

Newsletter



September 2020 Edition

Bhatia & Bhatia
Chartered Accountants



Key Due Dates for September:

- Filing of revised Return of Income for the FY 2018-19 is 30th September
- Date of GSTR-3B (turnover more than 5 crore) for August month is 20th September
- GST-9 and 9C for the FY 2018-19 is 30th September
- Filing of DPT-3 Return of deposit is 30th September

Corporate Tax



Can appellate authorities consider additional claim even if the same was not made in the original or revised return filed by the taxpayer?

Bombay HC in case of Sesa Goa Ltd. v. ACIT [2020] [Appeal No. 24 of 2011]

The taxpayer inadvertently omitted to claim deduction under section 10B of the Income-tax Act, 1961 (ITA) in its return of income. The Assessing Officer (AO) refused to consider the taxpayer's claim, since it was not raised by filing a revised return. On appeal before the Commissioner of Income-tax (Appeals) [CIT(A)], the CIT(A) denied the deduction under section 10B of the ITA relying on the decision of the Supreme Court in case of Goetze (India) Ltd wherein it was held that, if a taxpayer had claimed deduction after the return was filed, the assessing authority had no powers to entertain such a claim made otherwise than by a way of a revised return. On further appeal, the Mumbai Bench of the Income-tax Appellate Tribunal (ITAT), the ITAT upheld the CIT(A)'s order. Aggrieved by the ITAT's order, the taxpayer filed an appeal before the Bombay High Court (HC).

The HC held that the appellate authorities were not justified in refusing to consider the taxpayer's claim for deduction on the grounds that such claim was not made in the original return or the revised return filed before the AO. Accordingly, the HC restored the matter to the CIT(A) for fresh adjudication on the issues relating to deduction under section 10B of the ITA, in accordance with law and merits.

Mere non-disclosure of gain on sale of shares in return of income would not mean that capital gain income escaped assessment

Supreme court in case of Swastic Safe Deposit and Investments Ltd. [I.R. and IA no.35346/2020-condonation of delay in filing and IA No.35347/2020-exemption from filing c/c of the impugned judgment]

The taxpayer sold shares on recognized stock exchange after holding them for more than 12 months and this transaction was subjected to Security Transaction Tax (STT) and, therefore, any gain arising out of sale of shares was exempt from tax under section 10(38).

The AO reopened the assessment by contending that though capital gain from sale of shares was exempt from tax but taxpayer had failed to disclose receipt on sale of shares in its return of income which would amount to escapement of income chargeable to tax and even if for normal computation, sale consideration was exempt from tax, same would form part of assessee's book profit for purpose of computing tax under section 115JB. The Hon'ble Court held that since undisputedly profits from sale of shares was exempt from tax in terms of section 10(38) under normal provisions and it was included by assessee for purpose of computing book profit under section 115JB, impugned reopening of assessment was unjustified.

Tax withholding on Hired services of truck owners as sub-contractors

Supreme Court in case of Shree Choudhary Transport Company v. Income-tax Officer [2020] [CIVIL APPEAL No. 7865 OF 2009]

It was observed that there was no privity of contract between parties as contract of company, for transportation of its goods, had only been with the taxpayer and it was taxpayer who hired services of trucks. Thus, payment made by taxpayer to such a truck operator/owner was clearly a payment made to a sub-contractor. Therefore, section 194C was applicable and assessee was under obligation to deduct tax at source in relation to payments made by it for hiring vehicles for purpose of its business of transportation of goods.

CBDT notifies new Income Tax rules for non-furnishing of PAN by Non-Resident

Income Tax (19th Amendment) Rules, 2020 Notification G.S.R. 499(E) [No. 58/2020/F. No. 370133/08/2020-TPL], dated 10-8-2020

The new rules provide that PAN requirement shall not be applicable in case the Non-resident (other than Company) has made an investment in a specified fund during a previous year subject to various conditions.

The specified fund shall furnish a quarterly statement in Form No.49BA.

