

NEWSLETTER

November 2020

Bhatia & Bhatia
Chartered Accountants



Covered in this edition:

- Extension of the due date for furnishing of IT Returns and Audit report
- Beneficial Dividend tax rates specified in tax treaties to prevail over DDT
- Equalisation Levy (Amendment) Rules, 2020 notified
- Mandatory for foreign companies operating e-commerce platforms in India to have PAN
- Manner of furnishing GST return or details of outward supplies by short messaging facility
- Government releases consolidated FDI policy document
- UAE to provide incentives to Indian healthcare firms
- Taiwan eyes doubling investments in Tamil Nadu
- Tesla & Lamborghini planning to invest in India

Key Dates:

- Deposit of Tax deducted/collected for October is 7th November
- Depositing for equalisation levy for the month of October is 7th November
- GSTR-1(Turnover more than 1.5 Crore) for October month is 11th November
- Date of GSTR-3B for October month is 20th November
- Date for payment of Provident Fund & ESI contribution for the month of October is 15th November



Index

I. Message from key Management	03
II. Income Tax	04
III. International Taxation & Transfer Pricing	07
IV. Indirect Tax	10
V. Secretarial, Regulatory & Business Updates	12



Message from Key Management



CA Ravinder Bhatia

“Last few months have been really challenging because of COVID-19.

The Economy World Wide is at low level and the second peak of Corona is showing up its face in various parts of the World.

Though Indian Economy has started showing signs of improvement as per Data released by the Govt. on Trade and GST Collections.

We, therefore, suggest that all of you should Stay Safe, Healthy and Happy and take utmost precautions in your daily life. The festival season is on in India and we wish everyone a Very Happy and a Safe Diwali and Pray that coming times bring in better results in Economy, Health and Relationships.

Stay Safe and Enjoy the Festive Season.”



CA R K Gupta

“Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven’t found it yet, keep looking. Don’t settle. As with all matters of the heart, you’ll know when you find it.”

Income Tax



Extension of the due date for furnishing of IT Returns and Audit report

In view of the difficulties being faced by taxpayers in meeting statutory obligations on account of the COVID-19 pandemic, the Government has further extended timelines for filing of returns and audit reports via press release dated October 24, 2020.

Tax Audit due dates:

The due date for furnishing of various audit reports under the Act including tax audit report and report in respect of international/specified domestic transaction has been extended to December 31, 2020.



S.No.	Category of Taxpayers	Due date
1.	Taxpayers (including their partners) who are required to get their accounts audited	January 31, 2021
2.	Taxpayers who are required to furnish a report in respect of international/specified domestic transactions	January 31, 2021
3.	Other Taxpayers	December 31, 2020



Case Laws:

STT deducted but not paid couldn't be allowed as deduction by virtue of section 43B (Magadh Stock Exchange Association v. CIT – High Court of Patna (Civil Writ Jurisdiction Case No.12043 of 2011))

The tax authorities disallowed amount deducted as Security Transaction Tax (STT) as it was neither deposited with authorities nor was same paid back/returned to person from whom it stood deducted.

The taxpayer contended that it was following mercantile system of accounting and hence, was not supposed to deposit or pay back for getting the deduction.

In this regard, HC reiterated the Supreme Court (SC) case law of Allied Motors (P.) Ltd. v. CIT [1997] 91 Taxman 205/224 ITR 677, wherein SC observed that Section 43B was inserted to stop some mischief. SC further elaborated that some tax payers do not discharge their statutory liability such as in respect of excise duty, employer's contribution to provident fund, Employees' State Insurance Scheme, etc. for long period of time, extending sometimes to several years.

Therefore, the Section 43B is to curb such practice.

In the current case, HC in line with the said judgment concluded that petitioner had not deposited the amount deducted as STT with the authorities and therefore shall not be eligible to the taxpayer.



