

MARCH 2020

NAVCHETNA (नवचेतना)
GAZIABAD CHAPTER (E NEWSLETTER)

**Ghaziabad Chapter
Of NIRC Of ICSI**

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**From the Desk of the Chairperson,
Ghaziabad Chapter of NIRC of ICSI**

"STAY HOME AND STAY SAFE"

**"Coming together is a beginning.
Keeping together is progress.
Working together is success." –
Henry Ford.**

My Dear Professional Colleagues, I hope you are safe and taking care of your family. The Government of India has taken several necessary and timely decisions to combat the novel coronavirus COVID-19 pandemic. I would like to express my concern and support for all members and students affected by this outbreak. This is a crisis that has affected everyone, but we will get through it by working together.

The Ghaziabad Chapter of NIRC of ICSI is committed to support every possible initiative of the Government of India and in furtherance of that, the Chapter has initiated various measures to support the nation. The Government of India has set up the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund "PM CARES FUND." With the intent to support, we had appealed all our members and students to



contribute towards the cause. We feel extremely pleased to share that the Ghaziabad Chapter will also contribute for the same.

In this crucial time, the Chapter continues to serve the members and students in each possible way. In compliance of the COVID-19, the employees of the Chapter have been provided the facility of work from home and they all are providing services to all members and students. Chapter has initiated online classes for oral coaching students and provided all the facility to the faculty of chapter so that classes are conducted on regular basis.

**"Develop a passion for learning.
If you do, you will never cease to
grow." – Anthony J. D'Angelo**

As regards of members, we had planned number of sessions on latest developments in the month of March for meeting the requirement of completion of PCH hours as per guidelines, however due to COVID-19 and subsequent lockdown in the country, those sessions have been deferred for the time being and will be gradually rolled over on normalcy of situation.

“The Only Limit To Our Realization Of Tomorrow Will Be Our Doubts Of Today.” – Franklin D. Roosevelt

We at Ghaziabad Chapter welcome your comments and suggestions in respect of our endeavours. We also expect your continued support by way of your regular contribution in the form of articles, success stories or other areas of interest for overall development of our readers.

Happy Reading
Yours Sincerely,

**CS Arjunn Tyagi, Chairperson
Ghaziabad Chapter Of NIRC Of ICSI**



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PAST EVENTS PHOTOGRAPHS

Ghaziabad Chapter of NIRC of ICSI organized a Half Day Seminar on Media and Entertainment Law on Tuesday, March, 03, 2020



**Ghaziabad Chapter of NIRC of ICSI organized a Half Day Seminar on
Practical aspects of Merger and Amalgamation on Thursday, March, 05,
2020**



**Ghaziabad Chapter of NIRC of ICSI organized a Half Day Seminar on
Prevention of Sexual Harassment and Women's Day Celebration on
Saturday, March, 07, 2020**



Ghaziabad Chapter of NIRC of ICSI organized a Full Day Seminar on Setting up practice in GST and RERA on Saturday, March, 14, 2020



Ghaziabad Chapter of NIRC of ICSI organized a One Day Orientation Programme for Executive Students on Monday, March, 16, 2020





CS Brajesh Tiwary
Managing Partner, Actum Legal

RERA – PERSPECTIVE AND DISPUTE RESOLUTION

The Real Estate (Regulation and Development) Act, 2016 (“**RERA/Act**”) has been enacted with the following objects:

1. Establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner;
2. To protect the interest of consumers in the real estate sector;
3. To establish an adjudicating mechanism for speedy dispute redressal;
4. To establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.

RERA is a central legislation enforced through the state/UT. The Act came into force on 1 May 2016 with a few sections notified. Remaining provisions came into force on 1 May 2017.

Applicability of the Act:

The applicability of the Act emanates from the obligation towards registration as provided under the Act. Chapter II of the Act deals with registration of projects and real estate agents. Section 3 deals with obligations for project registration. Section 9 deals with obligation for registration of real estate agents.

According to section 3(1) - No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot,

apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.

First proviso to section 3(1) deals with ongoing projects (also popularly called ‘**Pre-RERA**’ projects), and lays down that – projects which are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act.

Along with projects that require registration under the Act, projects which do not require registration are equally important. Section 3(2) states that - notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required in the following instances:

- a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases;
- b) where the promoter has received completion certificate for a real estate project prior to commencement of this Act;
- c) for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project.

Section 9 deals with registration of real estate agents. As per section 9(1), No real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, being the part of the real estate project registered under section 3, being sold by the promoter in any planning area, without obtaining registration under this section.

It is important to note that in the case of promoters, registration is project wise, in the case of agents, the registration is State/UT wise.

The projects and agents registered as aforesaid under the Act are regulated through the Real Estate Regulatory Authority (**"Authority"**).

As per section 20. (1) - The appropriate Government shall establish Real Estate Regulatory Authority to exercise the powers conferred on it and to perform the functions assigned to it under the Act.

Two Authorities in one state possible. One Authority for two states also possible.

Complaints before the Authority

As per section 31(1), any aggrieved person may file a complaint with the Authority or the adjudicating officer (adjudicating officer is appointed under section 71 by the Authority for the purpose of adjudging compensation under the Act), as the case may be, for any violation or contravention of the provisions of this Act or the rules and regulations made thereunder against any promoter, allottee or real estate agent, as the case may be.

Delay in handing over possession as promised is a great concern

Majority of the complaints filed relate to delay in giving possession of the project which is a great concern for the homebuyers. In such cases, the Act also provides for refund and interest besides compensation. **Appeal:**

Under the Scheme of the Act, any person aggrieved by order of the Authority or adjudicating officer may prefer an appeal to Real Estate Appellate Tribunal (**"Tribunal"**)

Under section 43 (1) of the Act - the appropriate Government shall establish an Appellate Tribunal to be known as the — (name of the State/Union territory) Real Estate Appellate Tribunal.

As per section 43 (5)- any person aggrieved by any direction or decision or order made by the Authority or by an adjudicating officer under this Act may prefer an appeal before the Appellate Tribunal having jurisdiction over the matter.

Right to legal representation – Company Secretaries are authorized to represent

According to Section 56 which deals with right to legal representation- the applicant or appellant may either appear in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal or the Regulatory Authority or the adjudicating officer, as the case may be.

Such professionals should be authorized to practice as per their regulating enactments.

Section 57 states that every order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court.

Appeal to High Court

Section 58 of the Act deals with appeal to High Court. As per section 58 (1) - any person aggrieved by any decision or order of the Appellate Tribunal, may, file an appeal to the High Court, within a period of sixty days from the date of communication of the decision or order of the Appellate Tribunal, on any one or more of the grounds specified in section 100 of the Code of Civil Procedure, 1908.

Offences under the Act compoundable

Section 70 of the Act provides that - notwithstanding anything contained in the Code of Criminal Procedure, 1973, if any person is punished with imprisonment under this Act, the punishment may, either before or after the institution of the prosecution, be compounded by the court on such terms and conditions and on payment of such sums as may be prescribed.

Provided that the sum prescribed shall not, in any case, exceed the maximum amount of the fine which may be imposed for the offence so compounded.

Position of home buyers under the Insolvency and Bankruptcy Code, 2016 ("the Code").***Application to NCLT for CIRP***

Chapter II of the Code which deals with Corporate Insolvency Resolution Process (CIRP) vide section 6, inter alia, entitles a financial creditor to initiate CIRP. A homebuyer's status under the Code is that of a financial creditor. However, as of now, homebuyers can exercise this right as a class action by an application for initiating corporate insolvency resolution process (CIRP) against the corporate debtor filed jointly by not less than one hundred of such allottees under the same real estate project or not less than ten per cent of the total number of such allottees under the same real estate project, whichever is less.



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INDEPENDENT DIRECTORS ON THE BOARD- A STEP FOR GOOD CORPORATE GOVERNANCE

Preface:

For the Company's Management, and Good Corporate Governance, the Board of Directors of the Company are mainly responsible. The Board should run the affairs in a transparent manner and the decisions should not be prejudicial to the interest of all its stakeholders. Therefore, the concept of Independent Directors on the Board has arisen in order to adopt fair and transparent business practices. For reducing the Fraud & mismanagement, the Board's autonomy must be supported by the principle of the Independent Director.

Section 149, 150 of Companies Act, 2013 and Schedule IV read with Rule 4, 5 & 6 of the Companies (Appointment and Qualification of Directors) rules, 2014 deal with Independent Directors. Independent Director is viewed as a solution to various corporate governance problems.

Applicability to Companies:

- 1. Every listed public Company** is mandatorily required to have at least one-third of the total number of directors as independent directors.
- 2. Unlisted public companies** must appoint at least two independent directors in the following circumstances:

if the paid up share capital exceeds Rs.10 crores;
 if the turnover exceeds Rs.100 crores;
 if the aggregate of all the outstanding loans, debentures and deposits exceeds Rs 50 crores.

Explanation: Paid up Capital/ turnover or outstanding loan, debenture and deposit as the case may be as existing on the last date of latest audited financial statements shall be taken into account.

where a company ceases to fulfil any of above three conditions for three consecutive years, it shall not be required to comply with these provisions until such time as it meets any of such conditions.

- 3. Small public unlisted companies including Joint Venture, wholly owned Subsidiaries & Dormant Company and private companies are not required to appoint Independent Directors.**

As per **Section 149(6) of the Companies Act 2013**, An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during

the current financial year;

(e) who, neither himself nor any of his relatives—
 (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed. of—

A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or\ B. ny legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

Benefits of Independent Director

Independent Director acts as a guide, coach, and mentor to the Company. The role includes improving corporate credibility and governance standards by working as a watchdog and help in managing risk. Independent directors are responsible for ensuring better governance by actively involving in various committees set up by company

- They are Impartial. Their job is to look out for the well-being of the company and the shareholders' interests first.
- An independent board member can bring focus and depth of perspective about your industry, company.

- They bring expertise to bolster where you have room to grow
- They are key to conflict resolution. They can be a bridge builder in difficult conversations
- They can help to mentor the CEO and the executive team and can share their network

Duties of an Independent Director

The Independent Directors shall:

- updation and refreshing of their knowledge and skills and familiarity with the company at regular intervals.
- attending Company's general meetings, Board meetings and board committees meeting ,being a member
- adequate knowledge about the company and the external environment in which it operates.
- report matters concerning the unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees
- not to unfairly obstruct the functioning of the company or committee of the Board
- participate in the Board's committee being chairpersons or members of that committee
- not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law
- ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

Remuneration:

The Companies Act, 2013 expressly disallows independent directors from obtaining stock options and remuneration other than sitting fees and reimbursement of travel expenses for

attending the board and other meetings. Sitting fees to be paid to Independent Directors for attending the Board Meetings pursuant to Section 197(5) which is maximum of Rs.1,00,000/- per meeting is to be decided by the Board. Profit related commission may be paid to independent director subject to the approval of the shareholders.

As per [General Circular 14/2014](#), an Independent Director would not be considered to have a pecuniary relationship under section 149(6)(c) for transactions with a company, its holding, subsidiary or associate company, or their promoters, or directors, provided such transactions are in the ordinary course of business and are on an arm's length basis.

Term of Office of Independent Director:

An independent director shall hold office for a term up to 5 consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. As per MCA Clarification vide [General Circular 14/2014](#), an Independent Director even if appointed for a lesser period than of 5 years will be held as appointed for one term.

No independent director shall hold office for more than 2 consecutive terms, but such independent director shall be eligible for appointment after the expiration of 3 years of ceasing to become an independent director provided that he shall not, during the said period of 3 years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Retirement of directors by rotation shall not be applicable to appointment of independent directors.

