availability of vaccines vs. due beneficiaries, States/UTs were informed about the stock of near-expiry vaccine doses lying unused with them. Underscoring that COVID19 vaccine is a precious national resource, they were strongly advised to ensure that there is no wastage of COVID-19 vaccines at any cost. This must be ensured through active monitoring and on basis of '1st Expiry 1st Out' principle, where doses that expire earlier should be used for vaccination first. Pointing out that supply of vaccine doses has been made to States/UTs as per their demand since Dec 2021, they were advised to 1st use the unused balance doses over the coming months of May, June and July.

It was pointed out that in some states, persons who wish to travel abroad and seek to take a precaution dose within 90 days of the 2nd dose, are being asked to furnish proof of the intended foreign journey. Union Health Secretary reiterated that under no circumstances should any COVID19 vaccination centre or any State Government insist on any documentary proof of foreign travel for those who are seeking a precaution dose ahead of their travel abroad. Communication in this regard has already been shared with State / UTs.

Please [Click Here](#) to read the Press Release dated 20 May 2022.

Goods & Services Tax (‘GST’)



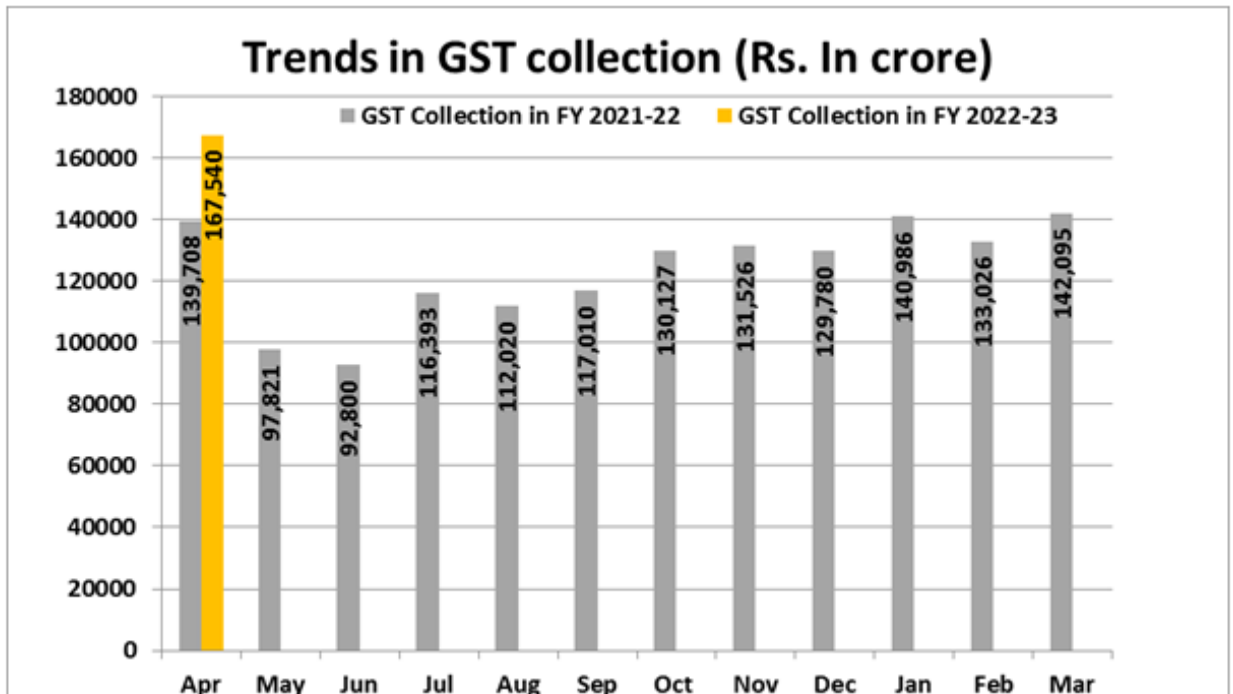
GST

GST revenue collection for April 2022 Rs.167,540 Crore (20% higher than GST revenue collection in April 2021)

The gross GST collection in April 2022 is all time high, Rs. 25,000 Crore more than the last highest collection of Rs. 142,095 Crore. The gross GST revenue collected in the month of April 2022 is as below.

