

Info Capsule

Monday
April 05, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ International Business News

ADB annual meeting to focus on Green Recovery (April 5, 2021)

The Asian Development Bank's (ADB) 54th annual meeting scheduled for May 2021 will focus on pursuing a sustainable and environmentally friendly recovery from COVID-19 in the region. The conference will be hosted virtually from May 3 to 5, 2021 and feature government, industry and academic leaders for three days of workshops centred on green recovery, according to the ADB.

For details:

<https://www.khmertimeskh.com/50834143/adb-annual-meeting-to-focus-on-green-recovery/>



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Insolvency & Bankruptcy

Hon'ble President of India Promulgates IBC Amendment Ordinance to Allow Pre-Packaged Insolvency Process for MSMEs (April 04, 2021)

The Hon'ble President has promulgated Insolvency and Bankruptcy Code (Amendment) Ordinance 2021 to allow pre-packaged insolvency resolution process for corporate debtors classified as micro, small or medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

The Ordinance amends the Insolvency and Bankruptcy Code 2016 to allow the Central Government to notify such pre-packaged process for defaults up to Rupees One Crores. It may be noted that the Centre had suspended the initiation of fresh insolvency process on March 24 last year in the wake of the COVID-19 pandemic. This suspension, which was extended from time to time, ended on March 24 this year.

A separate chapter, Chapter IIIA, has been inserted in the principal Act to deal with pre-packaged insolvency resolution process. The corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing not less than sixty-six per cent for the filing of an application for initiating pre-packaged insolvency resolution process.

The pre-packaged insolvency resolution process shall be completed within a period of one hundred and twenty days from the pre-packaged insolvency commencement date.

For details: <https://livelaw.in/news-updates/centre-promulgates-ibc-amendment-ordinance-pre-packaged-insolvency-process-msmes-172102>
www.egazette.nic.in/WriteReadData/2021/226365.pdf

❖ **Ministry of Corporate Affairs**

• **The Companies (Audit and Auditors) Second Amendment Rules, 2021 (April 01, 2021)**

The MCA vide the notification dated April 01, 2021 has amended rule 11, clause (g) of the Companies (Audit and Auditors) Rules, 2014 which has earlier mandated that the Auditor has to report in his Audit report starting from April 01, 2021 that whether the Company is maintaining its books of account in a Accounting Software which has a feature of recording audit trail (edit log) facility or not.

This requirement is now made applicable from the financial years commencing on or after April 01, 2022.

For details:

http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_01042021.pdf

• **The Companies (Accounts) Second Amendment Rules, 2021 (April 01, 2021)**

The MCA vide notification dated April 01, 2021 has deferred the applicability of mandatory use of Accounting Software having features of recording audit trail of each and every transaction to financial year commencing from April 01, 2022 instead of April 01, 2021 as notified earlier.

For details: http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_01042021.pdf

• **MCA registers 1.55 lakh company incorporations in FY 2020-21, an increase of 27% year-on-year and 42,186 Limited Liability Partnerships got incorporated in FY 2020-21, an increase of 17% year-on-year (April 01, 2021)**

During the Financial Year 2020-21, Ministry of Corporate Affairs (MCA) registered more than 1.55 Lakh company incorporations as compared to 1.22 Lakh companies during FY 2019-20, an increase of about 27%. Similarly, 42,186 Limited Liability Partnerships (LLPs) got incorporated as against 36,176 last year, an increase of about 17%. The increase is significant considering the unprecedented situation faced by the country due to COVID-19 pandemic.

As part of Government of India's drive for Ease of Doing Business, the MCA has taken many initiatives thereby saving as many procedures, time and cost for starting a business in India. The Central Registration Centre (CRC) continued to function even during the lockdown to enable stakeholders to incorporate Companies and LLPs.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1709056>

❖ **Terminology for today**

Carbon Neutral

Achieving net zero carbon emissions by balancing carbon emitted with an equivalent amount sequestered or offset, or buying enough carbon credits to make up the difference.

❖ **Securities Laws and Capital Markets**

• **Amendment in Securities and Exchange Board of India Act, 1992 (April 01, 2021)**

Securities and Exchange Board of India Act, 1992 has been amended in light of the Finance Act, 2021. Section 12(1C) has been inserted in the Act which states that 'No person shall sponsor or cause to be sponsored or carry on or cause to be carried on the activity of an alternative investment fund or a business trust as defined in clause (13A) of section 2 of the Income-tax Act, 1961, unless a certificate of registration is granted by the Board in accordance with the regulations made under this Act'.

For details:

https://www.sebi.gov.in/legal/acts/apr-2021/securities-and-exchange-board-of-india-act-1992-as-amended-by-the-finance-act-2021-13-of-2021-w-e-f-april-1-2021-_49751.html

• **Amendments in Securities Contracts (Regulation) Act, 1956 (April 01, 2021)**

Securities Contracts (Regulation) Act, 1956 has been amended in light of the Finance Act, 2021. The amendments inter-alia cover the insertion of definition of 'pooled investment vehicle' under Section 2 (da); modification of definition of 'securities' under Section 2 (h)(i); insertion of 'units or any other instrument issued by any pooled investment vehicle' as section 2 (h)(ida); and insertion of Special provisions related to pooled investment vehicle as Section 30B.

