

# NEWSLETTER

February 2022

J P Chawla & Co. LLP

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Chartered Accountants

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Taxation | **Audit** | Outsourcing | Regulatory | **Transaction Advisory** | **Business Intelligence**



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Covid 19 has suddenly vanished through global and local news due to Ukraine and Russia's conflict making headlines, the result is that suddenly economic landscape of India has started being in headlines with Startups and pending IPO's stealing limelight. Although economic impact of Russia and Ukraine conflict is still being analyzed, Indian stock market has reacted negatively to conflict.

India has been the only major country listed by the International Monetary Fund (IMF) whose growth projection has been revised upwards in 2022-23. On the strength of several efforts taken by the government in Budget 2022-23, the Indian economy is prepared to grow at the fastest rate among the league of large nations.

On 18 February, the United Arab Emirates and India sign a trade and investment agreement during a virtual summit attended by the countries two leaders. The signing of the UAE-India Comprehensive Economic Partnership Agreement (CEPA) was witnessed by UAE de facto ruler Mohamed bin Zayed Al Nahyan and Indian Prime Minister Narendra Modi.

In Direct taxes CBDT has directed that till the time the Secretariat of the Approving Panel under GAAR is set up, references to the Approving Panel under section 144BA of the Act shall be sent to the office of the Under Secretary/DCIT(OSD)(ITA-II), CBDT. It was provided that such references shall be compiled and forwarded to the Secretariat of the Approving Panel, once the same is set up.

In Indirect taxes i.e. GST With effect from 1st April 2022, every registered person whose aggregate turnover during any previous financial year (from 2017-18 onwards) exceeds INR 20 Crore shall required to generate e-invoice through common portal. Earlier this limit was INR 50 Cr.

In regulations, All LLP filings going forward will be web-based. Further amendments are made in Regulation 18 to empower a Resolution Professional who may convene a meeting of the committee as and when he considers necessary and on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty-three percent of the voting rights.

We sincerely hope this volume of newsletter will update you regarding new developments in the area of Business, Tax, Assurance & Accounting and regulations.

Happy Reading!!

Sincerely Yours,

**Rajat Chawla**  
**Managing Partner & CEO**  
**New Delhi**

This month, Government of India has proposed launching an Indian digital rupee to give a push to the digital economy. Indian IT sector sees huge growth and with that, Google comes with a firm resolve to contribute towards India's digital growth. Indian and UAE have signed CEPA, India and France adopted blue economy plan. Maruti to soon become India's highest car exporter.

## **RBI TO ISSUE DIGITAL RUPEE STARTING FROM 2022-23**

Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman proposed to introduce Digital Rupee, using blockchain and other technologies, to be issued by the Reserve Bank of India starting 2022-23. she elaborated that introduction of Central Bank Digital Currency (CBDC) would give a big boost to digital economy.

## **Govt proposes to replace existing SEZ law with new legislation**

The administration proposed to repeal the existing law governing special economic zones (SEZs) and replace it with a new law that would allow states to collaborate on the "Development of Enterprise and Service Hubs.

## **Google to build more products in India for the world**

Google, reiterated its commitment to helping India join the digital revolution through continuous investments showing the company's faith in India's future and digital economy.

## **Indian firm's nasal vaccine may prove to be game changer against Covid-19**

Bharat Biotech is bringing out a Covid vaccination that will be sprayed into the nose rather than injected into the bloodstream. Nasal vaccines may be the most effective strategy to prevent infections in the long run because they protect the virus where it is most needed.

## **Opportune time to invest in India: FM**

Union Minister for Finance invited private companies to invest in India, with the low corporate tax rates being an attractive incentive. The various compliances and regulations that a person has to adhere to while doing business have also been simplified and made easier to achieve.

## **Maruti on course to become India's highest car exporter in FY22**

Maruti Suzuki, the automobile major is on track to become the largest car exporter in 2022. The company exported 205,450 units in 2021.

## **Dabur becomes first Indian plastic waste neutral' FMCG company in India**

After collecting, processing, and recycling about 27,000 metric tonnes of post-consumer plastic trash during FY21-22. , Dabur India, India's largest Ayurveda company, announced that it has achieved 100% plastic waste neutrality in the country also becoming the first Indian consumer products manufacturer to reach this milestone.

