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A flagship publication that captures key developments in the areas of Tax and Regulatory environment

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April 2022

WORLD TAX

RECOMMENDED FIRM

2022

Introduction

Tax Street

We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of April 2022.

- The 'Focus Point' covers an overview of the new provision for filing an Updated Tax Return.
- Under the 'From the Judiciary' section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our 'Tax Talk' provides key updates on the important tax-related news from India and across the globe.
- Under 'Compliance Calendar', we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback.
You can write to us at taxstreet@nexdigm.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm Team

Focus Point

The New Provision of Updated Return

The Finance Minister has introduced a new provision for filing an Updated Tax Return vide Finance Act 2022 by inserting sub-section 8A to Section 139 of the Income-tax Act, 1961 (ITA).

Before we analyze the provisions, it will be beneficial to understand the government's objective behind introducing this provision.

Under the current provisions of ITA, the taxpayer is required to file the tax return within the due date as prescribed under Section 139 of ITA. If the return is not filed within the due date, the taxpayer can file a belated tax return three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier. Similarly, ITA provides the taxpayer an opportunity to revise the return filed earlier in case of any omission or wrong statement, which is to be filed three months before the end of the assessment year or before the completion of the assessment, whichever is earlier. Hence, the object of Section 139 of the ITA is to give reasonable time to the taxpayer to file a correct statement of his income within the duration specified under the ITA.

The government factoring the utilization of huge information and data available relating to the taxpayers, consider that an additional timeline for filing a revised/belated return may not be adequate. Therefore, the concept of Updated Return is introduced, which on the one hand, will bring the use of huge data with the IT Department to a logical conclusion resulting in additional revenue realization and on the other hand, it will facilitate ease of compliance to the taxpayer in a litigation free environment.

The Focus Point explains in detail the provisions relating to the Updated Return:

What is Updated Return?

A taxpayer, whether or not he has furnished his tax return, is provided an option to file an Updated Return. The Updated Return can be filed within 24 months from the end of the relevant assessment year.

Where a taxpayer has furnished a return under Section 139 of ITA, he can file the Updated Return. Even where the return is not furnished, the taxpayer is eligible to file an Updated Return.

When can an Updated Return not be filed?

The Updated Return cannot be filed in the following scenarios:

a. Where the Updated Return is a return of a loss; or
b. has the effect of decreasing the total tax liability determined based on the return furnished earlier under Section 139 of ITA; or
c. results in a refund or increase in the refund due based on the return furnished under Section 139 of ITA, earlier

In view of the above, Updated Return can be filed only where there is taxable income or where the tax liability is increasing or remaining neutral or where the refund is decreasing, compared to the tax return filed under Section 139 of ITA.

Who is disqualified from filing Updated Return?

Certain taxpayers are excluded from filing the Updated Returns, which include the following:

1. The taxpayer is subject to search and survey as specified under the ITA for the relevant assessment year in which the search or survey is conducted.
2. The taxpayer who has already furnished the Updated Return.
3. Where the assessment or reassessment or recomputation or revision of income under the ITA is pending or has been completed.
4. Where the Tax officer has information in respect of said taxpayer for the relevant assessment year in his possession under certain specified Acts and the same has been communicated to the taxpayer, prior to the date of furnishing of Updated Return.
5. Where the Tax officer has information for the relevant assessment year received under a Double Tax Avoidance agreement, and the same has been communicated to taxpayer, prior to the date of furnishing of Updated Return.
6. Where any prosecution proceedings have been initiated prior to the furnishing of Updated Return.
7. Where the taxpayer is such person or belongs to such class of persons, as may be notified by the Board in this regard.

Hence if the taxpayer satisfies any of the above conditions, he shall be disqualified from file the Updated Return.

Additional income tax on Updated Return

A new Section 140B is introduced relating to the taxes payable on the income disclosed in Updated Return. The taxes need to be paid before filing of Updated Return and the proof of the same need to be attached with the tax return.

The taxpayer will be required to pay two types of taxes (a) Normal tax, interest, and fee, if any, applicable on the income disclosed in the Updated Return after reducing advance tax, TDS credit, and foreign tax credit on the taxes deducted outside India, MAT credit, etc. and (b) Additional tax on the aggregate of taxes and interest payable on the income disclosed in Updated Return.

Where the Updated Return is filed within 12 months from the end of the relevant assessment, the additional tax will be 25%, and where the Updated return is filed after 12 months but before 24 months from the end of the relevant assessment, the additional tax will be 50%. The additional tax will be computed on the taxes and interest payable on the income disclosed in the Updated Return.

As such, in addition to the normal tax and interest payable on the additional income disclosed in the Updated Return, the taxpayer will also be required to pay additional tax.

Filing of Updated Return

The Central Board of Direct Taxes recently, vide its notification no 48/2022 dated 29 April 2022, has inserted Rule 12AC to the Income Tax Rules, 1962, which provides the mechanism of furnishing the Updated Return of income in the prescribed form ITR U relating to Assessment year commencing from AY 2020-21 and subsequent assessment years.

Conclusion

The option to file an Updated Return is a welcome provision for the taxpayer to disclose any additional income that was missed to be reported in the original or revised, or belated return. This provision will curtail the litigation between the taxpayer and the tax officer and will promote voluntary tax compliance. However, the taxpayer needs to be equally mindful of the additional taxes that will be payable in addition to the taxes and interest payable on the income disclosed in the Updated Return. The taxpayer, therefore, while filing the tax return, needs to be extremely careful and ensure that all the income is correctly disclosed and the information available in the Annual Information Statement (AIS) is analyzed while filing the original return, so the requirement to file Updated Return can be avoided.

From the Judiciary

Direct Tax

Whether services are required to be rendered in India to qualify as FTS?

M/s. Infosys Limited. Vs ACIT
IT(IT)A No.4,1182/Bang/2014

Facts

The taxpayer is an Indian company engaged in the business of the development and export of software and related services. The taxpayer subcontracted certain overseas work in China to its wholly-owned subsidiary and made payment for subcontracting charges to the subsidiary without any Tax Deducted at Source (TDS). It has adopted a view that since services were rendered completely from outside India, the same would not be taxable in India under Indian tax laws, relying on the **Supreme Court (SC) ruling Ishikawajima Harima Heavy Industries Ltd.**[1]

Out of the total payment, a major amount was paid after the enactment of the Finance Act, 2010, where the retrospective explanation was added to Section 9(1)(vii), which clarified that Fees for Technical Services (FTS) provided to Indian resident shall be taxable in India, irrespective of location for providing such services and indirectly overruled the *SC ruling of Ishikawajima Harima Heavy Industries Ltd.*

1. [2007]288 ITR 408(SC)

The Assessing Officer (AO) concluded that the payment made to the Chinese subsidiary was liable for TDS U/s 9(1)(vii) of the Income-tax Act as FTS at 20% in the absence of PAN of subsidiary. The Commissioner of Income-tax (Appeals) [CIT(A)] confirmed the AO's order. Aggrieved by the order, the taxpayer filed an appeal before the Bangalore Tribunal.

