



Ghaziabad  
Chapter

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)

SEPTEMBER  
2020

## ICSI-NIRC Ghaziabad Chapter e-Newsletter

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

“Professional is not a label you give yourself- it’s a description you hope others will apply to you” – David Maister



My Dear Professional Colleagues,

It is a matter of pride to pen down the message for our e-Newsletter of Ghaziabad Chapter of NIRC of ICSI.

All of you are very well acquainted with the current situation. We always work towards the elevation of our Chapter, members, students and other stakeholders. As rightly said by someone "No one can stop you until you wanted to halt", keeping this in mind we have always strived to outperform ourselves in order to serve you for betterment of profession.

Every year September 5th, is celebrated as Teacher's Day and

our chapter made this memorable by conducting webinar on Job opportunities for Company Secretaries by CS Pooja Shree Agarwal.

As you all are aware we conduct webinars on varied topics every month for members towards enhancement of their knowledge and keeping pace with every changing market regulations, maintaining past trend this month seminars were conducted on " Practical aspects of Nidhi Companies" and "Cyber Laws". Former one was deliberated by CS Pawan G Chandak, Vice Chairman of WIRC, and latter one by Mr Anuj Agarwal, Cyber Guru.



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Further, Ghaziabad Chapter celebrated 52nd Foundation Day of ICSI by conducting webinar on Sprawling Governance in Grassroots by CS Amit Gupta. Also, keeping in the mind the motto of ICSI "FIT INDIA-FIT ICSI" which also is necessary in currently ongoing global pandemic, Zumbathon had been conducted through online mode.

**We at Ghaziabad Chapter welcome your comments and suggestions in respect of our endeavors. 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.**

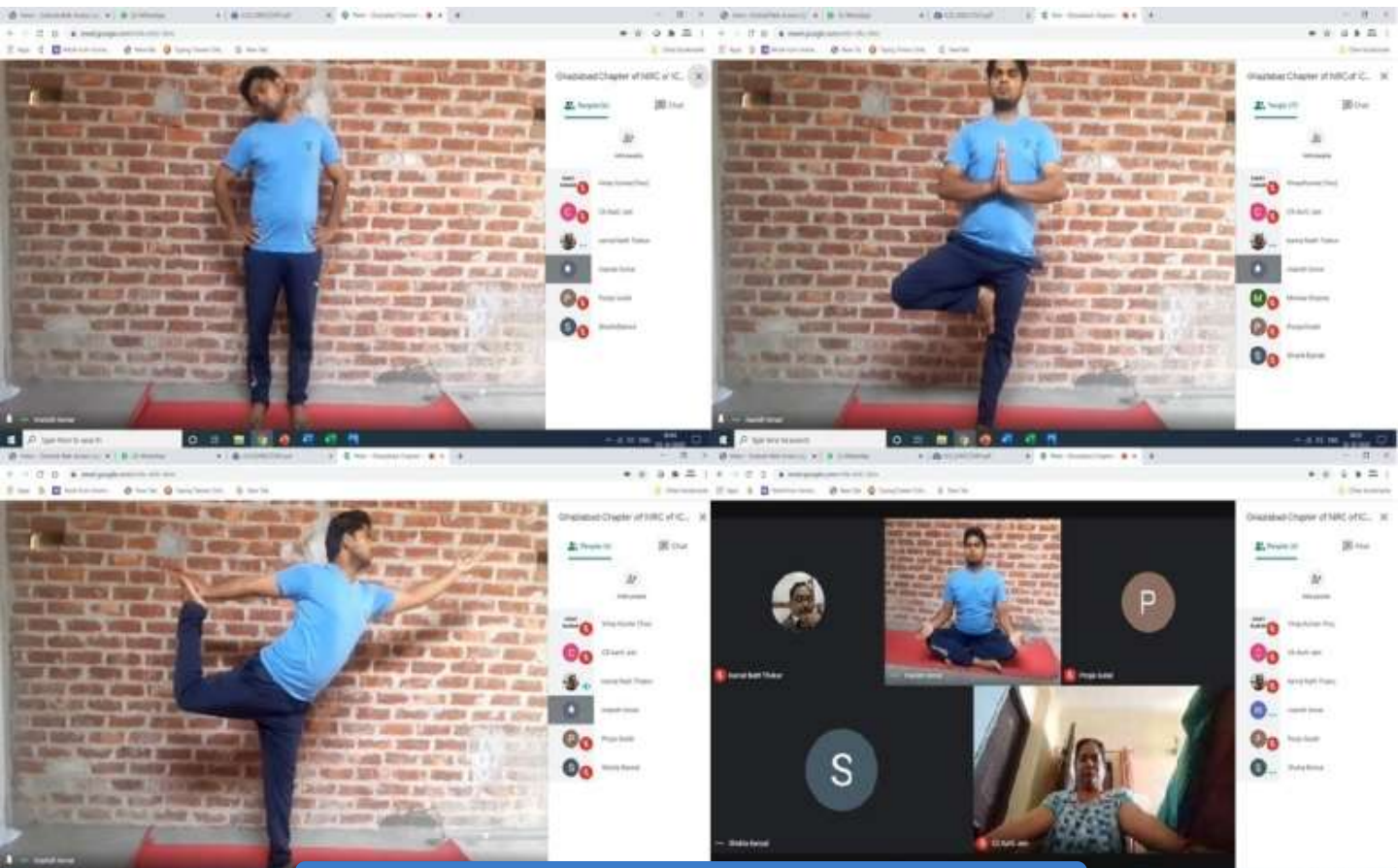
**“Work for work’s sake, not for yourself. Act but do not be attached to your actions. Be in the world, but not of it,”—**

Happy Reading  
Yours Sincerely,

**The Bhagavad Gita**

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

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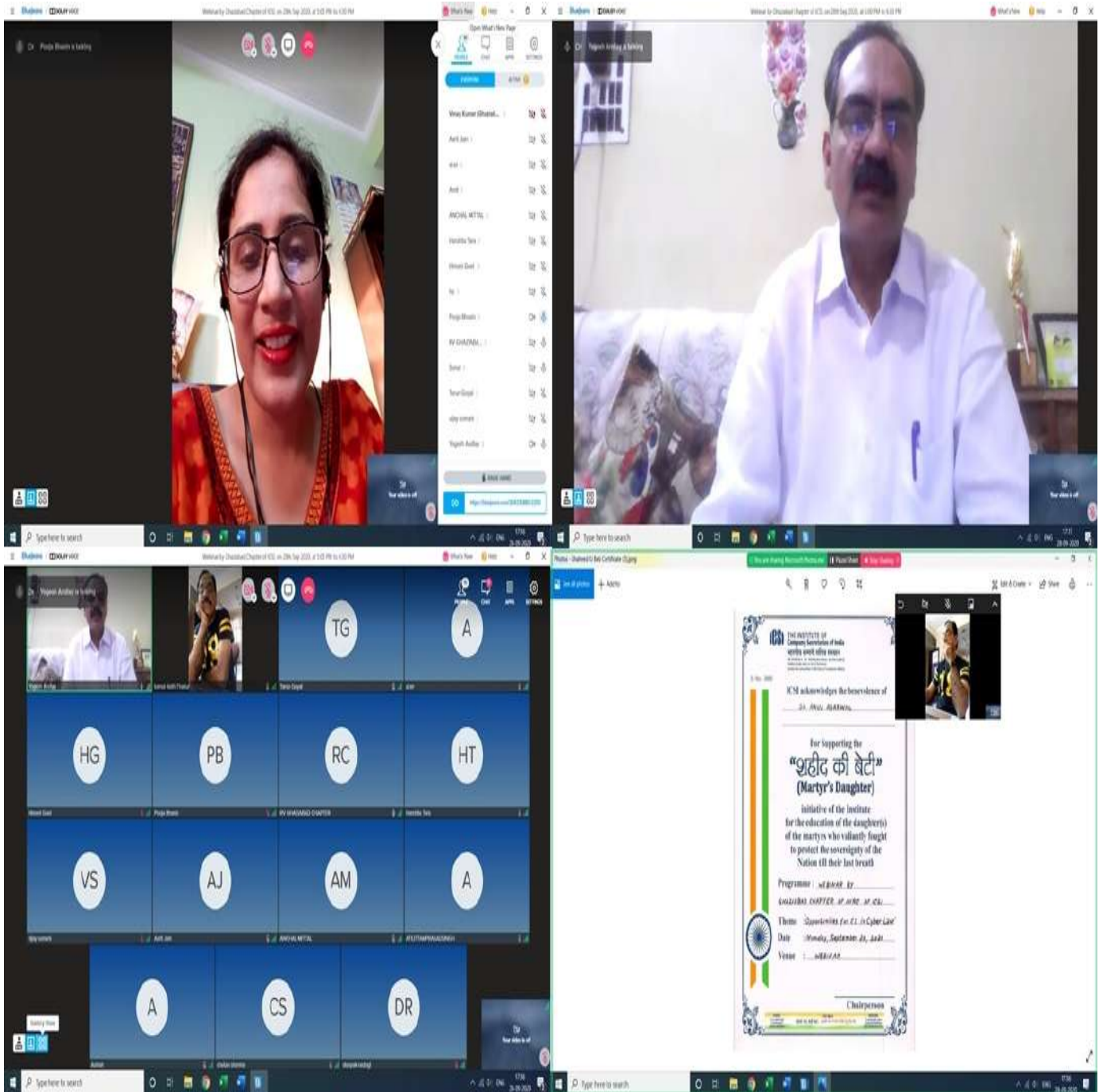
Webinar organized by Ghaziabad Chapter of NIRC of ICSI on “Practical aspects of Nidhi Companies” on September 16, 2020

**PRE - REQUISITES FOR INCORPORATION OF NIDHI COMPANY**

1. Shall have minimum paid up capital criteria of INR 5 lacs, and shall be a Public Limited Company.
2. No preference shares shall be issued.
3. Every Company incorporated shall have the words 'Nidhi Limited' as part of its name.
4. Object of the company shall be cultivating the habit of thrift and savings amongst its members, receiving deposits from, and lending to its members only.

**KPRC & ASSOCIATES**  
September, 2020  
CS Pawan S. Chandak

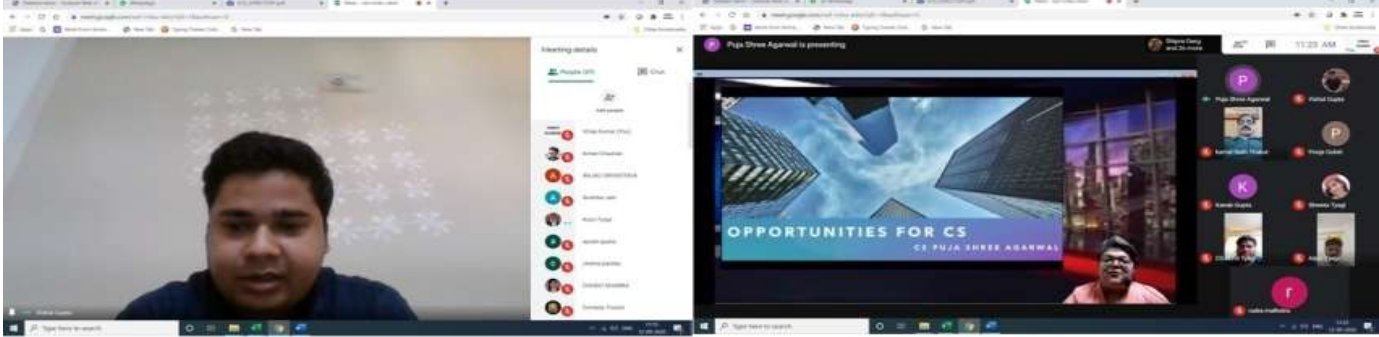
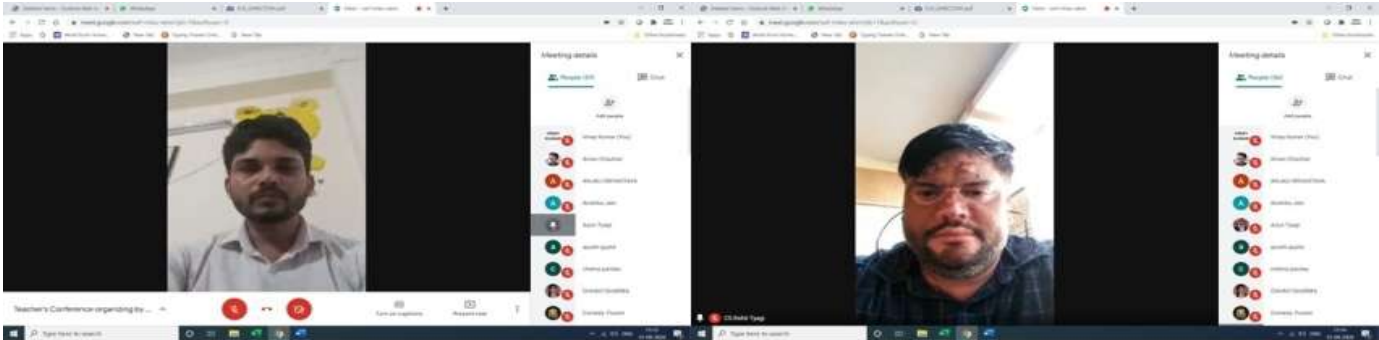
# Webinar organized by Ghaziabad Chapter of NIRC of ICSI on “Opportunities for CS in Cyber Law” on September 28, 2020



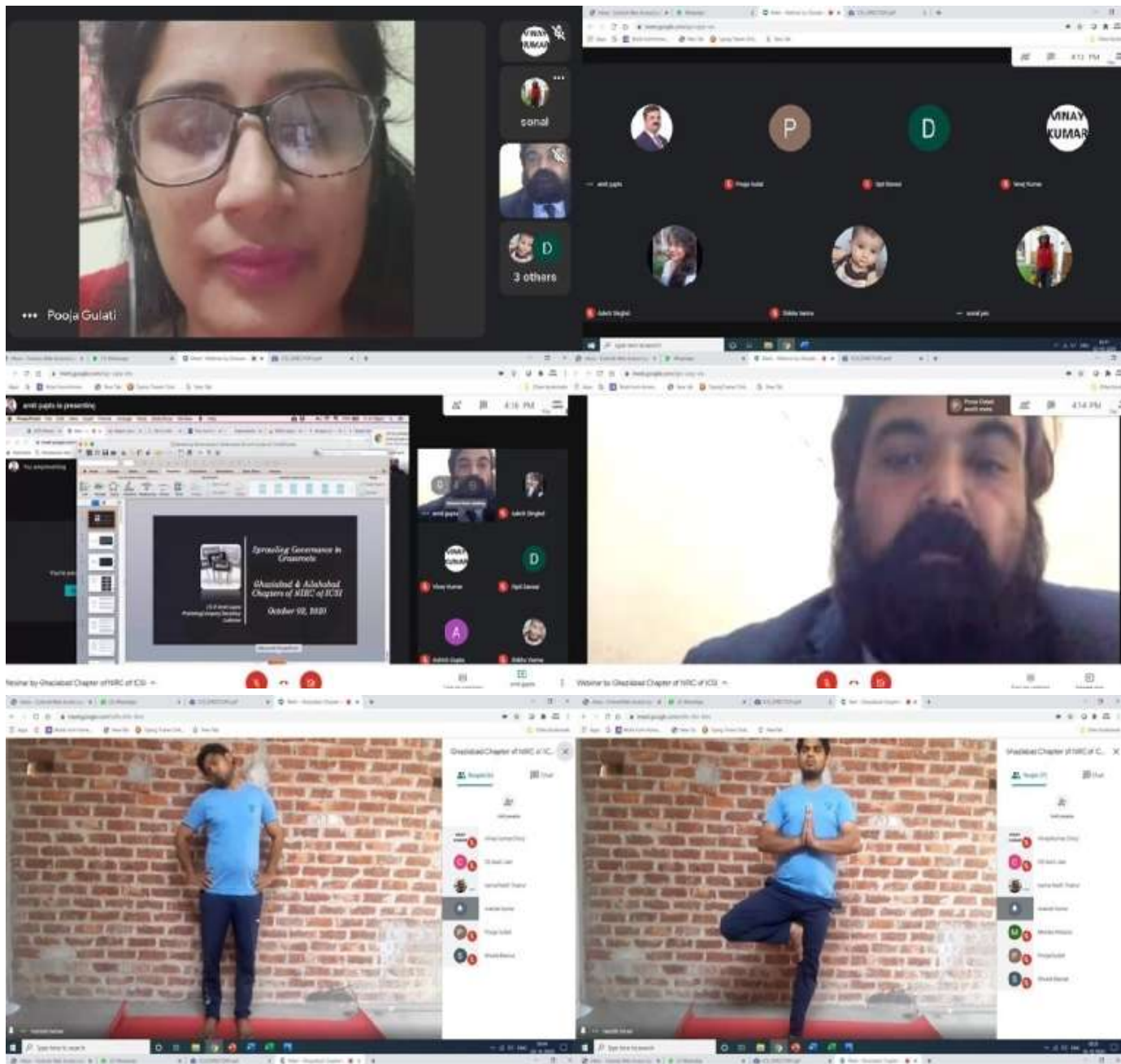


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# Ghaziabad Chapter of NIRC of ICSI organized Teacher's Conference on September 12, 2020



Ghaziabad Chapter celebrated 52nd Foundation Day of ICSI by conducting webinar on Sprawling Governance in Grassroots and Fitness session on the motto of Fit India – Fit ICSI on October 02-03, 2020





**CS Ujjwal Jindal**  
**B.Com, CA, CS**



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**HUF – A BOON FOR ALL HINDU HOUSEHOLDS!**

**\*unites the social fabric, creates wealth and saves tax\***

Since generations, India had a prevailing tradition of the *Joint Hindu Family (JHF)*.

The system is an extended family arrangement prevalent throughout the Indian subcontinent, consisting of many generations living in the same home, all bound by the common relationship.

**A joint family consists of a husband and wife; their sons; their daughters, and so on up-to generations.**

*In the case of Surjit Lal Chhabra (101 ITR 776 SC), a joint family and undivided family were considered synonymous.*

*Our effort is to create a detailed write-up which could be used effectively by our readers for generations as the law relating to HUFs is consistent since ages.*

**We assure everyone that this article is just like an epic which never grows old and that can be referred anytime in the coming future as well.**

**For better understanding of our reader we have divided this article into 3 sections:**

Section A	The History and Evolution of Joint Hindu Family
Section B	Benefits of forming a Hindu Undivided Family (HUF)
Section C	Tax implications of an HUF as per the Income Tax Act, 1961

Let's start with the section A and trace the history and evolution of the Joint Hindu Family.

**SECTION A:  
THE HISTORY & EVOLUTION OF JOINT HINDU FAMILY**

*[Sources: The "Mitakshara Hindu Law\*", the "Hindu Succession Act, 1956", the "Hindu Succession (Amendment) Act, 2005" and the "Hindu Marriage Act, 1955"]*

*\*{Hindu Law has 2 main schools – the Mitakshara School (a concise work) and Dayabagha School (a digest of all codes). Mitakshara is the orthodox school whereas Dayabagha is a reformist school. Mitakshara is the authority for whole of India except for some parts of Bengal and Punjab and therefore, we have considered it as our primary source}*



In this article we shall discuss what is a Hindu Undivided Family (HUF) or Joint Hindu Family (JHF) as per various laws. We shall trace the history and evolution of HUF/JHF and also discover how HUFs can help you save taxes! We shall also discuss on how to form an HUF and what are the various benefits/advantages of forming an HUF.

This article has been prepared after thorough research from various legal and allied sources available till date. Various court judgments have also been incorporated in this article.



**A Joint Hindu Family (JHF)** is the fundamental aspect of the life of Hindus. A Joint Hindu Family, according to Mitakshara Law, consists of the common ancestor and all the linear male descendants' upto any generation together with the wife(s) or widows and unmarried daughters of the common ancestor and of the lineal male descendants.

It is interesting to note that even an illegitimate son and windowed daughter(s) may lay claim on the bounty of the joint family.

A child in the womb is also deemed to be a member of joint family for limited purpose.

It has to be clearly understood that the existence of common ancestor is necessary for bringing a joint family into existence but not necessary for its continuance.

Further, a joint family is not an artificial but a natural association. It is a larger body consisting of a group of persons who are united by "**Sapinda**" relationship i.e. by birth, marriage or adoption.

The chief characteristics of Joint Hindu Family are:

- It is a **creation of law**. In other words, it is a legally recognized unit which can neither be created by the act of members nor by agreement between the parties. A stranger cannot be admitted into it except by marriage or adoption.
- It has **no legal entity distinct** and separate from the members who constitute it. It is neither a juristic person nor a corporation.
- It is a unit and all its affairs are represented by its **Karta** (head of the family or manager)
- Status can be acquired into it only by **birth, marriage to a male member and adoption**.
- The **status can be lost by conversion** to a non-Hindu faith, marriage to non-Hindu under the Special Marriage Act, 1954 or being given **invalid adoption** and on **partition**.

- It is **different from a composite family** where two or more families agree to line and work together to pool their resources and throw their gains and labour into joint stock and shoulder the common risk. The primary objective of composite family is convenience and efficient management only.

- The general rule is that a **single male or female cannot make a joint family**. There must be atleast two members to constitute it.

A male member, his wife and daughter or a single male member and a widow of coparcener or even two widows can constitute JHF. The rule is that even on the death of sole surviving coparcener the JHF does not come to an end so long as it is possible in nature of law to add a male member to it (i.e. by adoption).

- The members of JHF **may reside separately**, thus, it is not necessary that all members of joint family live or work at the same place.

The strength of the presumption of jointness varies with the degree of generation. The presumption is stronger among the nearer relations namely father and his sons or his real brothers than as among an uncle, nephew or cousins.

These are only two ways to rebut the presumption of jointness i.e. partition and extinction of the family.

- For the purpose of **tax assessment**, the revenue statute uses the expression **Hindu Undivided Family (HUF)** which is slightly different from the definition of Joint Hindu Family (JHF).

#### **MITAKSHARA COPARCENARY (or COPARCENER)**

*All coparceners are joint family members but all joint family members are not coparceners.* The **Mitakshara concept** of coparcenary is based on the notion of son's birth right in the joint family property not merely a son but also a son's son and son's son's son acquire an interest by birth in the JHF property. Coparcenary is a narrower body of persons with a joint family and consists of father,

son, son's son and son's son's son i.e. father and his 3 male lineal descendants. It may be noted that in its coparcenary continuance the existence of the father son relationship is not necessary. Thus a coparcenary can consist of grandfather and grandson of brothers of uncle's and nephews and so on.

**The coparcenary is limited to 3 generations of lineal male descendants of the last holder of the property only. Last holder means the senior most living lineal male ancestor.**

An illegitimate son cannot be a coparcener. Also, an insane coparcener has no right to claim partition but this does not make him cease to be a coparcener. Further, his son is not excluded from taking a share in partition.

If a Hindu performs a marriage under the Special Marriage Act, 1954 with a non-Hindu his interest in the joint Hindu property is severed but it does not mean that there cannot be a coparcenary between such a Hindu and son born to him out of this marriage. A coparcenary will come into existence between him and his son provided his son is a Hindu.

