



## LATEST NEWS ALERTS

**A NEW FUNCTIONALITY OF INTEREST CALCULATOR IS NOW LIVE ON GST PORTAL.**

# Executive Summary

## Income Tax

- Extension of due dates of ITRs & Audit reports.
- Introduction of New E-Advance ruling & Faceless Appeal scheme 2021
- Guidelines issued to tax the sum received under ULIP.

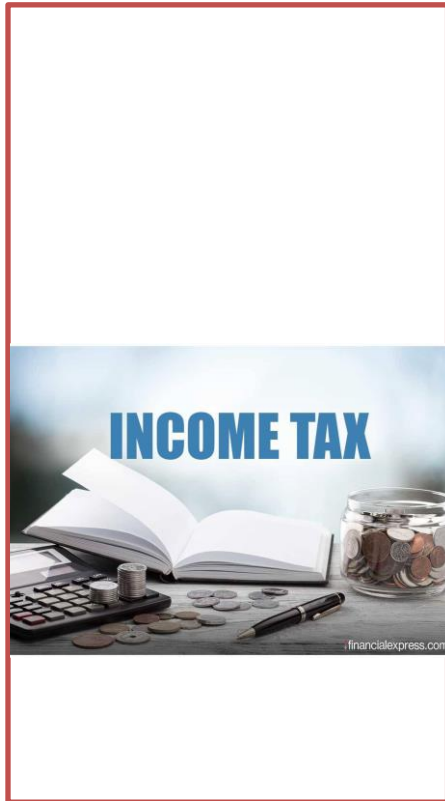
## Goods & Services Tax (GST)

- Functionality on Deployment of interest calculator in GSTR-3B is implemented
- Functionality of Revamped and enhanced version of search HSN code has been launched
- Functionality of allowing to file GSTR-1, only if GSTR-3B is filed for the preceding month will be implemented shortly.
- Advisory issued for Interest Calculator on GST Portal

## Companies Act 2013/ Other Laws

- Introduction of section 56 to levy fee in case of default in submission of document to Register of Member. Additional fee in this case will be 18 times instead of 12 times.
- Issuance of Notice of deactivation of IEC code for non-updation of KYC
- RBI has notified a 20 Digit Legal Entity Identifier (LEI) number to be collected by AD 1 Category Bankers w.e.f. 01-10-2022 for International Transaction.

## Income Tax



➤ **CBDT vide Circular No.21/2021 dated 28-12-2021** given one more time relaxation for verification of ITR for AY 2020-21. This verification can be done by Aadhar OTP, EVC or by sending signed acknowledgment to CPC Bangalore. This facility is available till 28.02.2022.

➤ **CBDT vide Notification No.139/2021 dated 28-12-2021** issued new Faceless appeal scheme to laid down enhanced procedure of appeal in supersession of faceless appeal scheme 2020.

➤ **CBDT vide Notification No.07/2022 dated 18-01-2022** issued new E-Advance ruling scheme 2022 in pursuance of faceless & transparency which laid down detailed procedure & guideline.

➤ **CBDT vide Circular No.01/2022 dated 11-01-2022**

extends the due date of Income tax returns and Tax/TP audit subject to interest u/s 234A. The extended due date are as follows:

Particulars	Original Date	Due	Due dates extended by previous notifications	Due Dates (Circular 17/2021)	Due date as per (Latest Circular 01/2022)
<b>Original Income Tax Return (ITR)</b>					
- Non-Tax Audit/Non-TP Case	31 <sup>st</sup> July 2021		30 <sup>th</sup> Sept. 2021	31 <sup>st</sup> December 2021	No extension
- Tax Audit/Non TP-Case	31 <sup>st</sup> October 2021		30 <sup>th</sup> November 2021	15 <sup>th</sup> February 2022	15 <sup>th</sup> March 2022
-TP Case	30 <sup>th</sup> November, 2021		31 <sup>st</sup> December, 2021	28 <sup>th</sup> February 2022	15 <sup>th</sup> March 2022
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Belated/Revised ITR for AY 2021-22(FY 2020-21)	31 <sup>st</sup> December, 2021		31 <sup>st</sup> January, 2021	31 <sup>st</sup> March, 2021	No extension
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<b>Audit Report by CA-</b>					
-Tax Audit	30 <sup>th</sup> September 2021		31 <sup>st</sup> October 2021	15 <sup>th</sup> January 2022	15 <sup>th</sup> February 2022
-TP Certification/Audit u/s 92E	31 <sup>st</sup> October 2021		30 <sup>th</sup> November 2021	31 <sup>st</sup> January 2022	15 <sup>th</sup> February 2022

➤ **CBDT vide Circular No.2/2022 dated 19-01-2022** issued guideline to tax the sum received under ULIP scheme which is come into tax through Finance Act 2021.