### **Indian IT sector sees highest growth in a decade, adds 4.5 lakh new jobs**

India's information technology (IT) sector is expected to rise to US\$ 227 billion in FY 22, with a 15.5% growth rate, the highest in over a decade. Women made up over 44% of new hires, bringing their total number to 1.8 million.

### **India economy to grow at quickest pace among large nations: Finmin report**

India has been the only major country listed by the International Monetary Fund (IMF) whose growth projection has been revised upwards in 2022-23. On the strength of several efforts taken by the government in Budget 2022-23, the Indian economy is prepared to grow at the fastest rate among the league of large nations.

### **United Arab Emirates, India signed a trade and investment deal**

On 18 February, the United Arab Emirates and India sign a trade and investment agreement during a virtual summit attended by the countries two leaders. The signing of the UAE-India Comprehensive Economic Partnership Agreement (CEPA) was witnessed by UAE de facto ruler Mohamed bin Zayed Al Nahyan and Indian Prime Minister Narendra Modi.

### **India, France adopt blue economy plan**

India and France have agreed to a plan on the blue economy and ocean governance to strengthen their partnership in the areas of economics, infrastructure, and science in order to maximise the use and preservation of marine resources.

### **India, Israel discuss avenues to expand cooperation in Space sector**

India and Israel discussed ways to strengthen their space relations in wake of the government's reform announcement in the space sector. The two organisations also explored future collaboration possibilities, including the launch of Israeli satellites from an Indian launcher.

## Indirect Tax

### E-Invoice

With effect from 1st April 2022, every registered person whose aggregate turnover during any previous financial year (from 2017-18 onwards) exceeds INR 20 Crore shall be required to generate e-invoice through common portal. Earlier this limit was INR 50 Cr.

Currently this mandatory requirement of generating e-invoice shall be applicable only on B2B supplies. All B2C supplies are exempted for all those registered persons whose aggregate turnover does not exceed INR 500 Cr.

#### **Further the following persons are continuing to be exempted from generating e-invoice:**

- An insurer or a banking company or a financial institution, including an NBFC
- A Goods Transport Agency (GTA)
- A registered person supplying passenger transportation services
- A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services
- An SEZ unit (excluded via CBIC Notification No. 61/2020 – Central Tax)
- A government department and Local authority (excluded via CBIC Notification No. 23/2021 – Central Tax)

### Composition Scheme

Window to opt in for composition for the FY 2022-23 is made available at GST Portal. The eligible taxpayers, who wish to avail the composition scheme may opt in for composition before 31st March 2022.

## Upcoming GSTR-1 enhancements & improvements

Continuous enhancements & technology improvements in GSTR-1/IFF have been made from time to time to enhance the performance & 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. In continuation of the same the following changes are being done in this phase of the GSTR-1/IFF enhancements

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

## Direct Tax

### Clarification regarding the Most-Favoured-Nation (MFN) clause in the Protocol to India's DTAA's with certain countries

The Protocol to India's Double Taxation Avoidance Agreements (DTAAs) with some of the countries, especially European States and OECD members (The Netherlands, France, the Swiss Confederation, Sweden, Spain and Hungary) contains a provision, referred to as the Most Favoured Nation (MFN) clause. Though each MFN clause in these DTAA's has a different formulation, the general underlying provision is that if after the signature into force (depending upon the language of the MFN clause) of the DTAA with the first State, India enters into a DTAA with another OECD Member State, wherein India limits its source taxation rights in relation to certain items of income (such as dividends, interest income, royalties, Fees for Technical Services, etc.) to a rate lower or a scope more restricted than the scope provided for those items of income in the DTAA with the first State, such beneficial treatment should also be extended to the first State.

The Central Board of Direct Taxes (CBDT) has received representations seeking clarity on the applicability of the MFN clause (particularly to dividend withholding rates) available in the Protocol to some of the DTAA's with OECD member States. India's DTAA's with countries namely Slovenia, Colombia and Lithuania, provide for lower rate of source taxation with respect to certain items of income. However, these States were not members of the OECD at the time of the conclusion of their DTAA's with India and have become members of the OECD thereafter.