Held

The Tribunal has remanded the matter to file of AO for payment made before the enactment of the Finance Act, 2010 for fresh adjudication in line with law prevalent at that point in time.

For the payments made after the enactment of the Finance Act, 2010, the Tribunal rejected the taxpayer's plea about the non-taxability of the payment. The Tribunal noted that the taxpayer's reliance on Ishikawajima Harima was not correct in view of the retrospective amendment to Section 9(1)(vii) read with the Explanation. In view of the amendment, rendering services in India is no longer necessary. The Tribunal held that merely because the clients were outside India did not mean that the taxpayer was conducting business outside India. The said subcontracting services were held to be taxable under India-China Double Taxation Avoidance Agreement (DTAA) as well since the services will be deemed to have been accrued in the tax jurisdiction in which the person making the payment is located.

Our Comments

The Bangalore Tribunal observed that subsequent to the amendment to Section 9(1)(vii), it is no longer necessary that the services must be rendered in India.

Whether subscription income, an activity of mutual concern, can be taxable as FTS?

M/s. Deloitte Touche Tohmastu Vs DCIT
ITA No. 6703, 5760, 5759, 530/ Delhi/2015

Facts

The taxpayer is a non-profit association (Swiss Verein) and a tax resident of Switzerland. The taxpayer received subscription income from its member firms during the year under consideration. The taxpayer claimed that it is an association of members owned and managed by its members and did not offer the income to tax based on principles of mutuality.

The AO did not accept the taxpayer's contention of the principle of mutuality. The AO held that the activity of mutual concern of the taxpayer was in the nature of trade with its members in lieu of which it was receiving income from its members and accordingly treated the subscription fees as FTS. The CIT(A) held that the payments made to the taxpayer were in the nature of reimbursement and covered by the principle of mutuality. Aggrieved by the order, the AO filed an appeal before the Delhi Tribunal.

Held

The Tribunal emphasized that the key conditions required to be satisfied for achieving the principle of mutuality are common and completeness of identity, non-profiteering and obedience to mandate. The doctrine of mutuality refers to the principle that a man cannot engage in business with himself. If the identity of both parties is marked by oneness, then a profit motive cannot be attached to such a venture. The Tribunal noted that the only source of generating funds for the taxpayer was the subscription amount from its members determined on the basis of proposed annual expenditures, which member firms paid in mutual concern to evolve better professional practices. The Tribunal also stated that the taxpayer's articles of association indicate that it was not working as a commercial venture on a quid pro quo basis and hence the subscription income should be exempt based on the principle of mutuality.

Our Comments

The Delhi Tribunal has re-affirmed that where contributions are not with an idea to trade but with an idea of rendering mutual help, the same can be covered under principles of mutuality. However, it is pertinent to note that the determination of mutuality is a factual exercise.

Transfer Pricing

Auditor's disclaimer cannot be grounds for rejection of the segmental accounts without any specific concern raised by the TPO

V2 Tech Ventures Pvt Ltd [ITA No. 777/Mum/2016] - AY 2011-12

Facts

The taxpayer provided software support services to its US-based Associated Enterprise (AE) and benchmarked the same by adopting an internal comparison of profit margins earned from the AE segment and Non-AE Segment. The Transfer Pricing Officer (TPO) observed that the segmental profit and loss furnished by the taxpayer contained a disclaimer that read as *"...the information and explanation provided to us..."* Thus, basis this disclaimer, the TPO opined that it raised doubts about its authenticity as it was signed based on the information disclosed by the management and claimed that allocation of expenses was arbitrarily done between the two segments to skew the results in favor of the AE segment. Accordingly, the TPO disapproved taxpayer's justification of the Arm's Length Price (ALP) and proposed an adjustment by comparing taxpayer's margins with external comparable companies. Aggrieved, the taxpayer raised objections before the Dispute Resolution Panel (DRP), which concurred with the TPO's stand.

ITAT Held

The Income Tax Appellate Tribunal (ITAT) disagreed with the TPO's rejection of the AE/non-AE segmental on the basis of disclaimer by the auditor and noted that such disclaimer was a standard practice and there was no specific information that was sought to be disclaimed vis-a-vis the authenticity of the segmental. The ITAT also highlighted TPO's failure to pinpoint the specific issues or seek response through raising questions on issues whilst rejecting the segmental. Whilst the ITAT remitted the verification of the segmental basis TPO's claim on the arbitrary allocation of expenses; it was done with a direction that if no defects were found in the segmental so drawn, then the justification of the ALP should be accepted.

Our Comments

The decision also lays down an onus on the TPO to pinpoint specific flaws in any data produced by the taxpayer or the need for requisition of further details to resolve specific doubts before the adhoc rejection of the data produced by the taxpayer. The common practices like disclaimer while signing segmental accounts should not be the ground for outright rejection of data relied on by the taxpayer. However, this also emphasizes maintaining an appropriate basis for applying allocation keys and documentary evidence, which can make the segmental profit and loss more robust.

ITAT distinguishes trade credit from a loan and opines that while there may be implied interest for opportunity cost and notional financial costs for the credit period agreed – however, extended trade credit may also require an interest charge

Tech Mahindra Limited [ITA Nos.1034 & 1035/MUM/2010] - AY 2004-05 & AY 2005-06

Facts

The taxpayer was engaged in the development of computer software and other related services. The taxpayer had provided a trade credit to its AE, citing that the AE had incurred losses and was not able to raise funds externally. The taxpayer had not charged any interest from the AE for the extended trade credit provided by stating that trade credit was very different from a loan considering the differences in geographies, timing, nature and purpose of funds. However, the TPO had proposed to levy an interest rate of 10%, relying on the interest rate applied to German AE on a Euro-denominated loan extended by the taxpayer. At the Appeal stage, the CIT(A), allowed partial relief by adopting an interest rate using USD LIBOR (1.22%) + 80 basis points. Aggrieved, the taxpayer appealed before the ITAT.

ITAT Held

The ITAT took cognizance of the fact that it was the taxpayer's business decision to extend trade credit to AE to tide over its temporary liquidity situation and also the fact that the average debtor days relating to AE was 124 days whilst the same was 150 days in case of third parties with no interest being charged in the case of latter for delayed payments. The ITAT further observed that for a similar transaction, no Transfer Pricing (TP) adjustment was proposed for prior years,i.e., for AY 2002-03 and AY2003-04. While these are only observations pointers, the ITAT went on to opine that *"..Transfer Pricing regime normally judges the transfer pricing of the taxpayer based on the results rather than on the intent to shift income from one side to another. In the normal ALP, an element of implied interest would always have been there so as to compensate for the opportunity cost and notional financial cost associated with account receivable/ adjustments so called for."*

Hence, the ITAT seems to be affirming the charging of interest even on extended trade credit. However, it has remitted the case for computation of the correct period of charge as well as the correct interest rate to be applied, *which would be available at that particular point of time in the open market and as per the practice on (trade credit).*

Our Comments

The decision brings out relevant distinguishing factors in the nature of trade credit vis-a-vis loans and consequent different approaches to be adopted in benchmarking. However, it also seems to indicate that even a trade credit contains an implied interest cost imbibed in the pricing of the underlying transaction, from which they emanate) as against a loan transaction. Furthermore, it also delves into the fact that regard should be had to comparable instances/ practices followed by the taxpayers while undertaking similar transactions with third parties while deciding the appropriate benchmark for a particular transaction.

