

Newsletter

Bhatia & Bhatia Chartered Accountants



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KEY DATES FOR JULY 2021:

- GSTR 3B (Quarterly) on 22th/24th July 21.
- GSTR 3B on 20nd July 21.
- GSTR 1 (Quarterly) on 13th July 21.
- GSTR 6 on 13th July 21.
- GSTR 1 on 11th July 21.
- GSTR 7 on 10th July 21.
- TDS/TCS (Quarterly) payment 7th July 21.
- TDS/TCS monthly payment 7th July 21.



“Wonder what your customer really wants? Ask. Don’t tell.”

— Lisa Stone, co-founder and CEO of BlogHer



Our people are our biggest asset and the driving force behind our success, making us proud of their unflinching commitment towards BnB and its customers.

Collective growth and collaboration continues to be the backbone of our culture - whether within teams, departments, the overall firm, or even with clients and broader society.

The year 2021 was also fraught with multiple challenges and an uncertain global outlook. Yet, we collectively stood strong in the face of adversity, demonstrating resilience, innovation and agility across the firm.

As we move forward, the road ahead looks clear and we are committed and motivated to achieve equitable growth that makes a positive difference to our people.

Rajat Anand
Partner
B&B, Chartered Accountants

It is nearly impossible to work across boundaries without asking a lot of questions. Inquiry is critical because what we see and take for granted on one side of an interface is not the same as what people experience on the other side.

When leaders show interest in what others are seeing and thinking by asking questions, it has a stunning effect. It prompts people in their organizations to do the same. Asking questions also conveys the humility that more and more business leaders and researchers are pointing to as vital to success. Humble people are better at bringing others together to solve tough problems. In a fast-changing business environment, humility- not to be confused with false modesty - is simply strength.

As collaborations move forward, it's helpful for team leaders or project managers to raise queries that encourage others to dive more deeply into specific issues and express related ideas or experiences.

Vijay Kumar Prasad
Chief People Officer
B&B, Chartered Accountants



Doctor Madam Lal Atri Charitable Trust vs Commissioner of Income Tax (Exemption) ITA No. 03/Agra/ 2021 dated 7.6.2021

The appellant is a charitable trust. The appellant till the financial year 2018-19 has claimed exemption u/s 10(23C)(iiiad) which was allowed by the revenue. The appellant sought for the registration u/s 12AA(1)(b) of the Income Tax Act, 1961, which was denied by the CIT(E) on the reasons that the appellant has failed to comply with the other statutory requirement for imparting education in the school.

The Hon'ble Bench of ITAT observed that "The purpose of grant of registration is to ensure that the assessee is primarily into charitable activities as defined under section 2(15) of the Act and for those purposes, CIT(E) should make enquiries only. The CIT(E) should not use this opportunity to extend its authority beyond Income Tax Act i.e. in the sphere of the other authorities under different laws or sitting in judgment against permission/ approval given under different laws, as a super Cop..... Though Section 12AA of Act has been widely worded "any other law" however the same has been given restricted or narrowed by the other words used in the section namely "as are material for the purpose of achieving its objects". Therefore before embarking upon any enquiry by the CIT (E), it is sine qua non (essential) to inform the granted the affiliation to the assessee then the CIT (E) cannot sit in appeal against the affiliation granted to the assessee by the board." [para 9]

If you don't drive your business, you will be driven out of business.

- B. C. Forbes

Income Tax Exemption for Trust under Income Tax Act



Circular No. 11 of 2021 regarding use of functionality under section 206AB and 206CCA of the Income Tax Act, 1961

Finance Act, 2021 inserted two new sections 206AB and 206CCA in the Income-tax Act applicable with effect from July 1, 2021. The two section mandate tax deduction (section 206AB) or tax collection (206CCA) at higher rate in case of certain non-filers (specified person, under this section) with respect to tax deduction and tax collections Higher rate is twice the prescribed rate or 5%, whichever is higher.

Also the CBDT has directed that 'Director General of Income-tax (Systems), New Delhi shall be the specified income-tax authority for furnishing information to the "Tax Deductor/Tax Collector', to identify the Specified Persons' for the purposes of sections.

Insertion of new section 194Q to be effective from 1st July, 2021 with regard to Tax Deduction at Source

Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax. The 'buyer' as per this section shall mean a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.



e-Filing *Anywhere Anytime*

Income Tax Department, Government of India

ITAT to launch e-filing portal

The Income Tax Appellate Tribunal (ITAT) has announced that it is going to launch e-Filing Portal for online proceedings of court. E-Filing Portal shall be initially soft-commissioned at Delhi Zone Headquarter with effect from 21st June, 2021 and would be gradually rolled out at all other Zonal Headquarters and other subordinate Benches across the country within a period of 4 weeks thereafter.