CBDT notifies additional conditions for Pension Funds for exemption under section 10(23FE)

Union Budget 2020 has introduced a new section 10(23FE) in order to promote investment of sovereign wealth funds, including the wholly-owned subsidiary of Abu Dhabi Investment Authority (ADIA).

The CBDT has now prescribed additional conditions to be satisfied by the pension fund for availing the exemption from income in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India whether in the form of debt or share capital or unit under section 10(23FE).

One of the important conditions is filing of a certificate in Form No. 10BBC from a Chartered Accountant.

Guidance on Mutual Agreement Procedure (MAP)

The Action 14 final report on “Making Dispute Resolutions More Effective” recommended that all countries implementing Base Erosion and Profit Shifting (BEPS) must publish comprehensive MAP guidance.

Considering the above, the CBDT has decided to issue MAP guidance for the benefit of taxpayers, tax practitioners, tax authorities, and competent authorities (CAs) of India and of treaty partners.

The guidance says that the prior ruling of the income tax appellate tribunal (ITAT) would prevail even if MAP has resolved the disputes. However, in cases where ITAT

does not resolve the disputes but only set them aside to be adjudicated afresh, then access to MAP would be provided again by CAs after the fresh adjudication, if requested for by the relevant taxpayers.

Transparent Taxation – Honouring the Honest: A step in the right direction for faceless assessments

The Hon'ble Prime Minister launched a platform for "Transparent Taxation – Honouring the Honest" ('the platform') on August 13, 2020 to boost the e-Governance

initiatives implemented by the Government of India. The launch of the multi-faceted platform is an extension to announcements made by the Government in the past and as emphasized by the Hon'ble Finance Minister in her Budget 2020 speech. Through this platform, major reforms have been announced to make direct tax administration seamless, painless and faceless. The announcements made focus broadly on three aspects as Faceless assessment, Faceless appeal and Taxpayers' charter.

International Taxation and Transfer Pricing



Price agreed under APA (including roll back period) to be applied on Amalgamated Entity as well

Bangalore ITAT in case of Texas Instruments (India) Pvt Ltd [IT (TP) TA No.702 (Bang)/2016]

During the appeal proceedings, the taxpayer has raised additional ground before the ITAT that the assessee had entered into APA agreement (covered period FY 2010-11 to 2017-18) after the filing of appeal, therefore the said facts were not present before the lower authorities at the time of assessment proceedings. Further, it was also contended that the APA agreement covers the relevant transaction with its AE for the relevant AY under appeal. ITAT accepted the taxpayer's additional ground and directed the Ld. TPO/AO to apply the price agreed under the Bilateral APA between the Assessee and the CBDT and determine the ALP accordingly.

R&D cess paid to Govt. cannot be considered as royalty income/ expenses for AE

Kolkata ITAT in case of Landis+ Gyr Ltd [ITA No.2298/Kol /2017]

During the year under consideration, the taxpayer has paid royalty fees to its AEs for manufacturing of products. Further, Assessee had also paid royalty R&D cess directly to the government as it was the liability of importer of service. During the assessment proceedings, the Ld. TPO/AO has derived the percentage of royalty by considering

the amount of R&D cess paid on such royalty and made transfer pricing adjustment.

ITAT relied on Pune ITAT ruling in case of Kirloskar Ebara Pumps Ltd wherein it was held that since R&D cess liability was payable by the Assessee who imported technology and thereby, no adjustment in the same could be made in the computation of ALP for royalty.

Deletion of adjustment in the absence of prescribed method

Pune ITAT in case of East West Seeds India Private Limited [ITA No.469/PUN/2016 and ITA No.702/PUN/2017 and ITA No.3054/PUN/2017]

During the assessment proceedings, the Ld. AO/TPO determined the ALP of research & development fees and management fees at nil without applying most appropriate method u/s 92C read with Rule 10B.

