

TAX EDGE

Monthly Tax & Regulatory Updates



CONTENTS

- 1** Measures to combat COVID-19
- 2** Goods & Services Tax ('GST')
- 3** Direct Tax
- 4** International Tax
- 5** Company Law
- 6** Reserve Bank of India (RBI)
- 7** Securities Exchange Board of India ('SEBI')
- 8** Compliance Calendar



MEASURES TO COMBAT COVID-19



Measures to combat COVID-19

Prime Minister (PM) salutes the country's valiant fight against COVID in his Independence Day address to the nation



The ongoing COVID pandemic and India's simultaneous graded and pro-active approach that made the country 'Self-Reliant' found a place in the PM's address to the Nation on the 74th Independence Day (15th August 2020), as he highlighted the accomplishments of Government in the field of health.

PM expressed his condolences for families who lost their loved ones to the disease, he said that India's Corona warriors need to be applauded as they have exemplified the motto of 'service above all'. The PM reassured the nation that 'we will win against corona'.

He highlighted the 'Self-Reliant' spirit of the country that has resulted in achieving self-reliance amid COVID. He said that the country is now producing Personal Protective Equipment ('PPE') kits, N95 masks, ventilators, etc., which were not being manufactured domestically. The increase in production capacity of such world-class items also echoed in his call 'vocal for local'.

PM highlighted the country's steady escalation of its COVID testing capacity. 'From merely one lab we have today more than 1400 labs across the country. We were earlier conducting just 300 tests on a day; today we are conducting more than 7 lakh tests in a day. We have achieved this in a very less amount of time", he stated.

In his Independence Day address to the nation, the PM mentioned India's strategy for the development of the Corona Vaccine. He stated that scientists are working on this mission with strong determination. Presently, 3 vaccines are in different stages of testing. As soon as the scientists give a nod, mass production shall commence. A blueprint for the production and distribution of the vaccine is also ready, he added.

Expanding on the country's push for increased capacity in Medical Education and Health Infrastructure, PM stated that the new 'All India Institute of Medical Science' ('AIIMS') and medical colleges will strengthen the medical infrastructure in the country. We have added more than 45,000 seats in MBBS and MD courses, he added. He also appreciated the role played by the Ayushman Bharat Health & Wellness Centres (HWCs) in the provisioning of non-COVID healthcare services during the ongoing pandemic. Of the envisaged 1.5 lakh HWCs, 1/3rd are already active, he said. He also expressed confidence that Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY) will improve the effectiveness of services in the health sector.

Please [Click Here](#) to read the Press Release dated 15th August 2020.

Measures to combat COVID-19

Electronic Vaccine Intelligence Network (eVIN) has ensured essential immunization services during COVID



The Electronic Vaccine Intelligence Network (eVIN) is an innovative technological solution aimed at strengthening immunization supply chain systems across the country. This is being implemented under the National Health Mission (NHM) by Ministry of Health and Family Welfare. eVIN aims to provide real-time information on vaccine stocks and flows, and storage temperatures across all cold chain points in the country. This robust system has been used with the requisite customization during COVID for ensuring the continuation of the essential immunization services and protecting children and pregnant mothers against vaccine-preventable diseases.

eVIN combines state-of-the-art technology, a strong IT infrastructure, and trained human resource to enable real-time monitoring of stock and storage temperature of the vaccines kept in multiple locations across the country.

eVIN has reached 32 States and Union Territories (UTs) and will soon be rolled-out in the remaining States and Union Territories of Andaman & Nicobar Islands, Chandigarh, Ladakh and Sikkim. At present, 23,507 cold chain points across 585 districts of 22 States and 2 UTs routinely use eVIN technology for efficient vaccine logistics management. Over 41,420 vaccine cold chain handlers have been introduced to digital record-keeping by training them on eVIN. Nearly 23,900 electronic temperature loggers have been installed on vaccine cold chain equipment for accurate temperature review of vaccines in storage.

eVIN has helped create a big data architecture that generates actionable analytics encouraging data-driven decision-making and consumption-based planning that helps in maintaining optimum stocks of vaccines leading to cost savings. Vaccine availability at all times has increased to 99% in most health centres. An activity rate of more than 99% reflects the high adoption of the technology across all health centers where eVIN is currently operational. While instances of stock-outs have reduced by 80%, the time taken to replenish stocks has also decreased by more than half, on an average. This has ensured that every child who reaches the immunization session site is immunized, and not turned back due to the unavailability of vaccines.

To support the Government of India's efforts to combat COVID, eVIN India is helping the state governments monitor the supply chain of COVID response material. Since April 2020, 8 States / Union Territories (Tripura, Nagaland, Manipur, Meghalaya, Arunachal Pradesh, Haryana, Punjab, and Maharashtra) are using the eVIN application with 100% adherence rate to track State-specific COVID material supplies, ensure availability and raise alerts in case of shortage of 81 essential drugs and equipment.

This strong platform has the potential to be leveraged for any new vaccine including the COVID vaccine, as and when available.

Please [Click Here](#) to read the Press Release dated 3rd August 2020.

Measures to combat COVID-19

Health Ministry's 'eSanjeevani' telemedicine service records 2 lakh tele-consultations, an achievement for Digital India



The 'eSanjeevani' digital platform of the Ministry of Health & Family Welfare has completed 2 lakh tele-consultations. This milestone was achieved in a short time period of 10 days only since the 9th of August when Dr. Harsh Vardhan, Union Minister for Health and Family Welfare presided over a meet to commemorate the completion of 1.5 lakh tele-consultations. In what can be seen as a big push for the 'Digital India' initiative of the Prime Minister, the eSanjeevani platform has proved its usefulness and easy access for the caregivers and the medical community, and those seeking healthcare services in the times of COVID.

eSanjeevani platform has enabled 2 types of telemedicine services viz. Doctor-to-Doctor (eSanjeevani) and Patient-to-Doctor (eSanjeevani OPD) Tele-consultations. The former is being implemented under the Ayushman Bharat Health and Wellness Centre (AB-HWC). It aims to implement tele-consultation in all the 1.5 lakh Health and Wellness Centres in conjunction with identified Medical College hospitals in a 'Hub and Spoke' model. The Health Ministry rolled out the second tele-consultation service 'eSanjeevaniOPD' enabling patient-to-doctor telemedicine owing to the COVID pandemic in April 2020. This has proved a boon in containing the spread of COVID while simultaneously enabling provisions for non-COVID essential healthcare. eSanjeevani has been implemented so far by 23 States and other States are in the process of rolling it out.