Liability:

The Companies Act, 2013 restricts and limits the liability of Independent Directors only in respect of acts of omission or commission by a company which had occurred with his knowledge, attributable through board processes, and with his consent or connivance or where he had not acted diligently.

Conclusion

The Act empowers independent directors with proper checks and balances, so that such extensive powers are not exercised in an unbridled manner, but in a rational and accountable way. The changes are a step in the right direction. They should enhance corporate governance and ensure the management and affairs of the companies are conducted in the interest of stakeholders.

However it is also important to keep in mind that good corporate governance is not just the outcome of appropriate selection and effective functioning of ID's. Every director, whether independent/non-independent, executive/non-executive has a distinct role in the functioning of the company. It is only when the entire board functions effectively which results to good corporate governance and benefit minority as well as majority shareholder in its long term which maintains a good corporate image in the market.

References

<https://www.rna-cs.com/independent-directors-under-companies-act-2013-and-sebi-regulations/>
<https://cleartax.in/s/independent-directors-applicability-roles-and-duties>

Article on tax guru on Independent directors- detailed study

Five Reasons You Need an Independent Director on Your Board





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FINANCIAL DEBT & ITS ELIGIBILITY CRITERIA

Introduction

With the era of changes in various laws and introduction of various effective enactments, in the year 2016, a new law was introduced namely Insolvency and Bankruptcy Code, 2016 [hereinafter to be referred as the 'Code']. This law has added one more remedial action a creditor can take be its financial or operational creditor, if any default occurs in his or its payment.

As per the report of Financial Express, after the legislation of the Code, the creditors are having magnificent success rate of recovery, and are able to recover 56% of their admitted claims which other resolution mechanism such as Debt Recovery Tribunal, SARFAESI, etc. are not able to reach till now.

In the Code, the creditor has been categorized into two parts viz Financial Creditor and Operational Creditor. To be explained in brief, any person supplying goods or services to the Corporate Debtor or is the employee of such corporate debtor is called as Operational Creditor, and the one who provides financial assistance to the corporate debtors are called as Financial Creditors. This Code provides the great secureness to the financial service providers to safeguard their interest and to recover the amount disbursed to any corporate debtor. Unlike, Operational Creditor has to prove that there is no existence of any dispute against the debt he is claiming, the financial creditors are having the privilege to move to the Hon'ble Adjudicating Authority directly irrespective of the fact whether the debt is disputed or undisputed.

In this write-up, we shall be focusing on the term Financial Creditor, Financial Debt, and Claim, and

will also be discussing some other aspect regarding the concept.

Financial Creditor

Language of the code-

Section 5(7)-

"financial creditor means any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to"

If we analyse the definition of financial creditor provided in the Code, we get to understand the pre-requisites which a person must hold to become financial creditor from the code perspective i.e. he must hold some Financial Debt and must also be owed to recover the same from the corporate debtor. It may be the possibility that the person primarily was not the financial service provider but later has the right to payment which may arise due to transfer or assignment of some financial debt to him.

What does transfer or assignment of financial debt means?

Transfer or assignment of financial debt means that the person who has originally disbursed the sum to the corporate debtor or has provided the financial assistance to the corporate debtor, and his amount is pending to be paid, and that person is having right to payment, and is transferring such right to payment to any other person and disentitling himself from such right to payment.

How transfer or assignment of financial debt is done?

Pursuant to the provisions of Section 130 of the Transfer of Property Act, any person entitled to any actionable claim can transfer such claim to any third person by executing in writing the intent to

transfer such claim, and by signing it either through himself or through his authorized representative. It does not matter during such transfer of actionable claim that the instrument transferring such claim to other person is involving any sort of consideration or not.

Further, once such instrument to transfer the claim is executed, the transferor shall not be having any right or authority to call for such payment and the transferee shall be holding all the rights against the debtor. Also, the transferee or assignee of such actionable claim has not to take any prior consent from the transferor at the time of initiation of any suit, proceeding or case against the debtor.

In line to the provisions discussed above, the person intending to transfer the financial debt to any other person must engross such intent in writing. Financial Debt-

Language of the code in respect to definition of financial debt provided under Section 5(8) is as under-

“financial debt means a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes—

- (a) money borrowed against the payment of interest;
- (b) any amount raised by acceptance under any acceptance credit facility or its dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;
- (e) receivables sold or discounted other than any receivables sold on non-recourse basis;
- (f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

Explanation. -For the purposes of this sub-clause,-

- (i) any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and
 - (ii) (ii) the expressions, “allottee” and “real estate project” shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016);
 - (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;
 - (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;
 - (i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clause (a) to (h) of this clause;”
- Reading the definition of financial debt in part will conclude the following-
1. There must be some existence of debt,
 2. The debt was disbursed to the corporate debtor, with or without interest,
 3. The debt must have been disbursed for consideration against the time value of money, and
 4. It must fall in any of the sub-clauses i.e. sub-clause (a) to (i) mentioned above.

Since, the definition of financial debt is dependent upon the definition of debt, this is necessary that before understanding the concept of financial debt, true meaning of the term ‘Debt’ and prior to it the term ‘claim’ on which the definition of debt is based must be clear. Pursuant to the provisions of Section 3(6) of the Code, ‘Claim’ means-

- (a) a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured, or unsecured;

(b) right to remedy for breach of contract under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, matured, unmatured, disputed, undisputed, secured or unsecured;

Analysing the above definition which is exclusive in nature, we can state that the pre-requisite to become claim is the existence of right to payment. It does not matter whether such right has been confirmed by any judgement/order of the court or any quasi-judicial bodies, whether disputed or undisputed, secured, unsecured, etc. The only *prima facie* point must be there is the right to payment.

It may be the possibility sometimes that in the agreement or transaction, primarily, the clause or condition relating to right to payment does not persist but can arise due to any breach of contract. Thus, pursuant to sub-clause (b) of Section 3(6) of the code, not every right to remedy for breach of contract is a claim rather such breach

of contract must give rise to right to payment to get it fitted for the definition of Claim provided under the code. It comes often to discuss whether the existence of default in payment shall be considered while ascertaining the term claim or not. In the case of Export-Import Bank of India V. Resolution Professional, JKEPL Pvt. Ltd. [2018], the Hon'ble Appellate Tribunal held that the existence of default nowhere hampers the claim of person.

Now, as we have analysed the definition of claim, it is now pertinent to understand the definition of 'Debt' pursuant to clause 3(11) of the code, which stipulates-

"debt" means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt;

By deciphering the definition of debt provided in the Code, we can state that the prerequisites for having a debt under the code consists of-

- Existence of claim,
- There must be existence of liability,
- There must be obligation to pay, and
- The debt must be financial debt or operational

debt.

By the usage of the phrase 'liability or obligation in respect of a claim which is due' the legislature has provided the huge ground to cover the outstanding amount into the definition of debt from the code perspective. Liability or obligation may or may not arise at the inception of any agreement or arrangement, rather it may arise at later stage. It may be possible that at the initial stage of agreement there was no existence of any liability or obligation to pay persists but during the course of such agreement or arrangement it has arisen. For example- In the case of Guarantor, the liability or obligation arises only when the borrower or performer defaults in payment or service/goods standard. Another example of arising of liability or obligation can be the case where the court pursuant to any judgement has ordered to pay any sum to any person. Hence, the debt may arise from inception or may arise at later stage. Further, another aspect which needs to be checked for taking any claim as a debt is that whether the claim is due to be paid or not. Claim will be considered as Debt only when it is due to be paid, which means it has become matured. In case, the claim is not mature it cannot be a debt. After the analysis that a claim meets the requirement of having liability or obligation and maturity, the one must assure that such debt must be a financial debt or operational debt from the Code perspective, as the person who owes financial debt or operational debt is entitled to make application for initiation of insolvency proceedings at the Adjudicating Authority. From the above discussion the concept of term claim and debt is more clear and it is also clear that the person claiming to be financial creditor must hold financial debt. Once, the claim and debt are finalized it is important to ascertain that whether the debt is meeting other requirements of being financial debt or not which *inter-alia* includes disbursal of money and that too for consideration against the time value of money.

From financial debts' definition perspective, by disbursal of money one means, that the amount

has been given to the corporate debtor as a financial assistance, and thus, every money given to any corporate would not fall in such category. For example- Money disbursed to corporate debtor for consideration in advance in terms of some goods, etc.

In addition to above, another aspect to be checked is whether such disbursal has been done against the consideration for time value of money or not. For this, we need to understand what time value of money exactly means.

Time value of money

Pursuant to the Black Law Dictionary, 2nd Edition, ‘time value of money’ means ‘The theory that the money owned now will be worth more in the future.’ It means that the person is disbursing money today with the intent to get some higher value in future or to get some value for the time he is lending money to the debtor. It is basically the compensation that a person is expecting to get for the time he is investing his money. It can be by way of interest, assured returns, lumpsum return including value of time involved, etc. Therefore, in case the clause relating to time value of money is not getting met, the debt cannot be termed as financial debt.

Time value of money in case of loan provided by any person

In case of any person including banks and financial institutes providing loan facility to other person, in general parlance, there is an arrangement regarding the interest to be paid for the period of pendency of such loan, which is nothing but the time value of money.

Time value of money in case of loan from directors without interest

In scenarios where the directors/promoters/stakeholders have disbursed the funds and are not charging interest on it, it is difficult to ascertain the time value of money involved in it. The usage of words ‘if any’ after the word ‘interest’ in the definition of financial debt, makes it clear that the interest is one of the factors during such disbursal of debt but it is not the mandatory factor to be there in. Rather, the

factor that the time value of money shall be present in such transactions. Many a time, it can happen that the company is running through financial crunch and it calls on its directors, promoters, shareholders, etc. To invest fund in the company, which they usually do with the intention to enhance the business of the company, its value, its equity value, etc. In such cases, the ‘interest’ factor is absent but what shall be the time value of money must be analysed. In the case of Shailesh Sangani V. Joel Cardoso and Priority Marketing Private Limited, the Hon’ble NCLAT had held that the absence of interest does not mean that the amount disbursed is not a financial debt. It is therefore, important to discuss that the amount has been disbursed for the time value of money. In case any director, promoter, etc. are disbursing funds to any corporate by way of loan, the prime motive of such disbursal is to bring prosperity into the company and enhance its business, which will at the end lead to increase in value of the company and their investment, and that is what the time value of money they are holding. Further, as per clause (f) of Section 5(8) of the Code, any transaction having the commercial effect of borrowing shall be considered as Financial Debt for the purpose of the code

Time value of money in case of home buyers

In the case of Nikhil Mehta & Sons V. AMR infrastructures Ltd, the applicant has disbursed some advance to the real estate company, on which the real estate company has assured the applicant some monthly return, in which the Hon’ble Appellate Tribunal held that the transaction is covering all the aspect of being a financial debt, and the insolvency proceeding shall be commenced against the corporate debtor.

Thus, from the above discussion it is clearly understandable that the person who fulfil all the three criteria i.e. disbursal of debt to corporate debtor, existence of time value of money and falling under any of the clauses of Section 5(8) of the Code, will be under the clutches of the Code and can file an application as Financial Creditor.

When the person will not be treated as Financial Creditor?

Every transaction of infusion of funds into the Company is having the financial nature. But every financial transaction cannot be admitted to be a financial debt in terms of provisions of the Code. There are several things to be kept in mind while considering any item for the purpose of financial debt, and every transaction though being a debt to a company but cannot be regarded as Financial Debt. Some of the concerns are as follows-

1. Money given for subscription of shares

In the case of ACPC Enterprises V. Affinity Beauty Salon P. Ltd the money was advanced by the Applicant for the purchase of shares cannot be taken. The Hon'ble NCLT, New Delhi Bench held that such payment made to the Company is not the financial debt as it does not contain the factor of interest nor the time value of money. Thus, any person making payment for the purchase for share irrespective of the fact that allotment has been made or not, cannot be treated as Financial Creditor for the purpose of Section 7 of the Code.

