

KNOWLEDGE ALERTS

INSIGHTS TO UPDATE YOU ON MAJOR REGULATORY AMENDMENTS

**19TH MARCH, 2022 TO
25TH MARCH, 2022**



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Income Tax Department conducts searches in a prominent Real Estate Group of North India

Press release Dated on 22/03/2022

The Income Tax Department carried out search & seizure operations on 14.03.2022 in the case of a leading Real Estate Group active in Northern India. The search action covered more than 45 premises in Delhi & NCR, Chandigarh, Ludhiana, Lucknow and Indore. A large number of incriminating evidences including hard copy documents and digital data have been found & seized during the search. The seized evidences contain unaccounted 'on-money' cash receipt data of the group from various customers for more than 10 years. The search action has led to the seizure of unaccounted cash of more than Rs. 25crore and jewellery worth Rs. 5crore. Moreover, 11 lockers have been placed under restraint, and are yet to be operated.

Read more at:

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1063/PressRelease-ITD-conducts-searches-in-a-prominent-Real-Estate-Group-of-North-India-22-3-22.pdf>

Income Tax Department conducts searches in Maharashtra

Press Release Dated on 24/03/2022

The Income Tax Department carried out a search and seizure operation on 14.03.2022 on a popular chain of educational institutes, running several schools and colleges at multiple locations in India and abroad. The search operation covered more than 25 premises spread over locations in Maharashtra, Karnataka and Tamil Nadu. The modus operandi of siphoning-off the funds from the Trusts includes debiting of bogus expenses in the guise of purchase of goods/services from various dummy companies and LLPs owned by the promoters, their family members, and some of their trusted employees. The search action has resulted in the seizure of unaccounted cash of Rs. 27 lakh and jewellery worth Rs. 3.90crore.

Read more at:

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1064/PressRelease-ITD-conducts-searches-in-Maharashtra-24-3-22.pdf>

Income Tax Department conducts searches on a Pune & Thane based unicorn start-up group

Press Release Dated on 20/03/2022

Income Tax Department conducted a Search & Seizure operation on a Pune & Thane based unicorn start-up group, primarily engaged in the business of wholesale and retail of construction material, on 09.03.2022. The group has Pan India presence having annual turnover exceeding Rs. 6,000crore. A total of 23 premises were covered in Maharashtra, Karnataka, Andhra Pradesh, Uttar Pradesh and Madhya Pradesh, in the search operation. During the search operation, unaccounted cash of Rs. 1 crore and jewellery of the value of Rs. 22 lakh have been seized.

Read more at:

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1062/PressRelease-ITD-conducts-searches-on-a-Pune-Thane-based-unicorn-start-up-group-21-3-22.pdf>

02 CENTRAL BOARD OF INDIRECT TAX

Amendment in Para 2.54 of Handbook of Procedures, 2015-2020
DGFT issued Public Notice No. 51/2015-2020 Dated 23.03.2022

Notifies the timelines for installation and operationalisation of Radiation Portal Monitors and Container Scanners in the designated sea ports has been extended from existing 31.03.2022 to 30.09.2022.

Read more at:

<https://content.dgft.gov.in/Website/dgftprod/2cadcba2-baba-4b5b-adc9-c277755642a7/PN%2051%20dt%2023-03-22%20Eng.pdf>

Amendment in Appendix 2T (List of Export Promotion Councils/Commodity Boards/Export Development Authorities) of Foreign Trade Policy 2015-2020
DGFT issued Public Notice No. 52/2015-2020 Dated 24.03.2022

Notifies the amendment under Appendix 2T of FTP, 2015-2020, office address of the Export Promotion Council for EOU and SEZ (EPCES) has been updated, with immediate effect.

Read more at:

<https://content.dgft.gov.in/Website/dgftprod/ab6a093a-e870-42b6-a7df-f3a75233f0aa/PN%2052%20dt%2024-03-22%20Eng.pdf>

Amendment in Policy condition of Sl.No. 55 & 57, Chapter 10 Schedule-2, ITC(HS) Export Policy, 2018
DGFT issued Notification No. 61/2015-2020 Dated 23.03.2022

Seeks to amend the Notification No. 60/2015-2020 dated 09.03.2022 to the extent that export of Rice (Basmati and Non-Basmati) to EU member states and other European Countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from EIA/EIC. Export to remaining European countries (except United Kingdom, Iceland, Liechtenstein, Norway and Switzerland) will require Certificate of Inspection by Export Inspection Council/Export Inspection Agency for export from 1st July, 2022.

