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Executive Programme

COMPANY LAW

Module 1, Paper 2

Sr. No.	Reference to Chapter No.	Amendments to Regulations/ Rules/ Act/ Circulars/ Notification	Brief particulars/ Link of the amendment
1.	Lesson - 1 Introduction to Company Law	<p>Exemptions to Government Companies under Section 462 of the Companies Act, 2013 vide notification no : G.S.R. 151(E), dated 02nd March, 2020.</p> <p>(i) For the purpose of Exemption notification a new explanation is inserted in the definition of Government Company as per Section 2(45) of the Companies Act, 2013 which is as under:</p> <p>Explanation- For the purposes of this clause, the "paid up share capital" shall be construed as "total voting power", where shares with differential voting rights have been issued.</p> <p><i>With this insertion more clarity has been given to the definition of Government Company Which has issued the Shares with the differential voting rights.</i></p> <p>(ii) The Serial Number 1 and entries relating thereto of notification number G.S.R.463 (E), dated 5th June, 2015, has been renumbered as Serial Number 1A.</p>	http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf
2.	Lesson - 7 Corporate Social Responsibility	<p>General Circular No.10/2020, Clarification on spending of CSR funds for COVID-19 dated 23rd March, 2020</p> <p>Keeping in view of the spread of the novel Corona Virus (COVID-19) in India, its declaration as pandemic by the World Health Organisation (WHO), and, decision of Government of India to treat this as notified disaster.</p> <p>It is clarified by the Ministry of Corporate Affairs, that spending of CSR funds for COVID-19 is eligible CSR activity.</p> <p>Funds may be spent for various activities related to COVID-19 under item nos. (i) and (xii) of Schedule VII relating to promotion of health care, including preventive health care and sanitation, and, disaster management. Further, as per General Circular No. 21/2014 dated 18th June, 2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.</p>	http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf

3.	Lesson - 7 Corporate Social Responsibility	<p>Clarification on contribution to PM CARES Fund as eligible CSR activity under item no. (viii) of the Schedule VII of Companies Act, 2013, dated 28th March,2020.</p> <p>The Government of India has set up the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID-19 pandemic.</p> <p>Item no. (viii) of the Schedule VII of the Companies Act, 2013, which enumerates activities that may be undertaken by companies in discharge of their CSR obligations, inter alia provides that contribution to any fund set up by the Central Government for socio-economic development and relief qualifies as CSR expenditure. The PM-CARES Fund has been set up to provide relief to those affected by any kind of emergency or distress situation. Accordingly, it is clarified that any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013.</p>	http://www.mca.gov.in/Ministry/pdf/Circular_29032020.pdf
4.	Lesson - 8 Accounts, Audit and Auditors	<p>General Circular No- 07/2020</p> <p>Extension of the Last date of filing of Form NFRA-2 dated 05th March, 2020.</p> <p>In continuation of the Ministry's General Circular No. 14/2019 dated 27th November, 2019, the time limit for filing of Form NFRA-2, for the reporting period Financial Year 2018-19, will be 150 days from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA).</p>	http://www.mca.gov.in/Ministry/pdf/Circular_06032020.pdf
5.	Lesson - 8 Accounts, Audit and Auditors	<p>The Companies (Auditor's Report) Order, 2020 dated 25th February 2020</p> <p>MCA vide notification no S.O.849 (E), dated 25th February, 2020 has notified the Companies (Auditor's Report) Order, 2020.</p> <p>Vide this notification, the Companies (Auditor's Report) Order, 2020 would have been applicable for every report made by the auditor under section 143 of the Companies Act, 2013 on the accounts of every company audited by him, to which this Order applies, for the financial years commencing on or after the 1st April, 2019.</p>	<p>http://www.mca.gov.in/Ministry/pdf/Orders_25022020.pdf</p> <p>http://www.mca.gov.in/Ministry/pdf/Notification_25032020.pdf</p>

		But due to outbreak of COVID-19, in order to ease the burden on companies & their auditors for the financial year 2019-20, the Government has decided that the Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-21, instead of being applicable from the financial year 2019-20 as notified earlier.	
6.	Lesson -10 An overview of Inter-Corporate Loans, Investments, Guarantees and Security, Related Party Transactions	<p>Exemptions to Government Companies under Section 462 of the Companies Act, 2013 vide notification no: G.S.R. 151(E), dated 02nd March, 2020.</p> <p>(iii) For serial number 26 relating to Chapter XII, first and second proviso to sub-section (1) of section 188 and the entries relating thereto of notification number G.S.R.463(E), dated 5th June, 2015, the entries has been substituted as under:</p> <p>First and Second proviso to sub-section (1) of section 188 shall not apply to -</p> <p>(a) a Government company in respect of contracts or arrangements entered into by it with any other Government company, or with Central Government or any State Government or any combination thereof;</p> <p>(b) a Government company, other than a listed company, in respect of contracts or arrangements other than those referred to in clause (a), in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before entering into such contract or arrangement.</p> <p><i>Before this amendment the contracts or arrangements with any other Government Company is only exempted, with this amendment the exemption is also extended to the contracts or arrangements with the Central Government or any State Government or any combination thereof.</i></p>	http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf
7.	Lesson-13 An introduction to MCA 21 and Filing in XBRL	<p>Notification No: G.S.R. 170(E)-The Companies (Registration Offices and Fees) Second Amendment Rules, 2020, dated 12th March, 2020.</p> <p>In the Companies (Registration Offices and</p>	http://www.mca.gov.in/Ministry/pdf/rule1_13032020.pdf

		<p>Fees) Rules, 2014, in the Annexure, in Form No. GNL-2.</p> <p>(i) in serial number 3, after item number "Form 159 of the Companies (Court) Rules,1959" <i>the following item shall be inserted, namely:-</i> "Filing under Insolvency and Bankruptcy Code, 2016".</p> <p>(ii) after the first verification column, the following shall be inserted, namely:- "Particulars of the person signing and submitting the form".</p> <p>Name <input type="text"/></p> <p>Capacity <input type="text"/></p>	
8.	<p>Lesson-13</p> <p>An introduction to MCA 21 and Filing in XBRL</p>	<p>Notification Number G.S.R. 128(E)-The Companies (Incorporation) Amendment Rules, 2020 (Effective from 23rd February, 2020)</p> <p>In the Companies (Incorporation) Rules, 2014, for rule 9, the following rule shall be substituted, namely:-</p> <p>Rule 9 of the Companies (Incorporation) Rules, 2014 -Reservation of name or change of name</p> <p>An application for reservation of name at the time of incorporation shall be made through the web service available at www.mca.gov.in by using web service SPICE+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32) and for change of existing name by using web service RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing re-submission of such web form within fifteen days for rectification of the defects, if any, with effect from the 23rd February, 2020.</p> <p>In rules 10, 12, sub-rule (1) of rule 19, sub-rules (1), (2), (3), (4), (7) and (9) of rule 38 of the Companies (Incorporation) Rules, 2014, for the words, letters, figures and brackets,, "Form No INC-32 (SPICE), wherever they occur, the letters, brackets, words and figures "SPICE+</p>	<p>http://www.mca.gov.in/Ministry/pdf/rule_2022020.pdf</p>

		<p>(Simplified Proforma for Incorporating Company Electronically Plus: INC-32)” shall be substituted with effect from the 23rd February, 2020.</p> <p>In Rule 38 of the Companies (Incorporation) Rules, 2014</p> <p>In the marginal heading, for the word, brackets and letters “Electronically (SPICE)”, the words, brackets and letters “Electronically Plus (SPICE+)” shall be substituted with effect from the 23rd February, 2020.</p> <p>In rule 38A of the Companies (Incorporation) Rules, 2014-</p> <p>(i) In the marginal heading for the words, brackets and letter 'and Employees' Provident Fund Organisation (EPFO) registration the following words, brackets and letters, “Employees' Provident Fund Organisation (EPFO) Registration and Profession Tax Registration and Opening of Bank Account” shall be substituted.</p> <p>(ii) for the letters “AGILE”, the letters “AGILE-PRO”, shall be substituted;</p> <p>(iii) after clause (c), the following clauses shall be inserted, namely:-</p> <p>“(c) Profession Tax Registration with effect from the 23rd February, 2020</p> <p>(d) Opening of Bank Account with effect from 23rd February, 2020.”</p> <p><i>As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs has introduced a new Web Form 'SPICE+' w.e.f. 23rd February, 2020 replacing the existing SPICE form. SPICE+ is an integrated Web form offering multiple services viz.name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO registration, ESIC registration, Profession Tax registration (Maharashtra) and Mandatory opening of Bank Account for the Company.</i></p> <p><i>It also facilitates allotment of GSTIN wherever so applied for by the Stakeholders.</i></p> <p><i>After introduction of SPICE+ web form RUN is applicable only for the change of name of the existing companies</i></p>	
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9.	Lesson-13 An introduction to MCA 21 and Filing in XBRL	New companies incorporated through SPICe+ and thereby have obtained EPFO/ESI numbers will have to file statutory returns only when they cross thresholds prescribed under the relevant Acts.	http://www.mca.gov.in/MinistryV2/homepage.html
10.	Lesson-13 An introduction to MCA 21 and Filing in XBRL	Notification Number G.S.R.-169(E) - The Companies (Incorporation) Second Amendment Rules, 2020, dated 12th March, 2020. In the Companies (Incorporation) Rules, 2014, in the Annexure, in Form No.INC-28, in serial number 5, in clause (a) after sub-clause (ii), the following shall be inserted, namely- "(iii) Section of Insolvency and Bankruptcy Code, 2016 under which order passed"	http://www.mca.gov.in/Ministry/pdf/rule_13032020.pdf
11.	Lesson-13 An introduction to MCA 21 and Filing in XBRL	Notification Number G.S.R. 127(E)-The Companies (Registration Offices and Fees) Amendment Rules, 2020, dated: 18th February, 2020. As per the Amendment Rules, Form No- GNL-2 [Pursuant to rule 12(2) of the Companies (Registration Offices and Fees) Rules, 2014] i.e. Form for submission of documents with the Registrar shall be substituted. New Form notified in place of existing GNL-2	http://www.mca.gov.in/Ministry/pdf/rule_19022020.pdf
12.	Lesson-16 Directors	General Circular No. 1/2020-Clarification on prosecutions filed or internal adjudication proceedings initiated against Independent Directors, Non-Promoters and Non-KMP Non-Executive Directors, dated 02nd March, 2020. This circular clearly shows the ministry's resolve and intent to give protection to independent directors and other non-executive directors from prosecution for both civil and criminal offenses, unless there is strong evidence against them being party to any fraud committed by the company. Section 149(12) of the Companies Act, 2013 is a <i>non-obstante</i> clause which provides that an independent director and a non-executive director not being promoter or key managerial personnel shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge,	http://www.mca.gov.in/Ministry/pdf/Circular_03032020.pdf

		<p>attributable through Board processes, and with his consent or connivance or where he had not acted diligently.</p> <p>In view of this expressed provision of Section 149(12) of the Companies Act, 2013, Independent Directors and Non-Executive Directors (not being promoter or KMP) should not be arrayed in any criminal or civil proceedings under the Act, unless the above mentioned criterion is met.</p> <p>MCA has clarified that at the time of serving notices to the company during inquiry, inspection, investigation or adjudication proceedings etc, necessary documents may be sought so as to ascertain the involvement of concerned officers of the Companies and due care must be taken to ensure that unnecessarily any civil or criminal proceedings is not initiated against the Independent directors or Non-Executive Directors unless sufficient evidence exists against them.</p> <p>The records available in the office of the Registrar, including e-forms DIR-11 or DIR-12, along with the copies of Annual Returns or financial statements should also be examined, so as to ascertain whether a particular director or the KMP was serving in the company as on the date of default.</p> <p>In case of any doubt, with regard to the liability of any person, for any proceedings required to be initiated by the Registrar, guidance may be sought from the Ministry of Corporate Affairs through the office of Director General of Corporate Affairs. Consequently any such proceedings must be initiated after due sanction from the Ministry.</p> <p>Further, with respect to cases where prosecution may have been already filed but does not meet the above mentioned criteria, then such cases may be submitted to the ministry for necessary examination and further direction.</p> <p>The Ministry of Corporate Affairs has directed all Registrars of Companies to immediately and scrupulously follow the above Standard Operating Procedure with respect to all ongoing cases.</p>	
13.	Lesson- 16 Directors	<p>DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities</p>	http://www.mca.gov.in/

		and Verification(ACTIVE) e-form are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24 th March, 2020 & General Circular No.12 dated 30 th March 2020 and file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be between 1 st April, 2020 to 30 th September, 2020 without any filing fee of INR 5000/INR 10000 respectively.	
14.	Lesson -16 Directors	<p>Notification no: G.S.R. 145(E)-The Companies (Appointment and Qualification of Directors) Amendment Rules, 2020, dated 28th February 2020</p> <p>Rule 6 of The Companies (Appointment and Qualification of Directors) Rules, 2014, pertaining to compliance required by a person eligible and willing to be appointed as an independent director has been amended as follows:-</p> <p>In Sub-rule (1) in clause (a) of Rule 6 of The Companies (Appointment and Qualification of Directors) Rules, 2014 for the word</p> <p style="text-align: center;">‘three months’</p> <p style="text-align: center;"><i>the following shall be substituted namely</i></p> <p style="text-align: center;">‘five months’</p> <p>Revised rule 6(1) shall be read as under:</p> <p>Compliances required by a person eligible and willing to be appointed as an independent director.</p> <p>(1) Every individual -</p> <p>(a) who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of five months from such commencement; or</p> <p>(b) who intends to get appointed as an independent director in a company after such commencement, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps as specified in sub-rule (2), till he continues to hold the office of an independent director in any company.</p>	http://www.mca.gov.in/Ministry/pdf/rule_28022020.pdf

		<p>MCA has further extended the date of registration of details of Independent Directors in Independent Director Databank by 2 months vide the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020 dated 29th April, 2020.</p> <p>In Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, in sub-rule (1), in clause (a), for the words,</p> <p style="text-align: center;"><i>"five months"</i></p> <p style="text-align: center;"><i>the following shall be substituted namely</i></p> <p style="text-align: center;"><i>"seven months."</i></p> <p>First proviso to Sub-rule (4) of Rule 6 of The Companies (Appointment and Qualification of Directors) Rules, 2014</p> <p><i>the following proviso shall be substituted,</i></p> <p>Provided that an individual shall not be required to pass the online proficiency self-assessment test, when he has served as a director or key managerial personnel, for a total period of not less than ten years, as on the date of inclusion of his name in the databank, in one or more of the following, namely:-</p> <p>(a) Listed public company; or</p> <p>(b) Unlisted public company having a paid-up share capital of rupees ten crore or more; or</p> <p>(c) Body corporate listed on a recognized stock exchange.</p> <p>Second proviso to Sub-rule (4) of Rule 6 of The Companies (Appointment and Qualification of Directors) Rules, 2014 for the word</p> <p style="text-align: center;">'companies'</p> <p style="text-align: center;"><i>the following shall be substituted namely;</i></p> <p style="text-align: center;">'companies or bodies corporate'</p> <p>With this amendment</p> <p>Provided further that for the purpose of calculation of the period of ten years referred to in the first proviso to Sub-rule (4) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies</p>	<p>http://www.mca.gov.in/Ministry/pdf/Rules_29042020.pdf</p>
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		or bodies corporate at the same time shall be counted only once.	
15.	Lesson-18 Meetings of Board and its Committees	<p>The Companies (Meetings of Board and its Powers) Amendment Rules, 2020 dated 19th March, 2020.</p> <p>In view of outbreak of Covid-19, the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, i.e. 19th March, 2020 and ending on the 30th June, 2020, the meetings on matters referred to in sub-rule (1) of Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 may be held through video conferencing or other audio visual means in accordance with rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.</p> <p>Considering the need to take precautionary steps to overcome the outbreak of the coronavirus (COVID-19), the Ministry of Corporate Affairs has decided to relax the requirement of holding Board meetings with physical presence of directors under Section 173(2) read with rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the restricted matters such as approval of the annual financial statements, approval of the board's report, approval of the prospectus, the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under sub-section (1) of section 134 of the Act and approval of matters relating to amalgamation, merger, demerger, acquisition and takeover.</p> <p>Companies may hold such meetings for the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 i.e. 19th March, 2020 till 30th June, 2020 through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.</p> <p>According to Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. The companies will have to ensure avoidance of failure of the video or audio-visual connection. The chairperson of the meeting and the company secretary (if any) shall take due and reasonable</p>	http://www.mca.gov.in/Ministry/pdf/Rules_19032020.pdf

		care to safeguard the integrity of the meeting via proper security and identification procedures. Companies needs to ensure availability of proper video conferencing or other audio visual equipment or facilities for providing transmission of the communications for effective participation of the directors and other authorised participants at the Board meeting. Proceedings at the board meeting will have to be recorded and minutes of the meeting needs to be prepared.	
16.	Miscellaneous	<p>Constitution of High Level Committee for preparation of Investigation Manual for Serious Fraud Investigation Office(SFIO), dated 06th March, 2020</p> <p>A High Level Committee of SFIO was constituted by MCA vide office order dated 06.03.2020 for preparation of Investigation Manual for Serious Fraud Investigation Office (SFIO) consisting of 12 eminent members comprising of Officers of MCA, CBI, ED, Advocates, Experts and faculties from Law Schools and President, ICSI.</p> <p>The Committee will devise an all-encompassing manual for carrying out effective investigations in tune with the provisions of the relevant Acts. The manual would encompass the standard operating procedures and methodologies for the investigating officers. The committee shall prepare the Standard Operating Procedure investigation manual for Serious Fraud Investigation Office within 45 days from the first meeting of the committee and submit it to the Ministry.</p>	<p>http://www.mca.gov.in/Ministry/pdf/ConstitutionHighLvlCommitteeSFIO_06032020.pdf</p>
17.	Miscellaneous	<p>General Circular No. 6/2020,LLP Settlement Scheme,2020, dated 04th March, 2020</p> <p>As part of Government's constant efforts to promote ease of doing business it has been decided to give a onetime relaxation in additional fees to the defaulting LLPs to make good their default by filing pending documents and to serve as a compliant LLP in future by introducing "LLP Settlement Scheme,2020".</p> <p>However, in order to support and enable Limited Liability Partnerships (LLPs) to focus on taking necessary measures to address the COVID-19 threat and to reduce the compliance burden, certain modifications to the above Circular have</p>	<p>http://www.mca.gov.in/Ministry/pdf/GeneralCircular06_04032020.pdf</p> <p>http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf</p>

	<p>been made on 30th March, 2020 and thereby introduced Modified LLP Settlement Scheme, 2020. via General Circular No-13/2020, dated 30th March, 2020.</p>		
	<p>Category</p>	<p>LLP Settlement Scheme, 2020, dated 4th March, 2020</p>	<p>Modified LLP Settlement Scheme, 2020, dated 30th March, 2020</p>
	<p>Validity Period</p>	<p>This original scheme came into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.</p> <p>(But after introduction of Modified LLP Settlement Scheme, 2020, original Scheme ceased to exist on 31st March, 2020 i.e. the original scheme came in force on 16th March, 2020 and remained effective till 31st March, 2020)</p>	<p>This Modified LLP Settlement Scheme, 2020 came into force with effect from 1st April, 2020 and shall remain in force upto 30th September, 2020.</p>
	<p>Applicability</p>	<p>Any defaulting LLP is permitted to</p>	<p>Any defaulting LLP is permitted to file belated documents</p>

			file belated documents which were due for filing till 31 st October, 2019.	which were due for filing till 31 st August, 2020.	
		Payment of Normal Fee	Yes, Payable	Yes, Payable	
		Payment of Additional Fee	Additional fee of Rs 10/- per day for delay in addition to any fee as is payable for filing of such document or return: Provided that such payment of additional fee shall not exceed Rs. 5,000/- per document.	No Additional fee as complete waiver granted	
		Immunity from Prosecution	The defaulting LLPs, which have filed their pending documents till 13 th June 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults. (After introduction of Modified LLP	The defaulting LLPs, which have filed their belated documents till 30 th September, 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults.	

