

Info Capsule

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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)



President : CS Devendra V. Deshpande

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❖ Ministry of Corporate Affairs

Relaxation in paying additional fees in case of delay in filing Form 11(Annual Return) by Limited Liability Partnerships (May 27, 2022)

The Ministry of Corporate Affairs (MCA) in view of transition from version-2 of MCA-21 to version-3 and to promote compliance on part of LLPs, it has been decided to allow LLPs to file e-Form 11 (Annual Return of Limited Liability Partnerships) for the Financial Year 2021-2022 without paying additional fees up to June 30, 2022.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=bPU6zFGIKpt0gBxXLV99nw%253D%253D&type=open>

❖ Securities Laws & Capital Markets

SEBI News

• SEBI nudges MCA for exemption to nominees of debenture trustees (May 30, 2022)

The Securities and Exchange Board of India has written to the ministry of corporate affairs (MCA) seeking a special exemption for nominee directors appointed by debenture trustees on the board of companies, said people with direct knowledge of the matter. The proposal is aimed at shielding these directors from disqualification in the event of the company defaulting on its debenture obligations. Currently, under the Companies Act, if a company fails to file its annual reports or other statutory documents for three years, the directors of the company stand disqualified. In the recent past, there have been instances where the directors appointed by debenture trustees have been disqualified from holding any directorship under the Companies Act since the companies defaulted on their compliance obligations. "Current rules don't distinguish between executive directors and nominee directors when it comes to disqualification rules and so the issue has arisen," said one of the people cited above.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-nudges-mca-for-exemption-to-nominees-of-debenture-trustees/articleshow/91877916.cms>

- **SEBI tweaks SOP in case of defaults by trading, clearing members (May 27, 2022)**

Capital markets regulator SEBI on May 27, 2022, Friday tweaked the standard operating procedure specifying steps to be taken by stock exchanges, clearing corporations and depositories for dealing with possible defaults by trading or clearing members. The measures are aimed at protecting the interest of non-defaulting clients of trading members (TMs) or clearing members (CMs) in the likely event of default. The regulator, in consultation with the Market Infrastructure Institutions, has decided to modify the framework in order to provide equitable distribution of funds amongst investors, according to a circular.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-tweaks-sop-in-case-of-defaults-by-trading-clearing-members-8593541.html>

❖ **Direct Tax**

CBDT notified amendment in Faceless penalty scheme, allowing mandatory personal hearing [Notification No. 54 Dated May 27, 2022]

The Central Board of Direct Taxes (CBDT) has notified the amendment in the faceless penalty scheme, allowing mandatory personal hearing through electronic mode to any taxpayer who has sought a hearing. The amendment has omitted the Regional Faceless Penalty Centre from the Faceless Penalty Scheme and provides that electronic records shall be authenticated by the National Faceless Penalty Centre and even hearing should be done via them and not regional faceless penalty centre.

The Faceless Penalty (Amendment) Scheme, 2022, notified says that such hearing will be held exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony.

For details:

<https://egazette.nic.in/WriteReadData/2022/236054.pdf>

Market Watch

Stock Market Indices as on 30.05.2022

S & P BSE Sensex	55925.74 (+1,041.08)
Nifty 50	16661.40 (+308.95)

Foreign Exchange Rates as on 27.05.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
77.44	82.90	97.46	0.61

❖ **Indirect Tax**

Goods and Services Tax

- **CBIC waive off late fees for GSTR - 4 till June 30, 2022 (Notification No. 07/2022-Central Tax dated May 26, 2022)**

The late fee payable for delay in furnishing of FORM GSTR-4 for the Financial Year 2021-22 under section 47 of the Central Goods and Services Act, 2017 is waived for the period from the May 01, 2022 till the June 30, 2022. Form GSTR-4 (Annual Return) is a yearly return to be filed once, for each financial year, by the taxpayers who have opted for Composition Scheme during the financial year, or were in Composition Scheme for any period during the said financial year, from April 01, 2019 onwards.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-07-central-tax-english-2022.pdf>

❖ **Banking and Insurance**

- **RBI Balance Sheet rises by 8.46 pc (May 28, 2022)**

The size of the Reserve Bank's balance sheet increased by 8.46 per cent as on March 31, 2022, mainly reflecting its liquidity and foreign exchange operations during the year. While income for the year increased by 20.14 per cent, expenditure increased by 280.13 per cent. The year 2021-22 ended with an overall surplus of Rs. 30,307.45 crore as against Rs. 99,122 crore in the previous year, resulting in its decrease of 69.42 per cent, according to the RBI Annual Report.

For details:

<https://indianexpress.com/article/business/banking-and-finance/rbi-balance-sheet-rises-by-8-46-pc-7940460/>

- **PSU banks double net profit to record Rs. 66,500 crore in FY22 (May 30, 2022)**

Public Sector Banks (PSUs) have doubled their net profit during financial year 2021-22. The collective profit of 12 state-owned banks during 2021-22 worked out to Rs. 66,539 crore, an increase of 110% over Rs. 31,816 core in FY21. Profitability has improved on the back of completion of clean-up of bad loans and economies of scale after amalgamation of 10 state-owned banks. Easily liquidity provided by the Reserve Bank of India and growth segments like retail loans are some other reasons.

For details:

<https://timesofindia.indiatimes.com/business/india-business/psu-banks-double-net-profit-to-record-66-5k-cr-in-fy22/articleshow/91878540.cms>

❖ *Insolvency and Bankruptcy*

Standard Operating Procedure (SOP) for NCLT cases in respect of the Insolvency and Bankruptcy Code (IBC)- reg.(May 28, 2022)

Insolvency and Bankruptcy Board of India has requested that role of GST and Customs authorities in certain key issue under the Insolvency and Bankruptcy Code, 2016 needs to be formulated. Further, GST and Customs Authorities have been classified as operational Creditors and are required to submit their claims against corporate debtors when the corporate insolvency and resolution process is initiated and public announcement inviting claims is made by the insolvency professional.

Accordingly, the SOP, as outlined below, may be followed in view of the appointment of Nodal Officer:

- i. The Additional Director General, DGPM (hereinafter referred as the Nodal Officer) will receive the information regarding initiation of the insolvency resolution process of a unit/company from the IBBI for which a dedicated email ID, to be accessed by the said Nodal officer, will be created. The Nodal officer may nominate JC/ADC (TAR), DGPM as alternate Nodal Officer for assisting him in his work.
- ii. The Nodal Officer will disseminate the information received by him, through official email' to all Zonal Pr./ Chief Commissioners with a copy to the concerned Pr. Commissioner/ Commissioner within 02 (Two) working days.

For details:

<https://www.ibbi.gov.in/uploads/whatsnew/d43197e20e9644e00e26c5e036e0a269.pdf>

❖ *Terminology for today*

RIMS

The Risk Management and Insurance Society. RIMS is a not-for-profit organization whose purpose is to disseminate and improve the effectiveness of risk management practices.

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu

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