

# WHITESPAN

WINS

#### NEWSLETTER

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(WHITESPAN INFORMATION AND NEWS SERVICES)

A GATEWAY TO KNOWLEDGE MONTHLY NEWSLETTER

March 01, 2020 – March 31, 2020 Issue No. – 036/ 2020

WHITESPAN





#### FROM THE CHIEF EDITOR'S PEN

"Unless you try to do something beyond what you have already mastered, you will never grow."

- Ronald E. Osborn

It gives us an immense pleasure to share the 36<sup>th</sup> edition of "WINS – e-newsletter" for March 2020. My sincere gratitude to each one of you for sparing your valuable time in reading this newsletter and sharing your feedback. Your suggestions and ideas have been a source of inspiration for us and have motivated and guided us to scout for better contents in timely manner, month after month. Hope we not only help you to keep yourself updated but will also save your time by bringing a brief summary of the updates in the form of Editor's Quick Take.

In this issue we have covered the following:

- 1. Corporate Updates from MCA, RBI, SEBI, CBDT, CBEC and other miscellaneous laws
- 2. Articles on:
  - i. Valuation of shares / Exchange Ratio during Merger/Amalgamation
  - ii. Force Majeure In Employment Contracts- Covid 19 Situation
  - iii. Broad Analysis of Compliances under UP RERA, 2016 w.r.t. Real Estate Projects in UP
- 3. Compliance checklist for the month of April 2020.

We hope all these would be of your interest and use.

We take this opportunity to invite articles on topics of professional interest. Please ensure that the article is original, written in good style and adds value for the readers.

Your candid feedback are valuable: appreciation will encourage us; criticism will help us to improve!

Feedbacks can be sent at vinayshukla@whitespan.in

With warm regards

**WINS (Whitespan Information and News Services)** 

March 31, 2020





#### **Our Editorial Board comprises the following professionals:**

- 1. **Mr. Vinay Shukla** Mr. Vinay Shukla, a Fellow Member of The Institute of Company Secretaries of India (ICSI), a graduate in Law, Commerce and Management is Co-founder of WsA having more than thirty years' experience in wide spectrum of corporate functions.
- **2. Mr. Mayank Rai** LL.M, M.Phil, is a practicing advocate having more than 26 years of experience also an Asst. Professor in Dept. of Law, V.S.S.D.College, Kanpur.
- **3. Ms. Jaya Yadav** Ms. Jaya Yadav, a practicing company secretary based at Gurgaon is an associate member of The Institute of Company Secretaries of India (ICSI) and a graduate in law and Commerce from Delhi University.
- **4. Mr. Himanshu Gupta** Mr. Himanshu Gupta is an associate member of The Institute of Company Secretaries of India (ICSI) and a graduate in law and Commerce.
- **5. Ms. Trishna Choudhary -** Ms. Trishna Choudhary is an associate member of The Institute of Company Secretaries of India (ICSI) and a graduate in commerce from Delhi University.
- **6. Ms. Ankita Pandey** Ms. Ankita Pandey is a commerce graduate from Kanpur University and an associate member of The Institute of Company Secretaries of India (ICSI).
- 7. Ms. Divya Shukla- Ms Divya Shukla is graduate in Law and Commerce from Christ University, Bengaluru.



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# MCA Ministry of CorporateAffairs





#### 1. LLP settlement Scheme, 2020

Date of Circular: March 04, 2020 Effective Date: March 16, 2020

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular06 04032020.pdf

#### **Editor's Quick Take:**

MCA vide its Circular dated March 04, 2020 has decided to introduce a scheme namely "LLP Settlement Scheme, 2020", by allowing a One-time Condonation of delay in filing statutorily required document with the registrar. This scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020.

**Applicability:** - Any "defaulting LLP" is permitted to file belated documents, which were due for filing till 31st October, 2019 in accordance with the provisions of this Scheme:

# Manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme –

The defaulting LLPs may themselves avail of the scheme for filing documents which have not been filed or registered in time on payment of additional fee 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.





#### Scheme not to apply to certain documents-

- (a.) This Scheme shall not apply to the filing of documents except the following documents:-
  - (i.) Form-3- Information with regard to limited liability partnership agreement and changes, if any, made therein;
  - (ii.) Form-4- Notice of appointment, cessation, change in name/ address/ designation of a designated partner or partner and consent to become a partner/ designated partner;
  - (iii.) Form-S; Statement of Account & Solvency (Annual or Interim);
  - (iv.) Form-11- Annual Return of Limited Liability Partnership (LLP).
- (b.) 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.





#### 2. LLP Settlement Scheme, 2020 - Modification

General circular – March 30, 2020 Effective From – April 01, 2020

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Circular13 30032020.pdf

#### **Editor's Quick Take:**

MCA vide its General Circular dated 30th March, 2020, modified the provisions related to LLP SETTLEMENT SCHEME, 2020 was issued by MCA dated march 04, 2020.

- ✓ In this modification circular time lines are revised now the scheme shall come into force with effect from April 01, 2020 and shall remain in force upto September 30, 2020 .
- ✓ Any defaulting LLP is permitted to file belated documents which were due for filing till 31<sup>st</sup> August 2020 in accordance with the scheme.
- ✓ The defaulting LLP may themselves avail this scheme.
- ✓ This scheme shall not apply which have made application in form 24 to the registrar for strike of their name from the register.





#### 3. Companies Fresh Start Scheme, 2020

Date of general circular: March 30, 2020

Effective Date: April 01, 2020

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Circular12 30032020.pdf

#### **Editor's Quick Take:**

MCA vide its general circular March 30, 2020 issued Companies Fresh Start Scheme, 2020. Under this Scheme MCA is providing opportunity to make a fresh start as fully compliant entity. Companies Fresh Start Scheme, 2020 is for making companies eligible to file forms without late fees till 30<sup>th</sup> September 2020.

Key highlights of the scheme are as follows:

- Any Defaulting company is permitted to file belated documents which were due for filing on any given date.
- Immunity from prosecution and penalty for delay in filing of belated documents.
- Scheme not to apply in certain cases:-Strike off companies, Amalgamate Companies, Dormant Companies, Vanishing Companies, Form-SH-7, Charge related forms (CHG-1, CHG-4, CHG-8 & CHG-9), Where any increase in authorized capital is involve (Form-sh-7), Companies under liquidation, Companies under CIRP





4. <u>DIR-3KYC/DIR-3KYC-Web/ACTIVE</u> forms may be filed between1st April, 2020 to 30th September, 2020 by non-complaint companies or defaulters without any filing fee of INR 5000/INR 10000 respectively

Date of posting of information: March 31,2020

Above information is available at the following link:

http://www.mca.gov.in

#### **Editor's Quick Take:**

MCA provide a opportunity to the 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 and Verification(ACTIVE) eform are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5000/INR 10000 respectively.





#### 5. Government raises Minimum amount of default to Rs 1 cr under the IBC Code 2016

Date of Notification: March 24, 2020

**Above Notification is available at the following link:** 

http://www.mca.gov.in/Ministry/pdf/Notification 28032020.pdf

#### **Editor's Quick Take:**

MCA vide its Notification dated March 24, 2020 amended the proviso of Section 4 of the Insolvency and Bankruptcy Code, 2016 to raise the threshold limit from Rs. 1,00,000 to Rs. 1,00,000,000 for filing application to initiate Corporate Insolvency Resolution Process (CIRP).

Intention of the Government is to support MSMEs currently facing wrath of COVID19 pandemic. Govt. further announced that they are watching till April 30, 2020, and if need be applicability of Section 7, 9 and 10 would be suspended for a period of six months.

In absence of any specific date mentioned for promulgation of the amendment, date of announcement (March 24, 2020) would be treated as the effective date of amendment.





