

Newsletter

Bhatia & Bhatia Chartered Accountants



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Dear Readers,

Hope you and your dear ones are doing well in these turbulent times.

We are excited and happy to share with you that our firm, Bhatia & Bhatia (BnB) is celebrating 40 years of excellence as a professional chartered accounting firm.

BnB was founded in 1981 with the mission of rendering highest standard services to clients, upholding code of conduct and ethics of the profession. These values have helped us grow into an 85 plus person firm it is today with 5 branch offices across major cities in India. We have always firmly believe in providing holistic workable solutions to our clients and have therefore extended our presence across 25 countries through our network partners and affiliates.

Beginning 2020, the Covid-19 pandemic has struck globally bringing along with it many severe challenges to businesses and economies. Businesses have been forced to downsize their employees and carry on their operations remotely. At BnB, we are glad that we were able to make a seamless transition to a remote working model without any disruption in our services to our clients.

In the long journey that the firm has successfully made, clients and employees have been an essential part. We, as a firm, take this opportunity to thank all our clients for their faith, belief and trust in us. We are deeply humbled by your support as we grow with your growth. This milestone would not have been possible without the continuous support and commitment of our clients and employees who are the two cornerstones of our practice.

At our firm, we have had an incredible assortment of dedicated, diligent and knowledgeable people who have always had the zeal of working together as a team. Even during the Covid-19 pandemic, our staff worked hard and diligently to support our clients to meet deadlines. Our partners take this opportunity to share their sincere thanks to the team for their commitment and support.

As we look forward at the road ahead of us, we expect that client requirements and expectations will continue to evolve. We have and will continue to be there for our clients, every step of their way to shape the future together. We look forward to celebrating more of such anniversaries together with you.

Stay safe and healthy.

By BnB Team



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Key Dates for June 2021:

- TDS payment for May on 7th June.
- TDS Certificate to be furnished by 14th June
- Advance Tax for Q1 of AY 2022-23 by 15th June
- GSTR 1 (Monthly) for May on 26th June.
- TCS deposited for May 2021 on 7th June.
- GSTR 3B (Monthly) for May on 20th June.
- TDS Return for Q4 of FY 2020-21 is now 30th June.



Extension of time limits of certain compliances to provide relief to taxpayers in view of the severe pandemic

The Central Board of Direct Taxes, in exercise of its power under section 119 of the Income-tax Act, 1961 (hereinafter referred to as “the Act”) provides relaxation in respect of following compliances:



S. No.	Particulars	<u>Normal due date as per ITL</u>	<u>Extended due date as per Circular</u>
1	The Statement of Financial Transactions (SFT)	31 st May 2021	30th June 2021
2	The Statement of Reportable Account	31 st May 2021	30th June 2021
3	The Statement of Deduction of Tax	31 st May 2021	30th June 2021
4	The Certificate of Tax Deducted at Source	15 th June 2021	15th July 2021
5	The TDS/TCS Book Adjustment Statement in Form No 24G for the month of May 2021	15 th June 2021	30th June 2021
6	The Statement of Deduction of Tax	31 st May 2021	30th June 2021
7	The Statement of Income paid or credited	15 th June 2021	30th June 2021
8	The Statement of Income paid or credited	30 th June 2021	15th July 2021
9	The due date of furnishing of Return of Income for the Assessment Year 2021-22	31 st July 2021	30th September 2021
10	The due date of furnishing of Report of Audit	30 th September 2021	31st October 2021
11	The due date of furnishing Report from an Accountant	31 st October 2021	30th November 2021
12	The due date of furnishing of Return of Income for the Assessment Year 2021-22	31 st October 2021	30th November 2021
13	The due date of furnishing of Return of Income for the Assessment Year 2021-22	30 th November 2021	31 st December 2021
14	The due date of furnishing of belated/revised Return of Income for the Assessment Year 2021-22	31 st December 2021	31st January 2022

Launch of new e-filing portal of the income tax department - non-availability of e-filing services from 1-6-2021 to 6-6-2021

The Income-tax Department is going to launch its new E-filing portal www.incometax.gov.in on June 7th, 2021. In preparation for this launch and for migration activities, the existing portal of the Department at [www.https://www.incometaxindiaefiling.gov](https://www.incometaxindiaefiling.gov). in would not be available for a brief period of 6 days from 1st June to 6th June 2021.

