

# TAX EDGE

## Monthly Tax & Regulatory Updates

Our Bulletin for July 2020 covering Tax, Regulatory Updates and Compliance Calendar for the month. It includes update on measures taken by Government of India to combat coronavirus disease (COVID-19) pandemic.

**Audit**



**Tax**



**Regulatory**



# Contents

- 01** | **Measures to combat COVID -19**
- 02** | **Goods & Services Tax ('GST')**
- 03** | **Direct Tax**
- 04** | **International Tax**
- 05** | **Company Law**
- 06** | **Reserve Bank of India (RBI)**
- 07** | **Securities Exchange Board of India (SEBI)**
- 08** | **Compliance Calendar**

# Measures to combat COVID-19



# Measures to combat COVID-19

Prime Minister (PM) reviews planning & preparation for vaccination against Covid, enlists 4 guiding principles that will form the foundation of this national effort



(PM) Shri Narendra Modi chaired a high-level meeting to review the planning and preparations for vaccination against Covid-19, as and when the vaccine is available. He noted that vaccination of India's vast and diverse population will need to factor in issues including those related to management of medical supply chains, prioritization of at-risk populations, coordination between different agencies involved in the process, as well as the role of private sector and civil society in this national endeavour.

PM enunciated 4 guiding principles that will form the foundation of this national effort:

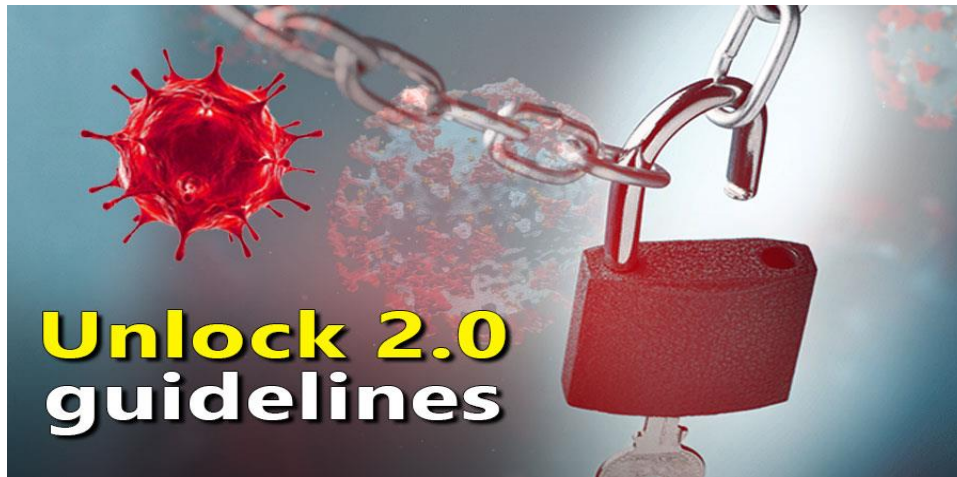
- Vulnerable groups of the society should be identified and prioritized for early vaccination, for example doctors, nurses, healthcare workers, non-medical frontline corona warriors, and vulnerable people among the general population;
- Vaccination of 'anyone, anywhere' should take place, without imposition of any domicile related restrictions for getting the vaccine;
- Vaccination must be affordable and universal - no person should be left behind;
- The entire process from production to vaccination should be monitored and supported in real time with the use of technology.

PM directed officials to evaluate in a broad manner available technology options that can form the backbone of the national endeavor to vaccinate all in the most efficient and timely manner, detailed planning for such large scale vaccination should be undertaken immediately. Current status of vaccine development efforts were also reviewed at the meeting.

Please [Click Here](#) to read the Press Release dated 30<sup>th</sup> June 2020.

# Measures to combat COVID-19

## Ministry of Home Affairs (MHA) issues guideline for 'Unlock 2'



Union MHA has issued guidelines for 'Unlock 2' to open up more activities in areas outside the Containment Zones from 1<sup>st</sup> July 2020 onwards. The process of phased re-opening of activities has been extended further.

### Highlights:

- Lockdown to be implemented strictly in the Containment Zones till 31<sup>st</sup> July, 2020. Containment Zones required to be carefully demarcated by the State / Union Territory (UT) Governments, after considering the guidelines issued by the Ministry of Health & Family Welfare (MOHFW). Within the containment zones, strict perimeter control to be maintained and only essential activities allowed.
- All activities, except the following, have been permitted outside containment zones:
  - ✓ Metro Rail.
  - ✓ Cinema halls, gymnasiums, swimming pools, entertainment parks, theatres, bars, auditoriums, assembly halls and similar places.
  - ✓ Social/ political/ sports/ entertainment/ academic/ cultural/ religious functions and other large congregations.
- These Containment Zones to be notified on the websites of the respective District Collectors and by the States / UTs and information to also be shared with MOHFW.
- Activities in the Containment Zones to be monitored strictly by the State / UT authorities. Guidelines relating to containment measure in these zones to be strictly implemented.
- MOHFW to monitor proper delineation of Containment Zones and implementation of the containment measures.

# Measures to combat COVID-19

- Night Curfew to remain in force between 10.00 pm to 5 am, except for essential activities. Relaxations given for seamless operation of industrial units in multiple shifts, movement of persons and goods on national and state highways, loading and unloading of cargo and movement of persons to their destinations after disembarking from buses, trains and airplanes.
- Shops depending upon their area, can have > 5 persons at a time. However, they have to maintain adequate physical distance.
- Training institutions of the Central and State Governments have been allowed to function from 15<sup>th</sup> July 2020 onwards. Standard Operating Procedure (SOP) in this regard has been issued by the Department of Personnel and Training, Government of India on 3<sup>rd</sup> July 2020. Please [Click Here](#) to read the SOP issued by Department of Personnel and Training.
- Schools, colleges and coaching institutions to remain closed.
- Domestic flights and passenger trains had already been allowed in a limited manner. Their operations have been further expanded in a calibrated manner.
- International air travel of passengers has been permitted in a limited manner under the Vande Bharat mission. Further opening up will take place in a calibrated manner.
- No restriction on inter-state and intra-state movement of persons and goods. No separate permission/ approval/ e-permit required for such movements.
- Vulnerable persons, i.e., persons above 65 years of age, persons with co-morbidities, pregnant women, and children below the age of 10 years, are advised to stay at home, except for meeting essential requirements and for health purposes.
- Use of Aarogya Setu mobile application has been encouraged.

Please [Click Here](#) to read the guidelines issued by MHA dated 29<sup>th</sup> June 2020.

## **Extension of national food security welfare scheme till end of November 2020**

PM announced the extension of national food security welfare scheme (Pradhan Mantri Garib Kalyan Anna Yojana or 'PMGKAY') till the end of November 2020.

### **Helping hand to the poor**

PM emphasized that provision of food to those in need during lockdown has been the foremost priority of the country. As soon as lockdown was announced, the Government introduced the above scheme under which a package of Rs 1.75 lakh crore for the poor was announced.

He noted that within April-June, Rs 31,000 crore has been transferred to the individual accounts of almost 20 crore poor families, Rs 18,000 crore has been transferred to the bank accounts of more than 9 crore farmers and Rs 50,000 crore is being spent on the national employment security scheme.

# Measures to combat COVID-19

## Extension of PMGKAY till November

PM observed that the enormity of the decision to provide free ration for 3 months to more than 80 crore people ie providing 5 kg free rice/wheat to each member of the family, along with providing 1 kg pulses to each family, per month, has made the entire world take notice. The number of people who were provided free ration is several times the population of many large countries, he said.