Deduction under section 57(iii) on interest paid on loans taken by it from its relatives (Rajendra Kumar Jain v. Income Tax Officer, Non-Corporate Ward, 2(3), Chennai – High Court of Madras (Tax Case Appeal No. 744 of 2019 dated Oct 05, 2020))

The taxpayer raised substantial questions of law:

- i) Whether the interest expense of the assessee on money borrowed be disallowed under section 57(iii) of the Income-tax Act, 1961 merely because of the AO's claim that the assessee is financially sound?
- ii) Whether, interest expense claimed under section 57(iii), not being a capital expense and having corresponding income offered under the income from other sources, be disallowed by the AO on the ground of commercial expediency of loans obtained by the taxpayer?



Ruling by the court

Where taxpayer claimed deduction under section 57(iii) on interest paid on loans taken by it from its relatives and taxpayer had specifically stated that loans were availed through proper banking channels and interest amounts were paid to lenders, who had disclosed same in their respective return of income and tax was remitted by them on interest income, revenue was unjustified in disallowing taxpayer's claim for deduction under section 57(iii) in respect of interest paid and, thus, matter was to be remanded to the Assessing Officer for a fresh consideration.



Can AO change method of valuation under rule 11UA (Valencia Nutrition Ltd. v. Deputy Commissioner of Income Tax - IT Appeal Nos.473 & 474 of 2020 (Bangalore - Trib.))

Brief facts of the case

The taxpayer had issued shares at a share premium, but AO took view that share valuation under DCF method had been carried out on basis of projections and estimations given by management and that value of share should be based on 'net Asset Method' mentioned in rule 11UA.

Accordingly, AO worked out value of shares under Net Asset Method and assessed excess share premium as income of assessee under head 'income from other sources' under section 56(2)(viib).

Ruling of the Tribunal

AO can scrutinize the valuation report and can determine a fresh valuation either by himself or by calling a determination from an independent valuer to confront the taxpayer but he cannot change the method of valuation which has been opted by the taxpayer.

For scrutinizing the valuation report, the facts and data available on the date of valuation only has to be considered and actual result of future cannot be a basis to decide about reliability of the projections.

The primary onus to prove the correctness of the valuation report is on the taxpayer as he has special knowledge and he is privy to the facts of the company and only he has opted for this method. Hence, he has to satisfy about the correctness of the projections, discounting factor and terminal value etc. with the help of empirical data or industry norm if any regarding DCF method of valuation.

The Tribunal held that since AO had proceeded to determine value of shares by adopting different method without scrutinizing valuation report furnished by assessee under DCF method, matter be remanded to file of AO with direction to examine said issue afresh.

International Taxation & Transfer pricing

Equalisation Levy (Amendment) Rules, 2020

- The CBDT vide its notification dated 28th October 2020 has published the Equalisation levy (Amendment) Rules, 2020.
- A new term “electronic verification code” has been inserted through this amendment, which means a code generated for the purpose of electronic verification of the person furnishing the statement of specified services as per data structure and standards laid down by the Principal Director- General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be.
- Rule 4 related to payment of equalisation levy is amended to include an e-commerce operator in addition to the assessee.
- The words ‘or e-commerce supply or services’ have been added after the words ‘specified services’ in the Rule No. 5 and Rule No. 6.
- The amendment said that the statement is required to be furnished under sub-section (1) or sub-section (2) of section 167 of the Act shall be in Form No. 1, duly verified in the manner indicated therein, and may be furnished by the assessee or e-commerce operator, as the case may be, electronically under digital signature; or electronically through electronic verification code.
- Further, provision to furnish a revised statement in Form No. 1 is incorporated.
- The amendment further notified Form No. 2 in respect of the appeal to the Commissioner of Income-tax (Appeals) Designation of the Commissioner (Appeals).
- The government notified Form No. 3 in respect of Form of Appeal to the Appellate Tribunal.



“A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well.”

--Jeff Bezos

Mandatory for foreign companies operating e-commerce platforms in India to have PAN

Foreign companies operating e-commerce platforms in India or having access to Indian market will be mandated to have permanent account number (PAN) for paying equalization levy.

