Nangia Andersen LLP

Tax & Regulatory Newsletter

November 2021

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What's Inside?

01

Direct Tax

Delhi Tribunal- Standard Automated services sans human involvement, not FTS

Issue: Fees for Technical Services (FTS)

Outcome: In favour of the Assessee

Background

The Delhi Tribunal in the case of Hitachi Metglas (India) Private Limited (the assessee), has held that standard connectivity and networking services, provided over internet were not taxable as FTS as there was no human involvement.

Brief Facts and Contentions

- The assessee is an Indian company that paid certain sums of money for support and analysis system provided by three Associated Enterprises (AEs), using which the assessee produced certain articles and things in India.
- The Assessing Officer (AO) held that services rendered required expertise and knowledge in the specific area of work and such expertise cannot be developed overnight but is a result of long period of work in this line of activities coupled with accumulated experience of operations. Thus, it was concluded that the payments were in the nature of FTS under the Income Tax Act (the Act).
- The CIT(A) confirmed the order of the AO, against which the assessee appealed before the Delhi Tribunal

ITAT's Judgement

- The Tribunal observed that the services provided by the non-resident AEs were standard automated services.

These services were provided to enable the taxpayer to send/ receive data through the broadband network over the internet and intranet. All companies of the group were provided with such services to exchange information. The Tribunal remarked that it is settled law that standard/ common services cannot partake the character of FTS under the Act

- The Tribunal analysed the extracts of the master service agreement and commented that the revenue had failed to consider that IT support services availed by the assessee did not involve any human intervention
- The obligation to share information, confidentiality and other obligations are standard obligations that are provided in any service agreement and do not deal with the manner of providing services but with ancillary obligation of parties.
- The Tribunal also relied on the judgement of the Delhi High Court in the case of Bharti Cellular[1] wherein it was concluded that *to treat any payment as FTS, element of human involvement is mandatory.*
- Accordingly, it was concluded that foreign AE service provider had neither employed any technical or skilled person to provide managerial services nor was there any direct interaction between the assessee and the foreign AE. Thus, where the entire process was fully automated, payment for provision of such services cannot be categorised as FTS.

[1] 319 ITR 139

Past Precedents

The Tribunal in the case of Skycell Communications Limited[2] held that mere collection of fee for use of standard facility provided to all those willing to pay for it, cannot be categorised as 'technical services'. Likewise, the Kolkata Tribunal in the case of Right Florists[3] it was noted that advertising services offered by these search engines were practically without any human touch and entirely automated and accordingly not in the nature of FTS.

[Source: ITA No. 3694/Del/2016]

Nangia Andersen LLP's Take

The Tribunal in the instant case has conducted an in-depth factual and legal analysis to conclude that the services availed by the assessee from the foreign AEs were fully automated, with no human intervention and therefore, the same were not taxable as FTS. Importantly, while such services are not taxable as FTS, the ambit of Equalisation Levy is wide enough to capture such transactions, depending upon the factual matrix of each case. Taxpayers must understand the implications carefully.

[2] 251 ITR 53

Delhi Tribunal holds that "Export Commission" is not FTS in view of the MFN clause of India-France tax treaty

Issue: Fees for Technical Services (FTS)

Outcome: In favour of the Assessee

Background

In a recent directive, the Delhi Tribunal has held that export commission paid to a non-resident was not taxable as FTS in view of the definition contained in India-UK tax treaty, imported in India-France tax treaty on account of MFN clause.

Brief Facts and Contentions

- The assessee was engaged in the business of manufacturing and export of leather footwear in the name of proprietary concern 'Regency Impex'. The return filed by the assessee was selected for scrutiny assessment. The Assessing Officer(AO) held that the consideration received by the assessee from sale of software licenses be taxed as "Royalty" in accordance with article 13(2) of the India-France tax treaty.
- In the course of proceedings, the Assessing Officer (AO) noted that the assessee had appointed M/s Ace Trading Company, France (Ace) as its agent for procuring export orders in France. An amount was expended towards commission on export sales which were procured through the said agent, without deducting tax at source.

- On questioning why the provisions of section 40(a)(i) might not be invoked, the assessee submitted that the Supreme Court, in the case of Toshoku Ltd.[1] had established *that commission income earned by a non-resident payee for rendering services outside India shall not be deemed as income arising in India.* Further, the amount paid was in the nature of business income of the payee as per Article 7 of the India- France tax treaty and in the absence of a permanent establishment, such income was not chargeable to tax in India, hence, there was no requirement to deduct TDS.
- However, the AO dismissed assessee's contention stating that explanation to section 9(1)(vii) clarifies that the scope of FTS includes consideration for services rendered outside India if the same have been utilized in India insofar as source of payment towards expenditure is in India.
- Accordingly, the AO proceeded to disallow the commission expense under section 40(a)(i) on account of failure to deduct tax under section 195. The CIT(A) sustained the disallowance made by the AO. Aggrieved, the assessee filed an appeal before the Tribunal.

