



The key amendments introduced in statutes, policies and procedures in respect of Direct Tax, Indirect Tax, Corporate Laws & Accounting Standards, Foreign Exchange Management Act/ Export Import Policy & Securities and Exchange Board of India related matters are summarized hereunder.

## DIRECT TAX

### Amendments, Notifications & Court Rulings

- » Extension in due date of linking Aadhaar with PAN
- » Bombay HC upholds reliance on FCCB Scheme for determination of cost of acquisition of shares issued on conversion of FCCB

## INDIRECT TAX

### Amendments, Notifications & Court Rulings

- » Circular No. 98/17/2019 - GST dated April 23, 2019
- » Circular No. 99/18/2019 - GST dated April 23, 2019
- » Notification No. 9/2019 - Central Tax (Rate) dated March 29, 2019
- » Notification No. 22/2019 - Central Tax dated April 23, 2019

## COMPANY LAW

### Amendments, Notifications & Court Rulings

- » Notification on the Companies (Registration Offices and Fees) Second Amendment Rules, 2019
- » Update by ministry on DIR-3 KYC (Directors KYC)

## MCA Circulars & RBI Notifications

- » AGILE form - GSTIN, EPF, ESIC registration for SPICe Applicants
- » Extension in due date and fee relaxation in e-filing of form CRA 2 and DPT 3
- » Relaxation in prior RBI approval for BO/LO/PO of foreign entities in restricted sectors

## DIRECT TAX

### 1. Extension in due date of linking Aadhaar with PAN

Central Board of Direct Taxes ("CBDT") extended due date of linking Aadhaar with PAN to Sep 30, 2019. Pursuant to this, all taxpayers (unless exempted) are obliged to do this compliance and also mandatorily mention Aadhaar in all returns of income furnished on or after Apr 1, 2019.

*Source: CBDT Notification No. 31/2019 [F. No. 225/75/2019-ITA.II] dated March 31, 2019*

## 2. Acquisition Cost, FCCB conversion to listed equity – Mumbai High Court decision

Bombay High Court ('HC') in the matter of Kingfisher Capital CLO Ltd ('Kingfisher Capital'), held that the cost of acquisition of equity converted under Foreign Currency Convertible Bonds ('FCCB') would be based on the closing price of the shares in stock exchange on the date of such conversion.

Kingfisher Capital, a Cayman Islands entity, purchased FCCB in a listed Indian company ('I Co') from another non-resident investor ('F Co'). As per the available option Kingfisher Capital exercised converting majority of FCCB into equity shares. For purpose of cost of acquisition of the said equity, Kingfisher Capital adopted closing price of equity shares of I Co on National Stock Exchange of India Limited on the date of conversion, as per the Scheme. Contradictory to this the authorities are of the view that the pro-rata purchase cost of FCCB should be adopted as per Indian Tax Laws.

Bombay High Court ('HC') extensively analyzed the various relevant provisions of the FCCB Scheme as well as the Indian tax laws and accepted that cost substitution provision contended by Indian revenue authorities will not apply to FCCB but apply to other instruments like Foreign Currency Exchangeable Bonds (FCEBs).

*Source: Kingfisher Capital CLO Ltd. vs. CIT [(2019) 103 taxmann.com 446 (Bombay)] dated March 27, 2019*

## INDIRECT TAX

### 1. Seeks to give clarification in respect of utilization of input tax credit under GST

CBIC clarifies the issues which arose due to bringing into force of section 49A of the CGST Act, 2017. Rule 88A (newly inserted) allows utilization of ITC of Integrated Tax towards payment of Central Tax and State Tax in any order provided ITC on account of Integrated Tax is completely exhausted first before ITC on account of Central Tax and/State Tax can be utilized. It has been clarified as under:

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily			
Central tax	(V)	(IV)	Not permitted
State tax / Union Territory tax	(VII)	Not permitted	(VI)

*Source: Vide Circular No. 98/17/2019 –GST dated April 23, 2018*

**2. Seeks to give clarification regarding the extension in the filing of application for revocation of cancellation of registration in terms of Removal of Difficulty Order (RoD) number 05/2019-Central Tax dated 23.04.2019**

CBIC Throws clarity on the two new provisos inserted in Rule 23(1) of the CGST Rules, 2017 as under:

- Where registration is cancelled w.e.f date of order of cancellation of registration all the returns due till the date of such cancellation are required to be filed before application for revocation can be filed; AND Returns for the period from the date of order of cancellation till the date of order of revocation of cancellation to be filed within 30 days from the date of order of revocation.
- Where registration is cancelled with retrospective effect All the returns from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration shall be filed within a period of 30 days from the date of order of revocation.

*Source: Circular No. 99/18/2019 – GST dated April 23, 2018*

**3. Seeks to amend notification No. 02/2019- Central Tax (Rate) so as to provide for application of Composition rules to persons who has availed input tax credits but opts to pay tax under notification No. 02/2019- Central Tax (Rate) dt. 7th March 2019**

CBIC, in order to provide for application of Composition rules to suppliers who have availed input tax credits, inserted the following clause after clause 7 in column 3 of the notification No. 02/2019-Central Tax (Rate):

“8. Where any registered person who has availed of input tax credit opts to pay tax under this notification, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods as if the supply made under this notification attracts the provisions of section 18(4) of the said Act and the rules made there-under and after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.”;

*Source: Notification No. 9/2019-Central Tax (Rate) dated March 29, 2019*

**4. Seeks to notify the provisions of rule 138E of the CGST Rules**

CBIC appoints the 21st day of June 2019 as the date from which the provisions of the rule 12 (i.e. Rule 138E) of the Central Goods and Services Tax (Fourteenth Amendment) Rules, 2018 shall come into force.