The characteristic features of a coparcenary are:

- 1. Existence of Property** – existence of joint Hindu property is essential in a coparcenary if a Hindu acquires property in his lifetime, on his death, the property inherited by his son shall be held by the latter as joint Hindu property and he will form a coparcenary along with his son by operation of law, whether he likes it or not.
- 2. Four Generation Rule** – Only such males as are within 4 generations inclusive of the last male holder or owner of the property (the eldest surviving male member in the family) forms a coparcenary.

**3. Interest by Birth** – Coparceners acquire interest in the joint Hindu property from their birth rather conception (i.e. child in mother's womb). The doctrine of right of birth is a unique feature of coparcenary as it gives a right in the property of a person to another during the lifetime of the former.

**4. Only Males** – Only males including the adopted ones can be member of a coparcenary. This clause has been amended from the year 2005 (discussed later#). An illegitimate son although a member of JHF, is not a coparcener. An insane son is a coparcener though he has no right to claim partition.

**5. Rule of Survivorship and Fluctuation of Interest** – On the death of the coparcener, his interest in the joint Hindu property devolves on the surviving coparceners by rule of survivorship and not according to law of succession. **For example**, Mr. R has 2 sons Mr. X and Mr. Y. On the death of Mr. Y, his share in the family property will vest in the surviving coparceners Mr. R and Mr. X and the share which was  $\frac{1}{3}^{\text{rd}}$  each during the lifetime of Mr. Y shall now enlarge to  $\frac{1}{2}$  between Mr. R and Mr. X, after the death of Mr. Y.

Further, the interest of a coparcener is not fixed at all times i.e. the interest keeps changing with passage of time i.e. some new members may be added to the family or some members may be removed from the family. At a particular point of time it may not be possible without partition to declare as to what will be the share of individual coparcener. Thus, it is said that the undivided coparcenary interest keeps on fluctuating with passage of time.

**7. Coparcenary within a Coparcenary** – Within a JHF, there can be coparcenaries more than

one in different branches of the family. Likewise, there can be a coparcenary within a coparcenary. This is because a coparcenary is formed automatically by operation of law and the moment a Hindu inherits property from her father, grandfather or great grandfather, he immediately forms a coparcenary with his son, grandson and great grandson. **For example**, a coparcenary exists between Mr. A and his 3 sons Mr. N, Mr. O and Mr. P. O and P has 2 sons each. If O and P acquire separate property in their lifetime and dies, the sons of O and P inherit the separate property of O and P and between themselves constitute a coparcenary. If sons are born to sons of O and P, they will get, by birth, a right not only in the coparcenary headed by Mr. A but also in the sub-coparcenary created among the sons of O and P.

#### **#AMENDMENT – DAUGHTER CAN NOW BE A COPARCENER**

The sons as coparceners in the joint family property can additionally claim a direct birth right to an independent share besides a claim in the deceased man's notional portion. A female could not be a coparcener. The female heirs (daughter, widow, and mother) could claim only in deceased man's notional portion. Consequently, in every joint family a daughter got a much smaller share than her brother because she shared equally in her father's property whereas the brother in addition had a share in his own right. In this way a son can effectively inherit at least 3 times as much as of the ancestral property as a daughter. Also, sons could demand partition and daughters could not.

*The Law Commission in its 174<sup>th</sup> Report (2000) proposed reforms under Hindu Law to remove gender inequalities under the Act.*

**The Hindu Succession (Amendment) Act, 2005 assented by The President of India on 5<sup>th</sup> September, 2005 came into force on 9<sup>th</sup> September, 2005. It has effected some**

**significant changes in the concept of Mitakshara Coparcenary, joint family property, parental dwelling house and certain widow rights. The significant changes making all daughters including married ones coparcener in the joint family property is of great importance for women both economically and symbolically. The amendment abolishes the doctrine survivorship, and also modifies the law relating to devolution of interest in Mitakshara Coparcenary.**

**Devolution of Interest in Coparcenary Property –** As per the Hindu Succession (Amendment) Act, 2005, in Hindu families which are governed by Mitakshara law, the **daughter of a coparcener** shall

- by birth become coparcener in her **own right** (irrespective of her marital status) in the same manner as the son.
- have the **same right** in the coparcenary property as she would have had it if she would have been a son.
- be subject to the same liabilities in respect of the said coparcenary property as that of the son
- any reference to a Hindu Mitakshara Coparcener shall be deemed to include a reference to a daughter of coparcener.

The major change brought in by the amendment is that the **exclusive prerogative of males to be coparcener has been changed all together and the right by birth in the coparcenary property has been conferred in the favour of daughters as well.** Her liabilities and rights are the same as that of a son. She can also claim partition or to become Karta (in some cases, discussed later^). A daughter can now not only continue a joint family but also form one with her father and brothers. *Since the daughters have been made coparceners irrespective of their marital status, thus, even after their marriage she will continue to be a coparcener as well as a member of JHF because all*



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*the members of a coparcenary are necessarily the members of JHF too. This means that after marriage the daughter will be a member of 2 joint families. Similarly, the children born to her will be members as well as coparceners in their maternal as well as paternal families.* It may further be noted that after the amendment if she happens to be senior most member, a female can become Karta. She will continue to be Karta even after her marriage. She can even acquire the status of the head of the family (discussed later in detail<sup>^</sup>).

**After the amendment, the following clarifications have been given. The 2 classes of female are:**

- **who are born in the family**
- **who become member of JHF by marriage to the coparceners**

Females who are born in the family i.e. daughters, sisters possess a right by birth in the coparcenary property and those who become members of the joint family by marriage to coparcener are subject to the same law as it stood before the amendment. Their rights over the joint family property continue to be the same like maintenance out of its fund, a right of residence in the family house, etc.

#### **RETROSPECTIVITY OF COPARCENERSHIP OF A DAUGHTER**

The daughter has been declared to be coparcener by birth in her own right and therefore the coparcenership is created in a daughter not from the date of amendment coming into effect i.e. 9<sup>th</sup> September, 2005 rather from the date of her birth (even if it was before 09/09/2005). However, **a restriction has been put upon the right to claim her share. A full retrospectivity has not been provided** rather a limited retrospectivity dating back till 20<sup>th</sup> December, 2004 has been provided. A daughter as a coparcener cannot claim reopening of any partition or other disposition of property to claim her share if such partition or disposition was done before 20<sup>th</sup> December, 2004. But any such partition done on or after 20<sup>th</sup> December, 2004 can be reopened to claim her share even if it was

done through a registered partition deed or through the decree of the court. Moreover, in cases of partitions done before 20<sup>th</sup> December, 2004, the daughter coparcener can get it reopened and claim her share if, the said partition was not done to a post decree or a registered partition deed. Thus, if partition before 20<sup>th</sup> December, 2004 was documented but was not registered, it can be reopened and the daughter can claim her share.

#### **~AMENDMENT – ABOLISHES DOCTRINE OF SURVIVORSHIP**

The amendment abolishes the incidents of survivorship. When a male coparcener dies survivorship implies that on his death his interest was taken by the surviving coparceners and nothing remain for his female dependents. This rule was first modified in the year 1937 where the coparcener's widow was permitted to hold on to his share for the rest of her life and only on her death the doctrine of survivorship implied and the male collateral could take out the property. The rule was further diluted in the year 1956 when the Hindu Succession Act was enacted. As per the amendment made in the year 2005, **the doctrine of survivorship has been abolished unconditionally.** Now if any male Hindu dies, for the undivided interest in Mitakshara Coparcenary, the rule of survivorship would not apply instead the same would be dealt as per principles of succession.

#### **CRUX OF THE AMENDMENT IN HINDU SUCCESSION ACT (2005)**

*The amendments so made are important steps towards gender equality and abolition of par lineal system of inheritance prevailing among Hindus. This would enhance the women's security by giving them birth right in the property. Also the women can now become Karta of property (in some cases, discussed later<sup>^</sup>). This will enhance her confidence and social worth and also greater bargaining power for herself and for her children in both parental and marital families.*

## KARTA

A Karta is a head of JHF and he is the **senior most male member of the family**. Such senior most male member becomes a Karta *per se* i.e. by virtue of the mere fact that he is the senior most male member, it is said that the Karta's position is *sui generis* (unique). The concept of "*pind-daan*" which relates to the coparcenary in itself has the concept of Karta. The Karta being the senior most male member is considered to be the last holder of the joint property and the closest to the ancestors and that is why he holds that peculiar position. The Karta can be compared to an agent or a trustee but technically he is neither an agent nor a trustee. He has certain powers which differentiate him from a mere agent or a trustee. For all family matters he represents the joint family i.e. he can incur liabilities for the joint family. He represents a joint family in all civil proceedings. But he has some peculiar powers –

- he **cannot be held accountable** for his past dealings of the property unless a partition suit has been filed and fraud or misappropriation has been alleged against him.
- He can **differentiate** between the persons of the joint family and grant maintenance or any other benefit(s) and he cannot be questioned if he does this discrimination.
- He can **incur debt** for his personal requirements and the entire joint family property will be liable to pay the debts.

## ^CAN A DAUGHTER BE A KARTA?

The daughter no doubt has been made a coparcener by the amendment in her own right and she occupies the same status in the family as that of a son i.e. her proprietary right in the joint Hindu property are equal to the son including the right to claim partition and with that much of change the purpose of the amendment is served. The purpose of the amendment is not to bring about any socio-religious reforms as such rather it is to do proprietary justice to the daughters in the joint family and therefore any interpretation of the

amendment shall be limited to that purpose. No doubts making a daughter a Karta as she is now a coparcener also would be a welcome step and such socio-religious reforms are required for the purposes of complete gender justice in the Indian society. However, the issue is whether that is the purpose of the amendment? It has not been seen to be so. In order to provide Kartaship to daughter there has to be socio-religious reform by providing her right to "*pind-daan*" and also making her the source of coparcenary. Kartaship is not a mere managerial position rather it has got its own peculiarities and it results into some peculiar powers as discussed above. Those powers are only because the Karta is the senior most member of the family.

The amendment in light of its purpose does not suggest any such larger changes in the joint family.

The Hon'ble Supreme Court in **CIT v. Seth Govind Ram (1966)** had held that a female member of a joint family not being a coparcener cannot be a Karta though she can be a manager of the joint Hindu property.

On the above logic, now a daughter being a coparcener, the issue is whether she now can be a Karta? As discussed above, even not been declared to be a source of coparcenary and also has not been given the right to "*pind-daan*" and hence as per the amendment **she cannot be a Karta**.

*It is for the Hon'ble Supreme Court to decide the issue in accordance with his own judicial wisdom and the Supreme Court may find an opportunity in the amendment itself to pass a progressive judgement by declaring that she can become a Karta.*

**^FEMALE CAN BECOME A KARTA – DELHI HIGH COURT (2016)**

The Hon'ble High Court of Delhi, in its landmark verdict pronounced in the matter of *Mrs. Sujata Sharma v. Sh. Manu Gupta & Others* [CS (OS) 2011/2006], has held that **the eldest woman member of a Mitakshara Hindu Undivided Family (HUF) can be its "Karta/ Manager"**. The ruling came on a suit filed by the eldest daughter of a HUF in North Delhi.

This ruling is pivotal as it takes the Hindu Succession (Amendment) Act, 2005 which amended Section 6 of the Hindu Succession Act, 1956 (HSA) to its logical conclusion.

The Hon'ble High Court of Delhi has now cleared this position in law and has provided a clear and unambiguous interpretation to the object and reasons of the Hindu Succession (Amendment) Act, 2005 by extending the applicability of the amendment to not only Hindu women being recognized as coparceners on equal footing with a son, but also recognizing the eldest woman member of the HUF as the Karta of the HUF and its properties.

**This judgement would have a far reaching effect in most of the HUF in the country where female are the eldest surviving member**

We have explained the entire history and evolution of a joint Hindu family above. This is the maximum available information in relation to JHF/HUF. I am sure after reading this; all our readers must have found it interesting and must have learnt something new.

Let's now move ahead to section B and explore the various benefits of forming an HUF.

**SECTION B:****[BENEFITS OF FORMING A HINDU UNDIVIDED FAMILY \(HUF\)](#)**

HUF is a creation of law. It has various benefits. Some of them are listed below:

- **Benefit of HUF is available to all Hindus regardless of whether they are salaried, professional, government employees, running a business or otherwise:**

HUF is a creation of law. Thus any Hindu household can form an HUF. *Jain, Sikh and Buddhist families even though are not governed by the Hindu Law, but they are eligible to form and get treatment as an HUF under the Income Tax Act.*

The source of income is irrelevant for creation of an HUF. *You can be a salaried employee, a government employee or a self employed professional or running your own business! You are eligible to form an HUF under all the situations.*

HUF creation requires an **HUF Creation Deed** (which in all cases should be prepared). *The HUF creation hardly costs much.*

Mostly, people have heard about HUF but due to various myths they haven't formed one. People can form HUF at any time. It is not necessary that it can only be formed when a child is born post marriage. Even when your son gets married, you can then form your HUF!

**It's yet not late! Form your HUF today if not formed until now.**

- **HUF unites and keeps the social fabric intact:**

HUF keeps the family's social fabric intact. It keeps all the members of the family united. With time children in a family grow up and move to distant places away from their parents/family due to work, job, business, etc. HUF helps keep all the members close-knit even when they are living separately. The famous axiom "*A family, who eats together, stays together*" seems true to a great extent.

An HUF keeps all the members of the joint family connected and attached.

- **HUF is a separate Person/Entity:**

HUF is treated as a separate 'person' under section 2(31) of the Income Tax Act, 1961. HUF is a separate entity for the purpose of tax assessment under the Act. It acts as bonus for Hindu families which enables creation of an **additional (artificial) member** in the family who can earn its own income and save the taxes just like all the other earning members of the family. It enjoys various separate tax benefits (deductions, slab rates, etc.) just like the individuals. Also, it possesses its **own PAN** and **files its own income tax returns**.

- **HUF is a Wealth Creator:**

HUF is a wealth creator. The incomes and gains in an HUF accrue over a long period of time and multiply. In due course of time, **HUF becomes financially robust and serves as a strong and distinct (artificial) member of your family**.

It has been seen many times that HUFs hold a number of properties and earns handsome income by way of rentals and interest. *A Hindu household is blessed with this gift that is recognized by the Income Tax department as well. One should reap full benefits out of this privilege.*

- **HUF is an effective tool to save Taxes:**

As discussed above HUF is a separate person. It is a separate entity for the purpose of income tax assessment.

**An HUF is entitled for deductions available under Chapter VI-A i.e. deduction under section 80C, 80D, 80G, etc. (as applicable) while calculating its total taxable income.**

An HUF is taxed on **same slab rates** which are applicable to an Individual (i.e. NIL tax upto total income of Rs. 2,50,000/-)

Moreover, the **new tax regime** given effect by the Finance Act, 2020 (applicable for F/Y 2020-21 and onwards) is **available for an HUF** as well.

*Let's discuss how HUF can help you save your taxes with the help of an example!*

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- **HUF is an effective tool to save Taxes:**

As discussed above HUF is a separate person. It is a separate entity for the purpose of income tax assessment.

**An HUF is entitled for deductions available under Chapter VI-A i.e. deduction under section 80C, 80D, 80G, etc. (as applicable) while calculating its total taxable income.**

An HUF is taxed on **same slab rates** which are applicable to an Individual (i.e. NIL tax upto total income of Rs. 2,50,000/-)

Moreover, the **new tax regime** given effect by the Finance Act, 2020 (applicable for F/Y 2020-21 and onwards) is **available for an HUF** as well.

*Let's discuss how HUF can help you save your taxes with the help of an example!*

**Example:** Mr. Vinay Gupta, a resident, aged 42, decides to start an HUF with his wife, 1 son, and 1

daughter as members/coparceners. Since Mr. Vinay had no siblings, the property held by his father, who died 1 year back, was transferred in the name of his HUF. The property held by Late Mr. Gupta (father) earns an annual rental income of Rs. 10 lakh. Mr. Vinay has an annual income from salary for the year 2019-20 of Rs. 15 lakh. He also invests Rs. 1.50 lakh in PPF and pays a premium of Rs. 25,000 towards health insurance policy taken for his family. He also earned an interest income of Rs. 3,60,000 from investment in various debt instruments.

**By creating an HUF, Mr. Vinay can save tax as follows:**

Sources of Income	Mr. Vinay's Total Income & Tax Payable		Total Income and Tax Payable by the HUF
	Without formation of an HUF	With formation of an HUF	
Salary	15,00,000	15,00,000	-
Less: Standard Deduction	(50,000)	(50,000)	-
Rental Income from ancestral House	10,00,000	-	10,00,000
Property Less: Standard Deduction @30%	(3,00,000)	-	(3,00,000)
Other sources - Interest	3,60,000	3,60,000	-
Gross Total Income	25,10,000	18,10,000	7,00,000
Less: Deductions 80C – PPF/FD	(1,50,000)	(1,50,000)	(1,50,000)*
80D – Premium	(25,000)	(25,000)	-**
Total Income	23,35,000	16,35,000	5,50,000
Tax Payable	5,33,520	3,15,120	23,400
Total tax (including cess) paid by Mr. Vinay and HUF			3,38,520
Tax Saving due to HUF formation			1,95,000

\*The HUF cannot invest in PPF anymore. The already running PPF accounts in the name of HUF can continue upto 15 years. A new account is no longer entertained. In the above example for claiming deduction under section 80C, it is assumed that the HUF has invested Rs. 1,50,000 in a 5 year tax saver FD with SBI.

\*\*The HUF can also buy health insurance policy on the life of its members. The premium so paid is allowed as deduction under section 80D upto Rs. 25,000. In the above example, however, we have considered the premium payment by Mr. Vinay as he is under higher tax slab than the HUF.

**Thus, having an HUF for a Hindu household is a boon. Mr. Vinay saved tax of Rs. 1,95,000 by forming an HUF.**

**Just like Mr. Vinay Gupta (in the above example) all Hindu households can form HUF and save taxes.**

- Proficient support system at hour of need:**  
 HUF is a separate person. It has its own income and wealth. The same can be used by the members of the HUF. At times of crisis or to meet some exigency, there can be a sudden need of resources. HUF stands upright to help the family at the hour of need.  
**HUF property is like a big reservoir into which income flows in from various sources and all members of the joint family draws out from this reservoir to fulfill their multifarious needs.**

This can be well correlated at this time when the entire world is going through a tough phase due to COVID-19 pandemic. The incomes have squeezed to a great extent and during this time your HUF property/income could prove to be your family's saviour.

There are a number of other benefits of forming an HUF that are noteworthy, but due to brevity of space and time, mentioning all of them would not be possible



Let's now move to the last section C and find out the tax implications of HUF.

### **SECTION C:** **TAX IMPLICATIONS OF HUF AS PER THE INCOME TAX ACT, 1961**

For the purpose of tax assessment, the revenue statute uses the expression Hindu Undivided Family (HUF) which is slightly different from the definition of Joint Hindu Family (JHF) as explained in Section A above.

*The basic principle of taxation is that where a person has absolute power of disposition of his property, it is taxed as his individual property and where an individual has other claims it is taxed as joint property or HUF property.*

**Hindu Undivided Family (HUF) is treated as a 'person' under section 2(31) of the Income Tax Act, 1961. HUF is a separate entity for the purpose of tax assessment under this Act.**

Under Hindu Law, an HUF is a family which consists of all persons lineally descended from a common ancestor and includes their wives and unmarried daughters. An HUF cannot be created under a contract; it is created automatically in a Hindu Family.

**Jain, Sikh and Buddhist families even though are not governed by the Hindu Law, but they are eligible to form and get treatment as an HUF under the Income Tax Act.**

#### **ASSESSMENT OF HUF**

An HUF is recognized as a separate assessable entity under this Act. Its income may be assessed if following two conditions are satisfied:

- **There should be a coparcenership.** In this connection, it is worthwhile to mention that once a joint family income is assessed as that of HUF, it continues to be assessed as such in subsequent

- years till partition is claimed by coparceners.
- There should be a **joint family property** which consists of *ancestral property, property acquired with the aid of ancestral property and property transferred by its members.*

**Ancestral Property:** Ancestral property may be defined as the property which a man inherits from any of his **3 immediate male ancestors, i.e. his father, grandfather and great grandfather.** Therefore, property inherited from any other relation is not treated as ancestral property.

Income from ancestral property held by following families is taxable as income of HUF:

- A family of widow mother and sons (may be minor or major) ;
- Family of husband and wife, having no child;
- Family of two widows of deceased brothers;
- Family of two or more brothers;
- Family of uncle and nephew;
- Family of mother, son and son's wife;
- Family of a male and his late brother's wife.

**Note:** Property obtained by daughter from joint family property would be her absolute property. Any income therefrom is chargeable to tax in her hands in the individual status only. This will also apply to any legal heir obtaining property in the capacity of a descendent.

#### **PARTITION OF HUF**

Partition means division of property. **Where the property is capable of admitting a physical division, share of each member is determined by making physical division of the property.** On the other hand, where the property is not capable of physical division, partition shall mean such division as the property may admit i.e. to the maximum extent possible.

Though partition can be claimed only by coparceners, the following persons are also entitled to their share in the property:

- A son in the womb of mother at the time of partition; and
- Mother (gets equal share if there is partition between sons after the death of their father)

**ASSESSMENT AFTER PARTITION [SECTION 171]**

*Once income of a joint family is assessed as income of a HUF, it will continue to be assessed as such until one or more coparceners claim partition.*

Such claim must be made before the relevant assessment year. The Assessing Officer, on the receipt of such claim, must make an enquiry after giving due notice to the members and record a finding whether there has been a partition and, if so, the date of partition.

Income of the family from the first date of the previous year till the date of partition is assessed as income of HUF and, thereafter, income from the property which was subject to partition is assessed as individual income of the recipient members. If, however, the recipient member forms another HUF along with his wife, son(s) and daughter(s), income of the property which was subject to partition is chargeable to tax in the hands of new HUF.

**PARTITION – TOTAL OR PARTIAL**

Under the Hindu Law, an HUF is entitled to affect a partition which may be total or partial.

- **Total Partition** – where an HUF undergoes a total partition, the entire joint family property is divided amongst all coparceners and the family ceases to exist as an HUF.

- **Partial Partition** – A partial partition, on the other hand, may be partial as regards the persons constituting the joint family or as regards the properties belonging to the joint family or both.

In a partial partition, as regards the persons constituting the family, one or more coparceners may separate from others and the remaining coparceners may continue to be joint.

In a partial partition, as regards the property, a joint family may make a division and severance of interest in respect of a part of joint estate while retaining their status as a joint family and holding the rest of the properties as joint and undivided property.

**EFFECT OF PARTIAL PARTITION [SECTION 171(9)]**

Partial partition is not recognized under the Act. The provisions of section 171(9) are applicable on satisfaction of two conditions, firstly, the partial partition should have taken place after 31<sup>st</sup> December, 1978 and secondly, such partition must have taken place in an HUF which was assessed as an HUF before.

**If the above two conditions are satisfied, such family will continue to be assessed as if no such partial partition has taken place i.e. the property or source of income will be deemed to be belonging to the HUF and no member will be deemed to have separated from the family.**

Each member or group of members of such family immediately before such partial partition and the family will be jointly and severally liable for any tax, penalty, interest, fine or other sum payable under this act by such HUF, whether before or after such partial partition.

