

R C JAIN AND ASSOCIATES LLP

NEWSLETTER

March
2020

*“If you get tired, learn to rest,
not quit”*



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Income Tax

1) Finance Minister announces Several relief measures relating to Statutory and Regulatory Compliance matters across sectors in view of Covid-19 outbreak

Following relief measures were announced with respect to Income Tax:

- 1) Due date for filing of Income Tax Returns of FY: 2018-19 [AY: 2019-20] has been extended from 31st March, 2020 to 30th June, 2020.
- 2) Extension of Aadhaar-PAN linking date from 31st March, 2020 to 30th June, 2020.
- 3) Payment under Vivad se Vishwas scheme was to be made on or before 31st March, 2020. But the same can now be made by 30th June, 2020 without having to pay an additional 10% of the amount.
- 4) Interest rate on delayed payments of Advance Tax, Self-Assessment Tax, TDS, TCS, etc. has been reduced to 9% p.a. from the existing 12% / 18% p.a. No late fee/penalty shall be charged for delay relating to this period.
- 5) Due dates for investment in saving instruments or investments for roll over benefit of capital gains, issue of notice, intimation, filing of appeal, furnishing of return, statements, applications, reports, any other documents where the time limit is expiring between 20th March, 2020 to 29th June, 2020 shall be extended to 30th June, 2020.

2) Section 192 of the Income-Tax Act, 1961 -TDS on Salaries - during Financial Year 2019-20

In Circular dated 16th January, 2020 on the abovementioned subject, it is to state that Para 3.1 under heading "Method of Tax Collection" is modified as below:

Earlier interpretation of Para 3.1:

No TDS is required to be deducted 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.

Has been modified as:

No TDS is required to be deducted unless the estimated salary income including the value of perquisites *is taxable after giving effect to the exemptions, deductions and relief as applicable.*

3) Section 90 of the Income-Tax Act, 1961 - Agreement between India and Brunei for Exchange of Information Notified

PRESS RELEASE, DATED 17-3-2020

The Agreement between the Government of the Republic of India and the Government of Brunei Darussalam for the exchange of information and assistance in collection with respect of taxes was signed in New Delhi and has been notified in the Gazette of India (Extraordinary) on 9th March, 2020.

The Agreement

- 1) enables exchange of information, including banking and ownership information, between the two countries for tax purposes.
- 2) is based on international standards of tax transparency and exchange of information and enables sharing of information on request as well as automatic exchange of information.
- 3) also provides for representatives of one country to undertake tax examinations in the other country. Moreover, it provides for assistance in collection of tax claims.
- 4) will enhance mutual co-operation between the two countries by providing an effective framework for exchange of information in tax matters which will help curb tax evasion and tax avoidance.

- *Compiled by Neha Agnihotri*

Case Laws:

1) Issue Involved:

Section 68 {Bogus Cash Credits}:- The expression “any previous year” does not mean all previous years but the previous year in relation to the assessment year concerned. If the cash credits are credited in the FY 2006-07, it cannot be brought to tax in a later Assessment Year.

➤ **Shri Ivan Singh, S-6, Ground Floor, Versus The Asstt. Commissioner Income-Tax**

IN THE HIGH COURT OF BOMBAY AT GOA.

Appeal Number:-TAX APPEAL NO. 29 OF 2013.

GIST OF THE CASE:

“In the present case, the material on record indicates that the Assessing Officer has relied upon the credits for the financial year 2006-07. However, the sum so credited, in terms of such credit, is sought to be brought to tax as the income of the appellant-assessee, for the assessment year 2009-10, which means for the previous year 2008- 09, in terms of the definition under Section 3 of the Income Tax Act. Dr. Daniel learned counsel of the assessee/appellant is justified in submitting that this is not permissible. The crucial phrase in Section 68 of the Income Tax Act 1961, which provides that the sum so credited in the books and which is not sufficiently explained, may be charged to the income tax as income of the assessee of “that previous year” also lends support to the contentions of learned counsel of the assessee/appellant. For all the aforesaid reasons, we answer the first substantial question of law in favour of the appellant-assessee and against the respondent-Revenue.”