CBDT extends timelines through Notification No. 74/2021 & 75/2021 dated 25th June, 2021, Circular No. 12/2021 dated 25th June, 2021

In view of the impact of the Covid-19 pandemic, taxpayers are facing inconvenience in meeting certain tax compliances and also in filing response to various notices. In order to ease compliances to be made by taxpayers during this difficult time, reliefs are being provided through Notifications nos. 74/2021 & 75/2021 dated 25 June, 2021 Circular no. 12/2021 dated 25 June, 2021. These reliefs are:

Section	Particulars	Original Due Date	New Due dates
Sections 10(23C), 12AB, 35, 80G	Filing of application for registration/provisional registration/intimation/approval/provisional approval of Trust, institutions or Research Associations, etc.	30-06-2021	31-08-2021
Section 54 to 54GB	Making Investments or completing construction/purchase for claiming deduction from capital gains (The extension has been given in those cases where the due date falls between 01-04-2021 to 29-09-2021).	-	30-09-2021
Section 167 of the Finance Act 2016	Furnishing of Equalization Levy statement for the Financial Year 2020-21	30-06-2021	31-07-2021
Section 139AA	Linking of Aadhar number and PAN	31-03-2020	30-09-2021
Direct Tax Vivad se Vishwas Act, 2020	Payment of tax without additional charge		31-08-2021
Direct Tax Vivad se Vishwas Act, 2020	Payment of tax with additional charge		31-10-2021
Section 144C(2)	Filing of objections to DRP and AO	01-06-2021 or thereafter	31-08-2021
Section 168 of the Finance Act 2016	Sending intimation of processing of Equalization Levy		
	(The extension has been given in those cases where the due date falls between 20-03-2020 to 31-03-2021)	-	30-09-2021

Section	Particulars	Original Due Date	New Due dates
Section 153/153B	Passing of order for assessment or reassessment by AO		
	<ul style="list-style-type: none"> Cases where on account of various extension notifications, the due date is getting expired on 31-03-2021. 	-	30-09-2021
	<ul style="list-style-type: none"> Cases where due date is getting expired on 31-03-2021 without giving effect of any extension notification. 	31-03-2021	30-09-2021
	Imposition of penalty		
Chapter XXI of the Income-tax Act	(The extension has been given in those cases where the due date falls between specified period)	-	30-09-2021 (due date falls between 20-03-2020 to 29-09-2021)
Rule 114B/114C	Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2021	15-07-2021	31-08-2021
Section 200 read with Rule 31A	Furnishing of TDS Statement for the 4th quarter of the Financial Year 2020-21	31-05-2021	15-07-2021
Benami Act	Issue of notice or passing of any order under Benami Act		
	(The extension has been given in those cases where the due date falls between 20-03-2020 to 30-06-2021)	-	30-09-2021
Section 148	Issuance of notice under section 148 for reopening the assessment where income has escaped assessment		
	<ul style="list-style-type: none"> Cases where on account of various extension notifications the due date is getting expired on 31-03-2021. 	-	30-06-2021
	<ul style="list-style-type: none"> Cases where the due date is getting expired on 31-03-2021 without giving the effect of any extension notification. 	31-03-2021	30-09-2021
Section 139(1)	Return of income for the assessment year 2021-22 for all assessee other than (a) corporate-assessee; (b) non-corporate assessee (whose books of account are required to be audited); (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply; or (d) an assessee who is required to furnish a report under section 92E.	31-07-2021	30-09-2021

Section	Particulars	Original Due Date	New Due dates
Section 139(1)	Furnishing of return of income for the assessment year 2021-22 if the assessee (not having any international or specified domestic transaction) is: (a) corporate-assessee; (b) non-corporate assessee (whose books of account are required to be audited); or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply.	31-10-2021	30-11-2021
Section 139(1)	Furnishing of return of income for the assessment year 2021-22 in the case of an assessee if it is required to submit a report under section 92E pertaining to the international or specified domestic transaction(s)	30-11-2021	31-12-2021
Section 44AB	Due date for filing of audit report under section 44AB for the assessment year 2021-22 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2021)	30-09-2021	31-10-2021
Section 44AB	Furnishing of report from an accountant for the assessment year 2021-22 by an assessee entering in to international or specified domestic transactions under Section 92E	31-10-2021	30-11-2021
Section 139(4)/(5)	Furnishing of belated or revised return of income for the Assessment Year 2021-22	31-12-2021	31-01-2022



