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WHITESPAN INFORMATION AND NEWS SERVICES

NEWSLETTER

WINS

(WHITESPAN INFORMATION AND NEWS SERVICES)

**A GATEWAY TO KNOWLEDGE
MONTHLY NEWSLETTER**

July 01, 2020 – July 31, 2020

Issue No. – 040/ 2020

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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 immense pleasure to share our 40th Edition of “WINS – e-newsletter” for July, 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. Central Government Powers in case of Mismanagement
 - ii. PAS-6: Reconciliation of Share Capital Audit Report
 - iii. Practical Aspects Of Udyam Registration w.e.f. 01.07.2020
3. Compliance checklist for the month of August 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)

July 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
Corporate Affairs**



1. PAS – 6 for Reconciliation of Share Capital Audit Report(Half-yearly)

Date of deployment of form : July 15, 2020

Due date of filing form : September 30, 2020

Above Notification is available at the following link:

<http://www.mca.gov.in/MinistryV2/homepage.html>

Editor's Quick Take:

MCA has deployed e-form PAS – 6 for Reconciliation of Share Capital Audit Report (Half-yearly) pursuant to Sub-rule (8) of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 on its website on July 15, 2020. All information in this form shall be furnished for the half year ended September 30 and March 31 in every financial year for each ISIN separately. Accordingly, every Unlisted Public Company governed by this rule shall submit Form PAS-6 to the Registrar with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014 within sixty days from the conclusion of each half year duly certified by a Company Secretary in practice or Chartered Accountant in practice.



2. Extension of the last date of filing of Form NFRA-2

Date of General Circular : July 06,2020

Above general circular is available at the following link:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.26_06072020.pdf

Editor's Quick Take:

MCA vide its General Circular dated July 06,2020, in continuation of the Ministry's General Circular No. 19/2020 dated April 30, 2020 has extended the time limit for filing of Form NFRA 2, for the Reporting Period FY 2018-19. The due date for filling the same shall be 270 days from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA).



3. New MCA Helpline Numbers

Above information is available at the following link:

<http://www.mca.gov.in/>

Editor's Quick Take:

MCA has updated its helpdesk contact numbers of which will be effective from 17/07/2020.

- For Any Query Related to Company Name Availability and Company Incorporation, the contact details are:

CRC Helpdesk: 0120-4832500 (Option 1)

Email: CRC.Escalation@Mca.Gov.In

- For Any Query Related to Company Or LLP E-Filings, Payments Or View Public Document (VPD), the contact details are:

Corporate Seva Kendra: 0120-4832500 (Option 2)

Email: Appl.Helpdesk@Mca.Gov.In



4. The Companies (Indian Accounting Standards) Amendment Rules, 2020

Date of Notification; July 24, 2020

Effective date : April 01, 2020

Above Notification is available at the following link:

http://www.mca.gov.in/Ministry/pdf/Rule_24072020.pdf

Editor's Quick Take:

MCA vide its notification dated July 24, 2020 has issued Companies (Indian Accounting Standards) Amendment Rules, 2020. The new Rules will amend Companies (Indian Accounting Standards) Rules, 2015.

- The new Rules amend Indian Accounting Standard 107 that relates to disclosures to be made in respect of financial instruments by introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform.
- The new Rules amend Indian Accounting Standard 109 providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting. These must be applied by entities for annual periods starting on or after 1st April, 2020.
- Indian Accounting Standard 116 has been amended to provide that subject to specified conditions, any rent concession due to COVID-19 may, if the lessee so elects, not be assessed as a lease modification. This is subject to disclosures to be made by the lessee and shall apply to annual reporting periods on or after 1st April, 2020 or where the lessee has not approved the financial statements prior to this amendment, it may be applied for such periods from 1st April, 2019.
- Further, in Indian Accounting Standards 1 and 8, changes have been made to the definition of material in relation to material information.



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SEBI

**Securities
Exchange
Board of India**



NEWSLETTER

1. Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 - Amendments

Date of Circular : July 09, 2020

Effective Date : July 09, 2020

Above Circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments_47034.html

Editor's Quick Take:

SEBI vide its circular dated July 09, 2020 has amended the SEBI (International Financial Services Centres) Guidelines, 2015 by amending Clause 4(1) of SEBI (IFSC) Guidelines, 2015 related to Eligibility and shareholding limit for stock exchange desirous of operating in IFSC. All the Indian recognized stock exchange willing to provide stock exchange services in the IFSC shall hold paid-up equity share capital of 51%, whether Indian or Foreign. Further, the remaining capital can be acquired by other people be it Indian or Foreign nationals, however, the total paid-up equity capital shall not be more than 5%. Further, Bank companies, insurance companies, stock exchange, depository, commodity derivatives exchange, etc. can acquire only 15% of the paid-up equity share capital only after prior approval from the Board, whether directly or indirectly.



2. Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures- Amendments

Date of Circular : July 13, 2020

Effective Date : July 13, 2020

Above Circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/guidelines-for-issue-and-listing-of-structured-products-market-linked-debentures-amendments_47053.html

Editor's Quick Take:

SEBI vide its circular dated July 13, 2020 has notified that valuation of Market linked Debentures shall be carried out by an agency appointed by AMFI for the purpose of carrying out valuation ("hereinafter referred as AMFI appointed valuation agency").

As per the amendment it shall be mandatory for the issuer to appoint a third-party valuation agency which shall be an AMFI appointed valuation agency.



3. Allowing Offer for Sale (OFS) and Rights Entitlements (RE) transactions during trading window closure period.

Date of Circular : July 23, 2020

Effective Date : July 23, 2020

Above Circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/allowing-offer-for-sale-ofs-and-rights-entitlements-re-transactions-during-trading-window-closure-period_47120.html

Editor's Quick Take:

SEBI vide its circular dated July 23, 2020 has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). In the said amendment Clause 4 (3) (b) of Schedule B read with Regulation 9 of PIT Regulations, inter-alia, states that trading window restrictions shall not apply in respect of transactions mentioned therein or transactions undertaken through such other mechanism as may be specified by the Board from time to time.