ITAT's Judgement

- The Tribunal remarked that non-residents are taxed on Indian sourced income, subject to beneficial provisions of tax treaty. Further, as held by Delhi High Court in the case of Steria India Ltd[2], the most favoured nation (MFN) clause of the protocol forms an integral part of a tax treaty and no further notification is required to incorporate its provisions in a tax treaty.
- Pertinently, on invoking MFN clause, the more beneficial provisions of Convention between India and other OECD country automatically extend to India-France tax treaty. The India- UK tax treaty specifically excludes the term 'managerial services' and provides for 'make available clause' in the definition of Fees for technical services (FTS), which can be imported to India-France Tax Treaty
- Consequently, taxability was to be assessed on the basis of definition contained in India- UK tax treaty. Since no knowledge was transferred to the assessee by the non-resident, which could be exploited in the future, the consideration in respect of services rendered by the non-resident could not be held as 'FTS'. Accordingly, disallowance under section 40(a)(i) could not be sustained.

[1] CIT Vs Toshoku Ltd., 125 ITR 525 (SC)
[2] Steria India Ltd v. DCIT, 255 Taxman 110 (Delhi) (HC)

Nangia Andersen LLP's Take

It has been affirmed in various judicial precedents that the most favoured nation (MFN) clause of the protocol forms an integral part of a tax treaty and its provisions shall invariably apply irrespective of a notification in this regard. Accordingly, in view of clause 7 of 'Protocol' forming part of India-France tax treaty, more beneficial definition of the expression "FTS' contained in India-UK tax treaty, was to be read as forming part of India-France tax treaty as well. Accordingly, taxation of income as FTS would depend upon 'making available' technical knowledge, skill or experience. In the instant case, no such knowledge or skills was made available to the assessee. Hence, the Tribunal has rightly held that the sum in question was not be categorised as FTS.

Past Precedents

In the case of Sandvik AB[3], the Pune Tribunal held that the more beneficial definition of the term FTS contained in India-Portuguese tax treaty was to be imported in India-Sweden tax treaty. Further, taxation of income as FTS depends upon 'making available' technical knowledge, skill or experience which can be exploited in the future.

Source- ITA No.2996/Del/2016

[3] TS-13-ITAT-2021(PUN)

Pune Tribunal holds consideration for rendering IT services taxable for a Swiss Based Entity

Issue: Royalty/ Reimbursements

Outcome: In favour of the Assessee

Background

In a recent pronouncement, the Pune Tribunal has held that receipts from providing IT services using third-party software are not in the nature of reimbursement or software royalty.

Brief Facts and Contentions

- The assessee "Rieter Machine Works Limited", a Switzerland based entity, entered into a Master Services Agreement (MSA) to provide IT services to its global affiliates.
- The AO observed that the assessee had offered "IT service fees" received from its Indian affiliate "Rieter India Private Limited (RIPL)" for tax at 10% under India-Switzerland tax treaty. However, another receipt from RIPL was claimed as reimbursement of software costs from RIPL.
- On perusal of MSA, the AO noted that the nature of receipts which were offered to tax and that of receipts claimed as reimbursement was essentially the same. The AO, therefore held that the amount claimed as reimbursement was chargeable to tax in India as FTS/Royalty and also under Article 12 of the tax treaty.
- The Dispute Resolution Panel (DRP) upheld AO's view. Aggrieved, the assessee preferred an appeal before the Tribunal.

ITAT's Judgement

Reimbursement

- The Tribunal explained that to categorize a receipt as reimbursement, two features must be present cumulatively. First, undiluted benefit from incurrence of expenditure must be passed on to the other. Second, the amount expended must be recovered as it is from the other, without any mark-up.
- On perusal of MSA and other material on record, the Tribunal noted that the nature of services referred to in the MSA and those in respect of which receipts were claimed as reimbursement, was similar. Further, the assessee did not have any rights to sub-license-engineer the software under the end-user license agreements entered with third–parties, wherefore the Tribunal deduced that the software was purchased not with the intent to transfer it to global entities but to integrate in assessee's own software infrastructure. Unfiltered benefit of expense was not passed on but was used to facilitate the rendering of IT services under MSA.
- On analysing the table delineating measures for allocation of IT cost, the Tribunal noted that RIPL had been allocated amounts over 17% of total costs without any proper basis, when there were 19 global entities availing IT services from the assessee. Further, definition of "consideration" under MSA prescribed that a mark-up of 5% shall be added on cost items including software and license fees, charges/cost reimbursements from other related parties which does not coincide with assessee's submission that the software costs were charged on cost-to-cost basis.