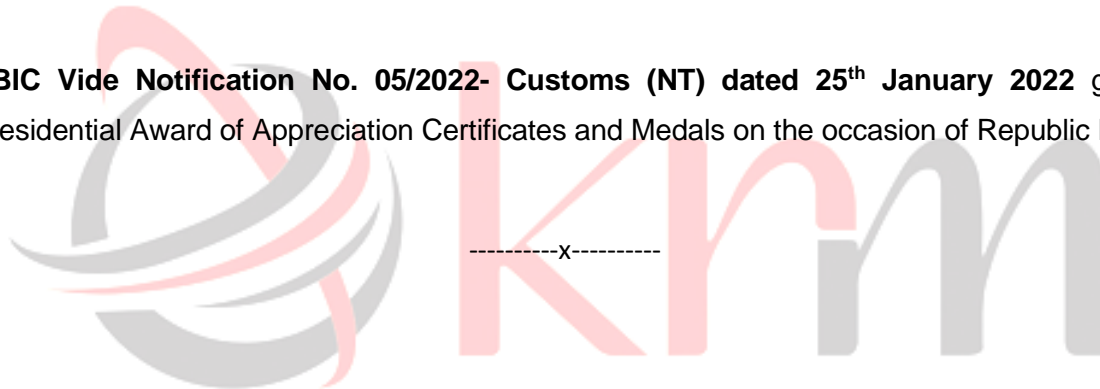
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## Goods & Services Tax



- A **new functionality of Deployment of interest calculator in GSTR-3B** is now live on GST Portal. This function will compute the interest applicable, if any, on the tax liability declared in the GSTR-3B of a particular tax-period after the said GSTR-3B is filed. This system computed interest values will be auto-populated in the Table-5.1 of the GSTR-3B of the next tax-period.
- On GST portal Advisory on **Revamped and enhanced version of search HSN code** Functionality has been launched on GST portal dated January 06, 2022.
- GSTN has informed that **functionality of allowing to file GSTR-1, only if GSTR-3B is filed** for the preceding month will be implemented shortly.
- GSTN has informed about a new functionality, which will **allow to enter a suspended GSTN** as a recipient of taxable supplies in respective tables of GSTR-1/IFF. Earlier it was showing error message.
- **Interest Calculator** on GST Portal Advisory issued on January 08, 2022 for
  - Auto- Population of Interest in GSTR-3B
  - Computation of Interest method
  - Changes in Taxpayers' experience
- **CBIC vide Notification no. 01/2022 – (Customs) dated 18<sup>th</sup> January 2022-** Seeks to exempt BCD and IGST on goods imported for the purpose of AFC Women's Asian Cup India, 2022.
- **CBIC Vide Notification No. 01/2022- Customs (ADD) dated 6<sup>th</sup> January 2022-** Seeks to rescind notification No. 30/2016 dated 11.07.2016 which seeks to impose Anti-dumping Duty on Imports of 1,1,1,2-Tetrafluoroethane or R-134a from China PR

- **CBIC Vide Notification No. 02/2022- Customs (ADD) dated 13<sup>th</sup> January 2022-** Seeks to rescind Notification No. 49/2017-Customs (ADD), dated the 17th October, 2017, to remove levy of ADD on Color coated / pre-painted flat products of alloy or non-alloy steel originating in or exported from China PR and European Union.
- **CBIC Vide Notification No. 03/2022- Customs (ADD) dated 24<sup>th</sup> January 2022** rescind Notification No. 42/2016 - Customs (ADD) dated 8th August, 2016 to remove levy of ADD on PVC Flex Films.
- **CBIC Vide Notification No. 04/2022- Customs (ADD) dated 24<sup>th</sup> January 2022** impose Anti-dumping Duty on 'Axles for Trailers' originating in or exported from the Peoples Republic of China.
- **CBIC Vide Notification No. 03/2022- Customs (NT) dated 14<sup>th</sup> January 2022** amends fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver- Reg.
- **CBIC Vide Notification No. 05/2022- Customs (NT) dated 25<sup>th</sup> January 2022** granting of Presidential Award of Appreciation Certificates and Medals on the occasion of Republic Day, 2022



## Companies Act, 2013

- **MCA has issued a notification to appoint July 01, 2022 as the date on which the provisions of Section 56 of the Companies (Amendment) Act 2020 shall come into force.**



Section 56 of the Companies (Amendment) Act revises section 403(1) of the Companies Act, 2013 which deals with the fee required to be paid by companies in case they fail to submit, file, register or record any document with the Registrar of Companies. Under the revised Section 403(1) of Companies Act 2013 a proviso has been added to Provide that where there is the default on two or more occasions in submitting, filing, registering or recording of such document, fact or information, as may be prescribed, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, as the case may be, on payment of such higher additional fee, as may be prescribed.