			Settlement Scheme, 2020, the original scheme has been modified as: Defaulting LLPs, which have filed their pending documents till 31 st March, 2020 and made good the default under this scheme, shall not be subjected to prosecution by Registrar for such defaults)	
		Forms Eligible	Applicable only to Form 3, 4, 8 and 11 under the LLP Act, 2008 and rules made there under.	Applicable to all the belated documents or forms which are required to be filed in MCA-21 registry under the provisions of LLP Act, 2008 and rules made there under. http://www.mca.gov.in/Ministry/pdf/CFSS2020_02042020.pdf
		Non applicability	The scheme shall not apply to LLPs which has made an	The scheme shall not apply to LLPs which has made an application in

		<p>application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.</p> <p>Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.</p>	
		<p>On the conclusion of the Scheme after 30th September, 2020, the Registrar shall take necessary action under the LLP Act, 2008 against the LLPs which have not availed this Scheme and are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner. The defaulting LLPs may be subjected to prosecution by Registrar for such defaults.</p>	
18.	Miscellaneous	<p>Corrigendum pertaining to Nidhi (Second Amendment) Rules, 2020, dated 2nd March, 2020.</p> <p>The Ministry of Corporate Affairs vide its notification no: G.S.R.-150(E), dated 2nd March, 2020 has issued a corrigendum pertaining to Nidhi (Second Amendment) Rules, 2020.</p> <p>In the notification of the Ministry of Corporate Affairs, number G.S.R. 114(E), dated 14th February, 2020.</p> <p>As per the corrigendum</p> <p>At page 2, in line 9, for "rule 23A" read "rule 23A and first proviso to rule 23B".</p> <p><i>Hence, in the Nidhi Rules, 2014, in rule 23A and first proviso to rule 23B for the words "six months" the words "nine months" shall be substituted.</i></p> <p>Post Amendment-</p> <p>Rule 23A- Compliance with rule 3A by certain Nidhis :-</p> <p>As per the amended rule,</p> <p>Every company referred to in clause (b) of rule 2 of Nidhi Rules, 2014 and every Nidhi incorporated under the Act, before the commencement of Nidhi</p>	<p>http://www.mca.gov.in/Ministry/pdf/rule_02032020.pdf</p>

		<p>(Amendment) Rules, 2019, shall also get itself declared as such in accordance with rule 3A within a period of one year from the date of its incorporation or within a period of nine months from the date of commencement of Nidhi (Amendment) Rules, 2019, whichever is later.</p> <p>First proviso to rule 23B</p> <p>Provided that no fees shall be charged under this rule for filing Form NDH-4, in case it is filed within nine month of the commencement of Nidhi (Amendment) Rules, 2019.</p>	
19.	Miscellaneous	<p>Sensitization of Nidhi Companies towards compliance of provisions of Section 406 of Companies Act, 2013 and Nidhi Rules, 2014 as amended vide Nidhi (Amendment) Rules, 2019 w.e.f 15.08.2019 and general public to invest in genuine and compliant Nidhis only.</p> <p>In order to make regulatory regime for Nidhi Companies more effective and also to accomplish the objectives of transparency & investor friendliness in corporate environment of the country, the Central Government has recently amended the provisions related to NIDHI under the Companies Act, 2013 and the Rules (effective from 15.08.2019).</p> <p>Under Nidhi Rules, 2014, Nidhi is a company which has been incorporated as a Nidhi with the object of cultivating the habit of thrift and saving amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit.</p> <p>The amended provisions of the Companies Act (Section 406) and Nidhi rules (as amended w.e.f. 15.08.2019) require that the Nidhi companies have to apply to the Central government for updation of their status/ declaration as Nidhi Company in Form NDH-4.</p> <p>The time-frame for applying to Central Government in form NDH-4 is as under:-</p> <p>(I) Companies incorporated as Nidhi before Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to apply within a period of one year from the date of its incorporation or within 9 months of the Nidhi Amendment Rules i.e. 15.08.2019 whichever is later.</p>	<p>http://www.mca.gov.in/Ministry/pdf/Nidhi_19032020.pdf</p>

		<p>(II) Companies incorporated as Nidhi on or after Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to apply within 60 days of expiry of one year from the date of incorporation or extended period (as granted by concerned Regional Director).</p> <p>1) In case a company does not comply with the above requirements, it shall not be allowed to file Form No. SH-7 (Notice to Registrar for any alteration of share capital) and Form PAS-3 (Return of Allotment).</p> <p>2) Such companies are required to ensure strict adherence to provision of Companies Act, 1956/2013 and Nidhi Rules, 2014 as amended. In case of contravention of the provisions of these Rules, the company and every officer of the company who is in default shall initially be punishable with fine which may extend to five thousand rupees and further fine in case of continuous violations.</p> <p>3) Investors are advised to verify the status of Nidhi company from the notification issued by Central Government in official gazette before making any investment or deposit.</p>	
20.	Miscellaneous	<p>Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016).</p>	<p>http://www.mca.gov.in/Ministry/pdf/Circular_17022020.pdf</p>
		<p>General Circular No. 04/2020, dated 17th February, 2020</p>	<p>General Circular No. 08/2020, dated 06th March, 2020</p>
		<p>Keeping in view the requirements for statutory compliances by such companies under the Companies Act, 2013 and to enable compliance of such requirements by such Resolution Professionals, it is hereby clarified that the following</p>	<p>In supersession of earlier Circular No.04/2020 dated, 17-02-2020, the following clarification is issued for statutory compliances in respect of companies under Corporate Insolvency Resolution Process (CIRP).</p>
			<p>http://www.mca.gov.in/Ministry/pdf/Circular_06032020.pdf</p>

		procedures shall be followed in respect of all such cases:-		
		The IRP/RP/Liquidator would have to file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting option 'Others' at serial no.5 (a) (i) from the drop down menu in the form.	The IRP/RP/Liquidator would have to file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting appropriate section of IBC 2016 at serial no.5 (a) (iii) from the drop down box in the form.	
		After filing in the form, the IRP/RP/Liquidator while affixing his DSC shall choose 'Others' as his designation in declaration box.	After filing in the form, the IRP/RP/Liquidator while affixing his DSC, shall choose his designation as "CEO" in the declaration box for the purpose of filing only and choose "Others" from the Drop down Menu.	
		<p>Jurisdictional ROC shall thereafter examine and approve the INC-28 form so filed if the same is found to be in order.</p> <p>If the filed Form is not in order, he shall mark the form as under Re-submission / Rejected category as applicable.</p> <p>Once the INC-28 form is approved, only the IP (IRP/ RP/ Liquidator) shall thereafter be allowed to file any form on behalf of the company.</p>		
		The Master Data for the company shall, after the approval of	The Master Data for change in the status of the company from	

		<p>Form No. INC-28 clearly display that the said company is under CIRP or Liquidation, as the case may be, and the name of the IP so appointed shall be displayed in the CEO column.</p>	<p>"Active"/ "Inactive" to CIRP/ Liquidation or CIRP/Liquidation to "Active" shall be effected on the basis of Formal Change Request Form submitted by IBBI to e-governance Cell, MCA (HQ). Since this function has been centralized, Registrars of Companies shall not raise and forward CRF either to the e-gov cell or to service provider for the above mentioned purpose.</p>	
		<p>The IP shall be responsible and will be able to file all necessary documents/ disclosures/ returns for the purposes of compliances under the Companies Act 2013. For all subsequent filings, the IP shall choose his designation as "Chief Executive Officer"(CEO), for the purpose of filing e-forms, in various e-forms.</p>	<p>The IRP/ RP/ Liquidator shall be responsible for filing all the e-forms in the MCA portal and sign the form in the capacity of CEO in order to meet filing protocol in the existing forms architecture. However, this shall in no way affect his legal status as IRP/ RP/ Liquidator.</p>	
		<p>For filing e-forms SH-8 and SH-9 and iXBRL, the IP shall be allowed to file the same in his role as CEO instead of the form being signed by two Directors. In respect of e-form MGT-7 the IP shall sign the form instead of a Director and thereafter the form would have to be certified by a Company Secretary in practice.</p>	<p>All filings of e-forms including AOC-4 and MGT-7 shall be filed through e-form GNL-2 by way of attachments till the company is under CIRP. In the existing field no.3 of form no.GNL-2, IRP/ RP/ Liquidator will choose radio button "Filings under IBC". Against date of event and Board Resolution in INC-28 and GNL-2, date of order of</p>	

		<p>NCLT/NCLAT/Court may be mentioned.</p> <p>It is further clarified that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Companies Act, 2013, in accordance with directions issued by the NCLT/NCLAT/Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/RP.</p> <p>It is also clarified that the concerned IRP/RP of every company which was under CIRP prior to the issue of this circular, shall also file e-form INC-28 for such companies and thereafter proceed to file other documents /fact/ information as required under the Act and Rules there under through e-form GNL-2.</p>		
		<p>Unless INC-28 e-form is approved, no other forms would be enabled for filing by the IRP/RP/Liquidator in his role of designated CEO.</p>		

		<p>The IRP/RP/Liquidator in his role as designated CEO shall again file e-form INC-28 upon the approval of the resolution plan, initiation of liquidation proceedings or upon withdrawal of the application for CIRP based on which the status of the company would get suitably reflected in the company master data.</p>		
		<p>In case, a new Board is required to be appointed in terms of the order passed by the Tribunal or Appellate Tribunal, the details of the first authorised signatory of such board will be inserted by the jurisdictional Registrar after receiving an application from the IP, wherein the SRN of the relevant e-form INC-28 shall be quoted</p>		
		<p>Consequently, the authorisation for the IP to file documents on behalf of the company shall then cease and the new authorised signatory shall then take over the responsibility of filing e-forms on behalf of the company.</p>		

		It is further clarified that in case the order of admission of a company (corporate Debtor) into CIRP or into liquidation is stayed or set aside by the Tribunal or Appellate Tribunal or other courts, such order shall be filed in Form INC-28 by the concerned IP, and the status of the company and the authorisation for filing of forms on behalf of company would then change accordingly.	
21.	Miscellaneous	<p>General Circular No:11/2020</p> <p>Special Measures under Companies Act, 2013 and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak, dated 24th March, 2020</p> <p>1) No additional fees shall be charged for late filing during a moratorium period from 01st April, 2020 to 30th September, 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of Companies/LLP's at large, but also enable long standing non-compliant companies/ LLPs to make a fresh start.</p> <p>2) The mandatory requirement of holding meetings of the Board of the companies within the prescribed intervals provided in section 173 of the Companies Act, 2013 (i.e.120 days) stands extended by a period of 60 days till next two quarters i.e. till 30th September. Accordingly, as a one-time relaxation the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days as required in the Companies Act, 2013.</p> <p>3) The Companies (Auditor's Report) Order, 2020 shall be made applicable from financial year</p>	http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf

		<p>2020-21, instead of being applicable from the financial year 2019-20 as notified earlier. This will significantly ease the burden on companies & their auditors for the financial year 2019-20.</p> <p>4) As per Para VII(1) of Schedule IV to the Companies Act, 2013, the Independent Directors of the company are required to hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. For the financial year 2019-20, if the Independent Directors of a company have not been able to hold such a meeting, the same shall not be viewed as violation. The Independent Directors, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.</p> <p>5) Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of incorporation under section 10A of the Companies Act, 2013. An additional period of 180 more days is allowed for this compliance.</p> <p>6) Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the Companies Act, 2013 shall not be treated as non-compliance for the financial year 2019-20.</p> <p>7) Requirement under Section 73(2) (c) of the Companies Act 2013, to create the deposit repayment reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April, 2020 shall be allowed to be complied with till 30th June, 2020.</p> <p>8) Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 to invest or deposit at least 15% of amount of debentures maturing in specified methods of investments or deposits before 30th April 2020, may be complied with till 30th June 2020.</p>	
22.	Miscellaneous	<p>General Circular No:12/2020 Companies Fresh Start Scheme, 2020, (CFSS 2020) dated 30th March, 2020</p> <p>In order to give an opportunity to the defaulting companies and to enable them to file the belated statutory documents in the MCA-21</p>	<p>http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf</p>

	<p>registry, the Central Government has introduced "Companies Fresh Start Scheme, 2020 (CFSS-2020) scheme" vide General Circular No: 12/2020, dated 30th March, 2020, which give one time opportunity to the Companies to mark a fresh beginning as fully compliant companies by making good any defaults related to statutory filings, without paying any additional fees.</p> <p>In addition, this scheme gives opportunity to inactive companies to get their companies declared as 'dormant company' under Section 455 of the Companies Act, 2013, by filing a simple application at the normal fee. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements.</p> <p>The CFSS-2020 scheme came into force on 01st April, 2020 and shall remain in force till 30th September, 2020.</p> <p>Applicability:</p> <p>Any "defaulting company" is permitted to file belated documents which were due for filing on any given date in accordance with the provision of this scheme.</p> <p>"Company" means a company defined under Section 2(20) of the Companies Act, 2013</p> <p>"defaulting company" means a company defined under the Companies Act, 2013, and which has made a default in filing of any of the documents, statement, returns, etc including annual statutory documents on the MCA-21 registry.</p> <p>Benefits to Company:</p> <ol style="list-style-type: none"> 1) Full Waiver for Payment of Additional Fees 2) Immunity from the launch of prosecution or proceedings for imposing penalty shall be provided only to the extent such prosecution or proceedings for imposing penalty under the Act pertain to any delay associated with filing of belated documents. <p>Forms covered under the Scheme</p> <p>The list of forms covered under the scheme is available on the MCA-21 website.</p>	
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	<p>Process to avail the benefit of the Scheme: (Application for issue of immunity certificate)</p> <ol style="list-style-type: none"> 1) The defaulting company has to file all the belated documents with normal fees; 2) Then the defaulting company has to make an application for seeking immunity in the Form CFSS-2020, after closure of the Scheme and after the documents are taken on file or on record or approved by the designated authority as the case may be. 3) Form CFSS-2020 has to be filed within 6 Months from the date of the closure of the Scheme. 4) No Filing Fee for E-Form CFSS-2020 5) Based on the application, Certificate of immunity will be issued by designated Authority. <p>Non Applicability of CFSS-2020:</p> <ul style="list-style-type: none"> • Companies against which action for final notice for striking off the name under section 248 of the Companies Act, 2013 (previously Section 560 of the Companies Act, 1956) has already been initiated by the designated authority; • Companies which have already filed application for Strike off; • To companies which have amalgamated under the scheme of Arrangement and Compromise under the Act; • Companies which have already filed applications for obtaining Status of Dormant Companies under Section 455 of the Act before this scheme. • Vanishing Companies • For e-form SH-7 for Increase in Authorized Share Capital • Charge related Forms (CHG-1, CHG-4, CHG-8 and CHG-9) <p>Scheme for Inactive Companies-</p> <p>The defaulting inactive companies, while filing due documents under CFSS-2020 can simultaneously, either:</p> <ol style="list-style-type: none"> a) apply to get themselves declared as Dormant Company under Section 455 of the Companies Act, 2013 by filing e-form MSC-1 at a normal fee on said form or 	
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		<p>b) apply for striking off the name of the company by filing e-form STK-2 by paying fee payable on form STK-2.</p> <p>In which cases the immunity will not be granted under the scheme?</p> <p>(a) Matter of any appeal pending before the court of law and in case of management disputes of the company pending before any court of law or tribunal;</p> <p>(b) Any court has ordered conviction in any matter or an order imposing penalty has been passed by an adjudicating authority under the Act and no appeal has been preferred against such orders of the court or of the adjudicating authority as the case may be, before the scheme has come into force; and</p> <p>(c) Any other consequential proceedings, including any proceeding involving interest of any shareholders or any other person qua the company or its directors or key managerial person.</p> <p>Effect of Immunity</p> <p>After granting the immunity, the Designated authority concerned shall withdraw the prosecution(s) pending, if any, before the concerned Court(s) and the proceedings of adjudication of penalties under section 454 of the Act, other than those referred in the second proviso to sub-paragraph (vii) of paragraph 6 of this Scheme, in respect of defaults against which immunity has been so granted shall be deemed to have been completed without any further action on the part of the Designated authority.</p> <p>At the conclusion of the scheme, the designated authority shall take necessary action under the Act against the companies who have not availed the scheme and are in default in filing these documents in a timely manner.</p>	
23.	Miscellaneous	<p>The Companies (Amendment) Bill, 2020, dated 17th March, 2020</p> <p>To further amend the Companies Act, 2013 based on the recommendations of the CLC Committee Report submitted in November, 2019, The Companies (Amendment) Bill, 2020 was introduced in Lok Sabha on 17th March 2020</p>	<p>http://www.mca.gov.in/Ministry/pdf/Amendment_18032020.pdf</p>