The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

It has been decided that in addition to the transactions mentioned in Clause 4 (3) (b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of OFS and RE transactions carried out in accordance with the framework specified by the Board from time to time.



4. Reporting to Stock Exchanges regarding violations under SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the Code of Conduct (CoC).

Date of Circular : July 23, 2020

Effective Date : July 23, 2020

Above Circular is available at the following link:

<https://www.sebi.gov.in/legal/circulars/jul-2020/reporting-to-stock-exchanges-regarding-violations-under-securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-relating-to-the-code-of-conduct-coc-47121.html>

Editor's Quick Take:

SEBI vide its circular dated July 23, 2020 notified for reporting of the violation of Code of Conduct (COC) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the stock exchange by listed companies, intermediaries, fiduciaries.

Further in terms of clause 12 of Schedule B and clause 10 of Schedule C read with Regulation 9 of the PIT Regulations, any amount collected by the listed companies, intermediaries and fiduciaries under these clauses for violation(s) of CoC shall be remitted to the Board for credit to the Investor Protection and Education Fund (IPEF) administered by the Board under the Securities and Exchange Board of India Act, 1992.

The said circular is issued in supersession of Circular No. SEBI/HO/ISD/ISD/CIR/P/2019/82 dated July 19, 2019.



5. Recording of all types of Encumbrances in Depository System

Date of Circular : July 24, 2020

Effective from Date : August 24, 2020

Above Circular is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/recording-of-all-types-of-encumbrances-in-depository-system_47140.html

Editor's Quick Take:

SEBI vide its notification dated July 24, 2020 has notified that Depositories shall put in place a system for capturing and recording all types of encumbrances, which are specified under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

The freeze and unfreeze instructions executed by the Participant for recording all encumbrances will be subject to 100% concurrent audit.

The Depository Participant shall not facilitate or be party to any type of encumbrance outside the Depository system as outlined herein.



6. SEBI (Settlement Proceedings) (Amendment) Regulations, 2020

Date of Notification : July 22, 2020

Effective from Date : July 22, 2020

Above Notification is available at the following link:

https://www.sebi.gov.in/legal/regulations/dec-2018/securities-and-exchange-board-of-india-settlement-proceedings-regulations-2018-last-amended-on-july-22-2020_41212.html

Editor's Quick Take:

SEBI vide its notification dated July 22, 2020 has notified the Securities and Exchange Board of India (Settlement Proceedings) (Amendment) Regulations, 2020 amending the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018.

Following amendments are made in the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018:

- Regulation 15(2) which specifies the filing of notice, the word “fifteen” has been substituted with word “thirty” and for the words, “by fifteen calendar days”, the words “by sixty calendar days, only after receipt of an application seeking extension of time within thirty days from the date of receipt of notice of demand” shall be substituted”.
- In regulation 34, a new sub-regulation 34(4) has been inserted which specifies the terms for settlement notice, stating the “Notwithstanding the omission of Chapter VIII, a Settlement Notice issued under regulation 18, shall be dealt with as if the Chapter VIII is still in force and continue to be dealt with accordingly”.
- Amendments are also made in Schedule I and II.



7. Filing of statement of deviation or variation in XBRL mode by Companies

Date of Notification : July 21, 2020

Effective from Date : July 22, 2020

Above Notification is available at the following link:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200721-13>

Editor's Quick Take:

BSE vide its notice dated July 21, 2020 announced that all listed entities shall be required to file Statement of Deviation or Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement (QIP) etc. (Regulation 32) through XBRL mode in addition to the filing in PDF mode along with the submission of the Financial results in XBRL mode.



8. Relaxation From Compliance With Provisions Of The SEBI (Issue And Listing Of Debt Securities) Regulations, 2008, SEBI (Non Convertible Redeemable Preference Shares) Regulations, 2013 And SEBI Circulars Relating To Listing Of Commercial Papers

Date of Notification : July 15, 2020

Effective Date : July 15, 2020

Above Notification is available at the following link:

<https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-from-compliance-with-provisions-of-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-ilds-regulation-sebi-non-convertible-redeemable-preference-shares-regulations-20-47071.html>

Editor's Quick Take:

SEBI vide its circular dated July 15, 2020, permitted listed Issuers who have issued Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS)/ Commercial Paper(s) (CPs), on or after July 01, 2020, and intend/propose to list such issued NCDs/NCRPS/CPs, on or before July 31, 2020, to use available financials as on December 31, 2019.

Pertinently, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS Regulation), SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (NCRPS Regulation), and Circulars related to Listing of Commercial Papers (CPs) required an Issuer to inter-alia submit its latest audited financials not being older than six months.

Compliant listed entities were permitted to use unaudited financials with limited review in lieu of the audited financials for the stub period, subject to these unaudited financials not being older than six months.

Thus the relaxation of these compliances will aid entities in listing their Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS)/ Commercial Paper(s) (CPs), pending finalization of their annual accounts for the financial year which ended on 31st March 2020.



9. Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020

Date of Notification : July 29, 2020

Effective from Date : July 29, 2020

Above Notification is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020_47183.html

Editor's Quick Take:

SEBI vide its circular dated July 29, 2020 has extended the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half-year/financial year ended 30th June 2020, to September 15, 2020.



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10. Relaxation in timelines for compliance with regulatory requirements

Date of Circular : July 29, 2020

Above Notification is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47186.html

Editor's Quick Take:

SEBI vide its circular dated **July 29, 2020** has extended the timelines for compliance with the regulatory requirements by DPs / RTAs/ KRAs, mentioned in the SEBI circulars, as under :

Compliance requirements for which timelines were extended vide SEBI circular No.SEBI/ HO/MIRSD /DOP / CIR/P/2020/62 dated April 16, 2020.	S. Nos. for which timeline is extended	Extended timeline / Period of exclusion
Processing of the demat request form by Issuer / RTA	I	Period of exclusion shall be from March 23, 2020 till September 30, 2020.
Processing of the demat request form by the Participants	II	
KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	III	A 15-day time period after September 30, 2020 is allowed to Depository / DPs, to clear the back log.