2. Payment reflecting as debt subsequent to cancellation of allotted debt

In case of Engenious Engineering Private Limited V. Onaex Natura Private Limited, the Company law Board cancelled the allotment of shares made to the Applicant. The amount to be paid by the Company to the Applicant is naturally a debt now.

In this case, when Applicant approached the Hon'ble NCLT, it was held that though it is a debt but this does not meet any of the ingredients of the financial debt described under the Code, and thus the application is not maintainable under section 7 of the Code. Later Hon'ble Appellate Tribunal also seconded the view of Hon'ble Tribunal.

Thus, from the above two referred case laws one can ascertain the clarity the judicial authorities are holding regarding the criteria of financial debt and financial creditor.

Conclusion

Though the Insolvency and Bankruptcy Code, 2016 has provided the financial creditor an additional remedy to approach the forum of Hon'ble Tribunal in which the matter is dealt in speedy manner, still the person applying to the Adjudicating Authority under the code must be clear of the provisions before taking any action against anyone. Once the financial creditor is clear over the terms to be fulfilled before initiating application under Section 7 of the Code, the same will anyhow save both time and cost of such financial creditor, and might also bring recovery of his or its claim to some good extent or can expect an effective resolution to it.



PCS LALIT RAJPUT

PARTNERSHIP FIRM REGISTRATION - AN OVERVIEW

❖ **Governing Law:**

The Partnership Act, 1932 (may be called Indian Partnership Act, 1932).

It came into force w.e.f. 01.10.1932 extends to the whole of India except the State of Jammu and Kashmir (J&K).

❖ **What is Partnership:**

As per Section 4 of The Partnership Act, 1932: "Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

❖ **Components of Partnership:**

Persons who have agreed to enter into partnership are called individually, "**partners**" and collectively "**a firm**", and the name under which their business is carried on is called the "**firm-name**".

❖ **REGISTRATION OF PARTNERSHIP FIRM:**

• **Reason to set-up:**

1. They are relatively easy to set-up
2. the no. of statutory compliance required to be done is relatively less.

• **Process:**

1. Choosing the Partnership Firm Name
2. Create Partnership Deed

A partnership deed agreement may be written or oral. However, practically oral agreement does not have any value for tax purposes and therefore the **partnership agreement should be written**.

The following are the essential characteristics of a partnership deed:-

- Name and Address of the firm as well as all the partners
- Nature of business to be carried on
- Date of Commencement of business
- Duration of Partnership (whether for a fixed period/project)

- Capital contribution by each partner

- Profit sharing ratio among the partners

Some additional clauses mentioned below:-

Interest on Partner's Capital, Partners' Loan, and Interest, if any, to be charged on drawings.

Salaries, Commissions etc, if any, payable to partners

Method of preparing accounts and arrangement for audit

Division of task and responsibility i.e. the duties, powers and obligations of all the partners.

Rules to be followed in case of retirement, death and admission of a partner

The Partnership Deed created by the partners **should be on a stamp paper** in accordance with the Indian Stamp Act and each partner should have a copy of the partnership deed.

A Copy of the Partnership Deed should also be filed with the [Registrar of Firms](#) in case the firm is being registered.

How to Register Partnership deed in India

Partnerships in India are governed by the **Indian Partnership Act, 1932**. As per the Partnership Act, [Registration of Partnership Firms is optional](#) and is entirely at the discretion of the partners. The Partners may or may not register their Partnership Agreement.

However, in case the [partnership deed](#) is not registered, they may not be able to enjoy the benefits which a registered partnership firm enjoys.

Registration of Partnership Firm may be done before starting the business or anytime during the continuance of partnership. However, where the firm intends to file a case in the court to enforce rights arising from the contract, the registration should be done before filing the case.

The procedure for Registration of Partnership Firms :

1. An application with the prescribed fees is required to be submitted to the Registrar of Firms (ROF) of the State in which the firm is situated.
2. The following documents are also required to be submitted along with the application:
 - i. Application for Registration of Partnership.
 - ii. Duly filled specimen of Affidavit
 - iii. Certified True Copy of the Partnership Deed
 - iv. Ownership proof of the principal place of business or rental/lease agreement thereof.

The application or statement must be signed by all the partners, or by their agents. When the registrar is satisfied with the points stated in the partnership deed, he shall record an entry of the statement in Register of Firms and issue a Certificate of Registration.

It is mandatory for all firms to apply for Registration with the Income Tax Department and have a PAN Card.

After obtaining a PAN Card, the Partnership Firm would be required to open a Current Account in the name of the Partnership Firm and operate all its operations through this Bank Account.

Retirement of a Partner:

1. A partner may retire –

- (a) with the consent of all the other partners,
- (b) in accordance with an express agreement by the partners, or
- (c) where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire.

Some Key Points:

1. A Partnership firm is not required to file its annual accounts with the Registrar of firm each year unlike a LLP or Company.
2. The Profits of a Partnership firm are taxed at 30% + Cess.
3. Any Indian Citizen residing in India can be a Partner in a Partnership Firm including minors (to the Benefits of Partnership).
4. The share in a Partnership can be transferred to another person after obtaining the permission of all the Partners in a Partnership. The transferability of a Partnership is cumbersome. Partnership can be converted into a LLP or a Private Limited Company.
5. Partnership firm and the Partners are not considered separate legal entities, neither does the Partnership have perpetual existence.



CS Himanshi Chaudhary
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PRE-EMPTION RIGHT OF SHARES IN PRIVATE COMPANY

Private companies are close corporation owned and managed by the families or small groups. Shares held by the members in a private company are freely movable property and can be transferred as provided by the article of association of company.

Article of association of private limited company lays down the rules and regulations regarding the transfer of shares from member to other member and other person. Section 2(68) of companies act, 2013 provide that:

"Private company" means a company having a minimum paid-up share capital as may be prescribed, and which by its articles,—
 (i) restricts the right to transfer its shares;
 (ii) except in case of One Person Company, limits the number of its members to two hundred:

Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:

Provided further that—

(A) persons who are in the employment of the company; and

(B) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased,

shall not be included in the number of members; and

(iii) prohibits any invitation to the public to subscribe for any securities of the company;

Section 2(68) of the companies act, 2013 provides that the article of association of a private limited shall restrict the right to transfer the company's shares. The restriction as provided by the article of association is binding on both i.e. Member and

Company. If no such restrictions are mentioned in the article of association of company then there will be no boundation on the company and members regarding to transfer of shares.

The restriction in the article of association of private limited company must be common and beneficial to the company interest. The common type of restriction that is imposed by the companies are by way of right of pre-Emption.

The Right of Pre-Emption is also known as the right of first refusal. The right of Pre-Emption is a restriction for the benefit of company and existing Members of the company. The Right of pre-Emption says that when any member of the company want to sell its shares, he must give offer to the existing shareholders of the company to purchase the shares of the company at fair price. The Right of Pre-Emption is for the benefit of company so that even in the case of any conflict, the shares of company remains in the hand of the existing members. When the existing shareholders does not show interest to purchase the said shares then the member can transfer the shares to the outsider.

In case of Pre-Emption of shares or at the time of offering of shares to the existing shareholders the price of shares shall have a fair value or decided by the director of company in consultation with the auditor of company.

In case of *Satyanarayana Rathi vs. Annamalayar Textiles (P) Ltd, as reported in 1999 32 CLA 56.*

In the said matter the Private Company in its Articles of Association had inserted a clause wherein no member of the company could transfer his shares to any other person who is not a member of the company without offering the same to the other members at a price decided by the Directors of the Company from time to time. If

the said shares were not purchased within a specified time as decided by the Board then the person desiring to sell his shares may transfer the same to any other party as he likes. the appellant in the said matter who was supplier of cotton was given shares as security for payment (to the extent of 52%, being the controlling interest) by 3 members of the Company. The members also gave the appellant the share certificates and transfer deeds. but due to several factors, the payments for the cotton supplied by the appellant was not made and therefore the appellant made an application to the Board of the Company to have the shares transferred to him. But as there were members within the company who were desirous of purchasing the shares themselves the Board rejected the application as the same was in violation of the pre-emption clause included in the Articles of Association. This stand of the Board was upheld by the Company Law Board, which held that in view of the restriction as provided in the Articles of Association of the Company the Board is bound to deny the request of the appellant to transfer the shares to him.

- Firstly this clear the concept that even where there exists contracts between the members of the company and the appellant to the extent that the appellant may transfer the shares to his name in case where there is a default in payment on the part of the members of the company the same cannot be upheld in view of the Pre-emption clause as contained in the Articles of Association. The Company will be bound by the restriction as imposed by the

Articles over and above any other agreements that may be entered into by the members of the company. Therefore where certain other members of the Company has shown willingness in purchasing the shares, unless they decide not to purchase the shares or are unable to do so within a time specified by the Board of the Company, the shares cannot be transferred to the appellant in the matter.

- Secondly, where there is a violation of the Articles of Association, the Directors of the Company may refuse to register the shares. In the present case, though the transfer deeds were with the appellant and there was an agreement between him and the members of the Company, the Board of the Company used its discretionary power to hold that the transfer violated the Articles of Association and therefore had to be set aside.

In Right of pre-Emption, the member is not bound to sell its shares to existing shareholder unless other member is agreed to purchase all the shares proposed to be sold.

Further the restriction on transfer of shares in a private limited company is not applicable in the following cases:-

Where the member transfers the shares to his/her representative(s).

Where the shares have been devolved to the heirs in the event of death of a shareholders.

Conclusively this restriction of pre-emption of shares allows private company to maintain the value of its shareholders and ensure that the person detrimental to the growth of company can't become its member.





CORPORATE COMPLIANCE CALENDAR

ABOUT ARTICLE :

This article contains various Compliance requirements under Statutory Laws. Compliance means "*adhering to rules and regulations.*"

If you think compliance is expensive, try non-compliance"

Page No:

Compliance Requirement Under

- | | |
|--|---------------|
| 1. Income Tax Act, 1961 | (page no. 24) |
| 2. Goods & Services Tax Act, 2017 (GST) & 39 th GST Council Meeting Updates | (page no. 27) |
| 3. Other Statutory Laws | (page no. 32) |
| 4. Foreign Exchange Management Act, 1999 (FEMA) and Important Notifications | (page no. 34) |
| 5. SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015 | (page no. 35) |
| 6. SEBI Takeover Regulations 2011 | (page no. 43) |
| 7. SEBI (Prohibition of Insider Trading) Regulations, 2015 | (page no. 44) |
| 8. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 | (page no. 44) |
| 9. SEBI (Buyback of Securities) Regulations, 2018 and Circulars / Notifications | (page no. 45) |
| 10. Companies Act, 2013 (MCA/ROC and LLP Compliance) and Notifications | (page no. 48) |
| 11. ICSI Updates on e-CSIN | (page no. 54) |
| 12.. MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) | (page no. 55) |
| 13. Insolvency and Bankruptcy Board of India (IBBI) Updates | (page no. 55) |

1. COMPLIANCE REQUIREMENT UNDER INCOME TAX ACT, 1961

Income Tax Act, 1961	07.04.2020	Due date for deposit of Tax deducted by an office of the government for the month of March, 2020. However, all sum deducted by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan	Tax deducted by Govt. Office
Income Tax Act, 1961	14.04.2020	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of February, 2020	TDS Certificate under section 194-IA
Income Tax Act, 1961	14.04.2020	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of February, 2020	TDS Certificate under section 194-IB
Income Tax Act, 1961	14.04.2020	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of February, 2020	TDS Certificate under section 194M
Income Tax Act, 1961	15.04.2020	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2020	Form No. 15CC

