

# NEWSLETTER

**August 2020**

Vishnu Daya & Co LLP  
Chartered Accountants



## INDEX

### Indirect Taxes

Goods & Service Tax

Central Excise and Service Tax

Customs

### Foreign Trade Policy

Foreign Trade Policy

SEZ & STPI

### Direct Taxes

Income Tax

International Tax

### Corporate & Other laws

Companies Act

FEMA

Other Allied Laws

### Due Dates

Due Dates in the month of  
September 2020

### Contact Us



# Indirect Taxes

# GST Circulars and Notifications

## Due date for compliance under section 171 extended to 30<sup>th</sup> November 2020

The Government has extended any time limit for completion or compliance of any action, by any authority has been specified in, or prescribed or notified under section 171 of the said Act, which falls during the period from the 20<sup>th</sup> day of March 2020 to the 29<sup>th</sup> day of November 2020 to 30<sup>th</sup> day of November 2020.

*Notification No 65/2020-Central Tax dated 01.09.2020*

*Note: Section 171 covers the anti-profiteering provisions. By virtue of this extension, the authorities can issue notice for verification of anti-profiteering matters till 30th November 2020.*

## Due date for filing GSTR4 extended

The Government has further extended the due date of filing of GSTR-4 for the year ending 31<sup>st</sup> March 2020 till 31<sup>st</sup> October 2020.

*Notification No. 64/2020 – Central Tax dated 31.08.2020*

*Note: GSTR4 is return for financial year of registered person who has opted for composition levy*

## Amendment to section 50 of the CGST Act notified

CBIC has issued notification notifying the amendment made by the Finance Act 2019 to section 50 of the CGST Act w.e.f. 1st September 2020.

*Notification No. 63/2020-Central Tax dated 25.08.2020*

# GST Circulars and Notifications

## Amendment to section 50 of the CGST Act notified

*Note: -*

- *The amendment provides that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.*
- *The above amendment implies that if there is any delay in the payment of GST, then the interest shall be payable only on the amount paid through utilizing the cash ledger balance and if the GST is paid through available ITC, then interest shall not apply.*
- *However, the amendment requires that such transaction should have been declared in the return filed under section 39 i.e. GSTR3B. If the tax is paid through DRC03 challan, then it appears that the relief provided in the amendment is not available.*
- *Further, the amendment has been made only to sub-section (1) of section 50, which deals with short payment or non-payment of tax. No amendment is made to sub-section (3), which provides for the reversal of ITC. Hence, the ambiguity continues whether for the reversal of the ineligible ITC before utilisation, whether interest will apply or not.*
- *Further, the amendment has been notified prospectively w.e.f. 1<sup>st</sup> September 2020. During the GST council meeting it was announced that the amendment shall be made retrospectively w.e.f. 1<sup>st</sup> July 2020. However, immediately, CBIC has issued a press release and clarified that no recovery shall be for the past period.*

# GST Circulars and Notifications

## Amendment made to GST Rules

The following amendments are made to the CGST Rules:

- In case where the applicant for registration opts for Aadhar authentication, the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or 15 days from the submission of the application, whichever is earlier.
- In case where the person fails to undergo Aadhar authentication, then the registration shall be granted only after the physical verification of the place of business in the presence of the said person. It is further provided that the Joint Commissioner may authorize for verification of the documents in the place of physical verification.
- In case where the applicant does not opt for the Aadhar authentication, the time limit for issuing Form REG-03 has been extended to 21 days from the date of submission of the application.
- It is made optional for the proper officer to reject the registration application in the case of failure to provide the clarification by the applicant for the query raised. [earlier it was to mandatory to reject the application in such cases]
- Suitable amendments are made to the days by which the application shall be deemed as accepted.

*Notification No. 62/2020 – Central Tax dated 20.08.2020*

# Updates in GSTIN Portal

## Launch of GSTR2B

GSTN has launched GSTR2B report in the GST portal. GSTR-2B is an auto-drafted ITC statement which will be generated for every registered person on the basis of the information furnished by his suppliers in their respective GSTR-1, 5 (non-resident taxable person) and 6 (input service distributor).

It is a static statement and will be made available for each month, on the 12th day of the succeeding month.

Key features in GSTR-2B which would assist taxpayers in return filing are as under:

- It contains information on import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units / Developers. This is not available with the release of GSTR-2B for the month of July and will be made available shortly.
- A summary statement which shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of GSTR-3B.
- Document level details of all invoices, credit notes, debit notes etc. is also provided both for viewing and download.
- Taxpayers can access their GSTR-2B through: Login to GST Portal > Returns Dashboard > Select Return period >GSTR-2B.

# Updates in GSTIN Portal

## Import data in GSTR-2A

Two new tables have been inserted in GSTR-2A for displaying details of import of goods from overseas and inward supplies made from SEZ units / SEZ developers. Taxpayers can now view their bill of entries data which is received by the GST System (GSTN) from ICEGATE System (Customs). The present data upload has been done on a trial basis to give a feel of the functionality and to get feedback from the taxpayers on the same.

Taxpayers are requested that they share their feedback through raising a ticket on the self-service portal (<https://selfservice.gstsystem.in/>)



# Judicial Pronouncements

## Penalty not applicable for not passing on the benefits of tax reduction and ITC

**Facts:** DGAP had conducted an investigation into an allegation of profiteering by the respondent inasmuch as that it had not passed on the benefit of additional ITC to the applicant.

**Ruling:** It is held that from perusal of Section 122(1)(i) that the violation of the provisions of s.171(1) of the Act, is not covered under it as it does not provide for imposing penalty for not passing on the benefits of tax reduction and ITC. Further, insofar as imposition of penalty in terms of s.171(3A) of the Act is concerned, which provision has been added with effective from 01.01.2020, since no penalty provisions were in existence between the period 01.07.2017 to 31.08.2018 when the respondent had violated the provisions of s.171(1), the penalty prescribed u/s 171(3A) cannot be imposed on the respondent

*Director General Of Anti-Profiteering Vs Eldeco Infrastructure And Properties Ltd, 2020-TIOL-43-NAA-GST.*

## "Money" can also be seized by authorized officer

**Facts:** Goods comprising of Pan Masala, Tobacco, Mouth Freshener, Confectionery, etc. valued at Rs.2.59 Crores were seized under various provisions of CGST Act. Unaccounted cash of Rs.66,43,130/- was also seized from the residential premises. Petitioner has argued that the department has got no power vested u/s 67(2) of the CGST Act to effect seizure of cash, that the cash cannot be treated as "Document, Book or Things" as per the definition under the CGST Act.

**Ruling:** Section 2(17) defines "business" and Section 2(31) defines "consideration". In the considered opinion of this Court a conjoint reading of Section 2(17), 2(31), 2(75) and 67(2) makes it clear that "money" can also be seized by authorized officer. Hence, Court is of the opinion that the authorities have rightly seized the amount and unless and until the investigation is carried out and the matter is finally adjudicated, the question of releasing the amount does not arise.

*Kanishka Matta Vs UoI, 2020-TIOL-1445-HC-MP-GST*

# Judicial Pronouncements

## Input services should be considered for refund under inverted duty structure

**Facts:** The petitioner is engaged in the business of selling the footwears which attracted 5% GST and the majority of the inputs and input services procured by them attract GST @12% or 18%. Department allowed refund of accumulated credit of tax paid on inputs such as synthetic leather, PU polyol etc. but refund of accumulated credit of tax paid on procurement of 'input services' such as job work service, goods transport agency service etc. is being denied.