	<p>Objects of the Companies (Amendment) Bill, 2020</p> <p>Based on the recommendations of the CLC and internal review by the Government, it is proposed to amend various provisions of the Act to decriminalise minor procedural or technical lapses under the provisions of the said Act, into civil wrong; and considering the overall pendency of the courts, a principle based approach was adopted to further remove criminality in case of defaults, which can be determined objectively and which otherwise lack any element of fraud or do not involve larger public interest. In addition, the Government also proposes to provide greater ease of living to corporates through certain other amendments to the Act.</p> <p>The Companies (Amendment) Bill, 2020, inter alia, provides for the following namely:</p> <p>(a) to decriminalise certain offences under the Act in case of defaults which can be determined objectively and which otherwise lack any element of fraud or do not involve larger public interest;</p> <p>(b) to empower the Central Government to exclude, in consultation with the Securities and Exchange Board, certain class of companies from the definition of "listed company", mainly for listing of debt securities;</p> <p>(c) to clarify the jurisdiction of trial court on the basis of place of commission of offence under section 452 of the Act for wrongful withholding of property of a company by its officers or employees, as the case may be;</p> <p>(d) to incorporate a new Chapter XXIA in the Act relating to Producer Companies, which was earlier part of the Companies Act, 1956;</p> <p>(e) to set up Benches of the National Company Law Appellate Tribunal;</p> <p>(f) to make provisions for allowing payment of adequate remuneration to non-executive directors in case of inadequacy of profits, by aligning the same with the provisions for remuneration to executive directors in such cases;</p> <p>(g) to relax provisions relating to charging of higher additional fees for default on two or more occasions in submitting, filing, registering or recording any document, fact or information as provided in section 403;</p>	
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SETTING UP OF BUSINESS ENTITIES AND CLOSURES

Module 1, Paper 3

Sr. No.	Reference to Chapter No.	Amendments to Regulations/ Rules/ Act/ Circulars/ Notification	Brief particulars/ Link of the amendment
1.	Lesson-2 Types of Companies	<p>Notification Number G.S.R. 128(E)-The Companies (Incorporation) Amendment Rules, 2020 (Effective from 23rd February, 2020)</p> <p>In the Companies (Incorporation) Rules, 2014, for rule 9, the following rule shall be substituted, namely:-</p> <p>Rule 9 of the Companies (Incorporation) Rules, 2014 -Reservation of name or change of name</p> <p>An application for reservation of name at the time of incorporation shall be made through the web service available at www.mca.gov.in by using web service SPICE+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32) and for change of existing name by using web service RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing re-submission of such web form within fifteen days for rectification of the defects, if any, with effect from the 23rd February, 2020.</p> <p>In rules 10, 12, sub-rule (1) of rule 19, sub-rules (1), (2), (3), (4), (7) and (9) of rule 38 of the Companies (Incorporation) Rules, 2014, for the words, letters, figures and brackets,, “Form No. INC-32 (SPICE), wherever they occur, the letters, brackets, words and figures “SPICE+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32)” shall be substituted with effect from the 23rd February, 2020.</p> <p>In Rule 38 of the Companies (Incorporation) Rules, 2014</p> <p>In the marginal heading, for the word, brackets and letters “Electronically (SPICE)”, the words, brackets and letters “Electronically Plus</p>	http://www.mca.gov.in/Ministry/pdf/rule_2022020.pdf

		<p>(SPICE+) shall be substituted with effect from the 23rd February, 2020.</p> <p>In rule 38A of the Companies (Incorporation) Rules, 2014-</p> <p>(i) In the marginal heading for the words, brackets and letter 'and Employees' Provident Fund Organisation (EPFO) registration' the following words, brackets and letters, "Employees' Provident Fund Organisation (EPFO) Registration and Profession Tax Registration and Opening of Bank Account" shall be substituted.</p> <p>(ii) for the letters "AGILE", the letters "AGILE-PRO", shall be substituted;</p> <p>(iii) after clause (c), the following clauses shall be inserted, namely:-</p> <p>"(c) Profession Tax Registration with effect from the 23rd February, 2020</p> <p>(d) Opening of Bank Account with effect from 23rd February, 2020."</p> <p><i>As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs has introduced a new Web Form 'SPICE+' w.e.f. 23rd February, 2020 replacing the existing SPICE form. SPICE+ is an integrated Web form offering multiple services viz.name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO registration, ESIC registration, Profession Tax registration (Maharashtra) and Mandatory opening of Bank Account for the Company.</i></p> <p><i>It also facilitates allotment of GSTIN wherever so applied for by the Stakeholders.</i></p> <p><i>After introduction of SPICE+ web form RUN is applicable only for the change of name of the existing companies</i></p>	
2.	Lesson- 2 Types of Companies	New companies incorporated through SPICE+ and thereby have obtained EPFO/ESI numbers will have to file statutory returns only when they cross thresholds prescribed under the relevant Acts.	http://www.mca.gov.in/MinistryV2/homepage.html
3.	Lesson- 4 Legal Status of Registered Company	Exemptions to Government Companies under Section 462 of the Companies Act, 2013 vide notification no: G.S.R. 151(E), dated 02nd March, 2020.	http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf

		<p>(i) For the purpose of Exemption notification a new explanation is inserted in the definition of Government Company as per Section 2(45) of the Companies Act, 2013 which is as under:</p> <p><i>Explanation-</i> For the purposes of this clause, the "paid up share capital" shall be construed as "total voting power", where shares with differential voting rights have been issued.</p> <p><i>With this insertion more clarity has been given to the definition of Government Company Which has issued the Shares with the differential voting rights.</i></p> <p>(ii) The Serial Number 1 and entries relating thereto of notification number G.S.R.463 (E), dated 5th June, 2015, has been renumbered as Serial Number 1A.</p>	
4.	<p>Lesson-4</p> <p>Legal Status of Registered Company</p>	<p>Exemptions to Government Companies under Section 462 of the Companies Act, 2013 vide notification no: G.S.R. 151(E), dated 02nd March, 2020.</p> <p>(iii) For serial number 26 relating to Chapter XII, first and second proviso to sub-section (1) of section 188 and the entries relating thereto of notification number G.S.R.463(E), dated 5th June, 2015, the entries has been substituted as under:</p> <p>First and Second proviso to sub-section (1) of section 188 shall not apply to -</p> <p>(a) a Government company in respect of contracts or arrangements entered into by it with any other Government company, or with Central Government or any State Government or any combination thereof;</p> <p>(b) a Government company, other than a listed company, in respect of contracts or arrangements other than those referred to in clause (a), in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before entering into such contract or arrangement.</p> <p><i>Before this amendment the contracts or arrangements with any other Government Company is only exempted, with this amendment the exemption is also extended to the contracts or arrangements with the Central Government or any State Government or any combination thereof.</i></p>	<p>http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf</p>

5.	<p>Lesson-5 Formation of LLP</p>	<p>General Circular No. 6/2020,LLP Settlement Scheme,2020, dated 04th March, 2020</p> <p>As part of Government's constant efforts to promote ease of doing business it has been decided to give a onetime relaxation in additional fees to the defaulting LLPs to make good their default by filing pending documents and to serve as a compliant LLP in future by introducing "LLP Settlement Scheme, 2020".</p> <p>However in the wake of outbreak of COVID-19, MCA modifies the LLP Settlement Scheme, 2020 and introduced Modified LLP Settlement Scheme, 2020. via General Circular No-13/2020, dated 30th March, 2020.</p> <table border="1" data-bbox="527 730 1148 1990"> <thead> <tr> <th data-bbox="527 730 706 972">Category</th> <th data-bbox="706 730 922 972">LLP Settlement Scheme, 2020, dated 4th March, 2020</th> <th data-bbox="922 730 1148 972">Modified LLP Settlement Scheme, 2020, dated 30th March,2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="527 972 706 1877">Validity Period</td> <td data-bbox="706 972 922 1877"> <p>This original scheme came into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.</p> <p>(But after introduction of Modified LLP Settlement Scheme, 2020, original Scheme ceased to exist on 31st March, 2020 i.e. the original scheme came in force on 16th March, 2020 and remained effective till 31st March, 2020)</p> </td> <td data-bbox="922 972 1148 1877"> <p>This Modified LLP Settlement Scheme, 2020 came into force with effect from 1st April, 2020 and shall remain in force upto 30th September, 2020.</p> </td> </tr> <tr> <td data-bbox="527 1877 706 1990">Applicability</td> <td data-bbox="706 1877 922 1990">Any defaulting LLP is permitted to</td> <td data-bbox="922 1877 1148 1990">Any defaulting LLP is permitted to</td> </tr> </tbody> </table>	Category	LLP Settlement Scheme, 2020, dated 4 th March, 2020	Modified LLP Settlement Scheme, 2020, dated 30 th March,2020	Validity Period	<p>This original scheme came into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.</p> <p>(But after introduction of Modified LLP Settlement Scheme, 2020, original Scheme ceased to exist on 31st March, 2020 i.e. the original scheme came in force on 16th March, 2020 and remained effective till 31st March, 2020)</p>	<p>This Modified LLP Settlement Scheme, 2020 came into force with effect from 1st April, 2020 and shall remain in force upto 30th September, 2020.</p>	Applicability	Any defaulting LLP is permitted to	Any defaulting LLP is permitted to	<p>http://www.mca.gov.in/Ministry/pdf/GeneralCircular06_04032020.pdf</p> <p>http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf</p>
Category	LLP Settlement Scheme, 2020, dated 4 th March, 2020	Modified LLP Settlement Scheme, 2020, dated 30 th March,2020										
Validity Period	<p>This original scheme came into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.</p> <p>(But after introduction of Modified LLP Settlement Scheme, 2020, original Scheme ceased to exist on 31st March, 2020 i.e. the original scheme came in force on 16th March, 2020 and remained effective till 31st March, 2020)</p>	<p>This Modified LLP Settlement Scheme, 2020 came into force with effect from 1st April, 2020 and shall remain in force upto 30th September, 2020.</p>										
Applicability	Any defaulting LLP is permitted to	Any defaulting LLP is permitted to										

			file belated documents which were due for filing till 31 st October, 2019.	file belated documents which were due for filing till 31 st August, 2020.
		Payment of Normal Fee	Yes, Payable	Yes, Payable
		Payment of Additional Fee	Additional fee of Rs 10/- per day for delay in addition to any fee as is payable for filing of such document or return: Provided that such payment of additional fee shall not exceed Rs. 5,000/- per document.	No Additional fee as complete waiver granted
		Immunity from Prosecution	The defaulting LLPs, which have filed their pending documents till 13 th June 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults. (After introduction of Modified LLP Settlement Scheme, 2020, the original scheme has been modified as: Defaulting	The defaulting LLPs, which have filed their belated documents till 30 th September, 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults.

		LLPs, which have filed their pending documents till 31 st March , 2020 and made good the default under this scheme, shall not be subjected to prosecution by Registrar for such defaults)	
	Forms Eligible	Applicable only to Form 3, 4, 8 and 11 under the LLP Act, 2008 and rules made there under.	Applicable to all the belated documents or forms which are required to be filed in MCA-21 registry under the provisions of LLP Act, 2008 and rules made there under. http://www.mca.gov.in/Ministry/pdf/CFSS2020_02042020.pdf
	Non applicability	The scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.	The scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.
	On the conclusion of the Scheme after 30 th September, 2020, the Registrar shall take necessary action under the LLP Act, 2008 against the LLPs which have not availed this		

		Scheme and are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner. The defaulting LLPs may be subjected to prosecution by Registrar for such defaults.	
6.	Lesson-8 Financial Services or Organisation and its Registration Process	<p>Corrigendum pertaining to Nidhi (Second Amendment) Rules, 2020, dated 2nd March, 2020.</p> <p>The Ministry of Corporate Affairs vide its notification no: G.S.R.-150(E), dated 2nd March, 2020 has issued a corrigendum pertaining to Nidhi (Second Amendment) Rules, 2020.</p> <p>In the notification of the Ministry of Corporate Affairs, number G.S.R. 114(E), dated 14th February, 2020.</p> <p>As per the corrigendum</p> <p>At page 2, in line 9, for "rule 23A" read "rule 23A and first proviso to rule 23B".</p> <p><i>Hence, in the Nidhi Rules, 2014, in rule 23A and first proviso to rule 23B for the words "six months" the words "nine months" shall be substituted.</i></p> <p>Post Amendment-</p> <p>Rule 23A- Compliance with rule 3A by certain Nidhis :-</p> <p>As per the amended rule,</p> <p>Every company referred to in clause (b) of rule 2 of Nidhi Rules, 2014 and every Nidhi incorporated under the Act, before the commencement of Nidhi (Amendment) Rules, 2019, shall also get itself declared as such in accordance with rule 3A within a period of one year from the date of its incorporation or within a period of nine months from the date of commencement of Nidhi (Amendment) Rules, 2019, whichever is later.</p> <p>First proviso to rule 23B</p> <p>Provided that no fees shall be charged under this rule for filing Form NDH-4, in case it is filed within nine month of the commencement of Nidhi (Amendment) Rules, 2019.</p>	http://www.mca.gov.in/Ministry/pdf/rule_02032020.pdf
7.	Lesson-8 Financial Services or Organisation and its	Sensitization of Nidhi Companies towards compliance of provisions of Section 406 of Companies Act, 2013 and Nidhi Rules, 2014 as amended vide Nidhi (Amendment) Rules, 2019 w.e.f 15.08.2019 and general public to invest in genuine and compliant Nidhis only.	http://www.mca.gov.in/Ministry/pdf/Nidhi_19032020.pdf

	<p>Registration Process</p>	<p>In order to make regulatory regime for Nidhi Companies more effective and also to accomplish the objectives of transparency & investor friendliness in corporate environment of the country, the Central Government has recently amended the provisions related to NIDHI under the Companies Act, 2013 and the Rules (effective from 15.08.2019).</p> <p>Under Nidhi Rules, 2014, Nidhi is a company which has been incorporated as a Nidhi with the object of cultivating the habit of thrift and saving amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit.</p> <p>The amended provisions of the Companies Act (Section 406) and Nidhi rules (as amended w.e.f. 15.08.2019) require that the Nidhi companies have to apply to the Central government for updation of their status/ declaration as Nidhi Company in Form NDH-4.</p> <p>The time-frame for applying to Central Government in form NDH-4 is as under:-</p> <p>(I) Companies incorporated as Nidhi before Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to apply within a period of one year from the date of its incorporation or within 9 months of the Nidhi Amendment Rules i.e. 15.08.2019 whichever is later.</p> <p>(II) Companies incorporated as Nidhi on or after Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to apply within 60 days of expiry of one year from the date of incorporation or extended period (as granted by concerned Regional Director).</p> <p>1) In case a company does not comply with the above requirements, it shall not be allowed to file Form No. SH-7 (Notice to Registrar for any alteration of share capital) and Form PAS-3 (Return of Allotment).</p> <p>2) Such companies are required to ensure strict adherence to provision of Companies Act, 1956/2013 and Nidhi Rules, 2014 as amended. In case of contravention of the provisions of these Rules, the company and every officer of the company who is in default shall initially be punishable with fine which may extend to five thousand rupees and further fine in case of continuous violations.</p> <p>3) Investors are advised to verify the status of Nidhi company from the notification issued by</p>	
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		Central Government in official gazette before making any investment or deposit.							
8.	Lesson-21 Corporate Insolvency Resolution process, liquidation and Winding up : An Overview	<p>Notification Number G.S.R.-169(E) - The Companies (Incorporation) Second Amendment Rules, 2020, dated 12th March, 2020.</p> <p>In the Companies (Incorporation) Rules, 2014, in the Annexure, in Form No.INC-28, in serial number 5, in clause (a) after sub-clause (ii), the following shall be inserted, namely-</p> <p>"(iii) Section of Insolvency and Bankruptcy Code, 2016 under which order passed"</p>	http://www.mca.gov.in/Ministry/pdf/rule_13032020.pdf						
9.	Lesson-21 Corporate Insolvency Resolution process, liquidation and Winding up : An Overview	<p>Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">General Circular No. 04/2020, dated 17th February, 2020</td> <td style="width: 50%; padding: 5px;">General Circular No. 08/2020, dated 06th March, 2020</td> </tr> <tr> <td style="padding: 5px;">Keeping in view the requirements for statutory compliances by such companies under the Companies Act, 2013 and to enable compliance of such requirements by such Resolution Professionals, it is hereby clarified that the following procedures shall be followed in respect of all such cases:-</td> <td style="padding: 5px;">In supersession of earlier Circular No.04/2020 dated, 17-02-2020, the following clarification is issued for statutory compliances in respect of companies under Corporate Insolvency Resolution Process (CIRP).</td> </tr> <tr> <td style="padding: 5px;">The IRP/RP/Liquidator would have to file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting option 'Others' at serial no.5</td> <td style="padding: 5px;">The IRP/RP/Liquidator would have to first file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting appropriate section of IBC 2016 at</td> </tr> </table>	General Circular No. 04/2020, dated 17th February, 2020	General Circular No. 08/2020, dated 06th March, 2020	Keeping in view the requirements for statutory compliances by such companies under the Companies Act, 2013 and to enable compliance of such requirements by such Resolution Professionals, it is hereby clarified that the following procedures shall be followed in respect of all such cases:-	In supersession of earlier Circular No.04/2020 dated, 17-02-2020, the following clarification is issued for statutory compliances in respect of companies under Corporate Insolvency Resolution Process (CIRP).	The IRP/RP/Liquidator would have to file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting option 'Others' at serial no.5	The IRP/RP/Liquidator would have to first file the NCLT order approving him as the IRP/RP/Liquidator in form INC-28 on the MCA21 portal by selecting appropriate section of IBC 2016 at	<p>http://www.mca.gov.in/Ministry/pdf/Circular_17022020.pdf</p> <p>http://www.mca.gov.in/Ministry/pdf/Circular8_06032020.pdf</p>
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		(a) (i) from the drop down menu in the form.	serial no.5 (a) (iii) from the drop down box in the form.	
		After filing in the form, the IRP/RP/Liquidator while affixing his DSC shall choose 'Others' as his designation in declaration box.	After filing in the form, the IRP/RP/Liquidator while affixing his DSC, shall choose his designation as "CEO" in the declaration box for the purpose of filing only and choose "Others" from the Drop down Menu.	
		<p>Jurisdictional ROC shall thereafter examine and approve the INC-28 form so filed if the same is found to be in order.</p> <p>If the filed Form is not in order, he shall mark the form as under Re-submission / Rejected category as applicable.</p> <p>Once the INC-28 form is approved, only the IP (IRP/ RP/ Liquidator) shall thereafter be allowed to file any form on behalf of the company.</p>		
		The Master Data for the company shall, after the approval of Form No. INC-28 clearly display that the said company is under CIRP or Liquidation, as the case may be, and the name of the IP so appointed shall be displayed in the CEO column.	The Master Data for change in the status of the company from "Active"/ "Inactive" to CIRP/ Liquidation or CIRP/Liquidation to "Active" shall be effected on the basis of Formal Change Request Form submitted by IBBI to e-governance Cell, MCA (HQ). Since this function has been centralized, Registrars of Companies shall not raise and forward CRF	

			either to the e-gov cell or to service provider for the above mentioned purpose.
		<p>The IP shall be responsible and will be able to file all necessary documents/ disclosures/ returns for the purposes of compliances under the Companies Act 2013.</p> <p>For all subsequent filings, the IP shall choose his designation as "Chief Executive Officer"(CEO), for the purpose of filing e-forms, in various e-forms.</p>	<p>The IRP/ RP/ Liquidator shall be responsible for filing all the e-forms in the MCA portal and sign the form in the capacity of CEO in order to meet filing protocol in the existing forms architecture.</p> <p>However, this shall in no way affect his legal status as IRP/ RP/ Liquidator.</p>
		<p>For filing e-forms SH-8 and SH-9 and iXBRL, the IP shall be allowed to file the same in his role as CEO instead of the form being signed by two Directors.</p> <p>In respect of e-form MGT-7 the IP shall sign the form instead of a Director and thereafter the form would have to be certified by a Company Secretary in practice.</p>	<p>All filings of e-forms including AOC-4 and MGT-7 shall be filed through e-form GNL-2 by way of attachments till the company is under CIRP. In the existing field no.3 of form no. GNL-2, IRP/ RP/ Liquidator will choose radio button "Filings under IBC".</p> <p>Against date of event and Board Resolution in INC-28 and GNL-2, date of order of NCLT/NCLAT/Court may be mentioned.</p> <p>It is further clarified that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Companies Act,</p>