Income Tax Act, 1961	15.04.2020	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2020	Form no. 3BB
Income Tax Act, 1961	30.04.2020	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2020 has been paid without the production of a challan	Form No. 24G
Income Tax Act, 1961	30.04.2020	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of March, 2020	Tax Deducted under section 194-IA
Income Tax Act, 1961	30.04.2020	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of March, 2020	Tax Deducted under section 194-IB
Income Tax Act, 1961	30.04.2020	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of March, 2020	Tax Deducted u/s 194M
Income Tax Act, 1961	30.04.2020	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2020.	Tax deducted by non – govt.
Income Tax Act, 1961	30.04.2020	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2019 to March 31, 2020.	Declaration in Form No. 61
Income Tax Act, 1961	30.04.2020	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2020.	Form. 15G/15H
Income Tax Act, 1961	30.04.2020	Due date for deposit of TDS for the period January 2020 to March 2020 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H	Quarterly TDS (January to March 2020)

IMPORTATNT UPDATES:

1. PAN-AADHAAR LINKING DEADLINE FURTHER EXTENDED TO JUNE, 2020

The due date for linking of PAN with Aadhaar as specified under sub-section 2 of Section 139AA of the Income-tax Act,1961 has been extended from 31st December, 2019 to 31st March, 2020 and further extended to 30th June, 2020 due to COVID – 19 outbreak. (*Notification no.107 of 2019 dated 30/12/2019 issued by CBDT.*)

Source: https://www.incometaxindia.gov.in/communications/notification/notification_107_2019.pdf

IMPORTANT NOTIFICATIONS:

Sl. No.	Particulars of the Notification(s)	Notification Link(s)
1.	F. No. IT(A)I1I2020-TPL & Circular No. 7/2020 Clarifications on provisions of the Direct Tax Vivad se Vishwas Bill, 2020 - reg.v	https://www.incometaxindia.gov.in/communications/circular/circular_no_7_2020.pdf
2.	F.No.275/192/2019-IT(B) CORRIGENDUM TO CIRCULAR NO.4 OF 2020 DATED 16.01.2020 Income-Tax Deduction from Salaries during the Financial Year 2019- 2020 under Section 192 of the Income-Tax Act, 1961 - regarding.	https://www.incometaxindia.gov.in/communications/circular/corrignedum_ci_r4_2020.pdf
3.	Notification No. 15/2020/ F.No. 370142/5/2020-TPL Income-tax (7th Amendment) Rules, 2020.	https://www.incometaxindia.gov.in/communications/notification/notification_15_2020.pdf
4.	Notification No. 16/2020, F.No.370142/22/2019-TPL Central Government hereby notifies the list of securities for the purposes of the sub-clause (d) of clause (viiab) of section 47 of the Income-tax Act, 1961	https://www.incometaxindia.gov.in/communications/notification/notification_16_2020.pdf
5.	Explanation to section 115 AD of the Income-tax Act, 1961	https://www.incometaxindia.gov.in/communications/notification/notification_17_2020.pdf
6.	Notification of designated authority' under 'the Direct Tax Vivad se Vishwas Act' 2020' –reg	https://www.incometaxindia.gov.in/communications/notification/notification_4707.pdf
7.	The Direct Tax Vivad Se Vishwas Rules, 2020	https://www.incometaxindia.gov.in/communications/notification/notification_no_18_2020.pdf
8.	amendments in the notification of the Government of India, Ministry of Finance, (Department of Revenue), (Central Board of Direct Taxes) number S.O.1537(E) dated 09th April, 2019	https://www.incometaxindia.gov.in/communications/notification/notification_19_2020.pdf
9.	CORRIGENDUM	https://www.incometaxindia.gov.in/communications/notification/notification_21_2020.pdf

2. COMPLIANCE REQUIREMENT UNDER GOODS & SERVICES TAX ACT, (GST) 2017

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms/ (Filing mode)
GST, Act, 2017	End of June 2020	Turnover less than Rs. 5 Crore Those having aggregate annual turnover less than Rs. 5 Crore Last date can file GSTR-3B due in March, April and May 2020 by the last week of June, 2020. No interest, late fee, and penalty to be charged.	GSTR-3B
GST, Act, 2017	End of June 2020	Turnover More than Rs. 5 Crore Can file returns due in March, April and May 2020 by last week of June 2020 but the same would attract reduced rate of interest @9 % per annum from 15 days after due date (current interest rate is 18 % per annum). No late fee and penalty to be charged, if complied before till 30 June 2020.	GSTR – 3B
GST, Act, 2017	End of June 2020	Return of outward supplies of taxable goods and/or services for the Month of March 2020 (for Assesses having turnover exceeding 1.5 Cr.) Monthly Return.	GSTR - 1
GST, Act, 2017	End of June 2020	Return of outward supplies of taxable goods and/or services for the Month of March 2020 (for Assesses having turnover Less than 1.5 Cr.) Monthly Return.	GSTR - 1
GST, Act, 2017	20th of the succeeding	Payment of self-assessed tax (Payment of tax shall be made by 20th of the month succeeding the month to which the liability pertains.)	PMT-08
GST, Act, 2017	18 months after end of the quarter for which refund is to be claimed	Application for Refund	RFD-10
GST, Act, 2017	30.06.2020	Annual Returns for FY 2018-19	GSTR-9, GSTR – 9A & GSTR-9C
GST, Act, 2017	3 months of the registration cancellation date or order cancellation date, whichever comes late	A taxable person who opts for cancellation of GST registration has to file a final return under GST law in form GSTR-10 within three months.	GSTR - 10

GST, Act, 2017	28 TH of the month following the month in which an inward supply is received by the UIN holders	Statement of inward supplies by persons having Unique Identification Number (UIN)	GSTR - 11
GST, Act, 2017	Last week of June 2020	Return filed by composition dealer statement-cum-challan to declare the details or summary of his/her self-assessed tax payable for a given quarter. (January 2020 to March 2020)	CMP-08

Note:

- For GST, no different staggering dates will be applicable.
- Date for opting for composition scheme is extended till the last week of June, 2020. Further, the last date for making payments for the quarter ending 31 March, 2020 and filing of return for 2019-20 by the composition dealers will be extended till the last week of June, 2020.
- Payment date under Sabka Vishwas Scheme shall be extended to 30 June, 2020. No interest for this period shall be charged if paid by 30 June, 2020.

KEY UPDATE(s):

1. The GST helpdesk (call centre) will be operating with minimal resources due to COVID-19 pandemic. Please use the self-help portal <https://selfservice.gstsystem.in/> for technical issues relating to GST portal

2. Forms available on GST Portal for Taxpayers and Tax Officials

Government has issued various forms for GST related compliances to be made by taxpayers and for taking actions on them by tax officials. Various forms issued for registration, filing returns or refunds etc. have been made available on the GST Portal..

Read more at : <https://www.gst.gov.in/newsandupdates/read/361>

3. Tracking GST Refund Application Status on the GST Portal and PFMS portal

The functionality to track the status of refund application has been available on the GST portal. By utilising this functionality, the taxpayers can know the stage at which the refund application is pending with the tax-officer/ taxpayer.

This advisory is being issued for the benefit of the taxpayers in order to make them aware of the ways in which they can track the status of their refund applications on both the Portals.

Read more at : <https://www.gst.gov.in/newsandupdates/read/364>

• GST UPDATES AS ON 29.03.2020:

Sl. No.	Notification(s)	Notification No.	Link(s)
1.	To issue clarification in respect of appeal in regard to non-constitution of Appellate Tribunal -reg.	F. No. CBEC-20/16/15/2018-GST dt. 18.03.2020	http://www.cbic.gov.in/htdocs-cbec/gst/circular-cgst-132.pdf

2.	Seeks to clarify issues in respect of apportionment of input tax credit (ITC) in cases of business reorganization under section 18 (3) of CGST Act read with rule 41(1) of CGST Rules	F. No. CBEC-20/16/13/2019-GST, dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/circular-cgst-133.pdf
3.	Seeks to clarify issues in respect of issues under GST law for companies under Insolvency and Bankruptcy Code, 2016.	F. No. CBEC-20/16/12/2020-GST dt. 18.03.2020	http://www.cbic.gov.in/htdocs-cbec/gst/circular-cgst-134.pdf
4.	seeks to "Amend the CGST Rules, 2017 to prescribe the value of Lottery".	08/2020-Central Tax ,dt. 02-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-08-central-tax-english-2020.pdf
5.	Seeks to exempt foreign airlines from furnishing reconciliation Statement in FORM GSTR-9C	09/2020-Central Tax ,dt. 16-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-09-central-tax-english-2020.pdf
6	Seeks to provide special procedure for taxpayers in Dadra and Nagar Haveli and Daman and Diu consequent to merger of the two Uts	10/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-10-central-tax-english-2020.pdf
7	Seeks to provide special procedure for corporate debtors undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016	11/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-11-central-tax-english-2020.pdf
8	Seeks to waive off the requirement for furnishing FORM GSTR-1 for 2019-20 for taxpayers who could not opt for availing the option of special composition scheme under notification No. 2/2019-Central Tax (Rate)	12/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-12-central-tax-english-2020.pdf
9	Seeks to exempt certain class of registered persons from issuing e-invoices and the date for implementation of e-invoicing extended to 01.10.2020	13/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-13-central-tax-english-2020.pdf
10	Seeks to exempt certain class of registered persons capturing dynamic QR code and the date for implementation of QR Code to be extended to 01.10.2020	14/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-14-central-tax-english-2020.pdf
11	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2018-2019 till 30.06.2020.	15/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-15-central-tax-english-2020.pdf

12	Seeks to make third amendment (2020) to CGST Rules.	16/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-16-central-tax-english-2020.pdf
13	Seeks to specify the class of persons who shall be exempted from aadhar authentication.	17/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-17-central-tax-english-2020.pdf
14	Seeks to notify the date from which an individual shall undergo authentication, of Aadhaar number in order to be eligible for registration.	18/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-18-central-tax-english-2020.pdf
15	Seeks to specify class of persons, other than individuals who shall undergo authentication, of Aadhaar number in order to be eligible for registration.	19/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-19-central-tax-english-2020.pdf
16	Seeks to extend due date for furnishing FORM GSTR-7 for those taxpayers whose principal place of business is in the erstwhile State of Jammu and Kashmir for the July, 2019 to October,2019 and November, 2019 to February, 2020 .	20/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-20-central-tax-english-2020.pdf
17	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir or the Union territory of Jammu and Kashmir or the Union territory of Ladakh for the quarter October-December, 2019 till 24th March, 2020	21/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-21-central-tax-english-2020.pdf
18	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, and having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or current financial year, for the month of October, 2019 and November, 2019 to February till 24th March, 2020.	22/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-22-central-tax-english-2020.pdf
19	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or current financial year, for each of the months from July, 2019 to September, 2019 till 24th March, 2020.	23/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-23-central-tax-english-2020.pdf

20	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, for the quarter July-September, 2019 till 24th March,2020.	24/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-24-central-tax-english-2020.pdf
21	Seeks to extend due date for furnishing FORM GSTR-3B for the months of October, 2019 , November, 2019 to February, 2020 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir on or before the 24th March, 2020.	25/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-25-central-tax-english-2020.pdf
22	Seeks to extend due date for furnishing FORM GSTR-3B of the said rules for the months of July,2019 to September, 2019 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, shall be furnished electronically through the common portal, on or before the 24th March, 2020	26/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-26-central-tax-english-2020.pdf
23	Seeks to prescribe the due date for furnishing FORM GSTR-1 for the quarters April, 2020 to June, 2020 and July, 2020 to September, 2020 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.	27/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-27-central-tax-english-2020.pdf
24	Seeks to prescribe the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from April,2020 to September, 2020.	28/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-28-central-tax-english-2020.pdf
25	Seeks to prescribe return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for April, 2020 to September, 2020	29/2020-Central Tax ,dt. 23-03-2020	http://www.cbic.gov.in/htdocs-cbec/gst/notfctn-29-central-tax-english-2020.pdf

➤ **THE 39th GST COUNCIL MEETING UPDATES**

The 39th GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman on 14.03.2020.