PM noted that with the commencement of the rainy season, most of the work takes place in the agriculture sector. Also, several festivals take place one after the other. He announced that keeping in mind that requirements as well as expenditure increase during this time, the Government has decided to extend PMGKAY till end of November. During this 5-month period, more than 80 crore people will be provided 5 kg free wheat/rice per month. Along with providing 5kg free rice/wheat to each member of a family, 1 kg free whole chana will also be provided to each family per month.

The Government will spend more than Rs 90,000 crore towards the extension of the scheme, PM said, adding that if the amount spent towards it in the previous 3 months is added together, a total of almost Rs 1.5 lakh crore would be spent towards the scheme. He credited and thanked the hard-working farmers and honest tax payers for making it possible for the government to procure and distribute free foodgrains.

PM underlined that the country is moving towards the institution of 'one nation, one ration card', which will be of immense benefit to the poor who travel to other states in search of work.

## Staying safe during Unlock 2

PM noted that the shift of the fight against coronavirus to 'Unlock 2' coincides with the weather which results in several ailments. He asked everyone to take care of their health. He observed that due to timely decisions like lockdown, it has been possible to save the lives of lakhs of people and the death rate in the country is amongst the lowest in the world. However, irresponsible and negligent behavior has been on the rise during Unlock 1, he said, adding that earlier people were more careful about usage of mask, washing hands for more than 20 seconds several times during the day and maintaining 6 feet distance. He emphasized that when more being more careful is necessary, rise of negligence is a cause of concern.

PM said that regulations need to be followed with the same seriousness as during Lockdown, especially in the Containment Zones. He urged people to spread awareness amongst those not following such rules and regulations, giving example of the PM of a country being fined Rs. 13,000 for not wearing mask in a public place. He said that local administration in India will need to act with same alacrity, since no one, including the PM, is above the rule of law.

## Looking ahead

PM said that in the coming times, Government will continue to take further steps to empower the poor and the needy. Economic activities will also be enhanced, with due precautions in place. He reiterated the pledge to work towards Self-Reliant India program and to be vocal for local, while also asking people to be careful, use mask/face cover and continue following the mantra of maintaining 6 feet distance.

Please [Click Here](#) to read the Press Release dated 30<sup>th</sup> June 2020.

# Measures to combat COVID-19

## National Botanical Research Institute (NBRI) establishes advanced virology lab for Covid-19 testing

### Lucknow Gets an Advanced Lab for COVID-19 Testing



The National Botanical Research Institute (NBRI) Establishes BSL 3 Level Virology Lab



[@drharshvardhan](#) [@drharshvardhanofficial](#)  
[f @drharshvardhanofficial](#) [www.drharshvardhan.com](#)

NBRI, Lucknow, has established an 'Advanced Virology Lab' for testing Covid. The facility has been developed based on the guidelines of the Indian Council Medical Research (ICMR), the World Health Organisation (WHO), and the MOHFW. It is a Bio Safety Level (BSL) 3 level facility. This advanced version has a 'Negative Pressure', which means it has a suction facility that can suck any aerosol and pass it through filters. It can filter virus or bacteria to make it a safe Covid testing facility. It reduces the possibilities of infections at culturing facilities.

Please [Click Here](#) to read the Press Release dated 30<sup>th</sup> June 2020.

## Private Practitioners / Doctors allowed to prescribe / advise Covid test

Through a significant step announced by the Central Government (CG), Covid test can now be done on the prescription of any registered practitioner, and not exclusively a Government doctor. The Centre has strongly advised States / UTs to take immediate steps to facilitate testing at the earliest by enabling all qualified medical practitioners, including private practitioners, to prescribe Covid test to any individual fulfilling the criteria for testing as per ICMR guidelines.

Reiterating that 'Test-Track-Treat' is the key strategy for early detection and containment of the outbreak, the Centre has advised States/ UTs to take all possible steps to ensure full capacity utilization of all Covid-19 testing laboratories in the State/ UT. This shall ensure full capacity utilization of all labs, especially the private ones, thus hugely benefitting the people.

As of 2<sup>nd</sup> July 2020, 90,56,173 tests have been conducted through a diagnostic testing network which is fast expanding. There are now 1065 testing labs in the country comprising 768 in the public sector and 297 private labs. The per day testing capacity is also fast growing. Till 1<sup>st</sup> July 2020, as many as 2,29,588 people got tested for Covid-19.

Government has urged States to ramp up testing in a big way by using Rapid Antigen Point-of-Care tests in addition to RT-PCR, which is the gold standard for diagnosis of COVID-19. The Rapid Antigen test is quick, simple, safe and can be used in containment zones as well as hospitals, as per criteria specified by ICMR for testing.

Centre has also asked States / UTs to facilitate testing in a big way by adoption of 'campaign mode' by organizing testing camps, using mobile vans etc. This shall effectively take Covid-19 tests to people's doorsteps in high incidence areas to collect samples of all symptomatic individuals as well as their contacts, and get those samples tested by using rapid antigen tests.

Please [Click Here](#) to read the Press Release dated 2<sup>nd</sup> July 2020.



# Measures to combat COVID-19

## More than 2 Crore N95 Masks & more than 1 Crore Personal Protective Equipment (PPEs) distributed free of cost by Central Government to States

Union Government's central role has been in strengthening health infrastructure to fight the pandemic. Since 1st April 2020, Centre has distributed more than 2.02 crore N95 masks and more than 1.18 crore PPE kits to States / UTs / Central Institutions, free of cost. Also, more than 6.12 crore Hydroxychloroquine tablets have been distributed to them. In addition, so far, 11,300 'Make in India' ventilators have been dispatched to various States / UTs / Central Institutions, out of which 6154 ventilators stand already delivered to various hospitals. This is likely to bridge the massive gap in availability of ventilators in Covid facilities. MoHFW is also supplying 1.02 lakh oxygen cylinders to States / UTs, out of which 72,293 have been delivered to strengthen oxygen beds. Till now, 7.81 lakh PPEs and 12.76 lakh N95 masks have been supplied in Delhi, 11.78 lakh PPEs and 20.64 N95 masks in Maharashtra, and 5.39 lakh PPEs and 9.81 lakh N95 masks in Tamil Nadu by MoHFW.

Please [Click Here](#) to read the Press Release dated 3<sup>rd</sup> July 2020.

## Indigenous Indian Covid-19 vaccines in the global race to end the pandemic



With the announcement of COVAXIN by Bharat Biotech and ZyCov-D Vaccine by Zydus Cadila the proverbial silver line in the dark clouds of Covid appears at the horizon. Now the nod given by the Drug Controller General of India CDSCO (The Central Drugs Standard Control Organisation) for the conduct of the human trial for the vaccines, hopefully marks the beginning of the end. In the past years, India has emerged as one of the significant vaccine manufacturing hubs. Indian manufacturers account for 60% of vaccine supplies made to United Nations Children's Fund (UNICEF). The vaccine for novel coronavirus may be developed anywhere in the world, but without Indian manufacturers involved the production of required quantity is unlikely to be feasible.

# Measures to combat COVID-19

## Rashtriya Chemicals and Fertilizers Limited (RCF) comes out with a new product: Hand Cleansing Iso Propyl Alcohol (IPA) based Gel

To assist Government, RCF, a public sector undertaking under the Ministry of Chemicals and Fertilizers has introduced a Hand Cleansing IPA Gel 'RCF Saferola'.



According to RCF, this Gel is a skin friendly moisturizer based hand-sanitizer which contains IPA and aloe vera extract. It is enriched with Vitamin-E and has a fresh lime fragrance. RCF proposes to market this product through its country wide distribution network.