Please [Click Here](#) to read the Press Release dated 19th August 2020.

Measures to combat COVID-19

Portable hospital infrastructure set-up for COVID, equipped with prefabrication modular technology and telescopic frame reducing the model to 1/5th of its original size

Sree Chitra Tirunal Institute for Medical Sciences and Technology ('SCTIMST'), an autonomous institute under the Department of Science and Technology ('DST'), Government of India in collaboration with 'Modulus Housing' a start-up incubated by IIT Madras has come up with a solution using the decentralised approach to detect, manage and treat COVID patients in local communities through portable microstructures. The portable microstructure named as 'MediCAB', which is modular, portable, durable, easy to set up, and can be customised as per the requirements of the customer. It is foldable and is composed of 4 zones – a doctor's room, an isolation room, a medical room/ward, and a twin-bed Intensive Care Unit ('ICU'), maintained at negative pressure. It can be easily transported and installed anywhere in geographic locations and can be erected in just 2 hours with the help of 4 persons.



Please [Click Here](#) to read the Press Release dated 19th August 2020.

Relaxation in eligibility criteria and enhancement in payment of unemployment benefit under Employees' State Insurance Corporation's (ESIC's) scheme

ESIC has taken decisions towards improvement in its service delivery mechanism and providing relief to workers affected by COVID pandemic. ESIC is implementing the Atal Bimit Vyakti Kalyna Yojna under which the unemployment benefit is paid to the workers covered under the ESI Scheme. The ESIC has decided to extend the scheme for another year up to 30th June 2021. It has been decided to relax the existing conditions and the amount of relief for workers who have lost employment during the COVID pandemic period. With a view to strengthen ICU/HDU services in ESIC hospitals amid the COVID pandemic, it has been decided to establish ICU/HDU services up to 10% of total commissioned beds in all ESIC Hospitals. So far, 23 ESIC hospitals with around 2600 Isolation Beds and approx. 1350 quarantine beds across India are functioning as COVID Dedicated Hospitals to exclusively provide COVID medical services to the general public of the area. In addition to the above, around 961 COVID Isolation Beds are available in most of the remaining ESIC Hospitals across the country, making a total of 3597 COVID Isolation Beds in various ESIC Hospitals. Further, a total of 555 ICU/HDU Beds with 213 Ventilators have also been made available in these Hospitals.

Please [Click Here](#) to read the Press Release dated 21st August 2020.

Measures to combat COVID-19

Union Minister of Health & Family Welfare launches an interactive game to promote COVID Appropriate Behaviours



Dr. Harsh Vardhan, Union Minister of Health & Family Welfare launched an interactive first-of-its-kind game on COVID, The Corona Fighters (www.thecoronafighters.in), and 2 new videos urging adherence to key COVID Appropriate behaviors. Expressing his pleasure at the launch of the uniquely designed game, he said that the game 'presents a new and extremely creative way to teach people the right tools and behaviors to fight the pandemic'. He further added that this along with 2 promotional videos 'is a simply designed and enjoyable medium to get a serious message across to the wider public'. He also recollected his experience with the polio drive which was transformed into a social movement through peoples' participation and support and contribution of many film industry professionals. He said, "The same effort can contain COVID by publicizing COVID appropriate behavior through caller tunes and other mediums throughout the lockdown and thereafter during the phases of unlocking. Till we get a vaccine for fighting COVID, the COVID appropriate behaviors will serve as a potent social vaccine and keep us protected and safe".

Please [Click Here](#) to read the Press Release dated 20th August 2020.

Study initiated for low cost COVID detection kit suitable for storage in less stringent conditions in rural areas



The COVID pandemic has thrown up the novel challenge of setting up rapid diagnostic facilities in remote areas which do not have adequate infrastructure. This calls for low cost devices that do not require very stringent storage facilities. Scientists have put in a research plan to meet this urgent requirement. With support from the Science and Engineering Research Board, under the DST, Birla Institute of Technology, Mesra, Ranchi, has initiated a research with the detection of a target protein using bioinformatics tool against which the diagnostic kit has to be developed.

Please [Click Here](#) to read the Press Release dated 21st August 2020.

Measures to combat COVID-19

Industrial Training Institute (ITI), Berhampur files 3 Patents for COVID related innovations - Mobile swab collection kiosk, Ultraviolet ('UVC') Sole sanitizer, UVC Robo warrior



In an ongoing effort to use its technical expertise to help curtail the spread of COVID, Industrial Training Institute (ITI), Berhampur has registered 3 of its innovative products developed to fight against the novel Coronavirus in the patent journal, attesting its inherent strength to be able to rise to any challenge. This will give priority right to the institute over invention. In coming days, this achievement will catapult more ITIs participation towards filing patents for their innovations and contribute towards fulfilling Hon'ble Prime Minister's vision of Self Reliant India. The 3 innovations by the Institute include the following:

Mobile Swab Collection Kiosk

In a recent report of World Health Organisation ('WHO'), the COVID virus Aerosol can also transmit through air. The aerosols can remain in air for a longer period, so during swab collection either at the mobile kiosk or at hospitals, the suspected patient stays outside. The health technician stays inside the kiosk. This creates a possibility of contaminated aerosols in that area where sample is collected. There is a possibility of spreading COVID virus from that location. ITI Berhampur has provided a solution to put the suspected patient inside the cabin and technician outside the kiosk. By a negative pressure technology using High Efficiency Particulate Air ('HEPA') filters the aerosols are filtered, making the environment free from COVID virus in that area.