6. <u>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</u>, 2016

Date of Circular: March 06, 2020

**Above Circular is available at the following link:** 

http://www.mca.gov.in/Ministry/pdf/Circular8 06032020.pdf

#### **Editor's Quick Take:**

In supersession of General Circular No. 04/2020 dated. 17.02.2020, MCA issued General Circular No. 08/2020. As per above circular, IRP/RP/Liquidator shall be responsible to sing and file all e-froms with MCA as CEO. First, the order of NCLT/NCLAT for appointment of IRP/RP/Liquidator is to be filed in e-form INC - 28 and thereafter, all e-forms such as AOC-4, MGT -7, MGT-14 etc. are to be filed from time to time by IRP/RP/Liquidator, in separate GNL-2 under IBC filings (ref. amended GL-2 at page 14.). with normal one time filing fee, as CEO by selecting the of designation of "CEO' in the declaration box, and then "Others" in the Dropdown Menu while affixing his/her DSC to upload the form. Against date of event, date of NCLT/NCLAT/Court order date may be mentioned for filing of above e-froms.

Master Data for change in the status of the company from "Active"/ "Inactive" to "CIRP/ Liquidation" or "CIRP/Liquidation" to "Active" shall be effected only on the basis of Formal Change Request Form submitted by IBBI to e-governance Cell, MCA(HQ).

In case of companies under CIRP/Liquidation process prior to this circular, IRP/RP/Liquidator of such companies shall first file INC-28 and thereafter, shall file AOC-4, MGT-7 etc, in GNL-2.





#### 7. The Companies Incorporation Second Amendment Rules, 2020

Date of notification: March 12, 2020

Effective Date: Date of Notification in the official Gazette **Above Notification is available at the following link:** http://www.mca.gov.in/Ministry/pdf/rule 13032020.pdf

#### **Editor's Quick Take:**

The MCA vide its notification dated March 12, 2020 has notified The Companies incorporation second Amendment Rules, 2020 which shall come into force on the date of their publication in the official Gazette that is 12<sup>th</sup> 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, 20 16 under which order passed"."

The Amendment is made in Form INC-28 which is the form for filing Notice of the order of the court or any other competent authority. As per the new amendment the company shall state the section of Insolvency and Bankruptcy Code, 2016 under which order passed.





8. The Companies (Registration Offices and Fees) Second Amendment Rules, 2020.

Date of Notification: March 12, 2020

Effective Date: Date of Publication in the Official Gazette

**Above Notification is available at the following link:** 

http://www.mca.gov.in/Ministry/pdf/rule1 13032020.pdf

Editor's Q	uick Take:
	endment Rules, 2020. In the amended rules in the Annexure, in Form No.GNL-2: serial number 3, after item number "Form 159 of the Companies (Court) Rules,1959", the following item shall be inserted, namely
	"Filing under Insolvency and Bankruptcy Code, 2016".
(ii)	After the first verification column, the following shall be inserted, namely
	particulars of the person signing and submitting the form
Name	
Capacity	



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9. <u>Clarification to File Statutory Returns Only When They Cross Thresholds prescribed under</u> the Obtained EPFO/ESI Act.

Above Notification is available at the following link: www.mca.gov.in

#### **Editor's Quick Take:**

MCA has clarified that new companies incorporated through SPICe+, wherein EPFO/ESI numbers will be allotted automatically, will not be required to file the statutory returns under PF/ ESI Act, untill they cross thresholds prescribed under the PF/ESI Acts, currently 20/10 persons, respectively.

As you know, e-form SPICe+ which was introduced to cut-short procedures and to reduce time and cost of Starting a Business in India and is applicable for formation of new company w.e.f 23-03-2020 has two parts viz. Part A-for Name reservation for new companies and Part B for a bouquet of services.

SPIC+ is a single window wherein three (3) Central Govt Ministries & Departments namely Ministry of Corporate Affairs, Ministry of Labour and Department of Revenue in the Ministry of Finance, and by one (1) State Government (Maharashtra) provide ten (10) services for starting a business in India namely 1. Name reservation for new companies, 2. Incorporation, 3. DIN allotment; 4. Mandatory issue of PAN; 5. Mandatory issue of TAN; 6. Mandatory issue of EPFO registration; 7. Mandatory issue of ESIC registration; 8. Mandatory issue of Profession Tax registration (Maharashtra); 9. Mandatory Opening of Bank Account for the Company and 10. Optional Allotment of GSTIN.





10. The Companies (Meetings of Board and its Powers) Amendment Rules, 2020

Date of Circular: March 19,2020

**Effective Date**: date of publication in the Official Gazette

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Rules 19032020.pdf

#### **Editor's Quick Take:**

MCA vide its circular dated March 19,2020 has notified the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 relaxing the requirement of holding board meetings requiring Directors to be physically present in accordance with section 173(2) of the Companies Act, 2013 read with Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, the Board's report, etc.

Such meetings may now be held through video conferencing or other audio visual means by duly ensuring compliance of Rule 3 of the said rules till 30th June, 2020





11. <u>Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership</u> Act, 2008 in view of COVID-19 outbreak

Date of Circular: March 24, 2020 Effective Date: March 24, 2020

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Circular 25032020.pdf

#### **Editor's Quick Take:**

MCA vide its Circular dated March 24, 2020 has decided to the following measures have been implemented by the Ministry of Corporate Affairs to reduce their compliance burden and other risks: -

- 1. No additional fees shall be charged for late filing during a moratorium period from 01<sup>st</sup> 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, which will not only reduce the compliance burden, including financial burden of companies/ LLPs at large, but also enable long-standing noncompliant companies/ LLPs to make a 'fresh start'.
- 2. 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. 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 CA-13.



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- 3. 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. This will significantly ease the burden on companies & their auditors for the financial year 2019-20. A separate notification has been issued for this purpose.
- 4. 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.
- 5. 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.
- 6. 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.
- 7. Newly incorporated companies are required to file a declaration for Commencement of Business within '180 days of incorporation under section 10A of the CA-13. An additional period of 180 more days is allowed for this compliance.
- 8. 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 a non-compliance for the financial Year 2019-20.





#### 12. Company Affirmation of Readiness towards COVID-1

#### Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Car 22032020.pdf

#### **Editor's Quick Take:**

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 in a staggered manner to avoid the load on the system.

Stakeholders may please note that there is no fee applicable for FORM CAR (Companies Affirmation of Readiness Towards COVID-19). SHs may also please note that the form has been deployed as a purely confidence building measure to assess the readiness of the companies to deal with COVID-19 Threat in India. As such no penalty or enforcement related action is applicable. Stakeholders may at their convenience file this form. It is purely voluntary as part of our contribution towards joining the movement to fight against the spread of the disease. Since the portal may experience heavy load, it would indicate 'Busy' alert whenever peak traffic is reached.





13. Clarification on spending of CSR Funds for COVID-19

Date of Circular: March 23, 2020

Above circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Covid 23032020.pdf

#### **Editor's Quick Take:**

MCA vide its Circular dated March 23, 2020 has clarified that spending of CSR funds for COVID-19 is eligible CSR Activity. 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 preventing health care and sanitation and disaster Management.

Further, as per General Circular No.21/2014 dated 18.06.2014, items in schedule VII are broad based and may be interpreted liberally for this purpose.





14. <u>Clarification on contribution to PM CARES Fund as eligible CSR activity under item no.</u> (viii) of the Schedule VII of Companies Act, 2013.

Date of Office Memorandum: March 28, 2020

Above Office Memorandum is available at the following link: http://www.mca.gov.in/Ministry/pdf/Circular 29032020.pdf

#### **Editor's Quick Take:**

MCA vide its Office Memorandum dated March 28, 2020 has clarified that any contribution to PM CARES Fund as eligible CSR activity under item no. (viii) of the Schedule VII of Companies Act, 2013.

Further it is clarified that any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013.

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.