In wake of the current outbreak of the pandemic and ensuing market demand for hand sanitizers, RCF has provided safe and reasonably priced option as a small contribution towards containing the current pandemic spread.

RCF is a leading producer of fertilizers and chemicals in the country. It manufactures urea, complex fertilizers, bio-fertilizers, micro-nutrients, water soluble fertilizers, soil conditioners and a wide range of industrial chemicals. The company is a household name in rural India. Besides fertilizer products, RCF also produces a large number of industrial chemicals that are important for the manufacture of dyes, solvents, leather, pharmaceuticals and a host of other industrial products.

Please [Click Here](#) to read the Press Release dated 11<sup>th</sup> July 2020.

# Measures to combat COVID-19

## Indian Railway creates Post-Covid Coaches to ensure safer journey, designed with hands-free amenities, copper-coated handrails, latches, plasma air purification & titanium di-oxide coating

Sustaining the ruthless fight against the pandemic, Indian Railways' production unit, Rail Coach Factory, Kapurthala, has developed a Post-Covid Coach to fight the pandemic, designed with improvements such as hands-free amenities, copper-coated handrails, latches, plasma air purification and titanium di-oxide coating for Covid free passenger journey.

### Salient features:

#### **1. Handsfree amenities**

Post Covid Coach has hands-free amenities like (a) foot operated water tap, soap dispenser, lavatory door (outside), flush valve, latches in lavatory door, and (b) forearm operated handle on compartment door.

#### **2. Copper-coated handrails & latches**

Copper has anti-microbial properties and degrades the virus landed on it within few hours. When virus lands on copper, ion blasts pathogen and destroy the DNA and RNA inside the virus.

#### **3. Plasma air purification in Air Conditioning (AC) duct**

Plasma air equipment will sterilize the air and surfaces inside the AC coach using ionised air to make the coach virus free and particulate matter resistant. This provision will also improve the ion concentration from 100 ions/cm<sup>3</sup> to more than 6000 ions/cm.

#### **4. Titanium Di-oxide coating:**

Post Covid Coach has Titanium Di-oxide coating in the coach. Nano structured Titanium Dioxide coating functions as photoactive material. This is aeeco-friendly water-based coating that kills viruses, bacteria, mould, and fungal growth and most importantly enhances indoor air quality. It is non-toxic and approved by food testing laboratory of the United States Food & Drug Administration (FDA), CE certified. TiO<sub>2</sub> is considered to be a safe substance and is harmless to humans. The coating applied on washbasins, lavatory, seats, berths, snack table, glass window, floor, virtually every surface that comes in human contact. Effective life of this coating is 12 months.

Please [Click Here](#) to read the Press Release dated 14<sup>th</sup> July 2020

# Measures to combat COVID-19

## Department of Science and Technology (DST) develops Ultra Violet (UV) System for baggage Scan Disinfection

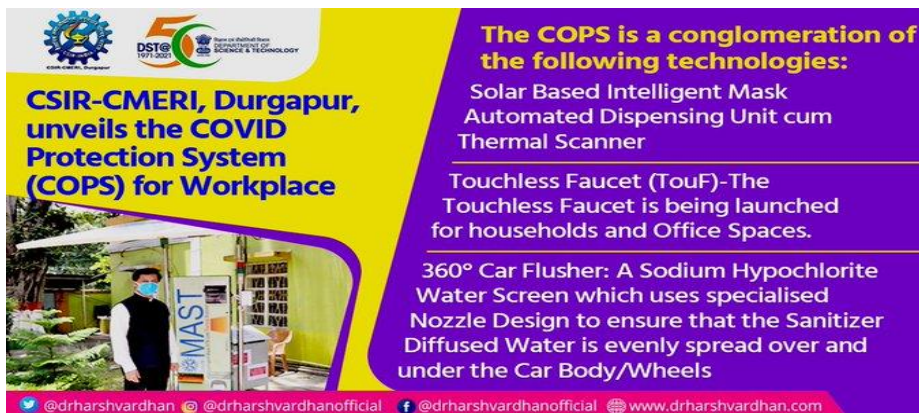


Both domestic and international travel has been a major reason for spread of the Covid 19 infection. In order to control spread of infection through baggage, International Advanced Research Centre for Powder Metallurgy and New Materials (ARCI), Hyderabad, an autonomous Research & Development Centre of DST and Vehant Technologies, Noida have co-developed KritiScan® UV Baggage Disinfection System. The compact UVC conveyor system developed can efficiently disinfect the baggage passing through the conveyor within a few seconds and is suitable for use in airports, railway and bus stations, hotels, commercial and private establishments for rapid disinfection of baggage. UVC based disinfection systems are known for their rapid disinfection capability, and the disinfection process is dry and chemical-free. Systems can be deployed as per baggage size with various tunnel sizes for different purposes and locations, each model type being able to operate at different conveyor speeds. The system can efficiently disinfect the baggage within 8 seconds as compared to standard hand-held disinfection techniques.

Please [Click Here](#) to read the Press Release dated 17<sup>th</sup> July 2020.

## Council of Scientific and Industrial Research (CSIR) unveils the Covid Protection System (COPS) for Workplace

CSIR CMERI (Central Mechanical Engineering Research Institute) unveiled the COPS for Workplace including contactless Solar Based Intelligent Mask Automated Dispensing Unit cum Thermal Scanner (IntelliMAST), Touchless Faucet (TouF) and 360° Car Flusher.



Please [Click Here](#) to read the Press Release dated 19<sup>th</sup> July 2020.

# Goods & Services Tax

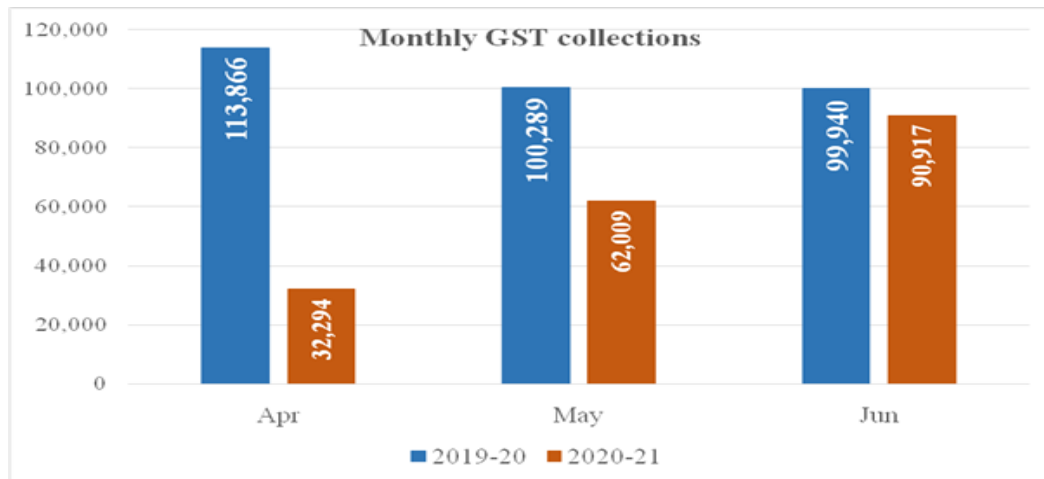


# Goods & Services Tax

## GST revenue collection for June 2020, Rs. 90,917 crore (equivalent to 91% of collection for June 2019)

Gross GST revenue collection for the month of June, 2020 is Rs. 90,917 crore (details given below). The revenues for the month are 91% of the GST revenues in the same month last year. The revenues during the financial year has been impacted due to Covid, firstly due to the economic impact of the pandemic and secondly due to the relaxations given by the Government in filing of returns and payment of taxes due to the pandemic.