The change has been notified by the Central Board of Direct Taxes (CBDT) as it amended the equalization levy rules of 2016 to include e-commerce operators as those required to pay the equalisation levy, and for various procedural, regulatory compliances related to filing of the levy's returns besides issue of notice of demand and filing of appeals.

Case Laws:

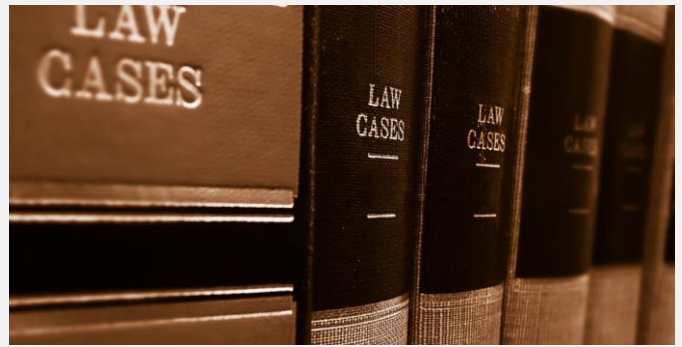
Distribution revenue derived by US Broadcasting Company not to be considered as royalty

Turner Broadcasting System Asia Pacific Inc. [ITA No. 1343/Del/2014]

The taxpayer derived advertisement and distribution revenue from grant of exclusive rights to its Indian subsidiary. Basis the MAP proceedings, the taxpayer has consistently offered 10% of the Indian sourced revenue as business income. The AO contended that the distribution revenue be treated as 'Royalty' as per section 9(1)(vi) and also as per India-USA tax treaty.

The Tribunal held that the taxpayer only granted commercial rights and the Indian company had no rights to copy, modify or alter the product as per the agreement and the sole ownership of the product lied with the taxpayer.

Further, Tribunal also held that taxpayer has already offered income as business income in terms of the MAP and the same had been accepted by the department in earlier years. AO cannot take a different view without there being a material change in the facts and circumstances in the agreement.



Beneficial Dividend tax rates specified in tax treaties to prevail over DDT

Giesecke&Devrient [India] Pvt. Ltd. [ITA No. 7075/DEL/2017]

The Tribunal after considering the interplay between Indo-German tax treaty and Income Tax Act stated that DDT paid by Indian companies on dividend distributed to non-resident shareholders should be restricted to the tax rate specified in the respective tax treaties. Finally, the Tribunal restored the matter back to the AO for factual verification of beneficial ownership of dividends, existence of PE, etc.





आयकर अपीलीय अधिकरण INCOME TAX APPELLATE TRIBUNAL

Tribunal directs de-novo assessment; rejects CIT(A)'s decision to refuse admission of 'material' additional evidence

Global One India Private Limited [ITA No. 5165/Del/2016]

The Tribunal rejected CIT(A)'s decision to refuse admission of additional evidence in the form of audited financial statements without appreciating that the same constitutes material evidence necessary to examine the claim of the taxpayer.

On factual matrix, the Tribunal inferred that the failure to submit the audited accounts and audit report during the course of assessment proceedings was entirely out of control of the taxpayer. The Tribunal also noted that there is no prohibition for admitting the additional evidence at the appellate stage, though, the same may pertain to a period after completion of the assessment proceedings and the only condition is that the Revenue should not be prejudiced and that the AO should be given a reasonable opportunity to rebut the additional evidence.

Further, the Tribunal held that in the interest of substantial justice, the AO should de-novo make the assessment after duly considering the audited financial statements and audit report of the assessee and after giving proper opportunity to the assessee to present its case.

Outstanding Receivables are a separate international transaction

Bharti Airtel Limited [ITA No. 161/Del/2017]

The Tribunal rejecting the taxpayer's claim had shed light on the agreement, wherein it is clearly stated that the amount of payment is to be made by the associate enterprise (AE) within 15 days. It further states that the agreement clause clearly shows that if the payment is beyond 15 days, it does not include the cost of service for withholding the payment beyond 15 days by the associated enterprises. This shows that in the service cost, the cost of outstanding which remains overdue is not factored. Therefore, the Tribunal concluded that the outstanding debtors beyond an agreed period is a separate international transaction of providing funds to its AE for which the assessee must have been compensated in the form of interest at LIBOR + 300 basis points as held by CIT (A).