➤ **Here are the major decisions taken today (in Brief):**

a better GSTN system should be ensured by Infosys by July 2020.

Changes in GST Rates

- GST on mobile phones, specified parts increased to 18% from 12%.
- GST on MRO (maintenance repair overhaul) services of aircraft slashed to 5% from 18%
- GST on handmade, machine-made matchsticks rationalised to 12%
- Delayed GST payment to attract interest on net tax liability from July 1.
- GST on Maintenance, Repair and Overhaul (MRO) service in respect to aircraft was reduced from 18% to 5% with full ITC.

Important change on GSTR-1:

The GST Council decided to stagger the GSTR-1 filing for taxpayers with:

- Turnover more than Rs 1.5 cr -to file before 10th of the following month
- Turnover up to Rs 1.5 cr -to file before 13th of the following month
- The GSTR-2A can be generated on 14th of following month

GST Annual Returns:

- The GSTR-9 & 9C deadline is extended to 30 June 2020 for FY 2018-19.
- The turnover limit will be increased from Rs 2 crore to Rs 5 crore for mandatory annual return filing.
- Filing GSTR-9C is optional for the taxpayers having the turnover less than Rs 5 crore.
- The taxpayers with an aggregate annual turnover of less than Rs 2 crore in FY 2017-18 and FY 2018-19 will not pay any late fee for delayed filing of GSTR-9.

Amendment to revocation of cancellation

Taxpayers who have cancelled their GST registration till 14th March 2020 can file an application for revocation of cancellation of registration. The window to file this application is available till 30th June 2020.

New GST return system and e-invoicing

- The implementation of the new GST return system has been postponed to 1st October 2020.
- The implementation of e-invoicing and the QR code has been deferred to 1st October 2020.

Interest on delayed payments

- Interest for delayed GST payment will be calculated on the net tax liability. This amendment will apply retrospectively from 1st July 2017.

3. COMPLIANCE UNDER OTHER STATUTORY LAWS

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / (Filing mode)
EPF (The Employees' Provident Funds And Miscellaneous Provisions Act, 1952)	15.04.2020* (may be extended)	PF Payment for February, 2020	ECR
ESIC (Employees' State Insurance Act, 1948)	15.04.2020*	ESIC Payment for February, 2020	ESI CHALLAN
The Apprenticeship Act 1961	15.04.2020	Half Yearly Return March Ending	FORM APP-2

The Employment Exchange (CNV) Act 1959 & Rules	30.04.2020	QUARTERLY RETURN FOR QUARTER ENDED 31ST MARCH	ER-1 RULE 6
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Note: "The ESI contribution for the month of February 2020 and March 2020 can be filed and paid up to April 15, 2020 and May 15, 2020 instead of March 15, 2020 and April 15, 2020 respectively,"

❖ **QUICK UPDATES UNDER LABOUR LAWS:**

- Announcements for the organized sector:** Centre will pay the EPF contribution both, of the employer and of the employee (12 percent each) for the next three months. This is for all those establishments that have up to 100 employees and 90 percent of whom earn under Rs 15,000 per month.
- Provident scheme regulations will be amendment to allow non-refundable advance of 75 percent or three months' wages, whichever is lower. This will benefit 4.8 crore workers who are registered with the EPF.
- For construction workers*: There is a Buildings and Other Construction Workers' Fund. We are giving directions to states to release those funds.
- Insertion of provision in the EPF scheme, 1952 to provide advance to the EPF members in the situation emerging due to COVID-19 pandemic.
(https://labour.gov.in/sites/default/files/EPF_scheme%2C1952.pdf)
- Preventive measures to contain the spread of COVID-19
(https://labour.gov.in/sites/default/files/covid_23_march.pdf)

• **QUICK REVIEW ON COMPLIANCE PARTICULARS:**

Sl. No.	Name of the Act(s)	Compliance Particulars
1.	Factories Act 1948	<ul style="list-style-type: none"> ● Annual returns and half year returns submitted on time with correct details ● All story statutory registers are maintained ● Appointment of Safety Officer, Welfare Officer, if applicable, and its qualification matching as per the act ● Canteen, Creche, rest room facilities are available
2.	Contact Labor Act 1970	<ul style="list-style-type: none"> ● First check if this act is applicable to factory and to contractor. General rule say it is applicable for more than 20 contract workers. But it differs from state to state ● Principal Employer Registration, all contractor are listed on RC ● Contractor have valid License ● Contractor have submitted all dues like PF, ESIC, PT, LWF on time.

3	Payment of Gratuity Act 1972:	<ul style="list-style-type: none"> ● Gratuity are paid to left employees who have completed 5 years ● Company have authorised one managerial personnel in organisation to receive all notice, letter, communication, etc.
4.	Payment of Bonus Act 1965	<ul style="list-style-type: none"> ● Bonus are paid on time. Returns submitted, register are maintained
5.	Payment of Wages 1936 and Minimum Wages Act 1948:	<ul style="list-style-type: none"> ● All registers are maintained ● Payment of Wages are done on time. ● Wages are paid above minimum wages.

4. COMPLIANCES UNDER FEMA / RBI

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / (Filing mode)
FEMA ACT 1999	Monthly Basis	External Commercial Borrowings Borrowers are required to report all ECB transactions to the RBI on a monthly basis through an AD Category – I Bank in the form of 'ECB 2 Return'.	ECB 2 Return
FEMA ACT 1999	Not later than 30 days from the date of issue of shares	After issue of shares or other eligible securities, the Indian company has to file	Form FC-GPR
FEMA ACT 1999	With in 60 days from the date of receipt of the amount of consideration.	Reporting of transfer of shares and other eligible securities between residents and non-residents and vice- versa is to be made in Form FC-TRS.	Form FC-TRS.
FEMA ACT 1999	With in Six (6) months {receive share certificates or any other documentary evidence of investment in the foreign JV / WOS as an evidence of investment and submit the same to the designated AD within 6 months;}	An Indian Party and a Resident Individual making an overseas investment is required to submit form ODI (Overseas investments (or financial commitment) in Joint Ventures (JV) and Wholly Owned Subsidiaries (WOS))	Form ODI

❖ **RBI CIRCULARS / NOTIFICATIONS:**

Sl. No.	Date	Particulars of the Circulars	Link
1	13.03.2020	Implementation of Indian Accounting Standards	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11818&Mode=0
2	16.03.2020	COVID-19- Operational and Business Continuity Measures	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11820&Mode=0
3	17.03.2020	Guidelines on Regulation of Payment Aggregators and Payment Gateways	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11822&Mode=0
4	23.03.2020	Priority Sector Lending - Lending by banks to NBFCs for On-Lending	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11828&Mode=0
5	26.03.2020	Formation of new district in the State of Chhattisgarh – Assignment of Lead Bank Responsibility	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11830&Mode=0
6	27.03.2020	COVID-19 – Regulatory Package (Revised)	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11835&Mode=0
7	27.03.2020	Legal Entity Identifier: Extension of deadline	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11834&Mode=0
8	27.03.2020	Change in Bank Rate	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11839&Mode=0
9	27.03.2020	Maintenance of Cash Reserve Ratio (CRR)	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11841&Mode=0
10	28.03.2020	Guidelines for Licensing of Small Finance Banks in Private Sector' dated November 27, 2014 – Modifications to existing norms	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11845&Mode=0

5. COMPLIANCE REQUIREMENT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (LODR) REGULATIONS, 2015

FILING MODE(s) :

- For BSE : BSE LISTING CENTRE
- For NSE : NEAPS Portal

❖ Quarterly Compliances

Due to COVID-19 outbreak, due date for filing Quarterly Compliance for the period January, 2020 – March, 2020 has been extended till May / June, 2020.

❖ Event based Compliances

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1.	Regulation 7 (5)	Intimation of appointment / Change of Share Transfer Agent.	Within 7 days of Agreement with RTA.
2.	Regulation 17(2)	Meeting of Board of Directors	The board of directors and Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings for the meetings held or proposed to be held between the period December 1, 2019 and June 30, 2020.
3.	Regulation 18(2)	Meeting of the audit committee	However the board of directors / Audit Committee shall ensure that they meet atleast four times a year, as stipulated under regulations 17(2) and 18(2)(a) of the LODR
4.	Regulation 29	Notice for Board Meeting to consider the prescribed matters.	The Company shall give an advance notice of: a) at least 5 days for Financial Result as per Regulation 29 1 (a) b) in case matters as stated in regulation 29 1 (b) to (f) – 2 Working days in advance(Excluding the date of the intimation and date of the meeting) to Stock Exchange. c) 11 working days in case matter related to alteration in i) Securities ;ii) date of interest or redemption of Debenture / bond as per regulation 29(3) (a) ,(b).
5	Regulation 30	Outcome of Board Meeting (Schedule III Part A- (4)	within 30 minutes of the closure of the meeting

6.	Regulation 31	Holding of specified securities and shareholding pattern	Reg. 31(1)(a):1 day prior to listing of its securities on the stock exchange(s); Reg. 31(1)(c):within 10 days of any capital restructuring of the listed entity resulting in a change exceeding 2 % of the total paid-up share capital.
7.	Regulation 39	Issuance of Certificates or Receipts/Letters/Advices for securities and dealing with unclaimed securities.	Reg. 39(2): The listed entity shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within 30 days from the date of such lodgement. Reg. 39(2): The listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within 2 days of its getting information.
8.	Regulation 40	Transfer or transmission or transposition of securities	After due verification of the documents, the Listed Company shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of 15 days from the date of such receipt of request for transfer: Transmission requests are processed for securities held in dematerialized mode and physical mode within 7 days and 21 days respectively, after receipt of the specified documents

9.	Regulation 43	Declaration of Dividend	The company has to declare and disclose the dividend on per share basis only.
10	Regulation 46	Company Website: Listed entity shall disseminate the information as stated in Regulation 46 (2)	Shall update any change in the content of its website within 2 working days from the date of such change in content.
11.	Regulation 50	Intimation to stock exchange(s).	Listed Company shall give prior intimation at least 11 working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable.
12.	Regulation 57	Other submissions to stock exchange(s).	Listed Company shall submit a certificate to the stock exchange within 2 days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.
13.	Regulation 82	Intimation and filings with stock exchange(s).	Intention to issue new securitized debt instruments either through a public issue or on private placement basis : Reg. 82(2) : Intimation of Meeting at least 2 working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of trustees, at which the recommendation or declaration of issue of securitized debt instruments or any other matter affecting the rights or interests of holders of securitized debt instruments is proposed to be considered
14.	SCHEDULE III PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES	Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)	(7B) In case of resignation of an independent director of the listed entity, within 7 days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities as mentioned in 7B (i), 7B(ii) & 7B(iii).
15.	Regulation 106J	Period of subscription and issue of allotment letter.	A rights issue shall be open for subscription in India for a period as applicable under the laws of its home country but in no case less than 10 days.
16.	Regulation 108	Application for Listing.	The issuer / the issuing company, shall, make an application for listing, within 20 days from the date of allotment, to one or more recognized stock exchange(s) along with the documents specified by stock exchange(s) from time to time