IGST (Integrated Goods and Services Tax)	Rs. 81,939 Crore
CGST (Central Goods and Services Tax)	Rs. 33,159 Crore
SGST (State Goods and Services Tax)	Rs. 41,793 Crore
Compensation cess	Rs. 10,649 Crore
Total	Rs. 1,67,540 Crore

During the month, revenues from import of goods was 30% higher and the revenues from domestic transaction (including import of services) are 17% higher than the revenues from these sources during the same month last year.



For the first time, gross GST collection has crossed Rs 1.5 lakh crore mark. During April 2022, 1.06 crore GST returns in Form GSTR-3B (summary return) were filed. Till the end of the month, the filing percentage for GSTR-3B (Summary Return) in April 2022 was 84.7% as compared to 78.3% in April 2021 and the filing percentage for Form GSTR-1 (Outward Supply Return) in April 2022 was 83.11% as compared to 73.9% in April 2021.

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

Central Board of Indirect Taxes & Customs (CBIC) extends the due date for payment of GST & filing Form GSTR-3B (summary return) for April 2022 amid technical glitches

CBIC has extended the following due dates amid technical glitches reported in generation of Form GSTR-2B (auto drafted input tax credit (ITC) statement) and auto population of Form GSTR-3B on the GST portal

- Due date for furnishing Form GSTR-3B for April 2022 has been extended till 24 May 2022
- Due date for deposit of GST in Form PMT-06 for April 2022 has been extended till 27 May 2022

Please [Click Here](#) to read the Notification No. 05/2022-Customs dated 17 May 2022.

Please [Click Here](#) to read the Notification No. 06/2022-Customs dated 17 May 2022.

Form GSTR-1 (statement of outward supplies) / Invoice Furnishing Facility (IFF) enhancements deployed on GST Portal

Background

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 GSTR-1 filers have also been provided with an optional IFF for reporting their outward supplies to registered persons (B2B supplies) in the 1st two months of the quarter.

Continuous enhancements and technology improvements in GSTR-1 / IFF have been made from time to time to enhance the performance and user-experience of 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 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 is now available on the Portal, for which an advisory has been issued by team GSTN on 27 April 2022.

GST

The following changes have been done in this phase of the GSTR-1 / IFF enhancements:

Improvement / Enhancement on GST portal	Before	Now	Benefit of Improvement / Enhancement
Removal of 'Submit' button before filing	Filing of GSTR-1 / IFF was done in 2 steps in which taxpayer had to upload the data and then needed to submit the data first and then finally file the return. After submitting the data, taxpayer was unable to modify the data	'Submit' and 'File' buttons are replaced with a 'File Statement' button making the filing a simpler 'Single-step filing' process	Taxpayers will get flexibility to add / modify records till the filing is completed by pressing the file statement button
Consolidated Summary	GSTR-1 summary generated from the portal did not report table wise summary of taxable value and tax amounts in separate columns. Taxpayers had to use some other software for the confirmation	Taxpayers will now be shown a table-wise consolidated summary before actual filing of 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 GSTR-1 / IFF before actual filing
Recipient wise Summary	There was no option to generate recipient wise summary	<p>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</p> <p>The recipient-wise summary will be made available with respect to the following tables of GSTR-1 / IFF, which have counter-party recipients:</p> <ul style="list-style-type: none"> • Table 4A: B2B supplies • Table 4B: Supplies attracting reverse charge • Table 6B: SEZ supplies • Table 6C: Deemed exports • Table 9B: Credit / Debit notes 	Ease of reference

Please [Click Here](#) to read the detailed advisory dated 27 April 2022.

Please [Click Here](#) to see sample screenshots.

Functionality for computation of Annual Aggregate Turnover (AATO) for Financial Year (FY) 2021-22

Concept of AATO in GST

AATO means the annual aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number (PAN), to be computed on all India basis. The aggregate turnover is a crucial parameter for deciding the eligibility of a supplier to avail the benefit of exemption threshold of Rs. 20 Lakh and for determining the threshold limit for composition levy.