Ultraviolet ('UVC') Sole Sanitizer

A sole sanitizing device includes a portable platform and a pair of shoe sole receiving sections including open bottom surface. Each of the shoe sole receiving sections is adapted to receive the exterior part of the shoe. This platform also includes plurality of disposable transparent mats along which can be removed and placed on the platform. A plurality of UVC light source is aligned as per length of shoe receiving station. Mechanism is provided through IR sensors when both the soles are on the platform then only the UVC light gets triggered at the same time. The UVC light emits the ray upwards and eradicates the microorganisms deposited on the exterior surface. The digital counter machine is set to 8 seconds after which, both the UVC lights are automatically turned off. 80% of transmissions of viruses happen through shoe sole. As the COVID infection number is increasing in the society, preventing our soles from any chance of COVID virus as well as other infections is highly essential. It can be used at entrance of public places like hospital, office, airport, railway station, shopping mall, hotel and institute etc. to disinfect the shoe sole. A portable small single sole machine is also designed to be used at home.

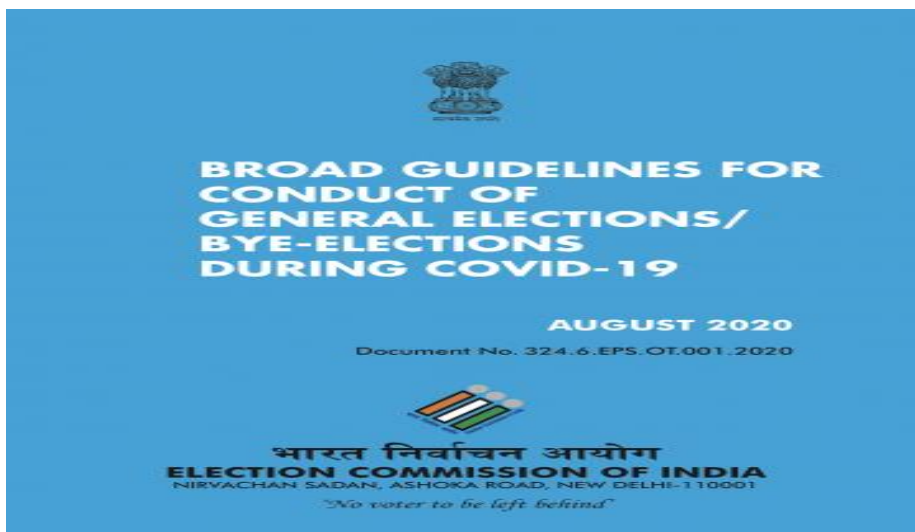
Measures to combat COVID-19

[UVC Robo Warrior](#)

The UVC Robo Warrior machine provides UVC light disinfection apparatus that disinfects the surfaces of public transport system and the isolation rooms occupied by COVID infected or suspected patients. This apparatus moves to the point of disinfection surfaces for direct exposure of UVC light. UVC light emits UV ray with a wave length of 254 nm. which is most easily absorbed by proteins and nucleic acid of bacteria and virus. It can denature and disassociate proteins from thymine dimmers in nucleic acid and destroy the nucleic acid and destroy the DNA, RNA, structure of various bacteria.

Please [Click Here](#) to read the Press Release dated 21st August 2020.

[Guidelines for Conduct of General Election/Bye election during COVID](#)



Election Commission of India has approved the broad guidelines for conduct of general/bye elections during COVID period. The Commission has revised the norms of number of persons accompanying the candidate and number of vehicles at the time of nomination. It has also created optional facility to fill the nomination form and the affidavit online and submission of the same, after taking print, before the RO concerned. For the first time, the candidates will have the option to deposit security amount for contesting the elections online. Keeping the containment guidelines in view, the Commission has limited the number of persons including candidate for door to door campaign to five. Public meeting and road shows shall be permissible with suitable instructions subject to containment instructions issued by the MHA/State. Face Mask, Sanitizer, Thermal scanners, gloves, face shield and PPE kits shall be used during the electoral process ensuring social distancing norms. Hand gloves shall be provided to all the electors for signing on the voter register and pressing button of EVM for voting.

Please [Click Here](#) to read the Press Release dated 21st August 2020.

Please [Click Here](#) to read the Guidelines dated 21st August 2020.

GOODS & SERVICES TAX

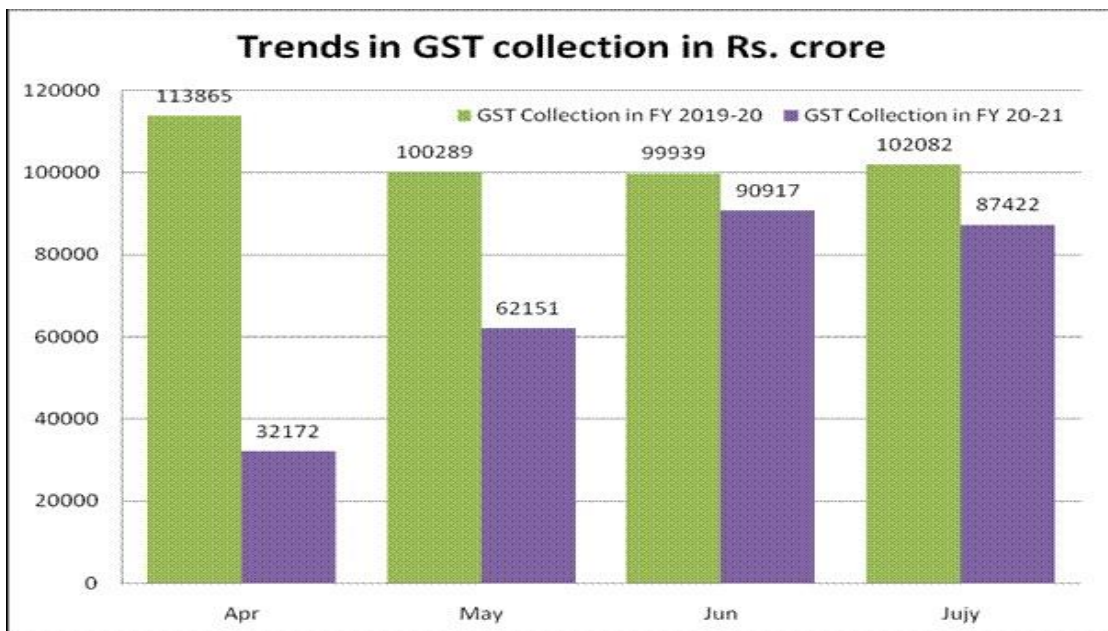


Goods & Services Tax

GST revenue collection for July 2020, Rs. 87,422 crore (equivalent to 86% of collection for July 2019)

Gross GST revenue collection for the month of July, 2020 is Rs. 87,422 crore (details given below). The revenues for the month are 86% of the GST revenues in the same month last year. The revenues for June were higher than that of July. However, it is important to note that during the previous month, a large number of taxpayers also paid taxes pertaining to February, March and April 2020 on account of the relief provided due to COVID. It may also be noted that the taxpayers with turnover less than INR 5 core continue to enjoy relaxation in filing of returns till September 2020.