Read more at:

<https://content.dgft.gov.in/Website/dgftprod/2de60ce4-3397-429f-ae50-f596afc27d7e/Noti%2061%20Eng.pdf>

Amendment in Export Policy and insertion of Policy Condition under Chapter 29 and 38 of ITC (HS), 2018
DGFT issued Notification No. 62/2015-2020 Dated 23.03.2022

Seeks to make amendments in the Export Policy of Chapter 29 and 38, ITC(HS), Export Policy, 2018. Export policy of Hydrofluorocarbons (HCFs) has been revised from 'Free' to 'Restricted' category with immediate effect and export Authorisations would be issued based on NOC from MoEF & CC.

Read more at:
<https://content.dgft.gov.in/Website/dgftprod/b1e4b3f9-2932-4149-8607-952c5ad6f6c9/Noti%2062%20Eng.pdf>

03 RESERVE BANK OF INDIA

Formation of new district in the State of Meghalaya – Assignment of Lead Bank Responsibility
Notification no:- RBI/2021-22/184FIDD.CO.LBS.BC.No.18/02.08.001/2021-22 Dated on 23/03/2022

The Government of Meghalaya vide Gazette Notification No.HPL.84/2021/253 dated November 09, 2021 had notified formation of a new district in the State of Meghalaya. It has been decided to assign the lead bank responsibility of the new district .

Read More at:
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12257&Mode=0>

Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment
Notification no:- RBI/2021-22/185DOR.MRG.REC.96/21.04.141/2021-22 Dated on 23/03/2022

RBI has decided that the investment in Category I and Category II AIFs, which includes VCFs, shall receive the same prudential treatment as applicable for investment in VCFs.

Read More at:
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12258&Mode=0>

Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2021-22)

Notification no:- RBI/2021-2022/186CO.DGBA.GBD.No.S1595/42-01-029/2021-2022 Dated on 24/03/2022

All government transactions done by agency banks for Financial Year 2021-22 must be accounted for within the same financial year. Accordingly, the following arrangements are put in place to report and account for Government transactions for March 31, 2022.

Read more at:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12259&Mode=0>

Framework for Geo-tagging of Payment System Touch Points

Notification No:- RBI2021-22/187CO.DPSS.OVRST.No.S1738/06-08-018/2021-2022 Dated on 25/03/2022

To facilitate nuanced spread of acceptance infrastructure and inclusive access to digital payments, the Monetary Policy Statement 2020-21 on October 08, 2021 had announced that a framework for geo-tagging of physical payment acceptance infrastructure would be prescribed by Reserve Bank.

Read more at:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12260&Mode=0>

04 FOREIGN EXCHANGE AND MANAGEMENT ACT

Foreign Exchange Turnover Data: February 14 – February 18, 2022

Press Release: 2021-2022/1909 Dated March 25, 2022.

The Reserve Bank of India has released the data showing daily merchant and inter-bank transactions in foreign exchange for the period February 14 – February 18, 2022.

Read More at:

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR19090522BDFB2F914217B32BB70EBD570B8C.PDF>

Foreign Exchange Turnover Data: February 21 – February 25, 2022

Press Release: 2021-2022/1910 Dated March 25, 2022.

The Reserve Bank of India has released the data showing daily merchant and inter-bank transactions in foreign exchange for the period February 21 – February 25, 2022.

Read more at:

https://rbi.org.in/scripts/FS_PressRelease.aspx?prid=53465&fn=5

Foreign Exchange Turnover Data: February 28 – March 04, 2022

Press Release: 2021-2022/1911 Dated March 25, 2022.

The Reserve Bank of India has released the data showing daily merchant and inter-bank transactions in foreign exchange for the period February 28 – March 04, 2022.

Read more at:

https://rbi.org.in/scripts/FS_PressRelease.aspx?prid=53466&fn=5

Foreign Exchange Turnover Data: March 07 – March 11, 2022

Press Release: 2021-2022/1912 Dated March 25, 2022.

The Reserve Bank of India has released the data showing daily merchant and inter-bank transactions in foreign exchange for the period March 07 – March 11, 2022.

Read More at:

https://rbi.org.in/scripts/FS_PressRelease.aspx?prid=53467&fn=5

05 SECURITIES AND EXCHANGE BOARD OF INDIA

Standardisation of industry classification - Revision in Chapter - XIV of Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper

Circular No.: SEBI/HO/DDHS/P/CIR/2021/031 Dated on 22/03/2022

Chapter-XIV of the Operational Circular dated August 10, 2021 issued by SEBI, stipulates various provisions mandating stock exchanges and depositories to jointly create, host and maintain a Centralized Database of corporate bonds, held in Demat form.