#### **CBDT has provided clarification on the following issues :**

- a) Unilateral decree/bulletin/publication do not represent shared understanding of the treaty partners on applicability of the MFN clause
- b) Conditionality for the third State being a member of the OECD on the date of conclusion of the DTAA
- c) Application of concessional rates/restricted scope from the date of entry into force of the DTAA with the third State and not from the date the third State becomes member of the OECD
- d) Requirement of notification under Section 90 of the Income-tax Act, 1961
- e) No selective import of concessional rates under MFN clause

-[ Circular No. 3/2022]

#### **CBDT sets up GAAR Secretariat for references u/s 144BA**

CBDT has directed that till the time the Secretariat of the Approving Panel under GAAR is set up, references to the Approving Panel under section 144BA of the Act shall be sent to the office of the Under Secretary/DCIT(OSD)(ITA-II), CBDT. It was provided that such references shall be compiled and forwarded to the Secretariat of the Approving Panel, once the same is set up.

-[ F. No. 226/29/2019-ITA-II]



## Indian Accounting Standards

Exposure Draft of Initial Application of Ind AS 117 and Ind AS 109- Comparative Information - Amendments to Ind AS 117, Insurance Contracts

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB). In this regard, it may be noted that IFRS Standards are being issued/revised by the IASB from time to time. As a part of convergence with IFRS Standards, Ind AS may be issued/revised corresponding to the IFRS Standards. Accordingly, whenever any amendments are made or new IFRS Standard/IFRIC by the IASB, the Accounting Standards Board (ASB) of the ICAI considers and issues amendments to Ind AS. While doing so, keeping in view the Indian conditions and circumstances, wherever considered appropriate, necessary changes are also proposed to the Ind AS.

In this regard, the Accounting Standards Board has issued Exposure Draft of amendments in Ind AS 117 corresponding to IASB's amendments in IFRS 117 on Initial Application of IFRS 17 and IFRS 9- Comparative Information - Amendments to IFRS 17, Insurance Contracts.

The draft amendments added a transition option (classification overlay-paragraphs C28A-C28E) relating to comparative information about financial assets presented where an entity first apply Ind AS 117 and Ind AS 109 at the same time. Amendments have also been proposed to make the classification overlay available to entities that have applied Ind AS 109 before they apply Ind AS 117. For these entities, the classification overlay has been prescribed for the application of paragraph C29 of Ind AS 117 and can be applied only to financial assets derecognised in the comparative period.

This exposure draft is also hosted on ICAI's website for public comments and can be accessed at <https://resource.cdn.icai.org/69183asb55295.pdf>. Public comments on the same can be submitted by March 10th, 2022 to the ICAI.

## Regulations

### MCA

#### **MCA LAUNCHES A NEW WAY OF E-FILING FOR LLP ON THE MCA21 PORTAL.**

All LLP filings going forward will be web-based. This application is proposed to be launched on 06th March 2022 at 12:00 A.M. To facilitate this implementation stakeholders are advised to plan to keep in mind the key pointers. To begin with, LLP e-Filings on the MCA21 portal will be disabled from 25th Feb 2022 at 12:00 A.M. All stakeholders are advised to ensure that there are no SRNs in pending payment status. Furthermore, Offline payments for LLP using Bank Challan and Pay later option would be stopped from 19th Feb 2022 12:00 A.M. Please note that from 19th Feb 2022 12:00 A.M. to 25th Feb 2022 12:00 A.M., payments for LLP will be accepted only through online mode (Credit/Debit Card and Net Banking). In addition to, DSC association and new user registration on the MCA21 portal will be stopped on 25th Feb 2022 at 12:00 A.M. These services will resume in a new application with an LLP launch. In conclusion, there will not any interruption in the filling of Company forms.

#### **MCA HAS NOTIFIED THE LIMITED LIABILITY PARTNERSHIP (AMENDMENT) RULES, 2022 WHICH SHALL COME INTO FORCE WITH EFFECT FROM APRIL 01, 2022.**

The amendment is brought under Rule 19(1) which states that a limited liability partnership or a company or a proprietor of a registered trademark under the Trade Marks Act, 1999 already has a name or trademark which is similar to or which too nearly resembles the name or new name of a limited liability partnership incorporated subsequently, may apply to the Regional Director in Form 23 to give a direction to that limited liability partnership incorporated subsequently to change its name or new name, as the case may be. Provided that an application of the proprietor of the registered trademark shall be maintainable within a period of three years from the date of incorporation or registration or change of name of limited liability partnership under the Act.