[1]ADIT vs Bay Lines(Mauritius)(2018) 91 taxmann.com 110

- Accordingly, both the conditions for categorising a receipt as reimbursement stood unsatisfied

Royalty for Software

- The Tribunal noted that it was evident that the software purchased by assessee, being in the nature of copyrighted article, was not licensed to RIPL, but was integrated into its own centralized IT infrastructure.
- Further, assessee's submission that certain amount spent on IT infrastructure, independent of the software cost, was allocated between 19 entities attests that apart from purchasing software for centralized IT infrastructure, the assessee also incurred IT infrastructure costs for integrating them into its system. Therefore, the amount received by the assessee from RIPL was not towards transfer of any software so as to constitute software royalty.

Conclusion

- The Tribunal held that the payments were neither in the nature of software Royalty/ reimbursements, the nature of receipts which were offered to tax and that of receipts claimed as reimbursement was essentially the same and therefore the AO was justified in taxing the same at 10%.

Past Precedents

In case of Expeditors International[1] , the Delhi Tribunal accorded relief to the assessee by holding that reimbursements of Global Management charges were not to be taxed as Fees for Technical Services (FTS) as the cost incurred was allocated to beneficiaries in proportion to their revenue and recovered without any mark-up.

[Source- ITA No.19/PUN/2021]

Nangia Andersen LLP's Take

It is well instituted principle that mere reimbursements without any element of profit imbued in them are not subjected to taxes. However, it is imperative that amounts are correctly classified as "reimbursements" in accordance with general principles so as to preclude any disallowance of claim by tax authorities. In the instant case, amounts claimed as reimbursements were recovered with a mark-up and expense was not incurred for benefit of another. Hence, it was decided that the classification of amounts in question as reimbursement was faulty. Further, no transfer of software had taken place for categorising the sum received as "software royalty".

[1] ITA No 1705/ DEL/ 2016

02

Transfer Pricing

ITAT rejects use of international CUP for benchmarking transactions qua India citing geographical differences for application of CUP

Outcome: In favour of the revenue

Category: TNMM more appropriate than CUP, geographical difference to be considered for application of CUP

Facts of the case:

- Mubea Automotive Components India Pvt Ltd ("The taxpayer" / "the Company") is a company engaged in manufacturing of car suspension related products like coil springs, stabilizer bars, torsion bars, strut bars.
- During the year under consideration i.e. Assessment Year ("AY") 2012-13, the taxpayer purchased raw materials, finished goods, spares and consumables from four Associated Enterprises ("AEs") namely; Spain, USA, China and Germany, totalling INR 18.05 crore. The taxpayer applied Comparable Uncontrolled Transaction ("CUP") method to benchmark aforesaid transaction.
- During the course of assessment proceedings, TPO misjudged the transaction of 'purchase' of raw materials and finished goods etc. as that of 'sales' and rejected the CUP method. The TPO adopted Transactional Net Margin Method ("TNMM") as the most appropriate method ("MAM") and accordingly made a TP adjustment at INR 16.66 crores.
- Aggrieved by the same, the taxpayer raised objections before the Dispute Resolution Panel ("DRP") wherein the DRP corrected the nature of transaction to purchase instead of sales. However, DRP upheld the application of TNMM by modifying the comparable set and thereby made a TP adjustment at INR 10.33 crores.
- Aggrieved by the same, the taxpayer filed an appeal before Income Tax Appellate Tribunal ("ITAT").

ITAT's Ruling:

The ITAT made the following observations:

- With regards to the purchase of raw materials, ITAT noted that the major component was purchase of raw material from four AEs, totaling Rs. 15.08 crore.
- ITAT observed that *the taxpayer purchased different types of raw materials from the four AEs situated in different geographies*. Further, ITAT stated that the taxpayer applied CUP method by comparing the price paid in transactions with all the four AEs with only the price charged by German AE from a German non-AE.
- In respect of selection of internal CUP (German AE to German non- AE), ITAT further stated that the quantum of purchase by the taxpayer from its German AE was miniscule as against the sale made by German AE to German non-AE.
- ITAT also observed that, for application of CUP, the taxpayer had neither furnished any invoice of purchases made from German AEs nor given any comparable data for purchases from the other AEs viz. Spain, USA and China.
- ITAT stated application of CUP requires consideration of several factors such as product type, market size, cost of labor/capital in market, laws of Government, *geographical location*, overall economic development etc.

