

#### **INCOME TAX**

- + CBDT notifies Late fees for Delayed/Non linking of PAN with Aadhaar ranging from Rs. 500 to Rs. 1000
- + CBDT notifies e-Assessment of Income Escaping Assessment Scheme, 2022
- + CBDT notifies Faceless Inquiry or Valuation Scheme, 2022
- + Central Government relaxes provisions of TCS under section 206C(1G) of the Income-tax Act, 1961 in respect of non-resident individuals visiting India
- + Relaxation from the requirement of electronic filing of application in Form No.3CF
- + Condonation of delay under section 119(2)(b) of the IT Act, 1961 in filing of Form 10-IC for AY 2020-21
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- + Power to adjudicate Notices issued by DGGI, now granted to Additional & Joint Commissioners
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- + Exemption from IGST and GST Compensation Cess on imports by EOUs extended
- + Exemption from IGST and Cess on imports under Advance Authorization / EPCG Schemes extended
- + Exemptions from payments through Electronic Cash Ledger
- + Introduction of Customs (Electronic Cash ledger) Regulations, 2022

#### **FOREIGN TRADE POLICY**

- + Operationalisation of new online IT Module for Interest Equalisation Scheme
- + Extension of Handbook of Procedures 2015-20
- + Online facility for application of Registration Cum Membership Certificate (RCMC) for FY 2022-23

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- + Companies (Accounts) Second Amendment Rules, 2022
- + SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2022
- + SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022
- + Clarification on applicability of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### Quick bit

#### Income Tax

*A recent ruling of the Bangalore Income-tax Appellate Tribunal (ITAT) in Flight Raja Travels Pvt. Ltd. v. ACIT (ITA No. 1354 / Bang / 2018 for AY 2013-14 dated 18.03.2022) underlines:*

- *The importance of maintaining comprehensive underlying financial workings and legal documentation / paperwork and timely furnishing thereof to a statutory authority / tax court.*
- *The incompleteness of a tax deduction position by merely relying on the legal position as enunciated by courts.*

*The facts involved the claim of a taxpayer-company towards deduction of ESOP expenses of Rs. 31.52 lakh. The tax officer appears to have disallowed the taxpayer's claim in light of prior year disallowances. The first appellate authority (FAA) affirmed the tax officer's approach albeit by holding that:*

- *For actual vesting of shares in the employee, the employee should have served for 4 years after grant of options. Hence, shares would vest only thereafter, which was beyond the financial year in question.*
- *Assuming that vesting was to be in a graded manner over a 4-year period, then the taxpayer would be eligible to claim deduction of only approx. Rs.6.46 lakh instead of Rs. 31.52 lakh.*

*The taxpayer challenged the above findings of the FAA. However, the taxpayer's submissions before the ITAT are not evident from the order, apart from the fact that reliance was placed on the ruling of Karnataka High Court (HC) in Biocon Limited (430 ITR 151). The ITAT acknowledged the HC's ruling that deduction of discount on ESOP is to be spread over the vesting period in accordance with the accounting in the books of account. However, the ITAT observed that the taxpayer has not produced the employee stock option plan and the amended plan. Hence, it was not in a position to determine whether the vesting was in a graded manner over the 4-year period or not. In this backdrop, it remanded the matter to the tax officer to follow the ruling of the HC in Biocon (supra).*

## INCOME TAX

- + **CBDT notifies Late fees for Delayed/Non linking of PAN with Aadhaar. which ranges from Rs. 500 to Rs. 1000:** The last date for intimating the Aadhar to Income-tax Department without any penalty was 31<sup>st</sup> March, 2022. The CBDT has now notified late fees for the delayed intimation of Aadhar as follows.

- Rs. 500, if intimated before 30th June, 2022.
- Rs. 1,000 in all other cases.

Notification No. 17 of 2022 dated 29th March, 2022

- + **CBDT notifies e-Assessment of Income Escaping Assessment Scheme, 2022:** The CBDT has notified the 'e-Assessment of Income Escaping Assessment Scheme, 2022' to facilitate the conduct of re-assessment proceedings in a faceless manner. This is an extension of the faceless assessment scheme that is presently being undertaken for scrutiny assessments.