Compliance requirements for which timelines were extended vide SEBI circular No.SEBI/ HO/MIRSD /DOP / CIR/P/2020/62 dated April 16, 2020.	S. Nos. for which timeline is extended	Extended timeline / Period of exclusion
Submission of half yearly Internal Audit Report (IAR) by DPs for half year ended March 31,2020.	II	September 30, 2020
Redressal of investor grievances.	III	Period of exclusion shall be from March 23, 2020 till September 30, 2020.
Transmission of securities	IV	
Closure of demat account	V	A 15-day time period after September 30, 2020 is allowed to Depository / DPs, to clear the back log.
Systems audit on annual basis	VI	September 30, 2020 for the financial year ended on March 31, 2020



11. Use of digital signature certifications for authentication / certification of filings / submissions made to Stock Exchanges

Date of Circular : July 31, 2020

Effective Date : July 01, 2020

Above Notification is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/use-of-digital-signature-certifications-for-authentication-certification-of-filings-submissions-made-to-stock-exchanges_47219.html

Editor's Quick Take:

SEBI, vide its circular dated April 17, 2020 had permitted use of digital signature certifications for authentication / certification of filings / submissions made under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), to the Stock Exchanges, **till June 30, 2020.**

The period has now been extended to December 31, 2020.



12. Clarification on applicability of regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to open offers, buybacks and delisting of securities of listed entities

Date of Circular : July 31, 2020

Effective Date : July 31, 2020

Above Notification is available at the following link:

https://www.sebi.gov.in/legal/circulars/jul-2020/clarification-on-applicability-of-regulation-40-1-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-to-open-offers-buybacks-and-delisting-of-securities-of-listed-entities_47216.html

Editor's Quick Take:

SEBI Vide its circular dated July 31, 2020 it is clarified in respect to regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that “..except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.” Hereby SEBI Clarified that shareholders holding securities in physical form are allowed to tender shares in open offers, buy-backs through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.



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RBI

**Reserve Bank
of India**



1. Special liquidity scheme for NBFCs/HFCs

Date of Circular: July 01, 2020

Effective Date : July 01,2020

Above circular is available at the following link:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11925&Mode=0>

Editor's Quick Take:

RBI vide its circular dated July 01, 2020 has laid down guidelines for NBFCs, HFCs under special liquidity schemes. To be eligible under the scheme, the following conditions should be met:

- Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) should not have net non-performing assets of more than 6% as on March 31, 2019
- The funds raised will have to be solely used to extinguish existing liabilities.
- It also stipulated that the CRAR/CAR of NBFCs/HFCs should not be below the regulatory minimum of 15 per cent and 12 per cent, respectively as on March 31, 2019.
- These companies should have made net profit in at least one of the last two preceding financial years - 2017-18 and 2018-19
- The companies should not have reported under SMA-1 or SMA-2 category by any bank for their borrowings during the last one year prior to August 1, 2018.
- The companies should also be rated as investment grade by a SEBI registered rating agency
- The companies should comply with the requirement of the SPV for an appropriate level of collateral from the entity which would be optional and to be decided by the SPV.



2. Extension of timeline for finalization of audited accounts

Date of Circular: July 06, 2020

Effective Date : July 06, 2020

Above circular is available at the following link:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11935&Mode=0>

Editor's Quick Take:

RBI vide its circular dated July 06, 2020 has extended the timeline for finalization of audited accounts by Non-Banking Financial Companies (NBFC). RBI, in view of the on-going situation and taking in account the feedback received from various stakeholders, has decided that every applicable NBFC shall finalize its balance sheet within a period of 3 months from the date to which it pertains or any date as notified by SEBI for submission of financial results by listed entities. As per RBI guidelines, every applicable NBFC is required to finalize its balance sheet within a period of 3 months from the date to which it pertains.



3. Exemption from Registration as NBFC – Alternative Investment Fund (AIF)

Date of circular : July 10, 2020

Effective Date : July 10, 2020

Above circular is available at the following link:

https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11936

Editor's Quick Take:

RBI vide its circular dated July 10, 2020 has exempted venture capital fund companies from section 45-IA and 45-IC of the Reserve Bank of India Act, 1934. Venture capital fund companies holding a certificate of registration obtained under section 12 of the Securities and Exchange Board of India Act, 1992 and not holding or accepting public deposit from the provisions of section 45-IA which deals with the Requirement of registration and net owned fund and 45-IC which specifies Reserve fund of the RBI Act, 1934.

Further, RBI also exempts those venture capital fund companies from the applicability of guidelines issued by the Bank for NBFCs. Further, Consequent upon the repeal of Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and enactment of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, it has been decided to substitute the word "Venture Capital Fund Companies" with "Alternative Investment Fund Companies",.



4. Extension for filing FLA Return

Above information is available at the following link:

<https://flair.rbi.org.in/fla/>

Editor's Quick Take:

Due to technical difficulty the due date for submission of FLA for the year **2019-20** is extended to **August 14, 2020**.



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CBEC



**Central Board
of Excise & Customs**



1. CBIC Extend GSTR-4 Due Date

Date of Notification : July 13, 2020

Above Notification is available at the following link:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-59-central-tax-english-2020.pdf;jsessionid=7A10B1542B76832CE81DEC1D060CC0E5>

Editor's Quick Take:

CBIC vide its notification dated July 13, 2020 has extended the due date for filling of GSTR -4 annual return for 2019-2020 for composition dealer from 15th July 2020 to 31st August 2020.