IGST (Integrated Goods and Services Tax)	Rs. 42,592 crore
CGST (Central Goods and Services Tax)	Rs. 16,147 crore
SGST (State Goods and Services Tax)	Rs. 21,418 crore
Compensation cess	Rs. 7,265 crore
Total	Rs. 87,422 crore



Please [Click Here](#) to read press release dated 1st August, 2020.

Goods & Services Tax

Central Board of Indirect Taxes & Customs (CBIC) issues schema for E-Invoicing



CBIC has introduced the Schema for E-Invoicing which will be implemented from 1st October 2020 onwards, for business entities having a turnover of INR 500 crore or more.

Please [Click Here](#) to read the notification dated 30th July 2020.

CBIC increases minimum threshold limit of annual turnover to INR 500 crore (from INR 100 crore) for applicability of e-invoicing scheme along with grant of exemption to Special Economic Zone (SEZ) units

Earlier e-invoicing scheme was applicable to taxpayers having annual turnover exceeding INR 100 crore. The said limit has been increased to INR 500 crore vide notification no. 61/2020 dated 30th July 2020.

Also, Special Economic Zones (SEZ) units have been exempted from issuing e-invoices.

Please [Click Here](#) to read the notification dated 30th July 2020.

Goods & Services Tax

CBIC issues notification for Aadhar authentication in GST registration

CBIC has issued notification no. 62/2020 dated 20th August 2020 wherein 'Aadhar' authentication process has been introduced, for the persons applying for GST registration as normal taxpayer / composition/ casual taxable person/ Input Service Distributor (ISD) / SEZ developer/ SEZ unit etc., in Form GST REG 01.

Under this, individuals, authorised signatories of all types of businesses, managing and authorised partners of partnership firms and karta of Hindu undivided families, applying for new registration, can opt to undergo e-KYC authentication of their Aadhar number.

Applicants, who either do not provide Aadhar while applying for new registration or whose Aadhar authentication fails in validation, would be subjected to site verification by the tax department. Based on documents produced, tax department can grant registration.

Timeline for grant of registration are:

- In case of successful authentication of Aadhar, registration will be deemed approved within 3 working days
- If Aadhar authentication is not opted for or if authentication fails in validation and no show cause notice (SCN) is issued within 21 days by the tax official, registration will be deemed approved
- Tax officer can issue SCN within the period specified for grant of registration, like in cases of successful Aadhar authentication i.e. 3 working days, or in cases when taxpayer do not opt to provide Aadhaar or when Aadhar authentication fails i.e. 21 working days. Applicants can submit their reply within 7 working days from issue of SCN

Important points while opting for Aadhar authentication are as below:

- Once registration application is submitted, an authentication link will be shared on GST registered mobile number and email id mentioned in the GST application
- On clicking the verification link, a window for Aadhar authentication will open where they have to enter Aadhar number and the one-time password received by them on the mobile number linked with Aadhar
- Taxpayers need to complete Aadhar authentication of all promoters / partners / authorised signatories / karta etc. as mentioned in the application to avail this option
- Applicant can access the link again for authentication by navigating to My Saved Application > Aadhar Authentication Status > Resend Verification Link
- Person already registered on GST portal are not required to undergo Aadhar Authentication at this stage
- Person who are not resident / citizen of India are exempted from Aadhar authentication process

Please [Click Here](#) to read the notification dated 20th August 2020.

Goods & Services Tax

CBIC introduces functionality to file application for revocation of cancellation of registration for taxpayers

In view of the Removal of Difficulty Order No. 01/2020 dated 25th June 2020, the restriction on filing revocation application, in case it was rejected, has been removed. Aggrieved taxpayers can now file an application for revocation of cancellation of registration once again.

Further, those taxpayers who have filed appeal against rejection of the Revocation Application and the decision is still pending, may also file the Revocation of Cancellation.

For accessing the functionality, the taxpayer is required to login and navigate to Services> Registration> Application for Revocation to file the application for revocation.

Please [Click Here](#) to read the order dated 25th June 2020.



DIRECT TAX



Direct Tax

Central Board of Direct Taxes (CBDT) amends rules for furnishing details of income paid / credited by an investment fund to its unit holder (forms 64C and 64D)

CBDT has issued notification no. 55 on 28th July, 2020 to substitute Rule 12CB of the Income-tax Rules, 1962 prescribing the statement giving details of the nature of the income paid or credited during the previous year and such other relevant details by an investment fund to its unit holder and Principal Commissioner or the Commissioner of Income-tax, as the case may be.

As per the new Rule 12CB, the statement of income paid or credited by an investment fund to its unit holder shall be furnished to the unit holder by *30th June* of the following financial year in *Form 64C* after generating and downloading the same from the designated web portal.

The Principal Director General of Income-tax ('DGIT') (Systems) or DGIT (Systems) shall also specify the procedure for electronic filing of *Form 64D* to the jurisdictional Principal Commissioner of Income-tax ('CIT') or CIT by *15th June* of the following financial year.

Please [Click Here](#) to read the notification.

Government introduces Faceless Assessment Scheme, 2019

Last year, the Finance Ministry had proposed introduction of a scheme of faceless assessment. On 13th August 2020, the Government has amended the E-assessment scheme of 2019 to Faceless assessment scheme. The scheme aims at eliminating human interface between the taxpayer and the Income-tax department and lays down the procedure to carry out a faceless assessment through electronic mode. The scheme applies to scrutiny assessment u/s 143 of the Act and best judgment assessment u/s 144 of the Act.