		<p>2013, in accordance with directions issued by the NCLT/ NCLAT/Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/RP.</p> <p>It is also clarified that the concerned IRP/RP of every company which was under CIRP prior to the issue of this circular, shall also file e-form INC-28 for such companies and thereafter proceed to file other documents/fact/ information as required under the Act and Rules there under through e-form GNL-2.</p>	
		<p>Unless INC-28 e-form is approved, no other forms would be enabled for filing by the IRP/RP/Liquidator in his role of designated CEO.</p>	
		<p>The IRP/RP/Liquidator in his role as designated CEO shall again file e-form INC-28 upon the approval of the resolution plan, initiation of liquidation proceedings or upon withdrawal of the application for CIRP based on which the</p>	

		status of the company would get suitably reflected in the company master data.		
		In case, a new Board is required to be appointed in terms of the order passed by the Tribunal or Appellate Tribunal, the details of the first authorised signatory of such board will be inserted by the jurisdictional Registrar after receiving an application from the IP, wherein the SRN of the relevant e-form INC-28 shall be quoted		
		Consequently, the authorisation for the IP to file documents on behalf of the company shall then cease and the new authorised signatory shall then take over the responsibility of filing e-forms on behalf of the company.		
		It is further clarified that in case the order of admission of a company (corporate Debtor) into CIRP or into liquidation is stayed or set aside by the Tribunal or Appellate Tribunal or other courts, such order shall be filed in Form INC-28 by the concerned IP, and the status of the company and the authorisation for filing of forms on behalf of company		

		would then change accordingly.	
10.	Miscellaneous	<p>Special Measures under Companies Act, 2013 and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak, dated 24th March, 2020.</p> <p>Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of incorporation under section 10A of the Companies Act, 2013. An additional period of 180 more days has been allowed for this compliance.</p>	http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf
11.	Miscellaneous	<p>General Circular No:12/2020 Companies Fresh Start Scheme, 2020, (CFSS 2020) dated 30th March, 2020</p> <p>In order to give an opportunity to the defaulting companies and to enable them to file the belated statutory documents in the MCA-21 registry, the Central Government has introduced "Companies Fresh Start Scheme, 2020 (CFSS-2020) scheme" vide General Circular No: 12/2020, dated 30th March, 2020, which give one time opportunity to the Companies to mark a fresh beginning as fully compliant companies by making good any defaults related to statutory filings, without paying any additional fees.</p> <p>In addition, this scheme gives opportunity to inactive companies to get their companies declared as 'dormant company' under Section 455 of the Companies Act, 2013, by filing a simple application at the normal fee. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements.</p> <p>The CFSS-2020 scheme came into force on 01st April, 2020 and shall remain in force till 30th September, 2020.</p> <p>Applicability:</p> <p>Any "defaulting company" is permitted to file belated documents which were due for filing on any given date in accordance with the provision of this scheme.</p> <p>"Company" means a company defined under Section 2(20) of the Companies Act, 2013</p> <p>"defaulting company" means a company defined under the Companies Act, 2013, and which has made a default in filing of any of the documents,</p>	http://www.mca.gov.in/Ministry/pdf/Circular_12_30032020.pdf

	<p>statement, returns, etc including annual statutory documents on the MCA-21 registry.</p> <p>Benefits to Company:</p> <ol style="list-style-type: none"> 1) Full Waiver for Payment of Additional Fees 2) Immunity from the launch of prosecution or proceedings for imposing penalty shall be provided only to the extent such prosecution or proceedings for imposing penalty under the Act pertain to any delay associated with filing of belated documents. <p>Forms covered under the Scheme</p> <p>The list of forms covered under the scheme is available on the MCA-21 website.</p> <p>http://www.mca.gov.in/Ministry/pdf/CFSS2020_02042020.pdf</p> <p>Fee Payable</p> <p>Normal Fees as prescribed under the Companies (Registration offices and Fee) Rules, 2014 on the date of filing of each belated document without any Additional fees.</p> <p>Pre-condition to be complied</p> <p>If the defaulting company with respect to any statutory filing under the Act or its officer in default as the case may be, has filed any appeal against any notice issued or complaint filed or an order passed by a court or by an adjudicating authority under the Act, before a competent court or authority for violation of provisions of Companies Act, 1956 and/or 2013, in respect of which an application is made under this scheme, the applicant shall before filing an application under this scheme for issue of immunity certificate shall withdraw the appeal and furnish proof of such withdrawal along with the application.</p> <p>Special measures in case if no appeal filed</p> <p>In case where due to delay associated in filing of any document, statement or return, etc in the MCA-21 registry, penalties were imposed by an adjudicating officer under the Act but no appeal has been filed by the concerned company or its officer before the Regional Director as on date of commencement of the scheme.</p> <p><i>The following relaxations are allowed:</i></p> <p>Where the last date for filing the appeal against the order of the adjudicating authority falls between the 1st March, 2020 to 31st May 2020</p>	
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	<p>(both days included), a period of 120 additional days shall be allowed with effect from such last date to all companies and their officers for filing the appeal before the concerned Regional Directors.</p> <p>During such additional period as stated above, prosecution under Section 454(8) of the Act for non-compliance of the order of the adjudicating authority, insofar as it relates to delay associated in filing of any document, statement or return, etc in the MCA-21 registry shall not be initiated against such companies or their officers.</p> <p>Process to avail the benefit of the Scheme: (Application for issue of immunity certificate)</p> <ol style="list-style-type: none"> 1) The defaulting company has to file all the belated documents with normal fees; 2) Then the defaulting company has to make an application for seeking immunity in the Form CFSS-2020, after closure of the Scheme and after the documents are taken on file or on record or approved by the designated authority as the case may be. 3) Form CFSS-2020 has to be filed within 6 Months from the date of the closure of the Scheme. 4) No Filing Fee for E-Form CFSS-2020 5) Based on the application, Certificate of immunity will be issued by designated Authority. <p>Non Applicability of CFSS-2020:</p> <ul style="list-style-type: none"> • Companies against which action for final notice for striking off the name under section 248 of the Companies Act, 2013 (previously Section 560 of the Companies Act, 1956) has already been initiated by the designated authority; • Companies which have already filed application for Strike off; • To companies which have amalgamated under the scheme of Arrangement and Compromise under the Act; • Companies which have already filed applications for obtaining Status of Dormant Companies under Section 455 of the Act before this scheme. • Vanishing Companies • For e-form SH-7 for Increase in Authorized Share Capital 	
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	<ul style="list-style-type: none"> • Charge related Forms(CHG-1,CHG-4,CHG-8 and CHG-9) <p>Scheme for Inactive Companies-</p> <p>The defaulting inactive companies, while filing due documents under CFSS-2020 can simultaneously, either:</p> <p>a) apply to get themselves declared as Dormant Company under Section 455 of the Companies Act, 2013 by filing e-form MSC-1 at a normal fee on said form or</p> <p>b) apply for striking off the name of the company by filing e-form STK-2 by paying fee payable on form STK-2.</p> <p>In which cases the immunity will not be granted under the scheme?</p> <p>(a) Matter of any appeal pending before the court of law and in case of management disputes of the company pending before any court of law or tribunal;</p> <p>(b) Any court has ordered conviction in any matter or an order imposing penalty has been passed by an adjudicating authority under the Act and no appeal has been preferred against such orders of the court or of the adjudicating authority as the case may be, before the scheme has come into force; and</p> <p>(c) Any other consequential proceedings, including any proceeding involving interest of any shareholders or any other person qua the company or its directors or key managerial person.</p> <p>Effect of Immunity</p> <p>After granting the immunity, the Designated authority concerned shall withdraw the prosecution(s) pending, if any, before the concerned Court(s) and the proceedings of adjudication of penalties under section 454 of the Act, other than those referred in the second proviso to sub-paragraph (vii) of paragraph 6 of this Scheme, in respect of defaults against which immunity has been so granted shall be deemed to have been completed without any further action on the part of the Designated authority.</p> <p>At the conclusion of the scheme, the designated authority shall take necessary action under the Act against the companies who have not availed the scheme and are in default in filing these documents in a timely manner.</p>	
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TAX LAWS

Module 1, Paper 4

Direct Tax

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1.	Lesson 9 Procedural Compliance	<p>Circular No. 6/2020 Dated 19th February, 2020</p> <p>Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Return of Income for A.Y. 2016-17, 2017-18, and 2018- 19 and Form No.9A and Form No. 10</p> <p>With the view to prevent hardship to the assessee and in exercise of powers conferred under section 119(2)(b) of the Act, the CBDT has decided that where the application for condonation of delay in filing Form 9A and Form 10 has been filed , and the Return of Income has been filed on or before 31st March of the respective assessment years i.e. Assessment Years 2016- 17, 2017- 18 and 2018-19, the Commissioners of Income-tax (Exemptions) are authorised u/s 119(2)(b) of the Act, to admit such belated applications for condonation of delay in filing Return of Income and decide on merit.</p> <p>For all other application for condonation of delay not mentioned above, the power of condonation of delay u/s 119(2)(b) of the Act will continue with the respective authorities as per the extant Rules and Practice.</p> <p>Accordingly, where the application for condonation of delay in filing Form 9A and Form 10 has been filed , and the Return of Income has been filed on or before 31st March of the respective assessment, the Commissioners of Income-tax (Exemptions) are authorised to admit such belated applications for condonation of delay in filing Return of Income and decide on merit.</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_no_6_2020.pdf</p>
2.	Lesson 4 Computation of Income under Various Heads	<p>Notification No. 7/2020 Dated 28th January, 2020</p> <p>M/s. Institute of Pesticide Formulation Technology, Gurugram (PAN: AAATI0389Q) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_07_2020.pdf</p>

		<p>35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 and onwards under the category of "Research Association" subject to the certain conditions.</p> <p>Accordingly, any donation made to M/s. Institute of Pesticide Formulation Technology for conducting scientific research will qualify for deduction u/s 35(1)(ii) of the Income Tax Act, 1961.</p>	
3.	<p>Lesson 4</p> <p>Computation of Income under Various Heads</p>	<p>Notification No. 8/2020 Dated 29th January, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (3rd Amendment) Rules, 2020 which shall come into force on the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962 (i) after rule 6ABB, the following rule shall be inserted and shall be deemed to have been inserted from the 1st day of September, 2019, namely:-</p> <p>"Other electronic modes</p> <p>6ABBA. The following shall be the other electronic modes for the purposes of clause (d) of first proviso to section 13A, clause (f) of sub-section (8) of section 35AD, sub-section (3), sub-section (3A), proviso to subsection (3A) and sub-section (4) of section 40A, second proviso to clause (1) of Section 43, sub-section (4) of section 43CA, proviso to sub-section (1) of section 44AD, second proviso to sub-section (1) of section 50C, second proviso to sub-clause (b) of clause (x) of sub-section (2) of section 56, clause (b) of first proviso of clause (i) of Explanation to section 80JJAA, section 269SS, section 269ST and section 269T,</p> <p>namely:-</p> <p>(a) Credit Card;</p> <p>(b) Debit Card;</p> <p>(c) Net Banking;</p> <p>(d) IMPS (Immediate Payment Service);</p> <p>(e) UPI (Unified Payment Interface);</p> <p>(f) RTGS (Real Time Gross Settlement);</p> <p>(g) NEFT (National Electronic Funds Transfer), and</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_08_2020.pdf</p>

		<p>(h) BHIM (Bharat Interface for Money) Aadhar Pay”;</p> <p>Accordingly, rule 6ABBA specify other electronic mode of payment as specify above for the purpose of various section specified above.</p>	
4.	<p>Lesson 2</p> <p>Basic Concepts of Income Tax</p> <p>Lesson 8</p> <p>Classification and Tax Incidence on Companies</p>	<p>Notification No. 10/2020 Dated 12th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (4th Amendment) Rules, 2020 which shall come into force on the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 21AD, the rule 21AE and 21AF has been inserted, namely:</p> <p>“21AE. Exercise of option under sub-section (5) of section 115BAA - The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-IC.</p> <p>21AF. Exercise of option under sub-section (7) of section 115BAB. The option to be exercised in accordance with the provisions of sub-section (7) of section 115BAB by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-ID.</p> <p>Accordingly, the domestic company opting for concessional rate of tax as specified in section 115BAA / 115BAB shall filed Form No. 10-IC / 10-ID electronically as specified in rule 21AE / 21AF of the Income Tax Rules, 1962.</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_10_2020.pdf</p>
5.	<p>Lesson 9</p> <p>Procedural Compliance</p>	<p>Notification No. 11/2020 Dated 13th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (5th Amendment) Rules, 2020 which shall come into force from the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, after rule 114AA, the rule 114AAA shall be inserted, namely:</p> <p>“114AAA. Manner of making permanent account number inoperative.</p> <p>(1) Where a person, who has been allotted the permanent account number as on the 1st day of July, 2017 and is required to intimate his Aadhaar</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_11_2020_new.pdf</p>

		<p>number under sub-section (2) of section 139AA, has failed to intimate the same on or before the 31st day of March, 2020, the permanent account number of such person shall become inoperative immediately after the said date for the purposes of furnishing, intimating or quoting under the Act.</p> <p>(2) Where a person, whose permanent account number has become inoperative under sub-rule (1), is required to furnish, intimate or quote his permanent account number under the Act, it shall be deemed that he has not furnished, intimated or quoted the permanent account number, as the case may be, in accordance with the provisions of the Act, and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number.</p> <p>(3) Where the person referred to in sub-rule (1) has intimated his Aadhaar number under sub-section (2) of section 139AA after the 31st day of March, 2020, his permanent account number shall become operative from the date of intimation of Aadhaar number for the purposes of furnishing, intimating or quoting under the Act and provisions of sub-rule (2) shall not be applicable from such date of intimation.</p> <p>(4) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify the formats and standards along with the procedure for verifying the operational status of permanent account number under sub-rule (1) and sub-rule (2).”</p> <p>Accordingly, the PAN would become in-operative if not linked with aadhaar on or before 31st March, 2020 and deemed that he has not furnished, intimated or quoted the permanent account number, as the case may be, in accordance with the provisions of the Act, and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number.</p>	
6.	<p>Lesson 4</p> <p>Computation of Income under Various Heads</p>	<p>Notification No. 12/2020 Dated 17th February, 2020</p> <p>The Central Government, hereby makes the Income tax Amendment (6th Amendment), Rules, 2020 which shall come into force from the 1st day of April, 2020.</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_12_2020.pdf</p>