The several liabilities of any member or group members of such family will be computed according to the portion of the joint family property allotted to him on such partial partition.

**TAXABILITY OF HUF**

In order to compute the income of an HUF, one has to first ascertain its **total income** under the different heads of income (ignoring incomes exempted under sections 10 to 13A of this Act). The following points should be kept in mind while computing income:

- If funds of an HUF are invested in a company or a firm, fees or remuneration received by the member as a director or a partner in the company or firm may be treated as **income of the family** (if fees or remuneration is earned essentially as a result of investment of funds).

However, if fees or remuneration is earned for services rendered by the member in his personal capacity, it will be treated as the **personal income of the member**.

If any **remuneration is paid** by the **HUF to the Karta** or any other member for services rendered by him, remuneration is deductible from income of HUF if such payment is genuine and not excessive and paid under a valid and bona fide agreement.

The following incomes are not taxed as income of HUF:

- If a member has converted or **transferred without adequate consideration** his self-acquired property into joint family property, income from such property is not taxable in hands of the family. It continues to get taxed in the hands of the transferor [Clubbing of incomes as per section 64(2)]
- Income of **impartible estate** (though it belongs to family) is taxable in the hands of holder of estate and not in hands of HUF.
- **Personal income** of the members cannot be treated as income of HUF.
- "**Stridhan**" is absolute property of a woman; hence income arising therefrom is not taxable as income of HUF.
- **Income from individual property of daughter** is not taxable in hands of HUF even if such property is vested into HUF by daughter.

#### **DEDUCTION FROM GROSS TOTAL INCOME [GTI]**

An HUF is entitled for deductions available under Chapter **VI-A i.e. deduction under Section 80C, 80D, 80G, etc.** (as applicable) while calculating its taxable income.

#### **RATE OF TAX**

- An HUF is taxed on **same slab rates** which are applicable to an **Individual** (i.e. NIL tax upto total income of Rs. 2,50,000/-)

- The **tax rebate** provided under section 87A, as available to an individual, is however, **not available** to an HUF. conditions.

- The **new tax regime** given effect by the Finance Act, 2020 (applicable for F/Y 2020-21 and onwards) is **available for an HUF** as well. (*Read our article: "The New Tax Regime – Beneficial for you" to explore further details*)

An HUF is liable to pay **Alternate Minimum Tax (AMT)** if the tax payable is less than 18.5% (including cess and surcharge) of "Adjusted Total Income" subject to prescribed

#### **RETURN OF INCOME**

HUF has to **file the return of income** if its **total income** without giving effect to the provisions of section 10(38), 10A, 10B or 10BA or 54 or 54B or 54D or 54EC or 54F or 54G or 54GA or 54 GB or Chapter VIA (i.e., deduction under section 80C to section 80U), **exceeds the maximum amount which is not chargeable to tax i.e. exceeds the exemption limit.**

However, as per the **Finance Act, 2020** an HUF shall file its return of income, even if its income **does not exceed the maximum exemption limit**, if the HUF

- has deposited an amount (or aggregate of amount) **exceeding Rs. 1 crore** in one or more **current accounts** maintained with a banking company or a co-operative bank
- has incurred **more than Rs. 2 lakh on travel to a foreign country**, for any of members or any other person

- has incurred an expenditure **exceeding Rs. 1 lakh on electricity consumption**

An HUF can file its **return of income** using the following income tax return forms (**ITRs**):

ITR -2	For HUFs not having income from profits and gains of business or profession
ITR -3	For HUFs having income from profits and gains of business or profession
ITR -4	For HUFs being a resident* (and ordinary resident – OR**) having total income upto Rs. 50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE

\*HUF shall be **resident** in India in any previous year in every case where the control and management of its affairs is situated in India (i.e. not wholly outside India).

\*\*OR – HUF whose manager has been a resident in India in 9 out of the 10 previous years (proceeding that year), or has during the 7 previous years (preceding that year) been in India for a period of, or periods amounting in all to, 730 days or more shall be considered as **Ordinarily Resident (OR)**.

*If any HUF satisfies both the above pointers, it is Resident and Ordinarily Resident (ROR) and only then it can file ITR-4 otherwise it will have to file ITR-3.*

The **due dates for filing return of income** are as follows:

Description	Due Date	Extended due date for F/Y 2019-20
HUF whose accounts are required to be audited	31 <sup>st</sup> Oct	30 <sup>th</sup> Nov, 2020
Filing of Tax Audit Report	30 <sup>th</sup> Sep	31 <sup>st</sup> Oct, 2020
In case of HUF having an international transaction or specified domestic transaction(s) and is required to furnish a report in Form No. 3 CEB	30 <sup>th</sup> Nov	30 <sup>th</sup> Nov, 2020
In all other cases	31 <sup>st</sup> Jul	30 <sup>th</sup> Nov, 2020

#### RETURN BY WHOM TO BE VERIFIED

The return filed under section 139 shall be verified in the case of a HUF, by the **Karta** and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by **any other adult member of such family**.

#### OFFENCES BY HUF [SECTION 278C]

Where an offence under this Act has been committed by a HUF, the **Karta** thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

However, this shall not make the Karta liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

Moreover, where an offence has been committed by HUF and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any member of the HUF, such member shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

#### THE CONCLUSION:

By this article we have tried to clear the concept of HUF for all our readers.

We started by tracing the history and evolution of HUF and later explored the various benefits of forming an HUF.

We have tried to clear all the myths associated with HUF; its formation and taxation.

Thereafter, we have explained the in-depth provisions as contained in the Income Tax Act with regard to the HUFs.

We are sure that this article must have given a deeper insight on HUF to all our readers. **We urge everyone to save this article so that it serves as a ready reckoner for everyone who intends to form an HUF anytime.**

Finally, at last we are delighted to provide our readers a **comprehensive 15 point summary** which would be highly useful:

- Hindu Undivided Family (HUF) is treated as a **separate entity** for the purposes of assessment under the Income Tax Act. *The term Hindu Undivided Family has not been defined under any law till date.*
- HUF does not arise from a contract. It is a **creation of law**. After marriage, as soon as a child is born, HUF comes into existence. HUF consists of father, sons, and daughters. Wife is not a part of the HUF. *(Until January 2016, a woman could not be the Karta of HUF. But in a landmark case, the Delhi High Court ruled in favour of a female being the Karta of a HUF. However, the same has not been incorporated in the Income Tax Act as yet)*
- Sons and daughters and the father i.e. **Karta** are the **coparceners** in the joint family and have a right to demand partition. Prior to the amendment in the Hindu Succession Act, the daughters were not coparceners and could not demand partition. Now, after the amendment, the daughters can be coparceners and have equal share as that of a son. However, mother/wife is not a coparcener and cannot demand partition but she has a coparcenary interest in her father's property post amendment. Moreover, the Karta can give his share in the coparcenary to his wife.
- If **partition of HUF is made by Courts**, the courts will always award equal partition. However, the family may mutually affect partition without going to the courts and mutual partition can be unequal.
- Partition of HUF takes place on the date the properties are actually **physically divided**. There must be a physical division of the properties. Physical division of income without physical division of properties does not amount to

- partition. Where the property is not capable of physical division, then the division should take place by metes and bound. **For example**, the Supreme Court by its dated 5<sup>th</sup> January, 2020 ordered partition of HUF. The physical division of the properties pursuant to SC's order takes place on 31.05.2020. The income from the properties of HUF upto 31.05.2020 shall be included in the income of HUF and not the members.
- There can be **two** types of partitions:
  - **Total partition**
  - **Partial partition**
- Total partition is where all the properties of the family are divided amongst all the members of the family and the family ceases to exist as an HUF.
- Partial partition is when some members of the HUF go out and others remain together or some property is divided and balance remains joint. **PARTIAL PARTITION IS NOT RECOGNIZED BY INCOME TAX ACT. PARTIAL PARTITION SHALL BE DISREGARDED.** Partition has to be a total partition. If there is a partial partition of HUF, then it shall be deemed that no partition has taken place and the income from the property distributed on partial partition shall be assessed in the hands of HUF as if no partition has taken place.
- HUF cannot make any **gift** of HUF property to coparceners and/or non coparceners. Any gifts made by HUF are void-ab-initio. The gifted property shall be included in the wealth of the HUF and not the donee. Similarly, the income from gifted properties shall be taxable in the hands of the HUF and not the donee.
- The provisions of computing income of HUF are the same as for a normal assessee.
- No capital gains shall arise to HUF on distribution of assets on partition of HUF [Sec. 47]



- Cost of acquisition of such assets to the member shall be the cost of acquisition of such asset in the hands of HUF. [Sect. 49(1)]

- Where an individual converts his self acquired into HUF property without adequate consideration, then cost of acquisition of the converted property to the HUF shall be the cost of acquisition in the hands of the transferor individual. However, section 64(2) shall be applicable here and the provisions of clubbing of income would apply.

- In the above 2 cases, the period of holding of asset of transferor shall also be considered for computing the period of holding of the asset in hands of the transferee. [Section 2(42A)].

- Any remuneration paid by HUF to the Karta or any other members of for services rendered by them in conducting family's business, is deductible if remuneration is

- Paid under a valid and bona fide agreement;
- In the interest of and expedient for the business of the family; and Reasonable and not excessive.

***(Jugal Kishore Baldeo Sahai v. CIT)***

**References/Sources –**

*The “Mitakshara Hindu Law”, the “Hindu Succession Act, 1956”, the “Hindu Succession (Amendment) Act, 2005”, the “Hindu Marriage Act, 1955 and the Income Tax Act, 1961.*

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**SEPTEMBER 2020**

**MANAGEMENT OF WORKING FROM HOME(WFH)**

It has been more than two months now that people have been working from home because of the lockdown and to prevent from the **COVID-19** pandemic. It won't come as a surprise if working from home becomes the norm post COVID world. While there are some people who have adapted to this as lifestyle, there are others who are possibly struggling with the work from home model due to several reasons not limited to lack of communication, stress, work-life balance being disrupted and so on so forth. As the lockdown may continue, it is a fact that this process of working from home has turned everyone's routine upside down or at least threw a new challenges altogether.

**Changes Due To Work From Home(WFH)**

- A lot many people are unable to meet their work deadlines which are impacting their overall performance level in the competitive environment at official front.
- Because of the entirely new set up, a lot of people are getting stressed as this is beyond their expectation.
- A majority of the work force has become too lazy to work on time. People end up spending more time working and mess their sleep routines resulting cycle of disturbed routine goes on to the next day as well.

**How to maintain an equilibrium in work-life**

Here are some effective ways in which you can keep your work-life balance under control in the current situation.

- Start your day at the same time every day. This means both the wake-up time and the time to start your work
  - Get ready early to feel energetic
  - Sit for your work at such a place where you will feel fresh or simply choose a favourite corner of the house which will make you feel like working
  - Have schedule your resting & eating breaks before starting your work
  - You may manage this by eating meals at the same time what you used to maintain at the workplace
  - Take a walk inside the house in between your work just to relax your mind and body particularly your tiring eyes.
  - You may set a two-hour alarm on your phone & get up from the place and take a walk inside the house for five minutes. This will help you to increase your step counts easily and will make you feel fresh
  - Avoid doing household work **“Ghar ka Kam”** in the middle of working hours, it distracts you.
  - Finish your work every day at the same time so that work-life balance can be maintained effectively.
  - Keep some healthy snack options ready. One may simply choose to have a fruit with chana or nuts or buttermilk or milk as per the availability.
  - Fix your time for exercise too and become a fitness freak.
- Last but not the least, be strict with yourself to follow these tips to get a work-life balance in your life and enjoy the phase of being at home all day.

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CS Rajat Agrawal



SEPTEMBER 2020

## FAQS ON FORM DPT-3

On January 22, 2019, The Ministry of Corporate Affairs ("MCA") vide its notification brought an important change with respect to mandatory furnishing of information regarding outstanding receipt of loan by every Company other than Government Company. This move was taken by the Government in consultation with the Reserve Bank of India to provide more transparency in the economy.

The text of Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 has been reproduced as follows:

*Every company to which these rules apply, shall on or before the 30th day of June, of every year, file with the Registrar, a return in Form DPT-3 along with the fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and furnish the information contained therein as on the 31st day of March of that year duly audited by the auditor of the company.*

*[Explanation- It is hereby clarified that Form DPT-3 shall be used for filing return of deposit or particulars of transaction not considered as deposit or both by every company other than Government company.]*

With the Notification and the e-Form into place, there are several practical queries which needs to be answered so as to keep both the letter of law and intent of the filing of the return of deposit intact.

**Keeping in mind the need of the hour, we have listed down the probable questions that one can have with respect to reporting of the details in e-Form DPT-3 with potential answers to such questions.**

### ***Q. What are Deposits?***

**Ans.** As per Section 2(31) of the Companies Act, 2013 'Deposit' includes any receipt of Money by the Company by way of Deposits or Loans or in any other form.

### ***Q. What is Return of Deposits and Exempted Deposits?***

**Ans.** After 1<sup>st</sup> April, 2014, those companies accepting deposits were required to report deposits in Form DPT-4 i.e. the Return of Deposits by 30<sup>th</sup> June of that year.

With the inclusion of Rule 16 and 16A to the Deposit Rules, every Company is now required to report the both Deposits and Exempted Deposits in one single Form DPT-3, by way of 4 different Radio Buttons.

### ***Q. Who is required to sign the Form? Is certification of a practising professional required?***

**Ans.** The Form DPT-3 can be signed by any one of Director or Manager or CEO or CFO or CS. No professional certification is required in the Form.

### ***Q. What are the consequences of non-filing of the Form DPT-3?***

**Ans.** As per Rule 21 non-filing of Form DPT-3 will attract penal provisions provided below (apart from the additional fee on delayed filing):

- On Company: upto Rs. 5,000/-
- On every Officer in default: Rs.5,000/-

On Continuing default: Penalty extending upto Rs. 500/- for every day after the 1<sup>st</sup> day during continuing contravention.





SEPTEMBER 2020

**Q. Can unaudited figures be reported in Form DPT-3?**

**Ans.** There is no issue in reporting unaudited figures in Form DPT-3. However, care has to be taken while filing details of Net Worth, which needs to be as per the audited financial statements of the preceding financial year. However, auditor's Certificate is required mandatorily for Return of Deposits (radio Button 2 and 4)

**Q. Are all the companies required to file Form DPT-3?**

**Ans.** All the companies to whom the provisions of Companies (Acceptance of Deposit) Rules, 2014 apply (hereinafter referred to as "Rules") are required to file Form DPT-3, except Companies prescribed under Rule 1(3), namely- Government Companies, Banking Companies, Non-Banking Financial Companies, Housing Finance Companies and Companies specified by Central Government. Insurance companies not being exempted are thus required to file Form DPT-3.

**Q. Is an NBFC required to file Form DPT-3 in case the RBI has cancelled its NBFC registration and the same is under appeal for restoration?**

**Ans.** As per Rule 1, Non-Banking Financial Companies are not required to file Form DPT-3. In this case the status of the Company as on 31<sup>st</sup> March, 2020 shall be the criteria to determine the applicability of the said Rules. Therefore, in case the RBI has cancelled the NBFC licence and the current status of the Company on 31<sup>st</sup> March, 2020 on MCA is out the purview of Rule 1, then it shall be required to file Form DPT-3.

**Q. When is Auditor's Certificate required to be filed in Form DPT-3 and in which format?**

**Ans.** Auditor's Certificate is mandatorily required for reporting Deposits i.e. if the purpose selected in the Form DPT-3 is 'Return of Deposit' or 'Return of Deposit and Particulars of transactions by a company not considered as Deposit' i.e. Radio

Button 2 and 4. For reporting Exempted Deposits in One time or Annual return, Auditor's Certificate is not mandatorily required to be filed. No specific format of Auditors Certificate has been prescribed.

**Q. If Explanation to Rule 16 contains requirements for filing Auditor's Certificate for filing Form DPT-3 in case of deposits and exempted deposits, why does the ROC approve Form DPT-3 for return of exemption deposits not required?**

**Ans.** As per Explanation to Rule 16, regardless of radio button in Form DPT-3, Auditor's Certificate is mandatorily required. However, an internal direction dated 27<sup>th</sup> November, 2019 by the MCA to Regional Directors directed the Registrar of Companies for conditional STP filing. That is to say any form which is having a leverage of 5:1 of deposits is to net worth and the minimum amount taken is Rs. 50 lakhs, those forms will go through Non-STP mode. All the remainder of the forms will go through STP mode.

**Q. Is the company required to file NIL return of Form DPT-3?**

**Ans.** As per the Deposit Rules, the intent of Annual Return of Deposits is to capture the monies received, in whatsoever form, and which remain outstanding as on 31<sup>st</sup> March 2020. In case of zero outstanding balances of Deposits / Exempted Deposits as on 31<sup>st</sup> March 2020, a Company is not required to file Form DPT-3. Companies Act does not prescribe for any internal confirmations. The financial statements of the Company will truly reflect the status. For an effective corporate governance, the Company Secretary / Compliance Officer may take internal confirmations from the Accounting / Finance / Internal Audit teams etc.

**Q. Which date is to be mentioned in Form DPT-3 as date of last closing of Accounts?**

**Ans.** As per Circular dated 30<sup>th</sup> April, 2019 the date to be mentioned in Point No.7 as date of

closing of Accounts should be 31<sup>st</sup> March of the current year, irrespective of the date of audited Financials available for reporting.

***Q. Can figures of previous year's audited balance sheet be filled up in form DPT-3?***

**Ans.** As per the General Circular dated 30<sup>th</sup> April, 2019 a Company is required to report the monies received by a company and which are outstanding as on 31<sup>st</sup> March, current year ended. In case the Company does not have Audited Financials for the year, it may report unaudited Figures in the form, except Net Worth which shall be taken from audited Financials of previous year, as required in the Form DPT-3.

***Q. What attachments are required in Form DPT-3 if there are charges outstanding as on 31<sup>st</sup> March 2020?***

**Ans.** The only attachment required to be filed in Form DPT-3 is Auditor's Certificate, in case of reporting Deposits via Radio Button 2 and 4. There is no requirement of filing any separate document in the form for Charges. The charge documents would have been filed with ROC at the time of creation of charge itself. It is optional for the Company to file Charge documents with Form DPT-3.

***Q. Can a Company attach a covering note in DPT-3 if the object clause is not correct?***

**Ans.** Generally MCA captures Objects of a Company with its CIN from the following sources:

- Incorporation: Industrial activity code
- Form AOC-4: ITC Codes / NPCS 4-digit code
- Form MGT-7: NIC 2008 Codes
- Extract of Annual Return in Form MGT-9: NIC 2008 Codes

However, the Objects clause in Form DPT-3 may not be in sync with the MOA / AOA. The Company may ignore if the objects are not pre-filled correctly in Form DPT-3 as the objects will not get changed by filing Form DPT-3. Companies have

also been advised not to raise tickets on MCA in this regard.

***Q. In which Field will Loan taken from non-banking financial institution be reported in Form DPT-3?***

**Ans.** This shall be reported in Point No. 15(f) of the Form DPT-3 since the same is not a banking company and shall be treated as any other company for the purpose of Form DPT-3.

***Q. In which Field will Amount received from shareholder who is not a promoter be reported in Form DPT-3?***

**Ans.** Since there is no specific point provided for shareholders in the Form DPT-3 therefore it can be reported in Point No. 15(n) of the Form DPT-3.

***Q. Which Financial Statements shall be considered while mentioning Net Worth?***

**Ans.** As per Form DPT-3, Net Worth is required as per the latest audited balance sheet preceding the date of the return. The date of the return will be deemed to be the date of filing of the return. Therefore, for the annual return as on 31<sup>st</sup> March 2020, the Net Worth as per the audited Financial Statements of 31<sup>st</sup> March 2019 will be considered. If the financials as on 31<sup>st</sup> March, 2020 are available, then the same shall be considered. For Companies incorporated after 1<sup>st</sup> January 2020 whose accounts are yet to be audited, they may mention the Net worth on the basis of the unaudited financials with a clarificatory note signed by the Directors.

***Q. Can Capital Reserve be included while calculation of Net Worth?***

**Ans.** As per Section 2(57) of the Companies Act, 2013, Net Worth primarily comprises of Share capital and Free Reserves. Capital Reserve is the part of profit or surplus maintained as an account in Balance sheet that can be used only for special designated purposes. Further all other specific

purpose reserves like capital redemption reserve, cumulative translation reserve, etc. can't be treated as Free Reserves for the purposes of calculating Net Worth.

***Q. While reporting customer advances, should the advance amount be gross or net of TDS and GST?***

**Ans.** It should be gross i.e. inclusive of TDS and GST.

***Q. What is the treatment of Advances under Companies (Acceptance of Deposit) Rules, 2014?***

**Ans.** Any amount received as 'Advances from Customers' for supply of goods or services, appropriated within 365 days, advance for immovable property under an agreement, advance for long term projects for supply of capital goods, advance for future services in form of warranty or maintenance contract, advance received from sectoral regulators and advance for subscription towards publication are treated as Exempted Deposits subject to certain conditions mentioned in Rule 2(c)(xii) and therefore to be reported accordingly in Form DPT-3.

***Q. In which field will advance received from holding company for meeting expenses be reported in Form DPT-3?***

**Ans.** For the subsidiary company, advance for meeting expenses from holding company shall be reported in Point No. 15(f) of the Form DPT-3.

***Q. Customer advance under litigation, pending for more than 365 days should be reported under which head?***

**Ans.** As per AS-29 the same is a Contingent Liability, and pursuant to Proviso to Rule 2(xii)(a) if any advance is subject matter of any legal proceeding before any recognized Court of Law, then the said time limit of 365 days may not apply i.e. till the time legal proceeding does not end, and the same may be accordingly reported as an Exempted Deposit.

***Q. Please brief about the applicability of Advance from HUF, Karta and Coparcener?***

**Ans.** If the HUF is a client of the company, then these advances shall be treated as Exempted Deposits as per Rule 2(1)(c), subject to the condition that they get appropriated within 365 days of its receipt and shall be reported accordingly in Form DPT-3. In case these advances are pending appropriation for more than 365 days, they shall be treated as Deposits and be reported accordingly.

***Q. If any amount is deducted from salary of employees and kept as Deposit up to 3 months' salary, whether it will be reported in Form DPT-3?***

**Ans.** As per the Rules, a Company can take money from its Employees in form of an interest free transaction upto the limit of his annual salary, as per his employment agreement. In this case, if the said deduction is interest bearing in nature and outstanding as on 31<sup>st</sup> March, 2020 it should be treated as Deposits and be reported accordingly in Form DPT-3, else be treated as Exempted Deposits.

***Q. If a Company have borrowings from and repayments to the same party during a year, should the Net amount or the total borrowings amount be reported in Form DPT-3?***

**Ans.** In case of borrowings and repayments in the name of the company existing as on 31<sup>st</sup> March, 2020, the net balance outstanding as on 31<sup>st</sup> March, 2020 shall be reported in Form DPT-3.

***Q. Will interest on loans be considered for Filing Form DPT-3?***

**Ans.** Interest on loans will considered while calculating the outstanding balance of loan while reporting in Form DPT-3 if the same has been accounted for as such in the books of accounts. Interest accrued and due and outstanding as on 31<sup>st</sup> March, 2020 are required to be considered

while reporting in Form DPT-3.

