



House Journal

ACAIE

ASSOCIATION OF CORPORATE ADVISERS & EXECUTIVES



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Editorial



Dear Members,

Greetings to all!!

यः पठति लिखति पश्यति परिपृच्छति पंडितान् उपाश्रयति।
 तस्य दिवाकरकिरणैः नलिनी दलं इव विस्तारिता बुद्धिः ॥

Meaning:

One who reads, writes, sees, inquires, lives in the company of learned, his intellect expands as the lotus petals expand due to the rays of the sun.

On these words, it gives me immense pleasure to share the third issue of our House Journal for the year 2020-2021 with all of you. This issue has contribution from learned members and professionals on various topics including but not limited to Goods & Services Tax Act, Companies Act, Income Tax Act, Insolvency & Bankruptcy Code, Capital Markets, amongst others.

There has been a lot of developments since we last wrote to you which include further rise in the monthly collection of Goods & Services Tax, Amendments in Direct Tax & GST as part of Union Budget 2021-22, Amendments in Companies Act, 2013, Highest FII Investments in Indian equities market for Fiscal 2020-21 since last two decades, Release of ITR Forms for AY 2021-22, Notification of Pre-Packaged Insolvency Resolution Process for MSMEs amongst others. These present newer opportunities for us and at the same time is a reminder to us of the need to stay abreast of developments in order to excel in our profession. We have covered some of these developments in the current issue in our endeavour to help you all.

I request all the members of ACAE to kindly provide their comments and suggestions on how we can further elevate our House Journal. I request all to kindly contribute for future issues of our journal. Your contributions help in enriching our journal and achieve greater heights. We hope you will find this issue informative.

Thanking You,

CA Ayush Jain
Chairman

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President Speaks



Dear Members,

At the outset, hearty wishes for a very Happy, Prosperous and Joyful New Year to all of you and your family members which is celebrated throughout our Country under different names as a festival. We hope the new financial year will usher a new beginning.

On one hand new financial year brings lot of hope and positivity with Indian Economy showing signs of overall recovery making its GDP also positive, and on the other hand the second wave of corona has left us grappling with unprecedented shocks and upheaval.

Our Association has also tried to organise couple of its events in Physical mode with parallel virtual relays during this period as everything was limping back to normal, but due to changed scenario, we are forced to switch our PHYGITAL events to virtual mode only.

We feel proud to share with you all that our Executive Committee Member CA (Dr.) Debashis Mitra reached at helm and he is now the Vice President of ICAI – 2021-2022. We wish him all the success and hope that he will bring new glory to our CA Institute and keep its flag always high.

As you all must be knowing that TECHNOLOGY like in any other field will be the biggest disrupter of our Profession. ACAIE is very keen that its members adapt the technology and upgrade their technological skills as without it, it would not be possible to serve the clients effectively/efficiently and keeping this in mind our Association has started a concept in the form of training programme for its Members as “Digital Transformation” which will be spread over three months and will be one of its kind.

In the current scenario, our members need to be fully adaptive and play a crucial role. With deep understanding of business systems and processes, we professionals helping businesses of all sizes – micro, small, medium and large – in financial and strategic decisions. The expertise of accounting professionals extends much beyond finance to encompass almost all areas of business. **Helen Keller said – “The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of tiny pushes of each honest worker.”** The profession needs to absorb and assimilate the evolving challenges and respond to them to make positive contributions both in relation to business and society.

Stay Safe and Healthy

With Warm Regards

CA Anup Kr Sanghai
President

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Multiple Interface and Cross Empowerment in GST - An Untold Story

Background: Earlier the State VAT Laws, central excise law and the service tax law were administered under self-assessment mechanism, and so is the GST law. In the earlier tax regime State VAT authorities used to exercise jurisdiction over any place of business in a State and central excise authorities exercised jurisdiction over every factory separately. However, in case of service tax, the service providers usually may have multiple places of provision of services, falling under jurisdiction of different Commissionerates. Moreover, the service tax law (Rule 5A of Service Tax Rules, 1994) had a limited scope of investigation/ verification/ audit/ scrutiny of records of the assessees. The service tax / central excise department had multiple verticals viz. Directorate General of Intelligence at national level, anti-evasion/ preventive units at Commissionerate level, independent audit Commissionerates and the regular administrative Commissionerates. Any of the officers seeking to take up any verification had to resort to Rule 5A only, either under sub-rule (1) or sub-rule (2), one providing for submission of documents and records on demand, and the other providing for audit. Quite often the assessees had to face multiple verifications for the same period, without any identification of the precise issue, leading to the matter of justification of multiple verifications being examined by the Courts of Law. The Courts have time and again rejected the idea of multiple verification of the same assessee for the same period in respect of the same issue. Now the GST law provides for various powers of inspection, audit or search & seizure under different statutory provisions.

Moreover, the same powers are given to both the central tax authorities as well as the state tax authorities. However, the Govt / Empowered Committee comprising of the Union and the States time and again propagated for a single tax regime, concurrent taxation by both centre and the state, with a specific focus on 'one return and one assessment'. The whole country was given to understand that they would have to deal with only one single authority in GST, unlike multiple authorities under the earlier regime, viz. VAT authorities, central excise authorities and service tax authorities. The country welcomed the new and noble law with a big bang.

Statutory Provision in GST: As the levy is concurrent under both central law as well as under the state law, there was a need to empower the officers of one law to assess the tax liability under the other law as well, so that two parallel assessment proceedings by two separate officers under two different laws may not be required. Accordingly **Sec 6(2)(a)** provides that **subject to the conditions** specified in the **notification** issued under sub-section (1), where any proper officer **issues an order under the CGST Act**, he shall **also issue an order under the SGST/ UTGST Act**, as authorised by the SGST/ UTGST Act, under intimation to the jurisdictional officer of State/ UT Tax. **Sec 6(2)(b)** provides that subject to the conditions specified in the notification issued under sub-section (1), **where a proper officer under the State/ UT Act has initiated any proceedings** on a subject matter, **no proceedings shall be initiated** by the proper officer **under the central Act** on the **same subject**

matter.

Commitment of GST Council: GST Council, vide **Circular No. 01/2017** dated **20.09.2017**, provided certain criteria for **division of taxpayers base between the Centre and States to ensure Single Interface under GST**. As per the said Circular all administrative control over a taxpayer shall vest either with Central or State Tax administration to whom the taxpayer shall be allotted keeping in view the broad principles stated therein.

Undisputedly to **avoid repetition** of enquiry/ investigation/ assessment, the registered persons have been allocated to either central jurisdiction or the state jurisdiction as per the wisdom of the Central and the State Tax Departments. Therefore, for any routine verification under any of the provisions as above, it is imperative that either of the authorities should initiate a proceeding, normally the jurisdictional authorities.

Powers of neither the central tax authorities nor the state tax authorities is questionable. However, both the authorities ought not to proceed under the same provision for the same purpose.

Practice in Effect and Law:

Quite often registered persons in GST are facing the practice of multiple verifications for the same period, without any specific identification of the issues being examined. The same provision of cross empowerment is used by the authorities to justify that even if the registered person is allocated to the jurisdiction of the other authorities (say central), they (state) are also authorised by the Statute to verify/ investigate the same assessee. Routine enquiries are initiated by the authorities, either the Centre or the State, without any 'reason' on record which necessitated such enquiry, under one or the other silly deficiencies, say non filing of periodical returns for last two/ three months, or apparently having some discrepancies between the income as per the Profit & Loss account vis a vis the values declared under the statutory returns or so. There is apparently no mechanism in place to check whether any enquiry is already initiated against the proposed registered person, by the other authorities. If at all any proceeding is warranted, the same needs to be taken up by the jurisdictional authorities, either central tax or State tax. As per the GST common portal if the **jurisdictional office** comes under **Centre Jurisdiction**, all administrative control

vest with Central tax administration only. **Section 6** of the CGST Act (and the corresponding SGST Act) provides for **cross empowerment**. Sub-section (1) inter alia provides that the officers appointed under the SGST (CGST) Act are authorized to be the proper officers for the purposes of this Act. This would be subject to such **conditions** as the government shall, on the recommendation of the Council, **by notification**, specify.

Circular No 129/48/2019-GST, dated **24.12.2019** specifically specified the *standard operating procedure to be followed in case of non-filers of returns*. Accordingly sometimes in terms of the aforesaid Circular a registered person might have already received a notice in FORM **GSTR 3A** under **Section 46** from the central tax officer for non-filing of GSTR 3B for the specified month/ tax period, yet a visit by the state officers is made / authorised, which is absolutely unwarranted. Therefore in case of a repetitive proceeding

by the other authorities, a clarification should be sought, before any further proceeding, whether the State Tax officers should continue with such proceedings when the registered person is allotted to 'Central tax Jurisdiction' (and vice versa), and the administrative control is said to vest either with the Central or with the State Tax administration and not with both.



Apart from the issue of concurrent jurisdiction, roving enquiry letters are also issued, without any reference to the specific purpose of the proposed proceeding, and without any reference to the statutory authority under which such proceeding is initiated. The proper officer has a prerogative to ask for production of documents **if the circumstances require**. Different provisions under the GST Act for verification of documents and records are contained in Chapter XII to XIV [Sec 60 to Sec 72]. A plain reading of the various provisions as referred to above makes it clear that different proceeding is to be initiated as above, under **different circumstances as specified** therein. Therefore, it becomes essential to know the statutory provision under which the proceeding is initiated.

Sometimes after a visit of premises of a registered person by the officers, the **inspection report** prepared states (say) that the officers were authorized to visit the premise due to **non-submission of GSTR 3B** for last few tax periods. Such an event of non-submission of monthly returns for two/ three months does not warrant any requisition regarding

submission of voluminous details and documents as sometimes required to be furnished. Section 67 provides for specific circumstances, calling for inspection or search, as the case may be. The authorization sometimes does not specify the circumstance, if any, which warranted such proceeding. Any such proceeding without having any 'reason to believe' that any of the specific circumstances/objectives as specified in Sec 67 does exist, may therefore be in fructuous. On the issue regarding 'reason to believe', it is a judicially settled principle of law that the formation of the opinion or **reason to believe by the authorizing officer must be apparent from the note recorded by him.**

The circle of the statutory provisions, the concurrent levy and concurrent jurisdiction, non-alignment of the mindsets of the taxmen of the country and different States about the concepts/ noble ideas of the new law, a human tendency of

overlapping the powers, a traditional mindset to establish fear psychosis among members of trade and various other factors have trapped the stake holders of business, keeping them deprived of the real benefits of the noble law as conceptualized by the lawmakers. A law-abiding assessee always wants to be on the right side of the law, but certainly don't want to be overburdened with preparation and submission of various voluminous details, documents and statements, quite often directed by the investigating officers without any reference to a statutory provision, if not necessitated under the law. Such a situation certainly leads to a loss of national resources and may cause serious damage to the economy, and may derail the growth engine of the economy, the GST Law. The authorities need to seriously revisit the law and address the issue more responsibly and rationally.

* * * * *

One of the landmark developments in the Indian Economy was the government announcing a New Industrial Policy on 24 July 1991. The New Industrial Policy sought substantially to deregulate industry so as to promote growth of a more efficient and competitive industrial economy. The central elements of the industrial policy reforms were as follows:

- **Industrial licensing was abolished for all except in 18 industries. With this, 80 percent of the industry was taken out of the licensing framework.**
- **The Monopolies & Restrictive Trade Practices (MRTP) Act was repealed to eliminate the need for prior approval by large companies for capacity expansion or diversification.**
- **Areas reserved for the public sector were narrowed down and greater participation by private sector was permitted in core and basic industries. The new policy reduced the number of areas reserved from 17 to 8. These eight are mainly those involving strategic and security concerns (example, railways, atomic energy etc.).**
- **The policy encouraged disinvestment of government holdings of equity share capital of public sector enterprises.**
- **The public sector units were provided greater autonomy and professional management that could be helpful for generating reasonable profits, through an MOU (Memorandum of Understanding) between the enterprise and the concerned Ministry, through which targets that the enterprise had to achieve were set up.**



CA Shubham Khaitan
Partner,
S. Khaitan & Associates

Impact of GST on Brand Name in Food Processing Industry

Introduction

One of the biggest areas of litigation plaguing the food processing industry has been the classification of goods into exempt and taxable supplies. For goods such as wheat, cereal flours, cereal groats, flour, pellets of potatoes, rice, flour of leguminous vegetables, rye, oats, maize, buckwheat, cheese, natural honey etc., the classification of goods depends on whether there is a registered brand name or a brand name with enforceable right or actionable claim associated with the product being sold. Without a brand name with enforceable right, the GST is exempt in most cases whereas it is taxable in cases where the products possess the same.



The phrase "unit container" means a package, whether large or small (for example, tin, can, box, jar, bottle, bag, or carton, drum, barrel, or canister) designed to hold a pre-determined

A. Rate notifications issued by the Government

1. Entry as per Rate notification on goods

For instance, as per the rate notification no. 1/2017-Central Tax (rate) dated 28th June 2017 as updated from time to time, the rate of GST has been provided as 5% for wheat under the following entry:

"Entry No. 46 – HSN Code 1001

Wheat and meslin put up in unit container and,-

- (a) bearing a registered brand name; or*
- (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available other than those where any actionable claim or any enforceable right in respect of such brand name has been voluntarily foregone, subject to the conditions*

as in the ANNEXURE"

2. Entry as per Exemption notification on goods

All other products of wheat are to be considered as exempted except if the above conditions are satisfied in which case the rate of 5% will be applicable.