ITAT relied upon the Mumbai HC decisions in case of Johnson & Johnson Ltd and Merck Ltd and co-ordinate bench ruling in case of INA Bearings India (P) Ltd wherein TP-adjustment made by the TPO without applying any of the method prescribed u/s.92C to determine ALP was categorically deleted.

No adjustment related to negative working capital for captive service providers

International Taxation and Transfer Pricing

Bangalore ITAT in case of Aspect Technology Center (India) Private Limited [IT(TP)A No.187/Bang/ 2016 and IT(TP)A No.175/Bang/2016]

In this case, the taxpayer has challenged the action of the DRP in upholding the order of the TPO allowing and determining a negative working capital adjustment.

It was submitted by the taxpayer that working capital adjustment is made for the time value of money lost when credit time is given to the customer. The taxpayer however was not an entrepreneur but a captive service provider which was entirely funded by the AEs and therefore, the taxpayer did not stand to lose anything as it was compensated on a total cost plus basis. The taxpayer was running the business without any working capital risk as compared to the comparables. Therefore, requirement for adjustment of negative working capital did not arise.

The ITAT relied upon the cases of Lam Research India Pvt Ltd (ITA No. 1473 & 1385/2014) and Software AG Bangalore Technologies Pvt. Ltd. (ITA No. 1628/2014) passed by this Tribunal, where it has been held that negative working capital adjustment shall not be made in case of a captive service provider as there is no risk and it is compensated on a total cost plus basis.

Draft assessment order with demand/penalty notice culminates proceedings, subsequent orders non-est

Delhi ITAT in case of Perfetti Van Melle (India) Pvt. Ltd [ITA No. 9116/DEL/2019]

In the present case, the taxpayer has challenged the validity and correctness of the assessment

order. While framing the draft assessment order, the Ld. AO quantified the taxable income and determined tax payable. The Ld. AO not only issued and served demand notice, but had also initiated the penalty proceedings.

The ITAT observed the judgment of the Hon'ble Gujarat HC in the case of Purshottam Das T Patel (209 ITR 52) which in turn relied on Hon'ble SC ruling in the case of Kalyan Kumar Ray (191 ITR 634), where it was held that 'Assessment' is one integrated process involving not only the assessment of the total income but also the determination of the tax.

Further, ITAT also observed several decisions of the Tribunal wherein in the set aside proceedings, if the AO had not followed the mandatory steps mentioned in Sec.144C, assessment order had been treated as void. ITAT specifically relied on the co-ordinate bench ruling in case of Nikon India Pvt Ltd (ITA Nos. 8752 & 8753/DEL/2019), wherein similar view was upheld, which was further approved by decisions by various High Courts like the jurisdictional HC ruling in the case of Turner International Pvt Ltd (398 ITR 177) and JCB India Ltd WPC (3399/2016).

Accordingly, ITAT concluded that the proceedings culminated when the demand notice was issued and served upon the assessee along with penalty notice and, therefore, all the subsequent proceedings and orders become non est.

Acceptance of 50:50 revenue split model in case of logistic Industry

Delhi ITAT in case of Geodis Overseas Pvt Ltd [ITA No. 2305/Del/2015]

ITAT relied on coordinate bench ruling in taxpayer's own case for the past years wherein similar issue was remitted back and TPO,

International Taxation and Transfer Pricing

remand proceedings, had deleted the adjustment after appreciating the fact that in this field of logistics business activity, the 50:50 business model/revenue split model (i.e. the business model of sharing residual profits in equal ratio with the service provider at the other end of the transaction i.e. at the consignee's end in the case of export transaction and at consigner's end in the case of import transaction) is a standard practice to benchmark the transaction. Thus, ITAT remitted the issue back to AO/TPO, "for deciding the issue afresh in the light of the directions of the Tribunal for the preceding assessment years and in accordance with law".

No Equalization Levy as the same would amount to double taxation

High court in the case of Mastercard Asia Pacific Pte. Ltd.) (W.P. (C) 10944/2018)

The applicant ("Mastercard") has filed an application seeking stay of payment of equalization levy during the pendency of the writ petition filed before the Delhi High Court challenging AAR ruling. The AAR in its impugned ruling dated 6th June 2018 has held that the applicant has multiple permanent establishments ("PE") in India and consequently, the sum received by the applicant from its customer banks located in India is liable to tax in India.