Closing balances of loans cannot be considered as a basis for the charge, instead, the actual outstanding period of loans should be looked at

OPTO Circuits (India) Ltd [IT(TP)A No.2323/Bang/2016] – AY 2007-08

Facts

The taxpayer was a manufacturer of electronic medical equipment and had extended a loan to its AE without charging any interest. The TPO proposed interest to be charged based on the average prime lending rate prescribed by the State Bank of India (i.e.11.375%) prevailing during the said financial year on **the closing balance** (for the full year), which was affirmed by the DRP as well.

ITAT Held

ITAT observed that there was an opening debit balance as well as amounts advanced during the year, and opined that interest should have been computed based on the time for which the loan amount was outstanding (rather than on the closing balance and for the full year) and hence remitted the recomputation of interest on a time basis.

Our Comments

The taxpayers should be vigilant to ensure that when submissions are made, they provide such details of the loan period during the year on which only the interest should be charged, in the absence of which the TPO may be forced to levy adjustment on the closing balance.

Indirect Tax

Whether the DFIA licenses were obtained by the exporters on the basis of fake export documents, thereby warranting denial of import benefits?

Neev Trading Co. and Vids Overseas vs. Commissioner of Customs, ICD, Delhi
[2022 (3) TMI 1005 - CESTAT NEW DELHI]

Facts

- The appellants were accused of purchasing Duty Free Import Authorization(DFIA) licenses from the open market through the middleman/brokers rather than directly from the exporters. They neither tried to ascertain the existence of the subject exporter nor verify the genuineness of the licenses through any other source.
- The licenses were allegedly obtained fraudulently by some unscrupulous persons in collusion with the exporters.
- According to the Department, the goods imported under these DFIA licenses, which were procured on the basis of forged and fabricated documents, were liable to be treated as non-duty paid, and appropriate customs duty was liable to be demanded under Section 28(4) of the Customs Act, by invoking the extended period of limitation.

Contentions

- The appellants contended that at the time of import of goods, the licenses were checked on the Directorate General of Foreign Trade (DGFT) website, and undisputedly, the same was valid and duly registered with the Customs.
- Just because the exporters obtained the licenses fraudulently, as alleged by the Department, imports made by the appellants could not be treated as non-duty paid, as the DGFT duly issued the licenses.
- Reliance was *inter alia* placed on **Customs, Excise and Service Tax Appellate Tribunal (CESTAT)'s Larger Bench** judgment in the case of Hico Enterprises vs. Commissioner of Customs, Mumbai[2], wherein a similar case, the Bench had referred to **Section 29** of the Sale of Goods Act, 1930 to reiterate that the transferee-importer would attain good title to the license and the endorsement of transferability could not be held to be not valid in the hands of bona fide purchaser of the license.

Ruling

- Nowhere is it the case of the Department that the appellants colluded with any of the persons concerned for alleged fraud/forgery/ manipulation of the documents on the basis of which the licenses were obtained.
- The only observation was that the appellants did not exercise due diligence in checking the correctness of exports.
- Once the DGFT makes the licenses transferrable and negotiable on fulfillment of the export obligation, the same are traded by the parties through brokers, which are permitted under the DGFT Policy and Foreign Trade Policy. There was no reason to disbelieve the licenses issued by the Competent Authority/DGFT, as they duly reflected on the website.
- The Adjudicating Authority had erred in not appreciating that the appellants were bona fide purchasers of DFIA licenses that were registered with Customs on the date of purchase and utilization by these appellants
- In the facts and circumstances, the Tribunal concluded that the extended period of limitation was not invokable, as admittedly, there was no case of fraud, misstatement, or contumacious conduct on the part of the appellants.
- Tribunal observed that a similar issue had come for consideration before the Punjab and Haryana High Court in the case of Commissioner of Customs vs. Leader Valves Limited[3] in respect of the Duty Entitlement Pass Book Scheme (DEPB) license purchased from the open market under the bona fide belief of being genuine.

Our Comments

The case law reiterates the principle that bona fide purchasers of licenses/ scrips cannot be held accountable for any fraud/forgery by the preceding party.

However, to mitigate any plausible risks, it may be worthwhile to do a preliminary check on the authenticity of the license as well as the seller, given the rise in trading of different types of scrips/ licenses.

2. 2005 (189) ELT 135 (Tri-LB)
3. 2007 (218) ELT 349 (P & H)

Whether GST, Central Excise Duty and National Calamity Contingency Duty (NCCD) could be levied simultaneously on tobacco and tobacco products?

V. S. Products vs. Union of India [TS-178-HC(KAR)-2022-GST]

Note: Vide order dated 4 January 2022, the Single Judge Bench of Karnataka HC [TS-4-HC(KAR)-2022-GST] had dismissed a batch of writ petitions filed by manufacturers of tobacco and tobacco products challenging the constitutional validity of section 174 of the CGST Act 2017, which allows the continuation of basic excise duty along with GST, and section 136 of the Finance Act which enables the levy of NCCD.

Facts

- The petitioner-assessee is a proprietary firm engaged in the manufacture of tobacco and tobacco products.
- The petitioner-assessee challenged the levy and collection of excise duty and NCD before the Division Bench in intra Court appeal.

Judgment

- Affirming the Single Judge Bench's order, High Court (HC) held that there could be a simultaneous levy of GST and excise duty and NCCD on tobacco or tobacco products.
- After coming into force of Constitutional 101st Amendment w.e.f. 1 July 2017, the levy of excise duty on tobacco or tobacco products is constitutionally valid.
- Tracing the interpretation of statutory provisions (Article 246(1) and (2) as well as Article 246A(1), which begins with the non-obstante clause) and taking note of the Apex Court decision in VKC Footsteps[4], HC observed, "non-obstante clause is appended to a provision at the beginning with a view to give the enacting part of the Section…an overriding effect over the provision or Act mentioned… the enactment, following it, shall have its full operation or that the provisions embraced in the non-obstante clause will not impede the operation of the enactment."
- Articles 246 and 246A do not overlap each other and co-exist in the constitutional scheme. Article 246A is "unique" and "independent power" as it contains the source of power as well as the field of legislation, thus having simultaneous power of taxation.
- Article 246A neither overrides nor restricts the operation of Article 246 r/w Entry 84 of List I of Schedule VII, and accordingly, the central excise duty and GST are levied under different sources of power.
- Activities of manufacture and supply remain two independent activities in the goods chain. The Section 7 of the CGST Act, 2017 indicates that the definition of 'supply' does not subsume manufacturing activity.
- The petitioner-assessee had failed to demonstrate that the levy of excise duty either suffers from manifest arbitrariness or is discriminatory. Accordingly, such levy is not violative of Article 14 of the Constitution.
- The HC relied on the Apex Court decision in Federation of Hotel and Restaurant Association of India vs. Union of India[5].