17.	Regulation 23	Corporate governance requirements with respect to subsidiary of listed entity	The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
18.	Regulation 24A	Secretarial Audit Due date Extended to 30.06.2020	Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019. On or before: 30th day of May (within 60 days from the Closure of FY)
19.	Regulation 23(9)	The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.	Disclosure Of Related Party Transactions Pursuant To Regulation 23(9) Of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 WITHIN 30 days from the date of publication of Financial Results (for half year)
20.	Regulation 30 (6) read with Para A of Part A of Schedule III (except sub para 4 of with Para A of Part A of Schedule III)	The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay Example : Proceedings of Annual and extraordinary general meetings of the listed entity.	24 hours of Occurrence of event

21.	SCHEDULE III PART A (SUB CLAUSE 7A)	In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor	24 hours of Occurrence of event
22.	SCHEDULE III PART A (SUB CLAUSE 7B)	In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities	within 7 days from the date of resignation
23.	Regulation 37(1)	Draft Scheme of Arrangement & Scheme of Arrangement before for obtaining Observation Letter or No-objection letter, before filing such scheme with any Court or Tribunal, in terms of requirements specified by the Board or stock exchange(s) from time to time.	Before filling the same with any court or tribunal
24.	Regulation 37(1) read with Section 31 of the Insolvency Code,	No need to follow Regulation 37 & 94 if <u>restructuring proposal approved as part of a resolution plan by the Tribunal under section 31 of the Insolvency Code, subject to the details being disclosed to the recognized stock exchanges within one day of the resolution plan being approved</u>	within one day of the resolution plan being approved
25.	Regulation 42(2)	The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. (Refer 42(1) Record date)	7 working days (excluding the date of intimation and the record date)
26.	Regulation 44(3)	The listed entity shall submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.	within 48 hours of conclusion of its General Meeting

27.	Regulation 31A	Re-classification of status of a promoter/ person belonging to promoter group to public an application for re-classification to the stock exchanges has been made by the listed entity consequent to the following procedures and not later than thirty days from the date of approval by shareholders in general meeting.	Not later than 30 days of general Meeting
28.	Regulation 50(1) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	Intimation to stock exchange(s). Listed Company shall give prior intimation at least 11 working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable.	at least 11 working days
29.	Regulation 50(3) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall intimate to the stock exchange(s), at least two working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of directors, at which the recommendation or declaration of issue of non convertible debt securities or any other matter affecting the rights or interests of holders of non convertible debt securities or non convertible redeemable preference shares is proposed to be considered.	at least 2 working days in advance, excluding the date of the intimation and date of the meeting
30.	Regulation 52(5) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall, within seven working days from the date of submission of the information required under sub- regulation (4),ie information submitted with Financial Results submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents.	7 working days of FR
31.	Regulation 57 (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	Other submissions to stock exchange(s). Listed Company shall submit a certificate to the stock exchange within 2 days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.	within 2 days

32.	Regulation 60(2) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. (Refer 60(1) Record date)	7 working days (excluding the date of intimation and the record date)
33.	Regulation 78(2) (Obligations of listed entity which has listed its Indian depository receipts)	Record date The listed entity shall give notice in advance of at least four working days to the recognised stock exchange(s) of record date specifying the purpose of the record date.	at least 4 working days
34.	Regulation 82 (Obligations Of Listed Entity Which Has Listed Its Securitised Debt Instruments)	Intimation and filings with stock exchange(s). Intention to issue new securitized debt instruments either through a public issue or on private placement basis : Reg. 82(2) : Intimation of Meeting at least 2 working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of trustees, at which the recommendation or declaration of issue of securitized debt instruments or any other matter affecting the rights or interests of holders of securitized debt instruments is proposed to be considered	At least 2 working days in advance
35.	Regulation 87(2) (Obligations of listed entity which has listed its Indian depository receipts)	Record date The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the Stock Exchange may agree to or require specifying the purpose of the record date.	at least 7 working days(excluding the date of intimation and the record date)
36.	Regulation 87B (Obligations Of Listed Entity Which Has Listed Its Security Receipts)	The listed entity shall first disclose to stock exchange(s) of all events or information, as specified in Part E of Schedule III, as soon as reasonably possible but not later than twenty four hours from occurrence of the event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for the delay.	24 hours of Occurrence of event

6. SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Securities and Exchange Board of India (SEBI) vide notification / Circular No. SEBI/HO/CFD/DCR1/CIR/P/2020/49 issued and published dated 27th March 2020, has published Relaxation from compliance with certain provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 due to the COVID-19 pandemic."

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 30(1)	Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise 25% or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the 31 st day of March, in such target company in such form as may be specified.	Report as per the 2020 calendar are required to be filed by April 15, 2020 It has been decided by SEBI to extend the due date of filing disclosures, in terms of Regulations 30(1), 30(2) and 31(4) of the SAST Regulations for the financial year ending March 31, 2020 to June 01, 2020.
2	Regulation 30(2)	The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may	
3.	Regulation 31(1) read with Regulation 28(3) of Takeover Regulations AUGUST 7, 2019 CIRCULAR https://www.sebi.gov.in/legal/circulars/aug-2019/disclosure-of-reasons-for-encumbrance-by-promoter-of-listed-companies_43837.html	The promoter of every listed company shall specifically disclose detailed reasons for encumbrance if the combined encumbrance by the promoter along with PACs with him equals or exceeds: a) 50% of their shareholding in the company; or b) 20% of the total share capital of the company,	within 2 (two) working days

7. SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 7(2) “Continual Disclosures”	Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees (10,00,000/-) or such other value as may be specified;	Every company shall notify; within two trading days of receipt of the disclosure or from becoming aware of such information

8. SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Schedule XIX - Para (2) of ICDR Read with Reg 108 of SEBI LODR	“The issuer shall make an application for listing from the date of allotment, within such period as may be specified by the Board from time to time, to one or more recognized stock exchange(s)”. In regard to above, it is specified that Issuer shall make an application to the exchange/s for listing in case of further issue of equity shares from the date of allotment within 20 days (unless otherwise specified).	Within 20 days from the date of allotment
2	Regulation 162	The tenure of the convertible securities of the issuer shall not exceed eighteen months from the date of their allotment.	Within 18 months from date of allotment
3	SEBI CIRCULAR Aug 19, 2019 https://www.sebi.gov.in/legal/circulars/aug-2019/non-compliance-with-certain-provisions-of-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-icdr-regulations-43941.html	Application for trading approval to the stock exchange Listed entities shall make an application for trading approval to the stock exchange/s within 7 working days from the date of grant of listing approval by the stock exchange/s.	Within 7 working days from grant of date of listing approval

4	Regulation 295(1)	<p>Completion of Bonus Issue:</p> <p>Within 15 days from the date of approval of the issue by its board of directors – in cases where shareholders' approval for capitalization of profits or reserves for making the bonus issue is not required Within 2 months from the date of the meeting of its board of directors wherein the decision to announce bonus issue was taken subject to shareholders' approval – in cases where issuer is required to seek shareholders' approval for capitalization of profits or reserves for making the bonus issue.</p>	<p>Within 15 days from Board Approval (where shareholder approval is not required)</p> <p>Within 2 months from Board Approval (where shareholder approval is required)</p>
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9. SEBI (BUYBACK OF SECURITIES) REGULATIONS, 2018 (BUYBACK REGULATIONS)

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 11 and 24(iv)	Extinguishment of equity shares in connection with Buyback The particulars of the security certificates extinguished and destroyed shall be furnished by the company to the stock exchanges where the shares or other specified securities of the company are listed within seven days of extinguishment and destruction of the certificates	7 days of extinguishment and destruction of the certificates

- SEBI UPDATES:**

1. Format of the Annual Disclosure to be made by an entity identified as a Large Corporate

All companies who have been identified as Large Corporate are required file this Annual Disclosure through the Corporate Announcements Module of the Listing Centre.

Corporate Announcement > Compliances > Format of the Annual Disclosure to be made by an entity identified as a Large Corporate.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=8d098079-1417-48f9-8233-231f450d0e71&Page=cir>

2. SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) (AMENDMENT) REGULATIONS, 2020.

Securities and Exchange Board of India (SEBI) has on March 2, 2020 notified Securities And Exchange Board Of India (Real Estate Investment Trusts) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/06.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=de520a02-a491-415c-b3c5-2bdfe0dd74da&Page=cir>

3. SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) (AMENDMENT) REGULATIONS, 2020

Securities and Exchange Board of India (SEBI) has on March 2, 2020 notified Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/05.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=9254f8bd-b0e3-43ef-9e45-3f8bc648b7ab&Page=cir>

4. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 virus pandemic.

Securities and Exchange Board of India (SEBI) has issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 in respect of providing relaxation to the Companies from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 virus pandemic.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=85e16c72-2cfe-4a7d-9f16-d82832cd57ab&Page=cir>

5. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certain SEBI Circulars due to the CoVID -19 virus pandemic – continuation

Securities and Exchange Board of India (SEBI) has issued Circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020 in respect of Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certain SEBI Circulars due to the CoVID -19 virus pandemic – continuation.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=faac798a-d23f-47d3-995b-55b0a09e4633&Page=cir>

6. Relaxation from compliance to REITs and InvITs due to the CoVID -19 virus pandemic

Securities and Exchange Board of India (SEBI) has issued Circular No. SEBI/HO/DDHS/CIR/P/2020/42 dated March 23, 2020 in respect of Relaxation from compliance to REITs and InvITs due to the CoVID -19 virus pandemic.

Link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=27c0263b-b128-43cf-940d-14f7a2fcfed&Page=cir>

- SEBI CIRCULARS / REGULATIONS – MARCH, 2020**

Sl. No.	Particulars of the Circulars	Link
1.	Amendment in ‘Rights and Obligations of Members, Authorized Persons and Clients’ of FMC Circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015.	https://www.sebi.gov.in/legal/circulars/mar-2020/amendment-in-rights-and-obligations-of-members-authorized-persons-and-clients-of-fmc-circular-no-fmc-compl-iv-kra-05-11-14-dated-february-26-2015- 46284.html
2.	General Information Document	https://www.sebi.gov.in/legal/circulars/mar-2020/general-information-document_46341.html

3.	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 virus pandemic	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-virus-pandemic_46360.html
4.	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certain SEBI Circulars due to the CoVID -19 virus pandemic – continuation	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-and-certain-sebi-circulars-due-to-the-covid-19-virus-pandemic-cont-_46395.html
5.	Relaxation from compliance to REITs and InvITs due to the CoVID -19 virus pandemic	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-to-reits-and-invits-due-to-the-covid-19-virus-pandemic_46398.html
6.	Relaxation in compliance with requirements pertaining to Mutual Funds	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-in-compliance-with-requirements-pertaining-to-mutual-funds_46419.html
7.	SEBI Notification COVID 19	https://www.sebi.gov.in/legal/circulars/mar-2020/sebi-notification-covid-19_46425.html
8.	"Further relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and the SEBI circular dated January 22, 2020 relating to Standard Operating Procedure due to the CoVID -19 virus pandemic"	https://www.sebi.gov.in/legal/circulars/mar-2020/-further-relaxations-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-and-the-sebi-circular-dated-january-22-2020-relatin-_46436.html
9.	Relaxation from compliance with certain provisions of the SAST Regulations, 2011 due to the COVID-19 pandemic	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sast-regulations-2011-due-to-the-covid-19-pandemic_46442.html
10.	Amendments to guidelines for rights issue, preferential issue and institutional placement of units by a listed REIT	https://www.sebi.gov.in/legal/circulars/mar-2020/amendments-to-guidelines-for-rights-issue-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit_46310.html
11.	Amendments to guidelines for rights issue, preferential issue and institutional placement of units by a listed InvIT	https://www.sebi.gov.in/legal/circulars/mar-2020/amendments-to-guidelines-for-rights-issue-preferential-issue-and-institutional-placement-of-units-by-a-listed-invit_46311.html