**Ruling:** While allowing the writ, the HC held the following:

- The word “Input Tax credit” is defined in section 2(63) of the Act meaning the credit of Input tax and the word ‘input tax’ is defined in section 2(62) as the central tax, state tax, integrated tax or union territory tax charged on any supply of goods or services or both made to a registered person whereas the word “input” is defined in section 2(59) means any goods other than capital goods and “input service” as per section 2(60) means any service used or intended to be used by a supplier.

- Thus “input” and “input service” are both part of the “input tax” and “input tax credit”, therefore, as per the provisions of sub-section 3 of section 54 of the Act, 2017, the legislature has provided that registered person may claim refund of “any unutilised input tax”, therefore, by way of rule 89(5) of the Rules, such claim of the refund cannot be restricted only to “input” excluding the “input services” from the purview of “input tax credit”
- Moreover, clause (ii) of proviso to sub-section 3 of section 54 also refers to both supply of goods or services and not only supply of goods as per amended rule 89(5) of the CGST Rules, 2017
- Accordingly, the department was directed to grant the refund of the accumulated input service credit also in case of the inverted duty structure.

*VKC Footsteps India Pvt Ltd vs UOI and 2 other(s) 2020-TIOL-1273-HC-AHM-GST*

# Customs Circulars and Notifications

## Manufacture and other operations in special warehouse 2020 introduced

CBIC brings forth the Manufacture and Other Operations in Special Warehouse Regulations, 2020

*Notification No. 75/2020-Cus (NT) d.t 17.08.2020*

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt75-2020.pdf>

## Manufacture & other operations in warehouse (no. 2) amendment regulations, 2020

Regulation 3 of the MOOWR substituted by restricting the scope of application to

i) the units that operate under section 65 of the Act, or

ii) the units applying for permission to operate under section 65 of the Act,  
in a warehouse licensed under section 58 of the Act.

*Notification No. 76/2020-Cus (NT) d.t 17.08.2020*

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt76-2020.pdf>

## Special Warehouse (Custody and Handling of Goods) Amendment Regulations, 2020

Regulation No. 13 is inserted to provide that Nothing contained in these regulations shall apply to a warehouse licensed under Section 58A of the Act and operating under section 65 of the Act.

*Notification No. 77/2020-Cus (NT) d.t 17.08.2020*

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt77-2020.pdf>

# Customs Circulars and Notifications

## Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020

Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 notified, which shall apply to shall to import of goods into India where the importer makes claim of preferential rate of duty in terms of a trade agreement.

*Notification No. 81/2020-Cus (NT) d.t 21.08.2020*

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt81-2020revised.pdf>

## Rule 4 of the Deferred Payment of Import Duty Rules, 2016

Seeks to Amend Notification No.134/2016-Customs (N.T.) dated 02.11.2016 for omitting Rule 4 of the Deferred Payment of Import Duty Rules, 2016 and renumbering the earlier Rule 5-8 as Rule 4-7 respectively.

*Notification No. 79/2020-Cus (NT) d.t 19.08.2020*

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt79-2020.pdf>

# Judicial Pronouncements

**If the assessing authority has not followed the principle of valuation as laid down under the Act and Custom Valuation Rules, the assessment will not sustain**

**Facts:** The assessee have imported Aluminium Scrap and the price declared in Bill of Entry is as per the invoice of foreign supplier. The department did not accept the declared value and reassessed the Bill of Entry by enhancing the declared value. The Assessing Authority reassessed the Bill of Entries by enhancing value not on the basis of any material evidence. The sole reason for enhancement of value is on the basis of DGOV Guideline.

**Ruling:** The DGOV guideline is not above the statute, the adjudicating authority has not followed the Customs Valuation Rules whereby, he was supposed to first reject the declared value and subsequently he was supposed to apply rules sequentially and only thereafter, the value can be enhanced that too on the basis of evidence. Even though the assessee gave consent letter but if the assessing authority has not followed the principle of valuation as laid down under the Act and Custom Valuation Rules, the assessment will not sustain. Therefore, the enhancement of the value is not legal and proper hence, is rejected.

*Sunland Alloys Vs CC, 2020-TIOL-1235-CESTAT-AHM*

**Scope of Substitution**

**Facts:** Refund Petitioner filed refund claims on the Input Service Tax Credit taken, under Rule 5 of the CENVAT Credit Rules 2004. Department objected the claim contending that the refund claim is to be filed within a period of 1 year from the relevant date and the relevant date would be the date of receipt of payment in convertible foreign exchange with regard to the export made during the relevant period, for which the refund application is made.

**Ruling:** Short point involved in the present Writ Petitions is as to whether the reckoning of the relevant period brought about through the notification No. 14/16-CE (NT) dated 01.03.2016 by substitution would be prospective or retrospective in nature. The replacement would come into effect for the same time as the original procedure was provided for. When the original provision itself has been substituted, the procedure contemplated in the original notification becomes redundant and the subsequent substitution would have been replaced therein.

*Doosan Infracore India Pvt Ltd Vs Assistant Commissioner [2020-TIOL-1322-HC-MAD-ST]*

# Judicial Pronouncements

## No RCM payable by bank on acting as facilitator for importers/exporters

**Facts:** To facilitate trade, Indian banks provide services to exporters by sending the export documents to the bank of the importer abroad and collect payment for which it charges service charge to the exporters. The department demanded Service Tax on such transaction under RCM.

**Ruling:** The foreign bank does not transact the business of banking in India. Therefore, it would not fall in the definition of a banking company, which is a pre-requisite for a service to be covered under 'banking and other financial services.' Secondly, the Appellant does not pay any amount to the foreign bank and, in fact, only plays the role of a mediator between the Indian exporter and the foreign banker, representing the foreign importer. No 'consideration' was paid to Appellant for the transactions. Bank is not liable to pay the erstwhile service tax on a reverse charge mechanism. This is because it was not the recipient of any service rendered by the foreign bank and no consideration was paid by it.

*State Bank of Bikaner and Jaipur Vs CCE & ST [2020-TIOL-1175-CESTAT-DEL]*

## Limitation not applicable for refund of wrongly paid tax

**Facts:** Appellant availed transportation services for transportation of rice and paid the service tax under reverse charge mechanism. Later, they realized that transportation of rice is exempt from payment of service tax and, therefore, filed refund claim. Claim was rejected on the ground of time bar.

**Ruling:** In view of the Tribunal decision in Hitachi Metals (I) Pvt. Ltd. holding that time limit prescribed under Section 11B of the Central Excise Act, 1944 is not applicable to the facts of this case (wherein appellant is not liable to pay tax) and the refund claim is filed in time, impugned order is set aside appeal is allowed with consequential relief

*Chhattisgarh Civil Supplies Corporation Ltd Vs CCE & ST [2020-TIOL-1158-CESTAT-DEL]*

# Judicial Pronouncements

## Principle of Mutuality

**Facts:** The Appellant has its main objective to enable the members of the company to mutually avail and share common facilities and resources afforded by the company. Whether the appellant company is liable to pay service tax under category of BAS or whether the activity of assessee is not taxable under the principle of mutuality, being services provided to group /promoter companies.

**Ruling:** The only basis for providing of services by appellant is on cost sharing basis as per the norms or formula laid down by the members of appellant company. Therefore, the SCN is not maintainable both on the principle of mutuality and on the fact of lack of consideration for such services alleged to have been rendered. The precedent ruling of Tribunal is followed in case 2017-TIOL-2275-CESTAT-MUM. Accordingly, the impugned order is set aside.