***Q. If a Private Limited Company takes Loan from the person who is both Director and a Member of the Company, then this will come under exempted Deposit or Deposits?***

**Ans.** As per the Deposit Rules any amount received from the directors of the company is treated as an exempted deposit. On the other hand, any amount received from a member is treated as deposit. Thus, the treatment of this transaction would depend how the same has been accounted for and whether the lent amount is owned or borrowed. Theoretically, if an amount is falling in two categories, the company may take a position which is beneficial to it.

***Q. If a Company has been merged with its Wholly Owned Subsidiary w.e.f. 30<sup>th</sup> April, 2020 as per the scheme of amalgamation, but Form INC-28 has not been approved. Whether Form DPT-3 needs to be filed with ROC?***

**Ans.** As per Rule 16 every Company to which these Rules apply shall file a Return of Deposits / Exempted Deposits in Form DPT-3. In this case if the status of the entity as on 31<sup>st</sup> March, 2020 on MCA is "Active" and not "Amalgamated", it should file Form DPT-3.

***Q. How to report subsidies received from government in Form DPT-3?***

**Ans.** Government subsidies are not deposits nor exempted deposits since they are not required to be repaid and will therefore not be reported in Form DPT-3.

***Q. Whether a Company needs to report contingent liabilities in Form DPT-3??***

**Ans.** As per Form AS-16 Contingent Liabilities are not reported on the balance sheet and are disclosed as a footnote to the financial statements. Thus, they are not required to be reported.

***Q. What is the treatment of Loan from Members?***

**Ans.** Any loan from members shall be treated as deposits irrespective of the limits prescribed subject to compliance benefits available with Private / Start-up Companies under Rule 3.

***Q. Whether loan from LLP shall be considered as Non-Deposit?***

**Ans.** As per the Deposit Rules, Loan from LLP doesn't is not getting covered in the list of exempted deposits and therefore it can be inferred upon that the same shall be treated as deposits and be reported accordingly in Form DPT-3.

***Q. Whether a member can give loan a Company from borrowed funds?***

**Ans.** As per the Rules, only the directors are required to declare about the status of the funds granted as loan to the company and not the members. Thus, it can be inferred that a member may grant loan to a company from their borrowed funds.

***Q. Can Deposits / Loans be repaid by issue of shares of the Company?***

**Ans.** Section 62 of Companies Act, 2013 provides for this provision of conversion of Loan into Equity and hence it can be inferred that Loans/ Deposits can be repaid by way of issuing Shares of the Company.

***Q. What is the treatment of Loan from a sole proprietorship of a director?***

**Ans.** As the PAN for the Director as an individual and the PAN for the sole proprietorship firm is considered the same, director having a sole proprietorship can be considered as director himself. Thus, the same tantamounts to an exempted deposit.



**Disclaimer:** *The content of this article is intended to provide a general guide to the subject matter. Every effort has been made to keep the information cited in this article error-free. Suggestions and feedback to improve the task are welcome. The article and opinions therein are based on my understanding of the law and provisions prevailing as on date. The contents of*

*this article are for information purposes only and does not constitute an advice or a legal opinion and are personal views of the author. The opinion may vary according to one's interpretation of the law. It should not be relied upon as the sole basis for any decision which may affect you or your business. The author can be approached at csrajatagrawal@gmail.com.*

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**“GOODS AND SERVICES TAX (GST) OVERVIEW, COVID-19 RELAXATIONS AND ROLE OF CS”**

*One nation, one tax*



The Goods and Services Tax (GST) is a major taxation reform till date implemented in India since independence which has replaced many indirect taxes in India such as the excise duty, VAT, services tax, additional customs duty, surcharges and Octroi etc. The Goods and Service Tax Act was passed in the Parliament on 29<sup>th</sup> March 2017 and came into effect on 1st July 2017.

GST is a tax which is levied on the supply of goods and services and the tax is levied at every point of sale. GST Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

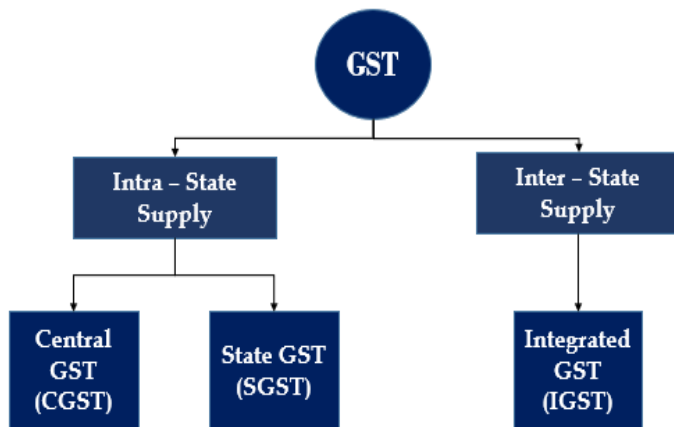
• **Need of GST**



1. Multiple taxes lead to double taxation & cascading effect
2. Structure involving multiple taxes / rates not in sync with global practices
3. High cost of tax compliance and double taxation leads to higher prices of goods & services

1. Lack of uniformity in provisions of different law and interpretations
2. High cost of tax collection leads to lower tax yield to the Government

• **Taxes under GST:**



• **3 major Components of GST**

<u>CGST</u>	<u>SGST</u>	<u>IGST</u>
tax collected by the Central Government on an intra-state sale	tax collected by the state government on an intra-state sale	tax collected by the Central Government for an inter-state sale
Revenue - shared equally between the Centre and the State		Centre will share the IGST revenue based on the destination of goods

• GST Journey in India

8 <sup>th</sup> July 2017	SGST Act passed by J&K; CGST and IGST Ordinances promulgated to extend GST to J&K
1 <sup>st</sup> July, 2017	GST Launched / implemented w.e.f. 01.07.2017
2017	GST Council Recommends the CGST, SGST, IGST, UTGST and Compensation Cess Act, Rules and then passed
2016	The Constitution (101 <sup>st</sup> Amendment) Act was enacted and First GST Council Meeting
2014	Constitution (122 <sup>nd</sup> Amendment) Bill (CAB) introduced in Lok Sabha
2013	Three committees constituted by EC and GSTN set up
2011	Constitution (115 <sup>th</sup> Amendment) Bill introduced

2009	First Discussion Paper was released
2006	First time announcement was made by the Union Finance Minister, during budget of 2006-07

• GST REGISTRATION – KEY FEATURES

1. PAN based registration
2. Separate Registrations for different business verticals on a Single PAN.
3. Registration is mandatory when threshold limit exceeds
4. Voluntary Registration can be taken anytime
5. Registration can be done easily at GST website.
6. Self –serviced Amendments except for certain core fields
7. Easy closure Facility: Provision for surrender of registration and also for suo-moto cancellation by the tax authorities

• GOODS AND SERVICE TAX NETWORK (GSTN)

With an aim of Strategic control to remain with Government, GSTN was established on 28.03.2013 as Section 25 private limited company.

Purpose behind setting up of GSTN:

- a) To function as a Common Pass-through portal for taxpayers-
  - ✓ submit registration application
  - ✓ file returns
  - ✓ make tax payments
- a) To develop back end modules for 25 States  
GST Suvidha Providers were appointed to develop simple applications to be used by taxpayers for interacting with GSTN

• **Key Definitions under the GST Law**

Article 366(12A) of Constitution of India	“ <u>Goods and services tax</u> ” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption
Article 366(12) of Constitution of India	“ <u>Goods</u> ” Includes all materials, commodities, and articles [Pre Existing Definition]
Article 366 (26A) of Constitution of India	“ <u>Service</u> ” Anything other than goods [Introduced vide 101st Constitutional Amendment Act]
Article 366(26B) of Constitution of India	“ <u>State</u> ” With reference to articles 246A, 268, 269,269A and Article 279A includes a Union territory with Legislature. [Introduced vide 101st Constitutional Amendment Act]

**GST- Relaxations Due to COVID-19 Outbreak**

- 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.
- Others 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.
- 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.
- Date for filing GST annual returns of FY 18-19, which is due on 31 March, 2020 is extended till the last week of June 2020.
- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20 March 2020 to 29th June 2020 shall be extended to 30th June 2020.
- Necessary legal circulars and legislative amendments to give effect to the aforesaid GST relief shall follow with the approval of GST Council.
- 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.
- Advisory on Opting-in for **Composition Scheme for 2020-21** - Extension of Dates in view of COVID-19 pandemic  
Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for opting for composition scheme by normal taxpayers, for the financial year 2020-21. These are notified in Notifications 30/2020 Central Tax, dated 03.04.2020. Circular No. 136/06/2020-GST dated 3rd April, 2020 has also been issued. <https://www.gst.gov.in/newsandupdates/read/373>
- **Extension of validity period of EWB:**  
The validity of E-way bills (EWBs), generated on or before 24th March, 2020, and whose validity expiry date lies on or after 20th March, 2020, is deemed to have been extended till 31st August, 2020.
- **Filing NIL Form GSTR-3B through SMS on GST Portal**



A taxpayer may now file NIL Form GSTR-3B, through an SMS, apart from filing it through online mode, on GST Portal. Taxpayer can file NIL Form GSTR-3B, through SMS for all GSTINs, for whom they are an Authorized Signatory, using same mobile number.

Link:

<https://www.gst.gov.in/newsandupdates/read/381>

• **Relief in opting for Composition by Taxpayers, filing other Returns & EWB.**

Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for GST filings. These are notified in Central Tax Notifications 30, 34 & 35/2020 dated 03.04.2020 & 47/2020 dated 09.06.2020 & 55/2020 dated 27.06.2020.

Link:

<https://www.gst.gov.in/newsandupdates/read/385>

• Taxpayers who are yet to file Form GSTR-3B for any month(s) from July, 2017 till Jan., 2020, can now file Form GSTR-3B from 1st July, 2020 till 30th Sept., 2020, without any late fee, for those months in which they did not have any tax liability. However, for the months they had a tax liability, their late fee is capped at Rs 500 per return.

• **Accounting and Billing Software Providers can enroll with GSTN to receive regular updates on e-invoice**

Being key players in Indian business eco-system, the role and support of Accounting and Billing Software Providers is crucial for successful implementation of GST e-invoice System.

Read more at :

<https://www.gst.gov.in/newsandupdates/read/354>

• **One time extension in period for seeking revocation of cancellation of registration:**

an opportunity is being provided for filing of application for revocation of cancellation of registration upto 30.09.2020, in all cases where registrations have been cancelled till 12.06.2020 to facilitate taxpayers who could not get their cancelled GST registrations restored in time.

• **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 fill this application is available till 30th June 2020.

**ROLE OF COMPANY SECRETARIES UNDER GST REGIME**

Company Secretaries, Members of ICSI, are **Law Experts and Compliance Master**. Under section 203 of the Companies Act, 2013, Company Secretary has been defined as KMP's i.e. Key Managerial Personnel, means person who is **in - charge** of maintaining the high standard of Corporate Governance by abiding laws and regulations in timely complied manner. In other countries, Company Secretary is called as Corporate Secretary as he is responsible to take care of all the compliances with statutory and regulatory requirements.

Company Secretaries can play an important role in GST Regime. Company Secretaries can act as a Consultant, facilitator and an advisor to the Corporates. They can ensure smooth rollout of GST Law in India. To minimize tax and smooth implementation of GST, the business would require restructuring their system and Company Secretary can provide service to proper restructuring business.



• **List of Activities and Compliance Matters that can be undertaken by a Company under the GST Regime:**

- Registration of Business forms under the GST Laws
- Filing of GST Returns
- Consultancy to the Entrepreneurs and Restructuring their Business System.
- Submission of various returns in a time bound manner.
- E-waybills
- Maintenance of appropriate registers and records of the organization
- Tax planning and Internal Checking
- Representation with GST Authorities
- Ensure adequate steps /measures has been taken to prevent from Non - Compliance.

➤ **CONCLUSION:**

The Corporate Laws including GST becomes more tough and strict against Non – Compliances with respect to any matter. The dynamics of the boardroom are changing and chairmen and directors are realizing that they need specialist skills and technical knowledge in this area and they are looking to company secretaries to provide this expertise.

Compliance Check requirements, Audit and due diligence in the matters related to GST Law in the Corporate Sectors needs a close watch and proper guidance and laws / regulations should be followed by the Company Secretaries / Company Secretaries in Practice. All the records and disclosures should be made properly.

**!!Stay Home, Stay Safe!!**

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**Ms. Shefali Garg**  
**CS Student**



**SEPTEMBER 2020**

## **INTERNATIONAL DAY OF PEACE**

The International Day of Peace, sometimes officially known as World Peace Day, is a United Nations-sanctioned holiday observed annually on 21 September. It is dedicated to world peace, and specifically the absence of war and violence, such as might be occasioned by temporary ceasefire in a combat zone for humanitarian aid access. The day was first celebrated in 1981, and is kept by many nations, political groups, military groups, and people. In 2013 the day was dedicated by the Secretary-General of the United Nations to peace education, the key preventive means to reduce war sustainably.

To inaugurate the day, the United Nations Peace Bell is rung at UN Headquarters (in New York City). The bell is cast from coins donated by children from all continents except Africa, and was a gift from the United Nations Association of Japan, as "a reminder of the human cost of war"; the inscription on its side reads, "Long live absolute world peace".

### **2020 - Shaping Peace Together**

The United Nations has selected the theme "Shaping Peace Together" for the 2020 International Day of Peace.

According to the UN website, "This year, it has been clearer than ever that we are not each other's enemies. Rather, our common enemy is a tireless virus that threatens our health, security and very way of life. COVID-19 has thrown our world into turmoil and forcibly reminded us that what happens in one part of the planet can impact people everywhere."

### **Why is dove the symbol of peace**

Different countries and cultures have their own symbols of peace but a few are used commonly across the world like the dove and olive leaf.

Legendary Spanish artist Pablo Picasso's 'Dove of Peace', was first chosen as the emblem for the First International Peace Conference in Paris in 1949. According to pablocicasso.org, "it was a traditional, realistic picture of a pigeon which had been given to him by his great friend and rival, the French artist Henri Matisse. Picasso later developed this image into a simple, graphic line drawing that is one of the world's most recognizable symbols of peace".

***Mother Teresa once said, "We do not need guns and bombs to bring peace, we need love and compassion".***

***"Peace cannot be kept by force. It can only be achieved by understanding." - Albert Einstein***

The Covid-19 crisis has made one thing certain — the need to spread love and peace. On the occasion of International Day of Peace on September 21, Heartfulness Institute, in partnership with United Nations Information Centre, Global Citizens India and Spirit of Humanity Forum, is organising a free virtual event, titled Celebrate Peace, which aims to explore the power of peace through conversations with eminent personalities, including Dr Kamlesh Patel (Daaji), BK Shivani, Dr Bruce Lipton and Dr Deepak Chopra, to name a few.

It will be anchored by director Shekhar Kapur, and will be followed by synchronised meditation session, Create Peace. World renowned musicians Pandit Hari Prasad Chaurasia, Grammy-nominated Shashank Subramanyam will grace the occasion with their soulful music.

Daaji, guide of Heartfulness Institute, believes experiencing peace within oneself is the first step



SEPTEMBER 2020

towards fostering external peace, adding, “On International Day of Peace, we’ll look at how one can inspire peace from within. Coming together of eminent forces in spirituality will ensure the aura of peace gets amplified and resonates stronger across the planet.”

BK Shivani, teacher, Brahma Kumari’s spiritual movement, says, “When we come together for our love for the planet, each other and humanity,

we create peace and we’re going to take the first step towards healing our world.” Author Dr Deepak Chopra adds, “Bring the presence of peace wherever you go. If you do that, people around you will feel peaceful, not by what you say or do, but just by your presence.”

*“We can never obtain peace in the outer world until we make peace with ourselves” - Dalai Lama*

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**PCS LALIT RAJPUT**

**CORPORATE COMPLIANCE CALENDAR**

*“Compliance” is just a subset of “governance” and not the other way around.”*

— **Pearl Zhu**

**ABOUT ARTICLE :**

This article contains various **Compliance requirements** for the **Month of October, 2020** under Statutory Laws. Compliance means ***“adhering to rules and regulations.”*** Compliance is a continuous process of following laws, policies, and regulations, rules to meet all the necessary governance requirements without any failure.

***“If you think compliance is expensive, try non-compliance”***

**Compliance Requirement Under**

- |  |               |
|--|---------------|
| 1 Foreign Exchange Management Act, 1999 (FEMA) and Important Notifications   | (page no. 38) |
| 2. Income Tax Act, 1961  | (page no. 41) |
| 3. Goods & Services Tax Act, 2017 (GST) and Important Updates / Circulars  | (page no. 45) |
| 4. Other Statutory Laws and Updates  | (page no. 49) |
| 5. SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015   | (page no. 52) |
| 6. SEBI Takeover Regulations 2011  | (page no. 62) |
| 7. SEBI (Prohibition of Insider Trading) Regulations, 2015   | (page no. 63) |
| 8. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018   | (page no. 63) |
| 9. SEBI (Buyback of Securities) Regulations, 2018  | (page no. 66) |
| 10. SEBI (Depositories and Participants) Regulations 2018) and Circulars / Notifications   | (page no. 66) |
| 11. Regulatory Requirements by the trading members / clearing members / depository participants, mentioned in the SEBI circulars | (page no. 66) |
| 12. SEBI Relaxations for Preferential Issues Matters   | (page no. 67) |
| 13. Mutual Fund  | (page no. 67) |
| 14. Stamp duty rates w.e.f. 1st July 2020 & AIF update   | (page no. 68) |
| 15. Companies Act, 2013 (MCA/ROC and LLP Compliance) and Notifications   | (page no. 73) |
| 16. Insolvency and Bankruptcy Board of India (IBBI) Updates  | (page no. 76) |
| 17. NBFC Compliance Overview   | (page no. 77) |
| 18. NCLT & NCLAT Updates   | (page no. 79) |
| 19. MSME Key Updates   | (page no. 80) |

**1. COMPLIANCES UNDER FEMA / RBI**

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / (Filing mode)
FEMA ACT 1999	15.10.2020* (*extended – received an email regarding this )	Annual Return on Foreign liabilities and assets. The FLA return is required to be submitted by the companies who have received Foreign direct investment (FDI) and/or made Foreign direct investment abroad in the previous year(s) including the current year	FLA Return
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 Capital instrument	FC-GPR is a form filed when the Indian company receives the Foreign Direct Investment and the company allots shares to a person resident outside India.	Form FC-GPR
FEMA ACT 1999	With in 60 days of receipt/ remittance of funds or transfer of capital instruments whichever is earlier.	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. The onus of reporting shall be on the resident transferor/ transferee.	Form FC-TRS.
FEMA ACT 1999	within 30 days from the date of receipt of the amount of consideration.	A Limited Liability Partnership receiving amount of consideration and acquisition of profit shares is required to submit a report in the Form FDI LLP-1	Form FDI LLP-I
FEMA ACT 1999	within 60 days from the date of receipt of funds in	A Limited liability Partnership shall report disinvestment/ transfer of capital contribution or profit share between a resident and a non resident (or vice versa)	Form FDI LLP-II
FEMA ACT 1999	within 30 days from the date of allotment of capital instruments	The domestic custodian shall report the issue/ transfer/ of sponsored/ unsponsored depository receipts	Downstream statement -Form DI

**❑ IMPORTANT UPDATES:**

**A. Procedure for revision of current year FLA return:**

The reporting entity need to take approval from RBI in case of revision of duly submitted current year FLA return. Visit <https://flair.rbi.org.in/fla> → Login to FLAIR → Click “Please click here to get the approval to fill revised FLA form for current year” → select “Year” → Click “Request”. After sending request to RBI through FLA portal, entities need to wait for at least one working day for approval. Entities can check the status of their request in “Multiple Year Enable Screen” under menu on the left corner. Once approved by RBI, the entity can revise FLA return for current year.

**B. Compliance functions in banks and Role of Chief Compliance Officer (CCO)**

As part of robust compliance system, banks are required, inter-alia, to have an effective compliance culture, independent corporate compliance function and a strong compliance risk management programme at bank and group level. Such an independent compliance function is required to be headed by a designated Chief Compliance Officer (CCO) selected through a suitable process with an appropriate ‘fit and proper’ evaluation/selection criteria to manage compliance risk effectively.

**The duties and responsibilities of the compliance function** - These shall include at least the following activities:

- To apprise the Board and senior management on regulations, rules and standards and any further developments.
- To provide clarification on any compliance related issues.
- To conduct assessment of the compliance risk (at least once a year) and to develop a risk-oriented activity plan for compliance assessment. The activity plan should be submitted to the ACB for approval and be made available to the internal audit.
- To report promptly to the Board / ACB / MD & CEO about any major changes / observations relating to the compliance risk.
- To periodically report on compliance failures/breaches to the Board/ACB and circulating to the concerned functional heads.
- To monitor and periodically test compliance by performing sufficient and representative compliance testing. The results of the compliance testing should be placed to Board/ACB/MD & CEO.
- To examine sustenance of compliance as an integral part of compliance testing and annual compliance assessment exercise.
- To ensure compliance of Supervisory observations made by RBI and/or any other directions in both letter and spirit in a time bound and sustainable manner.