IGST (Integrated Goods and Services Tax)	Rs. 40,302 crore
CGST (Central Goods and Services Tax)	Rs. 18,980 crore
SGST (State Goods and Services Tax)	Rs. 23,970 crore
Compensation cess	Rs. 7,665 crore
<b>Total</b>	<b>Rs. 90,917 crore</b>



Please [Click Here](#) to read press release dated 1<sup>st</sup> July, 2020 including state-wise GST collection.

## Central Board of Indirect Taxes & Customs (CBIC) further extends time limit for issue of order of refund

CBIC has issued notification on the recommendations of the GST Council, saying that in cases where (a) notice has been issued for rejection of refund claim (fully or partly) and (b) time limit for issuance of order for sanctioning of refund claim falls during the period 20<sup>th</sup> March 2020 to 30<sup>th</sup> August 2020, in such cases the time limit for issue of the said order shall be later of the following:

- 15 days after the receipt of reply to the notice from the registered person; or
- 31<sup>st</sup> August, 2020

The notification has been issued to amend last month's notification no. 46/2020-Central Tax dated 9<sup>th</sup> June 2020 wherein the due date was extended till 30<sup>th</sup> June 2020.

Please [Click Here](#) to read the notification dated 27<sup>th</sup> June 2020.

# Goods & Services Tax

## **CBIC further extends due date for compliances till 31st August 2020**

The time limit for completion or compliance of any action, such as completion of any proceeding, passing of an order, issuance of notices/intimation/notification, filing of any appeal or application or reply or furnishing of return, statement, reports or any other documents by whatever name called, by any person, prescribed under the GST laws, which falls between 20th March 2020 to 30th August 2020, has been extended up to 31st August 2020.

The notification has been issued to amend the notification no. 35/2020-Central Tax dated 3<sup>rd</sup> April 2020 wherein the due date of compliances falling during the period from 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020 was extended till 30<sup>th</sup> June 2020.

Please [Click Here](#) to read the notification dated 27<sup>th</sup> June 2020.



# Goods & Services Tax

## CBIC provides conditional waiver of late fees for the period February to July 2020

CBIC had issued notification no. 57 dated 30th June 2020 to provide conditional waiver of late fees for the period from February, 2020 to July, 2020.

Class of Taxpayers	States covered	Period	Due Dates	Late Fees Waiver
Aggregate Turnover > Rs. 5 crore in the previous FY	All States	February to April 2020	24 <sup>th</sup> June 2020	Late Fees shall be completely waived off for taxpayers where the amount of CGST payable is nil.
		May 2020	27 <sup>th</sup> June 2020	
		June 2020	20 <sup>th</sup> July 2020	
		July 2020	20 <sup>th</sup> August 2020	
Aggregate Turnover ≤ Rs. 5 crore in the previous FY	14 States / Union Territories: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep	February 2020	30 <sup>th</sup> June 2020	Late Fees shall stand waived off which is in excess of Rs.250 where CGST is payable.  The above waivers shall be available to the taxpayers provided the returns are filed upto 30 <sup>th</sup> September 2020.
		March 2020	3 <sup>rd</sup> July 2020	
		April 2020	6 <sup>th</sup> July 2020	
		May 2020	12 <sup>th</sup> Sept 2020	
		June 2020	23 <sup>rd</sup> Sept 2020	
		July 2020	27 <sup>th</sup> Sept 2020	
Aggregate Turnover ≤ Rs. 5 crore in the previous FY	22 States / Union Territories: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh, Delhi	February 2020	30 <sup>th</sup> June 2020	
		March 2020	5 <sup>th</sup> July 2020	
		April 2020	9 <sup>th</sup> July 2020	
		May 2020	15 <sup>th</sup> Sept 2020	
		June 2020	25 <sup>th</sup> Sept 2020	
		July 2020	29 <sup>th</sup> Sept 2020	

Please [Click Here](#) to read the notification dated 30<sup>th</sup> June 2020.



# Goods & Services Tax

## **CBIC issues notification to make 8th amendment to CGST Rules**

CBIC issued Notification No. 58/2020 –Central Tax on the recommendations of the Council to further extend the scope of rule 67A to Form GSTR 1. This amendment has enabled filing of Form GSTR 1 via SMS (Short Message Service) provided there is no data in any table of return i.e. only a Nil return can be filed using SMS. This functionality was already provided for GSTR 3B from 8<sup>th</sup> June 2020. For that purpose, Rule 67A was inserted into CGST rule. In the case of GSTR 1, it will start from the 1<sup>st</sup> week of July 2020 onwards.

The above notification has been issued to further amend last month's the notification no. 50/2020-Central Tax dated 24<sup>th</sup> June 2020 wherein Rule 67A was inserted for providing functionality of filing Nil GSTR-3B returns using SMS.

Please [Click Here](#) to read the circular dated 1<sup>st</sup> July 2020.

## **CBIC further extends due date for filing of Form GSTR-4 (Composition Dealer) for FY 2019-2020 till 31st August 2020**

CBIC has further extended due date for furnishing Annual Return for composition dealer in Form GSTR-4 for Financial Year 2019-2020 from 15<sup>th</sup> July 2020 to 31<sup>st</sup> August 2020.

Please [Click Here](#) to read the circular dated 13<sup>th</sup> July 2020.



# Direct Tax



# Direct Tax

## Central Board of Direct Taxes (CBDT) notifies classes of persons for exemption from anti-abuse provisions u/s 56(2)(x) & 50CA of the Income-tax Act, 1961

### Background

The Income-tax Act, 1961 (Act) contains the following anti-abuse provisions amongst others:

- Section 56(2)(x), providing for chargeability of tax in case of receipt of money or specified property for no or inadequate consideration, in the hands of recipient as 'Income from other sources'. For determining amount of taxable income for receipt of certain shares, the fair market value of the shares is considered.
- Similarly, section 50CA provides for deeming of fair market value of unquoted shares for computing Capital gains from the transfer of such shares.

For both the above provisions, 'fair market value' (FMV) is determined based on the prescribed method.

Currently, section 56(2)(x) is not applicable on certain transactions. However, no such exemption is available u/s 50CA.

### Amendment by Finance Act (No.2), 2019

Determination of FMV based on the prescribed rules could result into genuine hardship in certain cases where the consideration for transfer of shares is approved by certain authorities and the transfer of shares has no control over such determination. In order to provide relief in such cases, last year the law was amended to empower CBDT to prescribe transactions undertaken by certain categories of persons to which sections 56(2)(x) and 50CA will not apply. The amendment is applicable from Assessment Year (AY) 2020-21 onwards.

# Direct Tax

## Insertion of new Rules 11UAC and 11UAD

The above rules have been inserted by the CBDT vide notifications dated 29<sup>th</sup> and 30<sup>th</sup> June 2020 respectively. As per the notifications, the anti-abuse provisions of sections 56(2)(x) and 50CA shall not be applicable to transfer of:

- a) Any movable property, being unlisted shares of a company and its subsidiary and the subsidiary of such subsidiary received by a shareholder, where
- The National Company Law Tribunal (NCLT), on an application moved by the Central Government (CG) u/s 241 of the Companies Act, 2013 in cases of oppression, has suspended the Board of Directors of such company and has appointed new directors nominated by the CG u/s 242 of the said Act; and
  - Share of company and its subsidiary and the subsidiary of such subsidiary has been received pursuant to a resolution plan approved by the Tribunal u/s 242 of the Companies Act, 2013 after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

Further, section 56(2)(x) additionally shall not apply to:

- b) Equity shares of Yes Bank Ltd. received by State Bank of India (SBI) or any other investor where the said share has been allotted by Yes Bank Ltd. under Yes Bank Ltd. Reconstruction Scheme, 2020 at a price mentioned in the scheme.
- c) Any immovable property, being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi, where the CG by notification in the Official Gazette, has regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.