*GMR Corporate Centre Pvt Ltd Vs CCE, CST [2020-TIOL-1247-CESTAT-BANG]*

## CENVAT CREDIT available to R & D units

**Facts:** The assessee has created a single Integrated Product Development Organisation Unit (IPDO) to undertake R&D activities of their products. They had taken CENVAT Credit on the services used in IPDO. Revenue views that the IPDO not being a manufacturer of excisable goods nor is provider of taxable services, no CENVAT Credit admissible on the input services used in the IPDO.

**Ruling:** In order to economise and benefit from the economies of scale, R&D units are set up as independent units for serving various manufacturing units of the manufacturer. If the assessee is registered as an input service distributor, the CENVAT Credit availed on services used in R&D unit can be distributed to various manufacturing units. The assessee has just done that. The issue is no longer res integra and stands decided in favour of assessee by case law in Aurobindo Pharma Limited - 2019-TIOL-3415-CESTAT-HYD – Credit allowed.

*Dr Reddy's Laboratories Ltd Vs CC, CE & ST [2020-TIOL-1246-CESTAT-HYD]*

# Judicial Pronouncements

## Composite contracts under taxable only work contract service

**Facts:** Appellants were discharging service tax under the category of "Commercial or Industrial Construction Service" (CICS). However, after introduction of the service category "Works contract" w.e.f. 01.06.2007, the appellants re-classified the services provided by them under 'Works contract' and started paying Service Tax under the composition scheme which was objected to by the department.

**Ruling: Appeal allowed**– For the period after 01.06.2007, the Chennai CESTAT in the case of M/s. Real Value Promoters Pvt. Ltd. have extrapolated the ratio laid down by the Apex Court in M/s. Larsen & Toubro Ltd. and held that even after 01.06.2007, service tax liability for composite contracts can only be demanded under Works Contract Service and not under CICS etc. For this reason, the impugned order demanding the amount of tax liability under CICS for a composite contract will not survive and will require to be set aside.

*Sree Krishna Builders Vs CCE [2020-TIOL-1254-CESTAT-MAD]*

## Amendment of shipping bills

**Facts:** The Tribunal found that the respondent had declared their intention to claim MEIS benefit in all the shipping bills, however they lapsed to mention 'Y' in the reward column, instead it was mentioned as 'N'. The Tribunal held that it is only a procedural defect and that the respondent is entitled to MEIS benefit. The Commissioner of Customs has challenged this order.

**Ruling:** Issue involved is no longer res integra. Bench agrees with the decisions of the High Court on similar matter and does not find any reason to interfere with order of the CESTAT. Since the appellant does not have any case that the conditions stipulated in Section 149 are not existing, there can be no denial of the permission to amend the shipping bills

*CC Vs N C John And Sons Pvt Ltd [2020-TIOL-1360-HC-KERALA-CUS]*



# Judicial Pronouncements

## Customs authorities have no jurisdiction within SEZ area

**Facts:** On 3-8-16, at the checkpoint of SEZ gate three bags of silver grains were confiscated under section 111 as it was reasonably believed that these bags were tried to be removed without any documents. The vehicle carrying the said goods was also liable to confiscation under Section 115 of the Customs Act, 1962, as the same were being removed for clandestine removal in contravention of the provisions of SEZ Act, 2005 read with the provisions of Customs Act, 1962. Pursuant to the issue of show cause notice, order of adjudication was passed, which was modified in part vide impugned order-in-appeal. Aggrieved, the appellants are in appeal before Tribunal.

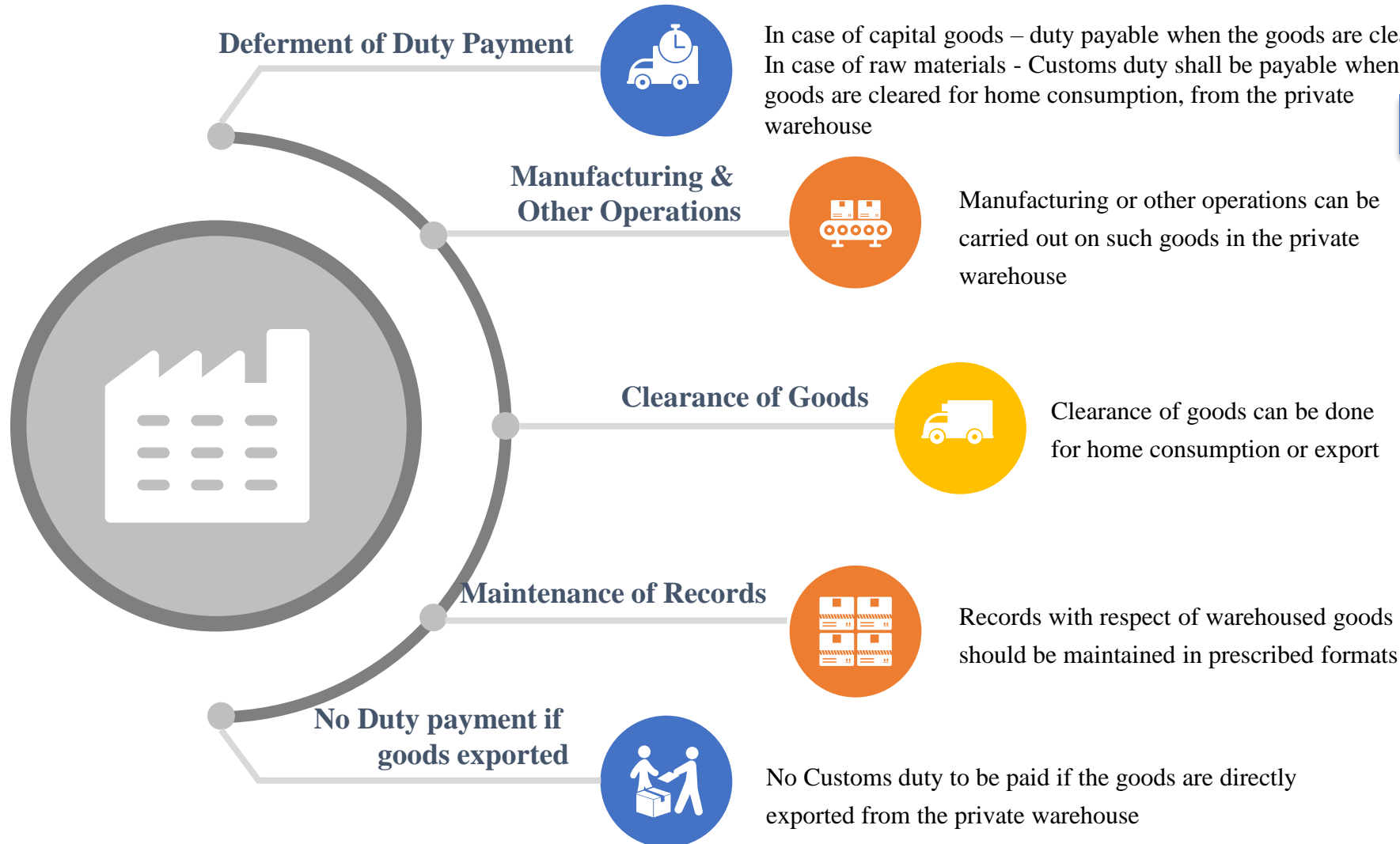
**Ruling:** Government has notified the offences contained in Sections 111, 113 and 115 etc of the Customs Act, 1962, as offence under the SEZ Act on 9.8.16. Division Bench in Sangam International - 2017-TIOL-2439-CESTAT-DEL relying on its earlier judgement in the case of 2017-TIOL-01-CESTAT-DEL held that Customs Department did not have jurisdiction within the SEZ area established under SEZ Scheme read with SEZ Act and accordingly, the order of confiscation and penalty was set aside. Relying upon the above ruling and the cogent explanation given by the appellant, which has not been found to be untrue, impugned order is set aside and the appeals are allowed with consequential relief.