Our Comments

The judgment affirms the legislative wisdom to impose simultaneous levies on the same goods/transactions with an aim to generate more revenue.

Taking a cue from this decision, the government could simultaneously introduce GST on petroleum products after a corresponding reduction in the Excise duty and VAT rates imposed by the States.

Mergers and Acquisitions Tax

Mumbai ITAT: Rounding off of shares' issue price attracts addition under Section 56(2)(viib)

Royal Accord Realtors Pvt. Ltd. [TS-281-ITAT-2022(Mum)]

- A company (assessee) allotted equity shares to a resident company at a premium. The assessee applied round off on the FMV determined at INR 3,560.77 and allotted the shares at INR 3,600 per share. During the assessment proceedings, the AO invoked the provisions of Section 56(2)(viib) and made an addition for the differential value in the hands of the assessee.
- The assessee relied on the decision in the case of Jain Housing[6] and submitted that the marginal difference in valuation should be ignored. It also relied on other specific sections which provide for round-off. The tax authorities held that Section 56(2)(viib) does not explicitly provide for rounding off, unlike other provisions. The CIT(A) confirmed the addition made by AO.
- Mumbai ITAT upheld such addition placing reliance on the ruling of Kolkata Tribunal[7] of Shresth Dealers Pvt. Ltd. by observing that there is no ambiguity on a plain reading of Section 56(2)(viib) and the other provisions cannot be applied. The sections do not lay down the general principle of rounding off for other sections of Act. The tax statute and tax law don't have a concept of equity, and nothing is to be implied by together reading of sections. The departure of literal interpretation will lead to interpreting sections in exceptional cases.

4. Civil Appeal No. 4809 of 2021 – Supreme Court of India
5. (1989) 3 SCC 634
6. 109 taxamann.com 428(Chennai)
7. ITA No.2517/Kol/2018

Our Comments

The rounding off of the valuation number arrived at for share issuance/ transfer is a common practice followed in valuation exercises. The observations of this decision based on a literal reading of the provision would impact such cases, and thus the implications need to be assessed accordingly.

Mumbai High Court: Sum withdrawn from escrow account deductible while working out the capital gains

Dinesh Vazirani [TS-274-HC-2022(BOM)]

A resident individual (assessee) along with other promoters held equity shares collectively in a company. They executed a Share Purchase Agreement (SPA) to transfer shares for a base consideration of INR 1.25 billion and further consideration of INR 300 million to be kept in an escrow account subsequently realizable on the satisfaction of future conditions. Certain statutory dues and liabilities amounting to INR 91.7 million pertaining to the period before sale arose subsequent to the sale of shares. This amount was extracted from the escrow account for the discharge of the liability.

The assessee offered the entire consideration of INR 1.55 billion to tax in its income tax return. However, the assessee filed a revision petition with CIT under Section 264 of the Act for a reduction of the consideration to the extent of the liability discharged amount of INR 9.17 crores. The petition was rejected by the CIT.

The High Court relied on the landmark judgment of the Supreme Court in the case of Shoorji Vallabhdas and Co[8] and applied the real income principle to hold that consideration that has neither accrued nor received cannot be brought to tax. As the same was neither received nor accrued by promoters, the same should not form part of the consideration accruing or arising from the transfer.

Our Comments

The ruling has applied the concept of real income theory and has held taxability only for the income which has accrued to the assessee. This is certainly a relevant and welcome decision from the perspective of M&A deals where due to prevailing circumstances, contingency is inbuilt in the overall consideration agreed for a transaction.

Regulatory Updates

Ministry of Corporate Affairs (MCA)

Companies (Accounts) Second Amendment Rules, 2022 (31 March 2022)

The Ministry of Corporate Affairs has recently notified the Companies (Accounts) Second Amendment Rules, 2022 vide a Notification dated 31 March 2022. With this amendment, the MCA has extended the implementation of Audit Trail software to a financial year commencing on or after 1 April 2023, earlier such provision was applicable from 1 April 2022. Also, the timeline for filing web Form CSR-2 has been extended to 31 May 2022, earlier, such form was to be filed by 31 March 2022.

Extension of Applicability of Provisions of Audit Trail

The MCA vide its notification dated 24 March 2021, introduced the concept of audit trails by inserting a proviso to rule 3(1) of the Companies (Accounts) Rules, 2014.

An audit trail is a step-by-step sequential record that provides evidence of the documented history of financial transactions to its source. An auditor can trace every step of the financial data of a particular transaction right from the general ledger to its source document with the help of the audit trail.

The objective of mandating the requirement of an audit trail feature in accounting software was to mitigate the chances of fraudulent transactions or manipulation in the company's books of accounts and to bring in more transparency.

The applicability of maintaining an Audit Trail was deferred by one year by amending the same vide Companies (Accounts) Second Amendment Rules, 2021. The new date of applicability was 1 April 2022. Yet again, the MCA has

8. (1962) (46 ITR 144) (1962) (46 ITR 144)

amended the proviso vide Companies (Accounts) Second Amendment Rules, 2022, and has deferred the applicability by one more year. Hence the provision of audit trail is now applicable with effect from 1 April 2023.

Extension of the Timeline for filing Web Form CSR-2

MCA had introduced the requirement for filing Form CSR-2 for each company which is covered under Section 135(1) and required to conduct CSR activities as per Company law. The due date for filing such a form was set as 31 March 2022. However, on account of certain technical difficulties being faced by the Companies in filing such form, MCA, vide its notification dated 31 March 2022, announced that Form CSR-2 shall be filed separately on or before 31 May 2022 for the preceding financial year (2020-2021) after filing Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS).

From the above, we can interpret that the due date of filing Form CSR- 2 is as below:

1. For the financial year 2020-21, the Form CSR-2 is to be filed separately on or before 31 May 2022.
2. For the financial year 2021-22 onwards, the Form CSR-2 is to be filed as an addendum to form AOC-4 (due date of AOC-4).

Our Comments

An audit trail encourages the user for better accountability and compliance, protects against fraud, improves security, and above all, the right information reaches the public domain. However, many companies were facing practical difficulties in inducting this new feature into their existing accounting software or in migrating to altogether new accounting software and this amendment has come as a respite for such Companies struggling to procure and install such software.

Similarly, an extension of the due date for filing Form CSR-2 provides more time to Companies who were struggling to complete the filing on the MCA portal on account of certain technical glitches and lack of clarity on the interpretation of certain requirements under Form CSR-2.