Advisory issued by Team GSTIN on 2 May 2022

An advisory has been issued by Team GSTN relating to deployment of functionality for computation of AATO for FY 2021-22. Such functionality has now been made live on taxpayers' dashboards with the following features:

- The taxpayers can view the exact AATO for the previous FY
- The taxpayers can also view the Aggregate Turnover of the current FY based on the returns filed till date
- The taxpayers have also been provided with the facility of *turnover updation* in case taxpayers feel that the system calculated turnover displayed on their dashboard varies from the turnover as per their records.
- This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in their turnover shall be summed up for computation of AATO for each of the GSTINs.
- The taxpayer can amend the turnover twice within the month of May 2022. Thereafter, the figures will be sent for review to the jurisdictional tax officer who can amend the values furnished by the taxpayer wherever required

View Turnover Details of [Advisory](#)

Financial Year

(Amount in ₹)

	Estimated	Based on Returns Filed
Turnover	View/Update	
Aggregate Turnover (PAN Based)		

[Click here](#) to know Turnover Calculation Methodology

In case of any discrepancy in the turnover displayed, please lodge your grievance at <https://selfservice.gstsystem.in/>

Note: The values displayed above are as 04/05/2022. Turnover value is updated dynamically as per filing of Returns. Aggregate Turnover is updated dynamically based upon the filings done by all GSTINs under the PAN. Final Turnover & Aggregate Turnover will be made available post tax-officer's verification 01/07/2022.

Please [Click Here](#) to read the detailed advisory dated 2 May 2022.

Direct Tax



Direct Tax

Higher rate of withholding tax on payments to non-filers of tax returns – Central Board of Direct Taxes (CBDT) issues circular regarding use of compliance check functionality u/s 206AB & 206CCA of Income-tax Act, 1961

Background

Finance Act 2021 inserted 2 new provisions 206AB and 206CCA in the Income-tax Act, 1961 ('Act') which became effect from 1 July 2021 onwards. These provisions mandated tax deduction (section 206AB) or tax collection (section 206CCA) at higher rate in case of certain non-filers ('specified persons'). Higher rate was twice the prescribed rate or 5%, whichever is higher. Specified person meant a person who satisfies both the following conditions:

- He has not filed the tax returns of income for *last 2 years* prior to the FY in which tax is required to be deducted / collected. Last 2 years means those years for which tax-return filing date u/s 139(1) has expired
- Aggregate of tax deducted at source (TDS) and tax collected at source (TCS) is Rs.50,000 or more in each of these last 2 years

Manner of discharging responsibility by tax deductor / collector

- The tax deductor / collector was / is required to satisfy himself if the deductee or the collectee is a specified person (defaulter) or not. For this purpose, the Income-tax department came out with a functionality 'Compliance Check for Section 206AB & 206CCA', which was made available through reporting portal of the tax department
- The functionality enabled the tax deductor / collector to feed a single PAN (PAN search) or multiple PANs (bulk search) of the deductee / collectee. The functionality then gave a response if such deductee / collectee was a specified person. The logic of the functionality was explained in circular no. 11 dated 21 June 2021

Direct Tax

Changes vide Finance Act 2022 (effective from 1 April 2022 onwards)

Existing provision	Amendment vide Finance Act 2022
Provision relating to higher TDS is not applicable on following payments: Section 192 – Payment of salaries Section 192A – Payment of accumulated balance due to an employee Section 194B – Winnings from lottery / crossword puzzle Section 194BB – Winnings from horse race Section 194LBC – Income in respect of investment in securitization trust Section 194N – Payment of cash exceeding Rs.1 Crore by bank / co-operative society / post office	In addition to the existing, the provision relating to higher TDS is not applicable on following payments: Section 194IA – Payment on transfer of immovable property Section 194IB – Payment of rent by certain individuals / Hindu Undivided Families (HUF) Section 194M - Payment of works contract / commission / brokerage / fee for technical services by individuals / HUFs > Rs.50 lakh a year Section 194S – Payment in lieu of transfer of virtual digital asset (VDA)
Condition for default in filing tax return for last 2 years has been reduced to last 1 year. Also, monetary limit of Rs.50,000 shall apply for 1 year instead of 2 years.	

New logical functionality for FY 2022-23

- A list of specified persons is prepared as on the start of FY year 2022-23, taking FY 2020-21 as the relevant year (since the due date for filing tax return for FY 2020-21 has expired). List contains names of the taxpayers who did not file tax return for FY 2020-21 and have aggregate of TDS and TCS of Rs.50,000 or more in the FY 2020-21
- During FY 2022-23, no new names are added in the list of specified persons / defaulters. This is a taxpayer friendly measure to reduce the burden on tax deductor and collector of checking PANs of non-specified person / defaulter more than once during the FY
- If any specified person / defaulter files a valid return of income (filed and verified) for FY 2020-21 during the FY 2022-23, his name would be removed from the list of specified persons / defaulters (on the date of filing the valid tax return during FY 2022-23)
- If any specified person / defaulter files a valid tax return (filed and verified) for FY 2021-22, his name would be removed from the list of specified persons / defaulters. This would be done on the due date for filing of the return of income for FY 2021-22 or on the date of actual filing of valid return (filed and verified), whichever is later

