

Info Capsule

Monday
May 03, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Banking and Insurance**

SBI allocates Rs. 70 crore to combat second wave of Covid-19 (May 03, 2021)

State Bank of India (SBI) has allocated Rs. 71 crore to support various initiatives in combating the second wave of Covid-19 and is in talks with various designated authorities to explore partnerships for setting up makeshift hospitals. The country's largest commercial bank has dedicated Rs. 30 crore to set up 1,000 bed makeshift hospitals, 250 bed ICU facilities and 1,000 bed isolation facilities across some of the worst-hit states.

For details:

https://www.business-standard.com/article/companies/sbi-allocates-rs-70-crore-to-combat-second-wave-of-covid-19-121050300616_1.html



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

❖ **Latest @ICSI**

Increase in medical reimbursement limit from CSBF due to Covid-19 pandemic (May 01, 2021)

Considering the very grim phase the country is facing due to the phenomenal surge in Covid-19 pandemic and in order to support its stakeholders, the Company Secretaries Benevolent Fund w.e.f. May 01, 2021, has enhanced the medical reimbursement limits for those affected by Covid 19. The Members and / or their declared dependents who have tested Covid positive from a government / ICMR authorized testing centre (only RT-PCR or Rapid Antigen Test result to be accepted) and have incurred expenses related to treatment for Covid in a hospital (private/government/military) or under home quarantine / isolation (on production of original bills), shall be eligible for reimbursements, with enhanced limits as under:

For Life members of CSBF : Limit enhanced from Rs.75,000/- (Rupees Seventy Five Thousand Only) to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) for self and their declared dependents.

For Life members of CSBF who have not completed 3 years of subscription (for self and their declared dependents); and for Company Secretaries who are non-members of CSBF (for self only) : Limit enhanced from Rs.50,000/- (Rupees Fifty Thousand Only) to Rs.1,00,000/- (Rupees One Lakh Only).

As per the existing Bye Laws of the CSBF, the Annual Income criteria for deserving cases (that is Annual Income up to Rs. 7.5 Lakhs during the previous Financial Year) shall remain the same.

For details:

https://www.icsi.edu/media/webmodules/Increase_in_medical_reimbursement_limit%20from_CSBF%20due_to_Covid-19_pandemic.pdf

❖ **Securities Laws and Capital Markets**

SEBI Circular

- **Timelines for updation of Scheme Information Document (SID) and Key Information Memorandum (KIM) (April 30, 2021)**

Taking into account the difficulties expressed by the industry in light of continuing COVID 19 scenario, SEBI vide this circular has provided that the updation of SID and KIM for the half-year ended March, 2021 shall be completed by May 31, 2021. SID and KIM are among the important documents which are prepared by asset management companies (AMCs) to provide information about a particular mutual fund scheme. In addition, SEBI has modified its guidelines pertaining to updation of SID and KIM.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/timelines-for-updation-of-scheme-information-document-sid-and-key-information-memorandum-kim-_50020.html

SEBI Order

- **Adjudication Order in the matter of Issuance of Participating Preference Shares issue of Chemmanur Gold Palace International Limited (April 30, 2021)**

SEBI imposed a penalty of Rs. 25 lakh on Chemmanur Gold Palace International Limited for not complying with the regulatory requirements such as application for listing of securities, in principle approval for listing of securities, credit rating to be obtained from a credit rating agency, appointment of merchant banker, disclosure requirements in offer document, filing of draft offer document with stock exchanges, mandatory advertisement for public issues, disclosure in abridged prospectus, application forms and mandatory listing of securities post issuance, with regards to the Deemed Public Issue and has thus violated the provisions of Regulations 4(2)(a), 4(2) (b), 4(2) (c), 4 (5), 5, 6, 8, 9 and 16 of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-the-matter-of-issuance-of-participating-preference-shares-issue-of-chemmanur-gold-palace-international-limited_50025.html

❖ **Terminology for today**

Pyramiding

Pyramiding is a method of leveraging the hiked up margin to increase the position size with the appraisal in the margin obtained by utilising the unrealised profits from the increment in the value of current holdings of the same security. The investor who uses pyramiding uses the increased unrealised value of the current holdings to buy more of the same security. This is usually a slow method of increasing one's position size as opposed to purchasing securities on cash as the margin increments allow for smaller purchases.

❖ **Direct Tax**

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Depository Transactions (Notification No. 3 Dated April 30, 2021)**

Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT). For the purposes of pre-filling the return of income, CBDT has issued Notification No. 16/2021 dated 12.03.2021 to include reporting of information relating to Capital gains on transfer of listed securities or units of Mutual Funds. The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified. Accordingly, the guidelines for preparation and submission of Statement of Financial Transactions (SFT) information, format of control statement to be submitted by the Designated Director and data structure and validation rules have been prescribed.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification-3_2021_depository_transaction.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Mutual Fund Transactions by Registrar and Share Transfer Agent (Notification No. 4 Dated April 30, 2021)**

Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish statement of financial transaction (SFT). For the purposes of pre-filling the return of income, CBDT has issued Notification No. 16/2021 dated 12.03.2021 to include reporting of information relating to Capital gains on transfer of units of Mutual Funds. The new sub rule 5A of rule 114E specifies that the information shall be furnished in such form, at such frequency, and in such manner, as may be specified. Accordingly, the guidelines for preparation and submission of Statement of Financial Transactions (SFT) information, format of control statement to be submitted by the Designated Director and data structure and validation rules have been prescribed.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_4_2021_mutual_fund_transaction.pdf

- **Income Tax (12th Amendment) Rules, 2021 (Notification No. 40 Dated April 30, 2021)**

The Central Board of Direct Taxes vide its notification dated 30th April 2021 has published the Income tax (12th Amendment) Rules, 2021 through which it has notified new rule 44DA which prescribes the manner for making application to withdraw pending application filed before Settlement Commission.