- Accordingly, the ITAT held that the so-called comparable transaction does not constitute a valid CUP owing to geographical differences in respect of taxpayer's transactions with other 3 AEs situated in Spain, USA and China. Further, it also highlighted huge difference in volume of purchases made by taxpayer from AE vis-à-vis sale made by German AE to non-AE.
- In view of the aforesaid observations, ITAT rejected the application of CUP method for benchmarking. Further, ITAT upheld TPO/DRPs application of TNMM and restored the matter back to the AO/TPO for re-determining the ALP under the TNMM, but restricting the amount of TP adjustment only to the value of international transactions.

Source: Mubea Automotive India Pvt Ltd [TS-517-ITAT-2021(PUN)-TP]

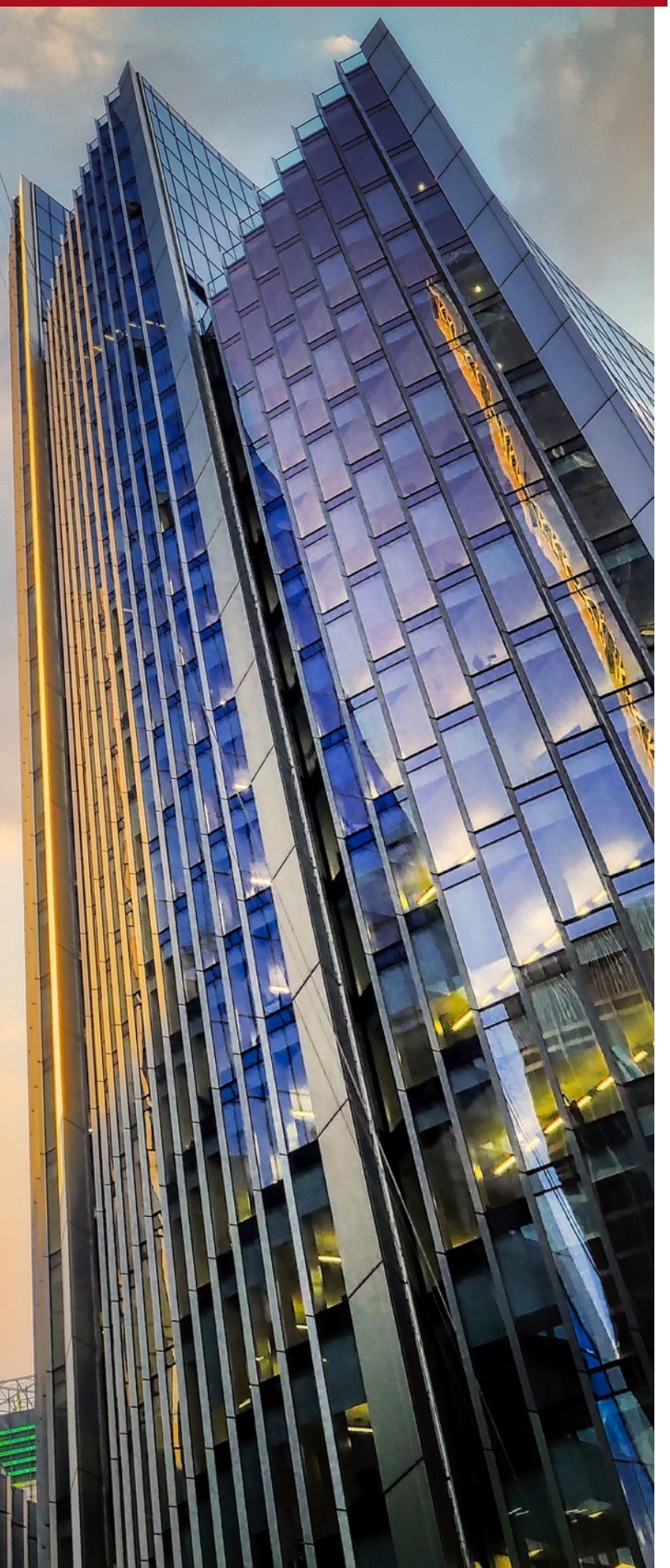
Nangia Andersen LLP's Take

The instant ruling accentuates the fact that while CUP method is the most preferred method for benchmarking, however the criteria of strict degree of comparability for the application of CUP as provided under law is of utmost importance for determining the arm's length price.

Further, in respect of selection of international CUP, the ruling reiterates the importance of eliminating any material differences owing to geographical locations, market behaviour, overall economic development, volume of transactions etc. between the controlled and uncontrolled transactions in a reasonably accurate way in order to demonstrate the reliability and appropriateness of CUP.

Further, the ruling also clarified that for application of TNMM, TP adjustment should only be restricted to the value of international transactions instead of entity level.