The Revenue has admitted that no equalization levy is payable by Mastercard as tax department is bound by the AAR order [which specifically states that Mastercard has PE in India] and further, it has no desire of The applicant's case is that

it does not have a PE in India and thus, it would be liable to pay tax under the new levy. However, according to the applicant, any further payment would result in double taxation collecting equalization levy in respect of income on which tax has already been paid by Mastercard either by way of TDS or advance tax.

Also, it was put on records that in case Mastercard succeeds in the writ petition, it would be eligible to receive income-tax refund along with statutory interest & at that time, Mastercard would be liable to pay equalization levy with interest.

Indirect Taxation



Introduction of ITC Statement Form GSTR-2B

Goods and service Tax Network (GSTN) has launched the concept of GSTR-2B on GST Portal on August 29th, 2020.

GSTR-2B is an auto-drafted Input Tax Credit (ITC) statement generated for every recipient, which provides the details of eligible and ineligible ITC for each month on 12th of the following month.

Taxpayers can now reconcile data generated in Form GSTR-2B, with their own records and books of accounts. Using this reconciliation, taxpayer can now file their Form GSTR 3B and they can ensure that:-

- No credit is taken twice,
- Credit is reversed as per law, &
- Tax on reverse charge basis is paid.

Modification in the process of granting registration

CBIC has issued Notification No 62/2020 – Central Tax dated 20th August, 2020 modifying the process for grant of GST Registration.

While making a GST application, an applicant may now get the same authenticated with his Aadhar Number. If the registration authority does not take any action (does not issue any SCN) within 3 days of successful Aadhar Authentication, then the GST registration is deemed to be granted.

This amendment in the GST registration process came into effect from August 21st, 2020.

In the process, Authorised signatory (all businesses), Managing and Authorised partners of a partnership firm and Karta of a Hindu undivided family, applying for new registration, can opt for e-KYC authentication of their Aadhar number. The authentication process is optional and not mandatory.

Time Limit for grant of deemed GST registration (automatic registration)

S. No.	Category	Time of grant of registration
1	On Successful Authentication of Aadhar	Deemed approval in 3 days
2	On not opting for Authentication of Aadhar or failure of Aadhar Authentication and no SCN is issued by officer	Deemed approval in 21 days

Facility to check Bill of Entry (BOE) Info with GST paid on Import of Goods in Form GSTR 2A

Recently GSTN has enable the facility to check details of BOE populated in Form GSTR 2A for Import of Goods from

Overseas on BOE and Import of Goods from SEZ Units/ SEZ Developers on BOE.

Steps to access BOE details in GSTR 2A

- Login to GST Portal
- Select return dashboard
- Select return period- GSTR 2A
- Select Part D - Import of Goods from Overseas/ SEZ unit or Developer on BOE
- Earlier BOE details can be viewed only from ICEGATE portal but now it is integrated with GST Portal.

Option of negative figure in table 3 of GSTR-3B

The GSTN has enabled the option to mention the negative figure in table 3 of GSTR-3B. This will help the taxpayers and ease the compliances.

Interest on GST on Net Tax Liability w.e.f. 01.09.2020

CBIC has issued **Notification No 63/2020 – Central Tax dated 25th August, 2020**, where they notified that the interest on delay payment of GST to be charged on net cash tax liability i.e after taking into account the admissible Input Tax Credit with effect from 1st day of September, 2020 prospectively.

Thus interest liability after 01.09.2020 will be paid on Net GST Tax Liability instead Gross GST Tax Liability.

Reduction/Waive off in late fees for past returns

Late fees for non-furnishing form GSTR-

3B for the tax period from July 2017-January 2020 has been reduced /waived as under:-

- ‘Nil’ late fees if there is no tax liability;
- Maximum late fees capped at **INR 500/- per return** if there is any tax liability.