*Tarkesh Art Jewellery Vs CC [2020-TIOL-1241-CESTAT-DEL]*

# MOOWR, 2019

## Brief Overview

Generally, Customs duty payable at the time of import of goods into India. However, MOOWR, 2019 provides for duty deferment in case of imports, subject to various compliances and procedures.



## Eligibility

- A person can apply for license under section 58A and permission to operate under section 65 synchronously
- Or
- A Person can request for permission under section 65, if they already have a warehouse licensed under section 58A

For details click here

<https://www.cbic.gov.in/resources/htdoc-s-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-36-2020.pdf>



# Foreign Trade Policy

# Circulars and Notifications

## Govt caps MEIS benefits for exporters at Rs 2 cr

DGFT has issued Notification No: 30/2015-2020 dated 1<sup>st</sup> September, 2020 for making the following amendments in the Foreign Trade Policy 2015-20 with immediate effect:

Two new paragraphs, 3.04A and 3.04B are inserted in the Foreign Trade Policy which is given here-below:

"Para 3.04 A" states as under:

- The government has capped the export incentives under the MEIS at Rs 2 crore per exporter on export shipments made during the period from 1<sup>st</sup> September, 2020 to 31<sup>st</sup> December, 2020.
- A limit on total reward under MEIS has been imposed so that for exports made in the period September 1, 2020 to December 31, 2020, the total reward which can be claimed by an IEC (Import Export Code) holder does not exceed the ceiling of Rs 2 crore.

- New IEC obtained on or after the date of the notification of the above changes, will not be eligible for submitting any MEIS claim for exports made with effect from September 1, 2020.
- Any IEC holder who has not made any exports for a period of one year preceding September 1, 2020 or any new IECs obtained on or after the date of publication of this notification would not be eligible for submitting any claim under this scheme.
- The ceiling will be subject to further downward revision to ensure that the total claim under MEIS for the period (1<sup>st</sup> September to 31<sup>st</sup> December 2020) does not exceed the prescribed allocation by the government, which is Rs 5,000 crore.

"Para 3.04 B" states as under:

Benefits under MEIS shall not be available for exports made with effect from 01.01.2021.

# Circulars and Notifications

## Data for determination of ceiling rates under the scheme for Remission of Duties and Taxes on Exported Products (RoDTEP)

The government has formed a committee to determine ceiling rates under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. The panel has been tasked with evolving a mechanism for calculation of duties at the central, state and local level which are borne by exporters so that they can be refunded all the taxes paid on goods and services used in export but are currently not being reimbursed under extant mechanisms.

The RoDTEP Committee has started working the determination of ceiling rate. In this connection, Export Promotion Councils/ Commodity Boards/ Trade and Industry Associations/Chambers of Commerce have been requested to provide data w.r.t. inputs used in the respective export products in the specified Proforma comprising three parts viz. Proforma — R I, R2, and R3.

The copy of the letter along with the forms can be accessed at [https://www.cbic.gov.in/resources//htdocs-cbec/Callingfordata\(RoDTEP\)1108.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/Callingfordata(RoDTEP)1108.pdf)



# Direct Taxes

# Circulars and Notifications

## CBDT - Directs banks to refund charges collected on transactions carried through prescribed electronic modes u/s.269SU post-Jan 2020

- CBDT advises banks to immediately refund the charges collected, if any, on transactions carried out using electronic modes prescribed u/s.269SU on or after 1st January 2020.
- States that representations have been received that some banks are imposing & collecting charges on transactions carried out through UPI.
- States that “Such practice on part of banks is a breach of Section 10A of the PSS Act (Payment and Settlements Act) as well as section 269SU of the IT Act.
- Such breaches attract penal provisions under section 271DB of the IT Act as well as section 26 of the PSS Act.”
- Further, advises banks to not to impose charges on any future transactions carried through the prescribed modes.

*Note: CBDT vide notification 105/2019 had notified 3 electronic modes, viz i) Debit Card powered by RuPay, ii) Unified Payments Interface [UPI] - BHIM-UPI and iii) UPI QR Code, for accepting payments in accordance with newly inserted Sec. 269SU. Further, CBDT vide circular 32/2019 had clarified that any charge including the MDR [Merchant Discount Rate] shall not be applicable on or after January 1st on payment made through prescribed electronic modes.*

*[Click here](#) to read and download CBDT Circular No. 16/2020.*

# Circulars and Notifications

## CBDT grants PAN exemption to Non-Resident investing in category I and II AIF located in IFSC

CBDT inserts new Rule 114AAB notifying class or classes of persons to whom provisions of Sec. 139A for mandatory obtaining PAN shall not apply. Specifies that provisions of Sec. 139A shall not apply to a non-resident if

- i) the non-resident does not earn any income in India, other than the income from investment in Category I or Category II Alternative Investment Fund [AIF] located in IFSC in India, and
- ii) TDS on such income is deducted by the Specified Fund in accordance with Sec. 194LBB and
- iii) the non-resident furnishes the following details and documents to the Specified Fund, namely - declaration containing name, address, country of residence and Tax Identification Number in the country or specified territory of his residence.

Further, the new Rule 114AAB requires the specified fund to furnish quarterly statement in respect of such non-resident in the newly notified Form 49BA. Also, makes consequential amendment to Rule 37BC [which provides for relaxation from higher TDS u/s. 206AA absent PAN], inserts new sub-rule (3) thereto which provides that "The provisions of section 206AA shall not apply in respect of payments made to a person being a non-resident, not being a company, or a foreign company if the provisions of section 139A do not apply to such person on account of rule 114AAB."

[Click here](#) to read and download the Notification 58/2020.

## PM unveils 'Transparent Taxation' Platform, announces troika of faceless appeals, assessments & taxpayers charter

Prime Minister (PM) Narendra Modi launches 'Transparent Taxation' platform encompassing Faceless assessments, Faceless appeals (w.e.f. September 25th) & Taxpayers' Charter; Highlighting the maxim of 'Minimum Government, Maximum Governance', PM expresses that the approach of this initiative is to move away from power centric towards people centric administration and focus on "Honouring the Honest"; PM explains that faceless assessments/ appeals will have technology driven interface (e.g. In case of scrutiny assessments, there will be random selection of cases and selection will not be limited to jurisdictional AO), further the taxpayers' charter will outline responsibilities and duties of tax officers and transfers/postings of officers will be done away with.

PM however expresses that while there has been a decrease in complexity/ taxes/ litigation and increase in transparency/ compliance/ trust, there is a need to introspect on low base of taxpayers despite growth in tax filers. Finance Minister Nirmala Sitharaman adds that technology, data analytics and artificial intelligence will be the key drivers of the platform which will ease compliance burden, provide more certainty, bring in fair/ just system while removing physical interface between tax department and taxpayer.