		<p>In the Income-tax Rules, 1962, in rule 11UAC, in the Explanation, for clause (b), the following clause shall be substituted, namely:</p> <p>‘(b) “unauthorised colony” means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularisation of such colony in pursuance to the notification number S.O. 683(E), dated the 24th March, 2008, of the Delhi Development Authority.</p> <p>Accordingly, section 56(2)(x) shall not apply to immovable property being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.</p>	
7.	Lesson 9 Procedural Compliance	<p>Extension of last date for linking of Aadhaar-PAN</p> <p>CBDT vide its Notification No. 11 dated 13th Feb, 2020 clarifies that the last date of linking PAN with Aadhaar is March 31, 2020, after which PAN and Aadhar become inoperative if not linked.</p> <p>In view of Covid-19 outbreak, Aadhaar-PAN linking date has been extended from 31st March, 2020 to 30th June, 2020.</p>	https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1607942
8.	Lesson 9 Procedural Compliance	<p>Extension for last date for filing Income tax Return for FY 2018-19</p> <p>As per the provision of section 139(4) of the Income tax Act, 1961, any person who has not furnished a return within the time allowed to him under sub-section (1), may furnish the return for any previous year at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier. Accordingly, the last date of filing belated income tax return for FY 2018-19 is 31st March, 2020.</p> <p>In view of Covid-19 outbreak, the last date for income tax returns for (FY 18-19) has been</p>	https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1607942

		extended from 31 st March, 2020 to 30 th June, 2020.	
9.	Lesson 9 Procedural Compliance	<p>Corrigendum to Circular No. 4 of 2020 dated 20th January,2020 regarding Income-Tax Deduction from Salaries during the Financial Year 2019-2020 under Section 192 of the Income-Tax Act, 1961</p> <p>In Circular No.04/2020 dated 16th January, 2020 on the above mentioned subject, it is to state that Para 3.1 under heading "Method of Tax Collection" is modified as below:</p> <p>For sentence 3 of Para 3.1:“No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites, for the Financial Year exceeds Rs 2,50,000 or Rs 3,00,000 or Rs 5,00,000, as the case may be, depending upon the age of the employee.”</p> <p>May be read as: “No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.”</p> <p>Accordingly, as per corrigendum issued, the TDS on salary is required to be deducted if estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.</p>	https://www.incometaxindia.gov.in/communications/circular/corrignedum_cir4_2020.pdf
10.	Lesson 9 Procedural Compliance	<p>Circular C1 of 2020 dated 13th April, 2020 - Clarification in respect of option under section 115BAC of the Income-tax Act, 1961</p> <p>Section 115BAC of the Income-tax Act, 1961 inserted by the Finance Act, 2020 w.e.f. the assessment year 2021-22 provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession", may exercise option in respect of a previous year to be taxed under the said section 115BAC alongwith his return of income to be furnished under sub-section (1) of section 139 of the Act for each year. The concessional rate provided under section 115BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, setoff of loss and additional depreciation.</p> <p>The option is required to be exercised at the time of filing of return, the deductor, being an employer, would not know if the person, being an</p>	https://www.incometaxindia.gov.in/communications/circular/circular_c1_2020.pdf

		<p>employee, would opt for taxation under section 115BAC of the Act or not. Hence, there is lack of clarity regarding whether the provisions of section 115BAC of the Act are to be considered at the time of deducting tax.</p> <p>In order to avoid the genuine hardship in such cases, the Board hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.</p> <p>It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section (5) of section 115BAC of the Act and the person shall be required to do so alongwith the return to be furnished under sub-section (1) of section 139 of the Act for that previous year. Thus, option at the time of filing of return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer for that previous year.</p> <p>Further, in case of a person who has income under the head "profit and gains of business or profession" also, the option for taxation under section 115BAC of the Act once exercised for a previous year at the time of filing of return of income cannot be changed for subsequent previous years except in certain circumstances.</p> <p>Accordingly, the above clarification would apply to such person with a modification that the intimation to the employer in his case for subsequent previous years must not deviate from the option under section 115BAC of the Act once exercised in a previous year.</p>	
11.	Lesson 9 Procedural Compliance	Circular No. 8 of 2020 dated 13th April, 2020 - Clarification regarding short deduction of	https://www.incometaxindia.gov.in/comm

	<p>TDS/TCS due to increase in rates of surcharge by Finance (No.2) Act.</p> <p>The Finance Act, 2019 provided for increase in the rate of surcharge. The enhanced rates of surcharge were applicable from the 1st day of April, 2019 for previous year 2019-20 relevant to assessment year 2020-21. Accordingly, TDS/TCS under various provisions of the Income-tax Act is required to be deducted / collected after taking into account the enhanced rate of surcharge.</p> <p>Several cases have come to the notice of the Central Government wherein deductor / collectors were held to be an assessee in default for short deduction of TDS/short collection of TCS in cases where final transaction was done before laying of the Finance (No.2) Bill, 2019 in the Parliament, i.e. 5th July, 2019. Since the transaction was completed before the rates of enhanced surcharge were announced and the concerned deductee/payee is required to furnish their Income-tax return for the relevant assessment year, it has been requested that in such cases, deductor or collector should not be held to be an assessee in default under section 201 of the Income-tax Act.</p> <p>The Board clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of transactions where:</p> <ol style="list-style-type: none"> a) such transaction has been completed and entire payment has been made to the deductee/payee on or before 5th July, 2019 and there is no subsequent transaction between the deductor/collector and the deductee/payee in the financial year 2019-20 from which the shortfall of tax could have been deducted/collected by the deductor/collector; b) TDS has been deducted or TCS has been collected by such deductor/collector on such sum as per the rates in force as per the provisions prior to the enactment of the Act; c) such tax deducted or collected has been deposited in the account of Central Government by the deductor/collector on or before the due date of depositing the same; 	<p><i>unications/circular/circular_8_2020.pdf</i></p>
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		<p>d) TDSITCS statement has been furnished by such person on before the due date of filing of the said statement.</p> <p>The above relaxation does not absolve the deductee/payee to pay proper tax including enhanced surcharge by advance tax or self-assessment tax and file return of income after paying such tax.</p>	
12.	Lesson 10 Assessment, Appeals & Revision	<p>Notification No. 20/2020 Dated 20th March, 2020</p> <p>The Central Board of Direct Taxes hereby authorizes the Assessing Officer working in the Principal Chief Commissioner of Income-tax (international Taxation) Region having Jurisdiction in respect of the assesseees for the purpose of the Income-tax Act, 1961, to exercise or perform all or any of the powers and functions conferred on, or, assigned to an Assessing Officer for the purpose of Chapter VIII of Finance Act, 2016.</p>	<p><i>https://www.incometaxindia.gov.in/communications/notification/notification20_2020.pdf</i></p>

Indirect Tax

Sr. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/ Circular/ Notification	Brief particulars/ Link of the amendment
1.	Lesson 15 Procedural Compliance under GST	<p>Notification No. 06/2020 – Central Tax, dated 3rd February, 2020</p> <ul style="list-style-type: none"> Extension of the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for the period from 01.07.2017 to 31.03.2018. <p>The time limit for furnishing of the annual return specified under section 44 of the said Act read with rule 80 of the said rules, electronically through the common portal, has been extended in respect of the period from the 1st July, 2017 to the 31st March, 2018, for the class of registered person.</p>	<p>Details Available on : http://cbic.gov.in/resources//htdocs-cbec/gst/notfctn-06-central-tax-english-2020.pdf</p>
2.	Lesson 15 Procedural Compliance under GST	<p>Notification No. 07/2020 – Central Tax, dated 3rd February, 2020</p> <p>This notification prescribes due dates for filing of return in FORM GSTR-3B in a staggered manner.</p> <p>The Commissioner, on the recommendations of the Council, hereby makes the further amendments in due dates for the months of January, 2020, February, 2020 and March, 2020 for taxpayers having an aggregate turnover of up to rupees five Crore in the previous financial year, in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.44/2019 – Central Tax, dated the 09th October, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.767(E), dated the 09th October, 2019.</p> <ul style="list-style-type: none"> Extension of Date of Form GSTR – 3B for taxpayers having turnover up to Rs. 5 Crores 	<p>Details Available on : http://cbic.gov.in/resources//htdocs-cbec/gst/notfctn-07-central-tax-english-2020.pdf</p>
3.	Lesson 17 Overview of Customs Act	<p>Notification No. 08/2020-Customs, dated 2nd February, 2020</p> <p>It seeks to exempt specified goods from Health Cess imposed on the medical devices falling under heading 9018 to 9022 in terms of clause 139 of the Finance Bill, 2020.</p>	<p>Details Available on : http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-</p>

		The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table of the above notification falling within the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), from the whole of the Health Cess leviable thereon under the said clause of the Finance Bill.	<i>tarr2020/cs08-2020.pdf</i>
4.	Lesson 17 Overview of Customs Act	<p>Notification No. 14/2020 – Customs, dated 14th February, 2020</p> <p>Notification regarding exemption of duties of Customs against scrips issued under the 2% Additional ad hoc incentive for mobile phones.</p> <p>The Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the amendments in notification of the Government of India, Ministry of Finance (Department of Revenue), No. 24/2015-Customs, dated the 8th April, 2015, for goods which are imported into India are exempted from duties mentioned in clauses (a) and (b) above, may include duty credit provided under the 2% Additional Ad Hoc Incentive in terms of paragraph 3.25 of the Foreign Trade Policy.</p>	<p><i>Details Available on:</i></p> <p><i>http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs14-2020.pdf</i></p>
5.	Lesson 16 Basic overview on IGST, UTGST and GST Compen- sation to States Act	<p>Notification No. 10/2020 - Central Tax, dated 21st March, 2020</p> <p>Special procedure for taxpayers in Dadra and Nagar Haveli and Daman and Diu consequent to merger of the two UTs</p> <ul style="list-style-type: none"> Registered Persons shall intimate the jurisdictional tax officer of the transferor and the transferee regarding the transfer of ITC, within one month of obtaining new registration The ITC shall be transferred on the basis of the balance in the electronic credit ledger upon filing of the return in the erstwhile Union territory of Daman and Diu, for the tax period immediately before the transition date; The transfer of ITC shall be carried out through the return under section 39 of the said Act for the tax period immediately before the transition date and the transferor GSTIN shall debit the said ITC from its electronic credit ledger in Table 4(B)(2) of FORM GSTR-3B and the transferee GSTIN shall credit the equal amount of ITC in its electronic credit ledger in Table 4(A)(5) of FORM GSTR-3B 	<p><i>Details Available on :</i></p> <p><i>http://cbic.gov.in/resources//htdocs-cbec/gst/notfctn-10-central-tax-english-2020.pdf</i></p>

		The balance of Union territory taxes in electronic credit ledger of the said class of persons, whose principal place of business lies in the Union territory of Daman and Diu, as on the 25th day of January, 2020, shall be transferred as balance of Union territory tax in the electronic credit ledger.	
6.	Lesson 12 Basics of Goods and Services Tax	<p>Notification No. 16/2020 - Central Tax, dated 23rd March, 2020</p> <p>Third amendment 2020 to CGST Rules</p> <p>“Physical verification of business premises in certain cases.-</p> <p>Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.”</p>	<p><i>Details Available on:</i></p> <p>http://cbic.gov.in/resources//htdocs-cbec/gst/notfctn-16-central-tax-english-2020.pdf?jsessionid=FFD5BCFD224CBE996D04A673F6ABB472</p>
7.	Lesson 17 Overview of Customs Act	<p>Notification No. 19/2020 - Customs, dated 9th April, 2020</p> <p>The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notifications of the Government of India in the Ministry of Finance (Department of Revenue), No. 08/2020-Customs, dated the 2nd February, 2020, published in the Gazette of India, Extraordinary, vide number G.S.R. 68 (E), dated the 2nd February, 2020, namely:-</p> <p>In the said notification, -</p> <p>(i) for the words, figures and brackets “clause 139 of the Finance Bill, 2020, which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law”, the words, figures and brackets, “section 141 of Finance Act, 2020 (12 of 2020)” shall be substituted;</p> <p>(ii) for the words “under the said clause of the Finance Bill”, the words “under the said section of the said Finance Act” shall be substituted.</p>	<p><i>Details Available on :</i></p> <p>http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs19-2020.pdf</p>

CORPORATE AND MANAGEMENT ACCOUNTING

Module 2, Paper 5

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/ Notification	Brief particulars/Link of the amendment
1.	Lesson 8 Corporate Financial Reporting	<p>Companies (Auditor's Report) Order, 2020 (CARO, 2020)</p> <p>In pursuance of its objective of strengthening the corporate governance framework under the Companies Act, 2013 to attain the national objective of becoming a \$ 5 Trillion economy, powers conferred under sub-section (11) of section 143 of the Companies Act, 2013 and in supersession of the Companies (Auditor's Report) Order, 2016, the Central Government has notified the Companies (Auditor's Report) Order, 2020 (CARO, 2020) on 25.02.2020.</p> <p>The CARO, 2020 applicability has been extended to FY 2020-21 onwards and is thus applicable for audit of financial statements of eligible companies for the financial years commencing on or after the 1st April, 2020.</p> <p>(In the order of the Government of India in the Ministry of Corporate Affairs number S.O. 849(E), dated the 25th February, 2020, in paragraph "2. Auditor's report to contain matters specified in paragraphs 3 and 4", for the words and figures "1st April, 2019", the words and figures "1st April, 2020" shall be substituted)</p> <p>The criteria of eligibility of companies on which the CARO, 2020 shall be applicable has not been changed and hence it shall be applicable to all those companies on which CARO, 2016 was applicable.</p> <p>CARO 2020 would necessitate enhanced due diligence and disclosures on the part of auditors of eligible companies and has been designed to bring in greater transparency in the financial state of affairs of such companies.</p> <p>The salient features of the CARO, 2020 are as under:</p> <ol style="list-style-type: none"> i. The CARO, 2020 includes certain additional clauses, as compared to CARO, 2016, and the existing clauses of CARO, 2016 have been re-drafted to elicit detailed comments from the auditors. 	<p>Detailed order available on the link: https://www.mca.gov.in/Ministry/pdf/Orders_25022020.pdf</p>

		<ul style="list-style-type: none"> ii. A specific format has been provided for reporting the details of such immovable properties whose title deeds are not held in the name of the company but are disclosed in the financial statements. iii. Disclosure of details of proceedings against the company for holding Benami Property and whether the company has disclosed the details in its financial statements. iv. Discrepancies of 10% or more in the aggregate of each class of inventory noticed during physical verification of inventory would have to be reported. v. The auditor is to provide specific details as to whether during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets and whether the quarterly returns/statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. vi. In clause 3(iii) of CARO, 2020, the auditor is to report in detail on the investments made by the company in, any guarantee or security provided or any loans or advances in the nature of loans granted, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, that they are not prejudicial to the interests of the company. vii. A specific format has been prescribed to report the period and the amount of default by the company in repayment of loans or other borrowings or in the payment of interest thereon to any lender. viii. The auditor is required to render his opinion on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of 	
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		<p>the Board of Directors and management plans, that no material uncertainty exists as on the date of the Audit Report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.</p> <p>ix. The amount of cash losses incurred in the financial year and in the immediately preceding financial year have to be reported.</p> <p>x. The auditor has to take into consideration the issues, objections or concerns raised by the outgoing auditors before forming his opinion.</p> <p>xi. The auditor is required to report about the company if it is a declared wilful defaulter by any bank/ financial institution/ other lender.</p> <p>xii. The auditor would have to report as to whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used would have to be reported.</p> <p>xiii. The auditor is required to report as whether any fraud by the company or any fraud on the Company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.</p> <p>xiv. The auditor is to consider whistle-blower complaints received during the year by the Company in his audit.</p> <p>xv. The auditor is to report if the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the RBI Act.</p> <p>xvi. The auditor is now required to indicate the details of the subsidiary companies and the sub-clauses' number containing qualifications/adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements.</p>	
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		The CARO, 2020 is expected to significantly improve the overall quality of reporting by the Auditors on the financial statements of the Companies and thereby lead to greater transparency and faith in the financial affairs of the companies. This is automatically expected to greater inflow of investment by and in Indian companies.	
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SECURITIES LAW AND CAPITAL MARKET

Module 2, Paper 6

Sr. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/ Notification	Brief Particulars/Link of the Amendment
1.	Lesson 12 Mutual Fund	<p>Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2020 (6th March, 2020)</p> <p>Regulation 26 (1) of SEBI (Mutual Funds) regulations, 1996 related to “Appointment of custodian” stating that the mutual fund shall appoint a Custodian to carry out the custodial services for the schemes of the fund and sent intimation of the same to the SEBI within 15 days of the appointment of the Custodian.</p> <p>The first proviso to sub-regulation (1) shall be substituted stating that in case of a gold exchange traded fund scheme, the assets of the scheme being gold or gold related instruments may be kept in the custody of a custodian registered with the SEBI.</p> <p>Formerly, in gold exchange traded fund scheme, the assets of the scheme being gold or gold related instruments may be kept in custody of a bank which is registered as a custodian with the Board.</p> <p>Whereas, with the said amendment, in gold exchange traded fund scheme, the assets of the scheme being gold or gold related instruments may be kept in custody of a custodian registered with the Board.</p> <p>Regulation 28(4) related to “Procedure for launching of schemes” shall be substituted stating that the sponsor or asset management company shall invest not less than 1% of the amount which would be raised in the new fund offer or Rs. 50 lakh, whichever is less, and such investment shall not be redeemed unless the scheme is wound up. However the investment by the sponsor or asset management company shall be made in such option of the scheme, as may be specified by the SEBI.</p> <p>Formerly, sponsor or asset management company could invest in the growth option of the scheme.</p>	<p>https://tinyurl.com/vz69bd6</p>

		Whereas, with the amendment, sponsor or asset management company now can made investment in such scheme as may be specified by the SEBI.	
2.	Lesson 3 Depositories Act, 1996	<p>SEBI (Depositories and Participants) (Amendment) Regulations, 2020 (21st February, 2020)</p> <p>The SEBI approved insertion of a suitable Explanation to Regulation 79 (Manner of creating pledge in Depository) under SEBI (Depositories and Participants) Regulations, 2018, that the word “pledge” shall include re-pledge of securities for margin and/or settlement obligations of the client or such other purposes as specified by the Board from time to time.</p> <p>Accordingly, the amendment has expanded the scope of the term pledge to include re-pledge of securities for the margin or settlement obligations of the client.</p>	https://tinyurl.com/wkn3r6f
3.	Lesson 14 SEBI (Ombudsman) Regulations, 2003	<p>SEBI launches mobile application for lodging investor grievances (5th March, 2020)</p> <p>In its efforts to improve the ease of doing business, SEBI launched a Mobile Application for the convenience of investors to lodge their grievances in SEBI Complaints Redress System (SCORES).</p> <p>The App has all the features of SCORES which is presently available electronically where investors have to lodge their complaints by using internet medium. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and e-mail on their registered mobile numbers and e-mail ID respectively. Investors can, not only file their grievances but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances. Tools like FAQs on SCORES for better understanding of the complaint handling process can also be accessed. Connectivity to the SEBI Toll Free Helpline number has been provided from the App for any clarifications/help that investors may require.</p>	https://tinyurl.com/u6fscbo