"Most people don't listen with the intent to understand, they listen with the intent to reply"

--Stephen Covey



Indirect Tax

Manner of furnishing return or details of outward supplies by short messaging facility

A registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B or a Nil details of outward supplies under section 37 in FORM GSTR-1 or a Nil statement in FORM GST CMP-08 for a tax period, any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies or statement through a short messaging service using the registered mobile number and the said return or the details of outward supplies or statement shall be verified by a registered mobile number based One Time Password facility.

Explanation. - A nil return or nil details of outward supplies or nil statement shall mean a return under section 39 or details of outward supplies under section 37 or statement under rule 62, for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B or FORM GSTR-1 or FORM GST CMP-08, as the case may be.”



Turnover upto 5 Crores

Return & Period	(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)
GSTR 3B for the month of October, 2020	22.11.2020	24.11.2020

Requirement to notify Harmonised System of Nomenclature Code (HSN Code) on tax invoices:

Serial No.	Aggregate annual turnover in the preceding financial year	Number of Digits of HSN Code
1)	Upto rupees Five Crores	4
2)	More than rupees Five Crores	6

Provided that a registered person having aggregate turnover up to five Crores rupees in the previous financial year may not mention the number of digits of HSN Code, as specified in the corresponding entry in column (3) of the said Table in a tax invoice issued by him under the said rules in respect of supplies made to unregistered persons

Due Dates:

Return	Period	Due dates
GSTR-1 Monthly Taxpayers (Turnover more than INR 1.5 Crore)	October 2020	11.11.2020
GSTR-1 Quarterly Taxpayers (Turnover upto INR 1.5 Crore)	October - December 2020	13.01.2021
	January – March 2021	13.04.2021
GSTR-3B (Turnover more than 5 Crore)	September 2020	20.11.2020
GSTR-9 (Annual return)	FY 2018-19	31.12.2020
GSTR-9A (Composition annual return)	FY 2018-19	31.12.2020
GSTR-9C	FY 2018-19	31.12.2020

Secretarial, Regulatory & Business Updates

Government planning incentives worth \$23 billion to boost manufacturing

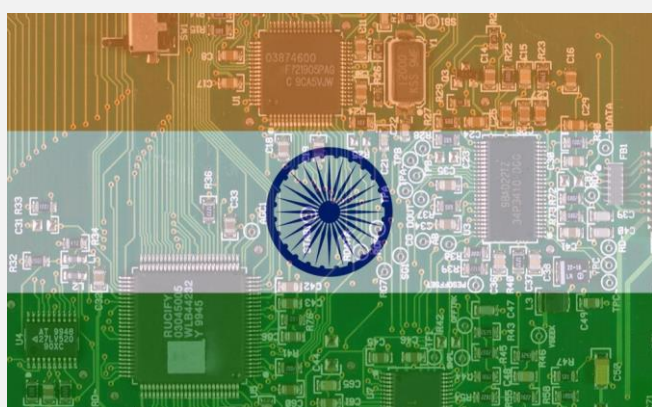
Government is expected to extend production-linked incentives to automobile manufacturers, solar panel makers, specialty steel to consumer appliance companies, textile units, food processing plants and specialized pharmaceutical product makers.

The government is also planning to introduce a phased manufacturing program for other sectors to allow companies to gradually increase local value-addition. The program, currently in vogue for components and accessories used for mobile phones, is proposed to be extended for furniture, plastics, toys and low-value consumer durables. Most of these items are currently imported from China.