Please [Click Here](#) to read the notification dated 29<sup>th</sup> June 2020

Please [Click Here](#) to read the notification dated 30<sup>th</sup> June 2020

# Direct Tax

## Processing of returns with refund claims u/s 143(1) beyond the prescribed time limit in non-scrutiny cases

### Background:

Due to certain technical issues / other reasons not attributable to the taxpayer, several returns for various AYs up to AY 2017-18 could not be processed u/s 143(1) of the Act. Consequently, intimation u/s 143(1) could not be sent within 1 year from the end of relevant FY in which such returns were filed as required in law. This led to a situation where the taxpayer is unable to get legitimate refund in accordance with provisions of the Act, although the delay is not attributable to him.

### Steps taken by CBDT so far:

CBDT has time to time relaxed the above time limit for processing of such validly filed returns with refund claims in non-scrutiny cases. As per latest order dated 5<sup>th</sup> August 2019, time frame was given till *31 December 2019* to process such returns with refund claims.

### Further extension of time limit till 31st October 2020

To address taxpayers' grievances related to issue of refund and to mitigate genuine hardship being faced by taxpayers, CBDT has directed that all validly filed returns up to AY 2017-18 with refund claims, which could not be processed u/s 143(1) and which have become time-barred, can be processed now with prior administrative approval of Principal Chief Commissioner of Income-tax (CCIT) /CCIT concerned and intimation of such processing u/s 143(1) can be sent to the assessee by *31<sup>st</sup> October 2020*.

The above relaxation shall not be applicable to the following returns:

- Returns selected in scrutiny
- Returns remaining unprocessed, where either demand is shown as payable in the return or is likely to arise after processing it
- Returns remaining unprocessed for any reason attributable to the taxpayer

Please [Click Here](#) to read the Order dated 10<sup>th</sup> July 2020.

# Direct Tax

## One-time relaxation for verification of income tax returns (ITR) for the Assessment Years (AYs) 2015-16 to 2019-20 which are pending due to non-filing of ITR- V form

### Background

Income-tax Returns (ITRs) which are filed electronically without digital signature are required to be verified within 120 days of online filing by the following means:

- Through Aadhaar One Time Password (OTP)
- By logging into e-filing account through net banking
- Electronic Verification Code (EVC) through Bank Account Number
- EVC through Demat Account Number
- EVC through Bank ATM
- By sending a duly signed physical copy of ITR-V (acknowledgment generated on e-filing of ITR) through post to the Central Processing Centre (CPC), Bengaluru

In case the ITR is not verified through above means within the time allowed, it stands invalid as per Income-tax law and all the consequences for non-filing a tax return, follows.

CBDT noticed that a large number of electronically filed ITRs still remain pending with the Income tax department for want of receipt of receipt of a valid ITR-V form at CPC from the taxpayer concerned.

### Relaxation by CBDT

- As a one-time measure to regularize flaw / delay associated with non-filing / non-receipt of ITR-V at CPC, CBDT has permitted verification of such returns either by sending a duly signed physical copy of ITR-V to CPC, Bengaluru through speed post or through EVC/OTP modes as listed above, in case of ITRs for AYs 2015-16 to 2019-20, which were uploaded electronically by the taxpayer within the time allowed u/s 139 and which have remained incomplete due to non-submission of ITR-V form for verification, provided such verification process is completed by *30<sup>th</sup> September 2020*. Further, in such cases, time frame for processing of ITR / issuing Intimation u/s 143(1) has been relaxed till *31<sup>st</sup> December 2020*.
- In case taxpayer does not get his return regularized by furnishing a valid verification by *30<sup>th</sup> September 2020*, the ITR filed will be treated as invalid.
- Also, the above relaxation in time limit shall not apply in those cases, where during the intervening period, Income-tax department has already adopted recourse to any other measure for ensuring filing of tax return by a taxpayer after declaring the return as invalid.

Please [Click Here](#) to read the circular dated 13<sup>th</sup> July 2020.

# Direct Tax

## New Form 26AS is the faceless hand-holding of taxpayers: newly introduced 'Part E' to reflect information collected through Statement of Financial Transactions (SFTs)

- The new Form 26AS is the faceless hand-holding of taxpayers to e-file their ITRs quickly and correctly. Henceforth, taxpayers will see an improved Form 26AS carrying additional details on taxpayers' financial transactions as specified in the *Statement of Financial Transactions (SFT)* u/s 285BA of the Income-tax Act.
- The information being received by the Income-tax Department from the filers of the specified SFTs is now being shown in Part-E of Form 26AS to facilitate voluntary compliance, tax accountability and ease of e-filing of returns. This is likely to bring further transparency and accountability in the tax administration.
- The earlier Form 26AS used to give information regarding TDS and tax collected at source (TCS) relating to a PAN, besides certain additional information including details of other taxes paid, refunds and TDS defaults. Now, it will have SFTs to help the taxpayers recall all their major financial transactions so that they have a ready reckoner while filing ITR.
- The Tax Department used to receive information like cash deposit/withdrawal from saving bank accounts, sale/purchase of immovable property, time deposits, credit card payments, purchase of shares, debentures, foreign currency, mutual funds, buy back of shares, cash payment for goods and services, etc. u/s 285BA from 'specified persons' like banks, mutual funds, institutions issuing bonds and registrars or sub-registrars etc., with regard to individuals having high-value financial transactions since the Financial Year 2016 onwards (also called Annual Information Return). Now, all such information under different SFTs will be shown in the new Form 26AS.
- Form 26AS for any taxpayer henceforth will display different fields in Part-E as below. This is likely to help taxpayers with updated financial transactions while filing their returns.

Part E - Details of SFT Transaction									
Sr. No.	Type of Transaction <sup>4</sup>	Name of SFT Filer	Transaction Date	Single / Joint Party Transaction	Number of Parties	Amount ( Rs. )	Mode	Remarks <sup>**</sup>	
Page 0 of 0									
No Transactions Present									

Please [Click Here](#) to read the press release dated 18<sup>th</sup> July 2020.

# Direct Tax

## **CBDT provides clarification relating to notifications issued under clause (v) of proviso to section 194N (TDS on cash payments) prior to amendment by Finance Act (FA) 2020**

### **Background**

Section 194N inserted by FA 2019 provided for TDS on payment in cash to a recipient exceeding INR 1 crore in aggregate during a FY from one or more account maintained by such recipient with:

- A banking company
- A cooperative society engaged in the business of banking
- Post office

Further, clause (v) of proviso to the said section had empowered the CG to exempt persons or class of persons so that payments made to such persons or class of persons shall not be subjected to TDS under this section. In exercise of said power, CG had exempted following assessee last year:

- *Notification 68/2019 dated 18<sup>th</sup> September 2019*: Cash Replenishment Agencies (CRA's) and franchise agents of White Label Automated Teller Machine Operators (WLATMO's) for the purpose of replenishing cash in ATM's operated by these entities
- *Notification 70/2019 dated 20<sup>th</sup> September 2019*: Commission agent or trader operating under Agriculture Produce market Committee (APMC) and registered under any law relating to Agriculture Produce Market of the concerned State
- *Notification 80/2019 dated 15<sup>th</sup> October 2019*: Authorized dealer and its franchise agent and sub-agent and Full Fledged Money Changer (FFMC) licensed by the Reserve Bank of India (RBI) and its franchise agent for the purposes of
  - ✓ Purchase of foreign currency from foreign tourists or non-residents visiting India or from resident Indians on their return to India, in cash as per the directions or guidelines issued by RBI
  - ✓ Disbursement of inward remittances to the recipient beneficiaries in India in cash under Money Transfer Service Scheme (MFSS) of the RBI;

Section 194N was amended by FA 2020 to make the said section more stringent for non ITR filers. It is to note that the clause (v) of the proviso to section 194N prior to its amendment has now become fourth (iv) proviso to the said section.