***Read full circular on the above:*** <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11962&Mode=0>

**RBI CIRCULARS / NOTIFICATIONS:**

S. N.	Particulars of the Circulars	Link
1	Basel III Capital Regulations - Review of transitional arrangements	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11970&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11970&amp;Mode=0</a>
2	Exclusion of “Allahabad Bank” from the Second Schedule to the Reserve Bank of India Act, 1934 and cessation as banking company	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11972&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11972&amp;Mode=0</a>

3	Exclusion of “Oriental Bank of Commerce” and “United Bank of India” from the Second Schedule to the Reserve Bank of India Act, 1934 and cessation as banking company	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11974&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11974&amp;Mode=0</a>
4	Developments in India’s Balance of Payments during the First Quarter (April-June) of 2020-21	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50436">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50436</a>
5	Extension of Interim Relaxation in WMA limits and OD regulations	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50431">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50431</a>
6	RBI cancels Certificate of Registration of Nineteen NBFCs	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50286">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50286</a>
7	Nine NBFCs surrender their Certificate of Registration to RBI	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50287">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50287</a>
8	RBI Announces Measures to Foster Orderly Market Conditions	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50288">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50288</a>
9	RBI Announces Special Open Market Operations (OMO) Simultaneous Purchase and Sale of Government of India Securities	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50291">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50291</a>
10.	Sectoral Deployment of Bank Credit – July 2020	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50293">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50293</a>
11.	Treasury Bills: Full Auction Result	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50302">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50302</a>
12	Underwriting Auction for sale of Government Securities for ₹ 30,000 cr on September 4, 2020	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50305">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50305</a>
13	RBI Releases Revised Priority Sector Lending Guidelines	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50310">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50310</a>
14	Option of repaying the funds borrowed under Long Term Repo Operations (LTROs) before maturity	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50313">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50313</a>
15	Master Directions – Priority Sector Lending (PSL) – Targets and Classification	<a href="https://rbidocs.rbi.org.in/rdocs/notification/PDFs/MDPSL803EE903174E4C85AFA14C335A5B0909.PDF">https://rbidocs.rbi.org.in/rdocs/notification/PDFs/MDPSL803EE903174E4C85AFA14C335A5B0909.PDF</a>
16	Exclusion of “Westpac Banking Corporation” from the Second Schedule to the Reserve Bank of India Act, 1934	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11956&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11956&amp;Mode=0</a>
17	RBI releases Draft Variation Margin (Reserve Bank) Directions, 2020 under Section 45 W of the RBI Act, 1934	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50322">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50322</a>
18	Report of the Expert Committee on Resolution Framework for Covid-19 related Stress	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50324">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50324</a>
19	Result of Yield/Price Based Auction of State Development Loans of State Governments	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50327">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50327</a>
20	Award scheme for writing books originally in Hindi on Economics/Banking/Financial subjects	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50334">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50334</a>
21	Measuring Productivity at the Industry Level – The India KLEMS Database	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50339">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50339</a>
22	RBI Bulletin - September 2020	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50349">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50349</a>
23	Resolution Framework for COVID-19-related Stress – Financial Parameters	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11961&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11961&amp;Mode=0</a>



24	FDI IN DEFENCE SECTOR	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654091">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654091</a>
25	Banking facilities in rural areas	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656751">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656751</a>
26	Reserve Bank of India – Bulletin Weekly Statistical Supplement	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50347">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50347</a>
27	RBI Announces Special Open Market Operations (OMO) Simultaneous Purchase and Sale of Government of India Securities	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50353">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50353</a>
28	Overseas Direct Investment for August 2020	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50355">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50355</a>
29	RBI releases Draft Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2020 under Section 45 W of the RBI Act, 1934	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50360">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50360</a>
30	Treasury Bills: Full Auction Result	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50364">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50364</a>
31	Conversion/Switch of Government of India (Gol)'s Securities	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50374">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50374</a>
32	RBI announces Open Market Operations (OMO) Purchase of Government of India Securities	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50372">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50372</a>
33	Reserve Bank of India – Bulletin Weekly Statistical Supplement – Extract	<a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50382">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50382</a>
34	Automation of Income Recognition, Asset Classification and Provisioning processes in banks	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11964&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11964&amp;Mode=0</a>
35	Exim Bank's Government of India supported Line of Credit (LoC) of USD 215.68 million to the Government of the Republic of Malawi	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11966&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11966&amp;Mode=0</a>
36	Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)	<a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11967&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11967&amp;Mode=0</a>

## **2. COMPLIANCE REQUIREMENT UNDER INCOME TAX ACT, 1961**

Applicable Laws/Acts	Compliance Particulars	Due Dates
Income Tax Act, 1961	filing of ITR for Assessment year 2019-20	30.11.2020
Income Tax Act, 1961	Tax Audit Report or A/Y 2020-21	31.10.2020
Income Tax Act, 1961	date for furnishing the belated and revised return for Assessment Year 2019-20	30.11.2020
Income Tax Act, 1961	Due date for deposit of tax deducted/collected for the month of September, 2020. However, all sum deducted/collected 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	07.10.2020



Income Tax Act, 1961	Due date for deposit of TDS for the period July 2020 to September 2020 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H	07.10.2020
Income Tax Act, 1961	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2020 has been paid without the production of a challan	15.10.2020
Income Tax Act, 1961	Due date for issue of TDS Certificate for tax deducted under Section 194-IB in the month of August, 2020	15.10.2020
Income Tax Act, 1961	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of August, 2020	15.10.2020
Income Tax Act, 1961	Due date for issue of TDS Certificate for tax deducted under Section 194M in the month of August, 2020	15.10.2020
Income Tax Act, 1961	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending September, 2020	15.10.2020
Income Tax Act, 1961	Quarterly statement of TCS deposited for the quarter ending September 30, 2020	15.10.2020
Income Tax Act, 1961	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2020	15.10.2020
Income Tax Act, 1961	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 September, 2020	15.10.2020
Income Tax Act, 1961	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of September, 2020	31.10.2020
Income Tax Act, 1961	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IB in the month of September, 2020	31.10.2020
Income Tax Act, 1961	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194M in the month of September, 2020	31.10.2020
Income Tax Act, 1961	Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2020	31.10.2020
Income Tax Act, 1961	Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2019-20.	31.10.2020
Income Tax Act, 1961	Quarterly statement of TDS deposited for the quarter ending September 30, 2020	31.10.2020
Income Tax Act, 1961	Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)	31.10.2020
Income Tax Act, 1961	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September 30, 2020*	31.10.2020
Income Tax Act, 1961	Copies of declaration received in Form No. 60 during April 1, 2020 to September 30, 2020 to the concerned Director/Joint Director	31.10.2020
Income Tax Act, 1961	Audit report under section 44AB for the assessment year 2020-21 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E	31.10.2020
Income Tax Act, 1961	Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction	31.10.2020

Income Tax Act, 1961	Due date for filing of audit report under section 44AB for the assessment year 2020-21 in the case of a corporate-assessee or non-corporate assessee	31.10.2020
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○ **IMPORTANT NOTIFICATIONS:**

**1. 5% tax will be levied on foreign fund transfer**

Any amount sent abroad to buy foreign tour packages, and every other foreign remittance made above ₹7 lakh, will attract a tax-collected-at source (TCS) beginning 1 October unless tax is already deducted at source (TDS) on that amount. While the tax on foreign tour packages will be 5% for any amount, for other foreign remittances the tax will kick in only for the amount spent above ₹7 lakh.

**2. New Tax Collected at Source (TCS) regime**

The Income Tax Department issued guidelines for applicability of TCS provision which requires an e-commerce operator to deduct 1 per cent tax on sale of goods and services. The new Tax Collected at Source (TCS) regime will come into effect from October 1. The Finance Act, 2020 inserted a new section 194-O in the Income-tax Act 1961 which mandates that with effect from October 1, 2020, an e-commerce operator shall deduct income tax at the rate of 1 per cent of the gross amount of sale of goods or provision of service or both, facilitated through its digital or electronic facility or platform

**3. Buying television sets can be expensive**

Open cell panels will attract 5% import duty from 1 October, with the government saying that a duty exemption expiring at the end of this month will not be extended. As part of 'Atmanirbhar Bharat' the government is keen to expand domestic production capacity for open cell panels so that imports can be curbed. The one-year exemption given to the item expires today, 30 September.

**4. “Transparent Taxation–Honouring the Honest”-** a platform to meet the requirements of the 21st century taxation system. The platform has major reforms like Faceless Assessment, Faceless Appeal and Taxpayers Charter.

**5. The Faceless Assessment Scheme, 2019** (earlier known as the E-assessment Scheme, 2019) was introduced in 2019 to impart efficiency, transparency and accountability to the assessment process by inter alia eliminating the interface between the Assessing Officer and the assessee and team-based assessment with dynamic jurisdiction. Similar Scheme will be introduced for disposal of appeals by the Commissioner (Appeals) in a faceless manner.

**6. Measures taken by Government to reform Direct Tax regime**

In order to provide a non-intrusive and non-adversarial tax ecosystem, the Government has taken various measures to reform the Direct Tax regime:

- Rationalisation of tax rates,
- simplification of income tax return forms,
- faster processing of refunds,
- speedy resolution of grievances and
- Introduction of faceless processes to ease the compliance burden

7. All Income Tax Return Preparation Software for AY 2020-21 are now available for e-Filing.
8. Final Opportunity - One-time relaxation for Verification of Income-tax Returns by EVC/ITR-V for Assessment Years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 which are pending due to non-verification. Please note that the verification must be completed by 30-SEP-2020.
9. Form 35 is re-enabled to file appeal in accordance with the Faceless Appeal Scheme, 'Save draft' will be enabled shortly.

**❑ IMPORTANT NOTIFICATIONS:**

Sl. No.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	The terms and conditions on which the approval of the Government of India has been accorded for setting up of an industrial park by M/s Softzone Tech Park Ltd	CG-DL-E-08092020-221603	<a href="http://egazette.nic.in/WriteReadData/2020/221603.pdf">http://egazette.nic.in/WriteReadData/2020/221603.pdf</a>
2.	the Central Government hereby notifies the Infrastructure Debt Fund	Notification No. 74/2020/F. No. 178/42/2017-ITA-1	<a href="http://egazette.nic.in/WriteReadData/2020/221688.pdf">http://egazette.nic.in/WriteReadData/2020/221688.pdf</a>
3.	the Central Government hereby notifies for the purposes of the said clause, 'District Mineral Foundation Trust' as specified in the schedule to this notification	Notification No. 73/2020/F. No. 300196/36/2017-ITA-I	<a href="https://www.incometaxindia.gov.in/communications/notification/notification_73_2020.pdf">https://www.incometaxindia.gov.in/communications/notification/notification_73_2020.pdf</a>
4.	Income-tax (21st Amendment) Rules, 2020	Notification No. 75/2020/F. No. 370142/8/2020-TPL	<a href="https://www.incometaxindia.gov.in/communications/notification/notification_75_2020.pdf">https://www.incometaxindia.gov.in/communications/notification/notification_75_2020.pdf</a>
5.	the Faceless Appeal Scheme, 2020	CG-DL-E-25092020-221959	<a href="http://egazette.nic.in/WriteReadData/2020/221959.pdf">http://egazette.nic.in/WriteReadData/2020/221959.pdf</a>
6.	Income-tax (21st Amendment) Rules, 2020	CG-DL-E-22092020-221872	<a href="http://egazette.nic.in/WriteReadData/2020/221872.pdf">http://egazette.nic.in/WriteReadData/2020/221872.pdf</a>
7.	Amendments in the notification of the Government of India, Ministry of Finance, published in the Gazette of India, vide no. S.O. 2753 (E) dated the 22.10.2014	CG-DL-E-25092020-221964	<a href="http://egazette.nic.in/WriteReadData/2020/221964.pdf">http://egazette.nic.in/WriteReadData/2020/221964.pdf</a>
8.	CBDT issues Notification on Extension of time limit for filing of AY 2019-20 under the Income Tax Act, 1961.	F. No. 225/150/2020 – ITA-II	<a href="https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDFNews/Order_119_of_the_IT_ACT_Extension_of_dates_for_filing_of_ITRs_AY_2019-20.pdf">https://www.incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDFNews/Order_119_of_the_IT_ACT_Extension_of_dates_for_filing_of_ITRs_AY_2019-20.pdf</a>
9.	The Taxation and Other Laws (Relaxation and amendment of Certain Provisions) Act, 2020	CG-DL-E-30092020-222154	<a href="http://egazette.nic.in/WriteReadData/2020/222154.pdf">http://egazette.nic.in/WriteReadData/2020/222154.pdf</a>

### **3. COMPLIANCE REQUIREMENT UNDER GST, 2017**

Keeping in view the preventive measures taken to contain the spread of Novel Coronavirus (COVID-19) and the difficulties being faced by the GST taxpayer, Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes & Customs, **has extended the due date for Filing GST Returns.**

#### **Filing of GSTR –3B**

##### **Dates for May 2020**

##### **A. Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY**

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
September, 2020	20 <sup>th</sup> October, 2020	-	-	-

##### **B. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group A)**

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
Feb, 2020	22 <sup>nd</sup> March, 2020	30 <sup>th</sup> June, 2020	1 <sup>st</sup> July to 30 <sup>th</sup> Sept., 2020	1 <sup>st</sup> Oct., 2020
March, 2020	22 <sup>nd</sup> April, 2020	3 <sup>rd</sup> July, 2020	4 <sup>th</sup> July to 30 <sup>th</sup> Sept., 2020	1 <sup>st</sup> Oct., 2020
April, 2020	22 <sup>nd</sup> May, 2020	6 <sup>th</sup> July, 2020	7 <sup>th</sup> July to 30 <sup>th</sup> Sept., 2020	1 <sup>st</sup> Oct., 2020
May, 2020	12 <sup>th</sup> July, 2020 (extended date for filing)	12 <sup>th</sup> Sept., 2020	13 <sup>th</sup> Sept to 30 <sup>th</sup> Sept., 2020	1 <sup>st</sup> Oct., 2020
June, 2020	22 <sup>nd</sup> July, 2020	23 <sup>rd</sup> Sept., 2020	24 <sup>th</sup> Sept to 30 <sup>th</sup> Sept., 2020	1 <sup>st</sup> Oct., 2020
July, 2020	22 <sup>nd</sup> August, 2020	27 <sup>th</sup> September, 2020	28 Sep-30 Sep 2020	01.10.2020 to till actual date of deposit of Tax
August, 2020	01 <sup>st</sup> October, 2020	-	-	-
September, 2020	22 <sup>nd</sup> October, 2020			

Group A States: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep

**C. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group B)**

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
Feb, 2020	24th March, 2020	30th June, 2020	1st July to 30th Sept., 2020	1st Oct., 2020
March, 2020	24th April, 2020	5th July, 2020	6th July to 30th Sept., 2020	1st Oct., 2020
April, 2020	24th May, 2020	9th July, 2020	10th July to 30th Sept., 2020	1st Oct., 2020
May, 2020	14th July, 2020 (extended date for filing)	15th Sept, 2020	16th Sept to 30th Sept., 2020	1st Oct., 2020
June, 2020	24th July, 2020	25th Sept, 2020	26th Sept to 30th Sept., 2020	1st Oct., 2020
July, 2020	24 <sup>th</sup> August, 2020	29th Sept, 2020	30th Sept., 2020	1st Oct., 2020
August, 2020	03 <sup>rd</sup> October, 2020	-	-	-
September, 2020	24 <sup>th</sup> October, 2020			

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

**D. Filing Form GSTR-1:**

Tax period	Due Date	Remarks
July to September, 2020 Quarterly return	31.10.2020	Taxpayers having an aggregate turnover of Up to than Rs. 1.50 Crores (< Rs 1.50 Cr) or opted to file Quarterly Return
Monthly return	11.10.2020	Taxpayers having an aggregate turnover of More than Rs. 1.50 Crores (> Rs 1.50 Cr) or opted to file Monthly Return

**E. Compliances for Composition taxpayers**

Form No.	Compliance Particulars	Due Date (New)
GST CMP-08	2nd Quarter – July to September 2020	18.10.2020
GSTR-4	The yearly return for 2019-20 shall be required to be filed in Form GSTR 4	31.10.2020
GSTR-4	Annual Return by Composition Dealer for the F/Y 2019-2020	31.10.2020

**E. Compliances for Composition taxpayers**

Form No.	Compliance Particulars	Timeline	Due Date
GSTR-5 & 5A	Non-resident ODIAR services provider file Monthly GST Return	20th of succeeding month	20.10.2020

GSTR -6	Every Input Service Distributor (ISD)	13th of succeeding month	13.10.2020
GSTR -7	Return for Tax Deducted at source to be filed by Tax Deductor	10th of succeeding month	10.10.2020
GSTR -8	E-Commerce operator registered under GST liable to TCS	10th of succeeding month	10.10.2020

○ **G. GST Annual Returns:**

Form No.	Compliance Particulars	Due Date (New)
GSTR-9A (2018-19)	Annual return	31.10.2020
GSTR-9 (2018-19)	Taxpayers having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return.	31.10.2020
GSTR-9C (2018-19)	Reconciliation Statement/ Audit Report for Taxpayers having a Turnover of more than Rs. 5 crores.	31.10.2020

● **KEY UPDATE(s):**

**1. E Invoice mandatory for taxpayers** whose Aggregate Turnover in any of the previous financial year from 2017-18 onwards is more than Rs 500 crore. (Notification No. 60, 61 & 70/2020 CT; Dated 30th July 2020) from 1 Oct 2020.

CBIC notifies registered person, other than a Special Economic Zone unit and those referred to in sub-rules (2), (3), (4) and (4A) of rule 54 of the said rules, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Five hundred crore rupees, as a class of registered person who shall prepare invoice and other prescribed documents, in terms of sub-rule (4) of rule 48 of the said rules in respect of supply of goods or services or both to a registered person or for exports.

**2. Implementation of the Dynamic QR Code for B2C invoices extended till 01.12.2020.**

Where registered person having turnover in excess of INR 500 crore, makes supply to an unregistered person (i.e. B2C supply) then invoices shall contain QR Code. [Notification No. 72/2019 – CT dated 13th December, 2019] (subject to certain exceptions).

The said provisions were to be applicable w.e.f. 1st October, 2020. Amidst COVID – 19, the CBIC has decided to further defer the same and make it effective from 1st December, 2020

**3. CBIC extends exemption on transportation Services** of goods to a place outside India

CBIC extends exemptions on supply Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India and Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India under CGST Act till 30th day of September, 2021



**SEPTEMBER 2020**

#### 4. One time relaxation in implementation of E-Invoice Provisions for the month of October, 2020

In the initial phase of implementation of e-invoice, it has been decided that the invoices issued by such taxpayers during October 2020 without following the manner prescribed under rule 48(4), shall be deemed to be valid and the penalty leviable under section 122 of the CGST Act, 2017, for such non-adherence to provisions, shall stand waived if the Invoice Reference Number (IRN) for such invoices is obtained from the Invoice Reference Portal (IRP) within 30 days of date of invoice.

#### 5. New functionalities made available for TCS and Composition taxpayers

- i) Provision to make amendment, multiple times, in Table 4 of Form GSTR-8
- ii) TCS facility extended to composition taxpayers

Read full circular at : <https://www.gst.gov.in/newsandupdates/read/397>

#### ○ GST UPDATES FROM 01.09.2020 TO 30.09.2020

Sl. No	Notification(s)	Notification No.	Link(s)
1.	Seeks to amend notification no. 35/2020-Central Tax dt. 03.04.2020 to extend due date of compliance under Section 171 which falls during the period from "20.03.2020 to 29.11.2020" till 30.11.2020	Notification No. 65/2020 – Central Tax	<a href="https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-65-central-tax-english-2020.pdf">https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-65-central-tax-english-2020.pdf</a>
2.	the Delhi Goods and Services Tax (Amendment) Act, 2020.		<a href="http://egazette.nic.in/WriteReadData/2020/221728.pdf">http://egazette.nic.in/WriteReadData/2020/221728.pdf</a>
3.	Amendment in the notification of the Government of India in the Ministry of Finance, No. 35/2020-Central Tax, dt. 03.04.2020,	CG-DL-E-210920-221857	<a href="http://egazette.nic.in/WriteReadData/2020/221857.pdf">http://egazette.nic.in/WriteReadData/2020/221857.pdf</a>
4.	Borrowing of money to meet GST revenue shortfall	Press Release ID: 1656927	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656927">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656927</a>
5.	Seeks to give one time extension for the time limit provided under Section 31(7) of the CGST Act 2017 till 31.10.2020	66/2020-Central Tax dated 21.09.2020	<a href="https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-66-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-66-central-tax-english-2020.pdf</a>
6	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-4 for 2017-18 and 2018-19, subject to the condition that the returns are filled between 22.09.2020 to 31.10.2020.	67/2020-Central Tax dated 21.09.2020	<a href="https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-67-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-67-central-tax-english-2020.pdf</a>
7	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-10, subject to the condition that the returns are filled between 22.09.2020 to 31.12.2020.	68/2020-Central Tax dated 21.09.2020	<a href="https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-68-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-68-central-tax-english-2020.pdf</a>
8	Extension of CGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto 30.09.2021.	04/2020-Central Tax (Rate) ,dt. 30-09-2020	<a href="https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-04-2020-cgst-rate-english.pdf">https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-04-2020-cgst-rate-english.pdf</a>



9	Seeks to amend notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.10.2020	69/2020-Central Tax dated 30.09.2020	<a href="https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-69-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-69-central-tax-english-2020.pdf</a>
10	Seeks to amend notification no. 13/2020-Central Tax dt. 21.03.2020.	70/2020-Central Tax dated 30.09.2020	<a href="https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-70-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-70-central-tax-english-2020.pdf</a>
11	Seeks to amend notification 14/2020- Central Tax to extend the date of implementation of the Dynamic QR Code for B2C invoices till 01.12.2020.	71/2020-Central Tax dated 30.09.2020	<a href="https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-71-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-71-central-tax-english-2020.pdf</a>
12	Seeks to notify a special procedure for taxpayers for issuance of e-Invoices in the period 01.10.2020 - 31.10.2020.	73/2020-Central Tax dated 01.10.2020	<a href="https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-73-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-73-central-tax-english-2020.pdf</a>
13	Seeks to make the Eleventh amendment (2020) to the CGST Rules.	72/2020-Central Tax dated 30.09.2020	<a href="https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-72-central-tax-english-2020.pdf">https://www.cbic.gov.in/htdoc-s-cbec/gst/notfctn-72-central-tax-english-2020.pdf</a>

#### **4. 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)	15.10.2020	PF Payment	ECR
ESIC (Employees' State Insurance Act, 1948)	15.10.2020	ESIC Payment	ESI CHALLAN
Contract Labour (Regulation & Abolition) Act, 1970	Within 15 Days of commencement/ completion of contract work	Return/Notice within 15 days of commencement/ completion of each contract by the Principal employer	Form VI-B
Payment of Gratuity Rule	Within 30 Days of applicability of the Act & any change	Notice of applicability of the Act & any change	Form A or B

#### **Key Update:**

1. From 15th Feb.,2020, new Companies registered through MCA Portal, [www.mca.gov.in](http://www.mca.gov.in) need not comply with provisions of ESI Act till they reach threshold limit of ESI coverage or initial 6 months whichever is earlier. For further details **login to ' [www.esic.in](http://www.esic.in)** . Submission of Mobile Number and Bank Account details(Bank Name, Branch Name & IFSC) shall be mandatory for registration of New employee. For more updates: <https://www.esic.nic.in/circulars/index/page:1>

**2. Labour ministry clarification: Changes in labour laws will not trigger rampant hiring and firing of workers**  
Parliament had last week passed the three labour bills related to industrial relation, social security and

occupational safety, health and working conditions. Following this, all trade unions including the RSS-affiliate Bhartiya Mazdoor Sangh have opposed the bills saying they will firm up plans to protest against these bills in coming days.

the ministry said that fixed-term employment has already been notified by the central government and 14 other states.

“The migrant workers will also be able to enjoy the benefits of portability in respect of ration and avail benefits from building and other construction cess,” it said, adding that they will also get all other benefits of ESIC, EPFO and annual medical check-up etc.

**3. 15 states seek approval for changes in three labour laws from Centre**

According to minister labour minister Santosh Gangwar, reforms in labour laws is a continuous process. Therefore, Central and State Governments strive on a regular basis to update the legislative system as per the need of the hour.

As many as 15 states have reached out to the Centre seeking approval for changes in three labour laws in order to significantly improve the ease of doing business in the country and attract more and more investors into their states.

These include Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Odisha, Punjab, Tripura, Uttarakhand and Uttar Pradesh.