3. Meaning of Unit container

Explanation (i) to the aforesaid both Notification no. 1/2017-CT (rate) and 2/2017-CT (rate) provides the following:

quantity or number, which is indicated on such package.

The condition for any package to be considered as a unit container is that it should be designed to hold a pre-determined quantity or number.

4. Meaning of brand name and registered brand name

Explanation (ii)(a) to the aforesaid both Notification no. 1/2017-CT (rate) and 2/2017-CT (rate) provides the meaning of both brand name and registered brand name.

The meaning of brand name has been provided as below:

- a) a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods
- b) goods for the purpose of indicating, or so as to indicate a connection in the course of trade

between such specified goods and some person using such name or mark.

- c) with or without any indication of the identity of that person.

Further, the meaning of registered brand name will include those brands which are registered under the Trademarks Act 1999, Copyrights Act 1957 or any other law. The cut off date which is to be considered will be 15th May 2017 or any subsequent date.

5. Annexure providing for foregoing of actionable claim

The annexure which provides for the procedure of foregoing an actionable claim or enforceable right provides the following in both the rate and exemption notification:

For foregoing the actionable claim or enforceable right on the brand name, the following is required:

- File an affidavit with jurisdictional commissioner of Central tax.
- Clearly print in indelible ink on the unit container that such actionable claim or enforceable right has been foregone.

B. Whether manufacturer's name on the unit container can be construed as brand name?

Before proceeding with this question, it is important to first understand as to what would be the impact of the manufacturer's name being considered as a brand name. If the same is considered as a brand name, then one can state that both kinds of products dealt by the company will be construed as holding a brand name. Further, the impact will be that if one is to surrender the enforceable rights or forego the actionable claim, then even the product which contains the registered brand name may not be allowed to be sold through the same company.

To ensure that both the products with or without registered brand name are allowed to be sold as taxable and exempt products respectively, it is important to establish that mere mention of the manufacturer's name should not be considered as a brand name.

The reasoning for the given matter is as below:

- The mentioning of the name of the manufacturer on the unit container is a statutory requirement in terms of the Section 18 of the Legal Metrology Act 2009 read with the Legal Metrology (Packaged Commodity) Rules 2011 and Section 23 of the Food Safety and Standards Act 2006 read with Chapter 2 of the Food Safety Standards (Packaging and Labelling) Regulations 2011. Without this inscription, the said product cannot be sold in the market. If the intention was to consider all such products as branded, then there will not be any unbranded products in the market at all. Having said that it cannot be assumed that in all cases where only the manufacturer's name is mentioned, the product is

to be considered as unbranded.

- The judgement of Appellate Authority for Advance Ruling in the case of M/s Aditya Birla Retail Limited [2018-TIOL-09-AAAR-GST] has drawn this analogy of manufacturer's name and brand name very clearly. In the case of Aditya Birla Retail Limited, 'Aditya Birla Retail' already owns a brand in the said name. This means that even if one were to remove the brand and logo of Aditya Birla, still the manufacturer's name 'Aditya Birla Retail Limited' is sufficient to establish the connection between the brand and the product. The main criteria for proving a product to have a brand name is by clearly establishing a connection between such name and the product. Removing such brand names and keeping only the manufacturer's name may not result in identification of the product in every case. This is particularly true where the brand name is vastly different from the trade name of the manufacturer.
- The Department in the case of Tarai Foods Limited vs CCEX, Meerut – II [2006 (198) ELT 323 (SC)], the Supreme Court examined whether the name of the manufacturer printed on the package in terms of a legal requirement can be construed as a brand name. The following was held in the said case:

"Under the Standard Weights and Measures (Packets Commodities) Act, 1977 every packet is required to bear thereon or on a label squarely affixed thereto a definite, plain and conspicuous declaration as to, inter alia, the name and address of the manufacturer (see Rules 6 & 10). In other words, unit containers would have to bear the name of the manufacturer. If the name of the manufacturer were to be a brand name then this would mean, that there would be no unbranded unit container at all in law and the distinctiveness of T.H. 2001.10 would be meaningless

Furthermore, the definition of the words 'brand name' shows that it has to be a name or a mark or a monogram etc. which is used in relation to a particular product and which establishes a connection between the product and the person. This name or mark etc. cannot, therefore, be the identity of a person itself. It has to be something else which is appended to the product and which establishes the link"

The definition of brand name given in the erstwhile regime and the GST regime are very similar. Referring to the earlier definition, the Supreme Court clearly held that the identity of the person cannot be considered as the brand name. Further, it was clearly stated that if the name of the manufacturer is construed to be a brand name, then there will be no unbranded product at all. It has to be something which is appended to the product. Even if one is to deliberately remove the

brand name to avail the nil rate of tariff, he can still avail the exemption.

- iv. Further, the Tribunal in the case of Commissioner of Central Excise vs Synotex Industries 2012 (278) ELT 90 (Tri – Kolkata) held the following:

“If the Revenue’s plea that indicating the manufacturer’s name would amount to affixing brand name is accepted, then all the goods containing manufacturer’s name would be branded goods which is highly illogical. In fact in respect of the packaged goods, there are statutory requirements that the manufacturer’s or packer’s name and address should be indicated on the packages of the goods under the standards of Weights & Measures Act, 1976 and the rules made thereunder. Indicating the names and address of the manufacturer on the packages cannot be construed as affixing the brand name as has been held in the case of Rajdoot Paints Ltd. & Kalvert Foods India Pvt. Ltd. (mentioned supra).”

- v. In the case of CCEX vs Pepsi Foods Ltd [2015 (322) ELT A325 (SC)], the issue under consideration was whether the printing of the name of the brand owner could be construed to make the package a branded product. The Hon’ble Supreme Court while taking note of the definition of ‘brand name’ (which is similar to meaning provided to the phrase under the Exemption Notifications), and the decision in the case of Tarai Foods (supra), upheld the decision of the Hon’ble Tribunal in the assessee’s own case, CCEX v. Pepsi Foods Ltd., [2003 (156) E.L.T. 1013 (Tri. - Del.)] and in the case of Nirula and Company Pvt. Ltd. v. CCEX [2005 (186) E.L.T. 412 (Tri.-Del.)], stating that mere printing of the name of the company on unit container does not make the package branded, unless the brand itself is printed specifically.

- vi. The decision of Commissioner of Central Excise, Trichy vs Grasim Industries Ltd [2005 (183) ELT 123 (SC)] is used by the Department very frequently to infer that the name of the company ‘Grasim Industries Limited’ used on the package can be equated as a brand name. However, it should be pointed out here that the facts of the said case are vastly different to the issue at hand. In the said case, the manufacturer was a subsidiary of the Grasim Industries Limited. The requirement as per the law was to only show the name of the said manufacturer and not the name of ‘Grasim Industries Limited’. There is also no denial that the purpose of using the words: “Manufactured by Dharani Cements Ltd., A Subsidiary of Grasim Industries Ltd.” was with an intention of indicating a connection between the product i.e. the cement and M/s. Grasim Industries Ltd. This was only for gaining mileage before its customers. Thereby, the intent was to market the product using

the brand of ‘Grasim Industries’. Thereby, the name of the manufacturer was considered as a brand name in the given case.

From the above it can be inferred that for the manufacturer’s name to be considered as a brand name, one should be correlate the brand with the manufacturer. If the brand is registered in different name than the manufacturer’s name, this correlation will not be possible. Thereby, merely mentioning of the company name on the package cannot be equated with mentioning of brand name.

C. Where unbranded goods are sold from an exclusive retail outlet

In the case of Commissioner of C. Ex, Chennai – II versus Australian Foods India (P) Ltd [2013 (287) ELT 385 (SC)], if a final product is marked or stamped with a brand name, it is clearly to be classified as branded goods. To stretch this principle to imply that one not marked by any brand is an unbranded goods, is untenable. In case a scrutiny of the goods itself fails to reveal a brand name then the search must not end there. One ought to look into the surrounding circumstances of the goods to decipher, if it is in fact branded or not. Hence, we hold that it is not necessary for goods to be stamped with a trade or brand name to be considered as branded goods under the SSI notification, discussed above. A scrutiny of the surrounding circumstances is not only permissible, but necessary to decipher the same. The most important of these factors is the specific outlet from which the goods are sold.

Even in the judgement of Authority for Advance Ruling in the case of Aditya Birla Retail Limited, one of the contributory factors for an adverse ruling against the applicant was that even after the removal of the brand name from the product, the said goods were being sold from the exclusive store of ‘More’. This means that the said goods did not have any market in the smaller segment apart from such exclusive store. The surrounding environment through which such goods were sold was an important contributing factor for deciding whether the goods being sold are branded or not.

D. Whether exemption is product based or person based

It may be noted that the exemption notification no. 2/2017-CT (rate) dated 28th June 2017 through which the goods are sold provides exemption only on the goods being sold and not the person who sells such goods. The specific product should not have a registered brand name or a brand name for which the right is surrendered. Merely because a person is selling a category of goods which are taxable does not mean that the other category of goods which are exempt would also become taxable.

A person can sell goods both under the category of registered brand name and another without such brand

name. This is why the exemption has been provided only on wheat under HSN code 1001 if they are not sold under a registered brand name or a brand name where the enforceable rights on the said goods are present and not the person who is selling the said goods.

This can also be evidenced from Q9 of the Food Processing FAQs released by the CBIC. As per the said question, a person can be indulged in selling both branded and unbranded rice. Here it has been clarified that one can have 90% of turnover from unbranded price and 10% from branded rice. They would still be treated as exempted for the unbranded rice and taxable for the branded rice. In fact, it has been provided that even under the same invoice, a person can sell both branded and unbranded products.

E. Impact of dealing in two different markets

It may happen that the customer base for the branded and unbranded products may be completely different. This means that the branded and unbranded may be sold in two different kinds of markets altogether. Branded products may be sold to quality sensitive group of persons whereas the unbranded may be sold to price sensitive customers. The question is based on the nature of the customers, can one decide the product to be branded or unbranded.

One of the major aspects to consider while deciding whether a product can be said to contain brand name is the surroundings through which the product is being sold. This has been provided in the judgements of Australian Foods (Supreme Court) and Aditya Birla (AAAR).

In case of Australian Foods, the Supreme Court held that a scrutiny of the surrounding circumstances is not only permissible, but necessary to decipher the same. The most important of these factors is the specific outlet from which the goods are sold.

Further, Aditya Birla AAAR provided the emphasis on the surrounding circumstances through the mentioning of the names 'More' and 'Aditya Birla Retail' on the packaging earlier and the name of the company remaining earlier after removal of the said brand names. Due to the connection between the exclusive store 'More' from where the goods are sold, use of specific words like Choice, Value or Superior, mentioning of manufacturer's name after removal of brand name etc., the surrounding circumstances indicate that the goods still remain branded.

This aspect can also be gathered from the judgement of Abad Fisheries Private Limited. In the said case of Abad Fisheries, the goods were being sold to institutional customers after removal of the brand name 'Abad' from the said goods. However, the said goods are the same as the ones which were being sold with the brand name earlier. Since the institutional customers were buying such goods in bulk and are dealing with the company keeping in mind the reputation of the products, said goods continue to remain branded in the eyes of the customer. The said

goods even without affixation of the brand are perceived as branded by the customer. As a result, the goods were classified under branded for which higher rate of tax is applicable. Thereby, the surroundings indicated that the product should be treated as branded even after removal of the brand name 'Abad' from it.

Thereby, the surroundings and the kind of customer base consuming the product have a significant role in classification of goods between branded and unbranded.

F. Price Difference

In the case of Nidhi Distributors vs Commissioner of Customs, Calcutta [1999] taxmann.com 1787 (CEGAT), price of branded goods cannot be used for valuation of unbranded goods because the price of branded goods are generally than the price of unbranded goods.

Though this is not a deciding factor, it is still a contributing factor in making the decision whether the goods should be considered as branded or unbranded.

G. Foregoing of actionable claim or enforceable right

It must be noted here that the exemption is on food products which bears an unregistered brand name for which the actionable claim or enforceable right is not available i.e. the same should be foregone voluntarily. For foregoing the actionable claim or enforceable right on such brand name, the following is required:

- (a) One should file an affidavit to that effect with the jurisdictional commissioner of Central tax that he is voluntarily foregoing his actionable claim or enforceable right on such brand name.
- (b) One should on each such unit container, clearly print in indelible ink, both in English and the local language, that in respect of the brand name printed on the unit containers he has foregone his actionable claim or enforceable right voluntarily.

Conclusion

There are various factors which goes into contributing whether a product is treated to be treated as taxable and exempt where the same is dependent on the brand name with enforceable rights. One should carefully study the surrounding circumstances including the packaging of the product, its pricing, customer base, nature of its marketing etc. before arriving at the opinion about whether the same is exempted or not.

Further, the legal procedure of filing the declaration cum affidavit for surrender of rights on the brand name and mentioning of this fact on the packaging should be strictly adhered to if the products are treated as exempted. There have been several judgements in the past wherein adhering to the relevant procedure has been provided as a mandatory requirement for claiming exemption. Hence, not following the legal procedure strictly, the exemption on the products can be subject to challenge by the Department.