2. Filling of nil GST returns through sms

Date of Notification : July 01, 2020

Effective Date: July 01, 2020

Above Notification is available at the following link:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-58-central-tax-english-2020.pdf;jsessionid=D819F20ACA13AA79C4C11C31CD46320E>

Editor's Quick Take:

CBIC vide its notification dated July 01, 2020 has amended Rule 67A of CGST Rules 2017 under which registered person may now file NIL GSTR-3B under section 37 or NIL GSTR-1 under section 39 through Short messaging Service using registered mobile number based on One-time password facility

For the purpose of understanding NIL return means a return that has nil or no entry in all tables in GSTR-3B or GSTR-1



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CBDT

**Central Board
of Direct Taxes**



1. The Income-tax (16th Amendment) Rules, 2020

Date of Notification : July 03, 2020

Effective from : July 01, 2020

Above announcement is available at the following link:

https://www.incometaxindia.gov.in/news/notification_43_2020.pdf

Editor's Quick Take:

CBDT vide its notification dated July 03, 2020 has notified the Income-tax (16th Amendment) Rules, 2020, to further amend the Income Tax Act, 1961. As per the amendment, the tax deductors while filing quarterly statements under Rule 31A to the Director-General of Income-tax (Systems) shall, from July 01, 2020, also furnish particulars of amount paid or credited on which tax was not deducted or deducted at a lower rate in view of the notification issued under the second proviso of section 194N or in view of the exemption provided in the third proviso of section 194N or in view of the notification issued under the fourth proviso of section 194N; furnish particulars of the amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under sub-section (5) of section 194A; furnish particulars of the amount paid or credited on which tax was not deducted under sub-section (2A) of section 194LBA; furnish particulars of the amount paid or credited on which tax was not deducted in view of clause (a) or clause (b) of sub-section (1D) of section 197A; furnish particulars of the amount paid or credited on which the tax was not deducted in view of the exemption provided to persons referred to in Board Circular No. 3 of 2002 dated June 28, 2002 or Board Circular No. 11 of 2002 dated November 22, 2002 or Board Circular No. 18 of 2017 dated May 29, 2017.



2. Income Tax Department updates ITR Utilities

Updation of information: July 08, 2020

Above announcement is available at the following link:

<https://www.incometaxindiaefiling.gov.in/moreNewsUpdates>

Editor's Quick Take:

Income Tax Department has updated ITR -1 (Resident Individual having total income from salaries, one house property, other sources), ITR -2 (Individual & HUF not having business & profession income) & ITR-4 (Individual, HUF & Firms having presumptive business & profession income) utilities for calculations of various Interest & late fees u/s 234B, 234C & 234A of Income Tax Act, 1961



3. One-time relaxation for Verification of tax-returns for the Assessment years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 which are pending due to non-filing of ITRV form and processing of such returns

Date of Notification : July 13, 2020

Above notification is available at the following link:

https://www.incometaxindia.gov.in/Communications/Circular/Circular_13_2020.pdf

Editor's Quick Take:

CBDT vide its circular dated July 13 , 2020 has permitted verification of Income Tax Returns for the assessment year 2015-2016 to 2019-2020 which were uploaded electronically but remained incomplete due to non verification within due date by sending a duly signed Income Tax Return to CPC Bangalore- or through EVC/OTP mode on or before 30th September 2020 and same will be processed by CBDT on or before 30th December, 2020.



4. Amendment in TDS and TCS Provisions

Date of Notification : July 24, 2020

Effective Date : October 01, 2020

Above notification is available at the following link:

https://www.incometaxindia.gov.in/communications/notification/notification_54_2020.pdf

Editor's Quick Take:

The Central Board of Direct Taxes (CBDT) vide notification no. G.S.R. 464(E) dated 24th July, 2020, has notified the Income Tax (17th amendment) Rules, 2020. Amendments have been made to incorporate the changes introduced in the TCS/TDS provisions by the Finance Act, 2020.

The relevant changes incorporated are as below –

1. Amendment in Statement of TCS in Form 27EQ (Quarterly TCS Return) which is now required to include the amount therein on which TCS is not required to be collected.
2. Payment of Dividend to foreign persons, not having PAN, not to attract higher rate of TDS.



5. Memorandum of Understanding(MoU) between CBDT and MoMSME signed

Date of Press release : July 20, 2020

Above press release is available at the following link:

[https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/847/PressRelease MoU between CBDT and MoMSME 20 7 20.pdf](https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/847/PressRelease_MoU_between_CBDT_and_MoMSME_20_7_20.pdf)

Editor's Quick Take:

CBDT vide its press release dated July 20, 2020 announced the signing of a formal Memorandum of Understanding (MOU) between the Central Board of Direct Taxes (CBDT) and the Ministry of Micro, Small and Medium Enterprises, Government of India (MoMSME) for sharing of data by CBDT to MoMSME. The MoU was signed by Smt. Anu J Singh, Principal Director General of Income Tax (Systems), CBDT and Shri. Devendra Kumar Singh, Additional Secretary & Development Commissioner, MoMSME. The MoU will facilitate seamless sharing of certain Income-tax Return (ITR) related information by the Income Tax Department to MoMSME. This data will enable MoMSME to check and classify enterprises in Micro, Small and Medium categories as per the criteria notified in the Notification No. S.O. 2119(E) dated 26/06/2020 of MoMSME. The MoU comes into force from the date it was signed. Both the organizations will appoint Nodal Officer and Alternate Nodal Officers to facilitate the process of data exchange. The MoU marks the beginning of a new era of cooperation and synergy between the CBDT and MoMSME.



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Misc.Laws





1. The Consumer Protection Act, 2019

Date of Notification : July 15, 2020

Effective Date : July 20, 2020

Above Notice is available at the following link:

<http://www.egazette.nic.in/WriteReadData/2020/220546.pdf>

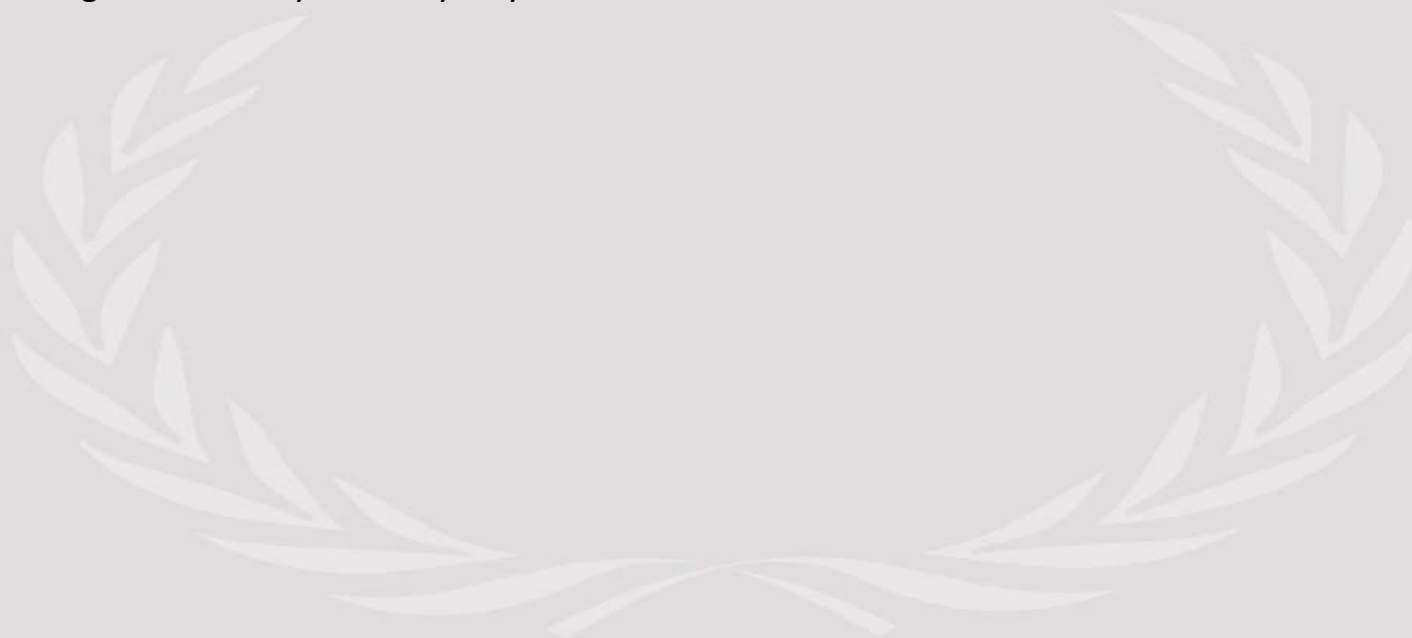
Editor's Quick Take:

Ministry of Consumer Affair, Food and Public Distribution vide its Notification dated July 15, 2020 notified the Consumer Protection Act, 2019. The new law aims to further protect the interest of consumers and strengthening the mandate of Consumer Courts to take action against errant manufacturers, distributors, and sellers. The law will allow consumers to file complaints related to services or products at the Consumer Courts based in their district or state. Earlier, the consumer was allowed to file complaint only at the Court under whose jurisdiction the seller or manufacturer falls. After this amendment, every e-commerce entity is required to provide information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism, payment methods, security of payment methods, charge-back options, etc. including country of origin which are necessary for enabling the consumer to make an informed decision at the pre-purchase stage on its platform.

Also, e-commerce platforms have to acknowledge the receipt of any consumer complaint within forty-eight hours and redress the complaint within one month from the date of receipt under this Act.



The Act increases the amount of compensation for consumers, while also making the punishment for errant sellers and producers more stringent. Other main features of The Consumer Protection Act, 2019 includes District forum is renamed as District Commission; The Opposite Party needs to deposit 50% of the amount ordered by the District Commission before filing an appeal before State Commission, earlier the ceiling was maximum of Rs. 25,000/-, which has been removed; The limitation period for filing of an appeal to the State Commission is increased from 30 days to 45 days while retaining the power to condone the delay. Further, mediation is given statutory status by way of the introduction of Section 74 in the new Act.





2. Consumer Protection (Mediation) Regulations, 2020 .

Date of Notification : July 24, 2020

Effective Date : July 24, 2020

Above Notification is available at the following link:

<http://www.egazette.nic.in/WriteReadData/2020/220668.pdf>

Editor's Quick Take:

The National Consumer Disputes Redressal Commission vide its notification dated July 24, 2020 has notified the Consumer Protection (Mediation) Regulations, 2020. key highlight of the Regulations

- Regulation provide for a mediation cell comprising a panel of mediators on the recommendation of a selection committee consisting of the President and a member of that Commission for matters relating to consumer disputes.
- The Regulations also include criteria for eligibility and disqualifications for empanelment as a mediator, which include any experts or other professionals with at least fifteen years' experience or a person having experience of at least five years in mediation or conciliation.
- As per Regulations, the mediation shall be conducted in the presence of the parties or their authorized representatives or counsel.
- The Regulations aims at facilitating a voluntary resolution of the disputes between the parties, assist them in removing the misunderstandings, if any, and generating options to resolve their disputes, but shall not impose any term or any settlement upon the parties. The mediator should explain the terms of the agreement, to the parties, before obtaining their respective signatures on it.



3. E-Consumer Protection (Mediation) Regulations, 2020 .

Date of Notification : July 23, 2020

Effective Date : July 23, 2020

Above Notification is available at the following link:

<http://www.egazette.nic.in/WriteReadData/2020/220661.pdf>

Editor's Quick Take:

The Ministry of Consumer Affairs, Food and Public Distribution vide its notification dated July 23, 2020 has notified the Consumer Protection (E-Commerce) Rules, 2020 . These are the new rules and regulations for e-commerce companies under the Consumer Protection Act 2019. These rules shall apply to all goods and services bought or sold over digital or electronic network including digital products; all models of e-commerce, including marketplace and inventory models of e-commerce; all e-commerce retail, including multi-channel single-brand retailers and single brand retailers in single or multiple formats; and all forms of unfair trade practices across all models of e-commerce:

Provided that these rules shall not apply to any activity of a natural person carried out in a personal capacity not being part of any professional or commercial activity undertaken on a regular or systematic basis.

Further, these rules shall apply to e-commerce entity which is not established in India, but systematically offers goods or services to consumers in India. Further, the e-commerce players will have to display the total price of goods and services offered for sale along with the break-up of other charges. They are also required to mention the 'expiry date' of goods offered for sale and the 'country of origin' of goods and services that are necessary for enabling the consumer to make an informed decision at the pre-purchase stage.