Issues have arisen seeking clarification regarding the validity of the above mentioned notifications in light of the amendments carried out by FA 2020.

### **Clarification issued by CBDT**

CBDT has clarified that the above mentioned 3 notifications shall be deemed to be issued under fourth proviso to section 194N as amended by the FA 2020. The exemption allowed under said notifications shall be subject to the conditions laid down therein.

Please [Click Here](#) to read the circular dated 20<sup>th</sup> July 2020.



# Direct Tax

## Memorandum of Understanding (MoUs) signed by CBDT with regulatory bodies for better exchange of information

CBDT has signed MOU with following regulatory bodies for better exchange of information:

- Securities Exchange Board of India (SEBI)
- Ministry of Micro, Small and Medium Enterprises (MoMSME)
- CBIC

The MoUs come into force from the date of signing. A Data Exchange Steering Group has also been constituted for the initiative, which will meet periodically to review the data exchange status and take steps to further improve the effectiveness of the data sharing mechanism.

Please [Click Here](#) to read press release dated 8<sup>th</sup> July 2020 for MoU with SEBI.

Please [Click Here](#) to read press release dated 20<sup>th</sup> July 2020 for MoU with MoMSME.

Please [Click Here](#) to read press release dated 21<sup>th</sup> July 2020 for MoU with CBIC.

## CBDT amends certain TDS / TCS rules to match amendments introduced by FA, 2020

CBDT vide its notification dated 3<sup>rd</sup> July 2020 and 24<sup>th</sup> July 2020 amended rule 31A along with Form 26Q/27Q, which talks about statement of TDS, and rule 31AA along with Form 27EQ, which talks about statement of TCS, respectively, to align the rules with various TDS/TCS related amendments as introduced by FA 2020.

### Key amendment in Rule 31A (TDS)

- Currently, the deductor at the time of preparing statements of tax deducted is required to furnish particulars of amount paid or credited on which tax was not deducted. Now as per the amended rule, the deductor is additionally required to furnish particulars of amount deducted at a lower rate.
- From 1<sup>st</sup> July 2020 onwards, the deductor at the time of preparing TDS statements shall furnish particulars of amount paid or credited on which tax was not deducted or deducted at a lower rate in view of
  - ✓ Notification issued under the 2<sup>nd</sup> proviso to section 194N (*TDS on cash withdrawal*)
  - ✓ Exemption provided in 3<sup>rd</sup> proviso to section 194N (*TDS on cash withdrawal*)
  - ✓ Notification issued under 4<sup>th</sup> proviso to section 194N (*TDS on cash withdrawal*)
  - ✓ Tax was not deducted or deducted at lower rate in view of the notification issued u/s 194A(5) (*TDS on Interest*)
  - ✓ Tax was not deducted u/s 194LBA(2A) (*TDS on certain incomes of a business trust*)
  - ✓ Tax was not deducted in view of clause (a) or clause (b) of section 197A(1D) (*TDS on interest paid by the Offshore Banking Unit*)
  - ✓ Tax was not deducted in view of the exemption provided to persons referred to in various CBDT Circulars

# Direct Tax

## Key amendment in Rule 31AA (TCS)

- From 1<sup>st</sup> October 2020 onwards, the collector at the time of preparing TCS statement shall furnish particulars of amount received or debited on which tax was not collected by/under
  - ✓ The authorised dealer from the buyer under the 1<sup>st</sup> proviso of section 206C(1G)
  - ✓ The authorised dealer under 4<sup>th</sup> proviso of section 206C(1G)
  - ✓ The authorised dealer or seller of an overseas tour program from the buyer under clause (i) or clause (ii) of the 5<sup>th</sup> proviso of section 206C(1G) or in view of any notification issued under clause (ii) of the 5<sup>th</sup> proviso of section 206C(1G)
  - ✓ 2<sup>nd</sup> proviso to section 206C(1H)
  - ✓ Sub-clause (A) or sub-clause (B) or sub-clause (C), or in view of any notification issued under sub-clause (C), of clause (a) of the Explanation to section 206C(1H)

## Key amendment in Form 26Q/27Q (Quarterly TDS statement in respect of non-salary payments to resident / non-residents)

- Reporting with respect to section 194-O (TDS on payment of certain sums by e-commerce operator to ecommerce participant), section 194K (TDS on income in respect of units) and section 197A (non-deduction of tax in certain cases) have been included in the ambit of Form 26Q.
- Reporting with respect to section 194N (TDS on cash withdrawal) and 197A (non-deduction of tax in certain case) have been included in the ambit of Form 27Q.
- Further the amended Form 26Q/27Q will now include the following to provide information with respect to:
  - ✓ Amount of cash withdrawal between INR 20 lakhs to INR 1 crore (TDS @ 2% – sub clause (a) of clause (ii) of 1<sup>st</sup> proviso to section 194N)
  - ✓ Amount of cash withdrawal in excess of INR 1 crore (TDS @ 5% - sub-clause (b) of clause (ii) of 1<sup>st</sup> proviso to section 194N)
  - ✓ Amount of cash withdrawal in excess of INR 1 crore as referred to in section 194N (in cases not covered by the 1<sup>st</sup> proviso to Section 194N)

## Key amendment in Form 27EQ (Quarterly TCS statement)

- The amended Form 27EQ will now include the following to provide information with respect to:
  - ✓ Payment by collectee liable to TDS as per clause (a) of the 5<sup>th</sup> proviso to section 206(1G) or 2<sup>nd</sup> proviso to section 206(1H) and TDS deducted from such payment

## Other amendments

- In the case of a non-resident, not being a company, or a foreign company and not having PAN, the provisions of section 206AA, i.e. requirement to furnish PAN, shall not apply in respect of payments in the nature of dividend on furnishing of certain information which shall include:
  - ✓ Name, e-mail id, contact number
  - ✓ Address in the country or specified territory outside India of which the he/she is a resident
  - ✓ A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate
  - ✓ Tax Identification Number of the person in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which he/she is identified by the Government of that country or the specified territory of which he claims to be a resident

Earlier the above relaxation were provided only in respect of payments in the nature of interest, royalty and fees for technical services.

Please [Click Here](#) to read the notification dated 3<sup>rd</sup> July 2020

# Direct Tax

## **CBDT notifies National Pension Scheme Tier II- Tax Saver Scheme, 2020 u/s 80C for Central Government employees**

Last year, in order to enable CG employees to have more options of tax-saving investments under National Pension System, section 80C was amended by Finance Act (No.2), 2019 to provide that contribution by a CG employee to his Tier-II account of the 'pension scheme' shall be eligible for deduction u/s 80C from AY 2020-21 onwards.

For this purpose, the Ministry of Finance has issued the National Pension Scheme Tier II- Tax Saver Scheme, 2020, effective from 7<sup>th</sup> July 2020 onwards. As per the scheme, the minimum amount of contribution to activate the NPS Tier-II account is INR 1,000 and the minimum amount of subsequent contribution shall be INR 250 only.