Held:

“In the judgement of Hon’ble High Court, it was rest upon the view that with respect to the definition of section 68 of the Income Tax Act, 1961, “any previous year” mean as not referring to all the previous years, but, the previous year in relation to the assessment year concerned”

2) Issue Involved:

Section 68 (Cash Credit):- The assessee is only required to explain the Source of the Credit. There is no Requirement under the Law to explain the Source of

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the Source. The Fact that the Source of the Source is suspect and that the creditors had no regular source of the Income to Justify the Advancement of the credit to the Assessee does not mean that an addition can be made in the hands of the Assessee.

- **Mr. Gaurav Triyugi Singh V/s. The Income Tax Officer-24(3)(1), IN THE HIGH COURT OF JUDICATURE AT BOMBAY INCOME. Appeal Number:- TAX APPEAL NO. 1750 OF 2017**

Gist of the Case:

“Section 68 of the Act has received considerable attention of the courts. It has been held that it is necessary for an assessee to prove prima facie the transaction which results in a cash credit in his books of account. Such proof would include proof of identity of the creditor, capacity of such creditor to advance the money and lastly, genuineness of the transaction. Thus, in order to establish receipt of credit in cash, as per requirement of section 68, the assessee has to explain or satisfy three conditions, namely: (i) identity of the creditor; (ii) genuineness of the transaction; and (iii) credit-worthiness of the creditor. There is no requirement under the law to explain the source of the source. In the instant case, there is no dispute as to the identity of the creditor. There is also no dispute about the genuineness of the transaction. That apart, the creditor has explained as to how the credit was given to the assessee. Thus assessee had discharged the onus which was on him as per the requirement of section 68 of the Act”

Held:

“In the recent judgement of the Hon;ble High court of Bombay it was held that as per the requirements of the section 67 the assessee is required to establish receipt of credit in cash, as per requirement of section 68, the assessee has to explain or satisfy three conditions, namely : (i) identity of the creditor; (ii) genuineness of the transaction; and (iii) credit-worthiness of the creditor. However it was not required for the assessee to explain the sources of the source”

- Compiled by Shweta Keswani

GST

Notifications

1) Notification No. 08/2020–Central Tax, Dated 02nd March, 2020

Following sub rule shall be substituted in place of rule 31A, sub rule (2), with effect from 01st March, 2020 (Rule 31 states about Residual method for valuation of supply): -

(2) The Value of supply of lottery shall be deemed to be 100/128 of the face value of ticket or the price as notified in the Official Gazette by the Organizing State, whichever is higher.

2) Notification No. 09/2020–Central Tax, Dated 16th March, 2020

As per this notification, Foreign Company which are in business of Airlines industry need not furnish reconciliation statement in FORM GSTR-9C instead of which they should provide statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant or a firm or a Limited Liability Partnership of practicing Chartered Accountants in India for each GSTIN by 30th September of the year succeeding the financial year.

3) Notification No. 10/2020–Central Tax, Dated 23rd March, 2020

As per this notification, person having principal place of business or place of business was in the Union territory of Daman and Diu or in the Union territory of Dadra and Nagar Haveli till the 26th January, 2020; and is in the merged Union territory of Daman and Diu and Dadra and Nagar

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Haveli from the 27th January, 2020 onwards, shall have tax period for the month of January 2020 and February 2020 as below:

- (i) January, 2020: 1st January, 2020 to 25th January, 2020
- (ii) February, 2020: 26th January, 2020 to 29th February, 2020

And this is applicable to every document raised from 26th January 2020, such person need to pay appropriate applicable tax in the return under section 39 of the said Act;

The person who have registered GSTIN under Union territory of Daman and Diu and the Union territory of Dadra and Nagar Haveli till the 25th day of January, 2010 have an option to transfer the balance of input tax credit (ITC) after the filing of the return for January, 2020, from the registered GSTIN in the new Union territory of Daman and Diu and Dadra and Nagar Haveli by following the procedure as below:-

- (a) the said class of 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;
- (b) 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;
- (c) 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.

4) Notification No. 11/2020–Central Tax, Dated 23rd March, 2020

As per this notification, registered persons who are corporate debtors under the provisions of the Insolvency and Bankruptcy Code, 2016 and are undergoing the corporate insolvency resolution process and the management of whose affairs are being undertaken by interim resolution professionals (IRP) or resolution professionals (RP) shall be treated as a distinct person with effect from the date of appointment of IRP / RP and shall be liable to take new registration in each state or Union territories where the corporate debtor was registered earlier, within thirty days of the appointment of the IRP/RP.