* * * * *



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194Q vs. 206C(1H) of the Income Tax Act, 1961

The Finance Bill, 2021 has introduced section 194Q - TDS on purchase of goods which is having resemblance to section 206C (1H) - TCS on Sale of Goods brought in by Finance Bill, 2020. TDS section 194Q has been introduced in **Budget 2021** and will get applicable from 1st July, 2021 whereas the TCS section 206C (1H) has been effected from 1st October, 2020.

Let us see a comparison between the two:

PARTICULARS	SECTION 194Q	SECTION 206C(1H)
Purpose	Tax to be deducted	Tax to be collected
Applicability	Buyer/Purchaser	Seller
Counter party	Resident Seller	Resident Buyer
Trigger point	Turnover/ Gross Receipt/ Sales from the business of BUYER should exceed Rs 10 crore during the year (FY 20-21) (excluding GST)	Turnover/ Gross Receipt/ Sales from the business of SELLER should exceed Rs 10 crore during the year (FY 19-20) (excluding GST)
W.E.F	1st July, 2021	1st October, 2020
Timing of tax deduction	Payment or credit whichever is earlier	At the time of receipt
Advances	TDS shall be deducted on advance payment made	TCS shall be collected on advance receipts
Rates	0.1% 5% (If PAN not available) On amount exceeding Rs 50 Lakhs	0.1% (0.075% for FY 2020-21) 1% (If PAN not available) On amount exceeding Rs 50 Lakhs
Not applicable to	Transactions on which TDS is applicable under other provisions of the act Transactions on which TCS is applicable under 206C other than 206C(1H)	Transaction on which TDS/ TCS is applicable under other provisions of the act and the same has been complied with (Meaning thereby; in a situation where TDS has been deducted u/s 194Q this section will not apply)
Exclusion	Yet to be notified by Government	If buyer is – Importer of goods Center/State Govt., Local Authority An embassy, High Commission, consulate and trade representation of a foreign state
TAN requirement	YES	YES
When to deposit/collect	Tax so deducted shall be deposited with government by 7th day of subsequent month	Tax so deducted shall be deposited with government by 7th day of subsequent month
Form	26Q	27EQ
Certificate to be issued to seller/buyer	Form – 16A	Form – 27D

Example:

Sl. No.	Buyers Turnover	Sellers Turnover	Transaction Value	Section Applicable
1	5Cr	11Cr	55Lakhs	206C(1H)
2	15Cr	7Cr	58Lakhs	194Q
3	12Cr	13Cr	54Lakhs	194Q
4	7Cr	5Cr	58Lakhs	NA
5	12Cr	15Cr	45Lakhs	NA

Conclusion

In Memorandum to budget 2021 no specific reason has been provided for introduction of such TDS when TCS u/s 206C (1H) was already introduced by Finance Act, 2020. The only clarification mentioned in memorandum for this section is as under:

“There is one exception to this general rule. If on a transaction TCS is required under sub-section (1H) of section 206C as well as TDS under this section, then on that transaction only TDS under this section shall be carried out.”

Thus as seen above there was already TCS provision for

sale of goods and now TDS has also been introduced for similar kind of transaction. As we can see all the provisions and conditions are similar and hence department has introduced a clarification that TCS is not required to be collected on transaction where TDS is being deducted.

Hence, now before the transaction the seller and buyer have to communicate with each other that whether buyer will deduct TDS or seller will collect TCS.

Although deducting TDS would be more sensible and more practical in all situations.

Further, the definition of turnover would change in TDS and TCS, as under TDS GST won't be a part of turnover whereas under TCS GST would form a part of turnover.

Thus, it would be interesting to see as to how people will again change their system and accounting software for such TDS and what is the motive of government behind such TDS.

Also, this TDS provision will be a path breaking thing because till date there was no TDS provision on sale of goods as all the TDS provision were for service but now this provision has been inserted.

* * * * *

Adam Smith was a Scottish economist, philosopher as well as a moral philosopher, a pioneer of political economy, and a key figure during the Scottish Enlightenment, and is also known as “The Father of Economics” or “The Father of Capitalism”. He wrote two classic works, The Theory of Moral Sentiments (1759) and An Inquiry into the Nature and Causes of the Wealth of Nations (1776).



Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current level of 17%.



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Mudra Scheme - Useful Tool to Change the Economic Scenario of Rural India

Higher unemployment and low income in the rural areas result in low purchasing power of the rural people, ultimately affecting their quality of life and GDP of the Country. It is imperative to generate employment in agriculture and industry in our country to feed the hungry poor of the rural areas. Although, Agriculture is the lifeline of rural India, the economic development in the areas of Service and Industry are equally important. The major bottleneck in the agricultural development is the availability of Land which can never be increased than what is given by the God. Accordingly economic development in the rural India will be possible through industry and service. There are many young and energetic youth in India who are ready to undertake the above activities ; However, they mainly face the following problems :

- (a) Non-availability of Capital- No collateral security
- (b) Non-availability of proper training and administrative knowledge in the respective field
- (c) Non-availability of right technology

To address the above Problem, PRADHAN MANTRI MUDRA YOJANA (PMMY), a flagship scheme of Government of India, was launched on 8th April, 2015 by the Hon'ble Prime Minister to "fund the unfunded" by bringing such enterprises to the formal financial system and extending affordable credit to them. This scheme is likely to change the economic strength of the rural India within a short period.

Micro Units Development and Refinance Agency Ltd. [MUDRA] is

an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs / NBFCs for lending to micro units having loan requirement upto 10 lakh. MUDRA provides refinance support to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector. The bouquet of offerings of MUDRA is depicted below

The following statistics will show how the scheme is getting popular day by day:

Year	No of schemes Approved	Amount Sanctioned	Amount Disbursed
2015-16	Nos- 3.48 Crores	Rs. 1.37 Lac Crores	Rs. 1.33 Lac crores
2016-17	Nos. 3.97 crores	Rs. 1.80 crores	Rs. 1.75 crores
2017-18	Nos. 4.81 Crores	Rs. 2.54 Crore	Rs. 2.46 crore

The Background of the MUDRA Loan

The largest economic sector of the country after agriculture comprises of non-corporate micro enterprises generating the bulk of the employment opportunities estimated to be approximately ten crores impacting the life of 50 crore Indians. They are mainly engaged in manufacturing, trading, processing and services, and the enterprises are broadly classified as proprietary or Own Account Enterprises (OAE). Understandably, this sector is deemed to be the economic bulwark of the country, yet it is reckoned to be the largest disorganised business eco-systems in the world. The NSSO survey of 2013 places the OAE at 5.77 crore units, which lie out of the ambit of the formal financial sector enjoying no credit facilities whatsoever. The MUDRA

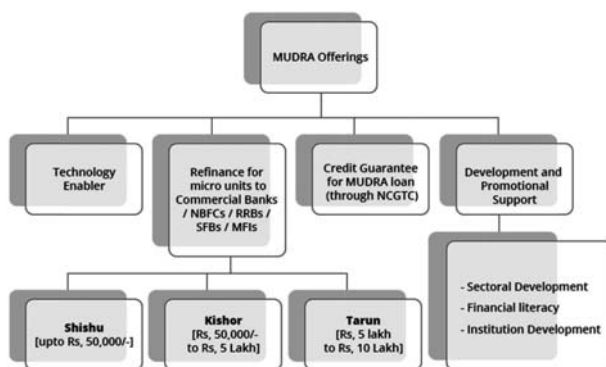
scheme under the aegis of the PMMY aims to be this huge sector into the fold of institutional credit, transforming them into a potent instrument of employment and GDP growth. The following data is indicative of the importance of the microenterprise sector and its potential role in GDP.

The broad parameters defining the Micro Enterprise Sector in India		
Geographical composition of the sector	Rural	54%
	Urban	46%
Composition of Own Account Enterprises by Engagement in Business activity	Manufacturing	30%
	Service	34%
	Trading	36%

Let us now understand about the scheme and how it is going to benefit the rural people.

Operations

MUDRA Bank will provide its services to small entrepreneurs outside the service area of regular banks, by using last mile agents. About 5.77 crore (57.6 million) small business have been identified as target clients using the NSSO survey of 2013. Only 4% of these businesses get finance from regular banks. The bank will also ensure that its clients do not fall into indebtedness and will lend responsibly. This is a refinance scheme i.e Commercial Banks, NBFC, MFI, Co-operative Banks etc disburse the loan to the Borrowers which is re-financed by the MUDRA Bank. Hence, the Banks will have no fund shortage to finance the eligible borrowers. The bouquet of offerings of MUDRA is depicted below.



Normal Terms and conditions of Mudra Loan

- **Type of Facility:** Working Capital and Term Loan
- **Purpose :** Business purpose, capacity expansion, modernization
- **Target Group :** Business Enterprises in Manufacturing, Trading and Services sector including allied agricultural activities.
- **Quantum of loan (Min/Max)**
 - o Maximum loan amount : Upto Rs 10 lacs

- o Loans upto Rs.50,000 are categorised as SHISHU
- o Loans from Rs.50,001 to Rs.500,000 are categorised as KISHORE
- o Loans from Rs.500,001/- to Rs.10,00,000/- are categorised as TARUN
- **Margin (%)**
 - o Upto Rs. 50,000/- Nil
 - o Rs. 50,001 to Rs. 10 lacs: 10%
- **Pricing :** Competitive Pricing Linked to MCLR (Marginal cost based lending rate)
- **Repayment Period**
 - o WC/TL: in 3 - 5 yrs including a moratorium of upto 6 months depending on the activity/ income generation.
 - o Review of WC/TL to be done annually.
- **Processing Fee**
 - o Nil for Shishu and Kishore to MSE Units.
 - o For Tarun: 0.50%(plus applicable tax) of Loan amount.

Who are Eligible to get Loan from MUDRA Bank

Those eligible to borrow from MUDRA bank are

- Small manufacturing unit
- Shopkeepers
- Fruit and vegetable vendors
- Artisans
- Commercial vehicle loan
- Loan for working capital requirement
- Buying plant and machinery
- Renovating the business space
- Drop line overdraft or working capital loans or overdraft facility is provided to business groups and rural businesses.

No agricultural loan is granted under this scheme.

The basic criteria of age should be 18 years old. Now, coming to the gist, you can only have a loan under the scheme of the Pradhan Mantri Mudra Bank Loan if and only if you are applying it for *commercial and business purposes* and not for personal purposes. At the most, borrower can buy vehicle from mudra loan, given that it is used for commercial purposes. Lastly, this loan is for new business and its only applicable for small business owners and obviously new business entrepreneurs .

Security for the Loan

In the MUDRA Scheme, there is no need of any collateral security ; The Loan is secured by

- Assets created out of the Bank's finance.
- No collateral security.

Interest Rate

The Interest Rate is much below the interest rate charged by Micro Finance Companies (20-24%) and private lenders.

Each disbursing bank has its own rate. However, broadly the rates will be as under

Limits	Micro Enterprises	Small Enterprises
Up to Rs.50000/-	MCLR+SP	(MCLR+SP)+0.50%
Above Rs.50000/- to Rs.2.00 lacs	(MCLR+SP)+0.50%	(MCLR+SP)+0.70%
Above Rs.2.00 lacs to Rs.10.00 lacs	(MCLR+SP)+0.70%	(MCLR+SP)+0.85%

MCLR stands for Marginal cost of Lending Rate; Considering the all factors the rate of interest will be within the limit of 10- 12%. There is no loan processing fee.

Application process to avail Mudra Loan

To apply for **Mudra Loan** for all the categories, you will have to go through the following process:

- The borrower who wishes to take a loan under the Mudra scheme must visit the closest private or the commercial bank.

- The borrower will have to present the business idea with the loan application form along with the other documents required.
- Borrower will then have to fill up all the formalities as per the bank instructions.
- The loan will be sanctioned and made available after all of the above steps are completed.

Documents required for Mudra Loan

If the borrower wishes to take a business instalment loan under the Pradhan Mantri Mudra Yojana, he must submit the following documents:

- Pradhan Mantri Mudra Yojana application form and Business Instalment loan application form that is duly filled.
- Photo identity proof and address proof.
- Proof of establishment.
- Last 6 month's bank statement.
- Ownership proof or office and residence.
- Proof of continuity of business.
- Qualification proof.
- Trade references.

* * * * *

Economics is politics and it can never be a science. Yet the dominant neoclassical school of economics succeeded in changing the name of the discipline from the traditional 'political economy' to 'economics' at the turn of the 20th Century. The Neoclassical school wanted economics to become a pure science, shorn of political (and thus ethical) dimensions that involve subjective value judgments. This change was a political move in and of itself.



India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.



CA Mayur Agrawal

&



CS Komal Didwania

Remuneration to Non-Executive and Independent Directors in times of Crisis

Independent Directors (IDs) and Non-Executive Directors (NEDs) act as a guide to the company. Their roles broadly include improving corporate credibility and governance standards functioning as a watchdog and playing a vital role in risk management. There was a need to look at the provisions of compensation against such huge roles of IDs and NEDs. Considering the need and various stakeholder representations received by the Ministry, the Company Law Committee which was set up under the Chairmanship of Shri Injeti Srinivas in November, 2019 has recommended few changes in this regards. Proposed changes have been made in section 149 and 197 so that non-executive directors including independent directors may receive remuneration, if a company has no profits or inadequate profits in accordance with Schedule V of the Companies Act, 2013

DEFINITIONS

The term “Non-Executive Director” has not been defined anywhere in the Companies Act, 2013. However, meaning of Non-Executive Director can be taken from the definition of Executive Director. Rule 2(1)(k) of the Companies (Specification of definitions details) Rules, 2014 defines “Executive Director” as a Whole Time Director as defined in section 2(94) of the Act”. Any person who is not a Whole Time Director shall be considered as ‘Non-Executive Director’.