4.	<p>Lesson 12 Mutual Fund</p>	<p>Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure (February 26, 2020)</p> <p>The SEBI allowed investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/Asset Management Companies.</p> <p>Also, the recognised stock exchanges, clearing corporations and depositories may make necessary amendment to their existing byelaws, rules or regulations, wherever required. Earlier</p> <p>Prior to the amendment, SEBI had permitted Mutual Fund Distributors and SEBI Registered Investment Advisors (RIAs) to use infrastructure of the recognised stock exchanges.</p> <p>Accordingly, in order to further increase the reach of this platform now SEBI has allowed investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/Asset Management Companies.</p>	<p>https://tinyurl.com/v2gsuh2</p>
5.	<p>Lesson 16 Securities Market Intermediaries</p>	<p>Guidelines for Portfolio Managers (13th February, 2020)</p> <p>SEBI, based on the recommendations of a Working Group and inputs from public consultation, reviewed the framework for regulation of Portfolio Managers and the SEBI (Portfolio Managers) Regulations, 2020 (“PMS Regulations”) has been notified on January 16, 2020. In addition to the above, certain changes to the regulatory framework for Portfolio Managers are mandated.</p> <p>Accordingly, to protect the interest of investors in securities market and to promote the development and to regulate the securities market, SEBI has made guidelines for Portfolio Managers with respect to fees and charges, direct on-boarding of clients by Portfolio Managers, nomenclature ‘Investment Approach’, periodic reporting, reporting of performance by Portfolio Managers, disclosure documents, supervision of distributors.</p>	<p>https://tinyurl.com/syka3yv</p>

6.	<p>Lesson 15 Structure of Capital Market</p>	<p>Securities And Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2020 (April 7, 2020)</p> <p>Categories of Foreign Portfolio Investor</p> <p>In the SEBI (Foreign Portfolio Investor) Regulations, 2019, in regulation 5, clause (a), sub - clause (iv), after the words “member countries” and before the words “which are”, the words and symbol “, or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign Governments,” shall be inserted.</p> <p>Therefore the scope of category I foreign portfolio investor has been expanded with the amendment. The amended regulation is now read as:</p> <p><i>“5(a)(iv) Entities from the Financial Action Task Force member countries, or from any country specified by the Central Government by an order or by way of an agreement or treaty with other sovereign Governments”</i></p>	<p>https://www.sebi.gov.in/legal/regulations/apr-2020/sebi-foreign-portfolio-investors-amendment-regulations-2020_46504.html</p>
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ECONOMIC, BUSINESS AND COMMERCIAL LAWS

Module 2, Paper 7

Sr. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/ Notification	Brief Particulars/Link of the Amendment
1.	Lesson 13	<p>The Consumer Protection Act, 2019</p> <p>The Consumer Protection Act, 2019 enacted by the Parliament received the assent of the President on the 9th August, 2019.</p> <p>The recently enacted Consumer Protection Act, 2019 will replace the more than three decades old Consumer Protection Act, 1986.</p> <p>The preamble of the Consumer Protection Act, 2019 aims at the following:</p> <ul style="list-style-type: none"> • To provide for the protection of the interests of consumers, • For achieving the above-said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto. <p>New Concepts introduced under the Consumer Protection Act, 2019 are as under:</p> <p>1. Central Consumer Protection Authority (CCPA)</p> <p>The Act leads to the establishment of an Executive Agency to be known as the Central Consumer Protection Authority (CCPA).</p> <p>This body aims to <i>promote, protect and enforce the rights of consumers.</i></p> <p>This fills an institutional void in the regulatory regime extant.</p> <p>It has to be noted that currently, the task of prevention or acting against unfair trade practices is not vested in any authority under Consumer Protection Act 1986.</p> <p>Therefore, the CCPA under Consumer Protection Act, 2019 will be the executive agency that will make interventions when necessary to prevent consumer detriment arising from unfair trade practices and to</p>	<p>For details :</p> <p>http://egazette.nic.in/WriteReadData/2019/210422.pdf</p>

		<p>initiate class action including enforcing recall, refund and return of products.</p> <p>2. Designation of any Statutory Authority or Body to function as Central Consumer Protection Authority</p> <p>The Central Government if it considers necessary, then may proceed by notification, to designate any statutory authority or body to exercise the powers and perform the functions of the Central Consumer Protection Authority.</p> <p>For example, Statutory Authority such as Food Safety Standards Authority of India (FSSAI), Telecom Regulatory Authority of India (TRAI), Central Electricity Regulatory Commission (CERC) and such other sector specific regulators as envisaged.</p> <p>3. Consumer Disputes Redressal Commission</p> <p>Several provisions aimed at <i>simplifying the consumer dispute adjudication process in the consumer fora</i> are envisaged.</p> <p>These include, <i>inter-alia</i> , on enhancing the pecuniary jurisdiction of the Consumer Grievance Redressal Agencies, appeal and e-filing etc.</p> <p>4. The Pecuniary Jurisdiction Consumer Disputes Redressal Commission as provided under the newly enacted Consumer Protection Act, 2019 are as follows:</p> <ul style="list-style-type: none"> ➤ <i>District Commission –Up to Rs. 1 crore</i> ➤ <i>State Commission- Exceeds Rs. 1 crore, but does not exceed Rs.10 crore</i> ➤ <i>National Commission – Exceeds Rs.10 crore</i> <p>In addition to this Consumer Protection Act, 2019 also,</p> <ul style="list-style-type: none"> • Empowers Consumer Dispute Redressal Commission to enforce their orders and • Allow appeals only on question of law after second stage. • Act also provides for ease of approaching consumer commission through E-filing. 	
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		<p>5. Mediation</p> <p><i>A Chapter providing for "Mediation" as an Alternate Dispute Resolution (ADR) mechanism has been added in the Consumer Protection Act, 2019.</i></p> <p>This addition is aimed at giving legislative basis to resolution of consumer disputes through mediation thus making the process less cumbersome, simple and quicker.</p> <p>6. Product Liability</p> <p>A new Chapter has been added with provisions for "Product Liability" action for or on account of personal injury, death, or property damage caused by or resulting from any product has been added.</p> <p>This Chapter provides the bases for product liability action and the liability of a manufacturer to a claimant.</p> <p>This required a manufacturer or product service provider or product seller to be responsible to compensate for injury or damage caused by defective product or deficiency in services.</p> <p>7. E-Commerce & Direct Selling</p> <p>In compliance with the Digital Economy, the Provision and/or Rules for new age consumer issues such as e-commerce & direct selling have been incorporated in the Consumer Protection Act, 2019.</p> <p>Section 94 of the Act empowers the Central Government to take such measures in the manner as may be prescribed for the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers</p> <p>8. Unfair Contract</p> <p>A new provision on 'unfair contract' has been included to protect the consumers who are placed in an unequal bargaining capacity and the Consumer Redressal Commission may also declare any terms of contract, which is unfair to any consumer, to be null and void.</p> <p>9. Unfair Trade Practices</p> <p>The definition of the term "Unfair trade practices" is being widened to make it an inclusive clause to cover various types of unfair trade practices.</p> <p>10. Introduction of Deterrent Punishment</p>	
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		Deterrent punishment to check Misleading Advertisements by the Endorser and deterrent punishment for Manufacturing for Sale or Storing, Selling or Distributing or Importing Products containing Adulterant and Spurious goods.	
2.	Lesson 14	<p>Essential Commodities Act, 1955 Govt brings masks and hand sanitizers under the Essential Commodities Act, 1955</p> <p>In view the ongoing outbreak of COVID-19 (Corona Virus) and concern of the logistics for COVID-19 management particularly during last couple of weeks, it has come to the notice of the government that:</p> <ul style="list-style-type: none"> • That masks (2 ply & 3 ply surgical masks, N95 masks) and hand sanitizers have been noted to be either not available with most of the vendors in the market or • are available with great difficulty at exorbitant prices, <p>In order to combat that issue the government has taken following initiatives in Essential Commodities Act, 1955 -</p> <ul style="list-style-type: none"> • Government has notified an Order under the Essential Commodities Act to declare these items as Essential Commodities up to 30th June, 2020 • This has been done by amending the Schedule of the Essential Commodities Act, 1955. • It has also issued an advisory under the Legal Metrology Act. • Under the E.C Act, after discussions with the manufacturers, States can ask them to enhance their production capacity of these items, to make the supply chain smooth, while under the L.M. Act the States can ensure sale of both the items at MRP. • On these two items, the States may now notify the Central order in their official Gazette, and also issue their own orders under the EC Act to that effect and take necessary actions as per the situation prevailing in the respective States. • Under the EC Act, powers of the Central Government have already been delegated 	<p><i>For details:</i></p> <p>https://pib.gov.in/newsite/PrintRelease.aspx?relid=200239</p>

		<p>to the States by way of orders during 1972 to 1978.</p> <ul style="list-style-type: none"> • The States/UTs, therefore may take action against the offenders under the EC Act and PBMMSEC Act. • <i>An offender under the EC Act may be punished with an imprisonment upto 7 years or fine or both and under the PBMMSEC Act, he can be detained for maximum of 6 months.</i> <p>The decision would empower the Government and States/UTs to regulate production, quality, distribution etc. of masks (2 ply & 3 ply surgical masks, N95 masks) and hand sanitizers and to smoothen the sale and availability of these items and carry out operations against orders speculators etc. and those involved in over pricing, black-marketing etc.</p> <p>It will enhance –</p> <ul style="list-style-type: none"> • the availability of both the items to the general people • at reasonable prices or under MRP. • The States are also advised to give publicity of State Helplines for registering complaints by the consumers of the above two items. <p>The consumers may also register their complaints in this matter with the National Consumer Helpline No. 1800-11-4000, Online Complaints: www.consumerhelpline.gov.in, Department’s Website www.consumeraffairs.nic.in, dsadmin-ca@nic.in and dirwm-ca@nic.in. insecy.doca@gov.in.</p>	
3.	Lesson 3	<p>Foreign Exchange Transactions & Compliances</p> <p>Foreign Trade Policy 2015-2020 extended for one year</p> <p><i>(Other immediate relief measures also announced)</i></p> <p>In view of the unprecedented current situation arising out of the pandemic Novel COVID-19, the Union Commerce and Industry Ministry announced changes in the Foreign Trade Policy</p>	<p><i>For details, visit at</i> https://pib.gov.in/newsite/PrintRelease.aspx?relid=200865</p>

		<p>(FTP) of Government of India. (On March 31, 2020)</p> <p>It has to be noted that the present Policy came into force on 1st April, 2015, is for 5 years and has validity upto 31st March, 2020.</p> <ul style="list-style-type: none"> • In view of the unprecedented current situation arising out of the pandemic Novel COVID-19, the Govt. has decided to continue relief under various export promotion schemes by granting extension of the existing Foreign Trade Policy by another one year i.e. up to 31st March, 2021. • Several other relief measures have also been announced to support trade and industry. <p>Salient points of the changes made in the FTP are as follows:</p> <ul style="list-style-type: none"> ➤ To provide continuity in the policy regime, the current FTP, valid till 31.03.2020 has been extended till 31.03.2021. Similar extension is made in the related procedures, by extending validity of Hand Book of Procedures. ➤ Benefit under all the Export Promotion Schemes (except SEIS) and other schemes, available as on date, will continue to be available for another 12 months. Decision on continuation of SEIS will be taken and notified subsequently. ➤ Similarly, validity period of the Status Holder Certificates is also extended. This will enable the Status Holders to continue to avail the specified facilities/benefits. ➤ Exemption from payment of IGST and Compensation Cess on the imports made under Advance/EPCG Authorizations and by EOUs etc. has been extended up to 31.03.2021. 	
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		<ul style="list-style-type: none"> ➤ The scheme for providing “Transport Marketing Assistance on the specified Agricultural Products” is further extended for one year. ➤ Validity period for making imports under various duty free import authorizations (AA/DFIA/EPCG) expiring between 01.02.2020 and 31.07.2020, has been allowed automatic extension for another six months from the date of expiry, without requirement of obtaining such endorsement on these authorizations. ➤ Where ever the period to make export is expiring between 01.02.2020 and 31.07.2020 under various authorizations, automatic extension in the export obligation period is allowed for another six months from the date of expiry, without payment of any composition fee. ➤ Last dates for applying for various duty credit Scrips (MEIS/SEIS/ROSCTL) and other Authorisations have been extended. ➤ Time lines for imposing late cuts, on the applications which are filed after the prescribed dates, have been relaxed. ➤ Validity period of Letter of Permission/ Letter of Intent as granted to EOUs, units in STPs/EHTPs/BTPs is further extended up to 31st December, 2020. ➤ Last date of filing applications for refund of TED/Drawback, Transport and Marketing Assistance has been extended. ➤ Extension in time has been allowed for filing various Reports>Returns 	
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		etc. under various provisions of the FTP.	
4.	Lesson 5	<p>Foreign Direct Investments - Regulations & FDI Policy</p> <p>REVIEW OF FOREIGN DIRECT INVESTMENT (FDI) POLICY IN INSURANCE SECTOR</p> <p>The Government of India vide Press Note No. 1 (2020 Series) has reviewed the extant FDI Policy on Insurance sector and has made following amendment:</p> <ol style="list-style-type: none"> a. Forty Nine percent (49) of FDI allowed under Automatic Route in Insurance Company. b. Hundred percent of FDI allowed under Automatic Route in Intermediaries or Insurance Intermediaries including insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time. c. No Indian Insurance company shall allow the aggregate holdings by way of total foreign investment in its equity shares by foreign investors, including portfolio investors, to exceed forty-nine percent of the paid up equity capital of such Indian Insurance company. d. The foreign investment up to forty-nine percent of the total paid-up equity of the Indian Insurance Company shall be allowed on the automatic route subject to approval/verification by the Insurance Regulatory and Development Authority of India. e. Foreign investment in this sector shall be subject to compliance with the provisions of the Insurance Act, 1938 and the condition that Companies receiving FDI shall obtain necessary license /approval from the Insurance Regulatory & 	

		<p>Development Authority of India for undertaking insurance and related activities.</p> <p>f. An Indian Insurance company shall ensure that its ownership and control remains at all times in the hands of resident Indian entities as determined by Department of Financial Services/ Insurance Regulatory and Development Authority of India as per the rules/regulation issued by them from time to time.</p> <p>g. Any increase in foreign investment in an Indian Insurance company shall be in accordance with the pricing guidelines specified by Reserve Bank of India under the FEMA Regulations.</p> <p>h. The foreign equity investment cap of 100 percent shall apply on the same terms as above to insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time. However, the condition of Indian owned and controlled, as specified in Clause (f) above, shall not be applicable to Intermediaries and Insurance Intermediaries and composition of the Board of Directors and key management persons shall be as specified by the concerned regulators from time to time.</p> <p>i. The foreign direct investment proposals shall be allowed under the automatic route subject to verification by the Authority and the foreign investment in intermediaries or insurance intermediaries shall be governed by the same terms as provided under rules 7 and 8 of the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended from time to time:</p> <p>Provided that where an entity like a Bank, whose primary business is outside the</p>	
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		<p>insurance area, is allowed by the Authority to function as an insurance intermediary, the foreign equity investment caps applicable in that sector shall continue to apply, subject to the condition that the revenues of such entities from the primary (non-insurance related) business must remain above 50 per cent of their total revenues in any financial year.</p> <p>j. The insurance intermediary that has majority shareholding of foreign investors shall undertake the following:</p> <ul style="list-style-type: none"> ➤ be incorporated as a limited company under the provisions of the Companies Act, 2013; ➤ at least one from among the Chairman of the Board of Directors or the Chief Executive Officer or Principal Officer or Managing Director of the insurance intermediary shall be a resident Indian citizen; ➤ shall take prior permission of the Authority for repatriating dividend; ➤ shall bring in the latest technological, managerial and other skills; ➤ shall not make payments to the foreign group or promoter or subsidiary or interconnected or associate entities beyond what is necessary or permitted by the Authority; ➤ shall make disclosures in the formats to be specified by the Authority of all payments made to its group or promoter or subsidiary or interconnected or associate entities; ➤ Composition of the Board of Directors and key management persons shall be as specified by the concerned regulators. <p>The certain provisions relating to 'Banking-Private Sector' shall be applicable in respect of bank promoted insurance companies.</p>	
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Professional Programme

GOVERNANCE, RISK MANAGEMENT, COMPLIANCES AND ETHICS

Module 1, Paper 1

Sr. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1.	Miscellaneous	<p>Circular issued dated March 26, 2020</p> <p>Relaxation of the operation of the SEBI circular on Standard Operating Procedure dated January 22, 2020 -</p> <p>SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 issued the Standard Operating Procedure (SoP) on imposition of fines and other enforcement actions for non-compliances with provisions of the LODR, the effective date of operation of which is for compliance periods ending on or after March 31, 2020. The said circular dated January 22, 2020 shall now come into force with effect from compliance periods ending on or after June 30, 2020. It may be noted that the SoP circular dated May 03, 2018 would be applicable till such date.</p> <p>Publication of advertisements in the newspapers:</p> <p>Regulation 47 of the LODR requires publishing, in the newspapers, information such as notice of the board meeting, financial results etc. Some newspapers are not bringing their print versions for a limited period; some newspapers that are still printing are not accepting a 'e-copy' of the information to be published which acts as a challenge in ensuring compliance with this regulation. Hence it has been decided by SEBI to exempt publication of advertisements in newspapers as required under regulation 47 for all events scheduled till May 15, 2020.</p>	<p>https://www.sebi.gov.in/legal/circulars/mar-2020/further-relaxations-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-and-the-sebi-circular-dated-january-22-2020-relating-_46436.html</p>
2.	Miscellaneous	<p>Circular issued dated April 17, 2020</p> <p>SEBI has issued circular on April 17, 2020 granting further relaxing from compliance with</p>	<p>https://www.sebi.gov.in/legal/circulars/apr-2020/additional-relaxations-clarifications-</p>