12.	"Relaxation from compliance with certain provisions of the circulars issued under SEBI (Credit Rating Agencies) Regulations, 1999 due to the COVID-19 pandemic and moratorium permitted by RBI."	https://www.sebi.gov.in/legal/circulars/mar-2020/-relaxation-from-compliance-with-certain-provisions-of-the-circulars-issued-under-sebi-credit-rating-agencies-regulations-1999-due-to-the-covid-19-pandemic-and-moratorium-permitted-by-rbi-46449.html
13	Extension of deadline for implementation of the circular on Stewardship Code for all Mutual Funds and all categories of AIFs due to the CoVID-19 pandemic	https://www.sebi.gov.in/legal/circulars/mar-2020/extension-of-deadline-for-implementation-of-the-circular-on-stewardship-code-for-all-mutual-funds-and-all-categories-of-aifs-due-to-the-covid-19-pandemic_46451.html
14.	"Continuation of Phase II of UPI with ASBA due to Covid-19 virus pandemic	https://www.sebi.gov.in/legal/circulars/mar-2020/-continuation-of-phase-ii-of-upi-with-asba-due-to-covid-19-virus-pandemic_46452.html
15.	Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19	https://www.sebi.gov.in/legal/circulars/mar-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19_46455.html
16	Relaxation in compliance with requirements pertaining to Portfolio Managers	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-in-compliance-with-requirements-pertaining-to-portfolio-managers_46460.html
17	Relaxation in compliance with requirements pertaining to AIFs and VCFs	https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcf_46462.html

10. COMPLIANCE REQUIREMENT UNDER COMPANIES ACT, 2013 AND RULES MADE THEREUNDER:

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / Filing mode
Companies Act, 2013	Within 180 Days From The Date Of Incorporation Of The Company + An additional time of 6 more months shall be allowed by MCA	As per Section 10 A (Commencement of Business) of the Companies Act, 2013, inserted vide the Companies (Amendment) Ordinance, 2018 w.e.f. 2nd November, 2018, a Company Incorporated after the ordinance and having share capital shall not commence its business or exercise any borrowing powers unless a declaration is filed by the Director within 180 days from the date of Incorporation of the Company with the ROC. http://www.mca.gov.in/Ministry/pdf/CompaniesFourthAmendmentRules_19122018.pdf	MCA E- Form INC 20A

Companies Act, 2013	First declaration within 90 days from the date of notification Dt. 08.02.2019 (i.e. On or before 8th of May, 2019)	<p>A person having Significant beneficial owner shall file a declaration to the reporting company</p> <p>http://www.mca.gov.in/Ministry/pdf/CompaniesOwnersAmendmentRules_08020219.pdf</p> <p>i.e. within 90 days of the commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019 i.e. 08.02.2019</p> <p>In case Subsequent Acquisition of the title of Significant Beneficial Owner / Any Change therein a declaration in Form No. BEN-1 required to be filed to the reporting company, within 30 days of acquiring such significant beneficial ownership or any change therein.</p>	<p>Form BEN-1 Draft Format available at</p> <p>https://enlightengovernance.blogsspot.com/2019/07/draft-format-for-ben-1-sbo-rules-2018.html</p>
Companies Act, 2013	31.03.2020 (Due Date Extended From 30.09.2019 to 31.12.2019 and further extended to 31.03.2020)	<p>Filing of form BEN-2 under the Companies (Significant Beneficial Owners) Rules, 2018.</p> <p>(Within 30 days from deployment of the E –form (earlier the date of receipt of declaration in BEN-1)</p> <p>http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf</p> <p>BEN -2 due date extended till 31.03.2020</p> <p>Circulars Link:</p> <p>http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf</p>	<p>Form BEN – 2 (e-form deployed by Ministry (ROC) on 01.07.2019</p>
Companies Act, 2013	On or before 15.06.2019 (form can be filed after due date with a fee of Rs. 10000 (one time fee)	<p>Filing of the particulars of the Company & its registered office. (by every company incorporated on or before the 31.12.2017.)</p> <p>Due date extended- Link :</p> <p>http://www.mca.gov.in/Ministry/pdf/CompaniesRegistrationOfficesFeesRule_25042019.pdf</p>	<p>Active Form INC -22A</p>
Companies Act, 2013	Annually (can be filed after due date with a penalty of Rs. 5000/-)	<p>*DIN KYC through DIR 3 KYC Form is an Annual Exercise.</p> <p>Last date for filing DIR-3 KYC for Financial year 2018-19 has been extended till 14th November 2019</p> <p>http://www.mca.gov.in/Ministry/pdf/Companies5thAmendtRules_30092019.pdf and</p> <p>http://www.mca.gov.in/Ministry/pdf/Companies4thAmendtRules_30092019.pdf</p> <p>Annual Exercise:</p> <p>http://www.mca.gov.in/Ministry/pdf/DIR3KYCcompleteMessage_13042019.pdf</p> <p>Penalty after due date is Rs. 5000/-(one time)</p>	<p>E-Form DIR – 3 KYC (Web Based and E-form)</p>

Companies Act, 2013	within 60 days from the date of deployment of this form on the website of the Ministry.	Reconciliation of Share Capital Audit Report (Half-yearly) Pursuant to sub-rule Rule 9A (8) of Companies (Prospectus and Allotment of Securities) Rules, 2014 To be filed all unlisted companies, deemed public companies Till further clarification to be filled in GNL-2 Applicable w.e.f. 30.09.2019 http://www.mca.gov.in/Ministry/pdf/Rules_23052019.pdf Extension Notification: http://www.mca.gov.in/Ministry/pdf/FormPAS6_28112019.pdf	E-Form PAS – 6 (E-Form, Not yet deployed)
Companies Act, 2013	Within 150 days from the date of deployment of this Form	Annual Return To Be Filed By Auditor With The National Financial Reporting Authority http://www.mca.gov.in/Ministry/pdf/Circular_06032020.pdf	NFRA-2 (form not yet deployed)

• **MCA MONTHLY UPDATE CALENDAR:**

Sl. No.	Particulars	Due Date	E- Form
1	Appointment of Auditor	Within 15 days from the conclusion of AGM (ratification at every annual general meeting is not mandatory)	ADT-1
2	Filing of financial statement and other documents with the ROC	<u>On or before 30.11.2019</u> (due date extended) Within 30 days from the conclusion of the AGM, other than OPC (In case of OPC within 180 days from the close of the financial year)	AOC-4*
3	Filing of annual return by a company.	<u>On or before 31.12.2019</u> (due date extended) Within 60 days from the conclusion of AGM	MGT-7*
4	Filing of Cost Audit Report with the Central Government	<u>*On or before 29.02.2020.</u> (due date extended) Within 30 days from the receipt of Cost Audit Report	CRA-4*
5	Filing of Resolutions and agreements to the Registrar	Within 30 days from the date of Board Meeting.	MGT-14

MCA – ROC UPDATES:

1. **Relaxation of additional fees and extension of last date in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013- UT of J&K and UT of Ladakh**
 extension of time for filing of financial statements for the financial year ended 31.03.2019. Therefore, it has been decided to extend the due date for filing of e-forms AOC-4, AOC-4 (CFS) AOC-4 XBRL and e-form MGT-7 upto 30.06.2020, for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.'

❖ **Due dates of LLP Return Filing:**

- LLP Form 8 (Statement of Account & Solvency) on or before 30.10.2019
- The charge details i.e. creation, modification or satisfaction of charge, can be filed through Appendix to e-Form 8 (Interim)
- Form LLP -8 can be filed after due date i.e. 30.10.2019 with a penalty of Rs. 100/- per day till the filing is completed.

❖ **LLP Law Updates**

1. Central Government hereby directs that the provisions of section 460 of the Companies Act, 2013 (18 of 2013) shall apply to a limited liability partnership from the date of publication of this notification in the official Gazette.

Link: http://www.mca.gov.in/Ministry/pdf/NotificationLLP_31012020.pdf

2. Modified LLP Settlement Scheme, 2020.

• **OVERVIEW**

MINISTRY OF CORPORATE AFFAIRS (MCA) vide General Circular No. 13/2020 and File No. F. No. 17/61.2016-CL-V-Pt-I issued dated 30th March, 2020, has modified the provisions related to LLP SETTLEMENT SCHEME, 2020.

- **Revised Timeline :** Applicable w.e.f. 01.04.2020 And shall remain into Force up to 30.09.2020.
- **Previous Scheme:** LLP SETTLEMENT SCHEME , 2020 vide General Circular No. 6/2020 dated 04.03.2020
 (Link: http://www.mca.gov.in/Ministry/pdf/GeneralCircular06_04032020.pdf)
- Shall allow a One-time condonation of delay in filing statutorily required documents with the Registrar. Scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020. Applicable for LLP Form 3, 4, 8 and 11.
- **Applicability of the this Scheme:** Any Defaulting LLP is permitted to file belated documents, which were due for filing till 31.08.2020 in accordance with the provisions of this Scheme.
- **Manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme** – The defaulting LLPs may themselves avail of the scheme for filing documents which have not been filed or registered in time on payment of fee as payable for filing of such document / return.

Provided that no additional fees shall be payable for filing and belated documents under this scheme.

- Immunity from prosecution in respect of document(s) filed under the scheme** - The defaulting LLP, which have filed their belated documents till 30.09.2020 and made good the default shall not be subjected to prosecution by the Registrar of such defaults.
- The Scheme shall not apply** : This Scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.
- After 30.09.2020**, the Registrar shall take necessary action under the LLP Act, 2008 against the LLPs which have not availed this Scheme and are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner.
- Link: http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf

❖ **MCA MONTHLY UPDATE CALENDAR: MARCH 2020**

Sl. No.	Particulars of the Circulars	Link
1	Clarification on prosecutions filed or internal adjudication proceedings initiated Independent Directors, non-promoters and non-KMP non-executive directors	http://www.mca.gov.in/Ministry/pdf/Circular_03032020.pdf
2	Exemptions to Government Companies under section 462 of the CA 2013, notification dated 02.03.2020	http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf
3	Clarification regarding filing of forms in registry MCA-21 by IRP or RP or Liquidator	http://www.mca.gov.in/Ministry/pdf/Circular8_06032020.pdf
4	MCA extends due date of receipt of public comments on the Competition (Amendment) Bill, 2020	http://www.mca.gov.in/Ministry/pdf/Amendment_06032020.pdf
5	MCA updates on banking company dated 11.03.2020	http://enlightengovernance.blogspot.com/2020/03/mca-update-on-banking-company-dt.html
6	Companies Incorporation (second Amendment) Rules, 2020	http://www.mca.gov.in/Ministry/pdf/rule_13032020.pdf
7	Companies (Registration Offices and Fees) Second Amendment Rules, 2020	http://www.mca.gov.in/Ministry/pdf/rule1_13032020.pdf
8	Special measures under the Companies Act, 2013 and LLP Act, 2008 in view of COVID-19 outbreak	http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf
9	Clarification on spending of CSR funds for COVID-19	http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf
10	Extension of last date for public comments on Draft Companies (CSR Policy) Amendment Rules, 2020 till 10th April 2020	http://feedapp.mca.gov.in/csr/