4. Mandatorily Enabling Mobile Number and Bank Account details of an Insured person while registering an employee with effect from July 01, 2020.

Date of Notice : June 29, 2020

Effective Date : July 01, 2020

Above Notice is available at the following link:

<https://www.esic.nic.in/attachments/circularfile/443193b8ac5cecceebe33ff15efe2f5c.pdf>

Editor's Quick Take:

ESIC vide its notice dated June 29, 2020 has instructed to make bank account details of an employee and mobile number registration mandatory for registering as an insured person. Hence, bank account details and mobile number are now a prerequisite for an employee to be registered as an insured person. Accordingly, the bank details and mobile numbers would be required while registering a new insured person. Further, the mobile no. should be available in the ESIC database and the number should be unique, or it should be accessed through OTP.

Further, in the case of any update of account details and mobile number of existing insured persons, bank account details mandatory for availing cash benefits and claim reimbursements. The bank details of existing insured persons can be updated by the employer by logging into employer portal accessing "Update particulars of existing persons" link. All the manuals pertaining to the above changes should be available on the ESIC website.



5. Standard operating procedures for reactivation of rejected applications and change in a user profile including new login credentials, Email id etc.

Date of Circular : July 07, 2020

Above Circular is available at the following link:

[https://www.fssai.gov.in/upload/advisories/2020/07/5f0431c7922e6Letter SOP Reactivation Rejected Applications 07 07 2020.pdf](https://www.fssai.gov.in/upload/advisories/2020/07/5f0431c7922e6Letter_SOP_Reactivation_Rejected_Applications_07_07_2020.pdf)

Editor's Quick Take:

FSSAI vide its circular dated July 07, 2020 has issued Standard Operating Procedures for reactivation of rejected applications and change in a user profile including new login credentials, email id etc. The Food Business Operators (FBO) shall apply to concerned regional officers of FSSAI for reactivation of license application within 6 months from the date of rejection and the application may be rejected automatically by the system due to non-furnishing of information/documents by FBO within 30 days. The FBOs intending to change their user profile shall submit a representation in this regard to the joint director, regulatory compliance division and the application should be on the letterhead of the firm/company duly signed by the authorized person and a copy of photo identity card and a copy of an existing license shall be enclosed along with the application. In case, FBOs want new login credential, they have to create a new login ID and Password and the same would be indicated in their application so that the IT team can validate and map the licenses or registrations in new login credentials.



6. The Factories (Haryana Amendment) Act, 2018

Date of Notification : July 20, 2020

Above Notification is available at the following link:

<http://www.egazetteharyana.gov.in/Gazette/Extra-Ordinary/2020/102-2020-Ext/10112.pdf>

Editor's Quick Take:

The Government of Haryana vide its Notification dated July 20, 2020 has amended the Factories Act, 1948 with applicability with the State of Haryana. This Act will be called the Factories (Haryana Amendment) Act, 2018 and the amendments are made to the following provisions –

- **Applicability**: Factories using power and employing 20 workers (increased from 10) and factories not using power and employing 40 workers (against 20) will be covered under the Act.
- **Over time**: The total overtime a worker can work in a quarter has been increased to 115 hours from the earlier 75 hours.
- **Women working at night**: A factory which provides adequate safety and security measures or safeguards, can apply for exemption and can allow women to work between 7 PM to 6 AM.
- **Compounding of Offence**: Offences committed for the first time and punishable with fine only, may be compounded.
- A new Forth Schedule relating to List of Compoundable Offences has also been added.



Articles on:

- 1. Central Government Powers in case of Mismanagement**
- 2. PAS-6: Reconciliation of Share Capital Audit Report**
- 3. Practical Aspects Of Udyam Registration W.E.F. 01.07.2020**



Central Government Powers in case of Mismanagement

If the affairs of the company have been or are being conducted in a manner prejudicial to public interest or in a manner prejudicial or oppressive to him or any other member or members or in a manner prejudicial to the interests of the company. Mere lack of confidence between the majority shareholders and the minority shareholders would not be enough unless the lack of confidence springs from oppression of a minority by a majority in the management of a company's affairs and such oppression must involve at least an element of lack of probity or fair dealing to a member in the matter of his proprietary rights as a shareholder." *In Shanti Prasad Jain v. Kalinga Tubes, Limited.*

Section 241(2) of the Companies Act, 2013 envisages that the Central Government, if it is of the opinion that the affairs of the company are being conducted in a manner prejudicial to public interest, it may itself apply to the Tribunal for an order. *In the matter of Union of India, Through the Registrars of Companies Maharashtra, Mumbai, Ministry of Corporate Affairs, Govt. of India v/s Birla Pacific Medspa Ltd & Ors. , MA 418/2019 IN CP No.4509/241-242 & 246/2018, NCLT Mumbai Bench Date of Decision 21.02.2019.* The NCLT noted that this Petition has been filed under Section 241, 242, 246 read with Section 339 of the Companies Act, 2013 and section 241(2) explicitly deals with the situation when Central Govt. forms an opinion that the affairs of the company are being conducted in a manner prejudicial to public interest. The expression (i.e. public interest) is an elusive abstraction meaning general social welfare or regard for social good and predicating the interest of the general public in matters where regards for the social good in the first moment.



The Tribunal observed that there is allegation that the company has committed various allegation. Therefore, the Tribunal held that it is clear that the objection raised by the respondents relating to the limitation and jurisdiction of the court is not sustainable and deserved to be rejected. Reliance is placed upon the case of *Sidri Iron Foundry Pvt Ltd (1964) 34 Com. Cases 510* wherein the case of an oppressive act, though may itself be not continuous, if the circumstances indicate that the effect is continuous, the court will interfere.