In case IRP/RP is appointed prior to the date of issue of this notification he shall take registration within thirty days from the commencement of this notification, with effect from date of his appointment as IRP/RP.

After obtaining registration, such person should file his first return under section 40 of this act, from the date on which he becomes liable to registration till the date on which registration has been granted.

Such person shall 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 subject to condition specified in this act.

Registered person making supply to such person shall be eligible to take ITC on invoices issued using the GSTIN of the erstwhile registered person, subject to the conditions specified ,for the period from the date of appointment of IRP / RP till the date of registration as required in this notification or thirty days from the date of this notification.

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Any amount deposited in the cash ledger by the IRP/RP, in the existing registration, from the date of appointment of IRP/RP to the date of registration in terms of this notification shall be available for refund to the erstwhile registration.

5) Notification No. 12/2020-Central Tax, Dated 23rd March, 2020

As per this notification, if a person paying tax under section 10 has furnished a return in FORM GSTR-3B instead of FORM GST CMP-08 for tax period in F.Y. 2019-20, such person need not be required to furnish the statement in outward supply of goods or services or both in FORM GSTR-1 of the said rules or the statement containing the details of payment of self-assessed tax in FORM GST CMP-08 for all the tax periods in the financial year 2019-20.

6) Notification No. 13/2020-Central Tax, Dated 23rd March, 2020

As per this notification, a registered person whose aggregate turnover in a financial year exceeds one hundred crore rupees shall be the class of registered person who shall prepare invoices or other documents as prescribed in sub rule 4 of rule 48 of said rule for supply of goods or services or both to a registered person.

This notification will come into force from 01st October, 2020.

7) Notification No. 14/2020-Central Tax, Dated 23rd March, 2020

As per this notification, QR Code (Quick Response Code) which was essential to be provided by dealers having more than Five hundred Crore Turnover for invoice raised to unregistered person (B2C transaction) shall be considered to have provided QR Code if such code is provided in Digital display.

This notification will come into force from 01st October, 2020.

8) Notification No. 15/2020-Central Tax, Dated 23rd March, 2020

INDIRECT TAX

The Commissioner, on the recommendations of the Council, extends the time limit for furnishing of Annual Return for the FY 2018-19 till 30.06.2020.

9) Notification No. 16/2020-Central Tax, Dated 23rd March, 2020

- The aggregate turnover limit for getting accounts audited for FY 2018-19 (in FORM GSTR-9C) has been increased from 2 crore rupees to 5 crores rupees. Thus, registered persons having turnover more than 5 crore rupees need to get their accounts audited under GST in FORM GSTR-9C.
- The Proper Office shall re-credit to electronic credit ledger through GST-PMT-03 amount admissible as refund of any amount of tax wrongly paid or paid in excess for which debit has been made from electronic credit ledger
- The calculation of Turnover for refund of Zero Rated Supply of Goods has changed:
The amount shall be lower of actual turnover and 1.5 times the value of goods supplied domestically.
Eg: Zero Rated Supply – 10 Lakhs
The value in local market is 5 lakhs,
The turnover shall be 7.5 Lakhs (i.e minimum of 1.5*5lakhs and 10 lakhs)
- The amount claimed as refund in case of Zero Rated Supply whose sales proceeds is not received within time limit of FEMA, the said amount shall be recovered along with interest from the dealer. The dealer is required to submit declaration for the same.

10) Notification No. 27/2020-Central Tax, Dated 23rd March, 2020

The Central Government, on the recommendations of the Council, notifies that registered persons having aggregate turnover of up to Rs. 1.5 crore

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rupees in the preceding FY or the current FY shall furnish details of Outward Supplies in FORM GSTR-1 till:

Sr No.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
1	April 2020 to June 2020	31 st July, 2020
2	July 2020 to September 2020	31 st October, 2020

11) Notification No. 27/2020–Central Tax, Dated 23rd March, 2020

The Commissioner, on the recommendations of the Council, extends the time limit for furnishing details of Outward Supplies in FORM GSTR-1 for class of persons having aggregate turnover of more than 1.5 crore rupees in the preceding FY or the current FY for months from April 2020 to September 2020 till 11th day of the month succeeding such month.

12) Notification No. 28/2020–Central Tax, Dated 23rd March, 2020

The Commissioner, on the recommendations of the Council, extends the time limit for furnishing details of Outward Supplies in FORM GSTR-1 for class of persons having aggregate turnover of more than 1.5 crore rupees in the preceding FY or the current FY for months from April 2020 to September 2020 till 11th day of the month succeeding such month.