CASS 2020 – Instruction No. 1

Computer Assisted Scrutiny Selection (CASS) 2020 Cycle for ITRs of A.Y. 2019-20 for the current year has been finalized. The Board has approved the parameters for selection of cases and cases are visible to the Assessing Officers. In the cases pertaining to Faceless Assessment Scheme, notice u/s 143(2) has been issued by the prescribed authority and served by National e-Assessment Centre (NeAC) as per the provisions of Faceless e-assessment scheme.



Sovereign Gold Bond Scheme 2021-22

The Government of India, in consultation with the Reserve Bank of India, has decided to issue Sovereign Gold Bonds. The Sovereign Gold Bonds will be issued in six tranches from May 2021 to September 2021. The Bonds will be sold through Scheduled Commercial banks (except Small Finance Banks and Payment Banks), Stock Holding Corporation of India Limited (SHCIL), designated post offices, and recognized stock exchanges viz., National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Subscription for the Bonds may be made in the prescribed application form and must be accompanied by the 'PAN details' issued by the Income Tax Department to the investor(s). The Receiving Office shall issue an acknowledgment receipt in Form B' to the applicant.

CBDT notifies format, procedure and guidelines for furnishing Statement of Financial Transactions with respect to interest income, dividend income and capital gains for specified reporting entities

The Central Board of Direct Taxes (CBDT) notifying format, procedure and guidelines for submission of Statement of Financial Transactions (SFT) for reporting of (i) capital gains on transfer of mutual funds, (ii) capital gains on transfer of listed securities or units of mutual funds, (iii) dividend income and (iv) interest income, in order to enable pre-filing of tax returns.

CBDT notifies Slump Sale amendment Rules vide Notification No. 68/2021 Dated 24th May, 2021:

The Finance Act, 2021 has amended Section 50B(2) to provide that the FMV of capital assets (being an undertaking or division transferred by way of slump sale) as on the date of transfer shall be calculated in the prescribed manner. Such FMV shall be deemed to be full value of the consideration received or accruing as a result of transfer of such capital asset. Now, the Board has notified Rule 11UAE for computation of FMV.

CBDT issues thresholds for triggering “significant economic presence” in India Vide notification No. 41 dated 3 May 2021

As per SEP provisions, a BC will be constituted in India based on below parameters:-

Revenue-linked condition: Any transaction in respect of any goods, services or property carried out by an NR with any person in India, including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the tax year exceeds the amount as may be prescribed; or

User-linked condition: Systematic and continuous soliciting of its business activities or engaging in interaction with such number of users in India as may be prescribed

For determination of above thresholds, the CBDT invited suggestions from the stakeholders and pursuant thereto, on 3 May 2021, it issued a Notification prescribing the revenue and user thresholds for applicability of SEP provisions as under:

For revenue-linked condition stated in (a) above, a revenue threshold of INR 2 crores (INR 20 million) shall be applicable.

For user-linked condition stated in (b) above, a user threshold of 3 lakhs (0.3 million) shall be applicable.

These thresholds were applicable from 1 April 2022 (i.e. tax year 2021-22 onwards) aligning with the effective date of the new nexus rule.

“Every problem is a gift, without problems we would not grow.”

– Anthony Robbins

Non-Residents having Income from Transfer of Capital Asset referred to Sec. 47(viiab) Exempt from obtaining PAN

As per the new sub rule, the provisions of section 139A shall not apply to a non-resident, being an eligible foreign investor, who has made transaction only in a capital asset referred to in clause (viiab) of section 47 which are listed on a recognised stock exchange located in any International Financial Services Centre and the consideration on transfer of such capital asset is paid or payable in foreign currency, if the following two conditions are fulfilled.

- i. The eligible foreign investor does not earn any income in India, other than the income from transfer of a capital asset referred to in section 47 clause (viiab).
- ii. The eligible foreign investor furnish details and documents to the stockbroker through which the transaction is made namely name, email id, contact number; address in the country or specified territory outside India of which he is a resident; a declaration that he is a resident of a country or specified territory outside India; and Tax Identification Number 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 the non-resident is identified by the Government of that country or the specified territory of which he claims to be a resident.