Tribunal where the petition is to be filed

The application is to be filed in the Tribunal where the registered office of the company is situated. But in case of replacement of director with Govt directors the application shall be filed in the Principal Bench. *In C.P.Yogeshwara & Ors vs. Union of India through Assistant Directors, SFIO & Ors., Co. Appeal (AT) No.111 of 2019, NCLAT Date of Decision 13th March, 2020.* The Union of India moved a Petition under Section 401/397/398 r/w Section 408 of the Companies Act, 1956 (now Section 241(2) r/w Section 242 of the Companies Act, 2013 and also sought relief under section 388 of the Companies Act, 1956 for appointment of Government Nominee Directors and control of the affair's and management of the company Megacity Bangalore developers & Builders Limited. The Tribunal held that the directors of the company debarred from taking/involving any action with regard to the affairs of the company, consequently Union of India is permitted to appoint directors as expeditiously as possible (Para 2).



The appeal was filed on the ground that there is corresponding provisions of section 388B of the Companies Act, 1956 is the Act, 2013. The Appellate Authority held that even in the absence of section 388B of the Companies Act, 1956, with a view to bring an end of the matter complained of, the Tribunal is empowered to pass similar order relying on Sections 241 & 242 of the Companies Act, 2013, as empowered under Section 388B of the old Act. The affairs of the company are being conducted in the manner prejudicial to the public interest as notice from the report of the SFIO, the Appellate Authority confirmed the order of Tribunal. Similarly, *In 63 Moon Technologies Ltd Vs. Union of India & Ors. Company Appeal (AT) No.03 of 2017.*

Appointment of Govt. representative to look into the assets of the company

If there is apprehension that the directors of the company may alienate, sell, transfer the assets of the company, the Tribunal may appoint Govt. representative to look after the assets of the company. *In Kuldeep Kumar Dangi & Ors vs. Union of India, Co. Appeal (AT) No.266, 267 & 278 to 308 of 2018. NCLAT Date of Decision 7.12.2018.* Union of India moved an application under Section 241 read with Section 242 of the Companies Act, 2013 in the public interest alleging the act of serious fraud against *M/s Adarsh Build estate Ltd & Ors* and their respective directors, officers and relations. National Company Law Tribunal, Chandigarh Bench passed order inter-alia, *M/s Adarsh Build estate Limited* is hereby restrained from transferring



its immoveable properties in any manner or encumbering the same until further orders, restrain from transferring/withdrawing any money from its accounts except to meet the legitimate monthly expenses etc.

The Appellate Authority appointed Sh. Shyam Murari Nigam, as Executive to look into the affairs of the company and SFIO continue investigation. The management of the company may bring the matter to the notice of the Executive Officer and in his absence before the Investigation Officer, SFIO, who after verification will allow withdrawal of amount. As well, Union of India was given liberty to contempt of court. *Similarly, In Sambhav Energy Ltd vs. Union of India, Co. Appeal (AT) No.374 of 2018, NCLAT Date of Deciion7th December, 2018.*



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PAS-6: Reconciliation of Share Capital Audit Report

As per MCA Circular dated September 10, 2018 they amend the Companies (Prospectus and Allotment of Securities) Rules, 2014 by inserting Section 9A: Issue of securities in dematerialised form by unlisted public companies and same shall be effective from October 02, 2018

Applicability:

This Rule is applicable on all unlisted public companies as well as on private company (Deemed Public Company) which is a subsidiary of public company **except:**

- Nidhi Companies,
- Government Companies &
- Wholly Owned Subsidiaries

Key Points of Rule 9A

1. Every Unlisted Public Companies shall issue their securities in dematerialised form on or after October 02, 2018 and facilitate the dematerialisation of its existing securities in accordance with Depositories Act, 1996
2. These Companies must insure that before making any offer for securities/Buyback/Bonus Issue/Right Issue entire holding of its securities through its Promoters, Directors and Key Managerial Personnel has been converted into dematerialised form.



3. Every security holders of these companies must ensure that

- before transferring his shares on or after October 2,2018 must convert its securities into dematerialised form
- Intends to subscribe his shares must ensure that all his existing securities are held in dematerialised form.

4. These companies shall facilitate dematerialisation of all its existing securities by making necessary application to the Depository **and shall secure ISIN (International Security Identification Number)** for all its securities and inform all existing security holders about such facility. In other word, it is mandatory for every public company to apply for ISIN on or before due date of PAS-6.

5. These companies must ensure:

- To make timely payment of fees to the Depository and RTA as agreed.
- These companies must maintain security deposit with Depository and RTA at all times as agreed by parties.
- These Companies must comply with Regulations/Directions/Guidelines/Circulars issued by SEBI or Depository with respect to dematerialisation of shares of unlisted public companies and matters incidental or related thereto.

6. No Company can make offer of any securities or buyback if its defaults in complying sub rule (5) till the payments to depositories or registrar to an issue and share transfer agent are made.
7. The provisions of the Depositories Act 1996 the securities and Exchange Board of India (Depositories and participants) [Regulations, 2018] and the securities and Exchange Board of India (Registrars to an Issue and share Transfer Agents) Regulations, 1993 shall apply mutatis mutandis to dematerialisation of securities of unlisted public companies except Sub-Rule 8

Most Important: Every unlisted public company shall submit Form PAS-6 to the Registrar with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014 within sixty days from the conclusion of each half year duly certified by a company secretary in practice or chartered accountant in practice.

Key Highlight of E-Form PAS-6:

1. All information shall be furnished for the half year ended 30th September and 31st March in every half financial year for each ISIN separately
2. Mention ISIN of the Company



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3. Detail of capital of company:
 - Issued Capital
 - Held in dematerialised form in CDSL
 - Held in dematerialised form in NSDL
 - Held in Physical form
 - Reason for any difference in Issued & Total Capital
4. Details of changes in share capital during the half-year under consideration.
5. Detail regarding Updation of Register of Members and reason for non- updation.
6. Whether there were dematerialised shares in excess in the previous half-yearly period and whether company resolved the matter mentioned in point no. 10 above in the Current half-year
7. Mention the total no. of demat requests, if any, confirmed after 21 days and the total no. of demat requests pending beyond 21 days with the reasons for delay.
8. Details of Company Secretary of the Company, if any.
9. Details of CA/CS certifying this form.
10. No penalty is prescribed for non-compliance than in this case Section 450 of Companies Act, 2013 shall become applicable.