For details:

https://www.sebi.gov.in/legal/acts/apr-2021/securities-contracts-regulation-act-1956-as-amended-by-the-finance-act-2021-13-of-2021-w-e-f-april-1-2021-_49750.html

❖ **Market Watch**

Stock Market Indices as on 05.04.2021	
S & P BSE Sensex	49159.32 (-870.51)
Nifty 50	14637.80 (-229.55)

Foreign Exchange Rates as on 01.04.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.23	100.81	85.88	0.66

❖ **Direct Tax**

• **Income-tax (7th Amendment) Rules, 2021 (Notification No. 21 Dated March 31, 2021)**

The Central Board of Direct Taxes has notified Income Tax Return Forms (ITR Forms) for the Assessment Year 2021-22 vide Notification no.21/2021. Keeping in view the ongoing crisis due to COVID pandemic and to facilitate the taxpayers, no significant change have been made to the ITR Forms in comparison to the last year's ITR Forms. Only the bare minimum change necessitated due to amendments in the Income-tax Act, 1961 have been made.

ITR 1 (Sahaj)- For Individuals having income upto Rs. 50 lakh and who receives income from salary, one house property / other sources (interest etc.).

ITR-2 - For Individuals and HUFs not having income from business or profession (and not eligible for filing Sahaj).

ITR-3 – For Individuals and HUFs having income from business or profession.

ITR 4 (Sugam) – For Individuals, Hindu Undivided Families (HUFs) and firms (other than Limited Liability Partnerships (LLPs) having total income upto Rs. 50 lakh and income from business and profession computed under the presumptive taxation provisions.

ITR-5 – For Persons other than individual, HUF and companies i.e. partnership firm, LLP etc.

ITR-6 – For Companies

ITR-7 – For Trusts, political parties, charitable institutions etc.

For details: <http://egazette.nic.in/WriteReadData/2021/226336.pdf>

• **CBDT authorizes DIT (CPC) & CIT (Exemption), Bengaluru under Rule 2C, 5CA, 11AA & 17A (Notification No. 30 Dated April 01, 2021)**

The Central Board of Direct Taxes hereby authorizes the Director of Income Tax (Centralized Processing Centre), Bengaluru and Commissioner of Income-Tax (Exemption), Bengaluru, for the following purposes, namely

1. for receiving applications for provisional registration or registration or provisional approval or approval or intimation in Form 10A
2. for passing order granting provisional registration or registration or provisional approval or approval in Form 10AC
3. for issuing Unique Registration Number (URN) to the applicants
4. for cancelling the approval granted in Form 10AC and Unique Registration Number (URN)

For details: <http://egazette.nic.in/WriteReadData/2021/226349.pdf>

• **New reporting requirements in Form 3CD & Revision (Notification No. 28 Dated April 01, 2021)**

CBDT has vide Notification No. 28 inserted new clauses in Form 3CD (Tax Audit Report) and also notified that Tax Audit Report under Rule 6G can be revised if there is payment by Assessee after furnishing of report which necessitates recalculation of disallowance under section 40 or section 43B of the Income tax Act, 1961.

For details: <http://egazette.nic.in/WriteReadData/2021/226351.pdf>

❖ **Indirect Tax****Goods and Services Tax – Compliance Calendar for the month of April, 2021**

S. No.	Return	Description	Month(s) Period	Revised Due Date
1.	GSTR – 7	Details of TDS deducted, amount of TDS paid and payable and any refund of TDS claimed	March, 2021	April 10, 2021
2.	GSTR – 8	Details of Tax collected at Source	March, 2021	April 10, 2021
3.	GSTR – 1 (Monthly)	Details of outward supplies (Aggregate Turnover greater than 1.5 Crores and up to 5 Crores)	March, 2021	April 11, 2021
4.	GSTR -1 (Quarterly)	Quarterly return for registered persons with aggregate turnover upto Rs. 1.50 Crores	January – March, 2021	April 13, 2021
5.	GSTR – 6	Input Service Distributor	March, 2021	April 13, 2021
	GSTR – 2B	Auto-drafted Input Tax Credit Statement	March, 2021	April 14, 2021
6.	GST CMP 08	Quarterly return for Composition Dealers	January – March, 2021	April 18, 2021
7.	GSTR – 5	Details of outward taxable supplies and tax payable by Non Resident Taxable person (monthly)	March, 2021	April 20, 2021
8.	GSTR – 5A	Details of outward taxable supplies and tax payable by OIDAR (monthly)	March, 2021	April 20, 2021
9.	GSTR – 3B*	Aggregate Annual Turnover above Rs. 5 Crores in preceding F.Y.	March, 2021	April 20, 2021
		Group A States: Aggregate Annual Turnover up to Rs. 5 Crores in preceding F.Y.	March, 2021	April 22, 2021
		Group B States: Aggregate Annual Turnover up to Rs. 5 Crores	March, 2021	April 24, 2021

***GSTR – 3B : Group A States:** Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh.

Union Territories: Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep.

Group B States: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi.

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

VISION
"To be a global leader in promoting
good corporate governance"

ICSI Motto
अस्य वद। धर्मं चर।
Speak the truth. Abide by the law.

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [ig](#) | Online Helpdesk : <http://support.icsi.edu>