Further, a new Rule 19A which deals with the allotment of the new name to an existing LLP has been notified. In case a Limited Liability Partnership fails to change its name or new name, as the case may be, in accordance with the direction issued under Section 17(1) within a period of three months from the date of issue of such direction, the letters "ORDNC" (Order of Regional Director Not Complied), the year of the passing of the direction, the serial number and the existing LLPIN of the LLP shall become the new name of the LLP without any further act or deed by the LLP. A new Rule 37A provides for the adjudication of LLP penalties wherein the Central Government can appoint any officer not below the rank of Registrar as adjudicating officers for adjudicating penalty under the LLP Act.

The adjudicating officer can pass an order of penalty against an LLP after sending notice and hearing the concerned person of the LLP. The adjudicating officer will send the order copy to the partner/designated partner of the LLP and the regional director. The LLP must pay the penalty only through the MCA portal. The LLP can file an appeal within 60 days of passing the order by the adjudicating officer in form 33 – LLP ADJ setting forth the appeal grounds with the Regional Director. MCA has also notified the Form 16A – Certificate of Incorporation under change of name due to Order of Regional Director not being complied and Form 33 – LLP ADJ – Memorandum of Appeal, through the Limited Liability Partnership (Amendment) Rules, 2022.

**MCA HAS NOTIFIED THAT THE PROVISIONS OF SECTIONS 90 (REGISTER OF SIGNIFICANT BENEFICIAL OWNERS IN A COMPANY), SECTION 164 (DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTOR), SECTION 165 (NUMBER OF DIRECTORSHIPS), SECTION 167 (VACATION OF OFFICE OF DIRECTOR), SECTION 206(5)-(POWER TO CALL FOR INFORMATION, INSPECT BOOKS AND CONDUCT INQUIRIES), SECTION 207(3)-(CONDUCT OF INSPECTION AND INQUIRY), SECTION 252 (APPEAL TO TRIBUNAL FOR THE REVIVAL OF COMPANIES) AND SECTION 439 (OFFENCES TO BE NON-COGNIZABLE) OF THE COMPANIES ACT,2013 SHALL ALSO APPLY TO LIMITED LIABILITY PARTNERSHIP FROM THE DATE OF PUBLICATION OF THIS NOTIFICATION.**

The notification provides that no person, who is or has been a designated partner of limited liability partnership, as the case may be, which has not filed financial statements or the Statement of Account and Solvency or annual returns, as the case may be, for any continuous period of three financial years; or has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay the interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to become or continue as a designated partner of that limited liability partnership or to become a designated partner in other limited liability partnerships for a period of five years from the date on which the said company or limited liability partnership fails to do so. Any person holding office as a designated partner in limited liability partnerships more than the limits as specified in the Act, immediately before this notification shall, within a period of one year from such notification, Choose not more than the specified limit of those limited liability partnerships, as limited liability partnerships in which he wishes to continue to hold the office of designated partner.

#### **MCA HAS NOTIFIED THE COMPANIES (ACCOUNTS) AMENDMENT RULES, 2022.**

Every Company covered under the provisions of sub-section (1) to Section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar for the preceding financial year (2020-2021) and onwards as an addendum to Form AOC-4 or AOC-XBRL or AOC-4 NBFC (Ind AS), as the case may be.

#### **MCA HAS RELEASED A SET OF FREQUENTLY ASKED QUESTIONS (FAQS) IN RELATION TO A V3 (NEW APPLICATION) OF THE MCA PORTAL FOR E-FILING BY THE LIMITED LIABILITY PARTNERSHIPS (LLPS), WHICH WILL GO LIVE FROM 06.03.2022.**

All the LLP e-filing services are being upgraded and migrated to the MCA V3 portal. However, all the other services will continue to exist at the MCA V2 portal. MCA is launching this new application (v3) for e-filing by LLPs on the MCA21 portal to improve the delivery of LLP services. All LLP filings shall be web-based from 06.03.2022 and onwards. These FAQs covers issues relating to Login Module, LLPs, LLP Forms/ Layouts, DSC, Payments (Types/ Modes)/ NTRP Portal/ Process/ Status Tracking, etc. MCA21 V3.0 will reduce the requirements of attachments, make the forms web-based and strengthen the pre-fill mechanism.