13) Notification No. 29/2020–Central Tax, Dated 23rd March, 2020

The Commissioner, on the recommendations of the Council, specifies below mentioned dates for filing return in FORM GSTR-3B for months from April 2020 to September 2020:

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Turnover for April to Sep 20	Due Dates	States
More than Rs. 5 crores	20th of the month succeeding such month	Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep
Up to Rs. 5 crores	22 nd day of the month succeeding such month	
More than Rs. 5 crores	20th of the month succeeding such month	Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi
Up to Rs. 5 crores	24 th of the month succeeding such month	

The due date of GSTR 3B remains the same as per the notification. However, there is a press release stating that the due date for filing of GSTR 3B from March 2020 to May 2020 shall be June 2020.

The said press release further clarifies that the interest shall not be payable by the person having turnover less than Rs. 5 crores, those having turnover more

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than Rs. 5 crores shall be liable to pay interest at a reduced rate of 9% instead of earlier 18%. Notification for the same is awaited.

14) Notification No. 02/2020-Central Tax (Rate), Dated 25th March, 2020

As per this notification, the CG on the recommendation of the council hereby reduce the CGST rate of below mentioned service (serial number 25 of Notification 11/2017) from 9% to 2.5% with full ITC

“(ia) Maintenance, repair or overhaul services in respect of aircrafts, aircraft engines and other aircraft components or parts.

This notification shall come into force with effect from the 1st day of April, 2020.

15) Notification No. 03/2020-Central Tax (Rate), Dated 25th March, 2020

As per this notification, the CG on the recommendation of the council removes ‘Handmade safety matches’ having HSN code ‘36050010’ from Schedule I having tax rate of 2.5% (CGST).

The ‘handmade safety matches’ means matches in relation to the manufacture of which none of the following procedures is ordinarily carried on with the aid of power, like (i) frame filling; (ii) dipping of splints in the composition for match heads; (iii) filling of boxes with matches; (iv) pasting of lab; (v) packaging

‘Telephones for cellular networks or for other wireless networks’ having HSN Code ‘8517’ and ‘Parts for manufacture of Telephones for cellular networks or for other wireless networks’ having HSN Code ‘85’ should be omitted from Schedule II having tax rate of 6% (CGST)

Matches [other than handmade safety matches (HSN Code ‘36050010’)] should be removed from Schedule III having tax rate 9% (CGST)

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In place of 'Telephone sets; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528' having HSN code '8517' tax rate 9% (CGST), 'all goods' shall be substituted.

This notification shall come into force on the 1st day of April, 2020

Circulars

1) Circular No. 133/03/2020 - GST, Dated 23rd March, 2020

There are certain clarifications which are issued in respect of apportionment of Input Tax Credit (ITC) in cases of business reorganization under section 18 (3) of CGST Act read with rule 41(1) of CGST Rules - reg.

Kindly refer below link for detail notes

<http://www.cbic.gov.in/resources/htdocs-cbec/gst/circular-cgst-133.pdf>

2) Circular No. 134/04/2020 - GST, Dated 23rd March, 2020

There are certain clarifications which are issued in respect of issues under GST law for companies under Insolvency and Bankruptcy Code, 2016 - Reg.

Kindly refer below link for detail notes

<http://www.cbic.gov.in/resources/htdocs-cbec/gst/circular-cgst-134.pdf>

- Compiled by Saloni Lund & Esha Mulani

RBI**1. RBI/2019-20/170****DOR (NBFC).CC.PD.No.109/22.10.106/2019-20****Implementation of Indian Accounting Standards**

Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 are required to comply with Indian Accounting Standards (Ind AS) for the preparation of their financial statements.

In order to promote a high quality and consistent implementation as well as facilitate comparison and better supervision, the Reserve Bank has framed regulatory guidance on Ind AS given in the Annex which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards.

The instructions and guidelines relate to specific prudential aspects of Ind AS implementation by NBFCs/ARCs and are not meant to provide a comprehensive commentary on the accounting standards or comprehensive technical interpretation of the standards, nor intended to cover all possible situations.

Accordingly NBFCs/ARCs are required to refer to the notified accounting standards, application guidance, educational material and other clarifications issued by the Institute of Chartered Accountants of India (ICAI).