Section 2(47) of the Companies Act 2013 provides that “Independent Director” means an independent director referred to in Section 149(6). Section 149(6) of the Companies Act, 2013 sets out the criteria of independence for a director.

Part II of Schedule V of the Companies

Act, 2013 provides amount remuneration payable to directors by companies having profits or inadequate profit in a financial year.

Section 2 (78) defines the term “remuneration” as any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

APPLICABILITY

- Only Public companies, both listed and unlisted, are covered by the amendment. Private companies are not covered by the ceilings of managerial remuneration.
- The amendment applies to all NEDs and IDs.
- The amendment is of “enabling nature”. It does not mandate companies to remunerate their NEDs and IDs. So, companies may, if they so desire, remunerate their IDs and NEDs in the year of inadequate profits or losses.
- The amendment is effective immediately. That means companies may make use of the amended provisions for FY 2020-21.
- The amendment does not lead to an automatic variation in the remuneration policy or shareholders’ resolution. In essence, the amendments are of enabling nature: within the ambit of the amended provisions, companies may take corporate action to remunerate their NEDs and IDs. The actions have to be taken by the companies in question, which may include remuneration policy, appropriate shareholder resolutions, etc.

SCENARIO PRIOR TO AMENDMENT

Prior to the amendment, Non-Executive Directors including Independent Directors were entitled solely sitting fee and commission based profits.

Section 197(5) of the Companies Act, 2013 states that a director may receive remuneration by way of fee for attending meeting of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. At the same time Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that such fee shall not exceed for a sum of Rs 1,00,000/- (One Lakh Rupees) per meeting. While the words “for attending meeting of the Board or Committee thereof or for any other purpose” appearing in this sub-section indicate that apart from what are popularly known as “Sitting fees”, directors may be entitled to receive remuneration by way of fees for any other purpose too.

Section 149 (9) of the Companies Act, 2013 states that independent director may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission subject to resolution of the shareholders duly passed at a general meeting.

Due to the rigidity in the erstwhile provisions, there was a complete bar on payment of remuneration to NEDs and IDs at times of losses/ inadequate profits.

ANALYSIS OF THE AMENDMENT

As per erstwhile provisions of Section 197(3) of the Companies Act, 2013 only managerial personnel are entitled to remuneration in case of absence or inadequacy of profits subject to compliance of Schedule V. The expression ‘Managerial Personnel’ refers to Whole-time Directors and Managing Directors or Managers.

Non-executive directors, including independent directors, devote their valuable time and have experience to give critical advice to the company. Therefore, they should be appropriately compensated for the same even in case of inadequacy of profits or losses like in times of Covid -crisis,

as is permissible for executive directors. In case of losses or inadequacy of profits, the executive directors managed to receive the prescribed remuneration while the non-executive directors had to sacrifice their commission, which they were otherwise entitled to and they have to satisfy themselves with the sitting fee only.

Accordingly, a new proviso has been inserted in section 149(9), which provides that an independent director may receive remuneration, if a company has no profits or inadequate profits in accordance with Schedule V of the Act. Earlier since Independent Directors can be given remuneration in form of commission, companies were finding it difficult to pay the same in case of loss or inadequacy of profits. This amendment has come as a major relief and at the same time, section 197(3) has been amended to provide that if a company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such company, including an independent director, may be paid remuneration in accordance with Schedule V of the Act.

CONCLUSION

The role of NEDs and IDs is very crucial to a company. The professional expertise of NEDs in their specific fields brings requisite value to a company. Considering the role played by IDs in effectively balancing the conflicting interest of the company and its stakeholders and bringing independent judgement to the Board’s decisions, it would be unfair if they are not paid adequately for the efforts put by them in the effective conduct of business.

Further, in the present scenario, amidst the economic breakdown worldwide, many companies may not be able to earn the profits as expected, or might be facing losses as well. In such circumstances, the aforesaid amendments were a necessity.

However, the erstwhile provisions had no scope of payment of remuneration to them in case of loss. With the aforesaid amendments coming into force, the companies will be able to compensate their non-executive and IDs well, even in case of no/inadequate profits.

* * * * *

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.



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Recent Updates Issued by MCA and SEBI

Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) have issued a number of notifications in the month of January, February and March 2021. A glimpse of the relevant changes are summarised below:

MCA Notifications:

1. **Notification on the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22.01.2021:**

MCA have made significant changes to the existing Companies (Corporate Social Responsibility Policy) Rules 2014, to infuse more transparency and increase the level of accountability of the companies towards the enhancement of environment and society. The amendment in the said rules is known as the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021.

2. **Notification on the Companies (Specification of Definitions details) Amendment Rules, 2021 dated 01.02.2021:**

Amendment in definition of Small Company:

Small company means a company, other than a public company-

- (i) paid-up share capital of which does not exceed rupees **two crores** or such higher amount as may be prescribed which shall not be more than ten crore rupees and
- (ii) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed rupees **twenty crores** or such higher amount as may be prescribed which shall not be

more than one hundred crore rupees

Provided that nothing in this clause shall apply to—

- (A) a holding company or a subsidiary company;
- (B) a company registered under section 8; or
- (C) a company or body corporate governed by any special Act;

3. **Notification on the Companies (Incorporation) Second Amendment Rules, 2021. dated 01.02.2021:**

- Based on the provision of Rule 3 Sub Rule 1, earlier NRIs were not allowed to start a One Person Company in India. However, MCA vide this notification has added that, any Natural Person, who is an India Citizen, whether being a Resident in India or otherwise will now be allowed to form a One Person Company in India;
- As per the amended regulations, to be considered as an Indian Resident, an NRI needs to be present in India for at least 120 days instead of 182 days;
- MCA has omitted the provisions concerning the voluntary conversion of the one person companies that have completed a period of two, starting from the date of incorporation. The said omission will come into force from 01.04.2021. Further, as per the new regulations, conversion of an OPC into a Private Limited Company or Public Limited Company

can be done at any time. The same can be done by increasing the number of directors and shareholders as per the requirements of the Act;

- The restriction concerning the Paid up Capital and Annual Turnover on a One Person Company has been omitted;

MCA has rationalised the e-forms applicable to an OPC. The same has been done by omitting INC-5 and modifying-INC 6. The e-form INC 6 is an application for the conversion of an OPC into a Public Limited Company or Private Company. The same will apply in the case of conversion of a Pvt Ltd Company to OPC as well.

4. **Notification on the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021.dated 01.02.2021:**

MCA vide this notification extended the scope for merger and amalgamation for start up Companies.

The amendment modifies Rule 25 dealing with Merger or Amalgamation of certain companies and inserts a new clause providing a scheme of merger or amalgamation under Section 233 of the Act which may be entered into between any of the following class of companies:-

- i. two or more start-up companies; or
- ii. one or more start-up company with one or more small company.

The amendment also provides an explanation to the Rule defining the term “start-up company” as a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade.

5. **Notification on the Companies (Specification of Definitions details) Second Amendment Rules, 2021 dated 19.02.2021:**

MCA has amended the definition of the listed companies by inserting rule “2A. Companies not to be considered as listed companies –

- (a) Public companies which have not listed their equity shares on a recognised stock exchange but have listed their -
 - (i) Non-convertible debt securities issued on private placement basis in terms of SEBI Regulations 2008.
 - (ii) Non-convertible redeemable preference

shares issued on private placement basis in terms of SEBI Regulations 2013.

(iii) Both categories (i) and (ii) above.

- (b) Private companies which have listed their non-convertible debt securities on private placement basis on a recognised stock exchange in terms of SEBI Regulations 2008.
- (c) Public companies which have not listed their equity shares on a recognised stock exchange but whose equity shares are listed on a stock exchange in jurisdiction as specified in sub section (3) of section 23 of the act.

6. **Notification dated 05.03.2021 on the effectiveness of Section 23 clause (j) of Companies (Amendment) Act, 2017:**

MCA has vide its notification dated 5th March, 2021 notified amendment to section 92 of Companies Act, 2013 which relates to Annual Return. The amendment was introduced vide Companies (Amendment) Act, 2017. The amendment is effective from 05.03.2021. Now companies wouldn't be required to provide particulars of their indebtedness in their Annual Returns. Companies are also exempted from providing details pertaining to FII's, names addresses, countries of incorporation, registration and percentage of shareholding held by them.

7. **Notification on the Companies (Management and Administration) Rules, 2014 dated 05.03.2021:**

MCA vide its notification dated 5th March, 2021 brought amendments in Companies (Management And Administration) Rules, 2014,

Now, MCA has provided a separate format of annual return in Form No. MGT-7A for One Person Company and Small Company. Now from the financial year 2020-2021 onwards, One Person Company and Small Company are required to file the annual return in Form No. MGT-7A. Other Companies will continue to file annual return in Form No. MGT-7. MCA has also revised the format of Form No. MGT-7.

Also, there is no requirement to attach extract of the annual return in Form No. MGT 9 with the Board's Report. As per the Section 92(3) of the Companies Act, 2013, annual return in Form No. MGT-7 and Form No. MGT-7A as applicable, is required to be uploaded on the website of the company, if any, and web-link of the same to be provided in the Board's Report.

8. **Notification on the Companies (Incorporation) Third Amendment Rules, 2021 dated 05.03.2021:**

In the Companies (Incorporation) rules, 2014, in the

annexure, in Form INC-35 AGILE-Pro part of SPICe+, in serial number 12, at the end of table (A), the following shall be inserted, namely:

"Do you wish to perform Aadhar authentication for GSTIN registration."

- o YES
- o NO

9. **Notification dated 18.03.2021 on the effectiveness of Section 32 and 40 of the Companies Amendment Act, 2020:**

MCA vide its notifications dated 18th March, 2021, notifies amendment in Section 149 (9) & 197 (3) i.e in Part-II of the Schedule -V of the Companies Act, 2013. Through this, Section 32 and 40 of the Companies Amendment Act, 2020 are in force.

32. Amendment of section 149.

In section 149 of the Companies Act, 2013, in sub-section (9), the following proviso shall be inserted, namely:—

"Provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197, in accordance with the provisions of Schedule V."

Directors who have been appointed as Independent Directors in a Company may receive remuneration, even in case of no profits or inadequate profits in accordance with Schedule V of the Companies Act, 2013.

40. Amendment of section 197.

In section 197 of the Companies Act, 2013, in sub-section (3), after the words "whole-time director or manager", the words "or any other non-executive director, including an independent director" shall be inserted.

Through this notification, if a company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such company, including an independent director, shall be paid remuneration in accordance with Schedule V of the Act.

10. **Notification on the amendment in Schedule III to the Companies Act, 2013 dated 24.03.2021**

Schedule III of the Companies Act, 2013, laying down the format for preparation of the financial statements, has been amended. The said notification causes several changes in Schedule III including changes in Division I (Indian GAAP) and Division II (Ind AS). The most significant change is the insertion of Division III,

prescribing the format for preparation of the financial statements for NBFCs to which IndAS is applicable. The other disclosures that are notified relate to trade receivables, loans receivables, and trade payables and also satisfy the disclosure requirements under the Micro, Small and Medium Enterprises Development Act, 2006.

The majority of the amendments have been incorporated in response to the latest developments in the Reporting of CARO, 2020 and various other additional disclosures required in the audit report.

The above-mentioned amendment shall be applicable on Companies for financial year start on or after 01st April 2021. Therefore, all these amendments shall effect the financial statement as on 31st March 2022 i.e. (F.Y. 2021-22).

11. **Notification on Companies (Accounts) Amendment Rules, 2021 dated 24.03.2021**

Ministry of Corporate Affairs (MCA) issued a notification dated 24th March 2021, under the Companies (Accounts) Amendment Rules, 2021 stating that

- for the financial year commencing on or after April 1, 2021, companies that use accounting software for maintaining its books must use software that allow it to record audit trail of each and every transaction creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

However, MCA vide its notification dated 1st April, 2021 extended the implementation of rule making it mandatory for companies using accounting software for maintaining their books to use software that allows to record audit trail of each and every transaction till April 1, 2022.

Board's report to include the following information-

- a. the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.
- b. the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

12. **Notification on Companies (Audit and Auditors) Amendment Rules, 2021 dated 24.03.2021**

MCA also issued a notification dated 24th March 2021

called as Companies (Audit and Auditors) Amendment Rules, 2021 where MCA has broadened the scope of reporting by Auditors in audit report.

Through this amendment, MCA now requires auditors report to include declaration by the auditors regarding:

- validation of the management representation on investment/lending/receipt of funds to or from any other person(s) or entity(ies), including foreign entities (“Intermediaries”) in the manner as specified in the said notification
- compliance with Section 123 of the Companies Act, 2013 with respect to declaration and payment of dividend during the year
- availability of the Audit Trail recording feature in the accounting software, if any, used by the Company to maintain its books of accounts and affirm that the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

However, the same which was to be reported by the auditor in the audit report has been amended and this reporting shall be for the financial years commencing on or after 1st April, 2022.