	<p>certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)</p> <p>Intimation to Stock Exchanges regarding loss of share certificates and issue of the duplicate certificates:</p> <p>Regulation 39 (3) of LODR requires listed entities to submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of its getting information. It has been decided that any delay beyond the stipulated time will not attract penal provisions laid down vide SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018. This relaxation is for intimations to be made between March 1, 2020 to May 31, 2020.</p> <p>Clarification regarding the use of digital signatures:</p> <p>SEBI has clarified that authentication / certification of any filing / submission made to stock exchanges under LODR may be done using digital signature certifications until June 30, 2020</p> <p>SEBI, vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 had relaxed the requirements relating to publication of advertisements in newspapers as required under Regulation 47 of LODR Regulations till May 15, 2020. A similar requirement that exists in regulation 52(8) and applies to entities which have listed their NCDs and NCRPS.</p> <p><i>Circular issued dated April 21, 2020</i></p> <p>SEBI has issued circular Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue</p>	<p><i>in-relation-to-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-due-to-the-covid-19_46525.html</i></p> <p><i>https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue_46537.html</i></p>
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**Students may please note that amendments related to Regulations/Rules/Act/Circular/ Notification are for the purpose of knowledge sharing. Further, direct or indirect linkage of such amendments to the Lessons of the Study Material is also mentioned. While going through with the above mentioned amendments, students are advised to go through with the detailed coverage of syllabus.*

ADVANCED TAX LAWS

Module 1, Paper 2

Direct Tax & International Taxation

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1.	Lesson 18 Taxation of Companies, LLP and Non-resident	<p>Notification No. 8/2020 Dated 29th January, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (3rd Amendment) Rules, 2020 which shall come into force on the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962 (i) after rule 6ABB, the following rule shall be inserted and shall be deemed to have been inserted from the 1st day of September, 2019, namely:-</p> <p>“Other electronic modes</p> <p>6ABBA. The following shall be the other electronic modes for the purposes of clause (d) of first proviso to section 13A, clause (f) of sub-section (8) of section 35AD, sub-section (3), sub-section (3A), proviso to subsection (3A) and sub-section (4) of section 40A, second proviso to clause (1) of Section 43, sub-section (4) of section 43CA, proviso to sub-section (1) of section 44AD, second proviso to sub-section (1) of section 50C, second proviso to sub-clause (b) of clause (x) of sub-section (2) of section 56, clause (b) of first proviso of clause (i) of Explanation to section 80JJAA, section 269SS, section 269ST and section 269T, namely:-</p> <p>(a) Credit Card;</p> <p>(b) Debit Card;</p> <p>(c) Net Banking;</p> <p>(d) IMPS (Immediate Payment Service);</p> <p>(e) UPI (Unified Payment Interface);</p> <p>(f) RTGS (Real Time Gross Settlement);</p> <p>(g) NEFT (National Electronic Funds Transfer), and</p> <p>(h) BHIM (Bharat Interface for Money) Aadhar Pay”.</p>	<p>https://www.incometaxindia.gov.in/communications/notification/notification_08_2020.pdf</p>

		Accordingly, rule 6ABBA specify other electronic mode of payment as specify above for the purpose of various section specified above.	
2.	Lesson 18 Taxation of Companies, LLP and Non-resident	<p>Notification No. 10/2020 Dated 12th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (4th Amendment) Rules, 2020 which shall come into force on the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 21AD, the rule 21AE and 21AF has been inserted, namely:</p> <p>“21AE. Exercise of option under sub-section (5) of section 115BAA - The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-IC.</p> <p>21AF. Exercise of option under sub-section (7) of section 115BAB. The option to be exercised in accordance with the provisions of sub-section (7) of section 115BAB by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-ID.</p> <p>Accordingly, the domestic company opting for concessional rate of tax as specified in section 115BAA / 115BAB shall filed Form No. 10-IC / 10-ID electronically as specified in rule 21AE / 21AF of the Income Tax Rules, 1962.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_10_2020.pdf

Indirect Taxes

Sr. No.	Reference to Chapter No.	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/ Link of the amendment
1.	Lesson 4 Procedural Compliance under GST	<p>Notification No. 06/2020 – Central Tax, dated 3rd February, 2020</p> <p>It seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for the period from 01.07.2017 to 31.03.2018.</p> <p>The Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing of the annual return specified under section 44 of the said Act read with rule 80 of the said rules, electronically through the common portal, in respect of the period from the 1st July,2017 to the 31st March, 2018, for the class of registered person.</p> <ul style="list-style-type: none"> • Extension of time for filing of Form GSTR-9/Form GSTR – 9C 	<p>Details Available on : http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-06-central-tax-english-2020.pdf</p>
2.	Lesson 4 Procedural Compliance under GST	<p>Notification No. 07/2020 – Central Tax, dated 3rd February, 2020</p> <p>This notification prescribes due dates for filing of return in FORM GSTR-3B in a staggered manner.</p> <p>The Commissioner, on the recommendations of the Council, hereby makes the further amendments in due dates for the months of January, 2020, February, 2020 and March, 2020 for taxpayers having an aggregate turnover of up to rupees five Crore in the previous financial year, in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.44/2019 – Central Tax, dated the 09th October, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.767(E), dated the 09th October, 2019.</p> <ul style="list-style-type: none"> • Extension of time for filing of Form GSTR – 3B for taxpayers having an aggregate turnover of Rs. 5 Crores 	<p>Details Available on : http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-07-central-tax-english-2020.pdf</p>
3.	Lesson 12 Basic Concepts of Customs Law	<p>Notification No. 08/2020-Customs, dated 2ndFebruary, 2020</p> <p>It seeks to exempt specified goods from Health Cess imposed on the medical devices falling</p>	<p>Details Available on : http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfn-s-2020/cs-</p>

		<p>under heading 9018 to 9022 in terms of clause 139 of the Finance Bill, 2020.</p> <p>The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table of the above notification falling within the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), from the whole of the Health Cess leviable thereon under the said clause of the Finance Bill.</p>	<i>tarr2020/cs08-2020.pdf</i>
4.	Lesson 12 Basic Concepts of Customs Law	<p>Notification No. 14/2020 - Customs, dated 14th February, 2020</p> <p>Notification regarding exemption of duties of Customs against scrips issued under the 2% Additional ad hoc incentive for mobile phones.</p> <p>The Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the amendments in notification of the Government of India, Ministry of Finance (Department of Revenue), No. 24/2015-Customs, dated the 8th April, 2015, for goods which are imported into India are exempted from duties mentioned in clauses (a) and (b) above, may include duty credit provided under the 2% Additional Ad Hoc Incentive in terms of paragraph 3.25 of the Foreign Trade Policy.</p>	<p><i>Details Available on:</i> <i>http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfn-s-2020/cs-tarr2020/cs14-2020.pdf</i></p>
5.	Lesson 4 Procedural Compliance Under GST	<p>Notification No. 09/2020 - Central Tax, dated 16th March, 2020</p> <p>The foreign company which is an airlines company shall not be required to furnish reconciliation statement in FORM GSTR-9C to the Central Goods and Services Tax Rules, 2017 under subsection (2) of section 44 of the said Act read with sub-rule (3) of rule 80 of the said rules:</p> <p>Provided that a statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant in India or a firm or a Limited Liability Partnership of practicing Chartered Accountants in India is submitted for each GSTIN by the 30th September of the year succeeding the financial year.</p>	<p><i>Details Available on :</i> <i>http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-09-central-tax-english-2020.pdf</i></p>
6.	Lesson 5 Assessment, Audit, Scrutiny, Demand	<p>Circular No. 132/2/2020 - CGST, dated 18th March, 2020</p> <p>The prescribed time limit to make application to appellate tribunal will be counted from the date</p>	<p><i>Details Available on :</i> <i>http://cbic.gov.in/resources/htdocs-cbec/gst/circular-cgst-132.pdf</i></p>

	and Recovery, Advance Ruling, Appeals and Revision	<p>on which President or the State President enters office.</p> <p>The appellate authority while passing order may mention in the preamble that appeal may be made to the appellate tribunal whenever it is constituted within three months from the President or the State President enters office.</p> <p>Accordingly, it was advised that the appellate authorities may dispose all pending appeals expeditiously without waiting for the constitution of the appellate tribunal.</p>	
7.	Lesson 9 Union Territory Goods and Services Tax (UTGST)	<p>Notification No. 10/2020 - Central Tax, dated 21st March, 2020</p> <p>Special procedure for taxpayers in Dadra and Nagar Haveli and Daman and Diu consequent to merger of the two UTs.</p> <ul style="list-style-type: none"> Registered Persons shall intimate the jurisdictional tax officer of the transferor and the transferee regarding the transfer of ITC, within one month of obtaining new registration; The ITC shall be transferred on the basis of the balance in the electronic credit ledger upon filing of the return in the erstwhile Union territory of Daman and Diu, for the tax period immediately before the transition date; The transfer of ITC shall be carried out through the return under section 39 of the said Act for the tax period immediately before the transition date and the transferor GSTIN shall debit the said ITC from its electronic credit ledger in Table 4(B)(2) of FORM GSTR-3B and the transferee GSTIN shall credit the equal amount of ITC in its electronic credit ledger in Table 4(A)(5) of FORM GSTR-3B. <p>The balance of Union territory taxes in electronic credit ledger of the said class of persons, whose principal place of business lies in the Union territory of Daman and Diu, as on the 25th day of January, 2020, shall be transferred as balance of Union territory tax in the electronic credit ledger.</p>	<i>Details Available on : http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-10-central-tax-english-2020.pdf</i>
8.	Lesson 4 Procedural Compliance Under GST	<p>Notification No. 11/2020 - Central Tax, dated 21st March, 2020</p> <p>Notification of special Procedure for Companies under IBC for GST Compliance</p> <ul style="list-style-type: none"> Registration - Registration within 30 days is required for RP/IRP 	<i>Details Available on: http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-11-central-tax-english-2020.pdf</i>

		<ul style="list-style-type: none"> • Return - The said class of persons shall, after obtaining registration file the first return under section 40 of the said Act, from the date on which he becomes liable to registration till the date on which registration has been granted. • ITC - The said class of persons shall, in his first return, be eligible to avail input tax credit on invoices covering the supplies of goods or services or both, received since his appointment as IRP/RP but bearing the GSTIN of the erstwhile registered person 	
9.	Lesson 4 Procedural Compliance Under GST	<p>Notification No. 16/2020 - Central Tax, dated 23rd March, 2020</p> <p>Third amendment 2020 to CGST Rules</p> <p>“Physical verification of business premises in certain cases.-</p> <p>Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.”</p>	<p><i>Details Available on:</i></p> <p>http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-16-central-tax-english-2020.pdf;jsessionid=FFD5BCFD224CBE996D04A673F6ABB472</p>
10.	Lesson 1 An Overview on Goods and Services Tax ‘GST’	<p>Notification No. 17/2020 - Central Tax, dated 23rd March, 2020</p> <p>The Central Government, on the recommendations of the Council, hereby notifies that the provisions of sub-section (6B) or subsection (6C) of the said Act shall not apply to a person who is not a citizen of India or to a class of persons other than the following class of persons, namely:-</p> <p>(a) Individual;</p> <p>(b) Authorised signatory of all types;</p> <p>(c) Managing and Authorised partner; and</p> <p>(d) Karta of a Hindu undivided family.</p>	<p><i>Details Available on:</i></p> <p>http://cbic.gov.in/resources/htdocs-cbec/gst/notfctn-17-central-tax-english-2020.pdf</p>
11.	Lesson 4 Procedural Compliance Under GST	<p>Circular No. 135/05/2020 - CGST, dated 31st March, 2020</p>	<p><i>Details Available on:</i></p> <p>http://cbic.gov.in/resources/htdocs-cbec/gst/Circular_Refu</p>

		<p>The applicant, at his option, may file a refund claim for a tax period or by clubbing successive tax periods. The period for which refund claim has been filed, however, cannot spread across different financial years. Registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or the current financial year opting to file FORM GSTR-1 on quarterly basis, can only apply for refund on a quarterly basis or clubbing successive quarters as aforesaid. However, refund claims under categories listed at (a), (c) and (e) in para 3 above must be filed by the applicant chronologically. This means that an applicant, after submitting a refund application under any of these categories for a certain period, shall not be subsequently allowed to file a refund claim under the same category for any previous period. This principle / limitation, however, shall not apply in cases where a fresh application is being filed pursuant to a deficiency memo having been issued earlier.</p> <p>It has been decided to remove the restriction on clubbing of tax periods across Financial Years. Accordingly, circular No. 125/44/2019-GST dated 18.11.2019 stands modified to that extent i.e. the restriction on bunching of refund claims across financial years shall not apply.</p>	<p><i>nd_135_5_2020.pdf;jsessionid=D6265111EA3AEB02507B45813A12BBB8</i></p>
10.	<p>Lesson 12 Basic Concepts of Customs Law</p>	<p>Notification No. 19/2020 - Customs, dated 9th April, 2020</p> <p>The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notifications of the Government of India in the Ministry of Finance (Department of Revenue), No. 08/2020-Customs, dated the 2nd February, 2020, published in the Gazette of India, Extraordinary, vide number G.S.R. 68 (E), dated the 2nd February, 2020, namely:-</p> <p>In the said notification, -</p> <p>(i) for the words, figures and brackets “clause 139 of the Finance Bill, 2020, which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law”, the words, figures and brackets, “section 141 of Finance Act, 2020 (12 of 2020)” shall be substituted;</p> <p>(ii) for the words “under the said clause of the Finance Bill”, the words “under the said section of the said Finance Act” shall be substituted.</p>	<p><i>Details Available on :</i> <i>http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfn-s-2020/cs-tarr2020/cs19-2020.pdf</i></p>

CORPORATE RESTRUCTURING, INSOLVENCY, LIQUIDATION & WINDING-UP

Module 2, Paper 5

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1	Corporate Restructuring, Insolvency, liquidation & Winding-up Part -I	Clarification under Section 232(6) of the Companies Act, 2013 Ministry of Corporate Affairs vide General Circular 09/2019 dated 21 st August, 2019 clarified that: <ol style="list-style-type: none"> a) The provision of section 232(6) of the Act enables the companies in question to choose and state in the scheme an 'appointed date'. This date may be a specific calendar date or may be tied to the occurrence of an event such as grant of license by a competent authority or fulfillment of any preconditions agreed upon by the parties, or meeting any other requirement as agreed upon between the parties, etc., which are relevant to the scheme. b) The 'appointed date' identified under the scheme shall also be deemed to be the 'acquisition date' and date of transfer of control for the purpose of conforming to accounting standards (including Ind-AS 103 Business Combinations). c) Where the 'appointed date' is chosen as a specific calendar date, it may precede the date of filing of the application for scheme of merger/amalgamation in NCLT. However, if the 'appointed date' is significantly ante-dated beyond a year from the date of filing, the justification for the same would have to be specifically brought out in the scheme and it should not be against public interest. d) The scheme may identify the 'appointed date' based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event would have to be indicated in the scheme itself upon occurrence of which the scheme would 	For details: http://www.mca.gov.in/Ministry/pdf/GeneralCircular_21082019.pdf

		become effective. However in case of such event based date being a date subsequent to the date of filing the order with the Registrar under section 232(5), the company shall file an intimation of the same with the Registrar within 30 days of such scheme coming into force.	
2.	Corporate Restructuring, Insolvency, liquidation & Winding-up Part -II	<p>Insolvency and Bankruptcy Code, 2016</p> <p>Increase in the Threshold Default under IBC, 2016:</p> <p>Section 4. of IBC, 2016 says that Part – II (<i>Insolvency Resolution And Liquidation For Corporate Persons</i>) of the Act shall apply to matters relating to the insolvency and liquidation of corporate debtors where the minimum amount of the default is one lakh rupees:</p> <p>Provided that the Central Government may, by <u>notification</u>¹, specify the minimum amount of default of higher value which shall not be more than one crore rupees.</p> <p>Recently in exercise of the powers conferred by the proviso to section 4 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Central Government hereby specifies one crore rupees as the minimum amount of default for the purposes of the said section.</p>	<i>The notification dated March 24, 2020 is available at https://www.ibbi.gov.in/uploads/legalframework/48bf32150f5d6b30477b74f652964edc.pdf</i>
3.	Corporate Restructuring, Insolvency, liquidation & Winding-up Part -II	<p>Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019</p> <p>The President of India promulgated the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 on December 28, 2019 to further amend the Code in order to remove certain ambiguities and ensure smooth implementation, by providing for the following:</p> <ol style="list-style-type: none"> i. Omitted the proviso to section 5(12) of the Code so as to clarify that the insolvency commencement date is the date of admission of an application for initiating corporate insolvency resolution process; ii. Amended section 7 of the Code and inserted certain provisos specifying a minimum threshold for certain classes of financial creditors for initiating insolvency resolution process; 	<i>For Details: https://ibbi.gov.in/uploads/legalframework/d6b171ec9b9ea5c54f7423bc36f92977.pdf</i>

		<ul style="list-style-type: none"> iii. Amended section 11 of the Code so as to clarify that a corporate debtor should not be prevented from filing an application for initiation of corporate insolvency resolution process against other corporate debtors; iv. Amended section 14 of the Code to clarify that a licence, permit, registration, quota, concession, clearances or a similar grant or right cannot be terminated or suspended during the Moratorium period; v. Amended section 16 of the Code so as to provide that an insolvency resolution professional should be appointed on the date of admission of the application for initiation of insolvency resolution process; vi. Amended section 23 of the Code to enable the "resolution professional" to manage the affairs of the corporate debtor during interim period between the expiries of corporate insolvency resolution process till the appointment of a liquidator; vii. Inserted a new section 32A so as to provide that the liability of a corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease under certain circumstances; viii. Amended section 227 of the Code so as to clarify that the insolvency and liquidation proceedings for financial service providers may be conducted with such modifications and in such manner as may be prescribed. 	
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BANKING LAW & PRACTICE

Elective Paper - Module 3, Paper 9.1

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1.	Lesson 10 Various Government Schemes	<p>On the Interest Subvention Scheme for MSMEs, RBI has recently issued notification (no. RBI/2019-20/155FIDD.CO.MSME.BC.No.17/06.02.031 /2019-20) on February 5, 2020</p> <p>Via this notification, it has been decided by the Government of India to bring, inter alia, following modifications in the operational guidelines:</p> <ol style="list-style-type: none"> i. Submission of Statutory Auditor Certificate by June 30, 2020 and in the meantime, settle claims based on internal / concurrent auditor certificate. ii. Acceptance of claims in multiple lots for a given half year by eligible institutions. iii. Requirement of Udyog Aadhar Number (UAN) may be dispensed with for units eligible for GST. iv. Unit not required to obtain GST, may either submit Income Tax Permanent Account Number (PAN) or their loan account must be categorized as MSME by the concerned bank. v. Allow trading activities also without Udyog Aadhar Number (UAN) 	<p>Details Available on :</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11803&Mode=0</p>
2.	Lesson 4 Regulation of Banking Business	<p>RBI has issued notification (no. RBI/2019-20/159DOR.No.Ret.BC.30/12.01.001/2019-20) dated February 10, 2020 on Incentivizing Bank Credit to Specific Sectors - Exemption from CRR Maintenance.</p> <p>The Reserve Bank is actively engaged in revitalising the flow of bank credit to productive sectors having multiplier effects to support growth impulses.</p> <ul style="list-style-type: none"> • Accordingly, banks are allowed to deduct the equivalent amount of incremental credit disbursed by them as retail loans to automobiles, residential 	<p>Details Available on :</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11807&Mode=0</p>