Securities and Exchange Board of India (SEBI) Regulations

SEBI issues clarification on validity of Omnibus approval given by the Audit Committee in cases where the transactions were material and shareholders' approval was also required

Regulation 23(3)(e) of the SEBI LODR Regulations specifies that omnibus approval granted by the audit committee shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. Furthermore, Regulation 23(4) of the SEBI LODR Regulations requires shareholder approval for material Related Party Transactions (RPTs). Also, Section 96(1) of the Companies Act, 2013 specifies that the time gap between two Annual General Meetings (AGMs) cannot be more than fifteen months.

Hence, representations were made to SEBI seeking clarity on the period of validity of the omnibus approval granted by the Audit Committee in such instances.

In order to facilitate listed entities to align their processes with conducting AGMs and obtaining omnibus shareholders' approval for material RPTs, SEBI, vide its notification dated 8 April 2022, clarified that the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.

In the case of Omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

Our Comments

This clarification comes as a welcome move for Companies struggling to comply with Regulation 23(3)(e) of the SEBI LODR Regulations in cases where the transactions were material and shareholders' approval was also required, in spite of the fact that Companies Act 2013 allowed a time gap of up to 15 months between two AGM's.

Increasing the validity of shareholders' approval of omnibus RPTs approved in an AGM upto the date of the next AGM will ease the procedural formalities. However, it is pertinent to note that the validity of approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, has not been enhanced and is still only one year.

SEBI issues documentation guidelines in case of transmission of securities

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, which came into force w.e.f. 25 April 2022. SEBI vide this notification has provided that the listed entity shall comply with all documentation requirements as specified in Schedule VII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the transmission of securities.

Our Comments

Earlier to this notification, no specific documentation guidelines were listed regarding the transmission of shares which led to different internal standards being followed by different listed entities.

Notification of uniform documentation requirements will help to streamline the procedural formalities in the case of transmission of securities.

Tax Talk

Indian Developments

Direct Tax

CBDT amends the provisions of income-tax rules, 1962 for prescribing fees under Section 234H of the ITA 1961

[Notification No. 17/2022 dated 29 March 2022 & Circular No. 7/2022 dated on 30 March 2022]

In order to mitigate the inconvenience to the taxpayers, a window of opportunity has been provided to the taxpayers up to 31 March 2023 to intimate their Aadhaar to the prescribed authority for Aadhaar-PAN linking without facing negative repercussions with payment of some fees as follows:-

- If the taxpayer intimates Aadhaar within three months from April 2022, the applicable fees will be INR 500
- After three months from the month of April 2022 upto 31 March 2023, the applicable fees will be INR 1,000.

However, till 31 March 2023 the PAN of the taxpayers who have not intimated their Aadhaar will continue to be functional for the procedures under the Act, like furnishing of return of income, processing of refunds, etc. After 31 March 2023, the PAN of taxpayers who fail to intimate their Aadhaar, as required, shall become inoperative, and all the consequences under the Act for not furnishing, intimating, or quoting the PAN shall apply to such taxpayers.

CBDT relaxes provisions of TCS under Section 206C (1G) of the ITA, 1961 in respect of non-resident individuals visiting India

[Notification No. 20/2022 dated 30 March 2022]

Section 206C (1G) of the ITA, 1961, asks the seller of an overseas tour program package to collect tax at the rate of 5% from the buyer of the package. Various issues were faced by the seller while providing such services to non-resident buyers visiting India.

In order to remove such difficulties, the CBDT has specified that the provisions of the said section shall not apply to a buyer being an individual who is not a resident in India in terms of clause (1) and clause (1A) of Section 6 of the Act and who is visiting India.

Hence, a domestic tour operator is not required to collect tax on the sale of overseas tour packages to non-resident individuals visiting India.

CBDT extends the last date for filing form no. 10AB for seeking registration or approval under Section 10(23C), 12A or 80G of the ITA, 1961

[Circular No. 8/2022 dated 31 March 2022]

In light of the difficulties in filing Form 10AB, CBDT has extended the last date for electronic filling of Form 10AB. The taxpayers seeking approval under Section 10(23C), 12A or 80G of the Act in Form 10AB, for which the last date for filing falls on or before 29 September 2022, has now been extended to 30 September 2022.

CBDT makes faceless inquiry or valuation scheme, 2022

[Notification No. 19/2022 dated 30 March 2022]

CBDT has notified the Faceless Inquiry or Valuation Scheme 2022, for the purpose of the said Scheme, the below tasks shall be conducted in a faceless manner:

- Issuing notice under sub-section (1) of Section 142 of the Act.
- Making inquiry before assessment under Section 142(2) of the Act.

- Directing the taxpayer to get his accounts audited under Section 142(2A) Act.
- Estimating the value of any asset, property or investment by a Valuation Officer under Section 142A of the Act.

CBDT notifies E-dispute Resolution Scheme, 2022

[Notification No. 27/2022 dated 5 April 2022]

The dispute resolution under this Scheme shall be made by the Dispute Resolution Committee on applications made for dispute resolution under Section 245MA of the Act in respect of a dispute arising from any variation in the specified order under such section.

The Scheme provides the procedures to be followed and the manner in which the process shall be carried out at the time of when the application of dispute resolution is received, Screening of application, Procedure to be followed by Dispute Resolution Committee, Powers of the Dispute Resolution Committee, etc.

Transfer Pricing

Central Board of Direct Taxes signs 62 Advance Pricing Agreements in Financial Year 2021-22

The Advance Pricing Agreement (APA) program in India was launched in 2012 vide the Finance Act, 2012 through the insertion of Sections 92CC and 92CD in the Income-tax Act, 1961. These statutory provisions, effective from 1 July 2012, provided the legal basis for the Central Board of Direct Taxes (CBDT) to enter into APAs with taxpayers for a maximum period of 5 years in respect of international transactions between Associated Enterprises (AEs) to determine the ALP or to specify the manner in which the ALP is to be determined.

Despite the severe economic and social disruption caused by the COVID-19 pandemic in the first part of the financial year, the number of APAs signed compares very well with the APAs signed in the preceding two years. A statistical snapshot of the APAs signed is tabulated as under:

Financial Year	Unilateral APA signed	Bilateral APA signed	Total APA signed
2021-22[9]	49	13	62
2020-21	*	*	31
2019-20	*	*	57
2018-19[10]	41	11	52
2017-18	58	9	67
2016-17	80	8	88
2015-16	53	2	55
2014-15	3	1	4
2013-14	5	0	5
Total APAs signed till date			421

*The classification of the number of UAPA and BAPA signed for FY 2019-20 and FY 2020-21 is not available in the public domain as yet

The Indian APA program has matured over the years since its commencement in July 2012. The number of applications getting filed and Agreements getting signed bear testimony to that. The complex TP issues, which were prone to long-drawn litigation, are being increasingly resolved through APAs. The resolutions have been to the satisfaction of both taxpayers and the government. The government is aware of the program's benefits and how it is helping to create a positive environment for global corporate giants to do business in India. The government is committed to strengthening the program by providing it with adequate human and physical resources.