The amendment has also dispensed with the provision to include the compliance with respect to disclosure of holdings and dealings in Specified Bank Notes during the demonetization period indicated in the said Rules.

SEBI Amendments:

1. **SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15.01.2021: Relaxations from certain compliance with certain provisions of the SEBI (Listing Obligation and Disclosure Requirements), 2015 due to Covid 19 pandemic:**

SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had inter-alia relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) related to general meetings, pursuant to relaxations by the Ministry of Corporate Affairs (MCA).

Subsequently, MCA vide Circular dated December 31, 2020 has further extended relaxations to companies to conduct their Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) (hereinafter referred to in this circular as ‘electronic mode’) upto June 30, 2021.

Further, vide Circular dated January 13, 2021, MCA has also extended these relaxations to Annual General Meeting (AGMs) of companies due in the year 2021 (i.e. till December 31, 2021).

Accordingly, the relaxations in Paras 3 to 6 of the aforementioned SEBI Circular dated May 12, 2020 in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode, are extended for listed entities, till December 31, 2021.

Thus, Relaxation by SEBI for non-submission of hard copy of Annual Report to Shareholders and dispensation from sending proxy forms in case meeting is held electronically by Listed Entities till 31.12.2021 due to the COVID-19 pandemic.

2. **SEBI Circular SEBI/HO/ISD/ISD/CIR/P/2021/19 dated 09.02.2021: Revised disclosure formats under Regulations 7 of the SEBI (Prohibition and Insider Trading) Regulations, 2015**

SEBI, vide Circular nos. CIR/ISD/01/2015 dated May 11, 2015 and CIR/ISD/02/2015 dated September 16, 2015, had specified the formats for disclosures under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”).

In light of amendments to the PIT Regulations effecting the inclusion of member of the promoter group, and designated person in place of employee, in Regulation 7 of PIT Regulations; and on the basis of feedback received the relevant disclosure formats (Forms B to D) have been suitably revised.

3. **BSE notification on filing of Annual Secretarial Compliance Report in Xbrl Mode By Companies.**

SEBI vide its Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 has prescribed the format on Annual Secretarial compliance report. The Exchange has now introduced facility of filing of Annual Secretarial Compliance Report in XBRL mode under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with immediate effect.

The disclosure to the Stock Exchange(s) shall be made by listed entities on within 60 days of end of the Financial year.

Accordingly, it has been decided that filings in respect of Annual Secretarial compliance report should be filed by all listed companies, through XBRL mode in addition to the filing in PDF mode. Thus, the listed companies are required to submit Annual Secretarial compliance report in PDF mode along with the submission of the Annual Secretarial compliance report in XBRL mode.

* * * * *



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Shifting of Registered Office

Every company shall have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it. The company shall intimate the Registrar of Companies (*hereinafter referred to as 'ROC'*) the details of its registered office either in the **SPICe Form** during the incorporation of the company or by filing **Form INC 22** within 30 days of its incorporation. Moreover, every company on its incorporation, shall state in the Memorandum of Association, the domicile clause. Maintenance of a registered office is mandatory under the provisions of law. A company may shift its registered office for various reasons such as:

- Ease in conducting business
- Location of majority of customers
- Location of majority of its stakeholders
- Tax benefits available in the respective state
- Better management of the company

Shifting of registered office can be categorized as follows:

A. Change of situation of the registered office within the jurisdiction of the same Registrar.

This method is known as change in the address of the registered office. The company first has to call a board meeting **u/s 173** of the Companies Act, 2013 (*hereinafter referred to as "the Act"*) and then file **Form No. INC-22** along with the prescribed fees. **(Rule 27).**

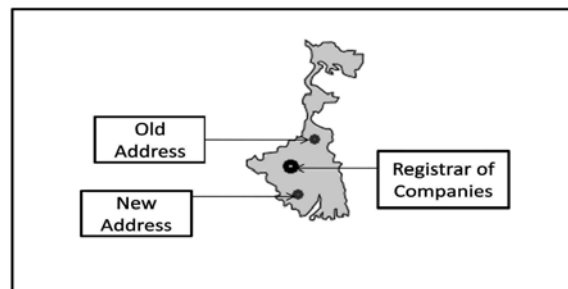


Image showing change in the address of the registered office within the same state.

B. Shifting of registered office from the jurisdiction of one Registrar to another within the same state.

1. No company shall change the place of its registered office from the jurisdiction of one Registrar to the jurisdiction of another Registrar within the same State unless such change is confirmed by the Regional Director on an application made in this behalf by the company in **Form No. INC-23 (Rule 28)** along with the prescribed fees and the following documents:-
 - a) Board Resolution for shifting of registered office;
 - b) Special resolution passed by the members of the company approving the shifting of registered office;
 - c) A declaration given by the Key Managerial Person or any two

directors authorized by the Board, that the Company has not defaulted in payment of dues to its workmen and has either the consent of its creditors for the proposed shifting or has made necessary provision for their payment thereof;

- d) A declaration not to seek change in the jurisdiction of the court where cases for prosecution are pending;
 - e) Acknowledged copy of intimation to the Chief Secretary of the state as to the proposed shifting and the employees interest is not adversely affected consequent to proposed shifting.
2. Once the Regional Director confirms such change the same shall be communicated by them within a period of thirty days from the date of receipt of application by the Regional Director to the company and the company shall file the confirmation with the ROC within a period of sixty days of the date of confirmation. **[Section 12(6)]**
 3. The ROC shall register the same and certify the registration within a period of thirty days from the date of filing of such confirmation. **[Section 12(6)]**.
 4. The certificate referred above shall be conclusive evidence that all the requirements of this Act with respect to change of registered office have been complied with and the change shall take effect from the date of the certificate. **[Section 12(7)]**
 5. If any default is made in complying with the requirements of this section, the company and every officer who is in default shall be liable to a penalty of one thousand rupees for every day during which the default continues but not exceeding one lakh rupees. **[Section 12(8)]**

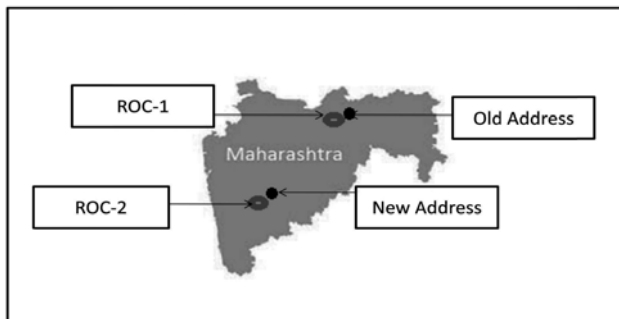


Image showing shifting of registered office from the jurisdiction of one ROC to another within the same state.

C. Change of situation of the registered office from one state to another”.

The procedure to shift the registered office from the jurisdiction of one Registrar to another is laid out in **Sections 12 and 13** of the Companies Act, 2013 (*hereinafter referred to as “the Act”*) and **Rules 25 to 31 except 29** of the Companies (Incorporation) Rules, 2014 (*hereinafter referred to as “the Rule”*).

For the purpose of better understanding we are giving herein the broad contours of the procedure that will be required towards undertaking the arrangement of shifting of the registered office from one state to another:-

- 1) Board Meeting for the approval of Board of Directors
- 2) Extra-ordinary General Meeting for the approval of the Shareholders
- 3) Advertisement & Notices to inform general public and other stakeholders of the Company
- 4) Intimating the ROC and the other relevant authorities regarding the intent to shift
- 5) Redress the Objections received, if any, from any of the stakeholders
- 6) Submission of Application in Form INC 23 to the Central Government regarding the shifting along with the relevant documents
- 7) Filing of the Order of the Central Government with the ROC.

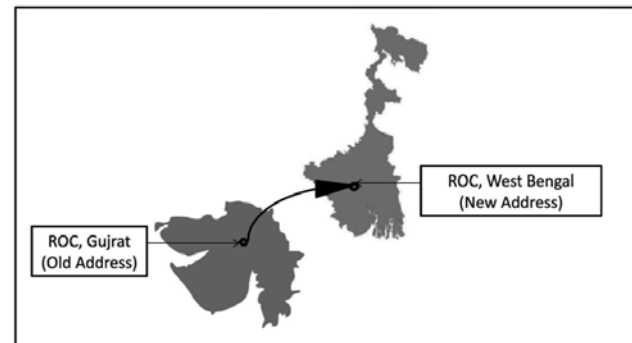


Image showing shifting of registered office from one state to another.

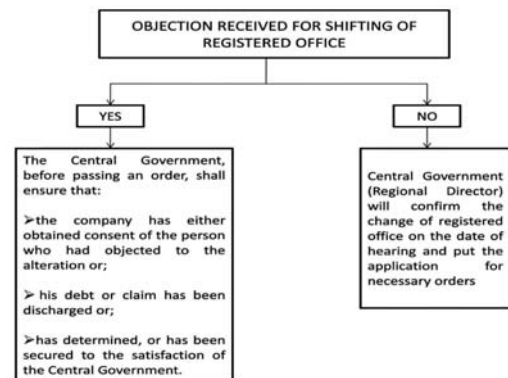
The detailed procedure of shifting the registered office from one state to another is as follows:

I. STEPS PRIOR TO FILING OF FORM INC 23

- 1) To call and hold a **Board Meeting** for the following:
 - a) to consider the proposal of shifting of the registered office

- b) To decide the date, time and venue of the General Meeting and
- c) To approve the Notice of Extra-ordinary General Meeting.
- 2) To hold the **Extra-ordinary General Meeting** and pass the Special Resolution approving the shifting of registered office from one state to another, subject to the approval of the Regional Director, under whose jurisdiction the company falls.
- 3) **MGT-14** to be filed with the ROC in 30 days of passing the special resolution along with the following document attached therein:
- Copy(s) of Special Resolution(s) along with copy of explanatory statement under section 102
 - Altered Memorandum of Association with an appropriate note that the said alteration is subject to the approval of the Regional Director.
 - Minutes of EGM
 - Shorter Notice consent if any.
- 4) Advertisement to be given in **Form INC 26** in a newspaper, both in the principal vernacular language of the district and in English language in an English newspaper with the widest circulation in the state in which the registered office of the company is situated. The purpose of the advertisement is to, *inter-alia*, inform the general public including the creditors and debenture holders and to invite any objection from such creditors and debenture-holders or any other person being affected by such shifting.
- [NOTE:-A copy of the advertisement shall be served on the Central Government (i.e. Regional Director) immediately on its publication.]**
- 5) Individual Notices has also to be served mandatorily to the creditors and debenture holders by registered post with acknowledgement due stating the details of the shifting of registered office and asking if they have any objections for the same.
- 6) Notice has to be served to the ROC under whose jurisdiction the company is falling at present (before shifting) and, in case of listed to the Securities Exchange Board of India. If the company is regulated under any special Act or law for the time being in force then notice regarding the shifting shall be served to it as well.

7)

8) List of **Creditors and Debenture** holders:-

- Prepare a list of creditors and debenture holders upto the latest practicable date, preceding the date of filing the application to Central Government but not exceeding more than one month setting forth the following details:-
 - Name and address of every creditor and debenture holder of the company
 - The nature and respective amounts due to them in respect of debts, claims or liabilities as on the date of preparation of the said list.
- Prepare an affidavit signed by the Company Secretary of the company, if any and not less than two directors of the company, one of whom shall be managing director, if any, to the effect that they have made a full enquiry into the affairs of the company, and having done so, they have formed an opinion that the list of creditors is correct, and that the estimated value as given in the list are proper and that there are no other debts or claims against the company to their knowledge.

[NOTE:-A duly authenticated copy of the list of creditors shall be kept at the registered office of the company and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of a sum not exceeding Rs. 10/- per page.]

9) List of **Employees**:

- Prepare a list of employees upto the latest practicable date, preceding the date of filing the application to Central Government but not exceeding more than one month.

- b) Prepare an affidavit signed by the Company Secretary of the company, if any and not less than two directors of the company, one of whom shall be managing director, if any, to the effect that no employee shall be retrenched as a consequence of shifting of registered office from one state to another.