Direct Tax

- If the aggregate of TDS and TCS, in the case of a specified person / defaulter, in the FY 2021-22 < Rs.50,000, his name would be removed from the list of specified persons / defaulters. This would be done on the first due date u/s 139(1) falling in the FY 2022-23. For the FY 2022-23 this due date is 31 July 2022
- Belated and revised TCS and TDS returns of the relevant FY filed during the FY 2022-23 would also be considered for removing persons from the list of specified persons / defaulters on a regular basis
- The deductor / collector may check the PAN in the functionality at the beginning of the FY. After that, he is not required to check PAN of non-specified person during that FY

Illustration

Say, a deductor has 10,000 vendors that he deals with. He can use the functionality in the bulk search mode and can get the result of all these 10,000 PANs at one go. Let us assume that the functionality has shown that out of these 10,000 PANs, 5 PANs are 'specified persons' or defaulters. Now with respect of the remaining 9,995 PANs, it is clear that they are not in the list of specified persons or defaulters for that FY. Since no new name would be added in the list of specified persons during the FY, the deductor can be assured that these 9,995 PANs would remain outside the list of specified persons during that FY. Thus, deductor need not check again with respect to these 9,995 PANs during that FY. There are chances that the 5 PANs which are of specified persons may move out of the list during the FY and for that there will be need to recheck at the time of making tax deduction or tax collection.

In case deductee is a non-resident not having Permanent Establishment (PE) in India

Higher rate of TDS / TCS is not applicable in case deductee / collectee is a non-resident who does not have PE or taxable presence in India. Since the functionality does not have the visibility of non-resident having PE in India, there is likelihood that such non-resident having PE in India may not get reflected in this list. Tax deductors and collectors are expected to carry out necessary due diligence in respect of non-residents about the applicability of section 206AB and section 206CCA on them.

Tendency of tax deductor / collector to ask deductee / collectee to furnish evidence of filing tax return

Even though Government has released functionality to enable tax deductors / collectors check online whether the deductee / collectee is a defaulter or not, it has been noticed that some tax deductors / collectors are still asking deductees / collectees to share physical evidences of filing their tax returns. Government has asked encouraged deductors / collectors to avoid this practice as it leads to unnecessary compliance burden for deductees / collectees.

Please [Click Here](#) to read Circular no. 10 dated 17 May 2022.

Direct Tax

CBDT notifies additional transactions for mandatory requirement of obtaining Permanent Account No. (PAN), quoting & authenticating PAN

Background

The Income-tax Act, 1961 provides for certain situations wherein a taxpayer is mandatorily required to obtain PAN, such as below:

- Cases where total income of taxpayer exceeds maximum amount not chargeable to tax
- Cases where taxpayer carries on any business or profession whose sales / turnover exceeds Rs. 50 Lakh a year
- Resident taxpayer (other than individual) entering into a financial transaction of an amount aggregating to Rs. 2.5 Lakh or more during a year
- Any other situation specified by CBDT

The Finance Act (No. 2), 2019 added a new requirement to say that taxpayers entering into 'specified transactions' shall quote their PAN or Aadhaar in the documents pertaining to such transactions. The counterparty is obliged to ensure that such PAN or Aadhaar is properly quoted and authenticated.

New Rules 114BA and 114BB inserted by CBDT

Pursuant to above, the Government has now provided some additional situations in which (a) obtaining PAN is mandatory, and (b) quoting and authenticating PAN is mandatory, as below.

S no.	Transactions	New Rule 114BA inserted	New Rule 114BB inserted
1.	Cash deposit(s) aggregating to Rs. 20 Lakh or more during a year in 1 or more accounts of a taxpayer with banks	<ul style="list-style-type: none">• Mandatory to obtain PAN• Application for allotment of PAN needs to be filed atleast 7 days in advance prior to the intended date of the transaction• Effective from 26 May 2022 onwards	<ul style="list-style-type: none">• Mandatory to quote PAN by every taxpayer. Bank is required to authenticate the same
2.	Cash withdrawal(s) aggregating to Rs.20 Lakh or more during a year in 1 or more accounts of a taxpayer with banks	While the Notification mandates to obtain PAN on opening of current account / cash credit account by a taxpayer, practically, it has been seen that banks always require PAN in order to open such accounts. Thus, effectively, it can be said that no additional compliance burden had been imposed by the Notification	<ul style="list-style-type: none">• Effective from 10 July 2022 onwards
3.	Opening of current account / cash credit account with banks		

Please [Click Here](#) to read the Notification no. 53 dated 10 May 2022.