*The meek shall inherit the Earth,
but not its mineral rights.
J. Paul Getty*

Upholds application of CUP for determination of ALP for BPO services, applied per-hour recovery-rate

Aricent Technologies (Holding) Limited (ITA No. 415/DEL/2013)

ITAT notes that in taxpayer's own case for the prior year, coordinate bench had deleted the adjustment by noting that taxpayer determined the arm's length price ("ALP") by applying CUP method and noted that the prices charged by taxpayer at USD 19.20 per hour from AE exceeded the prices charged from unrelated party @ USD 14.00 per hour. Coordinate bench also noted that there was no dispute on Revenue's part that in the BPO industry the prevalent rate for services was in the range of USD 8 to USD 15 per hour and was comparable to the rate of USD 19 charged by the taxpayer from the AE and was at ALP applying CUP method. ITAT follows the aforesaid ruling and thereby, deletes the TP-adjustment in respect of BPO services.



*"I don't know the word 'quit.'
Either I never did, or I have
abolished it."*

– Susan Butcher



आयकर अपीलीय अधिकरण INCOME TAX APPELLATE TRIBUNAL

Confirms use of single-year-data & Remits capacity-utilization adjustment, Upholds proportionate TP adjustment

Automotive Systems Pvt Ltd (ITA No. 7801/Del/2017)

ITAT allows taxpayer's plea and refers to Rule 10B(4) to explain that since current year data is available, the same shall be used for working out the ALP determination. Regarding capacity utilization adjustment, ITAT considers taxpayer's submission of complete employee details (name, designation, salary etc) & states that since DRP granted adjustment on account of higher depreciation being the first year of the operation of the taxpayer, same principle applies to personnel cost also & accordingly, considered taxpayer's claim that it had incurred high salary expenditure on employees working for the business development and not for earning the operating profit for the year & considering this, ITAT remits the issue back to TPO to examine said claim. Further, ITAT

Bona-fide error in reporting numbers in Form No. 3CEB does not amount to income-concealment

Arysta LifeScience India Limited (I.T.A. No.5594/Mum/2018)

ITAT notes that management fees of Rs.1489.54 earned by taxpayer stands credited to taxpayer's P&L Account and is already been considered while computing taxpayer's income. ITAT states that there is no concealment of income as alleged by CIT(A) in the impugned order & explains that the figures in Form No.3CEB has been reported on 'net basis' which at the most, could be an inadvertent/ bona-fide/ oversight error. ITAT holds that there would be no case to make impugned additions in the hands of taxpayer and accordingly rejects CIT (A)'s enhancement of taxpayer's income.



Deletion of TP adjustment for Intra-group services not in the nature of shareholder/stewardship activities

Danisco India Pvt Ltd (I.T.As. No.3518/DEL/2017, 7896 & 7897/DEL/2018, 5203/Del/2019)

During the year, taxpayer availed management services from AEs which comprises of (i) Technical Support and Assistance Services, (ii) Corporate Support Services; and (iii) Sales and Marketing Support Services on cost to cost basis and thereby benchmarked these transactions by applying TNMM at entity level in trading and manufacturing segment. Regarding TP-adjustment on Technical Support Services, ITAT finds that taxpayer provided various supportive evidences and also that these services were neither duplicative in nature nor in the nature of shareholder/stewardship activities. Accordingly, ITAT relied on coordinate bench ruling in taxpayer's own case and deletes the adjustment. Regarding Shared Support Services and Market Sales Support Services, ITAT notes that taxpayer had submitted material evidence to highlight kinds of services received, how the services has been received & benefits derived from such services and cost benefit analysis. Therefore, ITAT deletes the ad-hoc TP-adjustment of 30% of cost made by CIT(A) & relied on coordinate bench ruling in taxpayer's own case. Finally, ITAT held that payment of IGS cannot be taken at 'Nil' and no adjustment is called for.

Services rendered abroad by NR-agent are not FTS & not liable to TDS in the absence of PE in India

Prime Oceanic Pvt. Ltd (ITA NO. 652/JP/2019)

ITAT analyzes the provisions of Expl. 2 to Sec. 195 and Sec. 40(a)(i) of the Income Tax Act and remarks that for deduction of taxes at source, the sum needs to be chargeable to tax under the Act casting an obligation on all persons to deduct tax at source irrespective of the residential status or business connection or presence in India. Relied on SC ruling in GVK Industries Ltd. & Anr. (CIVIL APPEAL NO. 7796 OF 1997) where it was held that retrospective effect of Expl to Sec. 9(2) did not override the exceptions to Sec. 9(1)(vii)(b) and concluded that sum paid to the agent did not fall under the scope of total income and in the absence of permanent establishment in India, no business income can be charged to tax in India and consequently no tax was deductible at source u/s 195 and no disallowance can be sustained u/s 40(a)(i).