❖ **UPDATES TRACKER UNDER LABOUR LAWS:**

Sl. No.	Particulars	Link
1	670 new electric buses and 241 charging stations sanctioned under FAME scheme	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1658900">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1658900</a>
2	More than a million mandays of employment generated by Indian Railways under Garib Kalyan Rozgar Abhiyaan	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1659545">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1659545</a>
3	Distribution of Free Foodgrains and Pulses to Migrant Labourers	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1658096">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1658096</a>
4	Lok Sabha passes 3 Historic and path breaking Labour Codes Shri Gangwar elaborates several ‘Game Changer’ labour welfare provisions in the Labour Codes Social Security net of ESIC and EPFO to Widen opening up for all workers and self-employed	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657898">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657898</a>
5	Government had endeavoured to balance the rights and obligations of employees and the employers in the Labour Codes : Shri Gangwar	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1654680">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1654680</a>
6	13.63 Lakh Children Mainstreamed through Special Training Centers Set Up Under NCLP: Shri Gangwar	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657368">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657368</a>
7	Relief Package for Unemployed Labourers	<a href="https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657366">https://www.pib.gov.in/PressReleasesDetail.aspx?PRID=1657366</a>
8	President Kovind gives nod to 3 farm bills cleared by Parliament	<a href="https://timesofindia.indiatimes.com/india/president-kovind-gives-nod-to-three-farm-bills-cleared-by-parliament/articleshow/78349172.cms">https://timesofindia.indiatimes.com/india/president-kovind-gives-nod-to-three-farm-bills-cleared-by-parliament/articleshow/78349172.cms</a>



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9	Package to Check Unemployment Rate	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654134">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654134</a>
10	Launch of virtual hearing in quasi-judicial cases under EPF & MP Act, 1952 heralds an era of providing expeditious and affordable adjudication	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654049">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654049</a>
11	Increase in Employment under MGNREGA	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654683">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654683</a>
12	Implementation of MGNREGS during COVID-19 Pandemic	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654684">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654684</a>
13	Garib Kalyan Rojgar Abhiyan	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654680">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654680</a>
14	Union Government has taken unprecedented measures for labour welfare and employment generation across India during Covid-19 pandemic	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654819">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654819</a>
15	Steps taken to ensure safety of healthcare and other health workers of hospitals	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654924">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654924</a>
16	ESIC issues instructions for submission of claims for Unemployment Benefit under Atal Bimit Kalyan Yojana	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655706">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655706</a>
17	Measures for welfare of Pensioners during COVID-19	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655667">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655667</a>
18	Contract for Old Pension Scheme	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656227">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656227</a>
19	All-India Consumer Price Index Numbers for Agricultural And Rural Labourers – August, 2020	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656227">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656227</a>
20	Job Cards to Migrant Labourers and Employed Workers	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656169">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656169</a>
21	Shri Gangwar Introduces Three Labour Codes in Lok Sabha Heralding The Path of Game Changing Labour Welfare Reforms in The Country	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656672">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656672</a>
22	Monitoring of Welfare Measures	<a href="https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/HRM6_WelfareMeasures_10092020.pdf">https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/HRM6_WelfareMeasures_10092020.pdf</a>
23	Reimbursement of OPD medicines Special sanction in view of Covid 19	<a href="https://www.esic.nic.in/attachments/circularfile/918fa19e2716de9c69d006ee1d1be650.pdf">https://www.esic.nic.in/attachments/circularfile/918fa19e2716de9c69d006ee1d1be650.pdf</a>
24	Permission for conducting Personal Hearing in the cases registered u/s 45AA through video conferencing.	<a href="https://www.esic.nic.in/attachments/circularfile/ca60e2a1156cdb276a17339c3741957c.pdf">https://www.esic.nic.in/attachments/circularfile/ca60e2a1156cdb276a17339c3741957c.pdf</a>
25	Submission of Revised Estimates 2020-2021 and Budget Estimates 2021-2022	<a href="https://www.esic.nic.in/attachments/circularfile/4eb6e35daaef1641fa9524c6ea4c3512.pdf">https://www.esic.nic.in/attachments/circularfile/4eb6e35daaef1641fa9524c6ea4c3512.pdf</a>

**5. SEBI – SECURITIES EXCHANGE BOARD OF INDIA**

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

<b><u>FILING MODE(s) :</u></b>	
• For BSE	: BSE LISTING CENTRE
• For NSE	: NEAPS Portal

❖ **Half Yearly Compliances**

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)	Due Date
1.	Regulation 7(3)	Share Transfer Agent.	Listed entity to submit a COMPLIANCE CERTIFICATE within one month of end of half Financial Year to certify maintenance of physical and electronic transfer facility.	31/10/2020
2.	Regulation 33*	Quarterly / Annually Relating to Financial Results	Un audited Financial Results within 45 days & Audited finance within 60 days	14/11/2020
2.1	Regulation 23(9)	Related party transactions.	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	Within 30 days of FR
3.	Regulation 40(9) & (10) / Regulation 61(4)	Transfer or transmission or transposition of securities.	The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. & The listed entity shall ensure that certificate mentioned at sub-regulation (9), shall be filed with the stock exchange(s) simultaneously. Note: Reg 61(4) :The listed entity shall comply with requirements as specified in regulation 40 for transfer of securities including procedural requirements specified in Schedule VII.	31/10/2020

4.	Regulation 52(1)*	Financial Results.	The listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by the Board within forty five days from the end of the half year to the recognised stock exchange(s).	14/11/2020
5.	Regulation 52(2)*	Financial Results.	if the listed entity intimates in advance to the stock exchange(s) that it shall submit to the stock exchange(s) its annual audited results within sixty days from the end of the financial year, un-audited financial results for the last half year accompanied by limited review report by the auditors need not be submitted to stock exchange(s).	30/11/2020

**\*as on 30/09/2020 there is no circular for extension of Financial Result for September Quarter**

❖ **Regular / Annual Compliance**

REG NO	REGULATION NO	PARTICULARS	TIMELINE
47 Advertisements in Newspapers.	47 (3) Advertisements in Newspapers	Financial results at 47 clause (b) of sub-regulation (1), shall be published within 48 hours of conclusion of the meeting of board of directors at which the financial results were approved.	48 HOURS
23 Related party transactions.	Reg 23(9) Related party transactions	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	30 days
24A Secretarial Audit.	Red 24A	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. (within 60 days from the Closure of FY)	60 days from the Closure of FY
36 Documents & Information to shareholders.	36(1)	The listed entity shall send annual report referred to in sub-regulation 36(1), to the holders of securities, not less than twenty-one days before the annual general meeting	21 days before AGM
46 Website	46(2)(s)	The listed entity shall disseminate the following information under a separate section on its website separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year.]	21 days prior 1 days prior to the date of AGM

❖ **COMPLIANCE ON IMPACT OF COVID 19:Reg 4(2)(e),30,33,51**

Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: [Link](#)

❖ **Quarterly compliance which included half year compliance except FR**

REG NO	REGULATION NO	PARTICULARS	TIMELINE
Grievance Redressal Mechanism.	Reg 13 (3)	The listed entity shall file with the recognised stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.	21 Days 21/10/2020
Other corporate governance requirements.	Reg 27(2)	The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within fifteen days from close of the quarter.	15 days 15/10/2020
Intimation	Reg 29 read with Reg 33	intimation regarding item specified in clause 29(1) (a) to be discussed at the meeting of board of directors shall be given at least five days in advance (excluding the date of the intimation and date of the meeting), and such intimation shall include the date of such meeting of board of directors	at least 5 working days in advance, excluding the date of the intimation and date of the meeting
Shareholding Pattern	Reg 31 (1)(b)	The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time within the following timelines - on a quarterly basis, within twenty one days from the end of each quarter;	21 days of each quarter 21/10/2020
Indian Depository Receipt holding pattern & Shareholding details.	69(1)	The listed entity shall file with the stock exchange the Indian Depository Receipt holding pattern on a quarterly basis within fifteen days of end of the quarter in the format specified by the Board.	15 days from end of each quarter 15/10/2020
Intimations and Disclosure of events or information to Stock Exchanges.	87B: Intimations and Disclosure of events or information to Stock Exchanges. READ WITH PART E OF Schedule III	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:	24 HOURS

Valuation, Rating and NAV disclosure.	87C(1) (iii)	An issuer whose security receipts are listed on a stock exchange shall ensure that: the net asset value is calculated on the basis of such independent valuation and the same is declared by the asset reconstruction company within fifteen days of the end of the quarter.	15 Days
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❖ **Event based Compliances**

30 Disclosure of events or information.	30(6) AND 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	24 HOURS
30 Disclosure of events or information.	30(6) AND sub-para 4 of Part A of Schedule III	The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting held to consider the following: a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched; b) any cancellation of dividend with reasons thereof; c) the decision on buyback of securities; d) the decision with respect to fund raising proposed to be undertaken e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched; f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to; g) short particulars of any other alterations of capital, including calls; h) financial results; i) decision on voluntary delisting by the listed entity from stock exchange(s).	30 MINUTES
31A: Conditions for re-classification of any person as promoter / public	31A(8)	The following events shall deemed to be material events and shall be disclosed by the listed entity to the stock exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of the event: (a) receipt of request for re-classification by the listed entity from the promoter(s) seeking re-classification; (b) minutes of the board meeting considering such request which would include the views of the board on the request; (c) submission of application for re-classification of status as promoter/public by the listed entity to the stock exchanges; (d) decision of the stock exchanges on such application as communicated to the listed entity;	24 HOURS

34 Annual Report.	34(1)(b)	in the event of any changes to the annual report, the revised copy along with the details of and explanation for the changes shall be sent not later than 48 hours after the annual general meeting.]	48 HOURS
44 Meetings of shareholders and voting	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.	48 HOURS
47 Advertisements in Newspapers.	47 (3) Advertisements in Newspapers	The listed entity shall publish the information specified in 47(1) in the newspaper simultaneously with the submission of the same to the stock exchange(s). The same is reproduced below <u>47(1) (a)</u> notice of meeting of the board of directors where financial results shall be discussed ( <u>c</u> ) statements of deviation(s) or variation(s) as specified in sub-regulation (1) of regulation 32 on quarterly basis, after review by audit committee and its explanation in directors report in annual report; <u>(d)</u> notices given to shareholders by advertisement	Simultaneously
-	SCHEDULE III PART PART A 7(A)	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
-	SCHEDULE III PART PART A 7(B)	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: i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges. ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided. iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.]	7 days from the date of resignation
7 Share Transfer Agent.	Reg 7(4) & (5) Share Transfer Agent.	The listed entity shall intimate any change or appointment of a new share transfer agent, to the stock exchange(s) within seven days of entering into the agreement.	7 DAYS





29	Reg 29(1)	The intimation required under 29 (1), shall be given at least two working days in advance, excluding the date of the intimation and date of the meeting Reg 29(1) is reproduced below: (b) proposal for buyback of securities ; (c) proposal for voluntary delisting by the listed entity from the stock exchange(s); (d) fund raising by way of further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price: Provided that intimation shall also be given in case of any annual general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance. (e) declaration/ recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend. (f) the proposal for declaration of bonus securities where such proposal is communicated to the board of directors of the listed entity as part of the agenda papers:	at least 2 working days in advance, excluding the date of the intimation and date of the meeting
31 Holding of specified securities and shareholding pattern.	Reg 31 (1)(a)	The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time - one day prior to listing of its securities on the stock exchange(s);	1 day prior to listing of its securities on the stock exchange(s)
31	Reg 31 (1 (c)	within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital:	within 10 days of any capital restructuring
31A Conditions for re-classification of any person as promoter / public	Reg 31A	an application for re-classification of a promoter/ person belonging to promoter group to public to the stock exchanges has to be 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	30 days from the date of approval by shareholders in general meeting
37 Draft Scheme of Arrangement & Scheme of Arrangement.	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
39 Issuance of Certificates or Receipts/Letters/ Advices for securities and dealing with unclaimed securities.	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 a period of thirty days from the date of such lodgement.	30 Days



39 Issuance of Certificates or Receipts/Letters/Advices for securities and dealing with unclaimed securities	39(3)	The listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of its getting information.	2 days of its getting information.
40 Transfer or transmission or transposition of securities.	40 (3)	On receipt of proper documentation, the listed entity 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 fifteen days from the date of such receipt of request for transfer	15 days
40 Transfer or transmission or transposition of securities.	40 (3)	the listed entity shall ensure that transmission requests are processed for securities held in dematerialized mode within seven days after receipt of the specified documents:	7 Days
40 Transfer or transmission or transposition of securities.	40 (3)	the listed entity shall ensure that transmission requests are processed for securities held in physical mode within twenty one days after receipt of the specified documents:	21 Days
-	SCHEDULE VII: TRANSFER OF SECURITIES (PART B (1))	In case of minor differences in the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities: (a) the listed entity shall promptly send to the first transferor(s), via speed post an intimation of the aforesaid defect in the documents and inform the transferor(s) that objection, supported by valid proof, is not lodged by the transferor(s) with the listed entity within fifteen days of receipt of the listed entity's letter, then the securities shall be transferred	15 Days
42 Record Date or Date of closure of transfer books.	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:	7 working days advance intimation excluding the date of the intimation and date of the meeting
42 Record Date or Date of closure of transfer books.	42(2)	in the case of rights issues, the listed entity shall give notice in advance of atleast three working days (excluding the date of intimation and the record date).]	3 working days advance intimation excluding the date of the intimation and date of the meeting



42 Record Date or Date of closure of transfer books.	42(3)	The listed entity shall recommend or declare all dividend and/or cash bonuses at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.	5 working days advance intimation excluding the date of the intimation and date of the meeting
46 Website	46 (3)(b)	The listed entity shall update any change in the content of its website within two working days from the date of such change in content.	2 working days
50 Intimation to stock exchange(s).	50(1)	The listed entity shall give prior intimation to the stock exchange(s) at least eleven 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.	11 working days
50 Intimation to stock exchange(s).	50(3)	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.	2 working days advance intimation excluding the date of the intimation and date of the meeting
52 Financial Results.	52 (4) & (5)	The listed entity shall, within seven working days from the date of submission of the information required under sub- regulation (4), submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents	7 working days
52 Financial Results.	52 (4) & (8)	The listed entity shall, within two calendar days of the conclusion of the meeting of the board of directors, publish the financial results and statement referred to in reg 52 (4), in at least one English national daily newspaper circulating in the whole or substantially the whole of India.	two calendar days of the conclusion of the meeting
57 Other submissions to stock exchange(s).	57(1)	The listed entity shall submit a certificate to the stock exchange within two 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
60 Record Date	60(2)	The listed entity shall give notice in advance of at least 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(s) may agree to or require specifying the purpose of the record date.	7 working days advance intimation excluding the date of the intimation and date of the meeting
78 Record Date.	78(2)	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	notice in advance of at least 4 working days



82 Intimation and filings with stock exchange(s).	82(2)	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 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.	2 working days in advance, excluding the date of the intimation and date of the meeting,
82 Intimation and filings with stock exchange(s).	82(3)	The listed entity shall submit such statements, reports or information including financial information pertaining to Schemes to stock exchange within seven days from the end of the month/ actual payment date, either by itself or through the servicer, on a monthly basis in the format as specified by the Board from time to time: Provided that where periodicity of the receivables is not monthly, reporting shall be made for the relevant periods.	within 7 days
87 Record Date.	87(2)	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	7 working days advance intimation excluding the date of the intimation and date of the meeting
87E Record Date.	87E(2)	The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the 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.	7 working days advance intimation excluding the date of the intimation and date of the meeting

**Few More SEBI (LODR) Relaxations:**

Sl. No.	Compliance Particulars	Due Date	Extended Due Date
1.	Regulation 36 (1)(b) & (c) ; Regulation 58 (1)(b) &(c) Hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same	SEBI has dispensed with the requirement of dispatch of hard copies for all listed entities who conduct their AGM <u>till December 31, 2020</u>	
2.	Regulation 44(4) Proxy for general meetings	SEBI has dispensed with this requirement temporarily for all listed entities who conduct their AGM through electronic mode only till 31 <sup>st</sup> December, 2020	

3.	Regulation 12 Dividend warrants of cheques	SEBI has clarified that this requirement shall apply only once postal services resume normal operations. Where email addresses of shareholders are available, listed entities shall endeavour to obtain their bank account details and use the electronic modes of payment specified in Schedule I of the SEBI (LODR), Regulations, 2015.
5.	Clarification regarding the use of digital signatures	Authentication /certification of any filing /submission made to stock exchanges under LODR may be done using digital signature certifications until December 31, 2020

### **SYSTEM DRIVEN DISCLOSURE**

**FOR SAST AND PIT REG:** Listed entities shall follow System Driven Disclosure by designating 1 Depository as Designated Depository and uploading the Formation of promoter. Promoter Group ,Designated Person, Directors, Employees not below 2 level (till 30/09/2020)

The Key Summary of System Driven Disclosure of Sep 9, 2020 ([Link](#)) is reproduced below:

“→. Listed company shall provide the information including PAN number of Promoter(s) including member(s) of the promoter group, designated person(s) and director(s) (hereinafter collectively referred to as entities) as per PIT Regulations to the designated depository (selected in terms of SEBI circular ref. no. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018) in the format and manner prescribed by the Depositories. For PAN exempt entities, the Investor’s Demat account number(s) shall be specified by the listed company. The information shall be provided within 10 days from the date of this circular.

→. The designated depository shall share the information received from the listed company with other depository.

→. In case of any subsequent update in the details of the entities, the listed company shall update the information with the designated depository on the same day. The designated depository shall share the incremental changes with the other depository on the day of receipt from the listed company.”

Below is summary of circulars issued in this regards.

Date	Title
Sep 23, 2020	<a href="#"><u>System-Driven Disclosures (SDD) under SEBI (SAST) Regulations, 2011</u></a>
Sep 09, 2020	<a href="#"><u>Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures</u></a>
May 28, 2018	<a href="#"><u>System-driven Disclosures in Securities Market</u></a>
Dec 21, 2016	<a href="#"><u>System-driven disclosures in Securities Market</u></a>
Dec 01, 2015	<a href="#"><u>Introduction of system-driven disclosures in Securities Market</u></a>

**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 <sup>st</sup> 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  <u>Due Date Extended</u>
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	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.
3.	Regulation 31(1) read with Regulation 28(3) of Takeover Regulations AUGUST 7, 2019 CIRCULAR <a href="https://www.sebi.gov.in/legal/circulars/aug-2019/disclosure-of-reasons-for-encumbrance-by-promoter-of-listed-companies_43837.html">https://www.sebi.gov.in/legal/circulars/aug-2019/disclosure-of-reasons-for-encumbrance-by-promoter-of-listed-companies_43837.html</a>	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
4.	Regulation 31(4)	Disclosure of encumbered shares	Promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the 31st March, in such target company in such form as may be specified

**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	<p>SEBI CIRCULAR Aug 19, 2019 <a href="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">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</a></p>	<p>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.</p>	<p>Within 7 working days from grant of date of listing approval</p>
4	<p>Regulation 76 Application for rights issue</p>	<p>The issuer along with lead managers and other parties related to the issue shall constitute an optional mechanism (non-cash mode only) to accept the applications of the shareholders to apply to rights issue subject to ensuring that no third-party payments shall be allowed in respect of any application</p>	
5.	<p>Regulation 77 Service of Documents</p>	<p>In case if the company fails to adhere to modes of dispatch through registered post or speed post or courier services due to Covid-19 conditions it will not be treated as non-compliance during the said period. The issuers shall publish required &amp; necessary documents on the websites of the company, registrar, stock exchanges and the lead managers to the rights issue</p>	
6	<p>Regulation 84  Advertisement</p>	<p>Issuer has the flexibility to publish the advertisement in additional newspapers above those required in Regulation 84. The advertisement should also be made available on:</p> <p>A. Website of the Issuer, Registrar, Lead Managers, and Stock Exchanges. B. Television channels, radio, the internet, etc. to spread information related to the process.</p>	



7.	All offer documents filed until July 31, 2020	<p>A. Authentication/ certification for offer documents can be done through DSC.</p> <p>B. The issuer shall provide a procedure to inspect documents electronically</p>
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CIRCULAR DATED : APRIL 21,2020: the relaxation on change in fresh issue size shall be applicable for issues (IPO/ Rights Issues/ FPO) opening before December 31, 2020 ([https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations\\_46536.html](https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations_46536.html))

Read with

Circular Dated 29/09/2020 Relaxation with respect to Validity of SEBI Observations and Revision in issue size ([https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size\\_47719.html](https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size_47719.html)) w.e.f 01/10/2020

In view of the impact of the COVID-19 pandemic, based on representations from various industry bodies, SEBI has decided to grant the following onetime relaxations:

(i) In terms of Regulation 44(1), 85 and 140 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), a public issue/rights issue may be opened within twelve months from the date of issuance of observations by SEBI. The validity of the SEBI Observations where the same have expired/will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation, subject to an undertaking from lead manager of the issue on firming compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to the Board.

(ii) In terms of Schedule XVI (1) (f)(i) of the ICDR Regulations, 2018 any increase or decrease in estimated fresh issue size by more than twenty percent of the estimated fresh issue size shall require fresh filing of the draft offer document along with fees.

An issuer shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board subject to following conditions: (a) there has been no change in the objects of the issue (b) the lead manager undertakes that the draft offer document is in compliance with provisions of Regulation 7(1)(e) (c) the lead manager shall ensure that all appropriate changes are made to the relevant section of DRHP and an addendum, in this regard, shall be made public

This shall continue till 31/03/2021 (Added in circular 29/09/2020)

the validity of the SEBI observations expiring between October 1, 2020 and March 31, 2021 shall be extended upto March 31, 2021, subject to an undertaking from lead manager to the issue confirming compliance with Schedule XVI of the ICDR Regulations, 2018 while submitting the updated offer document to the Board

(Added in circular 29/09/2020)

**9.. SEBI (BUYBACK OF SECURITIES) REGULATIONS, 2018 (BUYBACK REGULATIONS)**

Sl. N	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
2	Regulation 24(i) (f)	Minimum time between buy back and raising of funds	Temporary relaxation in the period of restriction provided in Regulation 24(i)(f) from “one year” to “six months” Applicable up to December 31, 2020 only

**10. SEBI (DEPOSITORIES AND PARTICIPANTS) REGULATIONS 2018)**

Sl. No.	Compliance Particulars	Due Date
1.	Regulation 76 Reconciliation of Shares and Capital Audit	30.10.2020
2.	Regulation 74 (5): Processing of demat requests form by Issuer/RTAs - Certificate Received from Registrar	Within 15 days of receipt of the certificate of security

**11. REGULATORY REQUIREMENTS BY THE TRADING MEMBERS / CLEARING MEMBERS / DEPOSITORY PARTICIPANTS, MENTIONED IN THE SEBI CIRCULARS, AS UNDER:**

Compliance requirements for which timelines were extended vide SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/61 dated April 16, 2020.	S. Nos. for which timeline is extended	Extended timeline / Period of exclusion
Maintaining call recordings of orders/instructions received from clients.	XI	Till 31.12.2020
Compliance requirements for which timelines were extended vide SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020.	S. Nos. for which timeline is extended	Extended timeline/ Period of exclusion
KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	III	Period of exclusion shall be from March 23, 2020 till December 31, 2020.