TDS under section 195 was not applicable on payments made by company to the Federal Aviation Administration, USA (FAA)

[Airport Authority of India vs Income Tax Officer Ward-1(1) 5162/Del/2021 and 5163/Del/2021]

The ITAT noted that FAA had under the agreement, rendered the necessary resources, personal and related services to the AAI. Also that it has assisted AAI by participating in INAT requirements, meeting on ATFM requirements and assisting in development of:

Detailed qualitative requirements for the proposed ATFM capacity;

- I. Detailed ATFM system architecture and specifications; and
- II. Draft ATFM implementation plan. — Review US ATFM capability vis-à-vis India ATFM plan and documentation of qualitative requirement (QR).
Etc.

In view of the above and based on the manner of transacting, agreements, services provided, reimbursement received, the ITAT held that as the "make available" clause contained in Article 12(4)(b) of the India-USA tax treaty had not been satisfied in the facts and circumstances of the present case, therefore, the payment made by the taxpayer could not be regarded as for the purpose of FIS

AAR: Reimbursement of obligatory payments for expatriates, not FTS but salary, Distinguishes Centrica Offshore & Flughafen Zurich, AG

CTBT Pvt. Ltd (A.A.R. No. 1366 of 2012)

The applicant entered into an agreement with its overseas related party for disbursing social security contribution, insurance and relocation expenses payable by applicant to expatriate personnel in their home country which is proposed to be disbursed by its overseas related party and subsequently reimbursed by applicant. Applicant deducted tax at source u/s 192 on the entire amount paid inclusive of reimbursement to its overseas related party as well as u/s 195 on administration fee charged by overseas related party for managing disbursement. AAR observed that there existed an “employer-employee” relationship between expatriate personnel and the Applicant and held that overseas related party was performing a supportive function & merely pays statutory payments on behalf of them in their home countries. AAR factually distinguishes Delhi HC ruling in Centrica India Offshore.

((2014) 364 ITR 336) and ITAT Bangalore ruling in Flughafen Zurich, AG (IT(IT)A No.1525/Bang/2010, 1437 & 1438/Bang/2013 & IT(IT)A No.244/Bang/2015) as in the present case no payments were made outside India except for minimal obligatory payments mandatorily paid to respective accounts. AAR ruled that the social security, insurance, relocation expenses which are in the nature of committed and obligated payments are in the nature of reimbursements and not fee for technical services.



Gains arising on repayment of forex loan is a capital receipt & thus, not taxable

Aditya Balkrishna Shroff (ITA No. 4472/Mum/2019)

The taxpayer extended a personal interest-free loan of USD 2 Lacs (equivalent to INR 9 Million) to his relative. and received INR 11.2 million as the repayment thereof. Revenue held the forex gain of INR 2.2 million arising on such repayment was taxable as income from other sources. ITAT observed that the forex loan was given on capital account and was not given in the course of business of the taxpayer and the accretion of money, in rupee terms, was on account of increase in the value of the US Dollars advanced as a capital transaction, referred to Calcutta ITAT Bench ruling in Shaw Wallace & Co Ltd v/s DCIT [(2001) 71 TTI 478 (Cal)], wherein it was held that capital receipt is outside the scope of ‘income’ chargeable to tax and be taxed as income only, when it is in the nature of a revenue receipt or is specifically brought within ambit of ‘income’ by way of specific provisions of Income Tax Act

HC grants 30 days to taxpayer to file DRP objections & treats erroneously passed final order as draft assessment order

Alcatel Lucent India Ltd (W.P.(C) 4981/2021 & CM APPL. 15268/2021)

Delhi HC observed that there was a violation of the provisions of Income Tax Act. HC had stated that AO was required to pass an order u/s 144C (1), which would have enabled the taxpayer to file, if so aggrieved, its objections with the DRP. Delhi HC disposes the writ petition filed by the taxpayer holding that the assessment order shall be treated as a draft order, taxpayer will have 30 days’ time to file its objection before DRP & notice of demand and the notice for initiation of penalty proceedings shall stand withdrawn.

“Success is not final; failure is not fatal: it is the courage to continue that counts.”