High Court upheld deletion of TP-Adjustment on outstanding AE receivables for debt-free company



Outcome: In favour of the taxpayer

Category: Adjustments on Inter-company Receivables; Exclusion of comparable companies

Facts of the case:

- Mckinsey Knowledge Centre India Private Limited ("the taxpayer"), is a subsidiary of 'McKinsey Holding Inc.', which in turn is a wholly-owned subsidiary of McKinsey and Company Inc., is engaged in providing research and information services to its associated enterprises ("AEs").
- The taxpayer also provides Information Technology (IT) support services to its AEs which includes IT Infrastructure support, IT application support, maintenance of IT Systems etc.
- During the year under consideration, the case of the taxpayer was selected for scrutiny and notice under section 143(2) of the Income Tax Act, 1961 ("the Act") was issued and complied with.
- During the course of assessment proceedings, the Assessing officer ("AO") noticed that the taxpayer had entered into international transactions and accordingly, made reference to the Transfer pricing officer ("TPO") under section 92CA of the Act for ascertaining the ALP of international transaction.
- During the course of assessment proceedings before the TPO, the TPO made alteration to the set of comparables chosen by taxpayer and benchmarked the transaction. Accordingly, TPO made a transfer pricing adjustment of INR 28.46 crores to the amount of international transactions including interest on inter-company receivables.

- Aggrieved by the same, the taxpayer filed objections before the Dispute Resolution Panel ("DRP"). DRP accepted taxpayer's partial contention in relation to set of comparables and further revised the TP adjustment from INR 28.46 crores to INR 33.12 crores.

- Aggrieved by the same, the taxpayer filed an appeal before Income Tax Appellate Tribunal ("ITAT") against the final assessment order passed by the Assessing Officer ("AO") pursuant to the directions of Dispute Resolution Panel ("DRP") on various grounds, predominantly pressing on two grounds i.e. invalid inclusion of a comparable company and TP Adjustment made on notional interest on AE receivables.

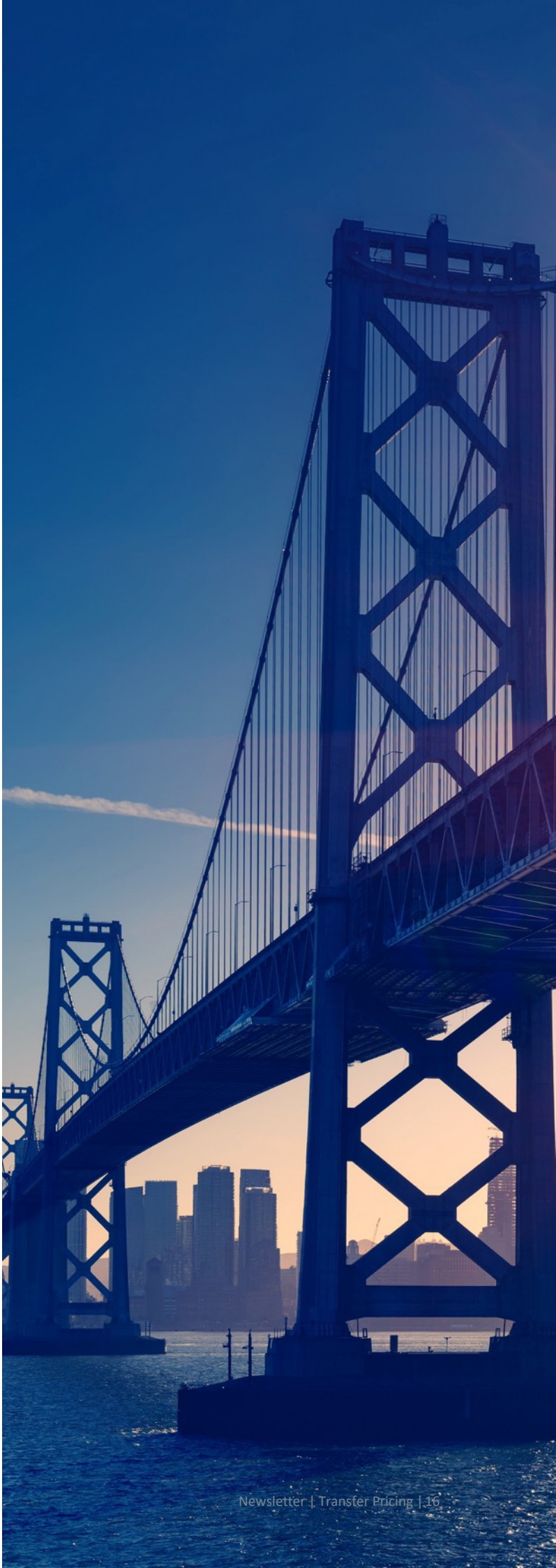
ITAT's Ruling:

The ITAT made the following observations:

- During the course of the proceedings, ITAT passed the order in favor of taxpayer by excluding Aditya Birla Capital Advisors Pvt. Ltd. ("ABCL") as a comparable on the grounds of functionally dissimilar as ABCL is engaged in providing financial services unlike taxpayer performing research and information services.