Key highlights of the amended faceless assessment scheme are given below:

Framework under the new faceless assessment scheme:

CBDT to set up below centres / units and specify their jurisdiction:

- **National E-Assessment Centre (NEC):** To facilitate conduct of e-assessment proceedings in a centralized manner
- **Regional E-Assessment Centre (REC):** To facilitate conduct of e-assessment proceedings in the cadre controlling region of a Principal Chief Commissioner
- **Assessment Units:** For identifying points or issues, material for the determination of any liability (including refund), analysing information, and such other functions
- **Verification Units:** For enquiry, cross verification, examination of books of accounts, witness and recording of statements, other such functions
- **Technical units:** For technical assistance including any assistance or advice on legal, accounting, forensic, information technology, valuation, audit, transfer pricing, data analytics, management or any other technical matter
- **Review units:** For reviewing the draft assessment order to check whether the facts, relevant evidence, law and judicial decisions have been considered in the draft order

All the communications between all the units mentioned above, for the purpose of making an assessment under this scheme would be through the National e-Assessment Centre.

Direct Tax

Assessment procedure under the new faceless assessment scheme:

- NEC to issue notice electronically to the assessee u/s 143(2) specifying the issues for selection of his case for assessment
- Assessee may file his response to the NEC within 15 days from the date of receiving notice
- Assessee's case gets assessed under e-assessment only when he fails to furnish an income tax return voluntarily or in response to a notice asking to furnish a return
- NEC shall assign the case selected for the purposes of e-assessment under this scheme to a specific assessment unit in any one REC through an automated allocation system
- Once a case is assigned to an assessment unit, it may request NEC for:
 - ✓ obtaining such further information, documents or evidence from the assessee or any other person, as it may specify
 - ✓ conducting certain enquiry or verification by verification unit
 - ✓ seeking technical assistance from the technical unit
- Based on request received from assessment unit, NEC shall issue appropriate notice / requisition to the assessee / verification unit / technical unit through an automated allocation system
- Assessee shall file his response to the notice within time specified in the notice
- In case the assessee fails to comply with the notice mentioned above or notice issued u/s 142(1) or with a direction issued u/s 142(2A), NEC shall serve a notice u/s 144 for making best judgment assessment
- Assessee shall file a response to the notice issued u/s 144 above. However, if the assessee does not file a response, the NEC will inform the same to assessment unit
- The assessment unit shall, after considering material available on record, write a draft assessment order either accepting the returned income of the assessee or modifying the returned income of the assessee, as the case may be (along with the details of penalty proceedings to be initiated, if any), and send a copy of such order to the NEC



Direct Tax

NEC shall examine the draft assessment order in accordance with the risk management strategy specified by the CBDT, including by way of an automated examination tool, whereupon it may decide to:

- ✓ Finalise the assessment as per the draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, along with the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment
- ✓ Provide an opportunity to the assessee, in case a modification is proposed, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order
- ✓ Assign the draft assessment order to a review unit in any one REC, through an automated allocation system, for conducting review of such order
- The Review unit shall conduct review of the draft assessment order, referred to it by the NEC whereupon it may decide to:
 - ✓ Concur with the draft assessment order and intimate the NEC about such concurrence
 - ✓ Suggest such modifications, as it may deem fit, to the draft assessment order and send its suggestions to NEC
- NEC shall upon receiving concurrence of the review unit, follow the specified procedure and upon receiving suggestions for modifications from the review unit, assign the case to an assessment unit, other than the assessment unit which has made the draft assessment order, through an automated allocation system
- The assessment unit shall, after considering the modifications suggested by the review unit, send the final draft assessment order to NEC
- NEC shall, upon receiving final draft assessment order, finalise the draft assessment order, or provide an opportunity to the taxpayer in case a modification is proposed, as the case may be
- Assessee may, in a case where notice is issued for making submissions against the draft assessment order, furnish his response to NEC on or before the date and time specified in the notice
- NEC shall
 - ✓ In a case where no response to the show-cause notice is received, finalise the assessment as per the draft assessment order
 - ✓ In any other case, send the response received from the assessee to the assessment unit
- Assessment unit shall, after considering the response furnished by the assessee, make a revised draft assessment order and send it to NEC

Direct Tax

- NEC shall, upon receiving the revised draft assessment order
 - ✓ In case no modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, finalise the assessment as per the specified procedure
 - ✓ In case a modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, provide an opportunity to the assessee, by serving a notice as per the specified procedure
 - ✓ The response furnished by the assessee shall be dealt with as per the specified procedure
- NEC shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over the said case

Further, the Principal Chief Commissioner or the Principal Director General, in charge of NEC, may at any stage of the assessment transfer the case to the Assessing Officer having jurisdiction over such case, with the prior approval of the CBDT

Penalty procedure under the new faceless assessment scheme:

- Any unit may, in the course of assessment proceedings, for non-compliance of any notice, direction or order issued on the part of the assessee or any other person, send recommendation for initiation of any penalty proceedings under Chapter XXI (providing for penalties imposable), against such assessee or any other person, as the case may be, to NEC, if it considers necessary to do so
- NEC shall, on receipt of such recommendation, serve a show notice on the assessee or any other person. The response to show cause shall be sent by the NEC to the concerned unit which has made the recommendation for penalty
- The said unit, after considering response by assessee, shall make a draft order of penalty and send a copy to the NEC; or drop the penalty after recording reasons, under intimation to the said Centre
- NEC shall levy the penalty as per the said draft order of penalty and serve a copy of the same along with demand notice on the assessee or any other person, as the case may be, and thereafter transfer electronic records of the penalty proceedings to the Assessing Officer having jurisdiction over the said case

Appeal proceedings under the new faceless assessment scheme:

As per the Scheme, an appeal against assessment / penalty order made by NEC shall lie before the relevant Commissioner (Appeals) having jurisdiction over the jurisdictional Assessing Officer.

Direct Tax

Exchange of communication exclusively by electronic mode

The Scheme provides that all communications between NEC and the assessee or his authorized representative, as also all internal communications between the respective centres and units shall be exchanged exclusively by electronic mode.

Communications between NEC and the assessee or his authorized representative for enquiry or verification conducted by the verification unit may be done in mode other than electronic mode.

Power to specify format, mode, procedure and processes

The Principal Chief Commissioner or the Principal Director General, in charge of the NEC shall with the approval of CBDT lay down the standards, procedures and processes for effective functioning of the various centers/units in an automated and mechanized environment.