– Winston Churchill



Notification No. 15 /2021 – Central Tax dated 18.05.2021

GST REFUND

- In case of filing of fresh GST refund Application after rectifying the deficiencies in filing of GST Refund, Time period from the date of application of GST Refund (RFD 01) to date of Communication of deficiencies (RFD 03) shall be excluded from 2 years (the time Limit for Filing of the application for GST Refund).
- New Form RFD-01W has to be filed for the application of withdraw of the GST refund.
- Amount of GST Refund shall be credited back to the ledger (Electronic Credit Ledger & Electronic Cash Ledger) from which such debit was made.



“Don't close the book when bad things happen in your life, Just turn the page and begin a new chapter”

43rd Meeting of the GST Council ,New Delhi, 28th May, 2021

1) Recommendation of 43 GST Council Meeting

Exemption from IGST has been given upto 31.08.2021 for the following goods, even if imported on payment basis, for donating to the government or on recommendation of state authority to any relief agency “free of cost “ for free distribution on number of COVID-19 related goods such as:

- Medical Oxygen
- Oxygen Concentrators
- Other oxygen storage and transportation equipment,
- Certain diagnostic markers test kits and
- COVID-19 vaccines etc.
- Amphotericin B

2) Real Estate Relief

There are 2 relief measure herein-

- ITC Availment by land owner promoters on GST charged to them by developer promoters.
- Time of supply for developer promoters - any time before or at the time of issuance of completion certificate.

3) The facility of filing GSTR-3B and GSTR-1/ IFF, using EVC instead of DSC, for companies has been enabled on GST portal for period up to 31.08.2021.

4) For claiming provisional ITC in GSTR 3B only to the extend of 5% eligible credit in GSTR 2B)

Above shall apply cumulatively for the period April , May & June ,2021 and the return in FORM GSTR-3B for the tax period June , 2021 shall be furnished with the cumulative adjustment of input tax credit for the said months.

Key Highlights and Outcomes of 43rd GST Council Meeting



5) where, any time limit for completion or compliance of any action, which falls during the period from the 15th day of April, 2021 to the 29th day of June 2021, the time limit for completion or compliance of such action, shall be extended upto the 30st day of June, 2021, including for the purposes of-

- A completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, authority, commission or tribunal, by whatever name called: or
- filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called

but, such extension of time shall not be applicable for the compliances of the following provisions of the said Act, namely: -

- Chapter IV
- sub-section (3) of section 10, sections 25, 27, 31, 37, 47, 50, 69, 90, 122, 12
- section 39, except sub-section (3), (4) and (5)
- section 68, in so far as e-way bill is concerned; and
- rules made under the provisions specified at clause (a) to (d) above.

6) Measures for trade facilitation:

To provide relief to the taxpayers, late fee for pending returns (July 2017 to April 2021) for non-furnishing FORM GSTR-3B has been reduced / waived as under: -

- late fee capped to a maximum of Rs 500/- (Rs. 250/- each for CGST & SGST) per return for taxpayers, who did not have any tax liability for the said tax periods;
- late fee capped to a maximum of Rs 1000/- (Rs. 500/- each for CGST & SGST) per return for other taxpayers;

The reduced rate of late fee would apply if GSTR-3B returns for these tax periods are furnished between 01.06.2021 to 31.08.2021

7) Services Exempt

- services supplied to an educational institution including anganwadi (which provide pre-school education also), by way of serving of food including mid- day meals under any midday meals scheme, sponsored by Government is exempt from levy of GST irrespective of funding of such supplies from government grants or corporate donations.
- services provided by way of examination including entrance examination, where fee is charged for such examinations, by National Board of Examination (NBE), or similar Central or State Educational Boards, and input services relating thereto are exempt from GST.
- services supplied by Govt. to its undertaking/PSU by way of guaranteeing loans taken by such entity from banks and financial institutions is exempt from GST
- To clarify that GST is payable on annuity payments received as deferred payment for construction of road. Benefit of the exemption is for such annuities which are paid for the service by way of access to a road or a bridge.