11	Company Auditor's Report Order (CARO), 2020.	http://www.mca.gov.in/Ministry/pdf/Notification_25032020.pdf
12	Company Affirmation of Readiness towards COVID-19	http://www.mca.gov.in/Ministry/pdf/Car_22032020.pdf
13	View Public Document (VPD) requests would be disabled till 31st March 2020. Stakeholders are requested to plan accordingly.	http://www.mca.gov.in/MinistryV2/
14	Please be informed that in view of present total lockdown imposed on transport and people movement by the Government, availability of MCA21 Voice and Ticketing Helpdesk services have been severely impacted. The same would not be available till further notice. Stakeholders may kindly take note and cooperate.	http://www.mca.gov.in/MinistryV2/
15	Sensitization of Nidhi companies towards compliance of provisions of section 406 of Companies Act, 2013 and Nidhi Rules, 2014 as amended vide Nidhi (Amendment) Rules, 2019 w.e.f 15.08.2019 and general public to invest in genuine and compliant Nidhi's only	http://www.mca.gov.in/Ministry/pdf/Nidhi_19032020.pdf
16	Notification for increasing threshold of default under section 4 of IBC, 2016	http://www.mca.gov.in/Ministry/pdf/Notification_28032020.pdf
17	Clarification on contribution to PM CARES Fund as eligible CSR activity under item no. (viii) of the Schedule VII of Companies Act, 2013	http://www.mca.gov.in/Ministry/pdf/Circular_29032020.pdf
18	Functioning of NCLT during the lock down period	http://www.mca.gov.in/Ministry/pdf/Notification_30032020.pdf
19	Modification to LLP Scheme 2020	http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf
20	Company Fresh Start Scheme, 2020 (CFSS-2020)	http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf
21	Press release on Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme, 2020	http://www.mca.gov.in/Ministry/pdf/Press_30032020.pdf

- Clarification On EPFO/ESI Returns _ SPICE+:

New companies incorporated through SPICE+ and thereby have obtained EPFO/ESI numbers will have to file statutory returns only when they cross thresholds prescribed under the relevant Acts

11. THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) UPDATES:

1. ICSI has extended the last date for generation of eCSIN from 31st December, 2019 to 31st March, 2020, if not generated, kindly generate.

https://www.icci.edu/media/webmodules/Extension_of_ECSIN.pdf

2. ICSI (Employee Company Secretaries Identification Number (eCSIN) Guidelines), 2019

<https://ecsin.icci.edu/PDF/eCSIN-Guidelines.pdf>

3. FAQ's on eCSIN

https://ecsin.icci.edu/PDF/UserManual_eCSIN_FAQ.pdf

4. ICSI Auditing Standards –Mandatory w.e.f 1st April,2020

Applicability : The Standard is mandatorily applicable for Audit Engagements accepted by the Auditor on or after 1st April, 2020.

Auditing Standard	Applicability	Link
CSAS-1 Auditing Standard on Audit Engagement	Auditing Standard on Audit Engagement deals with the Auditor's role and responsibilities with respect to an Audit Engagement and the process of entering into an understanding/ agreement with the Appointing Authority for the purpose of audit	https://www.icci.edu/auditing-standard/
CSAS-2 Auditing Standard on Audit Process and Documentation	Auditing Standard on Audit Process and Documentation deals with responsibilities and duties of the Auditor with respect to process of conducting audit and maintaining proper audit documents including working paper files.	https://www.icci.edu/auditing-standard/
CSAS-3 Auditing Standard on Forming of Opinion	Auditing Standard on Forming of Opinion deals with basis and of Opinion deals with basis and on subject matter of the audit	https://www.icci.edu/auditing-standard/
CSAS-4 Auditing Standard on Secretarial Audit	Auditing Standard on Secretarial Audit deals with basis and manner for carrying out the Secretarial Audit u/s 204 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015	https://www.icci.edu/auditing-standard/

5. Clarification on spending of CSR Funds for COVID-19

https://www.icci.edu/media/webmodules/Clarification_spending_CSRFunds_COVID-19.pdf

6. Extension of last date for submission of exam form for June 2020 exam session

https://www.icci.edu/media/webmodules/Extension_of_last_date_for_submission_of_exam_form_for_June_2020_exam_session.pdf

7. Treating the Lock Down Period on account of COVID-19 as Continuity of Practical Training for the CS trainees.

The Trainers / employers (Companies, PCS and in other entities) have allowed the CS trainees registered with the Institute and undergoing their Practical training, to work from Home under the direction and monitoring of their trainers (online/e electronic mode).

https://www.icci.edu/media/webmodules/Training_during_lockdown.pdf

8. Comments on SEBI Consultation Papers

SEBI has placed the following Consultation Papers on its website for public comments:

- Amendment to Delisting Regulations for Schemes of Arrangement
- Relaxation with respect to Qualified Institution Placement (QIP) issues

You are requested to email your comments, if any, at khusbu.mohanty@icsi.edu latest by Tuesday, April 7, 2020 for deliberations and submission to the SEBI by the due date:

12. MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

Ministry of Micro, Small and Medium Enterprises (MSME) vide press release dated 16.03.2020 and Release ID: 1606525 addressed issues related to delayed payments of Micro, Small and Medium Enterprises (MSMEs).

Following steps has been taken by the Ministry:

1. Setting up of MSEFCs

Micro and Small Enterprises Facilitation Councils (MSEFCs) have been set up in all States/ UTs to resolve the delayed payments cases by way of conciliation and / or arbitration as per the provisions of the Micro, Small & Medium Enterprises Development Act, 2006.

2. MSME SAMADHAAN – Digital Portal

Ministry of MSME has launched MSME SAMADHAAN portal to facilitate online registration of references related to delayed payments.

3. MSME Returns with MCA:

Companies which get supplies of goods or services from Micro & Small Enterprises and whose payments to micro and small enterprises exceed 45 days from the date of acceptance or the date of deemed acceptance of the goods or services have been required to submit a half yearly return to the Ministry of Corporate Affairs stating the amount of payments due and the reason of delay.

4. Trade Receivables Discounting System Platform (TReDS)

Companies registered as per the Companies Act, 2013 with a turnover of more than Rs. 500 crore and all Central Public Sector Enterprises have been required to get themselves on boarded on the Trade Receivables Discounting System Platform (TReDS).

➤ BRIEF ABOUT MSME SAMADHAAN PORTAL

This online portal has been set-up by the ministry with the aim to :

- ✓ To facilitate online registration of references related to delayed payments.
- ✓ MSEs across the country can register online their cases relating to delayed payments
- ✓ MSEs can also check the status of their cases on the above portal.

13. IBBI UPDATES {INSOLVENCY AND BANKRUPTCY BOARD OF INDIA}

IBBI amends CIRP Regulations to provide relief in corporate insolvency resolution process due to COVID-19 outbreak

The Insolvency and Bankruptcy Board of India (IBBI) amended the CIRP Regulations to provide that the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to the lockdown, in relation to a corporate insolvency resolution process. This would, however, be subject to the overall time-limit provided in the Code.

The IBBI amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) on 29th March 2020.

It is difficult for the insolvency professionals to continue to conduct the process, for members of committee of creditors to attend the meetings, and for prospective resolution applicants to prepare and submit resolution plans, during the period of lockdown. Therefore, it may be difficult to complete various activities during a corporate insolvency resolution process within the timelines specified in the CIRP Regulations.

Important Notifications and Circulars

Sl. No.	Notification(s)	Link(s)
1	Interview -Financial Express- 80% of stressed assets are resolved via IBC, only 20% in liquidation	https://www.ibbi.gov.in/uploads/wchartsnew/e9cda10fc4b41919bc1ed9b0235a09a8.pdf
2.	6th Report of Standing Committee on Finance on the Insolvency and Bankruptcy (Second Amendment) Bill, 2019	https://www.ibbi.gov.in/uploads/wchartsnew/20ef77b3a1200f12ad19ce1c2c3dba9.pdf
3	Filing of forms in the Registry (MCA-21) by the IRP or RP or Liquidator appointed under IBC	https://www.ibbi.gov.in/uploads/wchartsnew/464ae95a9fcf20fe9f3d2ccb585ee1af.pdf
4	Order in the matter of RV Registration	https://www.ibbi.gov.in/uploads/wchartsnew/5b42db795a6251b06f621b1295df514d.pdf
5	The Insolvency and Bankruptcy Code (Amendment) Act, 2020	https://www.ibbi.gov.in/uploads/legalframework/d36301a7973451881e00492419012542.pdf
6	Constitution of NCLAT Bench at Chennai	https://www.ibbi.gov.in/uploads/legalframework/8d14969b9c61ee322ade1866297bbd5d.pdf
7	Feature for modification of CIRP Forms submitted by an IP in compliance of regulation 40B of the CIRP Regulations, 2016	https://www.ibbi.gov.in/uploads/legalframework/156d6c05fbef9e140bf622aea9a1c94e.pdf
8	Provisional list of IPs prepared in accordance with 'Guidelines for Appointment of IPs as Administrators under the SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations,2018 for appointment as Administrator for a period from 1st April 2020 to 30th September 2020.	https://www.ibbi.gov.in/uploads/wchartsnew/482f1f40df7723e22d697c7c74135090.pdf
9	Notice-Closing of filing counters of NCLT benches	https://www.ibbi.gov.in/uploads/wchartsnew/0713bd88b73f43c0d48ff5fe90b3db27.pdf
10	Appeal to Insolvency Professionals	https://www.ibbi.gov.in/uploads/wchartsnew/1f26c15900061a86fe0bc531a5b0d89c.pdf

11	Notification under section 5(15) of the Insolvency and Bankruptcy Code, 2016	https://www.ibbi.gov.in/uploads/legalframework/0186fe5ab891e0dc62071c239b4479fc.pdf
12	Extent of the Insolvency and Bankruptcy Code, 2016 to whole of India	https://www.ibbi.gov.in/uploads/legalframework/a6a99b56c0e71108ceabff90aef5af8e.pdf
13	Educational Course and Continuing Education under the Companies (Registered Valuers and Valuation) Rules, 2017	https://www.ibbi.gov.in/uploads/legalframework/924139794bdd47c5eeb827d3e01ec0b6.pdf
14	Notification No.11-2020 under CGST Act, 2017 regarding registration of corporate debtor under CIRP as a class of person	https://www.ibbi.gov.in/uploads/legalframework/0f84334cf9f344c41c711ab48c66949a.pdf
15	Notification under section 4 of the Insolvency and Bankruptcy Code, 2016	https://www.ibbi.gov.in/uploads/legalframework/48bf32150f5d6b30477b74f652964edc.pdf
16	Panel of IPs prepared in accordance with 'Guidelines for Appointment of Insolvency Professionals as Administrators under the Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018' for appointment as Administrator for a period from 1st April 2020 to 30th September 2020	https://www.ibbi.gov.in/uploads/whatsnew/9c039b0feb67bceb54695e8788e5380c.pdf
17	To be published-IBBI (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2020.	https://www.ibbi.gov.in/uploads/whatsnew/fc8f25298ecc7d7ed6ec922f8d8aca70.pdf
18	RBI - Statement on Development and Regulatory Policies	https://www.ibbi.gov.in/uploads/legalframework/f18f9be5c4b71135483c74df309ea721.PDF
19	To be published-IBBI (Insolvency Professionals) (Amendment) Regulations, 2020	https://www.ibbi.gov.in/uploads/whatsnew/025d1834c78712f658c66b0023601e54.pdf
20	To be published- IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020	https://www.ibbi.gov.in/uploads/whatsnew/db8cbf42b5d95498e44939fa2e508244.pdf
21	To be published-IBBI (Insolvency Professionals) (Amendment) Regulations, 2020	https://www.ibbi.gov.in/uploads/whatsnew/025d1834c78712f658c66b0023601e54.pdf
22	To be published-IBBI (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2020	https://www.ibbi.gov.in/uploads/whatsnew/b2e2e7697e91a349bc55033b58d249cef.pdf
23	The IBBI amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	https://ibbi.gov.in//uploads/press/92797aa5f444ab7215707834d4821409.pdf

This article is updated till 30th March, 2020 with all Laws / Regulations and their respective amendments.

-----THE END-----

HEALTH INITIATIVES BY GHAZIABAD CHAPTER

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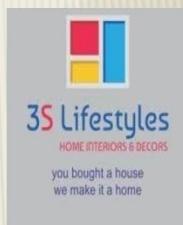
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