HC: Copy of Delhi HC ruling in Nestle where Concentrix Services ratio applied to Indo-Swiss DTAA

Nestle SA (W.P.(C) 3243/2021)

Delhi HC applies the ratio of Concentrix Services Netherlands B.V. (W.P.(C) 9051/2020) and extends the benefit of lower withholding rate of 5% on payment of dividend by invoking MFN Clause under India-Switzerland DTAA, in the case of Nestle & directs Revenue to issue a certificate u/s 197. In Concentrix Services, Delhi HC applied principle of common interpretation and adopts the view expressed in decree issued by Kingdom of Netherlands clarifying that beneficial rate of 5% in MFN clause in India-Netherlands Protocol to India-Slovenia DTAA will be applicable to recipients of Netherlands from date when Slovenia became OECD member & observes that the protocol to DTAA is an integral part of the India-Netherlands DTAA and as wrongly contended by the Revenue, no separate notification is required to apply the provisions thereof.



Applicability of Section 112 of CGST Act, 2017

As per Notification No. 16/2021 dated 1st June, 2021, provisions of Section 112 of CGST Act, 2017 is applicable from 1st June, 2021, under this section appeals to Appellate Tribunal can be made by any person who is aggrieved against the decision or order passed by the Appellate Authority. This section also provides for appeal by the tax authorities against a decision or order passed by Appellate Authority. An assessee, aggrieved by any decision or order may prefer an appeal within a period of three months from the date of communication of decision or order in Form GST APL-05, along with relevant documents. Thereafter, an acknowledgement indicating the appeal number shall be issued in Form GST APL-02 by the said authority. In such a situation the appeal shall be deemed to be filed on the date on which provisional acknowledgement stands issued.

Appeal will only be admitted upon payment of tax, interest, fine, fee and penalty, as is admitted, in full and on pre-deposit of sum equal to 20% of remaining amount of tax in dispute subject to maximum of INR 50 crores in addition to the amount deposited during filing appeal before Appellate Authority.

Notification 18/2021 dated 01/06/2021

Reduction of rate of interest for liability to pay tax but fail to do so in 2nd wave of Covid 19 pandemic:

S. No.	Class of Tax Payers	Return Period	Interest Relaxation
1	Tax payer having an aggregate turnover of more than Rs. 5 Cr in preceding financial year	March 2021, April 2021 and May 2021	9% for first 15 days i.e., 05-05-2021, 04-06-2021 and 05-07-2021 for tax periods March 2021, April 2021 and May 2021 respectively and thereafter 18% pa
2	Tax payer having an aggregate turnover of up to Rs. 5 Cr (Monthly) in preceding financial year	March 2021	NIL for first 15 days i.e., 05-05-2021, 9% pa for next 45 days i.e., till 19-06-2021 and 18% pa thereafter
		April 2021	NIL for first 15 days i.e., till 04-06-2021, 9% pa for next 30 days i.e., till 04-07-2021 and 18% pa thereafter
		May 2021	NIL for first 15 days i.e., 05-07-2021, 9% for next 15 days i.e., 20-07-2021 and 18% pa thereafter
3	Tax payer having an aggregate turnover of up to Rs. 5 Cr (QRMP) in preceding financial year	March 2021	NIL for first 15 days i.e., 07-05-2021, 9% pa for next 45 days i.e., till 21-06-2021 and 18% pa thereafter
		April 2021	NIL for first 15 days i.e., till 09-06-2021, 9% pa for next 30 days i.e., till 09-07-2021 and 18% pa thereafter
		May 2021	NIL for first 15 days i.e., 10-07-2021, 9% for next 15 days i.e., 25-07-2021 and 18% pa thereafter
4	Composite Tax payers	Quarter ending March 2021	NIL for first 15 days i.e., 03-05-2021, 9% for next 45 days i.e., 17-06-2021 and 18% pa thereafter

NOTIFICATIONS

Notification 23/2021 dated 01/06/2021: Applicability of E-Invoicing on Government Department, Local Authority & Other Specified Entities:

Government department and a local authority are excluded from E Invoicing provisions along with the following

- a) An insurer or a banking company or a financial institution including non-banking financial institution.
- b) Goods Transport Agency (GTA)
- c) Passenger transporter
- d) A registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens

Notification No. 19, 20, 21 & 22 /2021 of Central Tax Dated: 01/06/2021

Waiver of Late Fee as specified in section 47 of CGST Act, 2017 in 2nd wave of Covid 19 pandemic:

S. No	Class of Tax Payer	Period	Period for which late fee waived
1	Tax payer having an aggregate turnover of more than Rs. 5 Cr in preceding financial year	March 2021, April 2021 and May 2021	15 days from actual due date i.e., till 05-05-2021, 04-06-2021 and 05-07-2021 for tax periods March 2021, April 2021 and May 2021 respectively
2	Tax payer having an aggregate turnover of up to Rs. 5Cr in preceding financial year (monthly)	March 2021	60 days from actual due date i.e., till 19-06-2021
		April 2021	45 days from actual due date i.e., till 04-07-2021
		May 2021	30 days from actual due date i.e., till 20-07-2021
3	Tax payer having an aggregate turnover of up to Rs. 5 Cr (QRMP) in preceding financial year	January 2021 to March 2021	60 days from actual due date i.e., 21-06-2021

GST Amnesty Scheme, 2021

Taxpayer can avail the benefits of this Amnesty Scheme, 2021 on all GSTR-3B returns pending since July, 2017 till April, 2021 on payment of below mentioned Late Fees:

S. No	Class of taxpayer	Maximum Amount of Late fee
1	Registered person whose tax payable is NIL	Rs.250/- each CGST and SGST per return. I.e., Rs.500/- per return
2	Registered person having an aggregate turnover of up to Rs.1.5 cr in the preceding FY other than S. No. 1	Rs.1000/- each CGST and SGST per return i.e., Rs.2000/- per return
3	Registered person having an aggregate turnover of more than Rs.1.5 cr to Rs.5 Cr in the preceding FY other than S. No. 1	Rs.2500/- each CGST and SGST per return i.e., Rs.5000/- per return

For Composition Scheme:

S. No.	Class of taxpayer	Maximum Amount of Late fee
1	Registered person whose tax payable is NIL	Rs.250/- each CGST and SGST per return. I.e., Rs.500/- per return
2	Other cases	Rs.1000/- each CGST and SGST per return i.e., Rs.2000/- per return

For Filing TDS Return:

S. No.	Class of taxpayer	Maximum Amount of Late fee
1	Registered person who fails to furnish GSTR 07	Rs.1000/- each CGST and SGST per return i.e., Rs.2000/- per return

Note: No reduction for registered person having an aggregate turnover more than 5 crores.



Notification 24/2021 dated 01/06/2021: Extension for any Compliance falling in the period 15/04/2021 to 29/06/2021

a) where, any time limit for **completion or compliance of any action**, by any authority or by any person, falls during the period from 15th April 2021 to the 29th June 2021, if it had not completed in that period, the time limit extended to 30th June 2021. Except Registration procedure, provisions relating casual tax payer and non-resident tax payer, Invoicing, furnishing of outward supply, Late fee, Interest, power to arrest, Partner’s liability to discharge tax, Penalty, detention and seizer of goods and conveyances in transit, GSTR 3B, inspection of goods and rules made thereunder.

b) where, any time limit for **completion of any action**, by any authority or by any person, falls during the period from 1st May 2021 to 30th June 2021, if it had not completed in that period, the time limit for completion action extended to 15th July 2021.

c) The time limit for **issuance of order of rejection of refund claim** falls during the period from 15th April 2021 to 29th June 2021, said time limit for issuance of order extended to 30th June 2021.

Notification 25/2021 dated 01/06/2021: Due Date for Filing GSTR-4

The due date for furnishing Form GSTR 4 (Yearly return for Composition scheme) further extended to on or before 31st July 2021.

Notification 26/2021 dated 01/06/2021: Due Date for Filing Form ITC 04

Due date for furnishing declaration in Form ITC 04, in respect of goods dispatched to job worker or received from a job worker, during the period from 1st January 2021 to 31st March 2021 extended to 30th June 2021.

Notification 27/2021 dated 01/06/2021: Authentication through EVC & Relaxation of Rule 36(4) (Reconciliation of Input Claimed with GSTR-2B)

- Authentication through the EVC by companies and LLPs extended to 31st August 2021.
- Relaxation of Rule 36(4) given to the period April 2021 and May 2021 and this rule has to be applied cumulatively for the tax period April 2021, May 2021 and June 2021 in Form GSTR 3B of the month or quarter ending 30th June 2021.
- Time limit for furnishing outward supplies of B2B transactions for the period May 2021 through IFF extended to 28th June 2021 to 13th June 2021



“If you really look closely, most overnight successes took a long time.”
 – Steve Jobs

COVID RELIEF



Covid relief to health and tourism announced by finance minister

The finance minister announced a fresh set of measures to provide relief to covid hit sectors such as tourism, small businesses apart from steps to boost health infrastructure both in private and public sector. Some of the key incentives announced are:

- A total of Rs 1.1 lakh crore Loan Guarantee Scheme for sectors affected by COVID-19, wherein Rs 50,000 crore is allocated to the health sector for scaling up health infrastructure and Rs 60,000 crore is allocated to other sectors.