8) Certain clarifications/clarificatory amendments have been recommended in relation to GST rates. Major ones are, -

- GST rate of 12% to apply on parts of sprinklers/ drip irrigation systems falling under tariff heading 8424 (nozzle/laterals) to apply even if these goods are sold separately.
- The GST rate on Diethylcarbamazine (DEC) tablets has been recommended for reduction to 5% (from 12%).
- GST on MRO (Maintenance, Repair and Operation)
- GST on MRO services in respect of ships/vessels shall be reduced to 5% (from 18%).
- PoS (place of supply) of B2B supply of MRO Services in respect of ships/ vessels would be location of recipient of service

9) GST AUDIT for F.Y 2020-21 not required : GST Council Meeting

Taxpayer would be able to self -certify the reconciliation statement in FORM GSTR -9C, instead of getting it certified by chartered accountants. This change will apply for Annual Return for FY 2020-21.

The filing of annual return in FORM GSTR-9 / 9A for FY 2020-21 to be optional for taxpayers having aggregate annual turnover upto Rs 2 Crore;

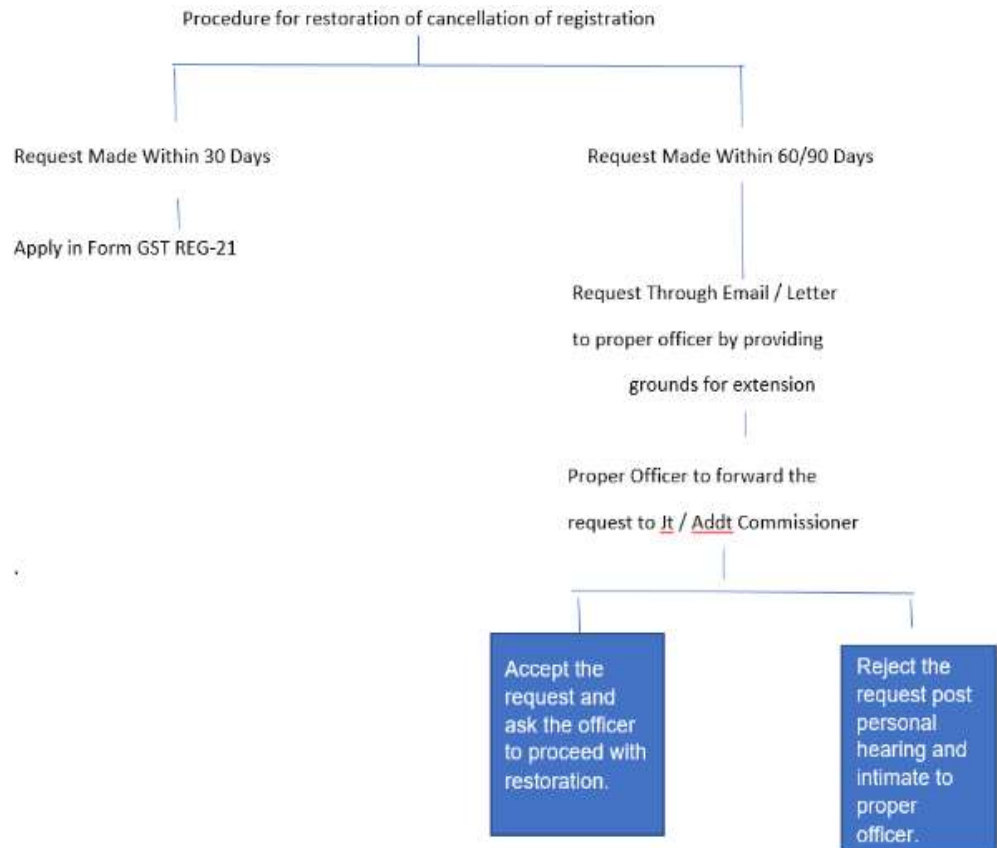
The reconciliation statement in FORM GSTR-9C for the FY 2020-21 will be required to be filed by taxpayers with annual aggregate turnover above Rs 5 Crore.

GST APPLICATION FOR REVOCATION OF CANCELLATION REGISTRATION.

Notification No. 15 /2021 – Central Tax dated 18.05.2021

Circular No. 148/04/2021-GST, New Delhi, dated the 18th May, 2021

- Whose registration is cancelled by the proper officer on his own motion, may apply within thirty day & such period may be extended by Additional Commissioner or the Joint Commissioner, on sufficient cause being shown, and for reasons to be recorded in writing extend such period.
- Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration under section 30 of the CGST Act, 2017 and rule 23 of the CGST Rules, 2017 –As shown in flowchart.