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# SEBI

Securities
Exchange
Board of India





1. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 virus pandemic

Date of Circular : March 19, 2020 Effective Date : March 19, 2020

#### Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-and-certain-sebi-circulars-due-to-the-covid-19-virus-pandemic-cont- 46395.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 19, 2020 relaxes compliance of certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 virus pandemic. In order to enable issuers who intend/propose to list their NCD/NCRPS/CPs, it has been decided to grant the following relaxations in timelines:

Particulars	Available Audited financials	Date for issuance	Extended Date for issuance	Period of relaxation
Cutoff date for issuance of NCDs/NCRPS/CPs	As on September 30, 2019	On or before March 31, 2020	On or before May 31, 2020	60 Days



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The timelines for certain filings as required under the provisions of the LODR and aforesaid circulars are extended, as follows:

SI.No	Regulation and associated filing	Filing		Relaxation w.r.t. the Half Year/ Financial Year ending March 31, 2020		
		Frequency	Due within	Due date	Extended Date	Period of relaxation
1	Large Corporate-Initial Disclosure and Annual Disclosure(SEBI Circular HO/DDHS/CIR/P/2018/144 dated November 26, 2018	Yearly	Initial Disclosure - within 30 days from the beginning of Financial year  Annual Disclosure - within 45 days from the end of Financial year	April 30,2020 May 15,2020	June 30,2020 June 30,2020	60 days 45 Days
Non-Cor	nvertible Debentures (NCDs) / I	Non-Convertible	Redeemable Preference	e Shares (NCI	RPS)	
2	Regulation 52 (1) and (2) relating to Financial Results	Half Yearly / Yearly	45 days from the end of the Half Year	May 15, 2020	June 30,2020	45 Days
			60 days from the end of Financial Year for Annual Financial Results	May 30, 2020	June 30,2020	30 Days



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SI.No	Regulation and associated filing	Filing		Relaxation w.r.t. the Half Year/ Financial Year ending March 31, 2020		
		Frequency	Due within	Due date	Extended Date	Period of relaxation
3	Common obligations prescribed under Chapter- III of SEBI (LODR) Regulations, 2015	Timelines as prescribed in SEBI Circular no. SEBI/HO/CD/CMD1/CIR/P/2020/38 dated March 19, 2020.				
		Comn	nercial Papers (CPs)			
4	Financial Results	Half Yearly / Yearly	45 days from the end of the Half Year  60 days from the end of Financial Year for Annual Financial Results	May 15, 2020 May 30, 2020	June 30,2020 June 30,2020	45 Days 30 Days



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2. <u>Further relaxations from compliance with certain provisions of the SEBI (LODR) Reg, 2015</u> and the SEBI circular dated January 22, 2020 relating to SOP due to the CoVID -19 virus pandemic

Date of Circular: March 26, 2020 Effective Date: March 26,2020

#### Above circular is available at the following link:

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-relatin-46436.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 26, 2020 provide further relaxation from compliance with certain provisions of SEBI (LODR) reg,2015 and the SEBI circular dated January 22, 2020 relating to SOP due to the COVID-19.

SI. No	Regulation and associated filing	Filing		Relaxation w.r.t. the quarter / half year / year ending March 31, 2020		
		Frequency	Due within	Due Date	Extended date	Period of relaxation
A	Regulation 40(9) relating to Certificate from PCS on timely issue of share certificates	Half yearly	1 month of the end of each half of the FY	April 30,2020	May 31, 2020	1 month



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SI. No	Regulation and associated filing	Filing		Relaxation w.r.t. the quarter / half year / year ending March 31, 2020		
		Frequency	Due within	Due Date	Extended date	Period of relaxation
В	Regulation 44(5) relating to holding of AGM by top 100 listed entities by market capitalization for FY 19-20	Annual	Within a period of 5 months from the date of closing of the financial year	August 31,2020	September 30, 2020	1 month

Conduct of Committee meetings –Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee

SI.No	Regulation	Requirement	Frequency	Due date	Extended Date	Period of relaxation
a	Regulation 19(3A)	The nomination and remuneration committee shall meet at least once in a year	Yearly	March 31, 2020	June 30, 2020	3 Months



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SI. No	Regulation	Requirement	Frequency	Due date	Extended Date	Period of relaxation
b.	Regulation 20(3A)	The Stakeholders Relationship committee shall meet at least once in a year.	Yearly	March 31, 2020	June 30, 2020	3 Months
C.	Regulation 21(3A)	The Risk Management Committee shall meet at least once in a year				

Relaxation of the operation of the SEBI circular on Standard Operating Procedure dated January 22, 2020

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.



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#### D. Publication of advertisements in the newspapers:

Regulation 47 of the LODR requires publishing, in the newspapers, information such as notice of the board meeting, financial results etc. It has been brought to the notice of SEBI that 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 to exempt publication of advertisements in newspapers as required under regulation 47 for all events scheduled till May 15, 2020.





#### 3. Relaxation in compliance with requirements pertaining to Mutual Funds

Date of Circular: March 23, 2020

Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-in-compliance-with-requirements-pertaining-to-mutual-funds 46419.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 23, 2020 has decided to grant the following relaxations specified in SEBI (Mutual Funds) Regulations, 1996 and circulars issued thereunder:

The timelines for certain disclosures are extended, as follows:

SI. No	Regulation / Circular and associated disclosure	Filing		Timelines	
		Frequency	Due within	Due Date	Extended Time
1	Half yearly disclosures of unaudited financial results as required under Regulation 59 of SEBI (Mutual Funds) Regulations, 1996	Half yearly	One month from the close of half year, i.e March 31, 2020.	April 30, 2020	May 31, 2020



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SI. No	Regulation / Circular and associated disclosure	١	Filing	Timelines	
		Frequency	Due within	Due Date	Extended Time
2	Disclosure of commission paid to distributors as required under Point 2 (a) of SEBI circular No.SEBI/HO/IMD/DF2/CIR/P/20 16/42 dated March 18, 2016	Half yearly	Within 10 days from the half year end i.e March 31, 2020	April 10, 2020	May 10, 2020
3.	Yearly disclosure of investor complaints with respect to Mutual Funds as required under Point 4 (b) of SEBI circular No. Cir / IMD / DF / 2 / 2010 dated May 13, 2010	Yearly	Within 2 months of the close of the financial year i.e March 31, 2020.	May 31, 2020	June 30,2020



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The effective date of implementation of certain policy initiatives have been extended as under

Sr. No	Circular Name	Particulars	Due date	Extended date
1.	Risk management framework for liquid and overnight funds and norms governing investment in short term deposits dated Sept. 20, 2019	Liquid funds shall hold at least 20% of its net assets in liquid assets.	April 1, 2020	May 1, 2020
2.	Review of investment norms for mutual funds for investment in Debt and Money Market Instruments dated October 1, 2019	Existing open ended mutual fund schemes shall comply with the revised limits for sector exposure.	April 1, 2020	May 1, 2020
3.	Review of investment norms for mutual funds for investment in Debt and Money Market Instruments dated October 1, 2019	Maximum investment in unlisted NCDs as % of the debt portfolio of the scheme.	15% - March 31, 2020	15% - April 30, 2020
4.	Valuation of money market and debt securities dated September 24, 2019	Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued in terms of paragraph 1.1.2.2 of the Circular	April 1, 2020	May 1, 2020





4. Relaxation from compliance with certain provisions of the circulars issued under SEBI (Credit Rating Agencies) Regulations, 1999 due to the COVID-19 pandemic and moratorium permitted by RBI

Date of Circular: March 30, 2020

#### Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/-relaxation-from-compliance-with-certain-provisions-of-the-circulars-issued-under-sebi-credit-rating-agencies-regulations-1999-due-to-the-covid-19-pandemic-and-moratorium-permitted-by-rbi-46449.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 30, 2020 it has been decided to grant relaxations from the requirements under SEBI (Credit Rating Agencies) Regulations, 1999 due to COVID-19 pandemic and moratorium permitted by RBI.

Recognition of Default

- A. Currently, CRAs recognize default based on the guidance issued vide SEBI circular dated May 3, 2010 and November 1, 2016.
- B. In view of the nationwide lockdown and the three month moratorium/ deferment on payment permitted by RBI, a differentiation in treatment of default, on a case to case basis, needs to be made as to whether such default occurred solely due to the lockdown or loan moratorium.
- C. Accordingly, based on its assessment, if the CRA is of the view that the delay in payment of interest/principle has arisen solely due to the lockdown conditions creating temporary operational challenges in servicing debt, including due to procedural delays in approval of moratorium on loans by the lending institutions, CRAs may not consider the same as a default event and/or recognize default. Appropriate disclosures in this regard shall be made in the Press Release.