# Circulars and Notifications

## CBDT notifies amendments in E-assessment Scheme, 2019 to implement faceless assessments

CBDT notifies amendments in E-assessment Scheme, 2019 to implement faceless assessments.

'Best judgment' assessments u/s. 144 are now covered under the Faceless assessment scheme, notifies consequential changes in the procedure for assessment. Further, the amended scheme empowers Pr.CCIT/ Principal Director General, in charge of the NeAC, to refer the case to jurisdictional AO, at any stage of the assessment, with prior Board approval.

[Click here](#) to download the file for the key changes in the amended E-assessment scheme to implement faceless assessment.

[Click here](#) to read and download CBDT Notification 60/2020 and [Click here](#) to download CBDT Notification 61/2020.

## CBDT releases detailed MAP guidance for benefit of stakeholders including competent authorities

CBDT's FT&TR division releases a detailed MAP guidance for the benefit of taxpayers, tax practitioners, tax authorities and CAs of India & of treaty partners; MAP guidance is presented in 4 parts - A) Introduction & Basic, B) Access & Denial of Access to MAP, C) Technical issues and D) Implementation of MAP outcomes.

[Click here](#) to read and download the 17-pager MAP guidance issued by CBDT

# Important Legal Pronouncements

## HC: Revenues concedes ground on Equalisation levy payment in lieu of AAR's MasterCard ruling

Recently, Delhi HC in [TS-411-HC-2020(DEL)] disposed-off Mastercard's application seeking stay of Equalisation Levy [EL] payments pending adjudication of its writ petition against AAR ruling which had held that Mastercard had PE in India. HC had held that "no EL is payable by Mastercard as it is bound by AAR order which specifically held that Mastercard has a PE in India and the subject income is effectively connected to this PE." Further, HC had also stated that in case Mastercard succeeds in the writ petition and it is held that assessee has no PE in India, it would be eligible to receive income-tax refund along with statutory interest but at the same time, it would be liable to pay EL with statutory interest.

Further, Revenue accepted that it has no desire of collecting the EL in respect of income tax already been paid by Mastercard, either by way of TDS or advance tax. HC concludes that "This Court is of the view that the respondent can have no objection to being held bound by its own averments in the reply/counter affidavit. Consequently, the averments made in the aforesaid paragraphs by the respondent are accepted by this Court and respondent is held bound by the same".

[Click here](#) to read and download the copy of the order.

## HC: Grants capital gains exemption u/s.47(v) on land transfer to 99.99% holding company

Madras HC upholds ITAT order, grants capital gains exemption u/s.47(v) to assessee-company on transfer of land to its holding company [holding 99.99% shareholding] during AY 2007-08.

AO had denied the exemption on the ground that 25 shares out of the total 80% shares were held by six individuals (nominees of holding co) and thus the holding company was not holding 100% of the shares as stipulated in Sec.47(v).

States that "a purposive interpretation has to be given to the said provision. Otherwise, the provision itself would become redundant.", rejects Revenue's contention that in absence of the word 'nominees' in clause (v) unlike in clause (iv), it cannot be that 100% of shares were held by holding co. for the purpose of claiming exemption.

Accepts assessee's contention that assessee, being a public limited company, was required to have a minimum of 7 shareholders as per the Companies Act and thus to maintain the minimum no. of shareholders, the balance 25 shares were held by individual shareholders, notes that such individual shareholders were nominees of the holding co., with no individual right and such fact was not disputed by the Revenue. Relies on Bombay HC decision in Papilion Investments Pvt. Ltd's case wherein it was held that the beneficial ownership of the holding company is to be taken note of.

[Click here](#) to read and download the copy of judgement.

# Important Legal Pronouncements

## ITAT: Tata Trust's donations to CBDT-approved foreign universities, amounts to income-application u/s. 11

Recently, Delhi HC in [TS-411-HC-2020(DEL)] disposed-off Mastercard's application seeking stay of Equalisation Levy [EL] payments pending adjudication of its writ petition against AAR ruling which had held that Mastercard had PE in India. HC had held that "no EL is payable by Mastercard as it is bound by AAR order which specifically held that Mastercard has a PE in Indi Mumbai ITAT holds that donations made by Tata Education & Development Trust (assessee) to Cornell & Harvard Universities USA, duly approved by CBDT order u/s.119, would amount to application of income u/s.11(1)(c).

Assessee's claim for exemption u/s.11(1)(c) was denied by the AO for want of CBDT approval, however while the appeal was pending before the CIT(A), approval granting the exemption was accorded to the assessee.

Rejects Revenue's contention that the CBDT order granted only a 'conditional approval' which was subject to verification by the AO, states that "The only verification require was with respect to "the extent to which such income is applied for such purposes outside India and not as to how the contributions to Cornwell University USA and Harvard University USA tend to promote the international welfare in which India is interested.

ITAT remarks that "this is unique case in which the CBDT has approved the exemption being granted in respect of payments made by the assessee trust to the Cornell University USA and Harvard University USA, in which the Assessing Officer has duly given effect to the stand so taken by the CBDT, and yet a hyper-pedantic, even if a bonafide, approach of the learned CIT(A), seemingly more loyal to the CBDT than CBDT itself, has resulted in this wholly avoidable litigation which does not only clog the serious litigation before the judicial forums but also diverts scarce resources of the philanthropic bodies, like the assessee before us, to the areas which do no good to the society at large."

[Click here](#) to read the judgement.

# Important Legal Pronouncements

## ITAT: Seconded expats, employees of Indian assessee; Sec. 195 TDS inapplicable on salary reimbursements

Delhi ITAT allows assessee's appeal, holds Sec. 195 not applicable to reimbursement of salary costs of expatriates seconded by assessee's (Boeing India) foreign AE.

Rejecting assessee's submission that it was the real and economic employer of expatriate employees, AO treated the said payments as Fees for Included Services [FIS] and held that assessee failed to deduct tax at source on the payments and invoked the provisions of sec. 40(a)(i).

ITAT notes that the reimbursement agreement provided that the AE released the employees in favour of assessee company, and TDS u/s. 192 had been effected on payments to employees and further, that the secondees shall be working for the assessee and will be under its supervision, control and management as an employee of assessee.

States that "the secondees were in employment of the appellant (assessee)", notes the AE was paying salaries at the home country of the secondees and, therefore, there was reimbursement by the appellant.

Accordingly, concludes that "the assessee has been paying to its own employees", distinguishes Delhi HC ruling in Centrica India. Notes assessee's argument that unlike in the case of Centrica which was a newly formed entity, assessee is in existence since 2003 and the employees recruited outside India do not possess any specific skill set that is not available with Indian employees; Separately, ITAT holds draft assessment order passed by the AO u/s. 144C(1) void ab initio and subsequent proceedings as non-est being in the name of a non-existent company owing to amalgamation of the assessee into BIPL, however, for sake of completeness of adjudication, rules on merits of aforesaid issue.

[Click here](#) to read and download the copy of judgement.

# Important Legal Pronouncements

## ITAT: Swedish Co. entitled for TDS credit of tax deducted on 'non-taxable' offshore supplies

Bangalore ITAT rules that assessee (a Swedish co.) will be eligible for TDS-credit in respect of tax deducted by Indian party on 'offshore supplies' receipts, claimed to be not taxable as the title of the equipment passed outside India for AYs 2012-13 and 2013-14. AO had held that in view of Sec. 199 r.w. Rule 37BA, TDS credit can be given only when the corresponding income was offered for taxation, accordingly he denied assessee's claim of TDS refund.