II. FILING OF FORM INC 23 ALONG WITH ATTACHMENTS

- 10) Application to be made to the Central Government (Regional Director) in **Form INC**

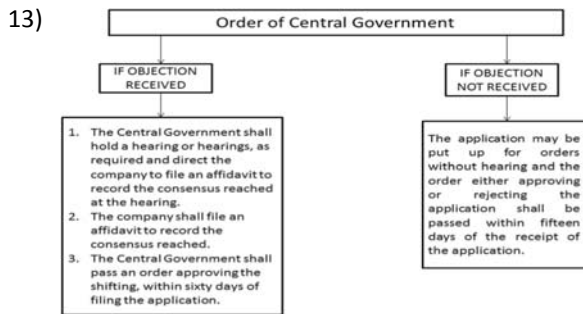
23(Rule 30) within 30 days of making the public announcement seeking approval for the alteration of Memorandum of Association with regard to shifting of the registered office of the company from one state to another along with the prescribed fees and shall be accompanied by the following documents:-

[NOTE: A copy of the application with complete annexures is to be served to the Registrar and Chief Secretary of the State Government or Union Territory]

Sl No.	Particulars	Remarks
1	A copy of the Altered Memorandum And Articles Of Association	The domicile clause should be altered stating the new location of the registered office
2	Certified True Copy of Board Resolution.	On the letter head of the Company.
3	A copy of the Notice Convening The General Meeting along with relevant Explanatory Statement	Refer point 1 above
4	A copy of the Special Resolution sanctioning the alteration by the members of the company; (if possible supported by Attendance sheet)	Refer point 2 above
5	A copy of the Minutes of the General Meeting at which the resolution authorizing such alteration was passed, giving details of the number of votes cast in favor or against the resolution..	Refer point 2 above
6	Form MGT-14 along with paid challan.	Refer point 3 above
7	Copy of News Paper Advertisement (in Form INC 26)	Refer point 4 above
8	Affidavit verifying the Publication of News Paper Notice.	
9	Copy of Speed post of service of notice regarding the shifting of registered office to creditors, debenture holders, SEBI and other regulatory authorities.	Refer points 5 and 6 above
10	The List of Creditors and Debenture Holders entitled to object to the application	Refer point 8(a) above
11	An Affidavit Verifying The List of Creditors; (On Stamp Paper duly notarized)	Refer point 8(b) above
12	A list of Employees.	Refer point 9(a) above
13	Affidavit verifying non-retrenchment of employees. (On Stamp Paper duly notarized)	Refer point 9(b) above
14	Copy of the latest audited balance sheet and profit and loss account of the company along with auditors' and directors' report.	
15	Board resolution authorizing the director to submit the petition.	
16	Memorandum of Appearance and Board resolution authorizing company secretary / Chartered Accountant or advocate.	
17	The document relating to payment of application fee	
18	Acknowledgement of service of a copy of the application with complete annexures served to the Registrar and Chief Secretary of the State Government or Union Territory.	
19	Affidavit proving the dispatch and service of notice to the Chief Secretary.	
20	Affidavit from Director that there is no enquiry, inspection, investigation and prosecution is pending against the Company. (On Stamp Paper duly notarized)	
21	Affidavit Verifying the application (On Stamp Paper duly notarized)	

III. STEPS POST FILING THE FORM INC 23

- 11) The Regional Director shall make an order subject to such terms and conditions and cost as it deems fit.
- 12) Post filing of application a hearing shall take place at the office of the Regional Director where representation should be made either by the company or practicing professional or advocate. The creditors, if any and the representatives of the company may also represent and are heard before making any order.



- 14) Obtain certified copies of the order confirming the shifting of registered office from one state to another, passed by the Central Government.
- 15) The certified copy of the order of the Central Government, approving the alteration of the memorandum for transfer of the registered office of the company from one state to another, shall be filed in **Form INC 28** along with the prescribed fees with the Registrar of the state within 30 days of the receipt of the certified copy of the order. **[Section 13(7) of the Act and Rule 31 of the Rules]**
- 16) File **E-Form INC 22 [Rule 25 of the Rules]** along with the prescribed fees with the Registrar **within 30 days** of confirmation of shifting by Central Government along with following documents:-
 - i. the registered document of the title of the premises of the registered office in the name of the company; or
 - ii. the notarized copy of lease or rent agreement in the name of the company along with a copy of rent paid receipt not older than one month;
 - iii. the authorization from the owner or authorized occupant of the premises along with proof of ownership or occupancy authorization, to use the premises by the company as its registered office; and
 - iv. proof of evidence of any utility service like telephone, gas, electricity, etc. depicting the

address of the premises in the name of the owner or document, as the case may be, which is not older than two months.

If documents are in order, new Certificate of incorporation shall be issued by the Registrar of the state in whose jurisdiction the registered office has shifted to, within 30 days.

IV. ACTIONS TO BE TAKEN POST OBTAINING THE NEW CERTIFICATE OF INCORPORATION:-

- Make alteration in the MOA with respect to the state in every copy of Memorandum.
- Each stationery, banner, signboard, bills, invoice etc. should show the new address and necessary advice should be sent to shareholders, debenture holders, and other concerned parties.
- Necessary changes are required to be made in the letter heads, books, records etc. of the company. The necessary changes are required to be made in PAN, TAN and ST2 etc and inform to all the Government departments, banks, customers and others wherever required.

FAQs :

1. What to do if I receive a show cause notice (SCN) for not complying under section 12(1)?

The company must ensure that the registered office is functional at all times. The Registrar of Companies (ROC) may send correspondences to the company. In case any letter or document goes undelivered then the Department may issue a Show Cause Notice (SCN) regarding maintenance of registered office. In case of issue of any SCN the company shall have to go for adjudication.

2. What are the compliances for shifting of registered office of an NBFC Company?

In case of a NBFC company a No Objection Certificate (NOC) is required from the Reserve Bank of India (RBI). Any non-compliance is to be first complied with and only then can the company proceed with shifting.

Summary of Forms:

Sl. No.	Form	Section/Rule	Particulars
1	MGT 14	Section 117(1)	Filing of Special Resolution with ROC
2	INC 26	Section 13(4) Rule 30	Advertisement in News paper
3	INC 23	Section 13(4) Rule 30	Petition to the Central Government
4	INC 28	Section 13(7) Rule 31	Filing of Central Government's Order with ROC
5	INC 22	Section 12(4) Rule 27	Filing details of new registered office with the new ROC.



Rahul Parasrampur

Introduction to Initiation of Pre-Packaged Insolvency Resolution Process

Given the unprecedented shock of COVID-19 pandemic, The Insolvency and Bankruptcy Board of India has introduced on 4th April the IBC (Amendment) Ordinance, 2021 which provides for a pre-packaged insolvency resolution process for MSMEs to further the objectives of the IBC as enumerated in its Preamble i.e., to maximize the value of the debtor's assets, promote entrepreneurship, and the availability of credit and balance the interests of all the stakeholders involved in the resolution process.

Pre-packaged process allows a distressed company to negotiate a plan with its creditors and a purchaser before entering formal insolvency proceedings. By allowing the terms of a plan to be negotiated before formal proceedings, pre-packs provide a quick and discreet way of completing the insolvency resolution process.

The ILC sub-committee responsible for the proposed pre-packaged process believed in three principles on which the Pre-Packaged Insolvency Resolution Process is based on:

1. The basic structure of IBC, 2016 be retained.
2. There should not be any compromise of rights of any party.
3. There must be adequate checks and balances to prevent abuse.

Further, the ILC also identified three basic features which showcase what the basic structure of the Code entails:

1. Creditor in Control
2. Moratorium during resolution
3. Binding Nature of an approved resolution plan

Expected Benefits :

- PPIRP will alleviate the distress faced by MSMEs due to the

impact of the pandemic & the unique nature of their business, duly recognizing their importance in the economy.

- It will provide an efficient alternative insolvency resolution framework for corporate persons classified as MSMEs for timely, efficient & cost-effective resolution of distress thereby ensuring positive signal to debt market, employment preservation, ease of doing business and preservation of enterprise capital.
- There will be lesser burden on Adjudicating Authority, assured continuity of business operations for corporate debtor (CD), less process costs & maximum assets realization for financial creditors (FC) and assurance of continued business relation with CD and rights protection for operational Creditors (OC).

Legal Framework

The Ordinance inter alia has inserted a new Chapter-III A in the IBC 2016 to provide for making an application for initiating pre-packaged insolvency resolution process in respect of Corporate Debtor classified as MSME. It introduces Section 54A to 54P to deal with PPIRP.

The Amendment Ordinance also seeks to amend sections such as 4, 5, 11, 33, 34, 61, 65, 77, 208, 239, 240 & insert new sections such as 11A, 67A, 77A and a new chapter as III A on Pre-Packaged insolvency resolution process for MSMEs in the Code based on recommendations made by the Insolvency Law Committee (ILC).

The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Pre-

packaged Insolvency Resolution Process) Regulations, 2021 (PPIRP Regulations) and Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Rules 2021 to enable operationalisation of PPIRP.

The PPIRP Regulations detail the Forms that stakeholders are required to use, and the manner of carrying out various tasks by them as part of the PPIRP. These provide details and manner relating to: (a) Eligibility to act as resolution professional, and his terms of appointment; (b) Eligibility of registered valuers and other professionals; (c) Identification and selection of authorised representative; (d) Public announcement and claims of stakeholders; (e) Information memorandum; (f) Meetings of the creditors and committee of creditors; (g) Invitation for resolution plans; (h) Competition between the base resolution plan and the best resolution plan; (i) Evaluation and consideration of resolution plans; (j) Vesting management of corporate debtor with resolution professional; (k) Termination of PPIRP.

Eligibility of Corporate debtors for pre-packaged insolvency resolution process - Section 54A

Corporate Debtor must be MSME as per sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006.

An application for initiating pre-packaged insolvency resolution process may be made in respect of a corporate debtor under Chapter III-A of the Code, who commits a Default as per Section 4 of the I&B Code i.e., ten lakh rupees as the minimum amount of default, subject to the condition that:

- No PPIRP and CIRP during the previous 3 years ;
- Not undergoing CIRP
- No order of Liquidation passed u/s 33 of the I & B Code
- Corporate Debtor is eligible to submit resolution plan u/s 29A
- FC (other than related parties) and have not less than ten percent of the value of the total financial debts of such creditors may proposed the name of Insolvency Professional
- Approval of Insolvency Professional and Approval for filing an application for PPIRP is required by at least 66% of the Financial Creditor in value
- Majority of the Board members to declare in Form P6 that CD shall file an Application for initiating PPIRP within Stipulated time, the application is not being initiated to defraud creditors and name of the IP as approved by the Creditors
- Special resolution is passed or 3/4th Majority approves the filing of an application for PPIRP

Duties of Resolution professional with respect to PPIRP (Section 54B & F)

The duties of RP will commence from the date of its confirmation by the creditors u/s 54A(2)e and starts with preparation of report in Form P8 to confirm the requirements of Section 54A and also confirms that the Base Plan meet the requirement as specified in Section 54K

Resolution Professional shall conduct the PPIRP of CD during the Process period. Other duties of the RP includes confirm the list of claims submitted by the corporate debtor under section 54G, inform creditors regarding their claims, maintain an updated list of claims, monitor management of the affairs of the corporate debtor; inform the committee of creditors in the event of breach of any of the obligations of the Board of Directors or partners, constitute the committee of creditors and convene and attend all its meetings; prepare the information memorandum on the basis of the preliminary information memorandum submitted under section 54G, to file application for avoidance transactions

Filing of Application (Section 54C)

Corporate applicant may file an application in Form 1 with AA for initiating pre-packaged insolvency resolution process along with the declaration, special resolution and the approval of financial creditors for initiating PPIRP, the name and written consent (FORM P1)of the insolvency professional proposed to be appointed as resolution professional, declaration regarding the existence of any avoidance transaction , information relating to books of account of the corporate debtor and such other documents relating to such period as may be specified.

The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order either admit the application, if it is complete; or reject the application, if it is incomplete: applicant to rectify the defect in the application within seven days from the date of receipt of notice from the Adjudicating Authority

Where an application filed under section 54C for initiation of PPIRP is pending, the Adjudicating Authority shall pass an order to admit or reject such application, before considering any application filed under section 7 or section 9 or section 10 during the pendency of such application under section 54C, in respect of the same corporate debtor.

Notwithstanding anything contained in sections 7, 9 and 10, the Adjudicating Authority shall first dispose of the application under section 54C, where an application under section 54C is filed within fourteen days of filing of any application under section 7 or section 9 or section 10 or is filed after fourteen days of the filing of any application under section 7 or section 9 or section 10, in respect of the same corporate debtor

Time Limit for PPIRP (Section 54D)

PPIRP Shall be completed within a period of one hundred and twenty days from the pre-packaged insolvency commencement date.

RP to submit the resolution plan with AA duly approved by COC within a period of ninety days from the pre-packaged insolvency commencement date.

Termination of PPIRP will happen where no resolution plan is approved by COC within the stipulated time period.

Moratorium and Public Announcement (Section 54E)

Adjudicating Authority shall, on the pre-packaged insolvency commencement date, declare a moratorium as

per Section 14(3) till the date on which the prepackaged insolvency resolution process period comes to an end.

The resolution professional shall make a public announcement within two days of the commencement of the process in Form P9.

Conclusion

The present regime of IBC has laid down impeccable results including successful resolution plans and revival of industries, and the law is evolving to better accommodate all stakeholders. The PPIRP option is an effort to improve the efficacy of IBC by reducing the burden on various entities involved in the resolution process.

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Economics is politics and it can never be a science. Yet the dominant neoclassical school of economics succeeded in changing the name of the discipline from the traditional 'political economy' to 'economics' at the turn of the 20th Century. The Neoclassical school wanted economics to become a pure science, shorn of political (and thus ethical) dimensions that involve subjective value judgments. This change was a political move in and of itself.



India began to undertake bold economic reforms in June 1991, prompted mainly by the balance of payments crisis and partly by the necessity to use domestic resources more efficiently. The balance of payments crisis was aggravated by an unmanageable fiscal imbalance. With the plan of liberalising the economy and for quickening its rate of economic growth, The Narasimha Rao Government in 1991 started the economic reforms in order to rebuild internal and external faith in the Indian economy.



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Practical Difficulties in the Merger of Limited Liability Partnership

Introduction

The introduction of the concept of the Limited Liability Partnership through Limited Liability Partnership Act, 2008 has proved to be a boon to the modern Indian economic scenario. It has paved ways for a far more organised form of business than a traditional Partnership with lower administrative compliances unlike a company registered under the Companies Act, 1956 or 2013.