Note:- The reduced rate of late fees would apply for all the GSTR-3B returns furnished between **1st July 2020 and 30th September 2020**.

GST Refund period can be spread over two financial years

- a) The Delhi High Court has stayed the Paragraph 8 of **Circular No. 125/44/2019-GST** dated **18.11.2019** which stated that refund period can't be spread across two financial years and to be filed in chronological order.
- b) Thus a single refund application can be filed by the taxpayer even if the return period is spread over two financial years.
- c) **Giving effect to this modification, GSTN portal has now enabled option to file GST Refund application across multiple financial years.**

d) Illustration –

S. No.	Period of refund	Financial Year for refund	Filing of refund prior to enhancement	Filing of refund post enabling the enhancement
1	January 2020 to June 2020	2019-20 and 2020-21	More than 2 refund applications to be filed (minimum one each for period Jan 2020 to March 2020 and for April 2020 to June 2020).	Single refund application can be filed for January 2020 to June 2020.

Compliance date under GST regime - September 2020

- Last chance to rectify the mistake made in FY 2019-20**

It should be noted that the return for September 2020 is the last chance to amend or rectify mistakes done, or things omitted in GSTR-1 or GSTR 3B of the FY 19-20. (like B2C shown as B2B, or wrong GSTIN uploaded, invoices omitted to be uploaded etc.)

Therefore, the taxpayers should reconcile their books of accounts and returns uploaded and adjust their differences in GSTR-1 or GSTR-3B of September 2020.

Furthermore, the taxpayer may reconcile their Input tax credit as reflected in GSTR 2A with GSTR 3B filed by them and may follow up with his supplier for the invoices not uploaded by them as the same is not auto populated in GSTR 2A.

- Other due dates**

	Turnover Upto 5 Crore	
Month	(Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Pondicherry, Andaman and Nicobar Islands and Lakshadweep)	(Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi)
May 2020*	12.09.20	15.09.20

Indirect Taxation

June 2020*	23.09.20	25.09.20
July 2020*	27.09.20	29.09.20
August 2020	01.10.20	03.10.20
Interest	<ul style="list-style-type: none"> • Nil-Till extended due date (as mentioned above) • 9%-After extended due date to 30.09.20 • 18%-Thereafter 	

**These extended dates are only for the purpose of relaxation of late fees. If returns are not filed up to extended due dates but filed on or before 30th September, 2020 then the late fees will be levied INR 500 per return, if tax liability is there.*

Return	Period	Due date
GSTR-1 Monthly Taxpayers (Turnover more than INR 1.5 crore)	August 2020	11.09.20
GSTR-1 Quarterly Taxpayers (Turnover upto INR 1.5 crore)	July-September 2020	31.10.20
GSTR-3B (Turnover more than INR 5 crore)	August 2020	20.09.20
GSTR-6(ISD)	March 2020 to July 2020 (Monthly)	13.09.20
GSTR-9 (Annual Return)	FY 2018-19	30.09.20
GSTR-9A (Composition Annual Return)	FY 2018-19	30.09.20
GSTR-9C (GST Audit)	FY 2018-19	30.09.20

Regulatory & Secretarial Compliance



SEBI releases consultation paper on format for Business Responsibility and Sustainability Reporting

A Committee constituted by the Ministry of Corporate Affairs (MCA) has recommended adoption of a new format for Business Responsibility and Sustainability Reporting. SEBI has released this format for public comments and has proposed that the new format would be applicable to the top 1000 listed entities by market capitalization on a voluntary basis for FY 2020-21 and mandatorily from FY 2021-22.

SEBI releases consultation paper on recalibration of threshold for Minimum Public Shareholding Norms in Corporate Insolvency Restructuring Process (CIRP) cases

The SEBI consultation paper on recalibration of minimum public shareholding (MPS) norms in CIRP cases provides following proposals:

Option 1- Post CIRP companies may be mandated to achieve at least 10% public shareholding within 6 months and 25% within 3 years from date of breach of MPS norm.