Notification No. 18 of 2022 dated 29th March, 2022

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- + **CBDT notifies Faceless Inquiry or Valuation Scheme, 2022:** The CBDT has notified the Faceless Inquiry and Valuation Scheme, 2022 to facilitate the following matters in a faceless manner:
  - Obtaining information from taxpayers in connection with a scrutiny assessment;
  - Making inquiry before assessment;
  - Directing the taxpayer to get the accounts subject to a special audit etc.; and
  - Estimating the value of any asset, property or investment by a Valuation Officer.

Notification No. 19 of 2022 dated 30th March, 2022

- + **Central Government relaxes provisions of TCS under section 206C(1G) of the Income-tax Act, 1961 in respect of non-resident individuals visiting India:** Presently, tax is required to be collected at source ("TCS") by a seller who sells an overseas tour package to a buyer who buys such package. The tour operators selling such packages were facing difficulties collecting taxes from non-resident individuals visiting India and buying such packages; further, owing to non-availability of PANs, the TCS was applied at a higher rate. In addition, the non-residents were required to file ITRs to claim the said refunds. Taking cognizance of this difficulty, it is now notified that TCS would not apply where the person is a non-resident who is visiting India.

Notification No. 20 of 2022 dated 30th March, 2022

- + **Relaxation from the requirement of electronic filing of application in Form No.3CF:** Form 3CF is required to be filed where an assessee being a research association is seeking registration so that payments to it could be claimed as a weighed deduction by the payers. Effective 1<sup>st</sup> April, 2021, this form was to be electronically filed. Owing to difficulties in e-filing Form No.3CF, the CBDT has allowed filing Form No.3CF physically during the period from 16th March, 2022 till 30th September, 2022 or till the date from which the said form will be available in the Income tax portal for e-filing.

Circular No. 5 of 2022 dated 16th March, 2022

- + **Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form 10-IC for Assessment Year 2020-21:** So as to avail of the alternative lower tax regime under section 115BAA, Form 10-IC is required to be filed on or before the due date of filing of return of income. The CBDT based on representations received has permitted to condone delay in filing the Form 10-IC for the AY 2020-21 if the following conditions are satisfied
  1. The return of income for A Y 2020-21 has been filed on or before the due date specified under section 139(1) of the Act.
  2. The assessee company has opted for taxation u/s 115BAA of the Act in (e) of "Filing Status" in "Part A-GEN" of the Form of Return of Income in ITR-6 and

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3. Form 10-IC is filed electronically on or before 30.06.2022 or 3 months from the end of the month in which this Circular is issued, whichever is later.

Circular No. 6 of 2022 dated 17th March, 2022

- + **Extension of time line for electronic filing of Form No.10AB for seeking registration or approval under Section 10(23C), 12A or BOG of the Income tax Act, 1961:** Form 10AB is required to be filed by, inter alia, charitable institutions to claim exemption from income-tax on their receipts. On consideration of difficulties faced in e-filing of Form No. 10AB with effect from 1<sup>st</sup> April, 2021, the CBDT has extended the due date for filing Form No. 10AB whose due date falls on or before 29<sup>th</sup> September, 2022 till 30<sup>th</sup> September, 2022.

Circular No. 8 of 2022 dated 31st March, 2022

## GOODS AND SERVICES TAX (GST)

- + **Power to adjudicate notices issued by DGGI, now granted to Additional & Joint Commissioners:** The CBIC has empowered the Additional Commissioners (“AC”) and Joint Commissioners (“JC”) of Central Tax to pass an order / decision in respect of notices issued by the officers of the Directorate General of Goods and Services Tax Intelligence (“DGGI”). The power has been granted to ACs and JCs subordinate to the specified Principal Commissioner / Commissioner of Central Tax and are exercisable throughout the territory of India. The relevant Sections under which such orders can be passed is provided in [Annexure 1](#) infra.

Effective date 11.03.2022 Notification No. 02/2022 – Central Tax dated 11.03.2022

- + **Changes in the manner of adjudication of notices issued by DGGI:** Pursuant to the empowering of jurisdictional ACs and JCs to pass an order / decision in respect of DGGI notices, the manner of adjudication of such notices have been streamlines as under:
  1. **Powers of Central Tax Officers and DGGI:** The Central Tax officers of the Audit Commissionerates and DGGI shall exercise its powers only to issue show cause notice (for brevity, ‘SCN’) and the same shall be adjudicated by the Central Tax Officers of the Executive Commissionerate in whose jurisdiction the noticee is registered (*applicable where case pertains to a single jurisdiction only*).
  2. **Show Cause Notice Issued by DGGI:** Where a SCN is issued by the DGGI, the Principal Commissioners / Commissioners of the Central Tax Commissionerates will allocate the adjudication of the said SCN to one of the Additional Commissioner or Joint Commissioner of Central Tax in their Commissionerates (having All India jurisdiction) irrespective of the amount involved, in the following cases:
    - Where the principal place of business of noticees fall under the jurisdiction of multiple Central Tax Commissionerates or;