The Limited Liability Partnership (LLP) has helped in bringing the small scale industries and service sector enterprises such as lawyers, chartered accountants etc which were previously constituted as partnership firms, within the ambit of the organised business sector.

The advantages of Limited Liability Partnership form of business are widely known and have been discussed at various platforms since its inception and consequently it has gained popularity in the last few years. However, the provisions relating to restructuring involving LLP, i.e. the merger of an LLP with another LLP or company is faced with a lot of difficulties in current practical scenario and needs to be addressed from various statutory points of views to bring uniformity in interpretation and clarity in dealing such situations.

Provisions relating to merger of LLP.

A. Under LLP Act, 2008 read with LLP Rules, 2009

Section 60 to 62 under Chapter XII of the LLP Act, 2008 read with Rule 35 of the LLP Rules, 2009 contains the provisions relating to Compromise, Arrangement or Reconstruction of Limited Liability Partnerships which are identical to the provisions of Companies Act, 2013,

wherein;

Section 60 provides for merger and amalgamation of one or more LLPs through National Company Law Tribunal (Tribunal) on application of the limited liability partnership, or of any creditors or partners of the limited liability partnership or liquidator, in case the limited liability partnership is being wound up.

Section 61 provides for the power of the Tribunal to enforce compromise and arrangement ordered under section 60 or to make such modification in the compromise or arrangement as it may consider necessary for the proper working of the compromise or arrangement.

Section 62 facilitates reconstruction or amalgamation of limited liability partnership by the Tribunal.

Rule 35 of the LLP rules, 2009 provides the procedures to be followed and forms to be filed in relation to making an application to the Tribunal for compromise, arrangement or reconstruction of limited liability partnership and the filing of order with the Registrar. Rule 35 (1) specifies that the application for an order convening a meeting of creditors or partners or creditors and partners shall be supported by an affidavit in **Form-20** along with a copy of proposed compromise or arrangement annexed as an exhibit to such affidavit.

B. Under the Companies Act, 2013 Read with National Company Law Tribunal Rules, 2016

Section 407 to 434 under Chapter XXVII (National Company Law Tribunal and Appellate Tribunal) of the Companies Act, 2013 read with National Company Law Tribunal, 2016 contains provisions

relating to the structure, functioning of and proceedings before the National Company Law Tribunal and the Appellate Tribunal.

Section 408 of the Companies Act, 2013 provides for the Constitution of National Company Law Tribunal by the Central Government to exercise and discharge such powers and functions as are, or may be, conferred on it by or under the Companies Act, 2013 or any other law for the time being in force.

[Therefore, from the interpretation of the above section it is conclusive that the National Company Law Tribunal shall also exercise and discharge such powers and functions as are conferred on it under The LLP Act, 2008 being any other law.]

Rule 34(1) under Part IV of The National Company Law Tribunal Rules, 2016 contains General procedure which provides that “In a situation not provided for in these rules, the Tribunal may, for reasons to be recorded in writing, determine the procedure in a particular case in accordance with the principles of natural justice”.

[This further confirms that the Tribunal is empowered to entertain a situation not specifically provided for in the National Company Law Tribunal Rules, 2016 to follow the principal of natural justice.]

C. Under the Income Tax Act, 1961

From the perspective of the Income Tax Act, 1961, the definition of amalgamation defines merger in the context of Companies.

As per Section 2 (1B) ‘Amalgamation’ in relation to companies, means the merger of one or more companies with another company or the merger of two or more companies to form one company (the company or companies which so merge being referred to as the amalgamating company or companies and the company with which they merge or which is formed as a result of the merger, as the amalgamated company) in such a manner that—

- (i) all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;
- (ii) all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;
- (iii) shareholders holding not less than three-fourths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by

a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation, otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company;

Further, company as defined in the Companies Act, 2013 means a company incorporated under the Companies Act, 2013 or under any previous Company Law.

It however does not deal with the situation of Merger of one or more Limited Liability Partnership (LLP) into another Limited Liability Partnership (LLP). Unlike in the case of merger of Companies, the Income Tax Act, 1961 does not contain any specific provisions providing tax relief for mergers or restructuring of LLPs. Thus there is no clarity on taxation in the hands of transferor/transferee LLP and their partners. In absence of income-tax incentives, restructuring of LLPs may not take off.

D. Valuation by Registered Valuer

In case of any compromise or arrangement under Section 230 of the Companies Act, 2013, Clause v of Sub-section 2 of the said section requires the company or any other person by whom the application is made under sub-section (1) to disclose to the Tribunal by affidavit inter-alia, a valuation report in respect of the shares and the property and all assets, tangible and intangible, movable and immovable of the company by a Registered Valuer. *However, LLP Act and Rules are completely silent on such requirement of Valuation in case of restructuring under LLP.*

E. Stamp Duty

Another important aspect in the restructuring of LLPs is the applicability of stamp duty. Most states have amended the definition of “Conveyance” to include orders passed under section 391 to section 394 of the Companies Act, 1956/ section 230 to 234 of the Companies Act, 2013, as “Conveyance,” and accordingly, the same is liable to stamp duty. In addition, it is important to note that there are concessional rates of stamp duty in many states for such court orders. However, one needs to evaluate whether the order passed in case of merger of two LLPs would also be covered under the definition of “Conveyance”. Before the amendment of the definition of “Conveyance,” there have been contrary judgments on whether the NCLT order approving merger would be subject to stamp duty. *Thus, even with regard to stamp duty, the implications for the merger of an LLP with another LLP are ambiguous.*

Conclusion

In lights of what is stated above, clarification is required from the Ministry with regard to the applicability of NCLT Rules, 2016 on the proceedings before the Tribunal relating to the restructuring involving LLP i.e. Merger of LLP with another LLP. Though Chapter XII of the LLP Act, 2008 contains provisions for Merger of LLP and the power is given to NCLT but no specific rules have been prescribed by NCLT in this respect. Further, clarity on tax and stamp law on the taxability of Merger of an LLP with LLP would be very helpful.

Analysing the various laws relating to restructuring and more particularly merger, it can be said that the Merger of LLPs is marked with a lot of inconsistencies which makes it practically difficult in execution of proceedings under Section 60-62 of the LLP Act, 2008 and rules made thereunder.

The aforementioned discussions raise the following questions that seek clarifications;

Issues in Proceeding with the Merger of LLPs

1. **Valuation** – The LLP Act, 2008 and its Rules does not contain any provision regarding the Valuation of LLPs.

Need to know (?): Whether the LLPs are exempt from obtaining Valuation Report in respect of Merger?

2. **Taxation Aspect** - Unlike the merger of Companies, the Income Tax Act, 1961 does not contain any specific provisions providing tax relief for mergers

or restructuring of LLPs. Thus there is no clarity on taxation in the hands of transferor/transferee LLP and their partners.

Need to know (?): Whether transfer of assets on amalgamation of one LLP into another LLP is exempt under the Income tax Act?

3. **E-Filing** on NCLT Portal – In the recently introduced feature of online Filing under NCLT, although the provision for making application under Section 60-62 of the LLP Act, 2008 has been given, but it does not specify LLP as such anywhere in it. The details sought are akin to an application under Companies Act, 2013. The Checklist provided in the portal refer to the Companies Act, 2013 only.

However, In light of the above discussion, the following cases has been undertaken and heard by the Honble NCLT at various Benches for merger of LLP with another LLP.

1. ALPS TRADE COM LLP and LUBSTOR TRADECOM LLP Vide LLP.A.NO 119 / KB / 2017 IN THE COURT OF Honble Member Sh Jinan K.R (J) & Sh Madan Balachandra Gosavi (J)
2. PARAMOUNT AVENUES LLP and MODI REALTY MALLAPUR LLP - CP.(CAA) No. 167 / 60 - 62 (LLP) / HDB / 2019 IN THE COURT OF Honble Member Sh Ratakonda Murali (J)
3. SMILAX REALTORS LLP and ORS – CA (CAA) No.112 / 60-62 / LLP/HDB /2020 IN THE COURT OF Honble Member K. Anantha Padmanabha Swamy (J)

* * * * *

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.



India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



CA Meetu Bansal

Stock & Receivables Audit

Introduction

Businesses adopt various finance options to meet their working capital requirements. Working capital finance against the security of hypothecation of stock and debtors is one of the most common modes of finance frequently adopted. The borrowers in such cases are expected to submit the details of stock and debtors (*generally referred as Stock Statement*) every month on the basis of which Drawing Power is calculated by the banks after reducing the prescribed margin (*varying from 15~25% in case of cash credit facility*). Stock and debtors being the primary security, bankers for ascertaining the genuineness & correctness of such Stock Statements appoint CAs to conduct Stock Audit specifically where the exposure exceeds the predetermined threshold limit. A Stock Audit Report is used to document the details or information about the existing stocks of the business that has been gathered during a Stock Audit.

Scope of Stock & Receivables Audit

The scope of the audit covers all the aspects that have a direct impact on the working capital of the unit as well as the aspects relating to Inventories that have a bearing on the bank finance. It encompasses the following aspects:

- Compliance with terms and conditions of sanction
- Physical verification of inventories
- Physical maintenance and storage of stock and adequacy of facilities at the borrowers place
- Valuation of inventories and pointing out variances.
- Valuation of obsolete / non-moving Inventories
- Age-wise categorization of inventories
- Evaluation of the Inventories management by the company encompassing systems / procedures implemented by borrower to identify the slow and non-moving stock items
- Timely & adequate submission of stock statements & other important financial information.
- Reconciliation of Inventories statements submitted with the accounting records maintained by borrowers particularly, relating to quantity, rate, value of inventories, age, marketability, etc
- Verification and evaluation of Sundry Creditors indicating separately those relating to Inventories and their relationship with bank finance.
- Method of valuation of stock, time interval for valuation and adequacy & sufficiency of procedures thereof
- Age-wise and value-wise classification of debtors
- Drawing power calculations by banks/borrower/Stock Auditor & discrepancies, if any along with the reasons
- Account operations – overdrawn, credit summation and cash withdrawals
- Determining adequacy of the Insurance Cover
- Verification of documents/ securities. Commenting upon the comparative Profitability and Inventories ratio
- Ensuring that the compliance of the terms and conditions of limit sanctioned are adhered to
- Verification of transactions with sister concerns, unsecured Loans to Directors and other related parties

- Any other matters of interest to the bank.

Steps involved in stock audit

Stock audit is necessarily required to be conducted at the borrower's place for obvious reasons. But before visiting the borrower, understanding the entity, its banking operations and financial affairs is a must. Therefore, it is advisable to visit the respective branch where the borrower is having the account so as to gather the information relating to Sanction, Account operations, Nature of business, performance of the borrower and other fundamental information along with the comments / observations noted by other auditors (like Internal Auditors, Concurrent Auditors etc) to have a brief understanding about the borrower and its financial affairs.

Documents Required From the Bank Branch Officials:

- Sanction Letter and latest renewal letter.
- Stock Statements (latest 3/6).
- Bank Statement for the last 3/6 months.
- Balance Outstanding in All Accounts with the bank.
- QMR/QMS/QIS/QPR for the last 2 quarters.
- Latest 3/6 months GST returns (this can be taken from borrower also).
- Audited Financial Statements for the last financial year ended (this can be taken from borrower also).
- Half yearly/Quarterly book debt CA certified book debt statement.
- Insurance policy copy for both primary and collateral securities (this can be taken from borrower also).
- If the major transactions with same party reflect in account statement, then relation with such party and genuineness of such transaction should be verified at party place.
- Any other document related to stock audit to conduct more effective audit or reporting.

Visit to borrower and verification of stock

Once the basic information is collected from the bank branch, a list of documents (detailed below) required for the purpose of audit is sent to the borrower. In the current scenario of Covid, most of the details are compiled based on the documents received over email. Document verification is done through the system software at borrower's office. Visit to borrower involves verification of stock and debtors, inquiry about internal control, and analysis of past results and bank operations. Although audit is related to stock and debtors only, understanding of overall financial scenario

and inquiry as to sister concerns & their businesses may also help the stock auditor to finalize the report in an effective manner.

Physical Verification of stock at factory/godown/site

Before you start stock verification you need to understand the nature of goods, especially with regard to the storage—whether stored at multiple locations, whether they are deteriorating nature etc. The process involved in manufacturing, production and ascertaining whether any part of the work is to be sent out of the entity for further processing.

- Physical verification of stock
- Factory/godown/site inspection with regard to its location, condition, rent payments (if godown on rent), maintenance etc.
- Actual counting of stock and match it with book figures) reconciliation with the book figures if there is any difference.
- Check on record— Opening stock, purchases, production, sales and closing stock.
- Age wise analysis of stock and movement of stock.
- Check abnormal increase/decrease in stock.
- One has to verify all major creditors and debtors.

Documents required from the Borrower:

- Stock position as on date of Verification.
- Trial balance or Provisional Balance Sheet as on date of Verification.
- Copy of latest Audited Balance Sheet.
- Insurance Policy (Incl. Bank Hypothecation Clause for primary as well as secondary Collateral Security).
- Figures of Purchase and Sales for last 6 months as well as for current month till date of Verification.
- Invoices of Purchases & Sales, Stock Register & other supporting Documents for verifying internal controls.
- Method of valuation followed for Inventory with detailed working.
- Copy of latest GST Returns filed.
- Break up of Sales into export and domestic.
- Details of non-moving and obsolete stock and also stock held for more than 6 months.
- ABC analysis of stocks based on the value of annual consumption of major items. (Only if Available)
- Products manufactured with details of licensed capacity, installed capacity and actual utilized capacity.