Option 2 – Post CIRP companies may be mandated to have at least 5% public shareholding at the time of relisting.

Option 3 – Post CIRP companies may be mandated to have at least 10% public shareholding at the time of relisting.

Lock-in requirements on preferential issue of

shares to incoming investor under the resolution plan may be removed only to extent to enable achieve the MPS compliance requirements. Also, list of details for standardized reporting framework pursuant to approval of resolution plan has been provided.

SEBI has mandated Depositories and DPs to preserve records for a minimum period of 8 years

SEBI has issued corrigendum in order to align the provisions of the D&P Regulations, 2018 with that of Master Circular for Depositories whereby it has clarified that depositories and depository participants are required to preserve records and documents for a minimum period of 8 years.

SEBI circular on compliant management

SEBI has issued a circular on 'Investor grievances redressal mechanism' defining the process of complaint management by listed companies and stock exchanges. Stock exchanges shall levy a fine of INR 1,000 per day per complaint on the listed entity for failure to redress investor complaints within stipulated time. The depositories can even freeze the entire shareholding of promoters in case of non-compliance.

SEBI extends temporary relaxation pertaining to FPIs in certain cases

Regulatory and Secretarial Compliance

SEBI has extended the relaxation in processing of documents pertaining to Foreign Portfolio Investors (FPIs) in case of entities located in jurisdictions which are still under lock down till the time such lockdown is lifted.

Power of Attorney (POA) optional for opening demat account

SEBI has stated that POA is optional for opening of client account by stock brokers or DPs. Further, no stock broker or DP shall refuse services to client merely because client refuses to sign POA in their favour.

Extension of timeline for implementation of grievance resolution between listed entities and proxy advisors

SEBI had recently declared procedure and guidelines for resolution of grievances of listed entities against SEBI registered proxy advisors which were to be implemented from 1 September 2020. SEBI has now extended the implementation to 1 January 2021.

RBI announces liquidity operations

RBI has announced that it will conduct liquidity operations worth ₹ 20,000 crore in two tranches through sale and purchase of government securities (G-Secs). The

two open market operations of INR 10,000 crore each will be conducted on September 10 and 17. RBI also stated that it would infuse INR 1 lakh crore in mid-September through long-term repo operations (LTROs) at floating rates, or the prevailing repo rate.

RBI eases norms for export and import of currency

RBI has notified Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations 2020 wherein the RBI's powers has been extended to allow any person to take or send out of India to any country or bring into India from any country currency notes of government of India subject to terms and conditions.

RBI draft guidelines for digital payments self-regulatory organization

RBI released draft guidelines inviting public comments on or the proposed Self-Regulatory Organization (SRO) responsible for setting and enforcing internal rules for the participants in India's digital payment ecosystem. The SRO will be set up under Companies Act as a not for profit body and shall set a code of conduct to be followed by the members. The SRO will be expected to act as a two-way communication channel between the payments industry and the central bank. It shall also be responsible for maintaining benchmarks and standards for proper functioning among member entities

New regulatory regime for e-commerce

The government has notified Consumer Protection (E-commerce) Rules, 2020 under the Consumer Protection Act, 2019. The Central Consumer Protection Authority has been vested with powers to levy penalty in case of those found violating consumer rights.

Regulatory and Secretarial Compliance

Public procurement restricted from entities from China and Pakistan

The DPIIT has notified a format for potential bidders from China and Pakistan to bid for public procurement in India. The bidders having beneficial ownership of up to 10% in these bordering countries will be eligible to bid in public procurement in India, only if they are registered with the department for the promotion of industry and internal trade (DPIIT). They are also required to submit application for “security clearance” in the format specified by the DPIIT.

Railways changes freight policy to boost economy

Railway has introduced incentives to boost economy and encourage suppliers to transport their goods through railways. The incentives include measures such as – 50% concession in terminal access charges for covered wagons, alternate goods shed policy, concession of 40% for loading in open wagons covered in tarpaulin.