#### **MCA HAS ISSUED A PUBLIC NOTICE ON ITS WEBSITE THAT ALL COMMUNICATION ISSUED BY ROC & RD WITHOUT SRN SHALL BE TREATED AS UNAUTHORISED COMMUNICATION.**

All the stakeholders are hereby informed that the Registrar of Companies and the Regional Directors of the Ministry of Corporate Affairs at all locations have been directed by the Ministry to enter all cases of complaints against the Companies and the LLPs, Inspections, Inquiries, Investigations and Prosecutions in the MCA Electronic registry i.e., MCA21 before issuing any letter, notice, order etc. Thereafter, a Service Request Number (SRN) is generated. They have also been directed to mention such SRN mandatorily in all such communications to Companies, LLPs, their officers, auditors, etc., on all communications. Therefore, all stakeholders are advised to treat any such communication received without SRN as unauthorised which need not be responded to further by the recipient. Any instance of such communication received without mentioning SRN may be brought to the notice of the Office of the Director General of Corporate Officer (DGCoA) at email [dgcoa@mca.gov.in](mailto:dgcoa@mca.gov.in) along with the copy of the communication.

## **RELAXATION ON LEVY OF ADDITIONAL FEES IN FILING OF E-FORMS AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 NON-XBRL TILL MARCH 15, 2022 AND IN E-FORMS MGT-7 AND MGT-7A TILL MARCH 31, 2022.**

In continuation to Ministry's General Circular No. 22/2021 dated 29.12.2021, keeping in view various requests the Ministry has come up with the relaxations on levy of additional fees for annual financial statement/return required to be done for the financial year ended on March 31, 2021. The Ministry has been further decided that no additional fees shall be levied upto March 15, 2022 for the filing e-Forms AOC-4, AOC-4(CFS), AOC-4 XBRL, AOC-4 NON-XBRL and upto March 28, 2022 for filing of e-forms MGT-7/MGT-7A in respect of financial year ended on March 31, 2021 respectively.

### **RBI**

#### **RBI HAS ISSUED A CLARIFICATION ON THE NEW DEFINITION OF MICRO, SMALL AND MEDIUM ENTERPRISES.**

RBI has clarified that the existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020, shall remain valid till 31st March, 2022. The validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated 8th March, 2017 for classification of MSMEs upto 30th June, 2020, are also valid upto 31st March, 2022. Previously, all existing enterprises registered under EM-Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st July, 2020. Further, it has notified that all other provisions of the circular remain unchanged.

#### **RBI HAS ISSUED A NOTIFICATION ON THE IMPLEMENTATION OF 'CORE FINANCIAL SERVICES SOLUTION' BY NON-BANKING FINANCIAL COMPANIES (NBFCs) BY SEPTEMBER 30, 2025.**

All Non-Banking Financial Companies (NBFC) are instructed to mandatorily implement 'Core Financial Services Solution (CFSS)' by September 30, 2025, in order to provide a seamless customer interface as well as have a centralised database. It has been decided that NBFCs - Middle Layer and NBFCs - Upper Layer with 10 and more 'fixed point service delivery units' as of October 1, 2022, shall be mandatorily required to implement CFSS. CFSS is akin to the Core Banking Solution (CBS) adopted by banks. Further, the CFSS shall provide for seamless customer interface in digital offerings and transactions relating to products and services with anywhere/ anytime facility, enable integration of NBFCs' functions, provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting.

### **SEBI**

#### **SEBI HAS ISSUED THE NOTIFICATION TO MAKE AMENDMENTS TO ITS EARLIER CIRCULAR ON SCHEME OF ARRANGEMENT BY LISTED ENTITIES IN PART 1 PARA A(2K) OF THE SAID CIRCULAR.**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter alia provides that a scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc. (Scheme) to be presented to any court or tribunal should not in any way violate, override, or limit the provisions of securities laws or requirements of the stock exchanges. The following amendment in Para1 Para A 2K of the master circular will be applicable to all the Scheme(s) filed with the stock exchanges from November 16, 2021.

The No Objection Certificate (NOC) from the lending scheduled commercial banks/ financial institutions/ debenture trustees, from not less than 75% of the secured creditors in value. Along with filing an application under Regulation 37 of the Listing Regulations, a listed entity undertaking a Scheme is now required to submit a no-objection certificate from its lending scheduled commercial banks/ financial institutions/ debenture trustees.