India Shortlists 16 Firms for Incentives to Boost Electronics Manufacturing

India shortlisted 16 domestic and global electronics makers under a \$6.6-billion stimulus programme to boost manufacturing in Asia's third-largest economy. Domestic firms include contract manufacturers Dixon Technologies Ltd. and OptimusInfracom Ltd., and phone makers Lava International Ltd. and Micromax Informatics. Samsung Electronics Co., Rising Star and contract suppliers to Apple Inc.—Foxconn Technology Group and Wistron Corp.—are among the international firms that have made the cut for the production-linked incentives. Incentives will be provided in each of the next five years for manufacturers opting for the scheme. India expects production worth Rs 10.5 lakh Crore and exports amounting to Rs 6.5 lakh Crore over five years by domestic and global companies. Domestic value addition is expected to grow from 15-20% at present to 35-40% in the case of mobile phones and 45-50% for electronic components.



Incentives for Government Employees, Interest-free 50-year Loans for States

Union Finance Minister Nirmala Sitharaman announced an array of incentives for government employees in order to boost consumer spending in the country. These incentives include:

- LTC Cash Voucher - government employees can opt to receive cash amounting to leave encashment plus 3 times ticket fare, to buy items which attract GST of 12% or more. Only digital transactions will be allowed and GST invoice to be produced,
- Special Festival Advance Scheme - Interest-free advance of Rs 10,000 would be given as one-time measure and employees would be allowed to pay it back in 10 instalments.
- Scheme to boost the capital expenditure of the states - Government would offer interest-free 50-year loans to states to the tune of Rs 12,000 crore.

INCENTIVES

Government Reports Highest Ever FDI Collections at \$35.73 Billion Between April-August 2020

In the time period of April to August 2020, India has received the highest ever Foreign Direct Investment (FDI) for the first five months of a financial year on account of FDI policy reforms, investment facilitation, and ease of doing business.

The total FDI was calculated to be around \$ 35.73 billion, collected in just the first five months. The amount stands 13 percent higher than the last fiscal figure taken around the same time.

Government releases consolidated FDI policy document

The Commerce and Industry Ministry has released the next edition of its consolidated FDI policy document. The new policy has come into effect from October 15, 2020. The consolidated policy is a compilation of various decisions taken by the government with regard to FDI in different sectors.



“Business opportunities are like buses, there’s always another one coming”

--Richard Branson

Loan moratorium: Finance ministry issues guidelines to implement interest waiver

The Centre approved the scheme for ‘grant of ex-gratia payment of difference between compound and simple interest to borrowers of specified loan accounts’ from March 1-August 31. The ‘ex-gratia payment’ or the benefit will have to be routed through lending institutions. The lender has to credit the amount to the account of the borrower on or before 5 November, giving relief to borrowers ahead of Diwali. Thereafter, lenders will have to claim reimbursement from the government by December 15. The benefit will be extended for loans availed across eight categories: MSMEs, education, housing, consumer durables, credit card dues, automobile, personal and professional and consumption. The outstanding amount cannot exceed ₹2 crore, and should not be a non-performing asset (NPA) as on February 29, 2020.



Policy for foreign universities to be able to open campuses in India under consideration

The Indian government is pushing to overhaul the South Asian nation’s heavily regulated education sector to woo nearly 750,000 students who spend about \$15 billion each year pursuing degrees overseas. The legislation, which will regulate the operation of foreign universities, is being prepared for approval by the parliament, where the government retains a significant majority.

“There are no secrets to success. It is a result of preparation, hard work, & learning from failure”

--Colin Powell



Maharashtra Government clears proposal to provide special incentives to industries in Raigad, Aurangabad

Maharashtra Government has cleared a proposal to provide special incentives to industries for setting up units at the proposed bulk drugs park in Raigad and medical device manufacturing park in Aurangabad.

This is expected to give a major boost to the medical equipment and pharmaceutical sector in the state. While the bulk drug park is set to come up at a cost of Rs 2,442 crore, the medical device manufacturing park is estimated to cost Rs 424 crore. Special incentives will include a waiver on electricity and stamp duty charges, concession in power tariffs at Rs 1.5 per unit for 10 years and five per cent interest concession to micro, small or medium enterprises (MSMEs), among others. These incentives are expected to be applicable for a period of five years

Maharashtra woos Tesla with ‘VIP treatment’, special incentives

The Maharashtra government is trying to woo Tesla to set up a manufacturing base and an R&D facility in the State. State Industries Minister Subhas Desai and Environment Minister Aditya Thackeray held a video conference with Tesla’s senior management. This comes after Elon Musk, founder of the iconic electric vehicle brand, tweeted that Tesla could enter the Indian market next year. The Karnataka government is also trying to get Tesla set up an R&D centre in the State.