- Further, ITAT deleted Transfer Pricing ("TP") adjustments made on account of notional interest on delayed receivables relying upon the coordinate bench ruling of ***Pegasystems Worldwide India (P) Ltd***., where it was held that there is no need for making TP adjustment on account of interest on outstanding receivables in case of debt-free company.

- Aggrieved by the same, revenue filed an appeal before the High Court ("HC").



HC Ruling:

- Before the HC, the revenue challenged the ITAT's exclusion of ABCL. HC relied on jurisdictional HC ruling in taxpayer's own case for earlier years wherein ABCL was excluded citing functional dissimilarity on account of being a fund manager unlike taxpayer performing research and information services.
- Further, regarding the issue of deleting TP adjustment made on account of notional interest on delayed receivables, HC opines that there cannot be a one-sided adjustment taking into account delayed invoice while at same time ignoring invoices/payment received in advance.
- HC also noted that notional interest relating to alleged delayed payments in collecting receivables from its AEs is uncalled for as in fact, there are no outstanding receivables as the amount received in advance far outweigh the amount received late.

Source: Mckinsey Knowledge Centre India Pvt Ltd [TS-518-HC-2021(DEL)-TP]

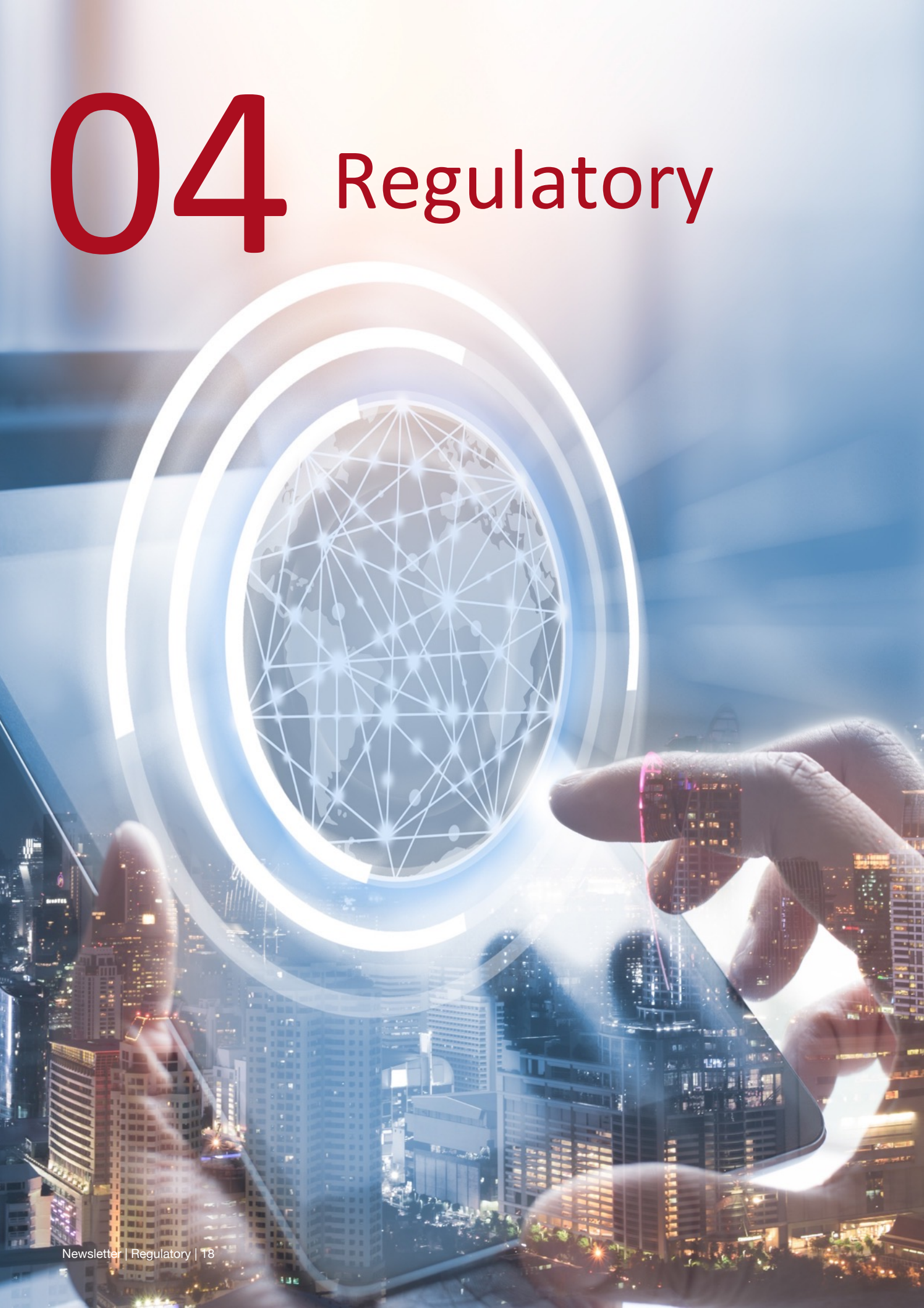
Nangia Andersen LLP's Take

Outstanding inter-company Receivables have always been a major issue from transfer pricing perspective and in the recent past, it has been receiving special attention from the tax authorities.

The judgment is one more addition to the plethora of judgments on the need of charging interest on the outstanding receivables by the Indian counterpart from the foreign AEs. It is favourable for the taxpayers as it states that every receivable arising from dealings with foreign AE needs be analysed based on facts of the case.

In the instant ruling, HC stated that when the period for which the amount of receivables received in advance enjoyed by the taxpayer is seen vis-a-vis the amount receivable beyond 60 days, it is apparent that the taxpayer has received significantly more advance rather than outstanding receivable beyond 60 days. Thus, held that there can be no notional computation of 'delayed receivables' only ignoring the receivables received in advance.

04 Regulatory



Updates under Company Law

1. Relaxation on Levy of Additional Fees on Annual Filing Forms

In light of the industry representations received, Ministry of Corporate Affairs ('MCA') has issued a general circular No. 17 /2021 on 29 October 2021, providing a relaxation on levy of additional fees for annual filings of financial statements relating to the financial year ending 31 March 2021.