- **MCA has notified the Companies (Registration Offices and Fees) Amendment Rules, 2022 which shall come into force with effect from July 01, 2022.**

MCA has notified a higher additional fee of up to 18 Times (as against existing 12 times) of the normal fee for Late Filing, applicable w.e.f. 01/07/2022, by making amendments in **Annexure to Companies (Registration Offices and Fees) Rules, 2014** relating to Filing Fee u/s 403 of the Companies Act 2013. Section 403 of the Companies Act deals with fees for filing any document with the Registrar and shifting of the additional fees from a slab-based structure to a day-based defaulting structure. It may be noted that Higher Additional Fee shall be applicable in certain cases for delay in filing of forms except for an increase in Nominal Share capital or u/s 92 (Forms for Annual Return, Financial Statements) or u/s 137 (Forms for filing charges), wherein normal fee and additional fee of Rs. 100 per day of delay without cap limit shall continue. Further, in the case of e form INC-22, or e-form PAS-3, higher additional fees shall be payable, if there is a delay in filing thereof on two or more occasions within a period of 365 days, except for cases where such e-forms have been filed up to 30/06/2022, i.e. before the commencement of the Companies (Registration Offices and Fees) Amendment Rules, 2022. Also, the additional fee shall not be applied wherever the higher additional fee is payable/ applicable.

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## Other Laws

### SEBI

- **SEBI has issued a circular to all listed entities to issue the securities in dematerialized form only while processing the service request from investors in order to enhance the ease of dealing in the securities market.**

These requests from investors include the issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, splitting of securities certificate, consolidation of securities certificates or folios, transmission and transposition. Securities holder/claimant shall submit duly filled up Form ISR-4. The RTA/Issuer Companies shall obtain the original securities certificate(s) for processing of service requests. Further, the RTA/Issuer Companies shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days. The Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance and the RTA/Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the Demat request. SEBI has also issued the Operational guidelines for dematerialization of securities received for processing investor's service requests.

- **SEBI has notified the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair trade practices relating to Securities Market) (Amendment) Regulations, 2022 which shall come into force on the date of their publication in the Official Gazette i.e. 25-01-2022.**

Key Amendments include amendments in Regulation 6, the period of one month for keeping custody of any books, registers, other documents have been replaced with a maximum period of six months. Further, 4 new powers have been added in Regulation 6 which shall be available to the Investigating Authority to conduct the investigation which includes calling for information and record from any person including any bank or any other authority or board or corporation; for the seizure of any books, registers, other documents and record with the prior order of the Judge of the designated court in Mumbai as notified by the Central Government. Further, Regulation 11(2) has been modified to remove the requirement of the press release where earlier the Board was required to issue a press release in respect of any final order passed under sub-regulation (1) in at least two newspapers of which one shall have nationwide circulation and also to put the order on the website of the Board and Regulation 11A has been modified to include the manner of service of summons and notices issued by the Board.

- **SEBI has launched its mobile app "Saaṛthi" with an aim to create awareness among the investors about the basic concepts of Securities Market, KYC Process, trading and settlement, mutual funds, recent market developments, investor grievances redressal mechanism, etc.**

The purpose behind the app is to create proper awareness about the securities market among investors, especially considering the fact that many new investors have entered the market and the fact that they are mobile-friendly. With the manifold growth in complexities in the securities market, the app is expected to provide further momentum to investor education and awareness programs. The app will cater largely to individual investors, who have recently entered the

markets and carry out trading via their mobile phones. The App is currently available in Hindi and English.

➤ **SEBI has notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 which shall come into force on the date of their publication in the Official Gazette i.e 14-01-2022.**

The Securities and Exchange Board of India (SEBI) has ruled that the specified securities except SR equity shares held by promoters may be pledged as collateral for a loan granted by Scheduled Commercial Bank. The amount for general corporate purposes, and such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed thirty-five percent. of the amount being raised by the issuer. Provided that the amount raised for such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed twenty-five percent. Provided further that such limits shall not apply if the proposed acquisition or strategic investment object has been identified and suitable specific disclosures about such acquisitions or investments are made in the draft offer document and the offer document at the time of filing of offer documents. Further, for issues where draft offer document is filed under these regulations, shares offered for sale to the public by shareholder(s) holding, individually or with persons acting in concert, more than twenty percent of pre-issue shareholding of the issuer based on fully diluted basis, shall not exceed more than fifty per cent of their pre-issue shareholding on fully diluted basis; and shares offered for sale to the public by shareholder(s) holding, individually or with persons acting in concert, less than twenty percent of pre-issue shareholding of the issuer based on fully diluted basis, shall not exceed more than ten percent of pre-issue shareholding of the issuer on fully diluted basis; for shareholder(s) holding, individually or with persons acting in concert, more than twenty per cent of pre-issue shareholding of the issuer based on fully diluted basis, provisions of lock-in as specified under regulation 17 of these regulations shall be applicable, and relaxation from lock-in as provided under clause (c) of regulation 17 of these regulations shall not be applicable.