- D. The above shall also be applicable on any rescheduling in payment of debt obligation done by the issuer, prior to the due date, with the approval of the investors/lenders.
- E. The above relaxation is extended till the period of moratorium by the RBI.

#### Extension in timelines for press release and disclosures on website

- A. Considering that the CRAs are dependent on the issuers and third parties for information collection which is impaired due to current lockdown, relaxation from timelines for rating action/ issue of press release by CRAs stipulated vide SEBI circular dated June 30, 2017 is being granted. However, CRAs should endeavor to finish the exercise on a best effort basis. Such cases shall be put up for ratification by the Rating Sub-Committee of the Board of CRA.
- B. Further, an extension of 30days is being granted for making annual and semi-annual disclosures by CRAs on its website for the period ended March 2020.





5. Relaxation from compliance with certain provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 due to the COVID-19 pandemic

Date of Circular: March 27, 2020 Effective Date: March 27,2020

Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sast-regulations-2011-due-to-the-covid-19-pandemic 46442.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 27, 2020 has been decided to provide Relaxation from compliance with certain provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 due to the COVID-19 pandemic.

- The disclosure filings under Regulations 30(1), 30(2) and 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations), require the shareholders to compile, collate, and disseminate information of their consolidated shareholding as on March 31, 2020, to the company and the stock exchanges within seven working days from the end of the financial year. These report as per the 2020 calendar are required to be filed by April 15, 2020
- It has therefore been decided to extend the due date of filing disclosures, in terms of Regulations 30(1), 30(2) and 31(4) of the SAST Regulations for the financial year ending March 31, 2020 to June 01, 2020.





#### 6. General Information Document

Date of Circular: March 17, 2020 Effective Date: March 17, 2020

Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/general-information-document 46341.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 17, 2020 suppressed the circular issued on October 23, 2013. All Merchant Bankers are advised to take note of the contents of GID in the Annexure. Accordingly, generic information need not be provided in the Abridged Prospectus.

Lead Manager(s) shall ensure that:

- 5.1 the GID should explicitly incorporate the date of last updation;
- 5.2. the updated copy of GID is provided to an investor as and when requested, in form and manner so requested by the investor;
- 5.3. the updated GID is made available on the websites of the: -
  - 5.3.1 Stock Exchange(s) where the shares pursuant to an issue are proposed to be listed; and
  - respective Lead Manager(s)to the issue, where DRHP / RHP / Draft Prospectus / Prospectus is made available





### 7. Exemption given to the Entities providing capital and debt market services

Date of Circular : March 24 , 2020 Effective Date: March 25,2020

Above circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/mar-2020/sebi-notification-covid-19 46425.html

#### **Editor's Quick Take:**

SEBI vide its circular dated March 24, 2020 Exempted the entities from lockdown due to COVID-19 Epidemic. The following entities providing the capital and debt market services are exempted from lockdown –

Recognized Stock Exchanges, Recognized Clearing Corporations, Depositories, Custodians, Mutual Funds, Asset Management Companies, Stock Brokers, Trading Members, Clearing Members, Depositories Participants, Registrar and Share Transfer Agents, Credit Rating Agencies, Debenture Trustees, Foreign Portfolio Investors, Portfolio Managers, Alternative Investment Funds, Investment Advisers, Any other entities and regulated activities as notified by SEBI.

The Head Office/Regional Offices/Local Offices of SEBI shall also function with minimum Number of employees.



NEWSLETTER



Reserve Bank of India





#### 1. COVID-19 - Regulatory Package

Date of Circular: March 27, 2020

Effective Date:

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11835

## **Editor's Quick Take:**

RBI vide its circular dated March 27, 2020 has been decided to revise the COVID 19 - Regulatory Package

#### (i) Rescheduling of Payments – Term Loans and Working Capital Facilities

In respect of all term loans (including agricultural term loans, retail and crop loans), all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies) ("lending institutions") are permitted to grant a moratorium of three months on payment of all instalments1 falling due between March 1, 2020 and May 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), lending institutions are permitted to defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 upto May 31, 2020 ("deferment"). The accumulated accrued interest shall be recovered immediately after the completion of this period.



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#### (ii) Easing of Working Capital Financing

4. In respect of working capital facilities sanctioned in the form of CC/OD to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions may recalculate the 'drawing power' by reducing the margins and/or by reassessing the working capital cycle. This relief shall be available in respect of all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. Further, accounts provided relief under these instructions shall be subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19.

#### Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

- 5. Since the moratorium/deferment/recalculation of the 'drawing power' is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 ("Prudential Framework"). Consequently, such a measure, by itself, shall not result in asset classification downgrade.
- 6. The asset classification of term loans which are granted relief as per paragraph 2 shall be determined on the basis of revised due dates and the revised repayment schedule. Similarly, working capital facilities where relief is provided as per paragraph 3 above, the SMA and the out of order status shall be evaluated considering the application of accumulated interest immediately after the completion of the deferment period as well as the revised terms, as permitted in terms of paragraph 4 above



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7. The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by the lending institutions. CICs shall ensure that the actions taken by lending institutions pursuant to the above announcements do not adversely impact the credit history of the beneficiaries.

#### **Other Conditions**

- 8. Lending institutions shall frame Board approved polices for providing the above-mentioned reliefs to all eligible borrowers, inter alia, including the objective criteria for considering reliefs under paragraph 4 above and disclosed in public domain.
- 9. Wherever the exposure of a lending institution to a borrower is ₹ 5 crore or above as on March 1, 2020, the bank shall develop an MIS on the reliefs provided to its borrowers which shall inter alia include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.
- 10. The instructions in this circular come into force with immediate effect. The Board of Directors and the key management personnel of the lending institutions shall ensure that the above instructions are properly communicated down the line in their respective organisations, and clear instructions are issued to their staff regarding their implementation.





2. Legal Entity Identifier: Extension of deadline

Date of Circular: March 27, 2020 Effective Date: March 27, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11834

## **Editor's Quick Take:**

RBI vide its circular dated March 27, 2020 has been decided to revised timelines for implementation of Legal entity Identifier for non-derivative markets.

Phase	Net Worth of Entities	Current Deadline	Extended Deadline
Phase III	Up to ₹ 200 crore	March 31, 2020	September 30, 2020





#### 3. Order of Moratorium in respect of Yes Bank Ltd

Date of Order: March 05, 2020

**Above Order is available at the following link:** 

https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTICE06032020.pdf

## **Editor's Quick Take:**

The Government of India has made an Order of Moratorium in respect of Yes Bank Ltd. for the period from 5th day of March 2020 and up to and inclusive of the 3rd day of April 2020. In order to effect a restructuring of Yes Bank Ltd., the Reserve Bank of India, has prepared a draft scheme of reconstruction. In terms of Section 45(6)(b) of the Act ibid, the draft scheme is placed on the website of RBI for suggestions and objections, if any from members, depositors or creditors of Yes Bank Ltd. The suggestions or objections with regard to the draft scheme may be sent to the Chief General Manager, Department of Regulation, Reserve Bank of India, Central office, 13th Floor, Central Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001, or email cgmicdor@rbi.org.in not later than Monday, March 9, 2020, for consideration.





4. <u>Guidelines for Licensing of Small Finance Banks in Private Sector' dated November 27, 2014 – Modifications to existing norms</u>

Date of Circular: March 28, 2020 Effective Date: March 28, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11845

#### **Editor's Quick Take:**

RBI vide its circular dated March 28, 2020 has modified the existing norms of Guidelines for licensing of small Finance banks in Private sector' Dated November 27,2014.

- To harmonies the instructions for existing SFBs with those SFBs to be licensed under 'Guidelines for 'on-tap' Licensing', it has been decided to:
- 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.
- 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.