Latest Amendment and Due Date:

As per MCA notification e-form PAS-6 available for filing since July 15, 2020 and Companies are required to file such form within 60 days of availability of the form. Therefore, due date for filing of PAS-6 first time shall be **September 13, 2020**.

Every unlisted public company mandatorily required to file this form on or before September 13, 2020 and afterwards with in 60 days of every end of half year.

One of most important requirements of PAS-6 is ISIN.

FAQ's:

Whether it is mandatory for public companies to apply for ISIN? If yes, what is due date for the same?

As per rule 9A, yes, it is mandatory for public companies to apply for ISIN to give an opportunity to their shareholders to convert their shares in Demat. As per MCA notification dated September 10, 2018 due date for the same was October 02, 2018.

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PRACTICAL ASPECTS OF UDYAM REGISTRATION W.E.F. 01.07.2020

Following the Atmanirbhar scheme and for facilitating ease of doing business, Union Ministry of Micro, Small and Medium Enterprises (MSME), vide its Notification Dated 26.06.2020, notifies the new definition of MSME and new registration process known as - “Udyam Registration” In that context, a new portal is introduced known as “UDYAM REGISTRATION PORTAL” which becomes effective from 01.07.2020.

You can refer our previous article for a brief on Udyam registration <https://taxguru.in/corporate-law/udyam-registration-new-existing-msmeswef-01-07-2020.html>

The new registration process comes up with various new angles and is very distinctive from the old process.

KEY POINTS OF DIFFERENCE BETWEEN NEW AND OLD REGISTRATION PROCESS

BASIS OF DIFFERENCE	Udyog Aadhar memorandum	Udyam Registration
Aadhar Number	Earlier we can take multiple registrations while using one Aadhar	Now one Aadhar one Udyam registration One enterprise shall only have on Udyam registration.



KEY POINTS OF DIFFERENCE BETWEEN NEW AND OLD REGISTRATION PROCESS

BASIS OF DIFFERENCE	Udyog Aadhar memorandum	Udyam Registration
PAN validation	No PAN validation	Now PAN validation is mandatory and all the enterprises registering with portal must have PAN and GSTIN.
Number of employees	Earlier only the number of employees is to be entered.	Now segregation must be given as per Gender.
Linkage with Income tax, PAN and GST department	Earlier all figures are to be entered manually on a selfdeclaration basis.	Now, the Udyam portal is lined up with other departments and all the details should be as per ITR (last year filed) and GST.
Composite criteria for the classification of MSMEs	Earlier enterprises were classified into two sectors manufacturing and service sector, and there are separate limits for both the sectors for classification of the same.	Now there are the composite criteria for both the manufacturing and service sector. There is the same limit of Investment and annual turnover for both the sectors for classification.



KEY POINTS OF DIFFERENCE BETWEEN NEW AND OLD REGISTRATION PROCESS

BASIS OF DIFFERENCE	Udyog Aadhar memorandum	Udyam Registration
Composite criteria for the classification of MSMEs	Amounts of investment had been manually entered.	Investment gets auto filled based on last year's filed ITR. And in case of the new enterprise, must be filled on a self-declaration basis and this relaxation is available till 31st March after that updation is required, else certificate gets suspended.
Registration Certificate	Udyog Aadhar Memorandum (UAM) is issued instantly at the time of registration only.	After applying an Udyam Registration Number is issued and Udyam Registration Certificate shall be issued only after verification.

New things introduced through Udyam registration w.e.f. 01.07.2020:

1. Udyam Registration Certificate will have a dynamic QR Code from which the web page of Portal and details about the enterprise can be accessed.
2. Income tax, GST and PAN department are linked with the portal for verification of all the information.



3. The criteria of the classification i.e., investment and turnover of enterprises are now composite for both the manufacturing and service sector.
4. Existing registered enterprises have to re-register with the new portal before 31.03.2021.
5. **PAN and GSTIN are mandatory for registration:**
 - In the case of a Company, LLP, Cooperative Society, Trust, Society, GSTIN and PAN along with its Aadhaar number are mandatory
 - In the case of the proprietor, you can continue with Aadhar only on a self-disclosure basis but before 31.03.2021 you must apply for PAN & GST number and must update the same on the portal.
6. PAN and GSTIN are mandatory for registration on or after 01.04.2021.
7. The registration of the following two portals are also integrated with Udyam Registration Portal for the facilitation of MSME and ease of doing business:
 - Government e-Market (GeM) portal, and
 - TReDS portal
8. Re-classification of the existing registered enterprises following the new definition:
 - For ascertaining an enterprise as micro, small or medium, an enterprise must fulfill both the criteria i.e., investment and turnover. If the enterprise crosses the ceiling limit of even one criterion, then it will cease to exist in that category and be placed in the next higher category.



- But the enterprise cannot be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- In case of an upward change (from a lower to a higher category i.e. Micro to small), an enterprise will maintain its prevailing status till the expiry of one year from the close of the year of registration.
- In case of reverse-graduation (sliding down to lower category i.e. Small to Micro) of an enterprise, the enterprise will continue in its present category till the closure of the financial year and it will be given the benefit of the changed status only with effect from 1st April of the financial year following the year in which such change took place.

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Please feel free to contact the undersigned in case you require any further information/clarification on the above article. Team

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Compliance Checklist



Compliance Calendar for August 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						



Income Tax Related Compliances

- | | |
|--|--|
| | <ul style="list-style-type: none">Due date for deposit of Tax deducted/collected for the month of July, 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* |
| | <ul style="list-style-type: none">Issue of TDS certificate for tax deducted under section 194-IA ,194-IB and 194M in the month of June, 2020* |
| | <ul style="list-style-type: none">Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2020 has been paid without the production of a challan*Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2020*Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2019-20
The due date for issuing certificate has been extended from June 15, 2020 to August 15, 2020 vide the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 read with Notification No.35 /2020, dated 24-06-2020. |
| | <ul style="list-style-type: none">Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA , Section 194-IB , Section 194 M for the month of July, 2020* |



FEMA Related Compliances

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

Extended due date for filing FLA Return

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 month of July



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