MCA has directed that no additional fees shall be levied up to 31 December 2021 for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/MGT-7A in respect of the aforesaid annual filings. Thus, up to 31 December 2021, only normal fees shall be payable for the filing these e-forms.

Updates Under Limited Liability Partnership Act, 2008

1. Relaxations in Annual Filings for Limited Liability Partnership (LLPs)

The Ministry of Corporate Affairs ('MCA') *vide.* a General Circular No. 16/2021 dated 26 October 2021 has extended the timeline for filing Statement of Account and Solvency in Form 8.

According to the circular, LLPs shall now be allowed to file the said form till 30 December, 2021 without paying any additional fees.

Financial Sector Updates

A. Scale Based Regulation Framework for Non-Banking Financial Companies

Reserve Bank of India ('RBI') *vide* notification dated 22 October, 2021 issued a revised Scale Based Regulation for Non-Banking Financial Companies ('NBFCs'). The said framework shall be effective from 01 October, 2021.

According to the revised framework, regulatory structure for NBFCs shall comprise of **4 (four) layers based on their size, activity, and perceived riskiness.** NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL).

A scale-based regulatory framework, proportionate to the systemic significance of NBFCs, will be an optimal approach where the level of regulation and supervision will be a function of the size, activity, and riskiness of NBFCs.

Given a liquidity stress the NBFC sector has been facing over the past few years, the revised framework has increased the minimum Net Owned Funds ('NOF') requirement to INR 10 crore. However, to ensure seamless transitioning for the existing players, a glide path has been proposed; i.e. minimum NOF requirement to be achieved by 31 March 2027.

Further, in the case of banks, Initial Public Offer (IPO) financing limit to an individual borrower stands at INR 10 lakhs but at present, there is no such limit for NBFCs and now such ceiling shall be fixed at INR 1 Crore under the framework and shall come into effect from April 1, 2022.

RBI has also revised the existing norms for classifying loans as Non-Performing Assets (NPAs). An overdue of more than 90 days will now be termed NPAs for all categories of NBFCs.

B. Recognition to Company Secretary in Practice Under International Financial Services Centres Authority ('IFSCA')

IFSCA notified the IFSCA (Capital Market Intermediaries) Regulations, 2021 *vide* Gazette Notification Dated 18th October, 2021 wherein, the IFSCA has now authorised Company Secretaries **to conduct annual audit of capital market intermediaries and issue net-worth certificate to the applicant willing to be registered as a capital market intermediary with IFSCA.**

Updates Under Production Linked Incentive ('PLI') Scheme

A. Guidelines for IPL Scheme for Speciality Steel

The government on 20 October, 2021 notified the guidelines for the recently announced PLI scheme for specialty steel.