- Credit line Emergency Credit Line Guarantee Scheme (ECLGS) given as part of Aatmanirbhar Bharat Package has been extended by another Rs 1.5 lakh crore.

- New Credit Guarantee Scheme launched to provide loans to small borrowers, via Micro Finance Institutions (MFIs), where the maximum loan to individuals will be Rs 1.25 lakh at an interest rate below 2 percent – as prescribed by the RBI.

- The North Eastern Agricultural Marketing Corporation to get Rs 77.45 crore revival package for financial restructuring and fund infusion. This is aimed to help plan and give higher price to farmers, bypassing middlemen.

- National Export Insurance Account to get additional financial support over 5 years. This will allow the NEIA to under-write additional project exports worth Rs 33,000 crore.

- Production Linked Incentive Scheme to incentivise large-scale electronics manufacturing has been extended by one year, till 2025-'26. Thus, investments made in 2020-21 will continue to be covered. Companies can opt to choose any five years for meeting production targets.

RBI prescribes norms for appointment of MD/WTD in primary urban co-operative banks

RBI has issued directions for appointment of MDs and WTDs in primary urban co-operative banks, RBI further mentioned that MPs, MLAs and representatives of municipal firms won't be eligible to carry such positions within the major urban cooperative banks (UCBs). RBI prescribed that MD/WTD must be a publish graduate or have qualifications in finance self-discipline. These directions are applicable to all Primary UCBs.

- New Scheme to revive Tourism where financial support will be extended to more than 11,000 registered tourist guides and Travel & Tourism Stakeholders (TTS). Under this, TTS will get up to Rs 10 lakh loan, while Licensed Tourist guides will get up to Rs. 1 lakh loan.
- Once tourist visa issuance is resumed, first 5 lakh tourist visas to be issued totally free of charge. This will apply till March 31, 2022 or till the first 5 lakh tourist visas get covered, whichever is earlier. One tourist can avail the benefit only once.
- Aatmanirbhar Bharat Rozgar Yojana extended to March 31, 2022.
- Farmers to get additional protein-based fertilizer subsidy of nearly Rs 15,000 crore.
- Free food grains will be continued to be provided to the poor from May to November 2021 under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKY).
- Rs 23,220 crore allocated for public health, with sharp focus on child and paediatric care.



RBI issues guidelines for declaration of dividend by NBFC

In order to infuse greater transparency and uniformity in practice, the RBI has decided to prescribe guidelines on the distribution of dividends by NBFCs. These guidelines shall be applicable to all NBFCs regulated by RBI and shall be effective for declaration of dividend from the profits of the financial year ending March 31, 2022, and onwards. RBI said the conditions are specific to different categories of NBFCs. The maximum dividend payout ratio (%) are as follows:

NBFCs that do not accept public funds and do not have any customer interface – no ceiling specified

- Core investment Company – 60%
- Standalone Primary dealers – 60%
- Other NBFCs – 50%

RBI likely to go against convention on raising funds through bonds

The RBI will use the existing 10-year bond to raise at least Rs 14,000 crore from the markets on Friday, taking the outstanding of the paper to more than Rs 1.33 trillion, possibly the highest ever amount raised against a security. This gives credence to the theory that the central bank may not want to issue a fresh set of 10-year paper in a hurry and would rather continue with the existing security. The plan to use the paper, as part of a Rs 26,000-crore bond auction, came in an announcement on the RBI website. The government plans to exercise a green shoe option of Rs 6,000 crore in the auction.

SEBI plans to come out with framework for SPACs

SEBI is planning to come out with framework on special purpose acquisition companies (SPACs), which will enable listing of startups on domestic stock exchanges. SPACs or blank cheque companies are formed to raise capital in an initial public offering (IPO) with the purpose of using the proceeds to identify and merge with a target company. SPACs are usually formed by private equity funds or financial institutions, with expertise in a particular industry or business sector, with investment for initial working capital and issue related expenses. Such companies have recently become popular in the US. There has been increasing demand that SPACs should be allowed in India as well. Under the framework, SEBI may put in place a separate set of regulations on SPAC, whereby detailed listing rules would be provided for such firms. This would include a minimum threshold size for an IPO. The SPAC listing rules may define the requirement of due-diligence, audits, controls framework on financial reporting to be included in the draft papers related to the target operating companies for pre-clearance with the SEBI before the merger is taken-up for approval from the SPAC shareholders.