Production linked incentives (PLI) for advanced battery storage production

The government has approved an extension of the national PLI scheme to include advanced battery storage manufacturing. The scheme, with an outlay of INR 18,100 crore (US\$ 2459 million), will incentivize global and domestic companies to build a cumulative 50 GWh of advanced chemistry cell (ACC) and 5 GWh of ‘niche’ ACC production facilities in India. Globally, manufacturers are investing in ACC battery storage technologies at a commercial scale as the demand for such batteries is expected to boom through 2030 due to the robust growth in electric vehicles, advanced electricity grids, rooftop solar, etc. The Scheme is expected to drive a direct investment of around INR 45,000 crore (US\$6114 million) in ACC battery storage manufacturing projects.

PLI scheme announced for solar power sector

The Indian government has announced a new incentive scheme to boost manufacturing in the solar power sector. Through this scheme, the government plans to disburse more than \$600 million in incentives over the next five years. The scheme intends to award incentives to at least three different companies and, therefore, the manufacturing capacity eligible for incentives will be limited to 50% of the bid capacity quoted or 2 gigawatts, whichever is lower.



SEBI pitches for bringing in ‘person in control’ concept

SEBI has proposed doing away with the concept of promoters and moving to ‘person in control.’ It has also suggested reducing the minimum lock-in periods post a public issue for promoters and pre-IPO shareholders in a consultation paper. It said this shift is necessitated by the changing investor landscape in India where concentration of ownership and controlling rights do not vest completely in the hands of the promoters or promoter group because of the emergence of new shareholders such as private equity and institutional investors.

SEBI to empanel auditors for forensic audits of listed companies

SEBI has invited applications from eligible CA firms for empanelment to take up assignments relating to forensic audits of financial statements of listed companies. SEBI has specified that the applicant should have at least 10 years experience in the field of audit or forensic audit and minimum of 10 partners.



Government extends validity of registration certificate of NGO under FCRA

The government has made an announcement regarding the Foreign Contribution Regulation Act for non-profit organizations (NGOs). It has decided to extend the validity of registration certificates for NGOs till September 30, 2021. This validity extension is applicable to NGOs whose registration certificates have expired/expiring during the period between September 29, 2020 and September 30, 2021.

TAX EXEMPTION ON COVID-19 RELIEF MATERIAL



Government issues notification exempting customs duty and / or health cess on imports of Covid 19 related relief materials for a limited period

The Central Government has vide Ad hoc exemption Order number 4/2021 dated 3rd May, 2021 has granted exemption from IGST on import of such goods received free of cost for free distribution for covid relief. This exemption shall apply till 30th June, 2021. It would also covers goods already imported but lying uncleared on the date of its issuance of exemption i.e. May 03. This exemption, shall thus enable import of the covid relief supply imported free of cost for free distribution without payment of IGST (upto the 30th June, 2021). As customs duty is already exempt, these imports will not attract any customs duty or IGST

These imports will not attract any customs duty or IGST:

- Remdesivir injection/ API and Beta Cyclodextrin (SBEBDCD), Inflammatory diagnostic (markers) kits, till 31st October, 2021.
- Medical grade Oxygen, oxygen therapy related equipment such as oxygen concentrators, cryogenic transport tanks, etc, and COVID-19 vaccines till 31st July, 2021.



RBI provides Rs. 50,000 crore liquidity for extending covid-19 loans to healthcare

The Reserve Bank of India (RBI) announced immediate liquidity of Rs 50,000 crore for banks for enabling them to extend Covid loans to healthcare entities. This liquidity window available at the repo will remain open till March 31, 2022. Under this scheme, banks can provide fresh lending support to vaccine manufacturers, hospitals and also patients for treatment, among others.

RBI announces relief measures in light of second wave of Covid-19

RBI has extended incentives for banks to lend to Micro Small and Medium Enterprises (MSMEs) by allowing exposures to be deducted from the banks' liabilities for calculation of maintaining the cash reserve ratio — or the amount of cash reserves that need to be maintained by the bank given its total deposits. This could nudge banks to continue lending to MSMEs, which are expected to be the worst hit by the second wave.