As per the new rule, the exercise of the option by an assessee to withdraw his pending application under sub-section (1) of section 245M shall be in Form No. 34BB and it shall be verified by the person who is authorised to verify the return of income of the assessee. Further the form 34BB shall be furnished electronically in accordance with the procedures, formats and standards specified by the Principal Director-General of Income tax (Systems) or Director General of Income tax (Systems), as the case may be, and thereafter signed printout of the said form shall be uploaded in the manner specified by the Principal Director General of Income-tax (Systems) or Director General of Income tax (Systems).

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_%2040_2021.pdf

• **Extension of time lines related to certain compliances by the Taxpayers under the Income Tax Act, 1961 (Circular No. 08 Dated April 30, 2021)**

In view of severe pandemic, the Central Board of Direct Taxes provides following relaxation in respect of Income tax compliances by the taxpayers:

- i) Filing Belated Return and Revised Return for AY 2020-21 (FY 2019-20) – Extended to 31st May, 2021 (which ended on 31st March, 2021).
- ii) Filing SFT (Form 61) extended to 31st May, 2021 (where the due date was 30th April, 2021).
- iii) Return filed in response to 148 of the Income Tax Act – where return of income had to be filed on or after 1st April, 2021 - can now be filed upto 31st May, 2021.
- iv) Relaxation of Filing Appeal dates for Appeals to CIT (Appeals) extended to 31st May, 2021 (where such last date was 1st April, 2021 or after).
- v) Payments of TDS deducted u/s 194IA, 194IB and 194M and filing of challan-cum-statement on the same may be furnished on or before 31st May, 2021 (earlier date 30th April, 2021).
- vi) Objections to Dispute Resolution Panel (DRP) for which the last date of filing is 1st April 2021 or thereafter, may be filed within the time provided under that Section or by 31st May 2021 , whichever is later.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_no_8_2021.pdf

❖ Market Watch

Stock Market Indices as on 03.05.2021

S & P BSE Sensex	48718.52 (63.84)
Nifty 50	14634.15 (+3.05)

Foreign Exchange Rates as on 30.04.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.08	103.34	89.81	0.68

❖ Indirect Taxes

Goods and Services Tax

- **GST Collection for April of Rs. 1,41,384 Crores sets new record (May 01, 2021)**

The gross GST revenue collected in the month of April, 2021 is at a record high of Rs. 1,41,384 crore of which CGST is Rs. 27,837 crore, SGST is Rs. 35,621, IGST is Rs. 68,481 crore and Cess is Rs. 9,445 crore. Despite the second wave of COVID-19 pandemic affecting several parts of the country, Indian businesses have once again shown remarkable resilience by not only complying with the return filing requirements but also paying their GST dues in a timely manner during the month.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1715314>

- **Government seeks to provide relief by lowering of interest rate for the month of March and April, 2021 - Notification No. 08/2021 - Central Tax (May 01, 2021)**

<i>Particulars</i>	<i>Tax Period</i>	<i>Interest Relief from the due date</i>
Aggregate Turnover > 5 crores in preceding FY (Monthly Returns)	March 2021	First 15 days: 9%
	April 2021	After 15 days: 18%
Aggregate Turnover < 5 crores in preceding FY (Quarterly Returns, Monthly Payments)	March 2021	First 15 days: Nil
	April 2021	Next 15 days: 9% After 30 days: 18%
Composition Scheme	Quarter Ending March 2021	First 15 days: Nil
		Next 15 days: 9%
		After 30 days: 18%

This notification shall come into effect from the April 18, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-08-central-tax-english-2021.pdf>

- **Waiver of Late Fees for filing Form GSTR -3B - Notification No. 09/2021 – Central Tax (May 01, 2021)**

No late fees will be charged if the return Form GSTR – 3B is filed within 30 days of the original due date for the quarter ending March 31, 2021. This notification shall come into effect from the April 20, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-09-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form GSTR-4 - Notification No. 10/2021 – Central Tax (May 01, 2021)**

The due date for filing Form GSTR-4 for financial year 2020-21 is extended up to May 31, 2021. This notification shall come into effect from the April 30, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-10-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form ITC-04 - Notification No. 11/2021 – Central Tax (May 01, 2021)**

This notification seeks to extend the due date for furnishing of Form ITC-04 for the period Jan-March, 2021 till May 31, 2021. This notification shall come into effect from the April 25, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-11-central-tax-english-2021.pdf>

- **Extension in the due date for filing Form GSTR -1 - Notification No. 12/2021 – Central Tax (May 01, 2021)**

This notification seeks to extend the due date for furnishing of Form GSTR -1 for the tax period April, 2021 till May 26, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-12-central-tax-english-2021.pdf>

- **Third Amendment (2021) to CGST Rules - Notification No. 13/2021 - Central Tax (May 01, 2021)**

A registered person may furnish details, for the month of April, 2021, using IFF from the 1st day of May 01, 2021 till May 28, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-13-central-tax-english-2021.pdf>

- **Extension of specified compliances - Notification No. 14/2021 - Central Tax (May 01, 2021)**

In view of the spread of pandemic COVID-19 across many parts of India the time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the said Act, which falls during the period from the April 15, 2021 to May 30, 2021, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended upto the May 31, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-14-central-tax-english-2021.pdf>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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