M&As help India record 5th highest FDI inflows

India received \$64 billion in Foreign Direct Investment in 2020, the fifth largest recipient of inflows in the world, according to a UN report which said the COVID-19 second wave in the country weighs heavily on the country's overall economic activities but its strong fundamentals provide optimism for the medium term. Global FDI flows have been severely hit by the pandemic and they plunged by 35 per cent in 2020 to \$1 trillion from \$1.5 trillion the previous year.

In India, FDI increased 27 per cent to \$64 billion in 2020 from \$51 billion in 2019, pushed up by acquisitions in the information and communication technology (ICT) industry, making the country the fifth largest FDI recipient in the world. India's strong fundamentals provide optimism for the medium term. FDI to India has been on a long-term growth trend and its market size will continue to attract market-seeking investments. In addition, investment into the ICT industry is expected to keep growing, the report said.

RBI announces additional measures to tackle 2nd Covid wave.

The Reserve Bank of India has announced some additional liquidity measures to help businesses that have been hit hard during the second wave of the Covid-19 pandemic. The central bank has also expanded the Resolution Framework 2.0.

Additional Liquidity for contact-intensive sector

The RBI has announced a separate liquidity window of Rs 15,000 crore in order to mitigate the adverse impact of the second wave of Covid-19 on some contact-intensive sectors. Under the scheme, banks can provide fresh lending support to hotels and restaurants; tourism — travel agents, tour operators and adventure/heritage facilities; aviation ancillary services — ground handling and supply chain; and other services that include private bus operators, car repair services, rent-a-car service providers, event/conference organizers, spa clinics, and beauty parlours/saloons.

Special liquidity facility to SIDBI

To support the funding requirements of the MSMEs, particularly the smaller ones and those in credit-deficient districts, the RBI has decided to extend a special liquidity facility of Rs 16,000 crore to Small Industries Development Bank of India (SIDBI) for on-lending/refinancing through novel models and structures.

Expansion of RBI's resolution framework 2.0

The RBI's Resolution Framework 2.0 will be expanded to allow greater coverage of borrowers under the scheme. This will be done by enhancing the aggregate exposure threshold from Rs 25 crore to Rs 50 crore for MSMEs, non-MSME small businesses and loans to individuals for business purposes.

Finance Minister points at investment opportunities in India to US investors

Finance Minister discussed opportunities in India for growth and investment on the back of the reform measures taken by government, during a global investors roundtable organized by the US-India Strategic Partnership Forum (USISPF). The roundtable held through video conference witnessed participation of some of the largest foreign investors, including Mastercard, MetLife, Prudential, Air Products, Dell, SoftBank and Warburg Pincus amongst others. The broad messages conveyed to the investors include the "significant drop" in daily Covid cases and "strong relief and reforms" undertaken by Government during the pandemic times. The minister also outlined that continued macro-economic stability and resilience in economic recovery in the recent months and the vision to make India 'self-reliant'.

US Solar firm plans \$300 mn investment in India

Bill Gates' Breakthrough Energy Ventures-backed 1366 Technologies plan to invest \$300 million to set up a 2-gigawatt (GW) solar wafer and cell manufacturing facility in India under the government's production-linked incentive (PLI) scheme. The US-based firm is in talks for an Indian partner who will handle the module manufacturing part of the production chain and



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

- Jeff Bezos

Tiger Global investing aggressively in Indian startups

In the first half of 2021, Tiger Global has been aggressively cutting cheques to Indian startups, participating in 15 deals worth \$1.74 billion. If 2019 saw the return of American hedge fund Tiger Global in the Indian startup ecosystem after a three-year lull, then 2021 appears set to cement its position once again among the top investors in India. In a year that has seen a record number of new unicorn additions — 15 so far in the first half of 2021, Tiger Global has invested in at least six of these startups that have recently earned the \$1 billion or higher valuation. They include healthtech startup Innovacer, B2B construction platform Infra.Market, fintech startup Groww, messaging tech startup Gupshup, Indian language social media platform ShareChat, and SaaS Startup Chargebee.

Telangana lands Rs 2,100 crore investment

Telangana has landed yet another big-ticket investment in the electric vehicles (EV) sector. Triton EV, one of the global leaders in the area, has signed an MoU with the Telangana government expressing its willingness to invest Rs 2,100 crore at the National Investment and Manufacturing Zone (NIMZ) at Zaheerabad in Sangareddy district. The company is expected to manufacture about 50,000 electric vehicles which would include sedans and luxury cars in the first five years of operation. 25,000 jobs are expected to be generated as a result.