2. RBI/2019-20/172**DoS.CO.PPG.BC.01/11.01.005/2019-20****COVID-19- Operational and Business Continuity Measures**

As you are aware, the World Health Organization (WHO) has declared the recent outbreak of the corona virus disease (COVID-19) a pandemic spread in multiple countries, with the uncertainty about the extent of spread and the likely impact on the global economy. Several confirmed cases have also been detected in India.

2. While the Government of India, in co-ordination with the state machineries, is already taking steps for preventing and controlling the local transmission of disease, further, the following steps are required to be taken by the respective

Banks/financial institutions as a part of their existing operational and business continuity plans:

(a) Devising strategy and monitoring mechanism concerning the spread of the disease within the organization, employees showing symptoms to be asked to stay home, postponing travel plans, and recommending quarantine as well as avoiding spread of panic among staff and members of the public;

(b) Taking steps of sharing important instructions/ strategy with the staff members at all levels, for soliciting better response and participation and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time;

(c) Encouraging customers to use digital banking facilities (i.e. Online payment modes like NEFT, IMPS, UPI etc.) as far as possible.

3. Besides the above steps, entities should also assess the impact on their balance sheet, asset quality, liquidity, etc. arising out of potential scenarios such as further spread of COVID-19 in India and take immediate contingency measures to manage the risks.

4. As the situation requires to be monitored closely, both from business and social perspective, a Quick Response Team may be constituted for the purpose, which shall provide regular updates to the top management on significant developments and act as a single point of contact with regulators/outside institutions/agencies.

For more details, refer the website rbi.org.in

- Compiled by Arluv Almeida

CIRCULARS:

1) Company Affirmation of readiness towards COVID-19

Companies Affirmation of Readiness towards COVID-19 Form is a simple web form with minimum fields and which can be filed from anywhere. There is no requirement of DSC and does not involve payment of any fee. Companies/LLPs are advised to use the service w.e.f 23rd March 2020 onwards at the earliest convenience.

It is purely voluntary as part of our contribution towards joining the movement to fight against the spread of the disease.

2) Extension of last date of application for the post of AGM, and below in NFRA (National Financial Reporting Authority) on deputation/short term contract basis.

The last date of submission of applications for the Post of AGM, Manager and Assistant Manager in NFRA on deputation/ short term contract basis has been extended from 11.03.2020 to 31.03.2020.

3) Notice regarding Board meetings under the Companies Act, 2013

Considering the need to take precautionary steps to overcome the outbreak of the coronavirus (Covid-19), the Government has in-principle decided to relax the requirement of holding Board meetings with physical presence of directors under section 173 (2) r/w rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board's report, etc. Such meetings may till 30th June, 2020 be held through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the said rules. The necessary changes in the rules in this regard are expected to be notified soon.

Explanation to Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014

Meetings of Board through Video Conferencing or Other Audio Visual Means – Procedure for convening or conducting the Board Meetings through Video conferencing or other audio visual means has been explained in the Rule 3.

4) Relaxation of additional fees and extension of last date in filing of forms MGT-7 Annual Returns and AOC-4 (Financial Statements under the Companies Act, 2013- UT of J&K and UT of Ladakh.

It has been decided to further extend the due date for filing of e-forms AOC-4, AOC-4 (CFS) AOC4 XBRL and e-form MGT-7 for the financial year ended 31.03.2019 up to 30.06.2020, due to disturbances in internet services and the normal work which was affected for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.

This issue with the approval of the competent authority.

5) Filing of Form MCA-21 by Insolvency Professional (IRP or RP or Liquidator)

1) In supersession of earlier Circular No.O4 /2020 dated, 17-02-2020, the following clarification is issued for statutory compliances in respect of companies under Corporate Insolvency Resolution Process (CIRP).

- i. The IRP/ RP/ Liquidator would have to first file the NCLT order approving him as the IRP/ RP/ Liquidator in Form INC-28. After filling 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.
- ii. 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).
- iii. 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. However, this shall in no way affect his legal status as IRP/ RP/ Liquidator.
- iv. Against date of event and Board Resolution in INC-28 and GNL-2, date of order of NCLT/NCLAT/Court may be mentioned.

2) 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.

- 3) 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 thereunder through e-form GNL-2.
- 4) This issue with the approval of the competent authority.