Contribution made under the scheme shall have a lock-in period of 3 years from the date of credit of amount of the specified account during which the contribution shall not be permitted to be assigned, pledged or hypothecated.

Please [Click Here](#) to read the notification dated 7<sup>th</sup> July 2020.

## **CBDT further extends due date for filing of ITR for FY 2018-19 till 30th September 2020**

In view of constraints due to the COVID-19 pandemic & to further ease compliances for taxpayers, CBDT has further extended the due date of filing ITR for the FY 2018-19 (AY 2019-20) from 31<sup>st</sup> July 2020 to 30<sup>th</sup> September 2020.

Please [Click Here](#) to read the circular dated 29<sup>th</sup> July 2020.

# International Tax



# International Tax

## CBDT notifies registered Investment Funds set up by Category-I foreign portfolio investors, as eligible for exemption from certain conditions under Safe Harbour Rules

### Background

Section 9A of the Income-tax Act provides safe harbor (from permanent establishment and 'place of effective management' risks) for offshore funds managed by an onshore fund manager, subject to certain conditions.

In order to qualify as an 'Eligible Investment Fund' (EIF) and an 'Eligible Fund Manager' (EFM) for the purposes of availing safe harbour benefit, the fund and the fund manager are required to comply with the conditions laid down u/s 9A and related rules.

Among other conditions, the EIF being a fund established / incorporated / registered outside India, which collects funds from its members for investing it for their benefit, has to fulfil the following requirements as mentioned in section 9A(3)(e), (f), (g):

- The fund must have a minimum of 25 members who are (directly or indirectly) not connected persons
- Any member of the fund along with connected persons must not have any participation interest, (directly or indirectly) in the fund exceeding 10%
- The aggregate participation interest (directly or indirectly) of 10 or less members along with their connected persons in the fund, must be less than 50%

The above conditions are not applicable in case of an investment fund set up by the Government or the Central Bank of a foreign State or a sovereign fund, or *such other fund as the CG may notify*.

### Central Government notifies fund eligible for exemption from above conditions

Pursuant to the above power, CG has notified an investment fund set up by a Category-I foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992), to which the above three-fold conditions would not apply. The notification is applicable from 23<sup>rd</sup> September 2019.

Please [Click Here](#) to read the notification dated 30<sup>th</sup> June 2020.

# International Tax

## Notification of Sovereign Wealth Fund u/s 10(23FE) (exemption of income arising from investment in specified infrastructure business in India)

FA 2020, amongst others, inserted clause (23FE) in section 10 of the Income-tax Act to provide for exemption to income of a specified person in the nature of dividend / interest / long term capital gains arising from investment made in India if the investment is made in specified infrastructure business (including business notified vide notification no.44/2020 dated 6<sup>th</sup> July 2020, i.e, Infrastructure subsectors mentioned in Harmonised Master List updated as on 13 August 2018 such as Transport, Logistics, Energy, Water, Sanitation, Communication, Social and commercial infrastructure, applicable for AY 2021-22 onwards) during the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2024 and held for atleast 3 years.

Specified person for the above purpose has been defined to mean wholly owned subsidiaries of Abu Dhabi Investment Authority (ADIA), notified Sovereign Wealth Fund (SWF) and notified Pension Funds (PF), which fulfil conditions specified in the clause or to be prescribed for the PF.

In order to facilitate the process of notification of the SWF, CBDT has specified that the SWF shall file application in Form I (prescribed in the notification) with the Member (Legislation), CBDT, during FY 2020-21 and thereafter to the Member, CBDT having supervision and control over the work of Foreign Tax and Tax Research Division.

Further, the SWF shall be required to file ITR along with audit report. It shall also be required to file a quarterly statement within 1 month from the end of the quarter electronically in Form II (also prescribed in the notification) in respect of each investment made during the quarter.

Please [Click Here](#) to read the notification dated 6<sup>th</sup> July 2020.

Please [Click Here](#) to read the circular dated 22<sup>nd</sup> July 2020.

# Company Law



# Company Law

## Scope of Corporate Social Responsibility (CSR) activities for companies expanded to include measures taken for benefit of Central Armed Police Forces (CAPF), Central Para Military Forces (CPMF) veterans and their dependents

Ministry of Corporate Affairs (MCA) vide Notification dated 23<sup>rd</sup> June, 2020 has amended Schedule VII of Companies Act, 2013 to add measures taken for benefit of Central Armed Police Forces (CAPF), Central Para Military Forces (CPMF) veterans and their dependents (including widows) within CSR policy of Companies.

Please [Click Here](#) to read the Notification dated 23<sup>rd</sup> June 2020.

## Deployment of e-Form PAS-6 (Reconciliation of Share Capital Audit Report for unlisted public companies) on MCA Portal

Every unlisted public company is required to hold and issue securities in DEMAT form as per Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014. Accordingly, all such companies are required to submit 'Reconciliation of Share Capital Audit Report' in the prescribed e-Form PAS-6 on half yearly basis with the Registrar of Companies (ROC).

The said e-Form PAS-6 has been deployed on the MCA portal from 15<sup>th</sup> July 2020 onwards and is available for filing.

Please [Click Here](#) to read notice dated 15<sup>th</sup> July 2020 on MCA Portal.

## Requirement of Indemnity Bond in case of fast track closure of Government companies

MCA vide Notification dated 29<sup>th</sup> June 2020 has mentioned that in case of fast track closure of Government Companies and their subsidiaries, a duly notarized Indemnity Bond in the prescribed form STK-3A signed by any authorized representative (not below the rank of Under Secretary or its equivalent, in the Department of Central or State Government) shall be filed along with the closure application with ROC.

Please [Click Here](#) to read the Notification dated 29<sup>th</sup> June 2020.





# Company Law

## Extension of due date for filing Form NFRA-2 with National Financial Reporting Authority (NFRA) for FY 2018-19

Form NFRA-2 is an annual return required to be filed by an auditor providing detailed information on the assurance services performed by him during a given period. As per circular dated 27<sup>th</sup> November 2019, the said form was required to be filed for the FY 2018-19 within 90 days from date of deployment on Government's website i.e. on or before 8<sup>th</sup> March 2020. However, MCA from time to time had extended the due date of filing the form as below:

Circular dated	Extended due date
5 <sup>th</sup> March 2020	150 days from the date of deployment of form i.e. 7 <sup>th</sup> May 2020
30 <sup>th</sup> April 2020	210 days from the date of deployment of form i.e. 6 <sup>th</sup> July 2020

Vide Circular dated 6<sup>th</sup> July 2020, MCA has again extended the time limit for filing the Form to 270 days from the date of deployment i.e. 4<sup>th</sup> September 2020.

Please [Click Here](#) to read the Circular dated 06<sup>th</sup> July 2020.



# Company Law

## Amendment in Companies (Indian Accounting Standards) Rules, 2015

MCA vide Notification dated 24th July 2020 has introduced various amendments in the Companies (Indian Accounting Standards) Rules, 2015, some of them highlighted below:

Indian Accounting Standard (Ind AS)	Key Amendments
Ind AS-103 (AS on Business combinations)	Change in definition of business and meaning of elements of business
Ind AS-107 (AS on Financial Instruments Disclosures )	A new clause of 'uncertainty arising from interest rate benchmark reform' has been added as clause no 24H.
Ind AS-109 (AS on Financial Instruments)	A new clause of 'temporary exceptions from applying specific hedge accounting requirement' has been added as clause no 6.8.
Ind AS-116 (AS on Leases)	A new clause of 'Covid -19 related rent concessions for lessees' has been added.
Ind AS-1 (AS on presentation of Financial Statements)	Change in definition of 'Material'.
Ind AS-8 (AS on Accounting Policies, changes in accounting estimates and errors)	
Ind AS-34 (AS on Interim Financial Reporting)	
Ind AS-37 (AS on Provisions, contingent liabilities and Contingent Assets)	
Ind AS-10 (AS on events after reporting period)	
	Change has been made in clause 21 dealing with 'disclosure of non-adjusting events after the reporting period'.