India-Korea signed an MOU to further Trade Relations

Jeonbuk Business Centre (JBC) is a non-profit trade promoting agency and acts as a mediator for India and Korea promoting and strengthening trade ties between the two countries. The company intends to create a growth conducive environment for the collective growth and success of both the nations.

JBC recently helped Korean trader, Navis Aroma, sign an MOU of \$600,000 with an Indian trader. The alliance between the two traders took place through an online event called Global Partner Business Meet where around 6 Korean Manufacturers and 16 Indian buyers took part to cement trade ties and cover all aspects of the business. The global event saw a huge interest from the traders of both nations.

Not just this, through this alliance, JBC also helped spark more business conversations between other Indo-Korean traders. GOES, a Korean children clothes manufacturer is in early talks with Indian buyers to expand its footprint in the land of diversity. JBC is further helping GOES to Import organic thread from India. Other traders like Poochang, AUE and Hisol are also in the process of furthering trade relations with India.



“It’s not about ideas. It’s about making ideas happen.”

— Scott Belsky, co-founder of Behance

Balu Forge Industries inks MoU with the Karnataka govt to set up Rs 200-crore manufacturing campus

Balu Forge Industries on Tuesday said it has signed a pact with the Karnataka government for setting up a new manufacturing campus at a project cost of Rs 200 crore in Belgaum. The project timeline is for a period of three years with a planned capital outlay of Rs 200 crore. The new facility will not only act as a manufacturing centre but will also be setup as a technology and innovation campus with a strong focus on integrated defence research and production, cylindrical cell production for electric vehicles, components suitable for new energy vehicle drivetrains and powertrains and spent battery recycling.

Maharashtra inks MoU with UK govt to bolster start-up ecosystem

Maharashtra on Thursday signed a memorandum of understanding (MoU) with the British government under their 'ACT4Green' programme, which aims to enable the Indian and UK start-ups to expand internationally through market entry support in their respective cross-border markets of interest. Through this partnership, the two organizations aim to strengthen the existing tech start-up ecosystem in Maharashtra by accelerating technological innovations that addresses urgent climate change challenges and leverage the potential of emerging technologies to drive sustainable economic growth in both the countries.

Maharashtra signs MoU with USA to boost agro-industry sector

Agriculture Minister Dadasaheb Bhuse and US Consul General David Ranz signed a memorandum of understanding (MoU) Wednesday to promote and strengthen the SMART (State of Maharashtra's Agri-business and Rural Transformation Programme) projects for the upliftment of small and marginal farmers. The collaboration between the state and USA agriculture department is aimed at seeking advanced technology to boost the agriculture sector in Maharashtra.

MIDC signs MoUs for investment worth Rs 16,500 cr

The state-run Maharashtra Industrial Development Corporation (MIDC) signed memorandum of understanding (MoUs) worth Rs 16,500 crore in the fields of petroleum and natural gas and renewable energy (biofuel). The central public sector undertaking GAIL (India) will invest Rs 8,000 crore at Usar in Raigad district for LPG production and transmission, LNG re-gasification and petrochemicals. GAIL India is leading natural gas company with diversified interests across the natural gas value chain of trading, transmission, LPG production and transmission, LNG re-gasification and petrochemicals. Further, VTara Energy Private Limited, which is a part of VTara Energy Group Proprietary Ltd, Australia inked MoU for investment of Rs 8,500 crore in hydrogen, renewable diesel, aviation fuel and bio-CNG at Ner in Yavatmal district. US-based Jabil has evinced interest to invest Rs 3,000 crore in Pune district for the production of smartphone components.



*It's easy to make a buck. It's
a lot tougher to make a
difference.*

- Tom Brokaw

Easing Convening Of Board Meetings

The MCA recently issued the Companies (Meetings of Board and its Powers) Rules, 2021 ("Rules") on June 15th, 2021 to further ease conduction of board meetings through video-conferencing & other audio-visual means (VC & OAVM). The Rules provide for omission of rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014, by which restriction on conducting board meeting through VC & OAVM means for the below provided agenda items has been done away with:

- i. the approval of annual financial statements;
- ii. the approval of board's report;
- iii. the approval of the prospectus;
- iv. the Audit Committee Meetings for-consideration of financial statement including consolidated financial statement if any, to be approved by the board under sub-section (1) of section 134 of the Act; and
- v. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

As a result of the amended rules, the board is now allowed to transact, discuss and vote on any matters including the matters abovementioned through VC & OAVM as against holding physical board meeting earlier for these matters.

Clarification in regard to passing of ordinary and special resolutions

The MCA has now allowed companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in the aforesaid circulars upto 31st December 2021.

***Making money is art and
working is art and good
business is the best art.***

- Andy Warhol





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