The rule restricts persons to furnish the information in PART A of FORM GST EWB-01 in respect of a registered person, whether as a supplier or a recipient, who has not furnished the returns for two consecutive tax periods/two consecutive months, subject to the provisos to this rule.

*Source: Notification No. 22/2019-Central Tax dated April 23, 2019*

## COMPANY LAW

### 1. Extension in filing date of Form INC 22A – Corporate KYC Requirement

Ministry of Corporate Affairs ('MCA') through its notification has extended due date of filing e-Form INC-22A from Apr 25 to Jun 15, 2019. Any further delay in filing will attract penalty of Rs 10,000.

Form INC-22A is a KYC requirement where every company, other than liquidation, dissolved, amalgamated or under management dispute (recorded), shall file the particulars of the Company and registered office in e-form ACTIVE. While filing the form, picture of registered office both inside and outside ambience of premises with Director signing the form needs to be attached.

Detailed information is given in the link below:

[http://www.mca.gov.in/Ministry/pdf/Companies\\_Registration\\_Offices\\_Fees\\_Rule\\_25042019.pdf](http://www.mca.gov.in/Ministry/pdf/Companies_Registration_Offices_Fees_Rule_25042019.pdf)

### 2. DIR 3 - Directors KYC Requirement

It's time to reiterate Directors KYC requirement (personal information). MCA is in the process of reissue of DIR 3 form and will list the same shortly. The form can be filed without any fee within a period of 30 days from its notification.

## Companies Act and RBI Notifications

### 1. AGILE form - GSTIN, EPF, ESIC registration for SPICe Applicants

Applicants, who intends to incorporate a company through SPICe ('Simplified Proforma for Incorporating Company Electronically') can now apply for GSTIN (Goods and Service Tax Number), Establishment Code issued by EPFO (Employees' Provident Fund Organisation) and ESIC (Employees' State Insurance Corporation) through Form INC-35 ('AGILE'). Filing of this form is mandatory for SPICe applicants even if there is no requirement of aforesaid registrations.

Source: [http://www.mca.gov.in/Ministry/pdf/companies\\_INC3rdAmendmentRules\\_30032019.pdf](http://www.mca.gov.in/Ministry/pdf/companies_INC3rdAmendmentRules_30032019.pdf) dated March 29, 2019

### 2. MCA - Extension in due date and fee relaxation in filings

Filing Form	Description	Applicable to	Timeline	Add'l Fee*
CRA 2	Cost Auditor Appointment	Specified** Companies	May 31, 2019	Yes
DPT 3	Outstanding receipts of money or loan (not as deposits) from any entity individual	All Companies, except Govt. Companies	30 days from notification of Form	Yes

\*if filed after due date

\*\*Companies covered under the ambit of Section 148 of Companies Act, 2013

Source: [http://www.mca.gov.in/Ministry/pdf/GeneralCircular042019\\_05042019.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular042019_05042019.pdf) dated April 04, 2019

[http://www.mca.gov.in/Ministry/pdf/CircularDPT-3Form\\_12042019.pdf](http://www.mca.gov.in/Ministry/pdf/CircularDPT-3Form_12042019.pdf) dated April 12, 2019

### 3. E-filing form CRA2 – Relaxation of additional fees and extension in due date

Ministry of Corporate Affairs (MCA) has granted relaxation of additional fees and extension of last date of filing e-form CRA-2 to May 31, 2019. This form is an intimation of appointment of cost auditor by the company to Central Government.

Source: [http://www.mca.gov.in/Ministry/pdf/GeneralCircular042019\\_05042019.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircular042019_05042019.pdf) dated April 04, 2019

### 4. Reporting outstanding receipts of money or loan Form DPT-3 – Timeline Extended

Companies, other than Government Companies, having outstanding receipts of money or loan (not classified as deposits) from any entity individual are required to file Form DPT-3. The form is yet to be notified and filing are required to be done in next 30 of deployment days with no additional fees.

Source: [http://www.mca.gov.in/Ministry/pdf/CircularDPT-3Form\\_12042019.pdf](http://www.mca.gov.in/Ministry/pdf/CircularDPT-3Form_12042019.pdf) dated April 12, 2019

## RBI Notifications

### 1. Relaxation in prior RBI approval for BO/LO/PO of foreign entities in restricted sectors

RBI exempts getting prior approval for setting up a BO/LO/PO in the restricted sectors of Defence, Telecom, Private Security and Information and Broadcasting sector provided that the entity have obtained specific permission from concerned ministry/ regulators. The norms are effective from date of the publication of this notification.

Source: <https://rbidocs.rbi.org.in/rdocs/notification/PDFs/APDIR27763286B8263F49EBBE59065635213F9.PDF> dated 28 March 2019

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