No personal appearance in the centers or units

- The scheme provides that a person shall not be required to appear either personally or through authorized representative in connection with any proceedings under this scheme before the Income-tax authority
- However, in a case where a modification is proposed in the draft assessment order, and an opportunity is provided to the assessee, the assessee shall be entitled to seek personal hearing so as to make his oral submissions or present his case before the income-tax authority in any unit under the Scheme
- Such hearing shall be conducted exclusively through video conferencing, including use of any telecommunication application software which supports video telephony, in accordance with the procedure laid down by the Board
- An income tax authority has the power to examine or record the statement of any assessee under the Scheme. The income tax authority would do the same through video conferencing or video telephony. For the purpose of facilitating the scheme, the CBDT shall establish suitable facilities for video conferencing and video telephony at such locations as may be necessary.

Please [Click Here](#) to read the notification dated 13th August 2020.

INTERNATIONAL TAX



International Tax

CBDT exempts non-resident investors / unit holders of Category I and II Alternative Investment Funds (AIFs) set up in International Financial Services Centres (IFSCs) from requirement of obtaining Permanent Account No. (PAN)

Background

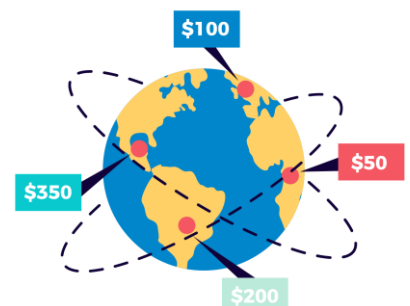
CBDT had in July 2019 exempted foreign investors earning income from Category I and II AIFs set up in IFSC from the requirement of filing tax returns in India. However, no specific exemption was granted from the requirement of obtaining PAN.

Notification dated 10th August 2020

CBDT has now exempted Non-Resident investors / unit holders of Category I and II AIFs set up in IFSCs from requirement of obtaining PAN in India subject to satisfaction of conditions, effective from 10th August 2020 onwards. The exemption is subject to following conditions:

- Non-Resident does not earn any income in India, other than income from investment in AIF during the relevant year
- Taxes have been deducted on the income by the AIF at the applicable rates, and
- The Non-Resident furnishes below details to the AIF:
 - ✓ Name, Email id, Contact No.
 - ✓ Address of residence in the foreign country
 - ✓ Declaration that the person is a resident of a foreign country
 - ✓ Tax Identification No. in the foreign country
- For such Non-Residents, the higher rate of deduction of tax @ 20% u/s 206AA will not be applicable (which is applicable where Non-Resident does not furnish PAN)
- The AIF shall be required to furnish a quarterly statement electronically in Form 49BA within 15 days from the end of the relevant quarter of the financial year in which the details / documents received from the Non-Resident would have been reported.

Please [Click Here](#) to read the notification dated 10th August 2020.



International Tax

CBDT prescribes additional conditions to be fulfilled by Pension Funds for the purpose of exemption of income arising from investment in specified infrastructure business in India u/s 10(23FE)

Background

Finance Act 2020, amongst others, inserted clause (23FE) in section 10 of the Income-tax Act to provide for exemption of income in the nature of dividend / interest / long term capital gains arising to wholly owned subsidiaries of Abu Dhabi Investment Authority (ADIA), notified Sovereign Wealth Fund (SWF) and notified Pension Funds (PF), from investment made in India, if the investment is made in specified infrastructure business (including business notified vide notification no.44/2020 dated 6th July 2020, i.e, Infrastructure subsectors mentioned in Harmonised Master List updated as on 13th August 2018 such as Transport, Logistics, Energy, Water, Sanitation, Communication, Social and commercial infrastructure, applicable for AY 2021-22 onwards) during the period 1st April 2020 to 31st March 2024 and held for atleast 3 years. For this purpose, certain conditions need to be fulfilled as specified in the clause or to be prescribed for the PF.

Notification dated 17th August 2020

CBDT vide notification dated 17th August 2020 has introduced a new rule 2DB in Income-tax Rules, 1962, specifying certain other conditions which PF shall be required to satisfy for the purpose of above exemption, as below:

- It is regulated under the law of a foreign country including the laws made by any of its political constituents being a province, state or local body, by whatever name called, under which it is created or established, as the case may be
- It is responsible for administering or investing the assets for meeting the statutory obligations and defined contributions of one or more funds or plans established for providing retirement, social security, employment, disability, death benefits or any similar compensation to the participants or beneficiaries of such funds or plans, as the case may be
- The earnings and assets of the PF are used only for meeting statutory obligations and defined contributions for participants or beneficiaries of funds or plans referred to in 2nd point above and no portion of the earnings or assets of the pension fund inures any benefit to any other private person
- It does not undertake any commercial activity whether within or outside India
- It shall intimate the details in respect of each investment made by it in India during the quarter within 1 month from the end of the quarter in Form No.10BBB
- It shall file annual return of income on or before the due date specified u/s 139(1) and furnish along with such return a certificate in Form 10BBC by a Chartered Accountant

CBDT has also introduced Rule 2DC requiring application in Form 10BBA by the PF with the relevant authorities.

Please [Click Here](#) to read the notification dated 17th August 2020.

International Tax

CBDT issues Guidance on Mutual Agreement Procedure ('MAP')

What is MAP?

An option available to taxpayers to resolve disputes arising due to double taxation. Double Taxation Avoidance Agreement ('DTAA') between different countries empower 'Competent Authorities' ('CAs') in the respective jurisdictions to entertain application under MAP from taxpayers aggrieved by double taxation in different countries. MAP is a dispute resolution mechanism in addition to other alternatives such as Settlement Commission, Authority for Advance Rulings, Dispute Resolution Panel, Advance Pricing Arrangement.

Notification dated 6th May 2020

On 24th October 2019, the Organisation for Economic Co-operation and Development ('OECD') released the 6th batch of peer review report relating to implementation of the Base Erosion and Profit Shifting ('BEPS') minimum standard under Action 14. The Report concluded that India met half of the elements of the Action 14 minimum standard on an overall basis. Further, the report recommended improvements in certain areas, including the requirement to publish comprehensive guidance on India's MAP with information on India's approach to key issues in MAP and the corresponding expectations of treat partners.

As the 1st step in this direction CBDT on 6th May 2020 issued a notification amending the rules relating to MAP, indicating India's effort to resolve MAP within 24 months and provide additional guidance to taxpayers using MAP in India.