Direct Tax

Updated Income Tax Return (ITR) u/s 139(8A) of Income-tax Act - CBDT notifies Form ITR-U & manner to furnish the same

Background – Section 139(8A) of the Income-tax Act, 1961

The Finance Act, 2022 has introduced a new provision for filing 'Updated ITR' u/s 139(8A) of the Income-tax Act within 2 years from the end of relevant Assessment Year (AY) on payment of additional tax. The scheme has been introduced with the objective to provide an opportunity for voluntary compliance by taxpayers in order to rectify errors in the last valid ITR filed and to reduce litigation. The Central Board of Direct Taxes has now notified a new rule (Rule 12AC) containing the new tax return form and the manner to furnish such Updated ITR.

It is relevant to note that Updated ITR cannot be filed in following cases:

- If it is an ITR to report Loss, or
- It decreases the tax liability reported in Original ITR u/s 139(1), Belated ITR u/s 139(4) or Revised ITR u/s 139, or
- It results in refund or increases refund as per Original ITR u/s 139(1), Belated ITR u/s 139(4) or Revised ITR u/s 139, or
- If search / survey / requisition has taken place
- If any updated ITR under the same provision [139(8A)] has already been filed for that year, or
- If any proceeding for assessment / reassessment / recomputation / revision of income is pending or has been completed for the relevant year, or
- Assessing Officer has communicated to the taxpayer information regarding money laundering / black money / benami transactions for the relevant year, or
- Any prosecution proceedings have been initiated against the taxpayer for the relevant year, or
- By any other category of taxpayer(s) as may be notified by CBDT

Direct Tax

Taxpayer	Existing time limit to file Original ITR u/s 139(1)	Existing time limit to file Belated ITR u/s 139(4) or Revised ITR (5) (unless assessment completed earlier)	Additional time limit u/s 139(8A) - Within 24 months of end of relevant AY
Individual	31 st Jul of relevant AY	Another 5 months (i.e., 31 st Dec of relevant AY)	Another 27 months (i.e., total 32 months from due date of Original ITR)
Company / Auditable case	31 st Oct of relevant AY	Another 2 months (i.e., 31 st Dec of relevant AY)	Another 27 months (i.e., total 29 months from due date of Original ITR)
Transfer Pricing cases	30 th Nov of relevant AY	Another 1 month (i.e., 31 st Dec of relevant AY)	Another 27 months (i.e., total 28 months from due date of Original ITR)
Instance		Additional Tax Payable u/s 140B where Updated ITR u/s 139(8A) is filed between:	
		<ul style="list-style-type: none"> • 31st Dec of relevant AY till • 12 months from end of relevant AY 	<ul style="list-style-type: none"> • 12 months from end of relevant AY till • 24 months from end of relevant AY
In case ITR is not furnished earlier		25% of tax & interest due on additional income	50% of tax & interest due on additional income
In case ITR is furnished earlier (Original, Belated or Revised)			

Direct Tax

The Updated ITR u/s 139(8A) is required to be accompanied by proof of payment of additional tax u/s 140B, otherwise the same may be regarded as defective u/s 139(9) of the Act.

Components of New Form ITR-U

Part	Details to be furnished
A – General Information	<ul style="list-style-type: none">• General details such as Name, PAN, Aadhaar, AY• Details of ITR filed previously (if filed)• Whether eligible to file Updated ITR in accordance with section 139(8A)• Applicable ITR form (1 to 7)• Reasons for updating ITR ✓ Return not filed previously✓ Income not reported correctly✓ Wrong head of income chosen✓ Reduction of carried forward loss✓ Reduction of unabsorbed depreciation✓ Reduction of tax credit u/s 115JB / 115JC✓ Wrong tax rate✓ Any other
B – Computation of Total Updated Income & Tax Payable	<ul style="list-style-type: none">• Head of income under which additional income is being reported as per Updated ITR (Salary / House Property / Business or Profession / Capital Gains / Other Sources)• Income as per last ITR• Aggregate total income as per Updated ITR• Computation of aggregate tax liability• Computation of additional tax liability (25% or 50% as the case may be)
C - Details of tax paid / payable	

Filing Updated ITR may help taxpayers in avoiding the risk of penalty due to under-reporting of income or prosecution for failure to file original ITR.