Rejecting AO's view, ITAT relies on Mumbai ITAT ruling in case of Arvind Murjani Brands wherein it was held that assessee is entitled to credit for TDS, even though no income assessable in his hands, also relies on Vizag ITAT decision in Peddu Srinivasa Rao wherein it was held that once the TDS was deducted, a credit of the same to be given to the assessee, irrespective of the year to which it relates.

Accordingly, ITAT rules that “Since, the offshore supply contracts are not taxable in India but TDS was deducted in India therefore assessee is eligible for refund of TDS Credit”. Restores the issue to AO for limited purpose to examine whether off-shore supply contract amounts were received by assessee outside India and thereby verify the correctness of assessee's claim.

[Click here](#) to read and download the copy of the Judgement.

# Important Legal Pronouncements

## ITAT: Allows depreciation on goodwill arising on 'business' acquisition from IBM

Delhi ITAT allows depreciation on goodwill representing workforce value, supplier contracts and other business rights obtained upon acquisition of business from IBM, eligible for depreciation u/s. 32(1)(ii).

Assessee acquired the logistics operations and freight forwarding businesses from IBM and claimed the excess consideration over and above value of tangible assets as 'goodwill' representing the value of workforce, supplier contracts and rights to provide logistics services to IBM, the AO held that depreciation is not allowable on goodwill and disallowed the same on various grounds such as assessee did not become the sole logistic provider to IBM, decline in business receipts post acquisition etc.

AO also opined that the residual clause u/s. 32(1)(ii) containing 'any other business or commercial rights of similar nature' must be of similar nature to the intangible assets enumerated in the said clause. ITAT rejects AO's view, follows jurisdictional HC ruling in the case of Areva T&D (SLP dismissed by SC) wherein it was held that specified intangible assets viz., business claims, business information, business records, contracts, employees and know-how acquired by assessee thereunder were in nature of 'business or commercial rights of similar nature', also follows special bench decision in CLC & sons. Further, noting that AO's allegation of falling revenues is factually incorrect, holds assessee eligible for depreciation on goodwill.

[Click here](#) to read and download the copy of Judgement.



# Corporate & Other Laws

# Circulars and Notifications – Corporate Laws

## Companies need not attach Annual Return extract with Board's report if web-link disclosed

Ministry of Corporate Affairs (MCA) amended the Companies (Management and Administration) Amendment Rules, 2020.

MCA notifies that companies will no longer be required to attach the extracts of Annual Return with the Board's report in Form No. MGT-9, in case the web link of such annual return has been disclosed in the Board's report; Separately, in light of such amendment, appoints August 28, 2020 as the date from which the provision requiring companies to place a copy of the annual return on their website, shall come into effect.

*Notification No CG-DL-E-28082020-221419 dated 28.08.2020*

## Amendment of item no. (ix) in the Schedule VII of the Companies Act, 2013

MCA notified the following further amendments in Schedule VII to the said Act, namely:-

In the said Schedule, for item (ix) and the entries thereto, the following item and entries shall be substituted, namely:- “(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; IITs; National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of AYUSH; Ministry of Electronics and Information Technology and other bodies, namely DRDO; Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)”.

*Notification No G.S.R. (E) dated 24.08.2020*

[http://www.mca.gov.in/Ministry/pdf/NotificationCompAct\\_26082020.pdf](http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf)



# Circulars and Notifications – Corporate Laws

## Allows certain Cos. to spend on COVID-19 R&D under CSR policy

MCA notified Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020:

MCA amends CSR Rules to allow companies engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business to undertake research and development of new vaccine, drugs and medical devices related to COVID-19 for FYs 2020-21, 2021-22 and 2022-23, under their CSR Policy, subject to certain conditions; The conditions are that –

- (i) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Companies Act, 2013, and
- (ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report;

Accordingly, amends Schedule VII to include contributions to incubators or R&D projects in the field of science, technology, engineering and medicine, funded by the Central or State Govt. or PSU or any agency of the Central Government or State Government under permitted CSR activities; Permitted institutions/organizations under Schedule VII include IITs, National Laboratories and autonomous bodies established under Department of Atomic Energy, Department of Biotechnology, Ministry of AYUSH, and the DRDO: MCA CSR Activities is amended in CSR Rules as follows:

The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing).

*Notification G.S.R. 526 (E) dated 24.08.2020*

[http://www.mca.gov.in/Ministry/pdf/csr\\_26082020.pdf](http://www.mca.gov.in/Ministry/pdf/csr_26082020.pdf)

# Circulars and Notifications – Corporate Laws

## Applications seeking extension for holding FY2019 AGM to be filed by September 29

MCA has issued Clarification on Extension of Annual General Meeting (AGM) for the financial year ended as at 31.03.2020-Companies Act, 2013.

The matter has been examined MCA and it is stated that this Ministry had inter-alia, clarified vide General Circular No. 20/2020, dated 05.05.2020 [G.C. 20/2020] regarding holding of AGM through video conferencing (VC) or other audio-visual means (OAVM) for the calendar year 2020. In addition, the companies which are unable to hold their AGMs were advised to prefer applications for extension of AGM at a suitable point of time before the concerned Registrar of Companies under section 96 of the Companies Act, 2013.

In view of the above, it is once again reiterated that the companies which are unable to hold their AGM for the financial year ended on 31.03.2020, despite availing the relaxations provided in the G.C. 20/2020 ought to file their applications in form No. GNL-1 for seeking extension of time in holding of AGM for the financial year ended on 31.03.2020 with the concerned Registrar of Companies on or before 29.09.2020.

MCA advised the Registrars of Companies to consider all such applications (filed in Form No. GNL-1) liberally in view of the hardships faced by the stakeholders and to grant extension for the period as applied for (upto three months) in such applications. Now, Companies can voluntary file application for Extension of AGM with the concerned Registrar of Companies (despite availing the relaxations provided in the General Circular 20/2020).

*General Circular No. 28/2020 dated 17.08.2020*

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28\\_17082020.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf)

# Circulars and Notifications – RBI/FEMA

## Framework for authorisation of pan-India Umbrella Entity for Retail Payments

On 10.02.2020, the RBI released Draft Framework for authorisation of a pan-India New Umbrella Entity (NUE) for Retail Payment Systems. Such an entity shall be a Company incorporated in India under the Companies Act, 2013. The Company may be a ‘for-profit’ or a Section 8 Company as may be decided by it, RBI has said in a statement.

The NUE shall be a Company authorised by RBI under Section 4 of the Payment and Settlement Systems Act, 2007 (PSS Act), it said.

After deliberations on the comments / feedback received on the Draft Framework, the Central Bank on 18 August 2020 released the ‘framework for authorisation of pan-India Umbrella Entity for Retail Payments’. NASSCOM had also submitted its inputs to the RBI on the draft framework.

Applications for the umbrella entity can be submitted by 26 February 2021.

### Major Highlights of the Framework

- **Eligible Promoters & Shareholding**
- All entities eligible to apply as promoter / promoter group of the umbrella entity shall be owned and controlled by resident Indian citizens’ [as defined in the rules / regulations framed under the Foreign Exchange Management Act, 1999 (FEMA), as amended from time to time] with 3 years’ experience in the payments ecosystem as Payment System Operator (PSO) / Payment Service Provider (PSP) / Technology Service Provider (TSP).
- The shareholding pattern shall be diversified. Any entity holding more than 25% of the paid-up capital of the umbrella entity shall be deemed to be a Promoter.