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- Where multiple SCN are issued on the same issue to different noticees, including persons having the same PAN but different GSTINs, having principal place of business falling under jurisdiction of multiple Central Tax Commissionerate.
- 3. **Show Cause Notice issued by Central Tax officers of Audit Commissionerate:** In respect of SCN issued by Central Tax Officers Audit Commissionerates where principal place of business of Noticees fall in multiple jurisdictions, a proposal for appointment of common adjudicating authority is to be sent to the CBIC.
- 4. **Show Cause Notice issued by DGGI before 11.03.2022 and adjudication order has not been passed:** Where a SCN is issued by DGGI prior to release of Notification No. 02/2022 dated 11.03.2022 and an adjudication order has not been passed, the same may be made answerable to the AC or JC having all India jurisdiction in accordance with the criteria mentioned in para 2 supra.

*Circular No. 169/01/2022 – GST dated 12.03.2022*

## CUSTOMS

### + **Exemption from IGST and GST Compensation Cess on imports by EOUs extended till 30.06.2022:**

The exemption from levy of Integrated Tax (IGST) and GST Compensation Cess on goods imported by an EOU / STPI / EHTP unit/s has been extended till 30.06.2022. Hitherto, such an exemption was available till 31.03.2022. The exemption of IGST and GST Compensation Cess is applicable on specified category of goods imported as notified in the customs notification 52/2003 dated 31.03.2003 (as amended from time to time).

*Note: Though the provisions of FTP 2015-2020 and Hand Book of Procedures to FTP 2015-2020 is extended upto 30.09.2022. However, benefits available in the hands of EOU is currently extended only upto 30.06.2022.*

*Notification No. 18/2022 – Customs dated 31.03.2022*

### + **Exemption from IGST and Compensation Cess on imports under Advance Authorization / EPCG Schemes extended till 30.06.2022:**

The exemption from levy of Integrated Tax (IGST) and Compensation Cess on imports under Advance Authorization scheme and Export Promotion Capital Goods (EPCG) Scheme has been extended till 30.06.2022. The exemption of IGST and Compensation Cess is applicable on specified category of goods imported as notified in respective schemes. Hitherto, such an exemption was available till 31.03.2022 only.

*Note: Though the provisions of FTP 2015-2020 and Hand Book of Procedures to FTP 2015-2020 is extended upto 30.09.2022. However, benefits available in the hands of AA/EPCG license holder is currently extended only upto 30.06.2022.*

*Notification No. 19/2022 – Customs dated 31.03.2022*

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- + Exemptions from payments through Electronic Cash Ledger:** Effective 01.06.2022, all the payments towards duty of customs (including IGST, GST Compensation Cess, other cesses and surcharge), interest, penalty and fees are to be remitted through a debit to Electronic Cash Ledger only. However, on identifying the need board has decided to carve out exceptions to the above-mentioned provision and exempts the following transactions from making remittance through debit to Electronic Cash Ledger:
- Remittances with respect to goods imported or exported in customs stations, where Customs Automated System (CAS) is not in place;
  - Remittances with respect to accompanied baggage.

Notification No. 19/2022 – Customs (NT) dated 30.03.2022

- + Introduction of Customs (Electronic Cash ledger) Regulations, 2022:** As the provisions of mandatory payment of duty, interest, penalty, fees or any other sum payable through Electronic Cash Ledger (excluding exceptions carved out), is applicable effective 01.06.2022, Board in this regard has introduced Customs (Electronic Cash Ledger) Regulations, 2022, which will be effective 01.06.2022. Tabulated summary of regulations introduced in this regard, is as below:

Particulars	Applicable Regulation/s
Meaning of “Act”	“Act” for these regulations means “Customs Act, 1962”
Authorised Bank	“Authorised Bank” means a bank or a branch of a bank authorised by the Government to collect duty or any other amount payable under the Act.
Electronic Cash Ledger (ECL)	“ECL” means the ledger in Customs Automated System (CAS), relating to a person who deposits the amount in the said ledger in accordance with Section 51A of the Act.
“Form”	<p><b>“Form”</b> means forms appended to these regulations. Various forms appended to these regulations are:</p> <p>Form ECL-1 – Form in which ECL is required to be maintained.</p> <p>Form ECL-2 – Challan using which amount will be deposited into ECL</p> <p>Form ECL-3 – Payment Challan, using which applicable duties, interest, penalty, fee or any other sum payable under the Act will be paid.</p> <p>Form ECL-4 – Debit from ECL will be made available in said form.</p> <p>Form ECL-5 – Application for refund of excess balance available in ECL can be made in this form.</p>
Modes of deposit permitted	<p>Permitted modes of deposit under the regulations are:</p> <ol style="list-style-type: none"> <li>Internet banking through an authorised bank;</li> <li>National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) from any bank;</li> <li>Over The Counter (OTC) payment through an authorised bank.</li> </ol>

Particulars	Applicable Regulation/s
	<i>Note: OTC payment cannot exceed Rs. 10,000/- per day. However, said limit does not apply to deposit made by Government Department or in cases involving authorization by jurisdictional Commissioner of Customs for depositing higher amount.</i>
Submission of mandate form to banker	The said mandate form to banker is necessary when deposit is made by an authorised mode, other than by way of internet banking.
Validity of challan generated	Challan generated will be valid for a period of fifteen (15) days for deposit, from date of generation of deposit challan.
Auto credit to ECL	Upon successful payment and generation of Challan Identification Number (CIN), amount paid will be auto-credited to ECL. <i>Note: If for any reasons CIN is not generated, person making deposit may represent electronically through the common portal to the bank or electronic gateway through which deposit was initiated.</i>
Unique Identification Number (UIN)	For every debit / credit in ECL an Unique Identification Number (UIN) will be generated.
Utilization of balance available in ECL	Balance available in ECL can be used to make payment towards duty, interest, penalty, fees or any other sum payable through Electronic Cash Ledger (excluding exceptions carved out). <b>Note:</b> Any additional balance available in ECL, can be availed as refund by way of application in Form ECL-5

Notification No. 20/2022 – Customs (NT) dated 30.03.2022

## FOREIGN TRADE POLICY

**+ Operationalisation of new online IT Module for Interest Equalisation Scheme:** With an intent to capture granular data about the beneficiaries of the Interest Equalisation scheme and its effective monitoring, a new online module for filing of electronic registration for Interest Equalisation Scheme, has been operationalised. The exporters seeking benefit under the said scheme have to apply through DGFT website. The detailed navigation process has been provided in this trade notice. As a result, a Unique IES Identification Number (UIN) will get generated automatically which is required to be submitted to the concerned bank when availing Interest Equalisation against their pre and post shipment rupee export credit applications.

The procedural aspects of application and submission of UINs has been provided in detail, in this trade notice. Further, the details of the helpdesk in order to be approached for any difficulties, has been mentioned in this trade notice.

Trade notice no.38/2021-22 dated 15.03.2022



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- + **Extension of Handbook of Procedures 2015-20:** DGFT has extended the validity of Handbook of Procedures 2015-20 which has been summarized below:

Particulars	Earlier timelines	Extended timelines
Validity of Hand Book of Procedures, Appendices & Aayat Niryat Forms and Standard Input Output Norms (SION)	31.03.2022	30.09.2022
Validity of Status Certificates issued under this Foreign Trade Policy under	Valid for a period of 5 years from the date on which application for recognition was filed or <b>31.03.2022</b> , whichever is later.	Valid for a period of 5 years from the date on which application for recognition was filed or <b>30.06.2022</b> , whichever is later.
Validity of Norms ratified by any Norms Committee (NC) in the O/o DGFT on or after 01.04.2015 in respect of any Advance authorization obtained under Self-Declared Authorisations where SION does not exist, under Duty Exemption / Remission Scheme	Valid for the entire period of the Foreign Trade Policy <b>i.e. up to 31.03.2022</b> or for a period of three years from the date of ratification, whichever is later.	Valid for the entire period of the Foreign Trade Policy <b>i.e. up to 30.09.2022</b> or for a period of three years from the date of ratification, whichever is later.