The above statistics show that filing and signing for APA application have not been impacted by the pandemic and is gaining momentum. With frequent changes in the tax laws and the litigative nature of the TP issues, it would be beneficial for the taxpayers to opt for APA's wherever applicable.

9. Press-Release-Signing-of-62-Advance-Pricing-Agreements-by-CBDT-in-FY-2021-22-dated-31-03-2022.pdf (incometaxindia.gov.in)

10. FINAL_ANNUAL_REPORT_29_11_19.pdf (incometaxindia.gov.in)

Indirect Tax

Maharashtra State Tax Department announces 'Amnesty Scheme' allowing waiver up to 80% of erstwhile tax arrears

[The Maharashtra Settlement of Arrears and Tax, Interest, Penalty or Late Fee Act, 2022 and Trade Circular No. 01T of 2022 dated 20 April 2022]

- The amnesty/settlement scheme covers inter alia arrears of VAT, CST, Entry Tax, Luxury Tax, Purchase Tax, and Professional Tax, etc., along with interest, penalty and late fee thereon.
- Arrears outstanding on 1 April 2022 as per any statutory order for the periods ending on 30 June 2017 or arrears as per any statutory order passed during the period 1 April 2022 to 30 September 2022 for the periods ending on 30 June 2017 shall be eligible for settlement.
- Similarly, return dues outstanding as of 1 April 2022, as well as arrears outstanding as per the auditor's recommendation in an audit report, are also covered under the scheme.
- On the other hand, dues up to INR 10,000 per financial year would be written off suo moto by the Department.
- For arrears of INR 1 million or less, the scheme provides an option to pay a lump sum of 20% of arrears while the Department would waive the balance 80% off.
- The scheme also provides for a one-time payment option that grants proportionate benefits to undisputed dues, disputed dues, interest, and penalties. Furthermore, for arrears more than INR 5 million, the dealer can avail of an installment option requiring payment of a minimum 25% of arrears between 1 April 2022 and 30 September 2022, while the remaining amount would be payable in 3 equal quarterly installments starting from the date of application.
- In case of Entry Tax arrears, the amount to be paid shall be equal to the tax payable as per statutory order or the amount of set-off reduced or denied, whichever is less.
- Application to be filed along with payment of requisite amount before 14 October 2022 or as may be applicable for an installment option.
- Appeals filed against the statutory orders, if any, should be compulsorily withdrawn before applying for the scheme.

Introduction of new GST rates structure for building bricks

[Notification Nos. 03/2022-Central Tax, 04/2022-Central Tax, 01/2022-Central Tax (Rate) and 02/2022-Central Tax (Rate) dated 31 March 2022]

Pursuant to the recommendations made in the 45th GST Council Meeting, the government has notified a revised tax structure for manufacturers and traders of brick and kiln, effective 1 April 2022. The new GST rates for building bricks, earthen or roofing tiles, fly ash bricks and blocks, and bricks of fossil meals have increased from 5% to 12% with ITC and from 1% to 6% without ITC. Further to this, the threshold limit for GST registration for these suppliers has also been reduced from INR 4 million to INR 2 million.

Expectations from the 47th GST Council Meeting

[Excerpts from various sources]

The 47th GST Council Meeting, which was expected to be conducted in April 2022, will now be held in May 2022. A few expectations from the meeting are listed below:

- Extension of GST compensation cess before the five-year period ends in July 2022.
- Focus on GST rate restructuring, with a new GST rate of 8% by merging the 5% and 12% GST rates to arrive at a revenue-neutral rate.
- Reclassification of certain items from the GST rate of 12% to 18%.
- Rise in tax rates on textile products, petrol, diesel, natural gas, and crude oil, which were put on hold in the previous Council meetings, could also be discussed.

Tax Talk

Global Developments

Direct Tax

UN Tax Committee releases 2021 version of Model Tax Convention and Commentary

[Excerpts from Orbitax News, 6 April 2022]

The 2021 version of the United Nations Model Tax Convention was recently released ahead of the 24th Session of the Committee of Experts on International Cooperation in Tax Matters, held from 4 to 7 April and 11 to 12 April 2022. This is the fifth edition of the Model Convention. The most important changes included in the 2021 version of the UN Model address concerns expressed by developing countries regarding tax treaty obstacles to the taxation of foreign enterprises on income from automated digital services and on gains on offshore indirect transfers. The 2021 UN Model also features new guidance on the application and interpretation of the definition of Permanent Establishment (PE), the concept of a beneficial owner, and the application of the Model's provisions to collective investment vehicles, pensions funds, and real estate investment trusts. This latest revision of the United Nations Model Tax Convention continues an ongoing review process intended to ensure that the contents of the Model keep up with developments, including in country practice, new ways of doing business and new challenges.

Australia to amend the law for relaxation taxes on Indian firms' offshore income from technical services

[Excerpts from Times of India, 21 April 2022]

The Economic Co-operation and Trade Agreement (ECTA) recently signed between India and Australia includes, through an exchange of side letters, a commitment from Australia to amend its domestic tax law to "... stop the taxation of offshore income of Indian firms providing technical services to Australia." This will greatly benefit Indian IT companies that have been impacted by a ruling by the Federal Court of Australia in 2018, which had interpreted the Articles of the India-Australia Tax Treaty and upheld the levy of tax by the Australian Tax Office (ATO) on income from certain offshore technical services provided by the Indian companies to their clients in Australia. Once this agreement under ECTA is ratified in the Australian Parliament, it will help Indian technology companies provide offshore services to their Australian clients in a seamless and cost-efficient manner.

OECD releases Stage 2 MAP peer review reports for nine jurisdictions

[Excerpts from oecd.org, 14 April 2022]

Under Base Erosion and Profit Shifting (BEPS) Action 14, jurisdictions have committed to implementing a minimum standard to improve the resolution of tax-related disputes between jurisdictions. Despite the significant disruption caused by the ongoing COVID-19 pandemic and the necessity to hold all meetings virtually, work has continued with the release today of the Stage 2 peer review monitoring reports for Andorra, Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Faroe Islands, Macau (China), Morocco and Tunisia. These reports evaluate the progress made by these nine jurisdictions in implementing the recommendations resulting from their Stage 1 peer review. They take into account any developments in the period of 1 September 2019 to 30 April 2021 and build on the Mutual Agreement Procedure (MAP) statistics for 2016-2020. The peer review and peer monitoring process results demonstrate positive changes across all nine jurisdictions, although not all show the same level of progress.