6) Introduction of LLP Settlement Scheme, 2020

In view of the representations received by MCA for waiver of fee or Condonation of delay by LLP's, MCA has introduced the said Scheme.

- 1) Applicability: - Any "defaulting LLP" is permitted to file belated documents, which were due for filing till 31st August, 2020.
- 2) Manner of payment of fees and additional fee for seeking immunity under the Scheme - The defaulting LLPs may avail of the scheme on payment of fee as payable for filing of such document or return. No additional fee shall be payable for filing any belated documents under the scheme.
- 3) Immunity from prosecution under the scheme - The defaulting LLPs, which have filed their pending documents till 30th September 2020 and made good the default, shall not be subjected to prosecution by Registrar for such defaults.
- 4) Scheme not to apply to certain documents-
 - a) This Scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.

- 5) On the conclusion of the Scheme after 30th September, 2020,, the Registrar shall take necessary action against the LLPs which have not availed this Scheme and are in default.
- 7) **View Public Document (VPD) requests would be disabled till 31st March 2020 – Services related to downloading of public documents have been disabled.**
- 8) **Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak**

In order to support and enable Companies and Limited Liability Partnerships (LLPs) in India to focus on taking necessary measures to address the COVID-19 threat, including the economic disruptions caused by it, the following measures have been implemented by the Ministry of Corporate Affairs to reduce their compliance burden and other risks: -

- No additional fees shall be charged for late filing during a moratorium period from 01st April 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. It shall not only reduce the burden, but will also enable noncompliant companies/ LLPs to make a 'fresh start'.
- The mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (CA13) (120 days) stands extended by a period of 60 days till next two quarters i.e., till 30th September.
- The Companies (Auditor's Report) Order, 2020 shall be made applicable from the financial year 2020-2021 instead of being applicable from the financial year 2019-2020 notified earlier.
- As per Para VII (1) of Schedule IV to the CA-13, independent Directors (IDs) are required to hold at least one meeting without the attendance of Non independent directors and members of management. For the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through

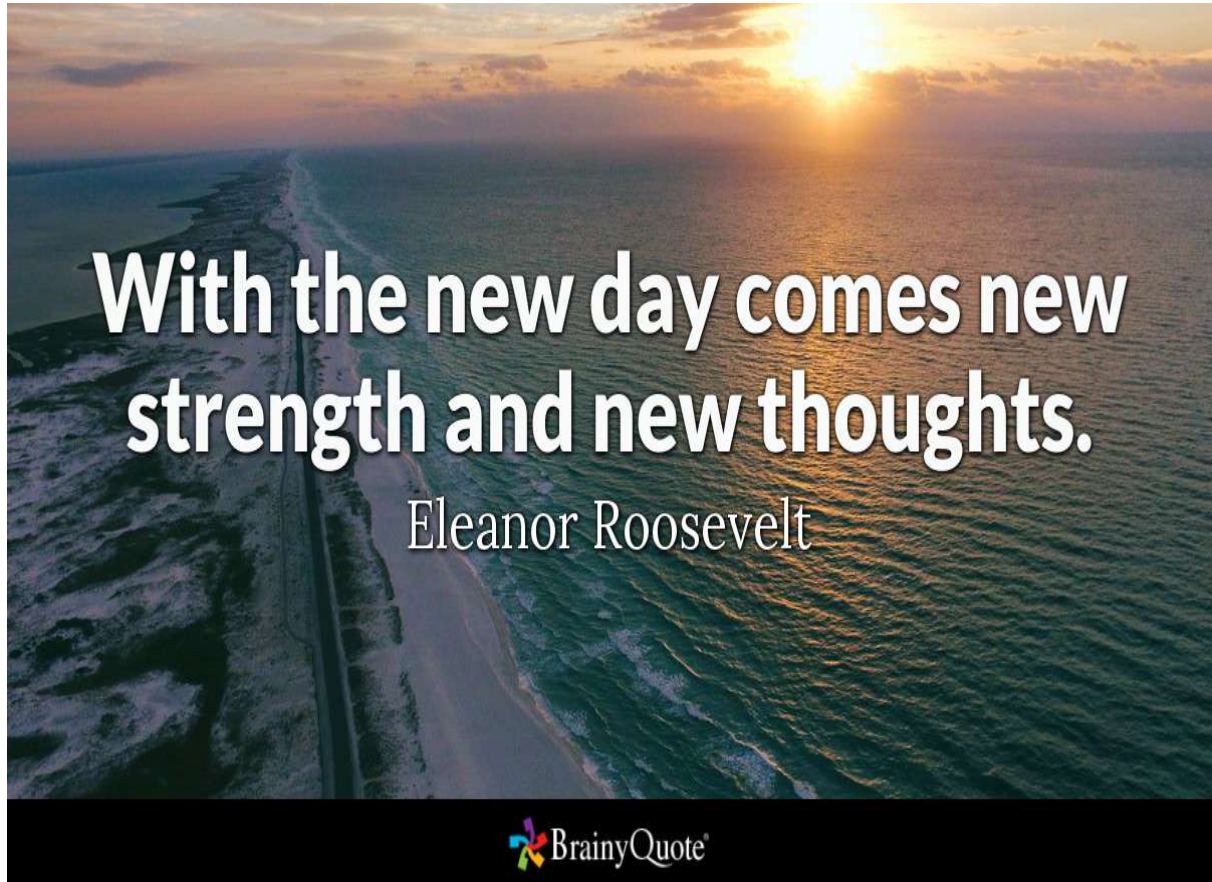
telephone or e-mail or any other mode of communication, if they deem it to be necessary