# Circulars and Notifications – RBI/FEMA

## Scope of Activities

- The scope of activities of the umbrella entity shall be as follows:
- Set-up, manage and operate new payment system(s) in the retail space comprising of but not limited to ATMs, White Label PoS; Aadhaar based payments and remittance services; newer payment methods, standards and technologies; monitor related issues in the country and internationally; take care of developmental objectives like enhancement of awareness about the payment systems.
- Operate clearing and settlement systems for participating banks and non-banks; identify and manage relevant risks such as settlement, credit, liquidity and operational and preserve the integrity of the system(s); monitor retail payment system developments and related issues in the country and internationally to avoid shocks, frauds and contagions that may adversely affect the system(s) and / or the economy in general.
- Fulfil its policy objectives and ensure that principles of fairness, equity and competitive neutrality are applied in determining participation in the system; frame necessary rules and the related processes to ensure that the system is safe and sound, and that payments are exchanged efficiently.
- Carry on any other business as suitable to further strengthen the retail payments ecosystem in the country. It is expected that the umbrella entity shall offer innovative payment systems to include hitherto excluded cross-sections of the society and which enhance access, customer convenience and safety and the same shall be distinct yet interoperable.
- It is also expected to interact and be interoperable, to the extent possible, with the systems operated by NPCI.
- The umbrella entity may be permitted to participate in Reserve Bank's payment and settlement systems, including having a current account with Reserve Bank, if required.

# Circulars and Notifications – RBI/FEMA

- **Business Plan**

- The application for setting up the umbrella entity shall contain a detailed business plan covering the payment system/s proposed to be set-up and / or operated along with other documents to duly establish its experience in the payments ecosystem.
- Such plan shall, inter alia, include technology, security features, market analysis / research, benefit, if any, of such payment systems, operational structure of the payment systems, time-period for setting up the payment systems and proposed scale of operations, etc.
- A proposed organisational strategy in terms of fulfilling its responsibility as an umbrella entity shall also be given in the business plan.
- The umbrella entity shall commence business / operations within a time of 6 months, extendable to a maximum of one year, if required, from the date of ‘in-principle approval’.

- **Procedure for Processing of Applications**

- The applications will be taken up for processing only after the last date of receipt of applications, in the order of their receipt at the Reserve Bank of India. Scrutiny of applications will be undertaken by an External Advisory Committee (EAC).
- The EAC will submit its recommendations to the Reserve Bank. Board for Regulation and Supervision of Payment and Settlement Systems (BPSS), will be the final authority on issuing authorisation for setting up umbrella entity / entities.
- Reserve Bank will complete the process within a period of six months.

[Click here](#) to download the RBI Notification.

# Circulars and Notifications – RBI/FEMA

## New Definition of Micro, Small and Medium Enterprises – clarifications

In view of the representations from IBA and banks regarding applicability of certain aspects contained in the Gazette notification No. S.O. 2119(E) dated June 26, 2020 on new criteria for classifying the enterprises as micro, small and medium enterprises, the Ministry of MSME, vide their Office Memorandum (OM) No.2/1(5)/2019 – P & G/Policy (pt. IV) dated August 6, 2020 and letter F.No.5/2(2)/2020 - P & G/Policy dated August 13, 2020 has, inter alia, clarified the following:

- **Classification of Enterprises as per new definition**

As per para 2 of the said Gazette notification all enterprises are required to register online and obtain ‘Udyam Registration Certificate’. All lenders may, therefore, obtain ‘Udyam Registration Certificate’ from the entrepreneurs

- **Validity of EM Part II and UAMs issued till June 30, 2020**

The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2021. Further, all enterprises registered till June 30, 2020, shall file new registration in the Udyam Registration Portal well before March 31, 2021.

‘Udyam Registration Certificate’ issued on self-declaration basis for enterprises exempted from filing GSTR and / or ITR returns will be valid for the time being, upto March 31, 2021

- **Value of Plant and Machinery or Equipment**

The online form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipment for all purposes of the Notification No. S.O. 2119(E) dated June 26, 2020 and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price, which was applicable in the context of the earlier classification criteria.

[Click here](#) to download the RBI Notification.

# Circulars and Notifications – RBI/FEMA

## Amendments to Foreign Exchange Management (Non-Debt Instruments) Rules

Amendment to Serial No. 9.3 and 9.5 of Table in Schedule I with regards to Foreign Direct investment (FDI) in Air transport services sector:

Sl. No	Sector/Activity	Sectoral Cap	Entry Route
9.3	Air Transport Services		
	(1) (a) Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline (b) Regional Air Transport Service	100%	Automatic up to 49% (Automatic up to 100% for NRIs) Government route beyond 49%
	(2) Non-Scheduled Air Transport Services	100%	Automatic
	(3) Helicopter services/seaplane services requiring Directorate General of Civil Aviation (DGCA) approval	100%	Automatic

Note: As per Schedule XI of the Aircraft Rules, 1937, Air Operator Certificate to operate Scheduled Air Transport Services (including Domestic Scheduled Passenger Airline or Regional Air Transport Service) is granted to such company or a body corporate, - (a) which is registered and has its principal place of business within India; (b) whose Chairman and at least two-thirds of its Directors are citizens of India; and (c) whose substantial ownership and effective control is vested in Indian nationals.”

# Circulars and Notifications – RBI/FEMA

## 9.5 Other Conditions:

(a) Air Transport Services shall include Domestic Scheduled Passenger Airlines, NonScheduled Air Transport Services, helicopter and seaplane services.

(b) Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines, helicopter and seaplane services, as per the limits and entry routes mentioned above.

(c) Foreign airlines are allowed to invest in the capital of Indian companies, operating scheduled and non-scheduled air transport services, up to the limit of 49 per cent of their paid-up capital, subject to the following conditions, namely :-

(i) it is made under the Government approval route,

(ii) the 49 per cent limit will subsume FDI and FII/FPI investment,

(iii) the investments so made would need to comply with the relevant regulations of the Securities and Exchange Board of India (SEBI), such as the Issue of Capital and Disclosure Requirements (ICDR) Regulations/Substantial Acquisition of Shares and Takeovers (SAST) Regulations, as well as other applicable rules and regulations,

(iv) all foreign nationals likely to be associated with Indian scheduled and non-scheduled air transport services, as a result of such investment shall be cleared from security view point before deployment, and

(v) all technical equipment that might be imported into India as a result of such investment shall require clearance from the relevant authority in the Ministry of Civil Aviation.

(d) In addition to the above conditions, foreign investment in M/s Air India Limited shall be subject to the following conditions, namely :-

(i) foreign investments in M/s Air India Limited, including that of foreign airlines shall not exceed 49 per cent either directly or indirectly except in case of those NRIs, who are Indian Nationals, where foreign investments is permitted up to 100 per cent under automatic route.

(ii) substantial ownership and effective control of M/s Air India Limited shall continue to be vested in Indian Nationals as stipulated in Aircraft Rules, 1937.

(e) FDI in Civil Aviation shall be subject to provisions of the Aircraft Rules, 1937, as amended from time to time.



# Circulars and Notifications – RBI/FEMA

Note:

(i) The FDI limits or entry routes mentioned at serial numbers 9.2 and 9.3 above, are applicable in the situation where there is no investment by foreign airline.

(ii) Any investment by foreign airlines in companies operating in Air Transport Services, including in M/s Air India Limited, shall be subject to entries (b) and (c) above.