		<p>housing, and loans to Micro, Small and Medium Enterprises (MSMEs),</p> <ul style="list-style-type: none"> • This deduction has to be made over and above the outstanding level of credit to these segments as • At the end of the fortnight ended January 31, 2020 • From their Net Demand and Time Liabilities (NDTL) for maintenance of the Cash Reserve Ratio (CRR). 	
3.	--	<p>The Ministry of Finance has notified the Banning of Unregulated Deposit Scheme Rules, 2020</p> <p>The Banning of Unregulated Deposit Scheme Rules, 2020 as notified by Ministry of Finance include the following:</p> <ul style="list-style-type: none"> • Information and particulars to be considered Competent Authority for provisionally attaching the property of the deposit taker; • Manner of provisional attachment and administration of provisionally attached property; • Impounding and retention of records; • The designated authority shall operate a portal accessible to the public, containing information relating to deposit takers; • Form and manner of intimation submitted by every deposit taker commencing business; • Application for confirmation of provisional attachment to be file by the Competent Authority before the Designated Court; • Procedure to be adopted by Designated Court; Authorisation to the officer-in-charge of a police station for search and seizure; and • Retraction of the advertisement has been considered. 	<p><i>Details Available on :</i> http://egazette.nic.in/WriteReadData/2020/216125.pdf</p>
4.	Chapter 3 Control over Organiza-	<p>RBI has issued notification no. RBI/2019-20/196DOR.NBD.No.44/16.13. 218/2019-20 on March 28, 2020 on Guidelines for</p>	<p>https://www.rbi.org.in/Scripts/NotificationUs</p>

	tion of Banks	<p>Licensing of Small Finance Banks (SFB) in Private Sector</p> <p>(i) To harmonise the instructions for existing SFBs with those SFBs to be licensed under 'Guidelines for 'on-tap' Licensing', it has been decided to:</p> <p>(a) Grant general permission to all existing SFBs to open banking outlets subject to adherence to Unbanked Rural Centre norms as per RBI <u>circular on 'Rationalisation of Branch Authorisation Policy - Revision of Guidelines' dated May 18, 2017</u>, as amended from time to time.</p> <p>(b) Exempt all existing SFBs from seeking prior approval of Reserve Bank for undertaking such non risk sharing simple financial service activities, which do not require any commitment of own fund, after three years of commencement of business of SFB.</p> <p>(ii) Further, in case of existing SFBs, it is clarified that -</p> <p>(a) Whether a promoter could cease to be a promoter or could exit from the bank after completion of a period of five years, would depend on the RBI's regulatory and supervisory comfort / discomfort and SEBI regulations in this regard at that time (Reference: Response to query number 101 of <u>'Clarifications to queries on guidelines for licensing of Small Finance Banks in the Private Sector'</u> dated January 1, 2015).</p> <p>(b) The phrase 'paid-up equity capital' in 'Guidelines for Licensing of SFBs in Private Sector - 2014' means 'paid-up voting equity capital' (Reference: Response to query number 104 of <u>'Clarifications to queries on guidelines for licensing of Small Finance Banks in the Private Sector'</u> dated January 1, 2015).</p>	er.aspx?Id=11845&Mode=0
5.	Chapter 17 Introduction to Foreign Exchange	<p>RBI has issued Notification No. FEMA 23(R)/(3)/2020-RB on March 31, 2020 on Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2020.</p> <p>In exercise of the powers conferred by clause (a) of sub-section (1), sub-section (3) of section 7 and clause (b) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 [Notification No.</p>	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11856&Mode=0

		<p><u>FEMA 23(R)/2015-RB dated January 12, 2016</u>] (hereinafter referred to as 'the Principal Regulations'), namely:</p> <p>These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2020.</p> <p>In the Principal Regulations, in regulation 9, in sub-regulation (1) and sub-regulation (2)(a), for the words “nine months”, the words “nine months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time” shall be substituted. Similarly, in sub-regulation (1) (a), for the words “fifteen months”, the words “fifteen months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time” shall be substituted.</p> <p>In Regulation 9 (1)(b), for the words “period of nine months or fifteen months, as the case may be”, the words “said period” shall be substituted.</p> <p>In proviso to Regulation 9 (2)(a), for the words “period of nine months”, the words “said period” shall be substituted.</p>	
6.	Chapter 5 Banking Operations	<p>RBI has issued notification no. RBI/2019-20/207DOR.AML.BC.No.61/14.01.001/2019 -20 on April 01, 2020 on Amendment to Master Direction (MD) on KYC</p> <p>The Government of India, vide Gazette Notification G.S.R. 228(E) dated March 31, 2020 has notified amendment to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Consequent to the aforementioned amendment to the PML Rules, <u>Master Direction on KYC dated February 25, 2016</u> has been updated as under:</p> <p>Clause (g) has been inserted in the conditions stipulated for Small Accounts in Section 23 of the MD. Clause (g) reads as,</p> <p>“Notwithstanding anything contained in clauses (e) and (f) above, the small account shall remain operational between April 1, 2020 and June 30, 2020 and such other periods as may be notified by the Central Government.”</p> <p>The <u>Master Direction on KYC dated February 25, 2016</u>, is hereby amended to reflect the above change and shall come into force with immediate effect.</p>	<p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11857&Mode=0</p>

DIRECT TAX LAW & PRACTICE

Elective Paper - Module 3, Paper 9.5

Sr. No.	Reference to Chapter No	Amendments to Regulations/Rules/Act/Circular/Notification	Brief particulars/Link of the amendment
1.	Lesson 9 TDS/TCS, Returns, Refund & Recovery	<p>Circular No. 6/2020 Dated 19th February, 2020</p> <p>Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Return of Income for A.Y. 2016-17, 2017-18, and 2018- 19 and Form No.9A and Form No. 10</p> <p>With the view to prevent hardship to the assessee and in exercise of powers conferred under section 119(2)(b) of the Act, the CBDT has decided that where the application for condonation of delay in filing Form 9A and Form 10 has been filed , and the Return of Income has been filed on or before 31st March of the respective assessment years i.e. Assessment Years 20 16- 17, 20 17- 18 and 2018- 19, the Commissioners of Income-tax (Exemptions) are authorised u/s 119(2)(b) of the Act, to admit such belated applications for condonation of delay in filing Return of Income and decide on merit.</p> <p>For all other application for condonation of delay not mentioned above, the power of condonation of delay u/s 119(2)(b) of the Act will continue with the respective authorities as per the extant Rules and Practice.</p> <p>Accordingly, where the application for condonation of delay in filing Form 9A and Form 10 has been filed , and the Return of Income has been filed on or before 31st March of the respective assessment, the Commissioners of Income-tax (Exemptions) are authorised to admit such belated applications for condonation of delay in filing Return of Income and decide on merit.</p>	https://www.incometaxindia.gov.in/communications/circular/circular_no_6_2020.pdf
2.	Lesson 4 Compu-	<p>Notification No. 7/2020 Dated 28th January, 2020</p>	https://www.incometaxindia.gov.in/communications/notification/notifica

	<p>tation of Income - Profits and Gains from Business and Profession</p>	<p>M/s. Institute of Pesticide Formulation Technology, Gurugram (PAN:- AAATI0389Q) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 and onwards under the category of "Research Association" subject to the certain conditions.</p> <p>Accordingly, any donation made to M/s. Institute of Pesticide Formulation Technology for conducting scientific research will qualify for deduction u/s 35(1)(ii) of the Income Tax Act, 1961.</p>	<p><i>tion_07_2020.pdf</i></p>
<p>3.</p>	<p>Lesson 4</p> <p>Computation of Income - Profits and Gains from Business and Profession</p>	<p>Notification No. 8/2020 Dated 29th January, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (3rd Amendment) Rules, 2020 which shall come into force on the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962 (i) after rule 6ABB, the following rule shall be inserted and shall be deemed to have been inserted from the 1st day of September, 2019, namely:-</p> <p>"Other electronic modes</p> <p>6ABBA. The following shall be the other electronic modes for the purposes of clause (d) of first proviso to section 13A, clause (f) of sub-section (8) of section 35AD, sub-section (3), sub-section (3A), proviso to subsection (3A) and sub-section (4) of section 40A, second proviso to clause (1) of Section 43, sub-section (4) of section 43CA, proviso to sub-section (1) of section 44AD, second proviso to sub-section (1) of section 50C, second proviso to sub-clause (b) of clause (x) of sub-section (2) of section 56, clause (b) of first proviso of clause (i) of Explanation to section 80JJAA, section 269SS, section 269ST and section 269T,namely:-</p> <p>(a) Credit Card;</p> <p>(b) Debit Card;</p> <p>(c) Net Banking;</p> <p>(d) IMPS (Immediate Payment Service);</p>	<p><i>https://www.incometaxindia.gov.in/communications/notification/notification_08_2020.pdf</i></p>

		<p>(e) UPI (Unified Payment Interface);</p> <p>(f) RTGS (Real Time Gross Settlement);</p> <p>(g) NEFT (National Electronic Funds Transfer), and</p> <p>(h) BHIM (Bharat Interface for Money) Aadhar Pay”;</p> <p>Accordingly, rule 6ABBA specify other electronic mode of payment as specify above for the purpose of various section specified above.</p>	
4.	Lesson 8 Computation of Total Income and Tax Liability	<p>Notification No. 10/2020 Dated 12th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (4th Amendment) Rules, 2020 which shall come into force on the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 21AD, the rule 21AE and 21AF has been inserted, namely:</p> <p>“21AE. Exercise of option under sub-section (5) of section 115BAA - The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-IC.</p> <p>21AF. Exercise of option under sub-section (7) of section 115BAB. The option to be exercised in accordance with the provisions of sub-section (7) of section 115BAB by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-ID.</p> <p>Accordingly, the domestic company opting for concessional rate of tax as specified in section 115BAA / 115BAB shall filed Form No. 10-IC / 10-ID electronically as specified in rule 21AE / 21AF of the Income Tax Rules, 1962.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_10_2020.pdf
5.	Lesson 9 TDS/TCS, Returns, Refund &	<p>Notification No. 11/2020 Dated 13th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (5th Amendment) Rules, 2020</p>	https://www.incometaxindia.gov.in/communications/notification/notification_11_2020_new.pdf

	<p>Recovery</p>	<p>which shall come into force from the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, after rule 114AA, the rule 114AAA shall be inserted, namely:</p> <p>“114AAA. Manner of making permanent account number inoperative.</p> <p>(1) Where a person, who has been allotted the permanent account number as on the 1st day of July, 2017 and is required to intimate his Aadhaar number under sub-section (2) of section 139AA, has failed to intimate the same on or before the 31st day of March, 2020, the permanent account number of such person shall become inoperative immediately after the said date for the purposes of furnishing, intimating or quoting under the Act.</p> <p>(2) Where a person, whose permanent account number has become inoperative under sub-rule (1), is required to furnish, intimate or quote his permanent account number under the Act, it shall be deemed that he has not furnished, intimated or quoted the permanent account number, as the case may be, in accordance with the provisions of the Act, and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number.</p> <p>(3) Where the person referred to in sub-rule (1) has intimated his Aadhaar number under sub-section (2) of section 139AA after the 31st day of March, 2020, his permanent account number shall become operative from the date of intimation of Aadhaar number for the purposes of furnishing, intimating or quoting under the Act and provisions of sub-rule (2) shall not be applicable from such date of intimation.</p> <p>(4) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify the formats and standards along with the procedure for verifying the operational status of permanent account number under sub-rule (1) and sub-rule (2).”</p> <p>Accordingly, the PAN would become inoperative if not linked with aadhaar on or before 31st March, 2020 and deemed that he has</p>	
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		not furnished, intimated or quoted the permanent account number, as the case may be, in accordance with the provisions of the Act, and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number.	
6.	Lesson 6 Computation of Income from Other Sources	<p>Notification No. 12/2020 Dated 17th February, 2020</p> <p>The Central Government, hereby makes the Income tax Amendment (6th Amendment), Rules, 2020 which shall come into force from the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, in rule 11UAC, in the Explanation, for clause (b), the following clause shall be substituted, namely:</p> <p>‘(b) “unauthorised colony” means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularisation of such colony in pursuance to the notification number S.O. 683(E), dated the 24th March, 2008, of the Delhi Development Authority.</p> <p>Accordingly, section 56(2)(x) shall not apply to immovable property being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.</p>	https://www.incometaxindia.gov.in/communications/notification/notification_12_2020.pdf
7.	Lesson 9 TDS/TCS, Returns, Refund & Recovery	<p>Extension of last date for linking of Aadhaar-PAN</p> <p>CBDT vide its Notification No. 11 dated 13th Feb, 2020 clarifies that the last date of linking PAN with Aadhaar is March 31, 2020, after which PAN and Aadhar become inoperative if not linked.</p> <p>In view of Covid-19 outbreak, Aadhaar-PAN linking date has been extended from 31st March, 2020 to 30th June, 2020.</p>	https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1607942

8.	Lesson 9 TDS/TCS, Returns, Refund & Recovery	<p>Extension for last date for filing Income tax Return for FY 2018-19</p> <p>As per the provision of section 139(4) of the Income tax Act, 1961, any person who has not furnished a return within the time allowed to him under sub-section (1), may furnish the return for any previous year at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier. Accordingly, the last date of filing belated income tax return for FY 2018-19 is 31st March, 2020.</p> <p>In view of Covid-19 outbreak, the last date for income tax returns for (FY 18-19) has been extended from 31st March, 2020 to 30th June, 2020.</p>	https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1607942
9.	Lesson 9 TDS/TCS, Returns, Refund & Recovery	<p>Corrigendum to Circular No. 4 of 2020 dated 20th January,2020 regarding Income-Tax Deduction from Salaries during the Financial Year 2019-2020 under Section 192 of the Income-Tax Act, 196</p> <p>In Circular No. 04/2020 dated 16th January, 2020 on the above mentioned subject, it is to state that Para 3.1 under heading "Method of Tax Collection" is modified as below:</p> <p>For sentence 3 of Para 3.1:“No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites, for the Financial Year exceeds Rs 2,50,000 or Rs 3,00,000 or Rs 5,00,000, as the case may be, depending upon the age of the employee.”</p> <p>May be read as: “No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.”</p> <p>Accordingly, as per corrigendum issued, the TDS on salary is required to be deducted if estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.</p>	https://www.incometaxindia.gov.in/communications/circular/corrignedum_cir4_2020.pdf
10.	Lesson 9	Circular C1 of 2020 dated 13th April, 2020 -	https://www.incometaxi

	<p>TDS/TCS, Returns, Refund & Recovery</p>	<p>Clarification in respect of option under section 115BAC of the Income-tax Act, 1961</p> <p>Section 115BAC of the Income-tax Act, 1961 inserted by the Finance Act, 2020 w.e.f. the assessment year 2021-22 provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession", may exercise option in respect of a previous year to be taxed under the said section 115BAC alongwith his return of income to be furnished under sub-section (1) of section 139 of the Act for each year. The concessional rate provided under section 115BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, setoff of loss and additional depreciation.</p> <p>The option is required to be exercised at the time of filing of return, the deductor, being an employer, would not know if the person, being an employee, would opt for taxation under section 115BAC of the Act or not. Hence, there is lack of clarity regarding whether the provisions of section 115BAC of the Act are to be considered at the time of deducting tax.</p> <p>In order to avoid the genuine hardship in such cases, the Board hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.</p> <p>It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section (5) of section 115BAC of the Act and the person shall be</p>	<p>ndia.gov.in/communications/circular/circular_c1_2020.pdf</p>
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11.	Lesson 9 TDS/TCS, Returns, Refund Recovery &	<p>Circular No. 8 of 2020 dated 13th April, 2020 - Clarification regarding short deduction of TDS/TCS due to increase in rates of surcharge by Finance (No.2) Act.</p> <p>The Finance Act, 2019 provided for increase in the rate of surcharge. The enhanced rates of surcharge were applicable from the 1st day of April, 2019 for previous year 2019-20 relevant to assessment year 2020-21. Accordingly, TDS/TCS under various provisions of the Income-tax Act is required to be deducted / collected after taking into account the enhanced rate of surcharge.</p> <p>Several cases have come to the notice of the Central Government wherein deductor / collectors were held to be an assessee in default for short deduction of TDS/short collection of TCS in cases where final transaction was done before laying of the Finance (No.2) Bill, 2019 in the Parliament, i.e. 5th July, 2019. Since the transaction was completed before the rates of enhanced surcharge were announced and the concerned deductee/payee is required to furnish their Income-tax return for the relevant assessment year, it has been requested that in such cases, deductor or collector should not be</p>	<p>https://www.incometaxindia.gov.in/communications/circular/circular_8_2020.pdf</p>

		<p>held to be an assessee in default under section 201 of the Income-tax Act.</p> <p>The Board clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of transactions where:</p> <ol style="list-style-type: none"> a) such transaction has been completed and entire payment has been made to the deductee/payee on or before 5th July, 2019 and there is no subsequent transaction between the deductor/collector and the deductee/payee in the financial year 2019-20 from which the shortfall of tax could have been deducted/collected by the deductor/collector; b) TDS has been deducted or TCS has been collected by such deductor/collector on such sum as per the rates in force as per the provisions prior to the enactment of the Act; c) such tax deducted or collected has been deposited in the account of Central Government by the deductor/collector on or before the due date of depositing the same; d) TDS/TCS statement has been furnished by such person on before the due date of filing of the said statement. <p>The above relaxation does not absolve the deductee/payee to pay proper tax including enhanced surcharge by advance tax or self-assessment tax and file return of income after paying such tax.</p>	
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