- Requirement under section 73(2)(c) of CA-13 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.
- 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.
- Newly incorporated companies are required to file a declaration for Commencement of Business within '180 days of incorporation. An additional period of 180 more days is allowed for this compliance
- 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 CA-1 3 shall not be treated as non-compliance for the financial year 2019-20.

This issues with the approval of the competent authority.

- Compiled By Jyoti Kadu

HUNAR HAAT



HOME CALLING

Staying in a city like Mumbai which never stops we spent from 12-14 hours at home out of which 80% of time is occupied in sleep and remaining hours are spent on daily chores and mobile. This used to be our routine till 22nd March 2020. The date itself is a history in making. It marked the change of world for us. Confined to the walls of our house, we now listen to birds chirping and not the drilling sound of metro construction or vehicles leading to air and noise pollution. The air around us is healing itself and so is Earth who has been the silent victim of Human atrocities from centuries.

Covid-19 has taught us many things, first and foremost- Health should always be our top most priority, secondly Home is our comfort zone, third Spending time with family is fun and fourth Life without maid is difficult (Just Kidding). It is difficult period for world across and we do realize that the steps taken by the Government is apt and accurate. Let us join hands with each other (Not literally- that will spread the virus) to assist Government to fight the Pandemic. With negativity around and rumored and fake videos doing round on Whatsapp it is difficult to stay optimistic but we will have to stay positive because we cannot be defeated through a virus. Humans have been through many difficult phases and this too shall pass.

I am not a motivational speaker or any guru to advice but I tried doing things which I longed too for a very long period of time and it worked miraculously. We Mumbaikars are very restless and staying at one place will only irritate us. However we all have one childhood aspiration which we forgot or let it go for family responsibilities or lack of interest or lack

of money, this is the period when we shall invest our time in the hobby from painting to singing or dancing to writing, Long lost Passion or creativity, you never know by the end of the lockdown we all shall be a different person. Give it a thought and also try irrespective of your age or 'Log Kya Kahenge'. Come on, everyone let's stay happy and let virus wonder "what is wrong with people? Why are they not scared?" Death, Illness is unavoidable but with a smile and feeling of contentment we shall defeat it. Stay safe and at home as only a fool shall venture unnecessarily right now. We can and we will succeed.

- By Shraddha Vora

Allow us to tell you more!



R.C. JAIN & ASSOCIATES LLP
Chartered Accountants
Website: www.rcjainca.com

Head Office:

Mumbai -

622-624, The Corporate Centre,
Nirmal Lifestyles, L.B.S. Marg,
Mulund (W),
Mumbai – 400080.
Email: info@rcjainca.com
Phone: **25628290/91, 67700107**

Branch Offices:

Bhopal -

M-272, Near Arya Samaj Bhawan,
Gautam Nagar, Bhopal,
Madhya Pradesh– 462 023
Email: hmjainca@rediffmail.com
Phone: **0755-2600646**

Aurangabad -

Su-Shobha, Plot No.7,
Mitranagar, Behind Akashwani,
Near Maratha Darbar Hotel,
Aurangabad - 431001.
Email: sskasliwal@gmail.com
Phone: **0240-2357556**