➤ **SEBI has issued a circular regarding Disclosure obligations of listed entities, which have listed their debt securities, in relation to Related Party Transactions.**

The new requirement will apply to “high-value debt-listed entities” which are those entities that have listed non-convertible debt securities and an outstanding value of such securities are Rs 500 crore and above. Under this, certain disclosure requirements need to be placed by high-value debt-listed entities before the audit committee and shareholders for consideration of related party transactions RPTs. Such entities will have to justify as to why the RPT is in its interest, besides, a copy of the valuation or other external party report will have to be submitted to the audit committee as well as shareholders for approval. In addition, these entities will have to place information on the percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT voluntarily to the audit committee and shareholders. The RPT disclosures need to be made to stock exchanges in the prescribed format. With regard to information to be submitted to the audit committee for approval of a proposed RPT, such entities will have to disclose type, material terms and particulars of the proposed transaction, name of the RPT and its relationship with the high-value debt-listed entity or its subsidiaries, including nature of its concern or interest. In addition, they will have to inform the audit committee about tenure as well as the value of the proposed transaction, the percentage



of the listed entity's annual consolidated turnover, for the immediately preceding financial year, which is represented by the value of the proposed transaction.

## **DGFT**

### **DGFT has issued a trade notice regarding the deactivation of the Importer-Exporter Code (IEC) due to the non-updation of the KYC.**

It was mandated by DGFT that all IEC holders have to ensure that details in their IEC are updated electronically every year during the April-June period (for which no user charges were to be borne by the IEC holder). Based on representations received from the IEC holders who had not updated their IECs, the period of updation was extended up to 31.07.2021 and subsequently to 31.08.2021. In continuation to the aforementioned notification(s) and Trade Notice(s) and as per para 2.05(e) of the Foreign Trade Policy (FTP), the third phase of deactivation of IECs which are not yet updated is being initiated. All IECs which have not been updated after 01.07.2021 shall be de-activated with effect from 01.02.2022. The list of such IECs may be seen at the given link. The concerned IEC holders are provided an opportunity to update their IEC in this interim period till 31.01.2022, failing which the given IECs shall be de-activated from 01.02.2022. Any IEC where an online updation application has been submitted but is pending with the DGFT RA for approval shall be excluded from the de-activation list. It may further be noted that any IEC so de-activated, would have the opportunity for automatic re-activation without any manual intervention or any visits to the DGFT RA. For IEC re-activation after 31.01.2022, the said IEC holder may navigate to the DGFT website and update their IEC online. Upon successful updation the given IEC shall be activated again and transmitted accordingly to the Customs system with the updated status.

## **RBI**

### **RBI has notified the Introduction of Legal Entity Identifier for Cross-border Transactions.**

In order to further harness the benefits of legal entity identifier (LEI), has been decided that AD Category I banks, with effect from October 1, 2022, shall obtain the LEI number from the resident entities (non-individuals) undertaking capital or current account transactions of ₹50 crores and above (per transaction) under FEMA, 1999. The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide to improve the quality and accuracy of financial data systems. LEI has been introduced by the Reserve Bank in a phased manner for participants in the over-the-counter (OTC) derivative, non-derivative markets, large corporate borrowers and large value transactions in centralised payment systems. Further, AD Category I banks may encourage concerned entities to voluntarily furnish LEI while undertaking transactions even before October 1, 2022. Once an entity has obtained an LEI number, it must be reported in all transactions of that entity, irrespective of transaction size. Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the GLEIF, the body tasked to support the implementation and use of LEI. In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL) (<https://www.ccilindia-lei.co.in>), which is also recognised as an issuer of LEI by the Reserve Bank under the Payment and Settlement Systems Act, 2007.

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## Monthly Compliance Calendar

07 Feb Equalisation Levy Deposit	07 Feb TDS/ TCS Liability	10 Feb GST-7/8 for the month of Jan 2021
11 Feb GSTR-1 for Jan ( turnover > 5 Cr.)	13 Feb GSTR-1/ IFF for Jan-Mar 2022 under QRMP scheme	15 Feb Providend Fund / ESI
15 Feb AOC-4 (CFS, XBRL, NON- XBRL) for FY 2020-21	15 Feb Filing Tax/TP Audit for FY 2020-21	20 Feb GSTR-3B for Jan (turnover > 5 Cr.)
22/24 Feb GSTR-3B for Jan 2021 Group -1/2 States	28 Feb Filing MGT 7/7A for FY 2020-21	28 Feb Filing GST Audit (Form 9/9C) FY 2020-21

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