Please [Click Here](#) to read the Notification no. 48 dated 29 April 2022.

Company Law



Company Law

Extension of timeline till 31st December 2022 for companies to conduct Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM)

Due to COVID-19, Ministry of Corporate Affairs (MCA) vide various circulars issued has allowed companies to conduct their AGMs / EGMs through VC or OAVM within such timelines as below:

Type of meeting	Previous extension	Circular (please click to read)	Current extension	Circular (please click to read)
AGM	Companies allowed to conduct AGMs due to be held during the year 2020 through VC / OAVM till 30 September 2020	Circular no 20/2020 dated 5th May 2020	Companies allowed to conduct AGMs due to be held during the year 2022 through VC / OAVM till 31 st December 2022	Circular no 2/2022 dated 5th May 2022
	Companies allowed to conduct AGMs due to be held during the year 2020 & 2021 through VC / OAVM till 31 December 2021	Circular no 2/2021 dated 13th January 2021		
	Companies allowed to conduct AGMs due to be held during the year 2021 & 2022 through VC / OAVM till 30 June 2022	Circular no 19/2021 dated 8th December 2021 & Circular no 21/2021 dated 14th December 2021		
EGM	Companies allowed to conduct EGMs through VC / OAVM till 30 th June 2020	Circular no 14/2020 dated 8th April 2020 & Circular no 17/2020 dated 13th April 2020	Companies allowed to conduct EGMs through VC / OAVM till 31 st December 2022	Circular no 3/2022 dated 5th May 2022
	Companies allowed to conduct EGMs through VC / OAVM till 30 th September 2020	Circular no 22/2020 dated 15th June 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 31 st December 2020	Circular no 33/2020 dated 28th September 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 30 th June 2021	Circular no 39/2020 dated 31st December 2020		
	Companies allowed to conduct EGMs through VC / OAVM till 31 st December 2021	Circular no 10/2021 dated 23rd June 2021		
	Companies allowed to conduct EGMs through VC / OAVM till 30 th June 2022	Circular no 20/2021 dated 8th December 2021		

Company Law

MCA has further clarified that the above extensions are limited to holding of AGM through VC or OAVM and in no way provides extension of time period for holding AGMs by companies under the Companies Act, 2013 (Act). Thus, companies which have not adhered to the relevant timelines of holding AGM for the Financial Year 2021-22 shall remain subject to legal action under the Act.

Government approval mandatory for issuance of securities to entities / nationals of countries sharing land-border with India

Background

Reserve Bank of India (RBI) vide press note no 3 (2020) dated 17th April 2020 had notified that prior Government approval shall be mandatorily required for all foreign investments made in India:

- By the entity of any country sharing land border with India;
- Where the beneficial owner of such a foreign investment is situated in or is a citizen of any country sharing land border with India;
- Transfer of ownership of any existing or future foreign investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the purview of the land border sharing countries

The objective of above change in regulation was to curb opportunistic takeovers of Indian businesses by citizens of countries like China, Hong Kong, etc.

Amendment by Ministry of Corporate Affairs (MCA) vide notification dated 5th May 2022

MCA has amended Rule 14 of Companies (Prospectus & Allotment of securities) Rules as below:

- In case of issuance of securities by way of private placement, no offer or invitation of any securities shall be made to a body corporate incorporated in or to the national of a country, sharing land border with India unless such body corporate or national, has obtained prior Government approval;
- The copy of Government's approval obtained by the investor body corporate / national, as the case may be, shall be enclosed with the private placement offer cum application letter in the prescribed form PAS-4;
- Declaration is inserted in the private placement offer cum application letter in the prescribed form PAS-4, as to whether the Government approval under the Foreign Exchange Management Act (FEMA) (Non-debt Instruments) rules, 2019 is required to be obtained or not, before the issuance of securities

Further, to give effect to the above provisions in the case of transfer of securities, MCA vide notification dated 4th May 2022 has amended the prescribed securities transfer form SH-4 by inserting a declaration as to whether the transferee entity / individual is required to obtain the Government approval under the FEMA (Non-debt Instruments) rules, 2019 or not, before the transfer of securities.