<b>NEW RELAXATION (NOT INCLUDED IN ABOVE SEBI CIRCULARS)</b>		
Cyber Security & Cyber Resilience Audit for the year ended March 31, 2020.	-	Till 31.12.2020

**OCTOBER 01, 2020 CIRCULAR : (LINK)**

→ **STANDARD OPERATING PROCEDURE IN THE CASES OF TRADING MEMBER/ CLEARING MEMBER LEADING TO DEFAULT-EXTENSION OF TIMELINE FOR SUBMISSION OF THE UNDERTAKING CUM INDEMNITY BOND BY THE TRADING MEMBERS (TMS) / CLEARING MEMBERS (CMS) FOR ALL THE BANK ACCOUNTS:** It has been decided to extend the timeline for submission of the undertaking cum indemnity bond by the TM / CM for all the bank accounts by A period of one month i.e. till October 31, 2020 (<https://www.sebi.gov.in/legal/circulars/oct-2020/standard-operating-procedure-in-the-cases-of-trading-member-clearing-member-leading-to-default-extension-of-timeline-for-submission-of-the-undertaking-cum-indemnity-bond-by-the-trading-members-tm-47780.html>)

**12. SEBI RELAXATIONS FOR PREFERENTIAL ISSUES MATTERS**

Securities Exchange Board of India (SEBI) vide Press Release no. PR No.35/2020 dated 23rd June, 2020 has come out with Relaxations for Listed Companies having stressed assets aimed at helping stressed companies raise capital through timely financial intervention, at the same time protecting the interest of shareholders.

**Relaxations are divided into two main parts:**

- Relaxations in the pricing methodology for preferential issues
- exempt allottees of preferential issues from open offer obligations

**What are the relaxations:**

Pricing of their preferential allotments	Exempted from making an open offer
not less than the average of the weekly high and low of the volume weighted average prices of the related equity shares during the two weeks preceding the relevant date.	if the acquisition is beyond the prescribed threshold or if the open offer is warranted due to change in control, in terms of Takeover Regulations.

**Read full at :** [https://www.sebi.gov.in/media/press-releases/jun-2020/relaxations-for-listed-companies-having-stressed-assets\\_46910.html](https://www.sebi.gov.in/media/press-releases/jun-2020/relaxations-for-listed-companies-having-stressed-assets_46910.html)

**13. MUTUAL FUND**

→ **Review of provision regarding segregation of portfolio due to the COVID -19 pandemic:** if the CRA is of the view that the restructuring by the lenders/ investors is solely due to COVID-19 related stress or under the aforementioned RBI framework, CRAs may not consider the same as a default event and/or recognize default . Considering the above and in partial modification to aforementioned circular dated December 28, 2018, the date

of proposal for restructuring of debt received by AMCs shall be treated as the trigger date for the purpose of creation of segregated portfolio. Further, all other relevant provisions of Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 and Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019 issued with respect to Segregation of Portfolio and the letter No. SEBI/HO/IMD/DF2/OW/2019/22447/1 dated August 29, 2019 issued with respect to Prudential Framework for Resolution of Stressed Assets shall remain applicable. The modifications permitted to SEBI circular dated December 28, 2018 shall be in force till December 31, 2020 ([Link](#))

**→ Review of provisions regarding valuation of debt and money market instruments due to the COVID - 19 pandemic.:** In line with the same, discretion needs to be provided to valuation agencies engaged by AMCs/AMFI for recognition of default in case proposal of restructuring of debt is solely due to COVID-19 related stress. For the said purpose, any proposal of restructuring received by Debenture Trustees shall be communicated to investors immediately. Further, any proposal received by Mutual Funds from lenders/issuer/Debenture Trustees shall be reported immediately to the valuation agencies (along with the other material information required for the purpose of valuation), Credit Rating Agencies and AMFI. AMFI, on receipt of such information, shall immediately disseminate it to its members. The modifications permitted to SEBI Circular dated September 24, 2019 shall be in force till December 31, 2020. ([Link](#))

#### **14. STAMP DUTY RATES W.E.F. 1ST JULY 2020 & AIF UPDATE**

The amended provisions of the Indian Stamp Act, 1899 brought through Finance Act, 2019 and Rules made thereunder shall come into force w.e.f 1st July, 2020. The stamp duty rates being implemented through the Amended Indian Stamp Act w.e.f 01/07/2020 are:

Instruments	Rate
Issue of Debenture	0.005%
Transfer and Re-issue of debenture	0.0001%
Issue of security other than debenture	0.005%
Transfer of security other than debenture on delivery basis;	0.015%
Transfer of security other than debenture on non-delivery basis	0.003%
Derivatives–	
(i) Futures (Equity and Commodity)	0.002%
(ii) Options (Equity and Commodity)	0.003%
(iii) Currency and Interest Rate Derivatives	0.0001%
(iv) Other Derivatives	0.002%
Government Securities	0%
Repo on Corporate Bonds	0.00001%

REFER FAQ ON STAMP DUTY: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jun-2020/1593534237938.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jun-2020/1593534237938.pdf)

AIFS, WHERE RTA HAVE NOT BEEN APPOINTED SO FAR, SHALL APPOINT RTA, AT THE EARLIEST, BUT NOT LATER THAN JULY 15, 2020 TO ENABLE COLLECTION OF APPLICABLE STAMP DUTY ON ISSUE, TRANSFER AND SALE OF UNITS OF AIFS IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE INDIAN STAMP ACT, 1899 AND THE RULES MADE THEREUNDER: CIRCULAR : [https://www.sebi.gov.in/legal/circulars/jun-2020/collection-of-stamp-duty-on-issue-transfer-and-sale-of-units-of-aifs\\_46983.html](https://www.sebi.gov.in/legal/circulars/jun-2020/collection-of-stamp-duty-on-issue-transfer-and-sale-of-units-of-aifs_46983.html)

SEBI Circulars Tracker: 01.09.2020 to 30.09.2020

Sl. No.	Particulars	Link
1	Notice of Adjournment of sale of immovable properties of Asurre Agrowtech Limited	<a href="https://www.sebi.gov.in/filings/processing-status/aug-2020/processing-status-scheme-of-arrangement-32683.html">https://www.sebi.gov.in/filings/processing-status/aug-2020/processing-status-scheme-of-arrangement-32683.html</a>
2	Appeal No. 3870 of 2020 filed by Anil Sharma	<a href="https://www.sebi.gov.in/enforcement/orders/aug-2020/appeal-no-3870-of-2020-filed-by-anil-sharma_47430.html">https://www.sebi.gov.in/enforcement/orders/aug-2020/appeal-no-3870-of-2020-filed-by-anil-sharma_47430.html</a>
3	Adjudication order in respect of 6 entities in the matter of Ramchandra Leasing and Finance Ltd.	<a href="https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-respect-of-6-entities-in-the-matter-of-ramchandra-leasing-and-finance-ltd-47434.html">https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-respect-of-6-entities-in-the-matter-of-ramchandra-leasing-and-finance-ltd-47434.html</a>
4	Data relating to activities of Alternative Investment Funds (AIFs)	<a href="https://www.sebi.gov.in/statistics/1392982252002.html">https://www.sebi.gov.in/statistics/1392982252002.html</a>
5	Adjudication Order in the matter of Pathway Finance Societe A Responsabilite Limitee	<a href="https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-the-matter-of-pathway-finance-societe-a-responsabilite-limitee_47443.html">https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-the-matter-of-pathway-finance-societe-a-responsabilite-limitee_47443.html</a>
6.	Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19	<a href="https://www.sebi.gov.in/legal/circulars/aug-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19_47446.html">https://www.sebi.gov.in/legal/circulars/aug-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19_47446.html</a>
7.	Relaxation from default recognition due to restructuring of debt	<a href="https://www.sebi.gov.in/legal/circulars/aug-2020/relaxation-from-default-recognition-due-to-restructuring-of-debt_47447.html">https://www.sebi.gov.in/legal/circulars/aug-2020/relaxation-from-default-recognition-due-to-restructuring-of-debt_47447.html</a>
8.	Adjudication order in respect of Amtek Auto Limited	<a href="https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-respect-of-amtek-auto-limited_47458.html">https://www.sebi.gov.in/enforcement/orders/aug-2020/adjudication-order-in-respect-of-amtek-auto-limited_47458.html</a>
9.	Debt Offer Document- KOSAMATTAM FINANCE LIMITED– Draft Prospectus	<a href="https://www.sebi.gov.in/filings/debt-offer-document/aug-2020/kosamattam-finance-limited-draft-prospectus_47489.html">https://www.sebi.gov.in/filings/debt-offer-document/aug-2020/kosamattam-finance-limited-draft-prospectus_47489.html</a>
10.	Buyback - Sterlite Technologies Limited - Post Buy-Back Public Announcement	<a href="https://www.sebi.gov.in/filings/buybacks/sep-2020/sterlite-technologies-limited-post-buy-back-public-announcement_47461.html">https://www.sebi.gov.in/filings/buybacks/sep-2020/sterlite-technologies-limited-post-buy-back-public-announcement_47461.html</a>
11.	Review of debt and money market securities transactions disclosure	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/review-of-debt-and-money-market-securities-transactions-disclosure_47465.html">https://www.sebi.gov.in/legal/circulars/sep-2020/review-of-debt-and-money-market-securities-transactions-disclosure_47465.html</a>

12.	Informal Guidance - In the matter of Raghav Commercial Limited under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.	<a href="https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/in-the-matter-of-raghav-commercial-limited-under-sebi-substantial-acquisition-of-shares-and-takeovers-regulations-2011-and-sebi-prohibition-of-insider-trading-regulations-2015-47472.html">https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/in-the-matter-of-raghav-commercial-limited-under-sebi-substantial-acquisition-of-shares-and-takeovers-regulations-2011-and-sebi-prohibition-of-insider-trading-regulations-2015-47472.html</a>
13.	Review of provision regarding segregation of portfolio due to the COVID – 19 Pandemic	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/review-of-provision-regarding-segregation-of-portfolio-due-to-the-covid-19-pandemic-47477.html">https://www.sebi.gov.in/legal/circulars/sep-2020/review-of-provision-regarding-segregation-of-portfolio-due-to-the-covid-19-pandemic-47477.html</a>
14.	Circular on Re-lodgement of Transfer Requests Shares	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/re-lodgement-of-transfer-requests-shares-47500.html">https://www.sebi.gov.in/legal/circulars/sep-2020/re-lodgement-of-transfer-requests-shares-47500.html</a>
15.	Circular on Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market – Addition of NSE to the list	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/entities-permitted-to-undertake-e-kyc-aadhaar-authentication-service-of-uidai-in-securities-market-addition-of-nse-to-the-list-47502.html">https://www.sebi.gov.in/legal/circulars/sep-2020/entities-permitted-to-undertake-e-kyc-aadhaar-authentication-service-of-uidai-in-securities-market-addition-of-nse-to-the-list-47502.html</a>
16.	Monthly SEBI Bulletin: August 2020	<a href="https://www.sebi.gov.in/reports-and-statistics/publications/sep-2020/sebi-bulletin-august-2020-47506.html">https://www.sebi.gov.in/reports-and-statistics/publications/sep-2020/sebi-bulletin-august-2020-47506.html</a>
17.	Order in the matter of Delisting of Equity Shares of Aaradhana Realities Limited	<a href="https://www.sebi.gov.in/enforcement/orders/sep-2020/order-in-the-matter-of-delisting-of-equity-shares-of-aaradhana-realities-limited-47513.html">https://www.sebi.gov.in/enforcement/orders/sep-2020/order-in-the-matter-of-delisting-of-equity-shares-of-aaradhana-realities-limited-47513.html</a>
18.	Releasing Order of Mukerian Papers Ltd. in the matter of Non redressal of investor complaints: Certificate No. 64 of 2014	<a href="https://www.sebi.gov.in/enforcement/recovery-proceedings/sep-2020/releasing-order-of-mukerian-papers-ltd-in-the-matter-of-non-redressal-of-investor-complaints-certificate-no-64-of-2014-47516.html">https://www.sebi.gov.in/enforcement/recovery-proceedings/sep-2020/releasing-order-of-mukerian-papers-ltd-in-the-matter-of-non-redressal-of-investor-complaints-certificate-no-64-of-2014-47516.html</a>
19.	Press Release: Re-lodgement of Transfer Requests of Shares	<a href="https://www.sebi.gov.in/media/press-releases/sep-2020/re-lodgement-of-transfer-requests-of-shares-47518.html">https://www.sebi.gov.in/media/press-releases/sep-2020/re-lodgement-of-transfer-requests-of-shares-47518.html</a>
20.	Operating Guidelines for Portfolio Managers in International Financial Services Centre	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/operating-guidelines-for-portfolio-managers-in-international-financial-services-centre-47522.html">https://www.sebi.gov.in/legal/circulars/sep-2020/operating-guidelines-for-portfolio-managers-in-international-financial-services-centre-47522.html</a>
21.	Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-47523.html">https://www.sebi.gov.in/legal/circulars/sep-2020/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-47523.html</a>
22.	Unserved Show cause Notices in the matter of Secunderabad Healthcare Limited	<a href="https://www.sebi.gov.in/enforcement/unserved-summons-notices/sep-2020/unserved-show-cause-notices-in-the-matter-of-secunderabad-healthcare-limited-47537.html">https://www.sebi.gov.in/enforcement/unserved-summons-notices/sep-2020/unserved-show-cause-notices-in-the-matter-of-secunderabad-healthcare-limited-47537.html</a>
23.	Circular on Asset Allocation of Multi Cap Funds	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-asset-allocation-of-multi-cap-funds-47542.html">https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-asset-allocation-of-multi-cap-funds-47542.html</a>
24.	Consultation Paper on review of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	<a href="https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/consultation-paper-on-review-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-47543.html">https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/consultation-paper-on-review-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-47543.html</a>

25	Clarification pursuant to Circular dated September 11, 2020 - Regarding Asset Allocation of Multi Cap Schemes of Mutual Funds	<a href="https://www.sebi.gov.in/media/press-releases/sep-2020/clarification-pursuant-to-circular-dated-september-11-2020-regarding-asset-allocation-of-multi-cap-schemes-of-mutual-funds_47546.html">https://www.sebi.gov.in/media/press-releases/sep-2020/clarification-pursuant-to-circular-dated-september-11-2020-regarding-asset-allocation-of-multi-cap-schemes-of-mutual-funds_47546.html</a>
26	Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment - Clarification	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment-clarification_47557.html">https://www.sebi.gov.in/legal/circulars/sep-2020/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment-clarification_47557.html</a>
27	Regulatory measures to continue	<a href="https://www.sebi.gov.in/media/press-releases/sep-2020/regulatory-measures-to-continue_47588.html">https://www.sebi.gov.in/media/press-releases/sep-2020/regulatory-measures-to-continue_47588.html</a>
28	Extension of time for sharing information by listed companies relating to System driven disclosures. Extended till 30 September 2020	<a href="https://static.nseindia.com/s3fs-public/inline-files/NSE_Circular_18092020.pdf">https://static.nseindia.com/s3fs-public/inline-files/NSE_Circular_18092020.pdf</a>
29	Extension of Timeline for submission of public comments on the Formats for Business Responsibility and Sustainability Reporting	<a href="https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/extension-of-timeline-for-submission-of-public-comments-on-the-formats-for-business-responsibility-and-sustainability-reporting_47581.html">https://www.sebi.gov.in/reports-and-statistics/reports/sep-2020/extension-of-timeline-for-submission-of-public-comments-on-the-formats-for-business-responsibility-and-sustainability-reporting_47581.html</a>
30	Ad interim ex parte order cum Show Cause Notice in the matter of Kalyani and Kalyani Developers ( India) Ltd.	<a href="https://www.sebi.gov.in/enforcement/orders/sep-2020/ad-interim-ex-parte-order-cum-show-cause-notice-in-the-matter-of-kalyani-and-kalyani-developers-india-ltd-47558.html">https://www.sebi.gov.in/enforcement/orders/sep-2020/ad-interim-ex-parte-order-cum-show-cause-notice-in-the-matter-of-kalyani-and-kalyani-developers-india-ltd-47558.html</a>
31	UTI Momentum Index Fund	<a href="https://www.sebi.gov.in/filings/mutual-funds/sep-2020/uti-momentum-index-fund_47562.html">https://www.sebi.gov.in/filings/mutual-funds/sep-2020/uti-momentum-index-fund_47562.html</a>
32	Computer Age Management Services Limited - Addendum to RHP	<a href="https://www.sebi.gov.in/filings/public-issues/sep-2020/computer-age-management-services-limited-addendum-to-rhp_47572.html">https://www.sebi.gov.in/filings/public-issues/sep-2020/computer-age-management-services-limited-addendum-to-rhp_47572.html</a>
33	Circular on Mutual Funds	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-mutual-funds_47574.html">https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-mutual-funds_47574.html</a>
34	Informal Guidance sought by Lets Venture Advisors LLP	<a href="https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/informal-guidance-sought-by-lets-venture-advisors-llp_47576.html">https://www.sebi.gov.in/enforcement/informal-guidance/sep-2020/informal-guidance-sought-by-lets-venture-advisors-llp_47576.html</a>
35	SEBI constitutes Technical group on Social Stock Exchange	<a href="https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-constitutes-technical-group-on-social-stock-exchange_47607.html">https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-constitutes-technical-group-on-social-stock-exchange_47607.html</a>
36	Write-off of shares held by FPIs	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/write-off-of-shares-held-by-fpis_47608.html">https://www.sebi.gov.in/legal/circulars/sep-2020/write-off-of-shares-held-by-fpis_47608.html</a>
37	Circular on Resources for Trustees of Mutual Funds	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-resources-for-trustees-of-mutual-funds_47630.html">https://www.sebi.gov.in/legal/circulars/sep-2020/circular-on-resources-for-trustees-of-mutual-funds_47630.html</a>
38	System-Driven Disclosures (SDD) under SEBI (SAST) Regulations, 2011	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/system-driven-disclosures-sdd-under-sebi-sast-regulations-2011_47632.html">https://www.sebi.gov.in/legal/circulars/sep-2020/system-driven-disclosures-sdd-under-sebi-sast-regulations-2011_47632.html</a>
39	Rationalization of Eligibility criteria and Disclosure requirements for Rights Issues	<a href="https://www.sebi.gov.in/media/press-releases/sep-2020/rationalization-of-eligibility-criteria-and-disclosure-requirements-for-rights-issues_47638.html">https://www.sebi.gov.in/media/press-releases/sep-2020/rationalization-of-eligibility-criteria-and-disclosure-requirements-for-rights-issues_47638.html</a>

40	Guidelines for Investment Advisers	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/guidelines-for-investment-advisers_47640.html">https://www.sebi.gov.in/legal/circulars/sep-2020/guidelines-for-investment-advisers_47640.html</a>
41	Operating Guidelines for Investment Advisers in International Financial Services Centre (IFSC) – Amendments	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/operating-guidelines-for-investment-advisers-in-international-financial-services-centre-ifsc-amendments_47694.html">https://www.sebi.gov.in/legal/circulars/sep-2020/operating-guidelines-for-investment-advisers-in-international-financial-services-centre-ifsc-amendments_47694.html</a>
42	Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit_47696.html">https://www.sebi.gov.in/legal/circulars/sep-2020/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit_47696.html</a>
43	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020	<a href="https://www.sebi.gov.in/legal/regulations/sep-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-fourth-amendment-regulations-2020_47712.html">https://www.sebi.gov.in/legal/regulations/sep-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-fourth-amendment-regulations-2020_47712.html</a>
44	Relaxation with respect to Validity of SEBI Observations and Revision in issue size	<a href="https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size_47719.html">https://www.sebi.gov.in/legal/circulars/sep-2020/relaxation-with-respect-to-validity-of-sebi-observations-and-revision-in-issue-size_47719.html</a>
45	Framework for monitoring of foreign holding in Depository Receipts	<a href="https://www.sebi.gov.in/legal/circulars/oct-2020/framework-for-monitoring-of-foreign-holding-in-depository-receipts_47777.html">https://www.sebi.gov.in/legal/circulars/oct-2020/framework-for-monitoring-of-foreign-holding-in-depository-receipts_47777.html</a>
46	Relaxation in timelines for compliance with regulatory requirements	<a href="https://www.sebi.gov.in/legal/circulars/oct-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47778.html">https://www.sebi.gov.in/legal/circulars/oct-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47778.html</a>

**LIST OF BSE CIRCULARS:**

<a href="#">Relaxation with respect to Validity of SEBI Observations and Revision in issue size</a>	September 30, 2020
<a href="#">Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT</a>	September 29, 2020
<a href="#">Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT</a>	September 29, 2020
<a href="#">System-Driven Disclosures (SDD) under SEBI (SAST) Regulations, 2011</a>	September 23, 2020
<a href="#">Extension of time for sharing information by listed companies relating to System driven disclosures</a>	September 21, 2020
<a href="#">Clarification pertaining to submission of disclosures along with the financial statements by listed entities for the purpose of compliance with SEBI CP circulars read with SEBI LODR Regulations, 2015</a>	September 16, 2020
<a href="#">Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures.</a>	September 10, 2020
<a href="#">Re-lodgement of Transfer Requests Shares</a>	September 7, 2020



**15. 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 (6+6 months)	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. <a href="http://www.mca.gov.in/Ministry/pdf/CompaniesFourthAmendmentRules_19122018.pdf">http://www.mca.gov.in/Ministry/pdf/CompaniesFourthAmendmentRules_19122018.pdf</a>	MCA E- Form INC 20A (one time compliance)  (also covered under CFSS, 2020)
Companies Act, 2013	First declaration within 90 days from the date of notification Dt. 08.02.2019	A person having Significant beneficial owner shall file a declaration to the reporting company <a href="http://www.mca.gov.in/Ministry/pdf/CompaniesOwnersAmendmentRules_08020219.pdf">http://www.mca.gov.in/Ministry/pdf/CompaniesOwnersAmendmentRules_08020219.pdf</a> i.e. within 90 days of the commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019 i.e. 08.02.2019  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.	Form BEN-1 Draft Format available at <a href="https://enlightengovernance.blogspot.com/2019/07/draft-format-for-ben-1-sbo-rules-2018.html">https://enlightengovernance.blogspot.com/2019/07/draft-format-for-ben-1-sbo-rules-2018.html</a>
Companies Act, 2013	31.12.2020  (Due Date Extended as covered under CFSS 2020 Scheme)	Filing of form BEN-2 under the Companies (Significant Beneficial Owners) Rules, 2018. (Within 30 days from deployment of the E –form (earlier the date of receipt of declaration in BEN-1 ) <a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf</a> BEN -2 due date extended till 31.03.2020 Circulars Link: <a href="http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf">http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf</a>	Form BEN – 2 (e-form deployed by Ministry (ROC) on 01.07.2019)



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Companies Act, 2013	File between 01.04.2020 to 31.12.2020 without any Additional filing fee (Rs. 10,000/-)	the particulars of the Company & its registered office. (by every company incorporated on or before the 31.12.2017.) Due date extended- Link : <a href="http://www.mca.gov.in/Ministry/pdf/CompaniesRegistrationOfficesFeesRule_25042019.pdf">http://www.mca.gov.in/Ministry/pdf/CompaniesRegistrationOfficesFeesRule_25042019.pdf</a>	Active Form INC -22A
Companies Act, 2013	File between 01.04.2020 to 31.12.2020 without any Additional filing fee (Rs. 5,000/-)	*DIN KYC through DIR 3 KYC Form is an Annual Exercise. Last date for filing DIR-3 KYC for Financial year 2018-19 has been extended till 14th November 2019 <a href="http://www.mca.gov.in/Ministry/pdf/Companies5thAmendtRules_30092019.pdf">http://www.mca.gov.in/Ministry/pdf/Companies5thAmendtRules_30092019.pdf</a> <a href="http://www.mca.gov.in/Ministry/pdf/Companies4thAmendtRules_30092019.pdf">http://www.mca.gov.in/Ministry/pdf/Companies4thAmendtRules_30092019.pdf</a> Annual Exercise: <a href="http://www.mca.gov.in/Ministry/pdf/DIR3KYCcompleteMessage_13042019.pdf">http://www.mca.gov.in/Ministry/pdf/DIR3KYCcompleteMessage_13042019.pdf</a> Penalty after due date is Rs. 5000/-(one time)	E-Form DIR – 3 KYC (Web Based and E-form)
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 <a href="#">Applicable w.e.f. 30.09.2019</a> <a href="#">Extension Notification;</a>	E-Form PAS – 6 Available w.e.f. 15.07.2020 (ICSI Representation sent to the ministry to include PAS-6 into CFSS)
Companies Act, 2013	Within 270 days from the date of deployment of this Form	Annual Return To Be Filed By Auditor With The National Financial Reporting Authority <a href="http://www.mca.gov.in/Ministry/pdf/Circular_06032020_0.pdf">http://www.mca.gov.in/Ministry/pdf/Circular_06032020_0.pdf</a> <a href="http://www.mca.gov.in/Ministry/pdf/Circular19_30042020.pdf">http://www.mca.gov.in/Ministry/pdf/Circular19_30042020.pdf</a> <a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.26_06072020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.26_06072020.pdf</a>  <a href="#">Note on NFRA -2 Click Here</a>	NFRA-2 (NFRA-2 e-Form live since 9th December 2019.)
Companies Act, 2013	Due date was 30.06.2020 and can be filed till 31.12.2020 under Moratorium period / CFSS	DPT 3 is a return of deposits that companies must file to furnish information about deposits and/or outstanding receipt of loan or money other than deposits.  Company can file Form DPT-3 upto 31.12.2020 without any additional fee	DPT-3

**KEY UPDATES:**
**The Companies Amendment Act, 2020**

The Companies Amendment Act, 2020 is being introduced with an aim to promote greater ease of doing business by decriminalizing various non compoundable offences in case of defaults made under the Companies Act, 2013 and rules made there under.