New Land policy in J&K

The government introduced the Union Territory of Jammu and Kashmir Reorganisation (Adaptation of Central Laws) Third Order, enabling a host of new changes to the former state. Under the new arrangements, no domicile or permanent resident certificate is required to purchase non-agricultural land in the UT. Further, the Real Estate (Regulation and Development) Act, 2016 has also been notified, paving way for the acquisition of land in J&K by all Indian citizens.

GreenBase, a Hiranandani Group subsidiary, signs MoU with TN

GreenBase has inked an MoU with the government of TN. The MoU will see GreenBase invest Rs 750 crore to develop an Industrial and logistics park at Vadakkuppattu, Oragadam, and will see multiple direct & indirect job opportunities. The industrial & logistics park at Oragadam envisages development of 2.8 million sq-ft of built-up area for companies seeking to set up manufacturing and logistics units. The TN government will extend support in the form of necessary infrastructural support, regulatory permissions and registrations subject to the applicable laws. It will encourage single-window clearance to expedite the approval process in a seamless manner.



Tata group to set up ₹5,000 crore phone component making unit in Tamil Nadu (TN)

The Tata group is investing ₹5,000 crore to set up a phone component manufacturing plant in TN. Tata Sons company, Tata Electronics, has been allotted 500 acres by TIDCO (Tamil Nadu Industrial Development Corporation) and that group firm Titan Co Ltd's precision engineering division, Titan Engineering and Automation Ltd, will provide the expertise for this project



Telangana rolls out 10-year EV policy, aims to attract \$4bn investments

The Telangana State Government on Friday launched the 'Telangana Electric Vehicle & Energy Storage Policy' with a vision to make the state a hub for electric vehicles (EVs) and energy storage systems (ESS). The policy aims to attract private investments worth USD4 billion in the EV sector and create employment for 120,000 people by 2030 through shared mobility, charging infrastructure development, and manufacturing activities.

Taiwan eyes doubling investments in TN

Taiwan is eyeing to double the investments made by its companies in TN and is looking at generating one million new jobs in the Indian state. The move to further strengthen the ties between the two nations is the Taiwan's new South-bound policy which encourages more of its companies to invest in South India. Taiwan companies have shown keen interest for plug and play facilities, information technology, blockchain and cyber security. Taiwan has more than 20 companies which have invested an estimated USD 1.7 billion in TN

New Andhra Pradesh (AP) industrial policy with incentives for SC/ST announced

The AP government has come up with a new industrial policy (2020-23) that provides a special push to aspiring entrepreneurs, especially among the underprivileged communities, particularly scheduled castes (SC), scheduled tribes (ST). This new industrial policy will provide an added focus on strengthening pre-establishment support, improving market linkages, credit facilities, and economic development with a focus on encouraging increased participation of SC/ST entrepreneurs by providing special incentives to promote the 362 manufacturing and 9,754 service sector activities among the socially disadvantaged communities.



South Korean POSCO to invest in AP

Representatives from South Korean steel giant POSCO met Andhra Pradesh Chief Minister and expressed willingness to invest in the state.

AP might have INR 1750 crore investment by Lamborghini

Lamborghini, the Italian luxury automobile manufacturer is likely to invest INR 1,750 crore in AP to manufacture electric golf carts and a battery swapping unit. The AP government has received a proposal from electric vehicle maker Kinetic Green evincing interest in setting up a manufacturing facility for electric golf carts and a battery swapping unit with an investment of Rs 1,750 crore in AP.