(iii) The dispensation for those NRIs, who are Indian Nationals, regarding FDI up to 100 per cent will continue in respect of the investment regime specified at entries (c) (ii) and (d) above.

[Click here](#) to download the Notification.



# Due Dates

SEZ MPR for August 2020	5 <sup>th</sup>
Deposit of Tax deducted/ collected for the month of August 2020	7 <sup>th</sup>
SERF Return for August 2020	10 <sup>th</sup>
GSTR1 of August 2020	11 <sup>th</sup>
GSTR3B May 2020 *	12 <sup>th</sup>
ISD Return for August 2020	13 <sup>th</sup>
To issue of TDS Certificate for tax deducted u/s194-IA/ 194-IB/ 194M in July 2020	14 <sup>th</sup>
GSTR3B-May 2020 ** Payment and Filing of PF – ECR for August 2020 ESI Contribution for August 2020 Second instalment of advance tax for the Assessment year 2021-22 (financial year 2020-21)	15 <sup>th</sup>
GSTR3B for August 2020 PT Return for August-2020	20 <sup>th</sup>
GSTR3B June 2020 *	23 <sup>rd</sup>
GSTR3B – June 2020 **	25 <sup>th</sup>
GSTR3B July 2020 *	27 <sup>th</sup>
GSTR3B-July 2020 **	29 <sup>th</sup>

## SEPTEMBER 2020

Week	S	M	T	W	T	F	S
36	29	30	1	2	3	4	5
37	6	7	8	9	10	11	12
38	13	14	15	16	17	18	19
39	20	21	22	23	24	25	26
40	27	28	29	30	1	2	3
41	4	5	6	7	8	9	10

- Accounting of ITC on invoices for the period 2019-20
- Annual Rule 42 Reversal for F Y 2019-20
- Raising Credit note w.r.t. invoices raised in FY 2019-20
- GSTR9 & 9C for F Y 2018-19
- SEZ Units – Gist of contract return, Softex Return & Service procurement reporting for August 2020
- STPI/Non-STPI – MPR & Softex Return for August 2020
- Return of income for the AY 2019-20 for all assessee (FY2018-19)

#### ROC Compliances – refer notes

- Filing Form INC20A
- Form BEN-1
- Form BEN-2
- INC-22A
- DIR 3 KYC
- E-Form PAS – 6
- NFRA-2
- DPT-3 Annual & DPT-3 Onetime (for 2019)
- MSME-1 one time for 2019 & half-yearly filing since September 2018
- Form ADT-1, AOC-4, MGT-7 or of forms related to Companies Act, 1956
- LLP Form – Reconstitution forms Form 3, 4
- LLP Annual forms Form 11, 8

30<sup>th</sup>

## SEPTEMBER 2020

Week	S	M	T	W	T	F	S
36	29	30	1	2	3	4	5
37	6	7	8	9	10	11	12
38	13	14	15	16	17	18	19
39	20	21	22	23	24	25	26
40	27	28	29	30	1	2	3
41	4	5	6	7	8	9	10

# Due Dates

## Notes:

\* GSTR3B due date for Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of 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, Puducherry, Andaman and Nicobar Islands and Lakshadweep

\* \* Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of 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

Sl. No.	Section	Form	Applicability	Requirement	(Due Date Extended as covered under CFSS 2020 Scheme)
1.	Section 10 A (Commencement of Business)	INC 20A (one-time compliance)	Mandatory compliance for a Company incorporated w.e.f. 02.11.2018	Within 180 Days from the Date Of Incorporation Of The Company + An additional time of 6 more months shall be allowed by MCA (6+6 months)	30.09.2020
2.	Section 90(1)	Form BEN-1	Significant Beneficial Owner / Any Change therein a declaration in Form No. BEN-1	Required to be filed to the reporting company, within 30 days of acquiring such significant beneficial ownership or any change therein.	As applicable
3.	Section 90(4)	Form BEN-2	If BEN-1 filed due applicability of section 90	Within 30 days from deployment of the E – form (earlier the date of receipt of declaration in BEN-1 ) BEN -2 due date extended till 31.03.2020	30.09.2020
4.	Notification for Active Compliance (One Time)	INC-22A	Filing of the particulars of the Company & its registered office. (by every company incorporated on or before the 31.12.2017.)	Last date was 15.06.2020	30.09.2020 without the penalty of Rs. 10,000/-
5.	DIN Rules	DIR 3 KYC	Every DIN holder - DIN KYC through DIR 3 KYC & subsequently through Web Form is an Annual Exercise	30th June every year	30.09.2020 without the penalty of Rs. 5,000/-

Sl. No.	Section	Form	Applicability	Requirement	(Due Date Extended as covered under CFSS 2020 Scheme)
6.	Rule 9A (8) of Companies (Prospectus and Allotment of Securities) Rules	E-Form PAS – 6	To be filed all unlisted companies, deemed public companies for Reconciliation of Share Capital Audit Report (Half-yearly)	30th September	30.09.2020
7.	Section 132 & 139	NFRA-2	Annual Return To Be Filed By Auditor With The National Financial Reporting Authority	4th September, 2020	30.09.2020
8.	Sub-rule (3) & Sub-rule (2) in Rule 16A of the Companies (Acceptance of Deposits) Rules	DPT-3 Annual & DPT-3 Onetime (for 2019)	return of deposits that companies must file to furnish information about deposits and/or outstanding receipt of loan or money other than deposits.	30th June every year	30.09.2020
9.	Notification on MSME	MSME-1 one time for 2019 & half-yearly filing since September 2018	Outstanding payable for more than 45 days for suppliers registered as MSME	30 days from the end of half year – i.e., April & October	30.09.2020
10.	Annual Returns of any of the Previous years	Form ADT-1, AOC-4, MGT-7 or of forms related to Companies Act, 1956	Annual filing as per section 92 and 137 to be complied every year by all Companies	Within 15 days, 30 days & 60 days of AGM	30.09.2020
11.	LLP Form – Reconstitution forms	Form 3, 4	For changes in Constitution of LLP	Within 30 days of changes in Constitution of the firm	As per LLP Settlement Scheme – 30.09.2020
12.	LLP Annual forms	Form 11, 8	Annual forms for each year	May 31 & October 31	As per LLP Settlement Scheme – 30.09.2020



# Contact Us



## About Us

Vishnu Daya & Co LLP is a Professional Services Firm under which dedicated professionals have developed core competence in the field of audit, financial consulting services, financial advisory, risk management, direct and indirect taxation services to the clients.

Started in the year 1994 as audit firm in Bangalore with an ambition to provide services in the area of accountancy and audit, our legacy of vast experience and exposures to different types of industries made us rapidly adaptable to the changing needs of the time and technology by not only increasing our ranges of services but also by increasing quality of service. With diversification, our professional practice is not only limited to Bangalore but has crossed over to the other parts of India with a motto to provide "One Stop Solutions" to all our clients.



### OUR ADDRESS

#### Bangalore:

GF 7 & 3rd Floor, Karuna Complex,  
No. 337, Sampige Road, Malleswaram,  
Bangalore-560003

#### Chennai:

Amber Crest Apartment  
No 37, 3A, 3rd Floor, Pantheon  
Road, Egmore  
Chennai- 600 008



### OUR EMAIL

daya@vishnudaya.com  
shankar@vishnudaya.com



### OUR PHONE

Bangalore: +91-80-23312779  
Chennai: +91-044-28554447



### OUR WEBSITE

[www.vishnudaya.com](http://www.vishnudaya.com)

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