The Companies (Amendment) Bill, 2020 was passed on 19th September, 2020 in the Lok Sabha with 72 changes made in 65 sections and decriminalization of certain offences under Companies Act, 2013. The Companies (Amendment) Bill, 2020 was passed in the Rajya Sabha on 22<sup>nd</sup> September, 2020. On 28<sup>th</sup> September, 2020- Received the assent of the President & published in the Gazette of India by Ministry of Law And Justice (Legislative Department) and become an Act called “The Companies (Amendment) Act, 2020”.

**Copy of the Companies (Amendment) Act, 2020 is available at:**  
[http://www.mca.gov.in/Ministry/pdf/AmendmentAct\\_29092020.pdf](http://www.mca.gov.in/Ministry/pdf/AmendmentAct_29092020.pdf)

 **Important Updates**
**MCA MONTHLY UPDATE CALENDAR: AUGUST 2020**

Sl. No.	Particulars of the Circulars	Link
1	Extension of Companies Fresh Start Scheme, 2020 till 31.12.2020	<a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.30_28092020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.30_28092020.pdf</a>
2	Extension of time- LLP Settlement Scheme, 2020 till 31.12.2020	<a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.31_28092020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.31_28092020.pdf</a>
3	Extension of time - Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013-.	<a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.32_28092020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.32_28092020.pdf</a>
4	Extension of time for EGM through Video Conference (VC) or Other Audio Visual Means (OAVM) or passing of certain items only through postal ballot without convening general meeting -	<a href="http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.33_28092020.pdf">http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.33_28092020.pdf</a>
5.	Independent Directors Registration date Extended till 31.12.2020: The Ministry of Corporate Affairs has also extended the time within which Independent Directors of companies have to register themselves on the databank maintained by the IICA from 30.09.2020 to 31.12.2020.	<a href="https://twitter.com/nsitharamanoffc/status/1310551670904897537?s=19">https://twitter.com/nsitharamanoffc/status/1310551670904897537?s=19</a>
6	The timeline for receiving the proposals for Research studies on Corporate Governance has expired. It will be informed when applications are being accepted again.	<a href="http://www.mca.gov.in/">http://www.mca.gov.in/</a>
7	MCA update on Extract on Annual Return (MGT – 9)	<a href="http://egazette.nic.in/WriteReadData/2020/221419.pdf">http://egazette.nic.in/WriteReadData/2020/221419.pdf</a>
8	the Companies (Acceptance of Deposits) Amendment Rules, 2020.	<a href="http://www.mca.gov.in/Ministry/pdf/Rule_08092020.pdf">http://www.mca.gov.in/Ministry/pdf/Rule_08092020.pdf</a>

9	Relaxation of additional fees and extension of last date of filing of CRA-4 (form for filing of cost audit report) for FY 2019-20 under the Companies Act, 2013	<a href="http://www.mca.gov.in/Ministry/pdf/circular_10092020.pdf">http://www.mca.gov.in/Ministry/pdf/circular_10092020.pdf</a>
10	AGM Extension orders Uploaded for various ROC's	<a href="http://www.mca.gov.in/MinistryV2/extensionofagm.html">http://www.mca.gov.in/MinistryV2/extensionofagm.html</a>
11	Extension of deadlines for various compliances under Companies Act	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654598">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654598</a>
12	SPICe+ Portal deployed by MCA	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656755">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656755</a>
13	Relaxation/concession provided to Companies/LLPs during Lockdown period to combat COVID-19	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654103">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654103</a>
14	Extension of deadlines for various compliances under Companies Act	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654598">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654598</a>

## **16. IBBI UPDATES {INSOLVENCY AND BANKRUPTCY BOARD OF INDIA}**

Due to the emerging financial distress faced by most companies it has been decided to raise the threshold of default under section 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh). This will by and large prevent triggering of insolvency proceedings against MSMEs.

### **Important Notifications and Circulars Tracker**

Sl. No.	Notification(s)	Link(s)
1.	Invitation of Application for Empanelment for Platform for Distressed Assets (PDAs)	<a href="https://www.ibbi.gov.in/uploads/whatsnew/044ad4d540362d2bc4534204f2a848a6.pdf">https://www.ibbi.gov.in/uploads/whatsnew/044ad4d540362d2bc4534204f2a848a6.pdf</a>
2.	Results of National Online Quiz on IBC, 2016	<a href="https://www.ibbi.gov.in/uploads/whatsnew/2020-09-01-180818-391c-d0d470965bd50a663be643b5d8bb2a1c.pdf">https://www.ibbi.gov.in/uploads/whatsnew/2020-09-01-180818-391c-d0d470965bd50a663be643b5d8bb2a1c.pdf</a>
3	Summary - Judgment dated 1st September, 2020 of the Hon'ble Supreme Court of India in the matter of Union of India Vs. Association of Unified Telecom Service Providers of India Etc. [M.A. (D) No. 9887 of 2020 in Civil Appeal Nos. 6328-6399 of 2015]	<a href="https://www.ibbi.gov.in/uploads/legalframwork/50adb651f664f783fb24bc881228a6d1.pdf">https://www.ibbi.gov.in/uploads/legalframwork/50adb651f664f783fb24bc881228a6d1.pdf</a>
4	Quarterly Newsletter For Apr-Jun, 2020	<a href="https://www.ibbi.gov.in/uploads/whatsnew/b58ce20ca4be9285b54e0aaf7752d5c1.pdf">https://www.ibbi.gov.in/uploads/whatsnew/b58ce20ca4be9285b54e0aaf7752d5c1.pdf</a>
5	IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020	<a href="https://www.ibbi.gov.in/uploads/legalframwork/e5e1300db2dd6a8bebe289ba579a7c14.pdf">https://www.ibbi.gov.in/uploads/legalframwork/e5e1300db2dd6a8bebe289ba579a7c14.pdf</a>
6	IBBI announces results of the National Online Quiz on the Insolvency and Bankruptcy Code, 2016	<a href="https://www.ibbi.gov.in/uploads/legalframwork/e5e1300db2dd6a8bebe289ba579a7c14.pdf">https://www.ibbi.gov.in/uploads/legalframwork/e5e1300db2dd6a8bebe289ba579a7c14.pdf</a>
7	In the matter of Union of India Vs. Association of Unified Telecom Service Providers of India Etc. [M.A. (D) No. 9887 of 2020 in Civil Appeal Nos. 6328-6399 of 2015]	<a href="https://www.ibbi.gov.in/uploads/order/c5a7773967bf6319bcbcf324cd258f4e.pdf">https://www.ibbi.gov.in/uploads/order/c5a7773967bf6319bcbcf324cd258f4e.pdf</a>



8	In the matter of Mr Avishek Gupta, Insolvency Professional	<a href="https://www.ibbi.gov.in/uploads/order/dd3ce92527c382985f44f72d773c3e41.pdf">https://www.ibbi.gov.in/uploads/order/dd3ce92527c382985f44f72d773c3e41.pdf</a>
9	Government issued Advisory to PSBs to moot action against personal guarantors of corporate debtors	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656750">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656750</a>
10	Facilitation Letter - Role of the Government and its Agencies in the Corporate Insolvency Resolution and Liquidation Processes	<a href="https://www.ibbi.gov.in/uploads/legalframwork/8ab02252cd52b6eb35744281098ef73c.pdf">https://www.ibbi.gov.in/uploads/legalframwork/8ab02252cd52b6eb35744281098ef73c.pdf</a>
11	The Insolvency and Bankruptcy Code (Second Amendment) Bill, 2020	<a href="https://www.ibbi.gov.in/uploads/whatsnew/aa1ac00c9a594c699c71c2d34fb990f9.pdf">https://www.ibbi.gov.in/uploads/whatsnew/aa1ac00c9a594c699c71c2d34fb990f9.pdf</a>
12	The Insolvency and Bankruptcy Board of India (Annual Report) Amendment Rules, 2020	<a href="https://www.ibbi.gov.in/uploads/legalframwork/41e38e3aa3899eca305d79edf946b547.pdf">https://www.ibbi.gov.in/uploads/legalframwork/41e38e3aa3899eca305d79edf946b547.pdf</a>
13	Corporate Insolvency Resolution Processes Ending With Order of Liquidation: As on 30th June, 2020	<a href="https://www.ibbi.gov.in/uploads/whatsnew/a98a313021b1250be5ca3b9301626f25.pdf">https://www.ibbi.gov.in/uploads/whatsnew/a98a313021b1250be5ca3b9301626f25.pdf</a>
14	National Colloquium on "Corporate Insolvency Resolution Process: Understanding Emerging Issues and Challenges" in association with GNLU, Gandhinagar	<a href="https://www.ibbi.gov.in/uploads/whatsnew/c28b9f9e8aa703ef3f048562d0e7a43c.pdf">https://www.ibbi.gov.in/uploads/whatsnew/c28b9f9e8aa703ef3f048562d0e7a43c.pdf</a>
15	Rajya Sabha passes amendment in Insolvency and Bankruptcy Code: The Rajya Sabha on Saturday passed the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2020, whereby fresh insolvency proceedings will not be initiated for at least six months starting from March 25 amid the coronavirus pandemic.	<a href="https://economictimes.indiatimes.com/news/economy/policy/rajya-sabha-passes-amendment-in-insolvency-and-bankruptcy-code/articleshow/78200574.cms#:~:text=The%20Rajya%20Sabha%20on%20Saturday,25%20amid%20the%20coronavirus%20pandemic.">https://economictimes.indiatimes.com/news/economy/policy/rajya-sabha-passes-amendment-in-insolvency-and-bankruptcy-code/articleshow/78200574.cms#:~:text=The%20Rajya%20Sabha%20on%20Saturday,25%20amid%20the%20coronavirus%20pandemic.</a>
16	The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020	<a href="https://www.ibbi.gov.in/uploads/legalframwork/c1d0cde66b213275d9cf357b59bab77b.pdf">https://www.ibbi.gov.in/uploads/legalframwork/c1d0cde66b213275d9cf357b59bab77b.pdf</a>
17	The Insolvency and Bankruptcy (Application to Adjudicating Authority) (Amendment) Rules, 2020	<a href="https://www.ibbi.gov.in/uploads/legalframwork/27e336abe5b5328297a2ba5b35b39fac.pdf">https://www.ibbi.gov.in/uploads/legalframwork/27e336abe5b5328297a2ba5b35b39fac.pdf</a>
18	Notification under section 10A of the Insolvency and Bankruptcy Code, 2016	<a href="https://www.ibbi.gov.in/uploads/legalframwork/2987e1e33d62d2e1781c700ee16baa36.pdf">https://www.ibbi.gov.in/uploads/legalframwork/2987e1e33d62d2e1781c700ee16baa36.pdf</a>
19	Annual Publication 2020: 'Insolvency and Bankruptcy Regime in India: A Narrative'	<a href="https://www.ibbi.gov.in/uploads/whatsnew/2020-10-01-210733-43cms-9224c9b668aac0d6149a5d866bfb4c79.pdf">https://www.ibbi.gov.in/uploads/whatsnew/2020-10-01-210733-43cms-9224c9b668aac0d6149a5d866bfb4c79.pdf</a>

## 17. NBFC COMPLIANCE OVERVIEW

Non-Banking Financial Companies (NBFCs) is a Company registered under the Companies Act 2013 engaged in the businesses) of providing financial services including loans & advances, leasing, hire purchase etc. They provide loans and advances and other credit facilities to business people or budding entrepreneur where Bank/Financial Institution are not comfortable, or say it is an alternative source of finance to businessman. NBFCs are regulated by the Reserve Bank of India (RBI) within the framework of the Chapter IIIB of the Reserve Bank of India Act, 1934 and any rules made thereunder or any directions issued by it under the Act.

### A. NBFC MONTHLY COMPLIANCES SUBMITTED BY ALL NON-DEPOSIT TAKING NBFCs

NAME	PURPOSE OF THE FORM	DEPARTMENT
Monthly Return	Monthly Return on NBFC--ND-SI with asset size of Rs.100 CR. & above	RBI
NBS_ALM-1	Statement of Short term dynamic liquidity to be filed within 10 days of the closer month	RBI
To be submitted by all deposit-taking NBFC's having asset size above Rs. 100 crores or public deposits of Rs. 20 crores and above		
NBS-6	Monthly Return stating Exposure to Capital Market	RBI

**B. NBFC QUARTERLY COMPLIANCES**

NAME	PURPOSE OF THE FORM	DEPARTMENT
To be submitted by all deposit-taking NBFC's except residuary NBFC		
NBS-1	Quarterly Return on Material Financial Parameters of Deposit Taking NBFCs	RBI
NBS-2	Quarterly Statement of Capital Funds, Risk Assets/ Exposures and risk assets Ratio.	RBI
NBS 2: CA & CEO Cert.	Certifying NBS 2	RBI
NBS 3	Quarterly Return on Statutory Liquid Assets	RBI
To be submitted by all residuary non-banking companies		
NBS 3A	Quarterly Return on Statutory Liquid Assets	RBI
Quarterly Return I	Return of investments	RBI
SUBMITTED BY ALL NON-DEPOSIT TAKING NBFCs		
NBS -7	Quarterly Statement of Capital Funds, Risk-Weighted Assets and risk assets Ratio etc.	RBI
NBS-7: SA & CEO Cert.	Certifying NBS -7	RBI
Submitted by NBFCs having an asset size between 50 to 100 cr.		



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Quarterly Return	Quarterly Return by NBFC-ND with asset size of Rs.50 to 100 Cr.	RBI
Submitted by all securitization and reconstruction company		
SCRC	Quarterly statement of assets acquired/ securitized/ reconstructed	RBI

**C. NBFC COMPLIANCE UNDER COMPANIES ACT, 2013**

FORM NAME	PURPOSE OF THE FORM	DEPT
E--Form MGT-7	Annual Return (Within 60 days of conclusion AGM)	ROC
E--Form AOC--4	Filing of annual financials i.e. Balance Sheet & Profit & Loss statement (Within 30 days of conclusion of AGM)	ROC
E-Form DIR-12	If there is any change in Directors (Within 30 days of the date of that change)	ROC
And any other Event based Compliance like DIR 3 KYC, ADT-1 etc.		

**18. NCLT & NCLAT UPDATES**

Sl. No.	Particulars	Link
1	National Company Law Appellate Tribunal (Recruitment, Salary and other Terms and Conditions of Service of Staff Car Drivers) Rules, 2020.	<a href="http://egazette.nic.in/WriteReadData/2020/221851.pdf">http://egazette.nic.in/WriteReadData/2020/221851.pdf</a>
2	Performance of NCLTs	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656753">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1656753</a>
3	NCLT admits insolvency plea against Uttam Galva Steel Ltd	<a href="https://economictimes.indiatimes.com/industry/auto/auto-components/nclt-admits-insolvency-plea-against-uttam-galva-steel-ltd/articleshow/78433358.cms">https://economictimes.indiatimes.com/industry/auto/auto-components/nclt-admits-insolvency-plea-against-uttam-galva-steel-ltd/articleshow/78433358.cms</a>
4	NCLT orders liquidation for HDIL's subsidiary Guruashish Constructions	<a href="https://economictimes.indiatimes.com/industry/services/property/-construction/nclt-orders-liquidation-for-hdils-subsiary-guruashish-constructions/articleshow/78017850.cms">https://economictimes.indiatimes.com/industry/services/property/-construction/nclt-orders-liquidation-for-hdils-subsiary-guruashish-constructions/articleshow/78017850.cms</a>
5.	Bharti Infratel shares jump over 5% as firm to proceed with Indus Towers merger	<a href="https://nclat.nic.in/Useradmin/upload/18120680085f3ff594094ad.pdf">https://nclat.nic.in/Useradmin/upload/18120680085f3ff594094ad.pdf</a>
6.	SP Group to recast Rs 10,900-cr debt under Covid-19 resolution framework	<a href="https://economictimes.indiatimes.com/markets/stocks/news/sp-group-to-recast-rs-10900-cr-debt-under-covid-19-resolution-framework/articleshow/78319628.cms">https://economictimes.indiatimes.com/markets/stocks/news/sp-group-to-recast-rs-10900-cr-debt-under-covid-19-resolution-framework/articleshow/78319628.cms</a>

**19. MSME KEY UPDATES**

Sl.	Particulars	Link
1	KVIC's Use of Paper Packaging in Online Sales Earns Public Accolades	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1653768">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1653768</a>
2	Various Steps taken for Revival of MSME Sector due to COVID-19 Pandemic : Shri Gadkari	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654138">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1654138</a>
3	Dues of MSMEs : Ministry of MSME takes the efforts even deeper to realize these payments	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1653944">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1653944</a>
4	MPs Shri Arun Singh & Meenakashi Lekhi launch KVIC's Innovative Project DigniTEA in Delhi	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655690">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655690</a>
5	Ministry of MSME re-activates the micro-industrialization process in Rural India	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655512">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1655512</a>
6	India, Denmark sign MoU on Intellectual Property cooperation	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659269">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659269</a>
7	Khadi opens Outlet in SPG Complex to Accelerate Swadeshi push	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659319">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659319</a>
8	KVIC Appoints Design and Fashion Icon Sunil Sethi, as Advisor	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659042">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1659042</a>
9	Shri Radha Mohan Singh Distributes Electric Chaak to 150 Kumhar Families in Bihar under KVIC's Kumhar Sashaktikaran Yojana	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1658234">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1658234</a>
10	Development in MSME Sector	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1657893">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1657893</a>
11	Contribution of MSMEs in Economy	<a href="https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1657892">https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1657892</a>

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This article is updated till 30<sup>th</sup> Sep, 2020 with all Laws / Regulations and their respective amendments.

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

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SEPTEMBER 2020

# Ghaziabad Chapter of NIRC of ICSI organizing a webinar on “Modes of Recovery under Various Laws viz-a-viz Professional Opportunities” on October 16, 2020



Ghaziabad Chapter

**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)

Fees: NIL

Invites you at  
**12<sup>th</sup> WEBINAR**

1 PCH/CPE Hour

Reg. Open: Oct 12, 2020

Reg. Close: Oct 15, 2020

Friday, 16<sup>th</sup> October, 2020

11:00 AM to 12:30 PM

## MODES OF RECOVERY UNDER VARIOUS LAWS VIZ-A-VIZ PROFESSIONAL OPPORTUNITIES



CS Arjunn Kr. Tyagi  
Chairman,  
Ghaziabad Chapter



CS Awanish  
Srivastava  
Eminent Speaker



CS Sonal Jain  
Vice-Chairperson,  
Ghaziabad Chapter



CS Pooja Bhasin  
Secretary,  
Ghaziabad Chapter  
MODERATOR

Registration Link:

<https://forms.gle/vidz8QNbwo2GdTAWA>

### Please Note:

1. Registration is only first-cum-first registration basis.
2. Only for members having Professional address at Ghaziabad.
3. Only up to first 70 valid registrations will accepted.
4. Credit hours will be awarded to only those members who join the complete webinar.
5. For any queries you may contact at [ghaziabad@icsi.edu](mailto:ghaziabad@icsi.edu)

## Team Ghaziabad Chapter of NIRC of ICSI

ICSI Vision  
"To be a global leader in  
promoting good  
corporate governance"

सत्यं वद। धर्मं चर।

ICSI Motto

Speak the truth; abide by the law.

ICSI Mission  
"To develop high calibre  
professionals facilitating  
good corporate governance"

## Rules for the Articles of e-Newsletter



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(Under the jurisdiction of Ministry of Corporate Affairs)

**Ghaziabad  
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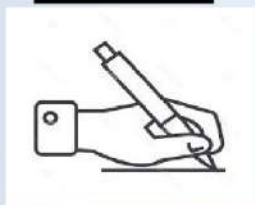
**Invites for the Articles for e-Newsletter of Ghaziabad Chapter on any Topics:**

**1. Related to Profession**

**3. Motivational, Inspirational, Spiritual**

**2. Practical Aspects of profession**

**4. Any creativity like poetry, etc.**



### **TERMS AND CONDITIONS:**

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1. Ghaziabad chapter reserves the right to modify the content in the article as per their discretion.
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Speak the truth; abide by the law.

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SEPTEMBER 2020

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Dr. Anurag Aggarwal  
M.B.B.S. (1988), M.D. (1991), D.M. (1992), F.I.C.S. (1993), F.R.C.S. (1994), F.R.C.P. (1995), F.R.C.S. (1996), F.R.C.S. (1997), F.R.C.S. (1998), F.R.C.S. (1999), F.R.C.S. (2000), F.R.C.S. (2001), F.R.C.S. (2002), F.R.C.S. (2003), F.R.C.S. (2004), F.R.C.S. (2005), F.R.C.S. (2006), F.R.C.S. (2007), F.R.C.S. (2008), F.R.C.S. (2009), F.R.C.S. (2010), F.R.C.S. (2011), F.R.C.S. (2012), F.R.C.S. (2013), F.R.C.S. (2014), F.R.C.S. (2015), F.R.C.S. (2016), F.R.C.S. (2017), F.R.C.S. (2018), F.R.C.S. (2019), F.R.C.S. (2020)

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CGHS Rates  
15% discount on OPD & IPD

Note: To avail the facilities one needs to carry their valid ICSI id card and in case of dependent they must need to present their valid relationship proof/dependency proof prior to OPD billing and IPD admission.

Team Ghaziabad Chapter of NIRC of ICSI

Vision

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

Motto

सत्यं वद। धर्मं चर। speak the truth; abide by the law

Mission

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

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