US Assistant Secretary for Tax Policy states that a two-pillar solution, reforms in GILTI and BEAT shall be the top priority of the Biden Administration

[Excerpts from US Treasury, 15 April 2022]

After GILTI and BEAT reform, the US will need to turn to the multilateral instrument for Pillar One, important pieces of which are currently being negotiated and submitted for public consultation as they become ready. Although the business community is understandably reserving judgment until the details of Pillar One become clear, we are confident that once the deal is brought to the implementation stage, the benefits to the US fisc and to US businesses will be readily apparent. Pillar One would restabilize the allocation of taxing rights in the international tax system to be sustainable and would put an end to the chaotic array of unilateral, discriminatory measures that were proliferating and can result in multiple layers of taxation. These measures currently only threaten certain sectors of the economy, but they are poised to apply more broadly, potentially escalating tariff retaliation and trade wars.

Transfer Pricing

Brazil proposes to introduce a TP system in convergence with OECD Standard

In February 2018, the tax authorities of Brazil (i.e., Receita Federal do Brasil (RFB)) and Organiation for Economic Co-operation and Development (OECD) launched a joint project to examine the similarities and divergences between the Brazilian and OECD TP approaches to valuing cross-border transactions between AEs for tax purposes.

The key benefits of aligning Brazil's TP system with the OECD's TP rules include the following:

- Avoiding and eliminating double taxation, which results from the existing gaps and divergences.
- Preventing loss of revenue due to current BEPS practices, which also creates inequality within
- Aligning the current system, where some taxpayers are treated more favorably than others.
- Increasing tax certainty from an international perspective.
- Integrating Brazil in global value chains and fostering trade and investment in Brazil; and
- Facilitating Brazil's accession to the OECD.

A 15-month work program was carried out by the OECD jointly with RFB, which included an in-depth analysis of the Brazilian TP legal and administrative framework as well as its application. **A summary of key aspects of the report[11] is as follows:**

- Implement BEPS Actions 8-10 recommendations, including guidance on the accurate delineation of transactions, the framework for analysis of risk, nonrecognition of transactions and guidance on location savings and other local market features, assembled workforce, and MNE group synergies, intangibles, including hard-to-value intangibles, low value-adding intra-group services and cost contribution arrangements.
- Implement the remaining BEPS Action 13 recommendations (i.e., the master file and the local file).
- Restate the ALP in the primary law.
- Change or refine elements in the system that deviate from the ALP (e.g., fixed margins, comparability issues, etc.) – see relevant sections.
- Refine the scope as necessary by addressing issues related to the personal, material, and territorial scopes.
- Other factors include – TP methods, comparability issues, special consideration, documentation and penalties, compliance and examination practices, etc.

The said proposal of aligning the TP system of Brazil with the OECD is a further step toward Brazil's entrance into the OECD and will significantly affect MNEs. While there is no defined date for draft legislation yet, the OECD and RFB have suggested implementing the new TP system by 2023.

Belgium: Launch of TP Audit 2022

The Belgian tax authorities' national TP audit team has launched the 2022 TP audit wave, accompanied by interesting changes to the TP cell's standard approach. The summary of such changes is as follows:

- **Change in the Audit Process:** Instead of sending the standardized questionnaire, the tax authority now initiates the audit through a request to hold a pre-audit meeting (which was only optional in the past).
- **Selection of Taxpayers:** Companies will be selected for the new TP audit wave based on the outcome of a risk assessment analysis performed

11. Refer Page No 274, 275 and 276 of the "Transfer Pricing in Brazil – Towards Convergence with the OECD Standard" report available in the following link: https://www.oecd.org/tax/transfer-pricing/transfer-pricing-in-brazil-towards-convergence-with-the-oecd-standard.pdf

by the tax authorities' 'MANTRA' software (the criteria used would be confidential).

- **Financial Transactions:** More focus would be given to intragroup financial transactions
- **Tax Adjustments:** For effective cash taxation further to tax audit adjustments, no tax attributes (including forward tax losses, dividend received deduction (DRD)), investment deduction, etc. may be offset against the additional taxable base resulting from an adjustment other than the current year DRD that has not yet been fully claimed. The application of the measure is limited to situations where the adjustments imposed by the tax authorities have resulted in an additional tax liability of at least 10%. It also provides for adjustments for abnormal or benevolent advantages received situations.

In light of the above actions taken by the Belgian tax authority, it would be vital for the taxpayers to review their TP policies thoroughly and maintain a robust and consistent TP documentation and analyses. Additionally, it would be important for the taxpayers to keep abreast of the applicable policies with the latest OECD guidance while entering into the financial transactions.

United States: Released Announcement and report concerning APA

The US Internal Revenue Service (IRS) recently released Announcement 2022-7, Announcement and Report Concerning Advance Pricing Agreements[12]. This is the 23rd report describing the experience, structure, and activities of the Advance Pricing and Mutual Agreement Program during the year. The key snippets are as follows:

- There was an increase in APA applications filed from 121 (in 2020) to 145 (in 2021).
- There was an increase in the percentage of APA renewals executed from 59% (2020) to 63% (2021).
- There were 124 APAs executed in 2021, and more than half of the APAs executed in 2021 involved transactions between Non-U.S. parents and US subsidiaries.
- While most of the transactions covered in APA's executed in 2021 involve the sale of tangible goods or the provision of services,15% still involve the use of intangible property, which can be among the most challenging transactions in APA's inventory.

The above statistics show that filing for APA applications again gained momentum in 2021. With changes in the tax laws related to Base erosion and profit shifting, it would be beneficial for the taxpayers to understand the nuances of the APA rules and their application in each jurisdiction.

Indirect Tax

Extension of sales tax exemption

[Excerpts from coinworld.com]

Virginia Governor, Glenn Youngkin, has signed a bill to extend the sales tax exemption on gold, silver and platinum bullion and legal tender coins. The State was originally granted this exemption in 2015, which was to expire on 30 June 2022. Now the exemption has been extended till 30 June 2025.

VAT hike for pubs and restaurants

[Excerpts from itv.com]

UK Chancellor, Rishi Sunak, has announced a few changes to taxation in his Spring Statement, an important one pertaining to the Hospitality sector. The VAT on pubs, restaurants and cafes is likely to return to 20%. The government had previously lowered this tax to 5% due to the pandemic, which was then increased to 12.5% in October 2021. Now, the VAT rates are set to be increased by 7.5%.

Rishi Sunak urged to slash VAT and green levies

[Excerpts from dailymail.co.in]

The UK energy bosses have requested the Chancellor to extend the warm home discounts, scrap the green levies on energy bills, cut VAT on gas and electricity and consider a deficit fund to remove 1,000 euros from the bills of the poor.

12. https://www.irs.gov/pub/irs-drop/a-22-07.pdf

Compliance Calendar

Direct Tax
Indirect Tax

7 May 2022

Payment Tax collected/deducted in the month of April 2022.

10 May 2022

- GSTR-7 for the month of April 2022 to be filed by taxpayer liable for Tax Deducted at Source (TDS).
- GSTR-8 for the month of April 2022 to be filed by taxpayer liable for Tax Collected at Source (TCS).

11 May 2022

GSTR-1 to be filed by registered taxpayers for the month of April 2022 by all registered taxpayers, not under the QRMP scheme.