- Further, in case of existing SFBs, it is clarified that -
- 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 'Clarifications to queries on guidelines for licensing of Small Finance Banks in the Private Sector' dated January 1, 2015).
- 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 'Clarifications to queries on guidelines for licensing of Small Finance Banks in the Private Sector' dated January 1, 2015).





5. <u>Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2019-20)</u>

Date of Circular: March 27, 2020 Effective Date: March 31, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11842

## **Editor's Quick Take:**

RBI vide its circular dated March 27, 2020 has made the following arrangements are put in place to report and account for Government transactions for March 31, 2020.

All agency banks should keep their designated branches open for over the counter transactions related to government transactions upto the normal working hours on March 31, 2020.

Government transactions through Real Time Gross Settlement (RTGS) System will operate for extended time on March 31, 2020 for which Department of Payment and Settlement Systems (DPSS), Reserve Bank of India will issue necessary instructions. Transactions through National Electronic Funds Transfer (NEFT) will continue upto 2400 hours as hitherto on March 31, 2020.

Special clearing will be conducted for collection of government cheques on March 31, 2020 for which DPSS, RBI will issue necessary instructions.

Regarding reporting of Central and State Government transactions to RBI, including uploading of GST / ereceipts luggage files, the reporting window on March 31, 2020 will be extended and kept open till 1200 hours on April 1, 2020.





## 6. Change in Daily Minimum Cash Reserve Maintenance Requirement

Date of Circular: March 27, 2020 Effective Date: March 28, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS\_CircularIndexDisplay.aspx?Id=11840

## **Editor's Quick Take:**

RBI vide its circular dated March 27, 2020 has been decided to reduce the minimum daily maintenance of the Cash Reserve Ratio from 90 per cent of the requirement to 80 per cent effective from the fortnight beginning March 28, 2020. This is a one-time dispensation available up to June 26, 2020.





#### 7. <u>Large Exposures Framework</u>

Date of Circular: March 23, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11827

#### **Editor's Quick Take:**

RBI vide its circular dated March 23, 2020 has clarified with reference to circular No. DBR. No. BP.BC. 43/21.01.003/2018-19 dated June 03, 2019 on the Large exposures framework.

In terms of para 7.13 of the circular, any Credit Risk Mitigation (CRM) instrument (e.g. SBLC/BG from Head Office/other overseas branch) from which CRM benefits like shifting of exposure/ risk weights etc. are not derived, may not be counted as an exposure on the CRM provider.

it is clarified that the above clause will also apply to non-fund based credit facilities provided to a person resident outside India ie., the exposure can be reckoned on the person resident outside India instead of treating it as an exposure on Head Office/ other overseas branch, provided the transaction is otherwise compliant with Foreign Exchange Management (Guarantees) Regulations, 2000 (FEMA 8).

The exposures thus shifted to a person resident outside India, will attract a minimum risk weight of 150%.

It has been decided that non-centrally cleared derivatives exposures will be outside the purview of exposure limits till April 01, 2021.





8. COVID-19- Operational and Business Continuity Measures

Date of Circular: March 16, 2020

Above Circular is available at the following link:

https://www.rbi.org.in/Scripts/BS CircularIndexDisplay.aspx?Id=11820

#### **Editor's Quick Take:**

RBI vide its circular dated March 16, 2020 Steps that 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 organisation, making timely interventions for preventing further spread in case of detection of infected employees including travel plans and quarantine requirements as well as avoiding spread of panic among staff and members of the public;
- (b) Taking stock of critical processes and revisiting Business Continuity Plan (BCP) in the emerging situations/scenarios with the aim of continuity in critical interfaces and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures;
- (c) 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;
- (d) Encourage their customers to use digital banking facilities as far as possible.



NEWSLETTER



Central Board of Excise & Customs





1. Deadlines for Form filing under GST is extended

Date of Press Release: March 23, 2020

#### **Editor's Quick Take:**

CBEC vide its press release on March 23, 2020 Keeping in view the preventive measures taken to contain the spread of Novel Coronavirus(COVID-19) and the difficulties being faced by the GST taxpayers in meeting the compliance requirements under GST Law in view of the same, it has been decided to:

- i. Extend the due date of filing there turn in F ORM GSTR-3B for the month of February 2020 for all registered persons to 07.04.2020
- ii. Extend the due date of filing the Annual return in FORM GSTR-9 and reconciliation statement for the Financial Year 2018-19 for from 31.03.2020 to 30.06.2020
- iii. Extend the due date for opting for Composition Scheme from 31.03.2020 to 07.04.2020



NEWSLETTER

## CBDT

Central Board of Direct Taxes





#### 1. The Income-tax (7th Amendment) Rules, 2020

Date of notification: March 05, 2020

Effective Date: date of publication in the Official Gazette **Above Notification is available at the following link:** 

https://www.incometaxindia.gov.in/communications/notification/notification15 2020.pdf

#### **Editor's Quick Take:**

CBDT vide its notification March 05, 2020 has amended the Income Tax Act, 1962 to be called the Income Tax 7th Amendment Rules, 2020. The amendment has added a new mode of investment to the list of investments allowed for a charitable or religious trust or institution under Income Tax Rules. From now on, religious or charitable institutions can also invest in a company involved with digital payment settlement or retail payment systems either in India or outside India, provided the company has obtained the approval of RBI. Also, a minimum 51% of equity shares of such a company need to be held by the National Payments Corporation of India. This change has been made by adding a new clause (va) after clause (v) in the Rule 17C of the Income Tax Rules 1962.



## VV HI I LSPAN Advisory



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#### 2. The Direct Tax Vivad se Vishwas Act, 2020

Date of Notification: March 17, 2020

<u>Above Notification is available at the following link:</u> <a href="http://egazette.nic.in/WriteReadData/2020/218716.pdf">http://egazette.nic.in/WriteReadData/2020/218716.pdf</a>

### **Editor's Quick Take:**

CBDT vide its Notification dated March 17, 2020 has notified The Direct Tax Vivad se Vishwas Act, 2020 has notified. Key highlights of the this Act are as follows:

#### **Eligibility**

The Scheme will be applicable to all the appeals /petitions filed by the taxpayers or the income tax department, which were pending until 31st January 2020, with either the commissioner of income tax (Appeals), Income-tax Appellate Tribunal, High Court, or the Supreme Court.

#### Amount payable by declarant

	l. lo	Nature of tax arrear	Amount payable under this Act on or before the 31st Day of March,2020	Amount payable under this Act on or after the 1st Day of April, 2020 but on or before the last date.
(;	a)	where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax.	Amount of the disputed tax.	the aggregate of the amount of disputed tax and ten per cent. of disputed tax: provided that where the ten percent. of disputed tax exceeds the aggregate amount of interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax, the excess shall be ignored for the purpose of computation of amount payable under this Act



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SI. No	Nature of tax arrear	Amount payable under this Act on or before the 31st Day of March ,2020	Amount payable under this Act on or after the 1st Day of April, 2020 but on or before the last date.
(b)	where the tax arrear includes the tax, interest or penalty determined in any assessment on the basis of search under section 132 or section 132A of the Incometax Act.	the aggregate of the amount of disputed tax and twenty-five per cent. of the disputed tax:  provided that where the twenty-five per cent. of disputed tax exceeds the aggregate amount of interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax, the excess shall be ignored for the purpose of computation of amount payable under this Act.	the aggregate of the amount of disputed tax and thirty-five per cent. of disputed tax:  provided that where the thirty five per cent. of disputed tax exceeds the aggregate amount of interest chargeable or charged on such disputed tax and penalty leviable or levied on such disputed tax, the excess shall be ignored for the purpose of computation of amount payable.
(c)	where the tax arrear relates to disputed interest or disputed penalty or disputed fee.	twenty-five per cent. of disputed interest or disputed penalty or disputed fee.	thirty per cent. of disputed interest or disputed penalty or disputed fee:





#### 3. The Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020

Date of Notification: March 31, 2020

**Above Notification is available at the following link:** 

http://egazette.nic.in/WriteReadData/2020/218979.pdf

### **Editor's Quick Take:**

Government of India vide its notification dated March 31,2020 has notified The Taxation and other Laws (Relaxation of certain Provisions) Ordinance, 2020 .Some of the important features and time limits which get extended by this Ordinance are as under: -

#### **Direct Taxes & Benami:**

- (i) Extension of last date of filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) to 30<sup>th</sup> June, 2020.
- (ii) Extension of Aadhaar-PAN linking date to 30th June, 2020.
- (iii) The date for making various investment/payment for claiming deduction under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations), etc. has been extended to 30th June, 2020. Hence the investment/payment can be made up to 30.06.2020 for claiming the deduction under these sections for FY 2019-20.
- (iv) The date for making investment/construction/purchase for claiming roll over benefit/deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been extended to 30th June 2020. Therefore, the investment/ construction/purchase made up to 30.06.2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.