## **SEBI HAS NOTIFIED A SET OF GUIDELINES FOR ASSET MANAGEMENT COMPANIES (AMCS) WITH RESPECT TO FOLLOWING INDIAN ACCOUNTING STANDARDS (IND AS).**

As per the earlier amendment dated January 25, 2022 on SEBI (Mutual Funds) Regulations, 1996 (MF Regulations), which, inter-alia, mandated that the AMCs shall prepare the Financial Statements and Accounts of the Mutual Fund Schemes in accordance with IND AS with effect from April 01, 2023. Therefore, in accordance with that, SEBI has directed the mutual fund schemes to prepare the opening balance sheet as on date of transition and the comparatives as per the requirements of IND AS. Further, Mutual Fund schemes may not be mandatorily required to restate the previous year's published perspective historical per unit statistics as per the requirement of IND AS for the first two years from first-time adoption of INDAS. The financial statements of the mutual fund schemes will have to be prepared in a format specified by SEBI.

## **SEBI HAS NOTIFIED A NEW FORMAT FOR DISCLOSURES IN THE ABRIDGED PROSPECTUS AND FRONT COVER PAGE OF THE OFFER DOCUMENT.**

Under the rules, every application form for the purchase of any securities of a company needs to be accompanied by an abridged prospectus. After reviewing the disclosure requirement, it was felt that due to the multitude of information that is required to be disclosed, the look and text on the front page appear to be crowded. Under the revised format, a company will have to disclose the name of the promoter, details of the offer to the public, types of issue, fresh issue and offer for sale (OFS) component, total issue size and share reservations details on the front page of the abridged prospectus (DRHP or RHP). Also, the company is required to make a disclosure about details of OFS by the promoter, promoter group and other shareholders.

Further, the issuer company has to disclose indicative timelines for opening and closing of the issue, initiation of refunds, credit of equity shares to Demat accounts of allottees and commencement of trading of equity shares among others. The abridged prospectus will be made available on the website of the issuer company, lead managers, registrar to an issuer and a link for downloading the prospectus will have to be provided in the price band advertisement. The issuer company and merchant bankers (MBs) will have to ensure that the disclosures in the abridged prospectus are adequate, accurate and do not contain any misleading or mis-statement. Further, they will have to insert a Quick Response (QR) code on the front page of the documents such as front outside cover page, abridged prospectus, price band advertisement, etc as deemed fit by them. The scan of the QR code will lead to downloading of prospectus, abridged prospectus and price band advertisement as applicable.

## **SEBI HAS ISSUED A CIRCULAR TO ALL THE ASSET MANAGEMENT COMPANIES OF MUTUAL FUNDS TO CONSTITUTE AN AUDIT COMMITTEE FROM 1ST AUGUST 2022.**

The Audit Committee of the AMC shall be responsible for oversight of the financial reporting process, audit process, company's system of internal controls, compliance to laws and regulations and other related processes, with specific reference to operation of its Mutual Fund business. In this regard, the Audit Committee shall, inter-alia, have the mandates which includes to review the financial reporting processes, the system of internal controls and the audit processes for the Mutual Fund operations of the AMC and to ensure that the rectifications, if any, suggested by internal and external auditors, etc. are acted upon. Further, the committee will have minimum three directors as members and at least two-third members of will be independent directors of AMC.

The members will be appointed by the Board of AMCs. The internal auditor shall submit its report to the Audit Committees of AMC and the Board of AMC. The Audit Committee of AMC shall forward their observations on internal audit reports, if any, to the Trustees.

## **SEBI HAS EXTENDED THE DEADLINE TILL MARCH NEXT YEAR FOR EXISTING TRADING AND DEMAT ACCOUNT HOLDERS TO PROVIDE A CHOICE OF NOMINATION OR OPT OUT OF NOMINATION.**

Last year, SEBI has instructed all existing eligible trading and demat account holders to provide choice of nomination on or before March 31, 2022, failing which the trading and demat accounts would have been frozen for debits. On the basis of representations received from various stakeholders, it has been decided that the provision with respect to freezing of accounts shall come into force with effect from March 31, 2023 instead of March 31, 2022. Further, existing investors who have not submitted nomination details till date and intend to submit their nomination or opt out of nomination (not to nominate any one) may also be allowed to do so by way of two factor authentication login on the internet trading platform for stock brokers/depository participants providing such service. The details previously required like mobile number, e-mail ID and identification details of the nominee/ guardian of the minor nominee have been made optional. Investors who are opening new trading and demat accounts from October 1 have the choice of providing nomination or opting out of nomination through a declaration form.