The five categories of specialty steel which have been included in the PLI scheme are:

- Coated/plated steel products
- High strength/wear resistant steel
- Specialty rails
- Alloy steel products and steel wires
- Electrical steel

A time period of 90 days shall be allowed for filing of an application from the date, as may be notified separately.

As per the ministry statement, it is expected that the specialty steel production in India will become 42 million tonnes by the end of 2026-27. This will ensure that approximately 2.5 lakh crore worth of specialty steel will be produced and consumed in the country which would otherwise have been imported.

Similarly, the export of specialty steel will become around 5.5 million tonnes as against the current 1.7 million tonnes.

B. PLI Scheme for Drones and Drone Components on India

Ministry of Civil Aviation approved the PLI scheme for drones and drone components with an allocation of Rs. 120 crore spread over three financial years on 30 September, 2021 in order to make India a global hub for the research and development, testing, manufacturing and operation of drones under the Atmanirbhar Bharat Abhiyan.

Further, the Centre has kept eligibility norm for MSME and start-ups in terms of annual sales turnover at a nominal level -- Rs 2 crore (for drones) and Rs 50 lakh (for drone components) to widen the number of beneficiaries.

Additionally, PLI scheme for the Drones and Drone components industry will over a period of three years lead to investments worth Rs 5,000 crore, an increase in eligible sales of Rs 1,500 crore and create additional employment of about 10,000 jobs.

Updates under Foreign Contribution Regulation Act ('FCRA')

Extension of Validity of Registration certificates issued under FCRA

The Ministry of Home Affairs issued a public notice *vide* circular no. II/21022/23(22)/2020-FCRA-III, dated 30 September 2021 in continuation to its earlier public notices dated 12 January 2021 and 18 May, 2021.

FCRA registration certificates which are getting expired during the period between 29 September 2020 and 31 December 2021 and which await renewal, shall remain valid up to 31 December 2021 in public interest.

- Section 12(6) of the Foreign Contribution (Regulation) Act, 2010 ("Act") provides that the certificate granted under the Act shall be valid for a period of five years from the date of its issuance.
- Further, Section 16 of the Act pertaining to renewal of certificate was amended last year vide the Foreign Contribution (Regulation) Amendment Act, 2020, which was notified on 29 September 2020.

In order to ensure smooth transition to the amended legal regime and in exercise of the power conferred by section 50 of the Act, the aforesaid extension has been granted.

Updates under Securities and Exchange Board of India ('SEBI')

A. Streaming Issuance of Scores Authentication for Companies Intending to list their Securities on SEBI Recognized stock Exchange

SEBI *vide* its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2021/642, dated 14 October, 2021 refrained the requirement of submission of FORM-B to obtain login credentials from SEBI. As a part of green initiative and to smooth out the redressal of investor grievances against companies before listing, an online mechanism for obtaining.

SCORES login credentials by all companies intending to list their securities on SEBI recognized stock exchanges has been introduced. The online form is now available on the SCORES site www.scores.gov.in.

SCORES is an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies and SEBI registered intermediaries.

Accordingly, companies are no longer required to submit physical copy of Form-A and Form-B, nor the e-mails are required to be sent to SEBI

B. Revised Formats for Limited Review / Audit Report for issuers of non-Convertible Securities

SEBI *vide* its circular no. SEBI/HO/DDHS/CIR/2021/0000000638, dated 14 October, 2021, has issued revised formats for limited review report/ audit report in line with the notification dated 07 September 2021, wherein SEBI amended Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations'), mandating entities that have listed non-convertible securities to disclose financial results on a quarterly basis.

04

Compliance Calendar

Direct Tax

Due Date	Particulars
7th November 2021	Due date for payment of TDS and TCS for the period 1st October 2021 to 31st October 2021.
	Due date for payment of Equalisation Levy on online advertisement and other specified services, referred to in Section 165 of Finance Act, 2016 for the month of October, 2021.
14th November 2021	Due date for issuance of TDS Certificate for tax deducted under section 194-IA in the month of September, 2021
	Due date for issuance of TDS Certificate for tax deducted under section 194-IB in the month of September, 2021
	Due date for issuance of TDS Certificate for tax deducted under section 194M in the month of September, 2021
15th November 2021	Due date for issuance of Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending 30th September, 2021
30th November 2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of October, 2021
	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of October, 2021
	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of October, 2021

Regulatory

Segment	Particulars	Due Dates
Monthly ECB Return	ECB-2 (Monthly Return of ECBs for the month of October)	07 November, 2021

NOIDA
(Delhi NCR - Corporate Office)
A-109, Sector - 136,
Noida - 201304
T: +91 120 5123000

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