Guidance issued on 7th August 2020

On 7th August 2020, CBDT published detailed Guidance to provide key information on several aspects relating to India's MAP program. The Guidance comprises of 4 sections as below and has been issued to benefit taxpayers, tax authorities, and Competent Authorities of India and the respective foreign jurisdictions.

- Introduction and Basic Information, including application, process, timeline for resolving and implementing MAP cases,
- Access and Denial of Access to MAP
- Technical Issues, including downward adjustment, resolution of recurring issues, interest and penalties, secondary adjustments, bilateral and multilateral advance pricing arrangements, suspension of collection of taxes during MAP pendency, adjustment of taxes paid in pursuance of demand raised by an order u/s 201 of the Income-tax Act
- Implementation of MAP outcomes, including timelines, information to Competent Authorities.

Please [Click Here](#) to read detailed Guidance dated 7th August 2020 issued by CBDT.

COMPANY LAW



Company Law

Clarification on dispatch of notice by listed companies for rights issue opening up to 31st December 2020

Section 62(1)(a)(i) of the Companies Act, 2013 mandates a company proposing to increase its subscribed capital to offer such shares to existing shareholders by sending a letter of offer through a notice. Such notice is required to be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery.

In view of COVID, companies are facing difficulty in dispatch of notice through postal or courier services. Considering the situation, Ministry of Corporate Affairs (MCA) had clarified vide circular dated 11th May 2020 that for rights issues opening upto 31st July 2020 in case of listed companies, inability to dispatch the notice to shareholders through registered post or speed post or courier would not be viewed as violation of the Act. To provide further relaxation to listed companies, MCA vide circular dated 3rd August 2020 has further extended the time limit to right issues opening upto 31st December 2020.

In other words, in case of listed companies, inability to dispatch relevant notice to shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) for rights issues opening upto 31st December 2020.

Please [Click Here](#) to read Circular dated 11th May 2020.

Please [Click Here](#) to read Circular dated 3rd August 2020.

Clarification on extension of Annual General Meeting (AGM) for the Financial Year 2019-20

MCA has clarified vide circular dated 17th August 2020 that the companies which are unable to hold their AGM for the financial year 2019-20, despite availing the relaxations of conducting the AGM through audio visual means, have to file their applications in prescribed form No. GNL-1 for seeking extension of time with the concerned Registrar of Companies (ROC) on or before 29th September 2020.

MCA has advised the ROCs to consider all such applications for extension of AGM liberally in view of the hardships faced by the companies and to grant extension of maximum upto 3 months from the due date of AGM i.e. 31st December 2020.

Please [Click Here](#) to read Circular dated 17th August 2020.

Company Law

MCA releases Report of the Committee on Business Responsibility Reporting (BRR), constituted for preparing BRR formats for listed and unlisted companies

The Committee has drafted a Business Responsibility Report with a view towards global developments that are increasingly requiring businesses to be responsible and sustainable towards their environment and society.

Highlights of BRR are as below:

- To better reflect the intent and scope of the reporting requirement, the Committee recommends that the Business Responsibility Report be called the Business Responsibility and Sustainability Report (BRSR)
- The Committee also proposes 2 formats for disclosures i.e. a comprehensive format and a Lite version.
- The Committee is of the view that implementation of the reporting requirements should be done in a gradual and phased manner
- With regard to listed companies, reporting may be done by top 1000 listed companies (by market capitalisation) as applicable presently, or as prescribed by SEBI
- The reporting requirement may be extended by MCA to unlisted companies above specified thresholds of turnover and/or paid-up capital as may be prescribed in future
- The Committee recommends that smaller unlisted companies below the prescribed threshold limit may adopt a lite version of the BRR format, on a voluntary basis
- The Committee recommends that the BRSR be integrated with the MCA portal. This would ensure that all information already filed on the MCA portal by companies would be automatically filled while filing the BRSR.

Please [Click Here](#) to read the report of the Committee on BRR.



RESERVE BANK OF INDIA (RBI)



RBI permits export and import of currency

RBI under Foreign Exchange Management (Export and Import of Currency) Amendment Regulations, 2020 has permitted export and import of currency by any person from or to India.

Under Regulation 9 of the aforesaid Regulations, RBI may, on an application made to it and on being satisfied that it is necessary to do so, allow any person to take or send out of India to any country or bring into India from any country currency notes of Government of India and /or of RBI subject to such terms and conditions as RBI may stipulate.

Please [Click Here](#) to read RBI's amended Regulations dated 11th August 2020.

RBI reviews guidelines for Core Investment Companies (CICs) dealing with risk management, corporate governance and disclosure requirements

A CIC is a non-banking finance company ('NBFC') that deals in the business of acquisition of shares and securities and hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt, or loans in group companies. Its investments in equity shares in group companies constitute a minimum of 60% of its net assets.

RBI has introduced certain changes with respect to CICs, highlights mentioned below:

- Notification issued by RBI defines Adjusted Net Worth (ANW), as the amount representing any direct or indirect capital contribution made by one CIC in another CIC, to the extent such amount exceeds 10% of Owned Funds of the investing CIC, shall be deducted. All other terms and conditions for the computation of ANW remain the same
- To address the complexity in group structures and the existence of multiple CICs within a group, it has been decided that the number of layers of CICs within a Group (including the parent CIC) shall be restricted to 2, irrespective of the extent of direct or indirect holding / control exercised by one CIC in the other CIC
- All the CICs with asset size > INR 5000 crore shall appoint a Chief Risk Officer (CRO) with clearly specified roles and responsibilities
- The disclosure requirements prescribed under the notification will apply to all NBFC-CICs and Corporate governance requirements will be as per the Companies Act, 2013

Please [Click Here](#) to read RBI's notification dated 13th August 2020.

SECURITIES EXCHANGE BOARD OF INDIA (SEBI)



SEBI issues procedural guidelines for Stock Exchanges to handle investor complaints against listed companies

SEBI vide circular dated 13th August 2020 has come out with a framework for handling investor complaints by Stock Exchanges as well as the standard operating procedure ('SOP') for actions to be taken against listed companies for failure to redress such grievances. This will come into force from 1st September 2020 onwards.