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- (v) The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the IT Act has also extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.
- (vi) The date for passing of order or issuance of notice by the authorities under various direct taxes& Benami Law has also been extended to 30.06.2020.
- (vii) It has provided that reduced rate of interest of 9% shall be charged for non-payment of Incometax (e.g. advance tax, TDS, TCS) Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 if they are paid by 30.06.2020. Further, no penalty/prosecution shall be initiated for these non-payments.
- (viii) Under Vivad se Vishwas Scheme, the date has also been extended up to 30.06.2020. Hence, declaration and payment under the Scheme can be made up to 30.06.2020 without additional payment.

#### **Indirect Taxes:**

- (i) Last date of furnishing of the Central Excise returns due in March, April and May 2020 has been extended to 30<sup>th</sup> June, 2020.
- (ii) Wherever the last date for filing of appeal, refund applications etc., under the Central Excise Act, 1944 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020.
- (iii) Wherever the last date for filing of appeal, refund applications etc., under the Customs Act, 1962 and rules made thereunder is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020.



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- (iv) Wherever the last date for filing of appeal etc., relating to Service Tax is from 20th March 2020 to 29th June 2020, the same has been extended to 30th June 2020
- (v) The date for making payment to avail of the benefit under Sabka Vishwas Legal Dispute Resolution Scheme 2019 has been extended to 30th June 2020 thus giving more time to taxpayers to get their disputes resolved.

#### **PM CARES FUND**

- I. PM CARES Fund shall be eligible for 100% deduction under section 80G of the IT Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund.
- II. the date for claiming deduction u/s 80G under IT Act has been extended up to 30.06.2020, the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20.
- III. any person including corporate paying concessional tax on income of FY 2020-21 under new regime can make donation to PM CARES Fund up to 30.06.2020 and can claim deduction u/s 80G against income of FY 2019-20 and shall also not lose his eligibility to pay tax in concessional taxation regime for income of FY 2020-21.



#### NEWSLETTER

## Misc.Laws





1. Forwarding the Employees' Provident Funds (Amendment) Scheme, 2020.

Date of notification: March 27, 2020 Effective Date: March 27, 2020

**Above Notification is available at the following link:** 

https://www.epfindia.gov.in/site\_docs/PDFs/Circulars/Y2019-2020/Gazette\_notification\_pandemic.pdf

#### **Editor's Quick Take:**

Ministry of Labour and Employment vide its notification dated March 27, 2020 has notified the Employees' Provident Funds (Amendment) Scheme, 2020.

In the Employees' Provident Funds Scheme, 1952, in paragraph 68L, after sub-paragraph (2), the following sub-paragraph shall be inserted, namely:—

"(3) The Commissioner or, where so authorised by the Commissioner, any officer subordinate to him, may, on an application from any member of this Scheme employed in any establishment or factory located in an area declared as affected by outbreak of any epidemic or pandemic by the appropriate Government, permit a non-refundable advance from the provident fund account of such member not exceeding the basic wages and dearness allowances of that member for three months or up to seventy-five per cent. of the amount standing to his credit in the Fund, whichever is less."





2. <u>Union Labour Ministry notifies amendment in EPF Scheme to allow withdrawal of non-refundable advance by EPF members in the event of outbreak of pandemic</u>

Date of press release: March 29,2020

Above press release is available at the following link: https://pib.gov.in/PressReleasePage.aspx?PRID=1608961

#### **Editor's Quick Take:**

Union Ministry of Labour and Employment has issued notification GSR 225(E) amending EPF Scheme 1952 to allow withdrawal of non-refundable advance by EPF members/subscribers in the wake of COVID -19 pandemic in the country. The notification permits withdrawal of upto the amount of basic wages and dearness allowance for three months or upto 75% of the amount standing to member's credit in the EPF account, whichever is less, in the event of outbreak of epidemic or pandemic.

COVID-19 has been declared pandemic by appropriate authorities for the entire country and therefore employees working in establishments and factories across entire India, who are members of the EPF Scheme, 1952 are eligible for the benefits of non-refundable advance. A sub-para(3) under para 68L has been inserted in the EPF scheme,1952. The amended scheme Employees Provident Fund (Amendment) scheme, 2020 has come into force from 28 March, 2020.

Following the notification, EPFO has issued directions to its field offices for promptly processing any applications received from EPF members to help them fight the situation. In its communication EPFO has stated that officers and staff must process claims of EPF subscribers promptly so that relief reaches the worker and his family to help them fight with COVID-19.





## **Articles on:**

- 1. Valuation of shares and Exchange Ratio in Merger and Amalgamation process
- 2. Force Majeure clause in Employment Contracts Covid 19 Situation
- 3. Broad Analysis of Compliance under UP RERA, 2016 w.r.t. Real Estate Projects in UP.





## Valuation of shares and Exchange Ratio during Merger & Amalgamation Process

If the share exchange ratio is fixed by Chartered Accountant upon consideration of various factors and approved by majority of shareholders in the meeting, the court will not disturb the ratio. It is the business decision of the shareholders.

In Miheer H. Mafatlal v. Mafatlal Industries Ltd, (1996) 87 Comp. Cases 792, the Supreme Court has held that if share exchange ratio is fixed by Chartered Accountant upon consideration of various factors and approved by majority of shareholders in a meeting, the Court will not disturb the ratio. The aforesaid decision was considered by this Court in Chaturanan Industries Ltd. v. Sulabh Leafin (P) Ltd and others, (1998) 5 Comp. LJ 444. In the said case this Court referred to the aforesaid decision of the Supreme Court and in paragraph 15 it held thus:-

It is admitted in the present case that the valuation of the shares in the present case was done by a recognised firm of chartered accountants of repute. It is also reported by the chartered accountants that while determining the exchange ratio in the present case, he has followed not only the book value method but also profitability and earning per share. The aforementioned method of valuation of shares is recognised as a proper mode of valuation, it is not for the court either to substitute the exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies, or to say that the shareholders in their collective wisdom could not have accepted the said exchange ratio on the ground that it would be detrimental to their interest





#### In Kamala Sugar Mills Ltd., in re [1984] 55 comp cas 308, the court observed as under:

Once the exchange ratio of the shares of the transferee-company to be allotted to the shareholders of the transferor-company has been worked out by a recognized firm of chartered accountants who are experts in the field of valuation and if no mistake can be pointed out in the said valuation, it is not for the court to substitute its exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies or to say that the shareholders in their collective wisdom should not have accepted the said exchange ratio on the ground that it will be detrimental to their interest.

**Followed** in Core Healthcare Limited vs Nirma Limited on 1 March, 2007, Equivalent citations: 2007 138 CompCas 204 Guj, 2007 79 SCL 47 Guj, Bench: R Garg, JUDGMENT R.S. Garg, J., Gujarat High Court. In Hindustan Lever Employees Union's case, the Supreme Court observed thus:-

"The valuation of shares is a technical matter, it requires considerable skill and experience. There are bound to be differences of opinion among accountants as to what is correct value of the shares of a company, it was emphasized that more than 99% of the shareholders had approved the valuation The test of fairness of this valuation is not whether the offer is fair to a particular shareholder....., who may have reasons of his own for not agreeing to the valuation of the shares, but the overwhelming majority of the shareholders have approved of the valuation. The Court should not interfere with such valuation. In the absence of it being shown to be vitiated by fraud and mala fide, the mere fact that the determination done by slightly different method might have resulted in different conclusion would not justify interference of Court.