New EV policy announced in New Delhi

Delhi Electric Vehicle Policy, 2020 has been announced in New Delhi to speed up the adoption of Electric Vehicles (EVs) in the category of two-wheelers, public and shared transport vehicles, and goods carriers. The policy is for a period of 3 years and proposes financial incentives, tax, and fee waivers, charging and swapping infrastructure establishment, job creation, battery cycling ecosystem, and the creation of a non-lapsable ‘State EV Fund.’ The policy also seeks to encourage setting up private charging points at residential and non-residential premises.

Gujarat reveals new industrial policy

In order to attract companies looking to shift base from China and other countries, the Gujarat Government has announced a slew of measures to provide subsidies amounting to INR 40,000 crores under the new industrial policy. These incentives include delinking incentives from SGST, financial support based on fixed capital investment to large industries, support to MSMEs (interest subsidy, capital subsidy etc), support to start ups and support to private developers for setting up industrial parks.

Single e-compliance window expected

The government is looking to develop a single online compliance framework to enable companies to comply with different regulatory requirements at one go and reduce compliance burden. MCA has initiated discussions with various regulators in this regard such as RBI, SEBI & DPIIT for creating a single platform or compliance forms with common data sources.

Extension of AGM by filing form

MCA issued directions to ROC to extend the time of holding AGM by companies without the filing of formal application .i.e. Form GNL-1 and payment of the fee. The MCA also directed the ROC to provide an extension to companies for another three months to conduct AGM i.e. till 31 December 2020. The MCA directions also cover extension of time to the companies who have already filed the applications, i.e. Form GNL-1 to the ROC but not approved or rejected.

Extract of annual return need not be attached in board report

Regulatory and Secretarial Compliance

The MCA has notified that companies shall not be required to attach the extract of annual report in Form MGT-9 with board report in case web link of such return has been disclosed in the board report.

Amendment relating to CSR

The MCA has amended Schedule VII of the Companies Act, 2013 to include more entities engaged in R&D for finding vaccines, medicines and medical equipments to combat the Covid-19 pandemic, to whom contributions will be treated as CSR activities under the Companies Act, 2013 for three financial years starting from 2020-21.

DPIIT prepares blue print for making India an auto component, AC manufacturing hub

DPIIT has proposed long term and short term measures to turn India into a manufacturing hub for auto components and air conditioning under the Atmanirbhar Bharat campaign.

Karnataka amends its industrial policy to boost investment across all sectors

Under the amended act, the small, medium and large -scale industries can commence manufacturing without waiting for any approvals/ clearances from different government agencies for the first three years or till commencement of commercial operation, whichever is earlier. These permissions include getting approval from multiple state laws, including building plan approval and trade license, measures that will save a lot of time and cost for the industries.

Maharashtra facilitates ease of doing business to attract foreign investors

Following the Magnetic Maharashtra 1.0 scheme, the Maharashtra Government has recently announced two major reforms as part of Magnetic Maharashtra 2.0 – (a) MahaParwana (single permission) and (b) Zero Parwana (Zero permission) in order to reduce the time spent in regulatory procedures

Andhra Pradesh unveils new industrial policy

The Andhra Pradesh government unveiled the Industrial Development Policy 2020-23. The government has announced a new multi-faceted capability centre setup in the state which will offer ten key services including entrepreneurship facilitation, sales support and MSME revitalisation in order to handhold and support investors in every aspect of business. Some of the features of the new industrial policy includes proposes interventions across infrastructure, ease of doing business, skill development, business enablement and fiscal incentives.

Rajasthan government announces a one stop shop scheme for fast track investments

A “one-stop shop” scheme approved in Rajasthan is set to fast-track investments and help revive industries in the midst of the pandemic by giving as many as 98 types of clearances under one roof to the potential investors through the Bureau of Investment Promotion (BIP).

The new scheme will expedite all the processes for investment proposals above ₹10 crore

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