## **SEBI HAS AGAIN EXTENDED THE RELAXATIONS TO INTERMEDIARIES/ MARKET PARTICIPANTS IN ADHERENCE TO PRESCRIBED TIMELINES ISSUED BY SEBI DUE TO COVID19” DATED APRIL 13, 2020.**

The intermediaries/market participants may take an additional 30 days over the prescribed timelines for completion of service requests, including Processing of Remat Requests, Processing of Transmission Requests, Processing of request for Issue of Duplicate Share Certificates, Processing of Requests for Name Deletion/ Name Change / Transposition, Processing of Requests for Consolidation / Split / Replacement of Share Certificates / Amalgamation of Folios, Handling Investor Correspondence / Grievances / SCORES complaint and Processing of the Demat requests. Further, relaxation is hereby being given to intermediaries/ market participants w.r.t. compliance with the prescribed timelines which has been extended to June 30, 2022, in view of the Covid-19 situation. Accordingly, the intermediaries/ market participants may take an additional 30 days over the prescribed timelines for completion of service requests mentioned in the table at para no. 2 above.

## **NCLT**

### **NCLT HAS ISSUED A CIRCULAR STATING THAT ALL BENCHES OF NCLT WILL RESUME REGULAR HEARING OF CASES W.E.F. 14.02.2022 BY VIDEO CONFERENCING MODE.**

All Hon'ble Members will conduct proceedings through Video Conference from their respective Court hall at their respective Headquarters. The SOP for holding proceedings through Video Conference will apply subject to review if required. It was notified earlier that all regular matters will be assigned dates by the respective benches on the basis of urgency and timeline. New applications which are filed online will be listed for hearing based on urgency to be specified. Now it is clarified that the new process shall come into force w.e.f. 14.02.2022.

## **IBBI**

### **IBBI HAS NOTIFIED THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (AMENDMENT) REGULATIONS, 2022.**

Amendments are made in Regulation 18 to empower a Resolution Professional who may convene a meeting of the committee as and when he considers necessary and on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty-three percent of the voting rights. A resolution professional may place a proposal received from members of the committee in a meeting if he considers it necessary and shall place the proposal if the same is made by members of the committee representing at least thirty-three percent of the voting rights. Further, Regulation 39A, provides that the interim resolution professional or the resolution professional, as the case may be, shall preserve copies of all such records which are required to give a complete account of the corporate insolvency resolution process. It is further provided that the interim resolution professional or the resolution professional shall preserve an electronic copy of all records (physical and electronic) for a minimum period of eight years; and a physical copy of records for a minimum period of three years, from the date of completion of the corporate insolvency resolution process or the conclusion of any proceeding relating to the corporate insolvency resolution process, before the Board, the Adjudicating Authority, Appellate Authority or any Court, whichever is later. The interim resolution professional or the resolution professional shall preserve the records at a secure place and shall be obliged to produce records as may be required under the Code and the Regulations.

### **SHRI RAVI MITAL HAS BEEN APPOINTED AS CHAIRPERSON OF INSOLVENCY AND BANKRUPTCY BOARD OF INDIA.**

Shri Ravi Mital is a 1986 batch Indian Administrative Service (IAS) officer of Bihar cadre, Shri Ravi Mital holds degrees of B.E. in Mechanical Engineering and M.Phil. in Environmental Science. Prior to joining the IBBI as Chairperson, he superannuated from the position of Secretary, Department of Sports, Ministry of Youth Affairs and Sports. He has also served as Secretary, Ministry of Information & Broadcasting and Special Secretary, Department of Financial Services, Ministry of Finance. He has also served on Board of various organizations including State Bank of India, Punjab National Bank, GIC Re, etc.

## **DGFT**

### **DGFT HAS MANDATED THE FILING/ISSUANCE OF RCMC / RC THROUGH A COMMON DIGITAL PLATFORM MANDATORY FROM APRIL 01, 2022.**

The electronic platform to facilitate electronic issuance/renewal/amendment of Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) has been implemented. The objective of the platform is to provide an electronic, contact-less single window for RCMC/RC related processes. The prevailing procedure of submitting applications directly to the designated Registering Authorities will continue only till 31.03.2022. All Registering Authorities as notified under Appendix-2T are requested to ensure that they are on-boarded on eRCMC portal before 31.03.2022. Registering Authorities, who have already onboarded are advised to adopt e-RCMC platform as a single point for handling RCMC related processes. Clarification on the new procedure is available on the help manual and FAQs published on the official website of DGFT.