"It is also settled position of law that once the exchange ratio of the shares of thetransferee company to be all otted to the shareholders of the transferor company has been worked out by a recognised firm of chartered accountants who are experts in the field of valuation and if no mistake can be pointed out in the said valuation, it is not for the court to substitute its exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies.

The aforesaid ratio was also accepted by this Court. *in Jindal (India) Ltd. v. Cold Rollings IndiaPvt. Ltd,(1998)1Comp. L.J.36. In Hindustan Lever Employees Union's case* it was again held by the Supreme Court that the jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy, if the determination satisfied the arithmetical test. It was further held that a Company Court does not exercise an appellate jurisdiction. In the said decision it was held as follows:-

".... The Court's obligation is to be satisfied that valuation was in accordance with law and it was carried out by an independent body. The High Court appears to be correct in its approach that this test was satisfied even though the chartered accountant who performed this function was a director of TOMCO, but he did so as a member of renowned firm of chartered accountants His determination was further got checked and approved by two other independent bodies at the instance of shareholders of TOMCO by the High Court and it has been found that the determination did not suffer from any infirmity. The Company Court, therefore, did not commit any error in refusing to interfere with it. May be as argued by the learned counsel for the petitioner that if some other method would have been adopted, probably the determination of valuation could have been a bit more in favor of the shareholders. But since admittedly more than 95% of the shareholders who are the best judge of their interest and are better conversant with market trend agreed to the valuation determined, it could not be interfered by Courts as, 'certainly' it is not part of the judicial process to examine entrepreneurial activities to ferret out flaws."



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In Re: Hcl Infosystems Limited; In... vs Unknown on 8 July, 2003, Bench: M Sharma JUDGMENT Mukundakam Sharma, J. As regards valuation of shares in accordance with law, the Supreme Court in the case of Hindustan Lever Employees Union v. Hindustan Lever Limited [1995] (Suppl.) (1) SCC 499: "The Court's obligation is to be satisfied that the valuation was in accordance with law and it was carried out by an independent body.... The valuation of shares is a technical matter. It requires considerable skill and experience. There are bound to be differences of opinion among accountants as to what is the correct value of the shares of a company. It was emphasized that more than 99% of the share holders had approved the valuation. The test of fairness of this valuation is not whether the offer is fair to a particular shareholder.... Mr. Jajoo may have reasons of his own for not agreeing to the valuation of the shares, but the overwhelming majority of the share holders have approved of the valuation. The Court should not interfere with such valuation. "Followed in In Capt. Swadesh Kumar vs M/S Indrama Investment Pvt. Ltd. on 1 June, 2012, Author: A.K.Sikri, In The High Court Of Delhi At New Delhi, CA No.280 of 2005 & CA No.331 of 2005 in Co. Pet. No.95 of 2004.



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## Force Majeure Clause in Employment Contracts- Covid 19 Situation INTRODUCTION

In this part of our analysis of the "Force Majeure" Clause, we have tried to analyze the legal implications and issues with respect to the "Force Majeure" Clauses under the Employment contracts covering the employees of the business entities, in view of the prevailing pandemic situation of Covid-19.

#### **WAGE BILLS- FORCE MAJEURE**

The legal preposition for consideration as to whether a business entity can reduce its wage bills in a situation of a force majeure. The answer to the point of consideration would depend on the hierarchy of an employee in the business entity. So far as the managerial, supervisory and category employees are concerned, the employment contracts can always be suspended by the entity provided the employment contract of the concerned employee contains such force majeure clause.

So far as the 'workman' category of employees is concerned, the Industrial Disputes Act takes care of such a situation. The ID Act in cases of non availability of the work, provides for an option to the employer to reduce its wage bill by laying off the workmen. The condition for lay off is however that the during the 45 days of such a lay off, half the salary and dearness allowance is required to paid to the laid off workmen. When the lay off period exceeds 45 days, there can be settlement between the employer and the workman. The employer can also retrench such laid off workman after the expiry of 45 days by following the provisions applicable to the retrenchment under the Act. There is no permission required to be taken from the appropriate government for laying off the workman due to non-availability of the work.



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Following are the essentials for a lay off:-

- 1. There must be failure, refusal or inability on the part of the employer to give employment to a workman.
- 2. The failure, refusal or inability should be on account of shortage of coal, power or raw materials or accumulation of stocks or breakdown of machinery, or natural calamity, or any other connected reason.
- 3. The workman's name should be on the muster rills of the Industrial establishment.
- 4. The workman should not have been retrenched.

Section 2 kkk defining "Lay off" is reproduced as under for reference:-

"Law-off (with its grammatical variation and cognate expressions) means the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the breakdown of machinery [or natural calamity or for any other connected reason] to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched.

Section 2 (oo) of the Industrial Disputes Act defining 'retrenchment' is reproduced as under:-

"Retrenchment mean the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action, but does not include-

- (a) Voluntary retirement of the workman; or
- (b) Retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf; or



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- (bb) termination of the service of the workman as a result of the on-renewal of the contract of employment between the employer and the workman concerned on its expiry or of such contract being terminated under a stipulation in that behalf contained therein; or
- (c) Termination of the service of a workman on the ground of continued ill-health;

#### PAID LEAVES OR WORK FROM HOME

In present scenario considering the Covid-19 situation, the employees have been advised to work from home or in alternative some of the employers are giving paid leaves to their employees. Almost every corporate establishment has now by and large adopted this strategy through online work portals which not only enables the employees to receive salary by working from home in a virtual context and also output of the business is also generated to a large extend.



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#### NEWSLETTER

## Broad Analysis of Compliances under Real Estate (Regulation And Development) Act, 2016 for a Real Estate Project based in the State of Uttar Pradesh

The regulatory regime applicable to the Real Estate industry in India is fast evolving during last 5 yrs and is streamlining and strengthening the processes to protect the interest of all the stakeholders. In this Article we have tried to cover broad procedure for registration of a real estate project and the compliance required for the Real estate projects in Uttar Pradesh.

Real Estate (Regulation and Development) Act, 2016 came into force upon 1<sup>st</sup>, May 2016 containing total 92 Section and related Rules in which every State or Union Territory, except Jammu and Kashmir, of India is authorised to regulate the matters relating to purchase and sale of any plot, apartments, buildings or any other real estate project in accordance with their respective State Laws emanated in this regard. However, the matters relating to the below mentioned category are governed by specific authority:

- the Union territory without Legislature, the Central Government;
- > the Union territory of Puducherry, the Union territory Government;
- > the Union territory of Delhi, the Central Ministry of Urban Development.

Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "RERA") has an overriding effect over other laws and the provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

The Uttar Pradesh Real Estate (Regulation and Development) Rules, 2016 read with the Uttar Pradesh Real Estate Regulatory Authority (General) Regulations, 2019 are the specific regulations applicable to Projects based in Uttar Pradesh and accordingly the compliances enumerated in this article are broadly based on these Rules and Regulations.



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For projects based in other states, the procedures and requirements may vary in accordance with the RERA regulations applicable under respective states.

In RERA the matters w.r.t. the powers and jurisdiction of adjudicating authority is vested in favour of the State RERA authority including the appellate tribunals established under this Act and the Civil Court has no jurisdiction to entertain any suit or case filed under this law. Further, any offence committed under this Act, can not be tried by any court inferior to first class judicial magistrate or metropolitan magistrate.

#### a) **REGISTRATION PROCESS**

RERA, 2016 provides three kinds of registration processes which includes the (1) Registration of Promoter, (2) Registration of Project proposed to be developed by the promoter and the (3) Registration of Real Estate Agent. Every promoter who wants to develop any apartment or building has to register himself with the RERA Authority based on web-based application form.

However, the promoter shall not advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area (as defined under Section 2(zh), without registering the real estate project with the Real Estate Regulatory Authority established under this Act.