The RBI has announced steps for borrowers who were stressed even in the first wave of the pandemic, as well as for those who were insulated in the first wave but are struggling now. For those firms that were stressed previously and availed the loan restructuring scheme announced last year, the RBI has allowed banks to extend the moratorium and if required extending the residual tenor of the loan for up to a total of two years. For firms that were in good health previously and are only now feeling the impact of the pandemic, RBI has announced allowed them to avail the restructuring scheme up to 30 September 2021. However, the company's aggregate loan exposure to all banks has to be less than Rs 25 Crore for eligibility.

India's Koo raises \$30 million in funding round led by Tiger Global

Koo has raised \$30 million in Series B funding led by US-based investment firm Tiger Global. The fresh round of funding will be utilised mainly to strengthen engineering, product and community efforts across all Indian languages at Koo.



India receives record FDI in FY21 at \$81.72 bn, 10% higher than in FY20

In a pandemic-ravaged year, India managed to rake in the highest ever foreign direct investment during financial year 2020-21 at \$81.72 billion. This happens to be 10 per cent higher than \$74.39 billion in the previous fiscal.

Dun & Bradstreet India and BSE ink MOU

To promote the growth of Indian Small and Medium Enterprises (SMEs), Dun & Bradstreet Information Services India and BSE have inked a Memorandum of Understanding (MoU). The partnership will help SMEs in India to increase their visibility, expand access to global markets, find potential customers, uncover new suppliers and channel partners, manage risk and identify growth opportunities. The new partnership will provide SMEs with access to Dun & Bradstreet's suite of data and analytics solutions via BSE SME & Startup Platform. Dun & Bradstreet India will also share their SME database and clients with BSE so that BSE can approach these SMEs and create awareness about the benefits of listing on BSE SME Platform.

Serum Institute to invest £240 million in UK to expand business, set up sales office

The Serum Institute of India will invest 240 million pounds in the UK to expand its vaccine business and set up a new sales office creating a large number of jobs, as part of plans for a 1-billion pound India-UK Enhanced Trade Partnership creating around 6,500 jobs in Britain. The sales office is expected to generate new business worth over USD 1 billion, 200 million pounds of which will be invested into the UK.



Qualcomm strikes biggest SEZ lease deal in Telangana

US based semiconductors and wireless technology giant Qualcomm is setting up a mega facility spread over nearly 1.6 million sq ft at a SEZ in Hyderabad. This is expected to be the largest SEZ leasing deal in Telangana and largest facility of Qualcomm in India. The mega facility is expected to generate IT service exports of Rs. 28,658 crores over next 5years.



"You only have to do a few things right in your life so long as you don't do too many things wrong."

– Warren Buffett



LATEST COMPANY LAW UPDATES BY THE MCA



Clarification on offsetting excess CSR spent for FY 2019-20

It has now been clarified by the MCA that where a company has contributed any amount to 'PM CARES Fund' on 31.03.2020, which is over and above the minimum amount as prescribed under section 135(5) of the Companies Act, 2013 ("Act") for FY 2019-20, and such excess amount or part thereof is offset against the requirement to spend under section 135(5) for FY 2020-21 in terms of the aforementioned appeal, then the same shall not be viewed as a violation subject to the conditions that:

the amount offset as such shall have factored the unspent CSR amount for previous financial years, if any;

the Chief Financial Officer shall certify that the contribution to "PM CARES Fund" was indeed made on 31st March 2020 in pursuance of the appeal and the same shall also be so certified by the statutory auditor of the company; and

the details of such contribution shall be disclosed separately in the Annual Report on CSR as well as in the Board's Report for FY 2020-21 in terms of section 134 (3) (o) of the Act.

The waiver of additional fees for delayed filing of various forms

The MCA had last month announced allowing stakeholders to file various forms due for filing during 01/4/2021 to 31/05/2021 under the Companies Act, 2013/LLP Act, 2008 by 31st July, 2021 without payment of additional fees. The forms with respect to which this has provided for has been notified as under:

- CHG-1
- CHG-9
- Form ADT-1
- Form Inc-22
- Form NDH-3
- FormFC-4
- Form MSC-3
- Form INC-27
- Form NDH-2
- Form IEPF-3



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