TAX CALENDAR																															
March-2022																															
Thu	Wed	Tue	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Form/Challan No.										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Form 26OB & 26QC Challan 281
<b>Date</b>	<b>Regulation</b>	<b>Obligation</b>																													
2	Income Tax	- Last date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA, 194-IB and 194M in the month of January-2022																													
7	Income Tax	- Last date of online payment of Tax deducted at source/Tax collected at source for the month of February-2022																													
7	FEMA	- Last date of reporting of actual transactions of External Commercial Borrowings (ECB) through AD Bank under FEMA																													
10	GST	- Last date of filing Form GSTR 7 for the month of February-2022 (to be filed by the e-commerce operators required to deduct TDS under GST)																													
10	GST	- Last date of filing Form GSTR 8 for the month of February-2022 (to be filed by the person required to deduct TDS under GST)																													
11	GST	- Last date of filing Form GSTR 1 for the month of February-2022 for the taxpayer who has not chosen quarterly filing																													
13	GST	- Last date of filing Form GSTR 6 for the month of February-2022 (to be filed by input service distributor)																													
13	Income Tax	- Last date for Deposit fourth instalment of Advance Tax for the assessment year 2022-23 for all assessee																													
15	Income Tax	- Due Date for payment of whole amount of advance tax in respect of assessment year 2022-23 for assessee covered under presumptive scheme of section 44AD/ADA																													
15	Income Tax	- Due date for filing of ITR for the assessment year 2021-22 for corporate-assessee or non-corporate assessee (whose books of account are required to be audited) or partner of a firm whose accounts are required to be audited																													
15	Income Tax	- Due date for Return of income for the assessment year 2021-22 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction																													
15	Provident Fund	- Last date of online payment of provident fund for the month of February-2022																													
15	ESI	- Last date of online payment of ESI fund for the month of February-2022																													
15	ROC	- Last date of filing of annual accounts of the company (AOC-4/XBRU/CFS) for FY 2020-21																													
17	Income Tax	- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M in the month of January-2022																													
20	GST	- Last date of payment of GST and filing of GSTR 3B for the month of February-2022 for taxpayer having turnover more than 5 Crores																													
20	GST	- Last date of filing Form GSTR 5 & 5A and payment of GST for the month of February-2022 (to be filed by non-resident person)																													
22	GST	- Last date of payment of GST for the month of February-2022 for taxpayer having turnover less than or equal to 5 Crores <b>(GST Registration No. starting from 22 to 37)</b>																													
24	GST	- Last date of payment of GST for the month of February-2022 for taxpayer having turnover less than or equal to 5 Crores <b>(GST Registration No. starting from 01 to 21 and 38)</b>																													
25	Provident Fund	- Provident Fund return filing for February-2022 (including pension and insurance scheme form)																													
30	Income Tax	- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA, 194-IB and 194M in the month of February-2022																													
30	Income Tax	- Due date for linking of Aadhaar number with PAN																													
31	Income Tax	- Due Date for filing of belated/revised return of income for the assessment year 2021-22 for all assessee																													
31	ROC	- Due date for filing of annual return of the company (MGT-7/MGT-7A) for FY 2020-21																													



JPC is a professional services firm based in New Delhi & Noida, India. We were established in the year 1974 with the aim to create value for our clients by delivering quality, comprehensive, timely, practical and innovative services. We offer a comprehensive range of services, including taxation services, regulatory services, transaction advisory services, financial & management consultancy services, assurance & risk services, and outsourcing services. Over the past several decades, we have established significant competitive presence in the country. Our vast and diversified client base includes Multinational enterprises, domestic companies, high net worth individuals, government companies and institutions in all leading industry verticals. We are a team of distinguished Chartered Accountants, Management Accountants, Corporate Financial Advisors and Tax Consultants. Our team has the requisite skills and experience to provide complex business, financial, assurance, tax and regulatory services to our clients. Our strength lies in our timely performance-based, industry-tailored and technology-enabled services which are delivered by some of the most talented professionals in the country. For more information about JPC's service offerings, visit [www.jpc.co.in](http://www.jpc.co.in)

In this document, "JPC" refers to J P Chawla & Co. LLP Chartered Accountants (a limited liability partnership firm regulated by the Institute of Chartered Accountants of India, FRN : 001875N/ N500025).

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