Therefore, as per Section 3(1) every Project, unless exempted, shall mandatorily be registered with the appropriate Authority based on the following procedure as defined hereunder:

#### **EXEMPTION FROM REGISTRATION:** In following cases registration of the project would not be required:

1. Project at land are less than 500 square meters; 2. Project having less than 8 apartment; 3. Projects granted Completion certificate prior to the Act; 4. Project of **renovation or repair or re-development** which does **not involve marketing, advertising selling or new allotment** or plot or building, as the case may be.



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#### b) APPLICATION FOR REGISTRATION

- 1. Every promoter shall file an <u>Online Web Based</u> application to the Authority for registration of the Real Estate Project for each phase (if the property is constructed in different phases) along with such documents and fees as prescribed under RERA and Uttar Pradesh Real Estate (Regulation and Development) Rules, 2016 (hereinafter referred as "UP RERA").
- 2. The <u>Registration Fee</u> is to be paid either by demand draft or through any other electronic mode based on the following parameters:

Area of Land	Commercial Property	Residential or any other Property
Upto 1000 Sq. Meters	Rs. 20/ Sq. Meter	Rs. 10/ Sq. Meter
Exceeding 1000 Sq. Meters	Rs. 1000/ Sq. Meter for every 100 Sq. Meter Land	Rs. 500/ Sq. Meter for every 100 Sq. Meter Land

- 3. Application is to be filed along with the following documents (not exhaustive)
  - i). Brief of the enterprise; ii). Details of the projects; iii). authenticated copy of the approvals and commencement of project; iv). sanctioned plan, layout plan and specifications of the proposed project; v). Declaration with affidavit of the promoters

C) GRANT OF REGISTRATION: The Registration authority, shall normally grants registration within 30 days. If the authority accepts the application, then it will provide a registration number along with a login id and password to the applicant for accessing the website of the authority. If no rejection letter is received, application shall be deemed to be accepted after the expiry of 30 days.



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d) <u>VALIDITY OF REGISTRATION</u>: The registration will be valid till the period of the project as declared by the promoter, and can extended **for the maximum period of 1 year** in reasonable circumstances, on receipt of **application 3 months before the expiry of validity period.** 

#### POST REGISTRATION COMPLIANCES BY PROMOTER

After grant of registration by the authority, the promoter has to ensure following regular and event-based compliances:

- about a real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase etc. only after receipt of Registration Number from the authority. The advertisement must include the registration number and a web address of the RERA Authority so that, any concerned person can access the details of registered project for taking a rationale decision making. However, if any concerned person sustain loss due to incorrect or false statement contained in the advertisement or prospectus then the promoter have to (1) compensate the same or (2) if such person intend to withdraw from the proposed project, then the promoter shall refund his entire investment along with the interest within 45 days from the date on which such refund becomes due.
- (b) QUARTERLY UPDATION OF THE WEB PAGE CREATED ON THE WEBSITE OF AUTHORITY: The Promoter shall create a webpage on the portal of authority and update within 7 days from the end of each quarter (ref. Sec. 11(1) of RERA 2016), the following details: i). details of the registration granted by the Authority; ii). the list of number and types of apartments or plots, as the case may be, booked; iii). the list of number of garages booked; iv). the list of approvals taken and the approvals which are pending subsequent to commencement certificate; v). the status of the project; and vi). such other information and documents as may be specified by the regulations made by the Authority



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- (c) <u>INSURANCE OF REAL ESTATE PROJECT</u>: The promoter shall obtain insurances and pay up to date premium with respect of land, building, development and construction, tll handing over the project to allottees.
- (d) <u>AUDIT REQUIREMENT</u>: The promoter has to get his accounts audited within 6 months after the end of every financial year by a CA, and shall produce the same with the Authority with a certificate issued by CA that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.

#### (e) Event based Compliance by promoter:

- <u>ACCEPTANCE OF ADVANCE OR DEPOSIT</u>: The promoter can accept advance payment or application money from the proposed allottee only in the following conditions:
  - > the advance payment < 10% of the cost of apartment, plot or building as the case may be;
  - Registered agreement of sale with the proposed allottee before acceptance of deposit; The promoter has to deposit 70% of the advance in a separate bank account in a scheduled bank and can be withdrawn to cover the cost of construction and the land cost and shall be used only for that purpose. However, the amount withdrawn from bank account shall be in proportion to the percentage of completion of the project after taking a certificate from project architect, project engineer, chartered accountant in REG-1, 2 and 3 respectively for the purpose of submission in respective bank. On completion of each project, the architect shall issue a certificate in form REG-4.
- ALTERATION IN THE SANCTIONED PLANS AND PROJECTS SPECIFICATIONS: The promoter has to
  compulsory adhere the plans and projects as sanctioned by the authority and cannot alter irrespective
  of any law, contract or agreement. However, minor alterations can be made as may be necessary due to
  architectural and structural reasons duly recommended and verified by an authorised Architect or
  Engineer after proper declaration and intimation to the allottee.



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For any other change the promoter has to take written consent of 75% of the allottees other than the promoter.

Warranty: In case of any structural defect etc., it shall be the **duty of allottees** to intimate the same to the promoter **within 5 years from the date of handing over the possession,** and after intimation, it shall be the **duty of promoter** to rectify the same **within 30 days**. However, upon failure of the same, the promoter is bound to give appropriate compensation to the aggrieved party.

\_TRANSFER OF REAL ESTATE PROJECT BY PROMOTER TO A THIRD PARTY: A promoter can transfer a real estate project to a third party only with written consent of 75% of the allottees and with the written approval of authority.

#### **DISCLAIMER**

This Article is general in nature and has been prepared as an indicator of the regulatory requirements for the purpose of setting up and running a Real Estate Project in Uttar Pradesh and is based on the provisions of RERA 2016 and UP RERA 2016 read along with rules and regulation made thereunder. Further while preparing this note, we are relying upon relevant provisions referred above, as effective till date. The provisions referred herein are further subject to change by way of amendments, circulars, notifications or such other binding instructions issued from time to time by the appropriate authorities under the relevant legislations referred hereinabove. This note being an academic attempt to compile the relevant provisions applicable to the subject matter hereof, shall be relied upon to such extent only and specific fact-based professional advice must be taken before acting on the basis of this Note.



Harish Chourasiya, (Trainee- PKT Associate) CS Anjali Kansal (ACS)
Practicing Company Secretary



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## WINS

Compliance Checklist



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#### **Compliance Calendar for April 2020** Sun Wed Mon Tue Thu Fri Sat





#### **Income Tax Related Compliances**

- Due date for deposit of Tax deducted/collected for the month of March, 2020. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
- Issue of TDS certificate for tax deducted under section 194-IA, 194-IB and 194M
- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2020
- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2020
- File challan-cum-statement for TDS u/s 194-IA, 194-IB and 194M
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2020 has been paid without the production of a challan
- Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2019 to March 31, 2020.
- Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2020.
- Due date for deposit of TDS for the period January 2020 to March 2020 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
- Monthly Return for Profession Tax more than 50,000/-

## **FEMA Related Compliances**

Reporting of actual transactions of External Commercial Borrowings (ECB) through AD Bank under FEMA





## **RBI Related Compliances**

- Monthly return (NBS-6) on exposure to capital market
- Monthly Return on Important Financial Parameters
- · Monthly statement of short term dynamic liquidity in Form ALM-I

### **Economic, Industrial & Labour Law Related Compliance**

- Monthly payment of PF (Non-Corporate)
- File monthly return (Form No.5) for employees leaving /joining during the previous month
- File monthly Return of employees entitled for membership of Insurance Fund (Form No.2(IF))
- File monthly Return for members of Insurance Fund leaving service during the previous month (Form no. 3(IF))
- File monthly return of members joining service during the previous month (Form no.F4(PS))
- Monthly return of PF for the previous month
- Monthly return of PF for the previous month with respect to international workers
- Payment of ESI Contribution for the previous month

## **Good and Service Tax Related Compliances**

- GSTR-1 (Monthly) Taxpayers with Annual Turnover more than 1.5 crores
- GSTR-3B
- GSTR-5
- GSTR-5A





## For further information please contact:

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