Please [Click Here](#) to read the Notification dated 24<sup>th</sup> July 2020.

# Reserve Bank Of India (RBI)



## **Extension of due date for filing Annual Return on Foreign Liabilities and Assets (FLA) for the FY 2019-20 till 14th August 2020**

Every Company / Limited Liability Partnership (LLP) having Foreign Direct Investment (FDI) or Overseas Direct Investment (ODI) is required to submit FLA return annually on the web based portal of RBI on or before 15th July of each Financial Year. RBI has extended the said date to 14th August 2020 for the FY 2019-20.

## **Extension of timeline for finalization of audited accounts by Non-Banking Financial Companies (NBFCs)**

As per RBI Master Direction dated 1<sup>st</sup> September, 2016, every systematically important deposit taking and non-deposit taking NBFC and non-systematically important non-deposit taking NBFC is required to finalize its Balance sheet within 3 months from the date to which it pertains.

In view of the on-going situation, RBI has allowed such NBFCs to finalize their Balance sheet within 3 months from the date to which it pertains or any other date as notified by SEBI for submission of financial results by listed entities.

Please [Click Here](#) to read RBI Notification dated 06<sup>th</sup> July 2020.



# Securities Exchange Board of India (SEBI)



## Relaxation for listed companies being issuers of Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS) / Commercial Papers (CPs)

Considering the representations received from various listed companies for extending the time limit for listing NCDs / NCRPS / CPs issued by them due to the delay in finalization of financial statements for the FY ended 31<sup>st</sup> March, 2020, SEBI vide Circular dated 15<sup>th</sup> July 2020 has decided to permit the listing of NCDs / NCRPS / CPs issued on or after 1<sup>st</sup> July 2020 and to be listed on or before 31<sup>st</sup> July 2020, on the basis of financial statements as on 31<sup>st</sup> December 2019.

Please [Click Here](#) to read SEBI Circular dated 15<sup>th</sup> July 2020.

## Extension of time limit till 30th September 2020 for compliance with regulatory requirements by Depository Participants (DPs) and Registrar to an Issue (RTAs).

Considering the Covid situation, SEBI had earlier provided relaxation in timelines for compliance by Depository Participants (DPs) / Registrars to an Issue & Share Transfer Agents (RTAs), vide circular dated 16<sup>th</sup> & 24<sup>th</sup> April 2020 & 30<sup>th</sup> June 2020. The said timelines have been further extended as below:

Compliance requirements	Pre Covid time limit	Revised time limit / Period of exclusion
Processing of Demat request form by Issuer / RTA	Within 15 days of receipt of security certificate from the DP	Period of exclusion shall be from 23 <sup>rd</sup> March 2020 to 30 <sup>th</sup> September 2020.
Processing of Demat request form by DPs	Within 7 days of receipt of security certificate from security holder.	Note: 15 days' time period after 30 <sup>th</sup> September 2020 shall be allowed to DPs to clear the back log.
Submission of half-yearly Internal Audit Report (IAR) by DPs for half year ended on 31 <sup>st</sup> March 2020.	15 <sup>th</sup> May 2020	30 <sup>th</sup> September 2020.
Redressal of investor grievances	Within 15 days of date of receipt of complaint through SCORES.  Within 30 days of date of receipt of complaint other than through SCORES.	Period of exclusion shall be from 23 <sup>rd</sup> March 2020 to 30 <sup>th</sup> September 2020.  Note: 15 days' time period after 30 <sup>th</sup> September 2020 shall be allowed to DPs to clear the back log.
Transmission of Securities	Within 7 days of receipt of all requisite documents.	
Closure of Demat account	Within 30 days of issue of notice by DP to the security holder and Depository.	

Please [Click Here](#) to read SEBI Circular dated 29<sup>th</sup> July 2020.

# Compliance Calendar

## Compliance calendar for the month of August 2020

Compliance Due Date	Reporting Period	Compliance Detail	Applicable for
3 <sup>rd</sup> August	April-June 2020	GSTR-1 (Outward supply return)	Taxable persons having turnover < Rs. 1.5 crore
5 <sup>th</sup> August	June 2020		Taxable persons having turnover > Rs. 1.5 crore
7 <sup>th</sup> August	July 2020	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
11 <sup>th</sup> August	July 2020	GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 1.5 crore
14 <sup>th</sup> August	F.Y 2019-20	Annual Return on Foreign Assets & Liabilities (FLA)	Indian companies having Foreign Direct Investment (FDI)
15 <sup>th</sup> August	July 2020	Deposit of PF & ESI contribution	All Deductors
	January-March 2020	TDS/TCS certificate (non-salary)	
	FY 2019-20	Annual TDS certificate in Form 16 (salary)	
20 <sup>th</sup> August	July 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20
31 <sup>st</sup> August	June 2020	GSTR-5 (Return by Non-resident)	Non-resident taxable person
		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		GSTR-7 (TDS return under GST)	Person required to deduct TDS under GST
		GSTR-8 (TCS return under GST)	Person required to deduct TCS under GST
	F.Y 2019-20	GSTR 4 (Annual Return for composition dealer)	Composition dealer

# Editorial Team



Editor



Direct Tax



Indirect Tax



Regulatory



Communications

## About KrayMan

KrayMan is an Accounting and Advisory Firm specializing in Assurance, Tax, Regulatory, Compliance & Outsourcing, Corporate Secretarial, Transaction Advisory and HR Advisory services. We cater to International & Domestic Clients.

We are a team of professionals comprising of Chartered Accountants, Company Secretaries, Cost and Management Accountants, Advocates and MBAs who are truly committed in providing timely, professional and quality services to our Clients thereby building a long term relationship with them.

### We are members of following associations:

- **Japan Chamber of Commerce and Industry in India (JCCII)** – an organization of more than 400 Japanese companies working towards the welfare of Japanese companies in India
- **Prime Advisory Network (PAN), United Kingdom** - a network of Accountants and Lawyers with presence in more than 60 countries
- **Cross Border Associates (CBA), Germany** - specializing in mergers & acquisitions activities having presence in more than 95 countries
- **TiE Delhi** - world's largest entrepreneurial organization with 62 chapters in 18 countries



# Contact Us

## India Head Office

1170 A&C, 11<sup>th</sup> Floor, Tower B1  
Spaze i-Tech Park  
Sector 49, Sohna Road  
Gurugram – 122018 (India)  
T +91 (124) 4309418; 4003418

## Japan Office

2-11-2 O-toekkusukudou  
Bld. 4F/5F Nihombashi  
Kakigaracho, Chuo-ku, Tokyo,  
103-0014, Japan

## Italy Office

Corso Palestro,  
50-25122 Brescia,  
Italy

**Mumbai • Pune • Chennai • Bengaluru • Hyderabad • Kolkata**



For any assistance, please write to us at:  
[communications@krayman.com](mailto:communications@krayman.com)

*This publication contains information of general nature . The information is only for general guidance and is not meant to be a substitute for professional advice in any manner. In case the reader requires any specific inputs / suggestions / advice from our end, please contact us separately.*