Uttar Pradesh (UP) Government developing ecosystem for setting up 10,000 start-ups

The UP government is working on enabling ecosystem for setting up 10,000 start-ups across different sectors in the state. Under the new UP Startup Policy 2020, the government is targeting to set up 10,000 start-ups and 100 incubators, including the country's largest incubator in Lucknow, spanning all the 75 districts of the state. Further, 18 incubators have already become operational.

At present, 2,850 start-ups are functional in UP and their number is fast expanding.



UAE to provide incentives to Indian healthcare firms

UAE to provide incentives to Indian healthcare firms with strong R&D facilities. The UAE-India Healthcare Conference 2020, which was organised on October 19, 2020 jointly by Embassy of India, Abu Dhabi, and Consulate General of India, Dubai, FICCI and Invest India, helped explore ways to promote collaboration and partnerships in healthcare, pharmaceuticals, medical devices and alternative medicines.

Considering the close collaboration between the two countries during Covid times and stated that the UAE side had shown a strong desire for setting up manufacturing facilities for vaccines and generic medicines by Indian companies having strong R&D facilities. The UAE government will provide incentives, including financial contributions, and will also make efforts to create a full ecosystem to support such healthcare manufacturing companies from India.

The conference also had three separate sessions focusing on the UAE India Partnership in Healthcare Delivery, Pharma & Medical Devices and Ayush in which renowned doctors, entrepreneurs and regulatory authorities made their presentation and discussed ways and means to further boost bilateral cooperation in the respective fields.



India – US dialogue

Government of India announced the signing of the Basic Exchange and Cooperation Agreement on geospatial cooperation (BECA) with the U.S. Apart from BECA, India and the U.S. also sealed an MoU on Technical Cooperation in Earth Observations and Earth Sciences, and an agreement to extend duration of the MoU regarding the Global Center for Nuclear Energy Partnership. The two sides also signed an agreement on electronic exchange of customs data and a letter of intent regarding cooperation in traditional Indian medicines.





India - Netherlands Collaborate For E-Health Initiative

India and the Netherlands unveiled plans for a joint thrust in the e-health sector, with the aim of providing digital health facilities and security to every Indian. This cooperative initiative will see the two countries work closely to create capacities and put in place the requisite technology backbone to enable this revolutionary initiative.

India – United Kingdom (UK) ink pacts on infrastructure, financial services and sustainable finance

India and UK signed agreements on financial services, infrastructure and sustainable finance at the 10th Economic and Financial Dialogue (EFD) between the two countries. The agreements will help boost jobs and investments in both countries while building economic ties. UK has entered into a strategic partnership to develop India’s fledgling international financial services centre GIFT City, and agreed to set up a new Fund of Funds to be managed by the State Bank of India group in order to route U.K.’s future capital investments into India.



India – Japan cooperation

India approved the text of the proposed India-Japan memorandum of cooperation (MoC) in Information and Communication Technologies (ICT). The MoC will pave the way for cooperation between the two countries in various fields like the rollout of 5G network, telecom security, submarine cable, standard certification of communication equipment, utilisation of the latest wireless technologies, capacity building, public protection and disaster relief, Artificial Intelligence, BlockChain, Spectrum Chain and Spectrum Management. The pact is likely to be inked when Modi and the new Japanese Prime Minister Yoshihide Suga will hold the next annual bilateral summit. India and Japan also recently signed the pact on cybersecurity cooperation.



Highlights of Companies (Amendment) Act 2020

- As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs (MCA) has integrated with Profession Tax – Karnataka. SPICe+ applications approved for the State of Karnataka w.e.f 8th October 2020 shall mandatorily provide Profession Tax Registration also.
- Companies Fresh Start Scheme, LLP Settlement Scheme and Charge related filings under the Companies Act, 2013 has been extended till 31st December 2020
- Time limit for creation of deposit repayment reserve u/s 73(2)(c) and to invest or deposit 15% of amount of debentures under rule 18 of Companies (Share capital and debentures) rules 2014 extended to 31st December 2020
- Companies allowed to continue to conduct EGMs through VCs or transact items through postal ballot upto 31st December 2020.



Improved Performance: Ease of Doing Business



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