Some of the highlights of the framework are stated below:

- Under the said framework, Stock Exchanges can impose penalty on companies in case of non-redressal of investor complaints and ask depositories to freeze the shareholding of the promoter entities
- The procedure will be applicable for complaints related to non-updation of address or signature; non-receipt of bonus, dividend, interest for delay in dividend, duplicate debt securities certificate and share certificate
- In addition, grievances relating to non-receipt of securities in public issues or rights issues, not receiving securities after conversion / consolidation / splitting; and receiving refund or dividend and shares in physical mode instead of electronic mode will also be applicable
- Stock Exchanges will not handle grievances related to monopoly and anti-competitive practices, chit funds, company where moratorium order is passed against the company in winding up / insolvency proceedings and companies under liquidation and the official liquidator has been appointed, among others.
- In case the company does not redress the complaint within 30 days from the date of its receipt, such direct complaints will be forwarded to designated Stock Exchange through SEBI Complaints Redress System (SCORES) platform.

Please [Click Here](#) to read SEBI's circular dated 13th August 2020.

Clarification on applicability of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 to open offers, buybacks and delisting of securities of listed companies

Regulation 40(1) of SEBI LODR Regulation provides that any request for transfer of securities shall not be processed unless the securities are held in Demat form with a depository. However, there are various investors who are unable to participate in open offers, buybacks and delisting of securities of listed companies since the securities held by them are not in Demat form.

Therefore, in order to meet such grievances of investors, SEBI has clarified vide circular dated 31st July 2020 that shareholders holding securities in physical form are allowed to tender shares in open offers, buybacks through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.

Please [Click Here](#) to read the SEBI circular dated 31st July 2020.

Extension of time limit till 15th September 2020 for submission of financial results for quarter / half year / financial year ended 30th June 2020 for listed companies

SEBI on 24th June 2020 had extended the timeline for submission of financial results by listed entities for the quarter / half year / financial year ended 31st March 2020 to 31st July 2020 due to COVID. As per SEBI LODR regulations, listed entities are required to submit the financial results for the quarter / half year ended 30th June 2020, on or before 14th August 2020.

Due to the condensed time gap between the extended deadline for submission of financial results for the period ended 31st March 2020 (*31st July 2020*) and the quarter / half year ended 30th June 2020 (*14th August 2020*), SEBI has extended due date for the latter from 14th August 2020 to 15th September 2020.

Please [Click Here](#) to read SEBI's circular dated 29th July 2020.



Compliance Calendar

Compliance calendar for the month of September 2020

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th September	August 2020	TDC/TCS deposit	Non-government Deductors
		Equalization Levy deposit	All Deductors
10 th September		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Person required to deduct TCS under GST
11 th September		GSTR-1 (Outward supply return)	Taxable persons having turnover > Rs. 1.5 crore
12 th September	May 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
13 th September	August 2020	GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
15 th September		Deposit of PF & ESI contribution	All Deductors
	May 2020	GSTR-3B (Summary return)	All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state
	FY 2020-21	2 nd Installment of advance tax for the assessment year 2021-22	Taxpayers liable to pay advance tax
20 th September	August 2020	a) GSTR-5 (Return by Non-resident)	a) Non-resident taxable person
		b) GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	b) OIDAR services provider
		GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover > Rs. 5 crore in FY 2019-20
23 rd September	June 2020		All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
25 th September			All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state

Compliance Calendar

Compliance calendar for the month of September 2020

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
27 th September	July 2020	GSTR-3B (Summary return)	All taxable persons (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
29 th September			All taxable person (except composition dealer) having annual turnover upto Rs. 5 crore and having principal place of business in any other state
30 th September	FY 2019-20	Statutory audit of Companies for FY 2019-20	All Companies
		Director KYC submission for Director Identification No. (DIN) holders as on 31 March 2020	Every person who has a DIN allotted and the status of the DIN is 'Approved'.
		Filing of Form FC-3 (Annual accounts and list of places of business in India) with ROC	Liaison/ Branch/Project office in India
		Filing of Annual Activity Certificate (AAC) and Audited financials with AD Bank and Director General of Income Tax (International Taxation).	
		Revised Annual Return on Foreign Assets & Liabilities (FLA) on the basis Audited Financial Statements of the Companies.	Indian companies having Foreign Direct Investment (FDI)
		Due date of holding Annual General Meeting (AGM) of all the Indian Companies.	All Companies
	FY 2018-19	a) Annual Return in Form GSTR-9 and Reconciliation Statement in Form GSTR-9C b) Annual Return in Form GSTR-9A	a) All taxpayers having aggregate turnover exceeding Rs. 5 crore b) For composition taxpayers (optional)

About KrayMan

KrayMan is an Accounting and Advisory Firm specializing in Assurance, Tax, Regulatory, Compliance & Outsourcing, Corporate Secretarial, Transaction Advisory and HR Advisory services. We cater to International & Domestic Clients.

We are a team of professionals comprising of Chartered Accountants, Company Secretaries, Cost and Management Accountants, Advocates and MBAs who are truly committed in providing timely, professional and quality services to our Clients thereby building a long term relationship with them.

We are members of following associations:

- **Japan Chamber of Commerce and Industry in India (JCCII)** – an organization of more than 400 Japanese companies working towards the welfare of Japanese companies in India
- **Prime Advisory Network (PAN), United Kingdom** - a network of Accountants and Lawyers with presence in more than 60 countries
- **Cross Border Associates (CBA), Germany** - specializing in mergers & acquisitions activities having presence in more than 95 countries
- **TiE Delhi** - world's largest entrepreneurial organization with 62 chapters in 18 countries

Contact Us

India Head Office

1170 A, 11th Floor, Tower B1
Spaze i-Tech Park
Sector 49, Sohna Road
Gurugram – 122018 (India)
T +91 (124) 4309418; 4003418

Japan Office

2-11-2 O-toekkusukudou
Bld. 4F/5F Nihombashi Kakigaracho,
Chuo-ku, Tokyo,
103-0014, Japan

Italy Office

Corso Palestro,
50-25122 Brescia,
Italy

For any assistance, please write to us at:
communications@krayman.com

This publication contains information of general nature . The information is only for general guidance and is not meant to be a substitute for professional advice in any manner. In case the reader requires any specific inputs / suggestions / advice from our end, please contact us separately.