Accordingly SEBI has made the following amendments to Chapter-XIV of the Operational Circular and annexure thereof:-

- (i) Post listing of securities, issuers are required to submit information in requisite fields as provided in Annex-XIV-B to any of the stock exchanges where securities are listed on a periodical basis and/or 'as and when' (event based) as applicable. Accordingly, the term 'Periodic basis' shall to be construed as 'within 30 days from the end of the financial year'.
- (ii) SEBI has omitted the Clause 8.b which related to 'Type of Issuer- Based on nature of Business' of Annex-XIV-A, which was required to filled by the issuer while submitting the data fields to the depositories for allotment of ISIN (International Securities Identification Number).
- (iii) SEBI has replaced Clause 9 (Based on sector of business of Annex-XIV-A with the table given in the Annex to this circular.

The provisions of this circular shall come into effect from April 01, 2022.

Read More at:

<https://tinyurl.com/yyjaees9>

Change in control of Sponsor and/or Manager of Alternative Investment Fund involving scheme of arrangement under Companies Act, 2013

Circular No.: SEBI/HO/IMD-1/ DF9/CIR/2022/032 Dated on 23/03/2022

To streamline the process of providing approval to the proposed change in control of the Sponsor and/or Manager of the AIF (Alternative Investment Funds) involving scheme of arrangement which needs sanction of National Company Law Tribunal ("NCLT") in terms of the provisions of the Companies Act, 2013, was decided. The provisions of this circular shall be applicable to all the applications for change in control of Sponsor and/or Manager of the AIF for which the scheme of arrangement is filed with NCLT on or after April 01, 2022.

Read more at:

<https://tinyurl.com/2p8ey4sc>

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022

Notification no:- F. No. SEBI/ LAD-NRO/GN/2022/76 Dated on 22/03/2022

SEBI has omitted Sub-regulation (1B) under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which required the mandatory separation of the posts of Chairperson and Managing Director (MD) or Chief Executive Officer (CEO) by the top 500 listed entities. Accordingly, such requirement is now made voluntary.

Read more at:

https://www.sebi.gov.in/legal/regulations/mar-2022/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2022_57098.html

Introduction of Options on Commodity Indices - Product Design and Risk Management Framework

Circular No.: SEBI/HO/CDMRD/DNP/CIR/P/2022/34 Dated on 24/03/2022

SEBI has permitted recognised Stock Exchanges having a Commodity Derivative segment, to introduce options on commodity indices.

According such Stock exchanges that are willing to introduce trading in options on commodity indices shall-

- (i) Take prior approval of SEBI for the same.
- (ii) Submit at-least past 3 years data of the index constructed along with data on monthly volatility, roll over yield for the month and monthly return while seeking SEBI approval and once the approval is received, they shall publish the same data on their website before the launch of the contract.
- (iii) Make necessary disclosures like the open interest of 10 largest participants in both long and short "options in indices".
- (iv) Put in place adequate monitoring and surveillance capacity for the options on indices contracts.

The provisions of this circular shall come into force from immediate effect.

Read more at:

https://www.sebi.gov.in/legal/circulars/mar-2022/introduction-of-options-on-commodity-indices-product-design-and-risk-management-framework_57122.html

Announcing launch of Module 2 of online Refresher Course - 'Deeper Insight into Financial Instruments (Ind AS)' - (21-03-2022)

The ICAI has announced launch of Module 2 of online Refresher Course - 'Deeper Insight into Financial Instruments (Ind AS)' starting from 22nd May,2022

Read more at:

<https://resource.cdn.icai.org/69688asb55665.pdf>

Extension of Last Date for Online Empanelment of Members to act as Observers for May/June 2022 Examinations up to 31st March 2022. - (23-03-2022)

The Institute has decided to extend the last date for online empanelment of members to act as observers at the examination centres for the chartered accountants' examinations, May/June 2022, from 25th March 2022 to 31st March 2022.

The eligible members, who could not get empanelled, may get themselves empanelled to act as observers for May/June 2022 examinations up to 31st March 2022.

Read more at:

<https://www.icai.org/post/exam-announcement230322>

KNOWLEDGE ALERTS

Insights to help you sharpen your Governance, Risk and Compliance Knowledge

Issued by: Knowledge Management team of **JHS & Associates LLP (JHS)**

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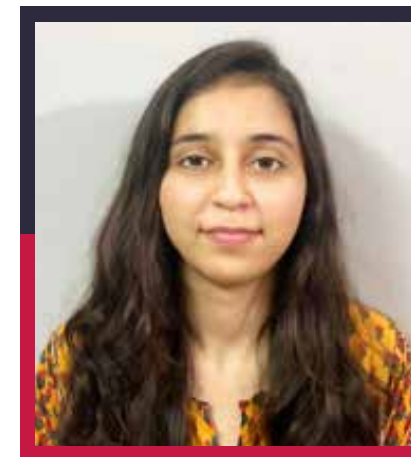
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