Public notice no.53/2015-20 dated 31.03.2022

- + **Online facility for application of Registration Cum Membership Certificate (RCMC) for FY 2022-23:** In the backdrop of mandatory filing/issuance of Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) by the exporters through the DGFT common digital platform from 01.04.2022, the facility for applying for RCMC for FY 2022-23 has now been enabled on the e-RCMC portal.

It is to be noted that the existing members can continue to login by using existing login credentials. However, the new members have to get themselves registered on the said portal for the purposes of applying for RCMC for FY 2022-23. The list of officers who can be approached in case of any difficulties faced by the users has been provided in this circular. Further, the membership fee structure for EOU units and SEZ units/developers has been enlisted in this circular. The facility for payment of membership fee in advance through the said portal has been activated. The existing RCMC module of EPCES has been withdrawn.

Circular no.391 dated 28.02.2022 & Circular no.392 dated 14.03.2022



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## CORPORATE LAW

**+ Companies (Accounts) Second Amendment Rules, 2022:** MCA has notified the Companies (Accounts) Second Amendment Rules, 2022 on 31.03.2022. The said amendment rules has extended the timelines for the following:

- Due date of filing Form CSR-2 for financial year 2020-21 has been extended from 31.03.2022 to 31.05.2022
- Appointed day for the applicability of requirement of audit trail to books of account has been extended from 01.04.2022 to 01.04.2023.

*Notification dated 31.03.2022*

**+ Securities and Exchange Board of India (Alternative Investment Funds) (Second Amendment) Regulations, 2022:** Securities and Exchange Board of India (SEBI) has notified the Alternative Investment Funds (Second Amendment) Regulations, 2022 on 16.03.2022 amending the calculation of investment concentration norm for Category III Alternative Investment Funds (AIF). The said amendment has directed the AIFs to invest not more than ten per cent of the investable funds in an Investee Company, directly or through investment in units of other AIFs. The large value funds accredited investors of Category III AIFs may invest up to twenty per cent of the investable funds in an Investee Company, directly or through investment in units of other AIFs. Further, for investment in listed equity of an Investee Company, Category III AIF may calculate the investment limit of ten per cent or twenty per cent (as the case may be) of either the investable funds or net asset value of the scheme subject to the conditions specified by the Board from time to time.

*Notification dated 16.03.2022*

**+ SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022** SEBI vide its notification dated 22.03.2022 has directed the listed entities that they may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall be a non-executive director and not be related to the Managing Director or the Chief Executive Officer as per the definition of the term 'relative' defined under the Companies Act, 2013.

*Notification dated 22.03.2022*

**+ Clarification on applicability of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:** SEBI has provided certain clarifications and guidance for smooth implementation of the amended Regulation 23 of the Listing Regulations vide its circular dated 30.03.2022. The clarifications provides for the following relaxations for related party transactions:

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- In case of related party transactions (RPT) that has been approved by the audit committee and shareholders prior to 1 April 2022, there would be no requirement to seek fresh approval from the shareholders.
- In case of RPT for which the audit committee has granted omnibus approval, those would continue to be placed before the shareholders if it is material.
- In case of RPT that has been approved by the audit committee prior to April 1, 2022 which continues beyond such date and becomes material as per the revised materiality threshold, then it shall be placed before the shareholders in the first General Meeting held after April 1, 2022.

SEBI Circular dated 30.03.2022

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## ANNEXURE 1

Relevant Section of the CGST Act, 2017	Description of the relevant Section
Section 67	Power of inspection, search and seizure.
Section 73	Tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any <b><u>reason other than fraud or any wilful-misstatement</u></b> or suppression of facts.
Section 74	Tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by <b><u>reason of fraud or any wilful-misstatement</u></b> or suppression of facts.
Section 76	Tax collected but not paid to Government.
Section 122	Penalty for certain offences – Supply without invoice, Issue of invoice without supply of goods, Collects amount but fails to pay, Fails to deduct tax (TDS), Fails to Collect tax (TCS), Takes ITC without receipt of Goods/Services/both, non-compliance of ISD provisions, fake information/documents/returns/records, Fails to take registration, False information at the time of applying registration, Obstruct or prevent officers from duty, Transport of goods without documents, Suppress turnover, Fails to keep/maintain/retain books/other documents etc.
Section 125	General penalty.
Section 127	Power to impose penalty in certain cases.
Section 129	Detention, seizure and release of goods and conveyances in transit.
Section 130	Confiscation of goods or conveyances and levy of penalty.