Please [Click Here](#) to read the notification dated 5th May 2022.

Please [Click Here](#) to read the notification dated 4th May 2022.

Company Law

Waiver from requirement of filing charge creation / modification by banking companies against loans / advances granted by RBI

Pursuant to the provisions of Rule 3 of Companies (Registration of Charges) rules, particulars of all the charges created / modified by every company shall be duly filed with the Registrar of Companies (ROC) in the prescribed form CHG-1 within 30 days from the date of charge creation / modification.

However, MCA vide notification dated 27 April 2022 has amended the aforesaid Rule 3 and has accordingly omitted the requirement of filing the particulars of all charges created / modified by banking companies in favour of RBI against the loans / advances granted by RBI u/s 17(4)(d) of the RBI Act, 1934. Pursuant to section 17(4)(d) of the RBI Act, 1934, RBI may grant loan(s) against the security of promissory notes of any Scheduled Bank / State Co-operative Bank, supported by documents of title to goods.

Please [Click Here](#) to read the notification dated 27 April 2022.



Reserve Bank of India (‘RBI’)



RBI extends lending by Commercial Banks & Small Finance Banks (SFBs) to Non-Banking Financial Companies (NBFCs) for the purpose of on-lending to priority sectors, from 31st March 2022 to on-going basis

RBI vide previous notifications had permitted lending by Commercial Banks and SFBs to NBFCs and NBFC-Micro Finance Institution (MFI) respectively, for the purpose of on-lending to certain priority sectors up to 31st March, 2022. However to ensure continuation of the synergies that have been developed between Banks and NBFCs in providing credit facility to the specified priority sectors, RBI vide notification dated 13th May 2022 has allowed the aforesaid credit facility to continue on an *on-going basis*.

- The Bank credit facility granted to NBFCs shall be subject to the following conditions:
- In case of Commercial Banks, credit to NBFCs (including Housing Finance Companies) for on-lending will be allowed up to an overall limit of 5% of an individual Bank's total priority sector lending;
- In case of SFBs, Bank credit to NBFC-MFIs and other MFIs (such as Societies and Trusts) which are members of RBI recognized 'Self-Regulatory Organisation', will be allowed up to an overall limit of 10% of an individual Bank's total priority sector lending;
- These limits shall be computed by averaging across 4 quarters of the FY, to determine adherence to the prescribed cap;
- SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a 'Gross Loan Portfolio' (GLP) of up to Rs 500 crore as on 31st March of the previous FY, for the purpose of on-lending to the priority sector

Please [Click Here](#) to read the Notification dated 13th May 2022.

RBI notifies guidelines on compensation of Key Managerial Personnel (KMPs) & senior management in NBFCs

In order to address the issues arising out of excessive risk taking, caused by the misaligned remuneration packages, RBI vide notification dated 29 April 2022 has required all NBFCs under Scale Based Regulatory (SBR) framework except Government owned NBFCs, to put in place a Board approved compensation policy for all its KMPs and members of senior management.

The compensation policy shall include the following:

- Constitution of the Nomination & Remuneration Committee (NRC);
- Principles for fixed / variable pay structures; and
- Malus / Clawback provisions - Malus arrangement permits the NBFC to prevent vesting of all or part of the amount of a deferred remuneration. Clawback is a contractual agreement between the employee and the NBFC in which the employee agrees to return previously paid or vested remuneration to the NBFC under certain circumstances

These compensation guidelines are intended only for providing broad guidance to NBFCs and their NRCs in formulating their compensation policy. While formulating the compensation policy, it has to be ensured that all the statutory mandates, rules and directions issued are fully complied with.

Please [Click Here](#) to read the notification dated 29th April 2022.



Securities Exchange Board of India ('SEBI')

SEBI notifies simplified procedure & standardized format of documents for effecting transmission of securities

Background

As an on-going measure to enhance the ease of dealing in securities markets and with a view to make the securities transmission process more efficient and investor friendly, SEBI vide Listing Obligations & Disclosure Requirements (LODR) amendment regulations dated 25 April 2022 had simplified the procedure for transmission of securities as follows:

- Enhanced the monetary limits for simplified documentation for securities transmission;
- Allowed 'Legal Heirship Certificate or equivalent certificate' as one of the acceptable documents for securities transmission; and
- Provided clarification regarding acceptability of 'Will' as one of the valid documents for securities transmission

In line with the above regulations, SEBI vide circular dated 18th May 2022 has notified standardized format of various documents which are required to be furnished for processing transmission of securities.