13 May 2022

- GSTR-6 for the month of April 2022 to be filed by Input Service Distributor (ISD).
- Uploading B2B invoices using Invoice Furnishing Facility under QRMP scheme for the month of April 2022 by taxpayers with aggregate turnover of up to INR 50 million.

15 May 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA,194-IB,194-M in February 2022.
- Due date for furnishing quarterly statement of TCS deposited for the quarter ending 31 March 2022.

20 May 2022

- GSTR-5 for the month of April 2022 to be filed by Non-Resident Foreign Taxpayer.
- GSTR-5A for the month of April 2022 to be filed by Non-Resident service provider of Online Database Access and Retrieval (OIDAR) services.
- GSTR-3B for the month of April 2022 to be filed by all registered taxpayers not under the QRMP scheme.

25 May 2022

Payment of tax through GST PMT-06 by taxpayers under QRMP scheme for the month of April 2022.

30 May 2022

- Submission of a statement (in Form No. 49C) by a non-resident having a liaison office in India for the financial year 2021-22.
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB,194-IB,194-M in the month of April 2022.
- Due date for issue of TCS certificates for the 4th Quarter of the Financial Year 2021-22.

31 May 2022

- Due date for furnishing of quarterly statement of TDS deposited for the quarter ending 31 March 2022.
- Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of Section 285BA of the Act with respect for FY 2021-22.
- Due date for e-filing of annual statement of reportable accounts as required to be furnished under Section 285BA(1)(k) (in Form No. 61B) for the calendar year 2021 by reporting financial institutions.

7 June 2022

Payment Tax collected/deducted in the month of April 2022.

10 June 2022

- GSTR-7 for the month of May 2022 to be filed by taxpayer liable for TDS.
- GSTR-8 for the month of May 2022 to be filed by taxpayer liable for TCS.

11 June 2022

- GSTR-1 to be filed by registered taxpayers for the month of May 2022 by all registered taxpayers, not under the QRMP scheme.

13 June 2022

- GSTR-6 for the month of May 2022 to be filed by ISD.
- Uploading B2B invoices using Invoice Furnishing Facility under QRMP scheme for the month of May 2022 by taxpayers with aggregate turnover of up to INR 50 million.

Upcoming Webinars and Events

Webinar

11 May 2022

SEBI LODR Regulation and its Impact on Related Party Transactions

Organizer - Taxsutra

AK Viswanathan and Maulik Doshi

https://bit.ly/3kDjv17

Event

7 June 2022

2nd Edition Tax Strategy and Planning Summit 2022

Organizer - UBS Forums

Exhibiting

https://bit.ly/3L9FfwB

Webinars and Events

Insights

Alerts

Key Highlights of GST Notification and Clarification Circulars in March - 2022

3 May 2022

https://bit.ly/3w7gprp

Revised Constitution of Committees addressing taxpayer's grievances from high pitched assessments

29 April 2022

https://bit.ly/3FopTTj

Amendment in the Foreign Exchange Management (Non-debt Instruments) Rules, 2019

29 April 2022

https://bit.ly/3P2gMfv

Maharashtra State Tax Department explains 'Amnesty Scheme' allowing waiver up to 80% of tax arrears

25 April 2022

https://bit.ly/3siM9cd

Supreme Court upholds validity of assessment order passed in the name of amalgamating company post amalgamation taking into consideration factual aspects

18 April 2022

https://bit.ly/3ymG0PV

Insolvency and Bankruptcy Board Amends Voluntary Liquidation Process Regulations

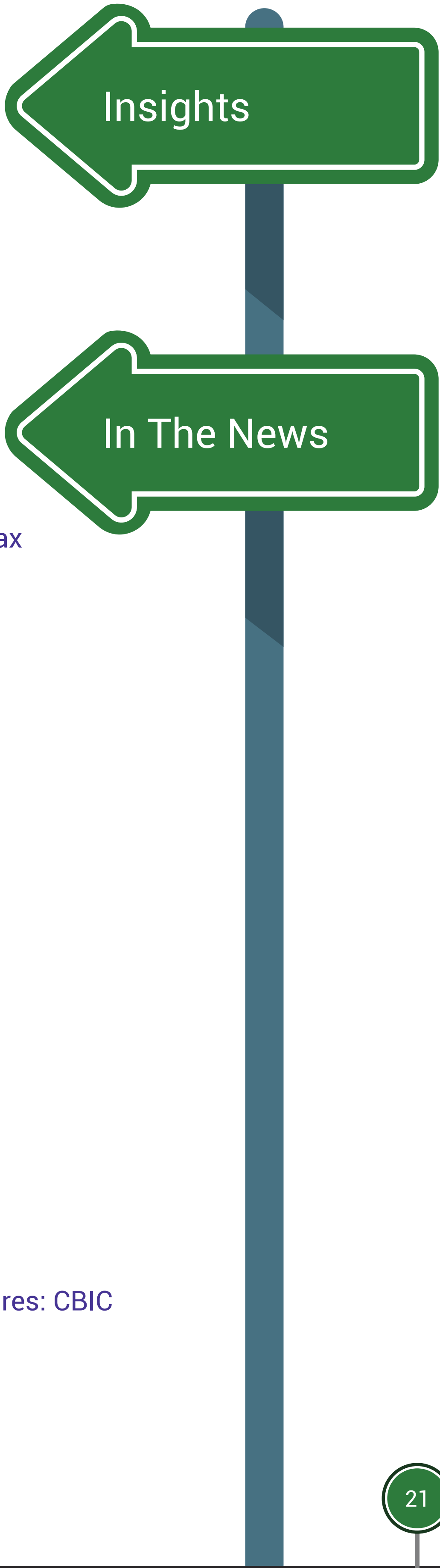
13 April 2022

https://bit.ly/3MT959z

MCA Extends Validity of Exemption Notification Concerning Certain Combinations

1 April 2022

https://bit.ly/3NJN5j0



Articles

Amendments to SEBI LODR and its impact on Related Party Transactions

26 April 2022
https://bit.ly/3w8C82h

In the News

There is need for comprehensive review of GST regime

18 April 2022
Saket Patawari
LiveMint
https://bit.ly/3uPfTiw

How India's taxmen are chasing global PE funds for misusing tax treaties to evade capital gains tax

8 April 2022
Maulik Doshi
Times of India
https://bit.ly/3P26Gvr

Zero-coupon bonds: Infra debt funds, NBFCs get nod

8 April 2022
Hindu Business Line
Maulik Doshi
Print Edition

What is driving India's GST collections?

6 April 2022
LiveMint
Saket Patawari
https://bit.ly/3r701pk

GST net on crypto may expand to include their sale, purchase

9 May 2022
Hindustan Times
Saket Patawari
https://bit.ly/37y9nUA

No denial of duty exemption for not adhering to import procedures: CBIC

1 May 2022
Business Standard
Saket Patawari
https://bit.ly/3KWG4IS

About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/ISE 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to ***Think Next.***

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