Documents required for transmission where securities are held in the name of a single holder	
With Nomination	Without Nomination
<ul style="list-style-type: none">• Duly signed transmission request form from the nominee;• Original death certificate or copy of death certificate of the security holder attested by the nominee subject to verification by a notary public or a gazetted officer;• Self-attested copy of the PAN card of the nominee	<ul style="list-style-type: none">• Duly signed transmission request form from the legal heir(s) /claimant(s);• Original death certificate or copy of death certificate attested by the legal heir(s) /claimant(s) subject to verification by a notary public or a gazetted officer;• Self-attested copy of PAN card of the legal heir(s) /claimant(s)• Notarized affidavit in the SEBI prescribed format from all the legal heir(s) made on non-judicial stamp paper of appropriate value, to the effect of identification and claim of legal ownership to the securities;• However, in case any legal heir(s) / claimant(s) are named in any of the documents for transmission of securities, an affidavit from such legal heir(s) / claimant(s) alone shall be sufficient;• Copy of any other requisite documents for transmission of securities, as may be applicable and required by SEBI

Relaxation up to 31st December 2022 from the requirement of sending physical copy of annual reports to the shareholders of listed companies

Pursuant to regulation 36(1)(b) of SEBI (LODR) regulations, every listed company is required to send physical copies of its annual reports containing salient features of all the documents prescribed u/s 136 of the Companies Act, 2013 to all the shareholders who have not registered their email addresses with the company.

Due to representations received from the listed companies seeking dispensation from the requirement of sending physical copy of annual reports to its shareholders. SEBI vide circular dated 13 May 2022 has provided the said relaxation to all the listed companies till *31 December 2022*. However, listed companies are required to send physical copy of full annual report to those shareholders who request for the same. Further, notice of the AGM of the shareholders published by advertisement in terms of regulation 47 of SEBI LODR regulations, shall contain a link to the annual report, so as to enable shareholders to have access to the full annual report.

Please [Click Here](#) to read the Circular dated 13th May 2022.

SEBI notifies guidelines for issuance of No Objection Certificate (NOC) for setting up Wholly Owned Subsidiaries (WOS), Step Down Subsidiaries & Joint Ventures in Gujarat International Finance Tec-City (GIFT) International Financial Services Centre (IFSC)

SEBI vide circular dated 13th May 2022 has laid down guidelines for issuance to NOC for setting up WOS, Step Down Subsidiaries & Joint Ventures in GIFT IFSC.

Accordingly, Stock Brokers and Clearing Members shall undertake the following procedure to procure NOC from SEBI for its client applicants:

- Stock Brokers and Clearing Members shall apply to SEBI through a Stock Exchange where its client applicant is a member along with the required information, documents and NOC received from all the Stock Exchanges / Clearing Corporations / Depositories in which the client applicant is a member / participant;
- Post the submission of application along with all the prescribed documents, SEBI after the scrutiny of submitted documents, shall grant NOC to the applicant for setting up WOS, Step Down Subsidiaries & Joint Ventures in GIFT IFSC

Please [Click Here](#) to read the Circular dated 13th May 2022

Compliance Calendar

Compliance calendar for the month of June 2022

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th June	May 2022	TDC/TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th June		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 collect TCS under GST
11 th June		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 5 crore
13 th June		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 and opted for QRMP Scheme
15 th June	April-June 2022	Deposit of PF & ESI contribution	All Deductors
	April-June 2022	Deposit of 15% (1 st Installment) of Advance Tax for AY 2023-24.	Taxpayers liable to pay advance tax
	January-March 2022 (non-salary)	a) Issue of quarterly TDS Certificate for non-salary payments	Non-Government Deductors
	FY 2021-22 (salary)	b) Issue of annual TDS Certificate in Form 16 for salary payment	
20 th June	May 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 2021-22.
25 th June		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 th June	FY 2021-22	Filing of return of deposits / exempted deposits in form DPT-3	All Companies
		Modification of Importer-Exporter Code (IEC) details with Directorate General of Foreign Trade (DGFT)	All entities having Importer-Exporter Code (IEC) Certificate
		Furnishing of Form-1 (Equalization Levy Statement)	All Deductors

About KrayMan

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

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

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

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

Contact Us

India Head Office

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

Japan Office

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

EU Office

Corso Palestro,
50-25122 Brescia,
Italy

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

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