- Month wise details of purchases and sales, stock, debtors and creditors for last 6 months
- Major creditors (operational) and debtors and their transaction should be verified on random basis.

Preparation of Audit Report and discussion about audit findings

After conclusion of visits, stock audit report in the prescribed format, if available is to be prepared. In the absence of format, questionnaire prepared can itself also act as a report format. However, at the end of the questionnaire or in the covering letter itself (where auditor has to report in bank specified format) summary of major adverse findings (or points for future action) must be submitted by the auditor. Before submission of audit report, discussion about audit findings with the monitoring branch as well as borrower may be a good practice which may bring further clarity in reporting. But, it should be done depending upon the circumstances of case in hand.

Common irregularities / observations in stock audit

The common irregularities that may be observed by the CA firm during stock audit can be summarized as follows

Observations during course of Stock Audit

- Stock Book Debts statements not submitted/ submitted but not within time.
- Inadequate details viz. bifurcation of stock is not stated in the statement.
- Age wise analysis of Debtors not given / done.
- Drawing power not correctly calculated.
- QIS statements, audited accounts etc. not in records.
- All sales as per financial statements not routed through account.
- Under insurance of stock.
- Insurance expired and not renewed.
- Insurance Policy without Bank Clause.
- No coverage of all risks as per sanction.
- Wrong items / description of goods on insurance policy.
- Location of goods wrongly stated.
- All locations of stock not covered.

- Stock book not maintained/ not updated.
- Obsolete stock not excluded from stock figures submitted to bank.
- Deteriorating stock turnover ratio.
- Stock, debtors, and creditors figures submitted at the year end in stock statement and as per financial statement not matching.
- Confirmation for inventory with third party not obtained or physical verification of Inventory not done.
- Material received from third parties for job work not excluded while calculating drawing power.
- Bank hypothecation board not displayed at the stock location

Observations during course of Receivables Audit

- Existence of long pending debtors.
- Long pending debtors shown as below 90 days debts to bank.
- Increase in the average collection period of debtors.
- Dispute with debtors and pending court cases.
- Amount receivable from Sister concern considered for calculation of drawing power.
- Advances received from debtors not reported resulting into lower DP than calculated by bank.

Conclusion

Stock audit by external CA firm is one of the important tools of credit monitoring for the bank. Apart from ensuring safety of realizable security, it also helps the bank to discipline the borrower or may act as a warning signal against probable future NPA. It may aid the bank to take timely remedial measures to avoid substantial future losses. The critical and non-critical observations/findings in the Stock Audit Report highlight the weaknesses, if any in the existing monitoring system of the branch through review of accounts and compliance of audit findings. Over and above, stock audit also has the utility for the borrower. Comments about insurance inadequacies, wrong product description and locations stated in the policies, if rectified timely may save the borrower from avoidable future losses.

* * * * *

The calendar year 2020 saw an all-time high fund raising through the public equity markets at Rs 1,77,468 crore, despite being overshadowed by the pandemic. This was 116% higher than that of calendar 2019. This included IPO, QIP and OFS proceeds.

Capital Markets Update - Q4 of FY 2020-21



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Summary:

The new year 2021 has begun on a strong positive note with vaccination drives in major economies as well as in India. The COVID-19 incidence is seen receding and strong economic recovery was seen. The economic survey and union budget were presented in February and their development orientation was well received by the market.

There is a short case study of Lakshmi Vilas Bank's (LVB) merger with DBS Bank. LVB faced increasing NPAs after its focus changed from retail lending to corporate lending. The bank was merged by RBI to protect depositor interest after LVB's fund raising and M&A efforts failed. Other M&A and PE key deals include TOTAL acquiring stake in Adani Green Energy, Wipro acquiring Capco and TA Associates acquiring significant stake in OmniActive Health Technologies.

Economic Update:

Monetary Policy Committee (MPC) met in 1st week of February, 2021 and voted unanimously to leave the policy repo rate unchanged at 4 per cent. Strong economic recovery was seen in the market and most of the sectors have started registering year on year positive performance.

Table 8: Sector-Wise Corporate Performance

Select Sectors	Net Sales Growth (Y-o-Y, per cent)				Operating Profit Growth (Y-o-Y, per cent)				Net Profit Growth (Y-o-Y, per cent)			
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-20	Jun-20	Sep-20	Dec-20	Mar-20	Jun-20	Sep-20	Dec-20
IT	7.4	4.3	4.5	6.0	20.2	12.5	19.0	24.1	15.4	6.3	12.5	18.4
Refining	-5.0	-49.2	-25.2	-17.4	-170.8	-37.8	65.2	27.5	-143.5	-6.1	85.5	29.2
FMCG	0.2	-6.4	7.5	6.9	-16.7	-13.1	16.2	12.7	-20.2	-2.1	7.4	8.1
Pharmaceuticals	5.5	5.5	9.8	10.2	2.1	28.0	38.8	45.1	9.8	16.2	33.9	63.7
Steel	-18.7	-39.1	10.5	16.8	-28.9	-401.3	n.m.	n.m.	46.3	-604.3	34.2	n.m.
Auto & Auto Ancillaries	-17.2	-65.2	3.4	20.3	-55.0	-198.0	8.5	56.7	-37.5	-157.6	-11.3	50.8
Cement	-11.8	-33.4	4.6	11.2	5.3	-44.8	83.9	107.4	12.7	-36.9	70.6	111.7

Note: Excludes extraordinary items. n.m. is not meaningful.
Sources: Propress; and RBI staff calculations.

In the non-financial sector, auto, steel and cement have seen a positive performance during Q3:2020-21. Further, during the same period, companies in the information technology (IT) sector have recorded the best quarterly performance of past few years. FMCG and Pharma sectors have also recorded growth in operating margins during Q2 as well as Q3:2020-21

Economic Survey 2020-21 – Highlights:

Finance Minister Nirmala Sitharaman presented the Economic Survey 2020-21, authored by Chief Economic Adviser Krishnamurthy Subramanian and dedicated to Covid warriors, in the Parliament.

- Indian strategy of saving lives by an early intense lockdown in the Covid-19 crisis has paid off.
- Indian economy has shown a V-shaped recovery, as seen in 7.5% decline in GDP in Q2 and recovery across all key economic indicators vis-à-vis the 23.9% GDP contraction in Q1.
- India's real GDP expected to record a 11.0% growth in FY2021-22 and nominal GDP to grow by 15.4% – the highest since independence.

- India's Sovereign Credit Rating of BBB- should be higher considering the forex reserves, low foreign currency denominated debt and zero sovereign default history.
- As long as economy is growing, debt sustainability should not be a problem.
- Accommodative monetary policy has been adopted by RBI and systematic liquidity has been kept in abundance in FY21 by open market operations, LTRO and TLTRO.
- Renewed focus on Indian healthcare sector; health infra should be agile, public healthcare should be increased from 1% to 2.5-3% of GDP and a regulator should be considered for reducing information asymmetry.
- India's private sector needs to significantly ramp up investments in R&D to boost India's innovations.
- India over-regulates its economy, resulting in ineffective regulations. Solution is to simplify regulations, invest in greater supervision and increase transparency.

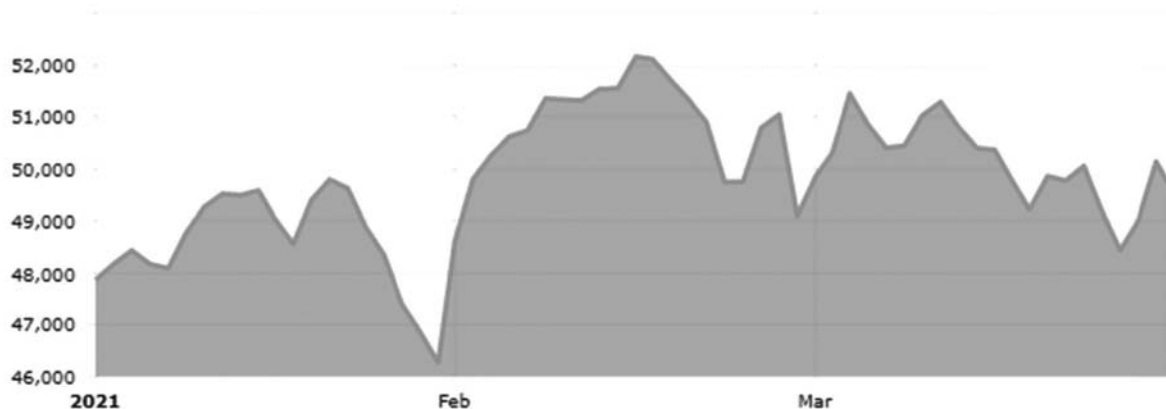
Union Budget 2021 Highlights:

Union Finance Minister Nirmala Sitharaman presented the Budget 2021-22 in February with aim to support the Indian economy hit by the coronavirus pandemic. Following are select highlights:

- Sharp increase in capital expenditure for next fiscal to Rs.5.54 lakh crore, up from Rs.4.39 lakh crore of last fiscal. Health allocations increased.
- In Income Tax, no depreciation to be allowed on goodwill from FY22. However, the amount paid for acquiring goodwill to be allowed as deduction on sale.
- Two PSU banks and one general insurance firm to be disinvested this year. IPO of LIC.
- A Bad bank; the government has decided to set up an asset reconstruction company that will take over bad loans of banks.

Trends in Secondary Markets:

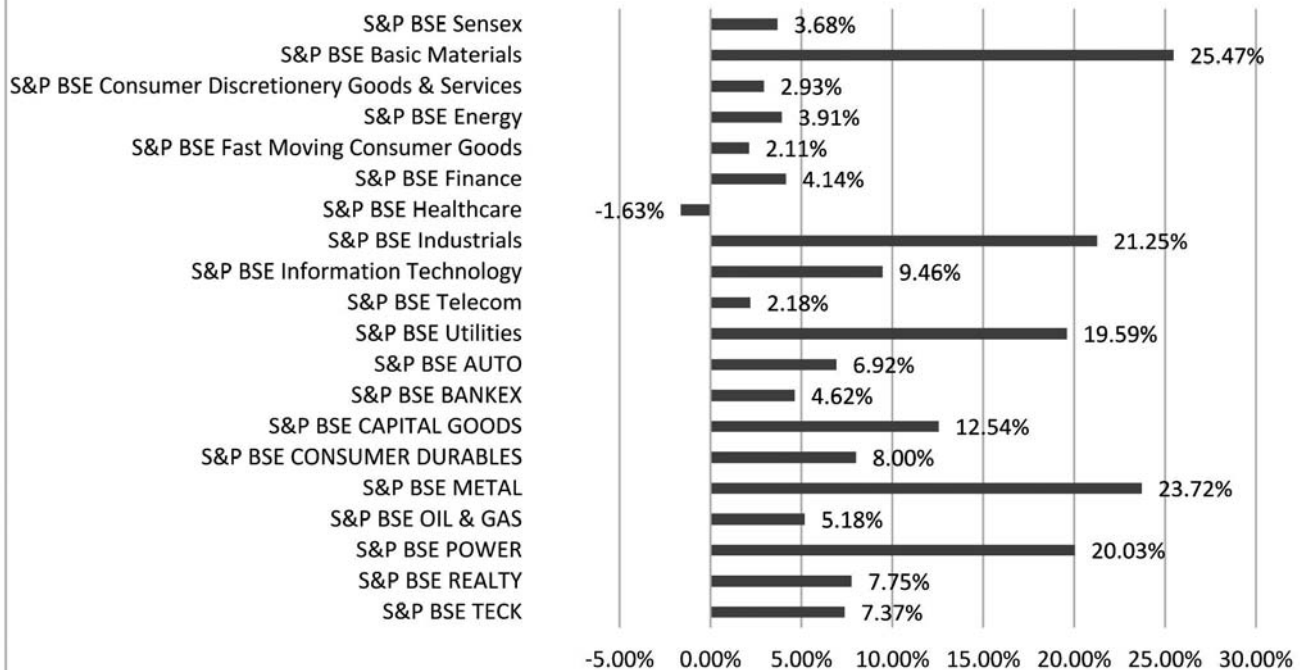
Markets continued their strong performance and went up by around 4% in Q4. Slowing of Covid19 infections, abundant liquidity, economic revival and favourable union budget were the key reasons for strong performance of market.



Equity Markets	Dec-20	Mar-21	Change%
Sensex	47,751	49,509	3.68%
Nifty 50	13,982	14,691	5.07%
BSE 500	18,300	19,602	7.11%
BSE Bankex	35,888	37,548	4.62%
BSE Consumer Durables	30,394	32,826	8.00%
BSE Healthcare	21,681	21,328	-1.63%
BSE FMCG	12,609	12,875	2.11%

Amongst the BSE sectoral indices almost all indices were good performers from Dec 2020 to March 2021. Basic Materials (25.47%) and Metal (23.72%) were the best performers during this period.

Performance of BSE Indices in % in Q4 FY 2020-21



Primary market Update:

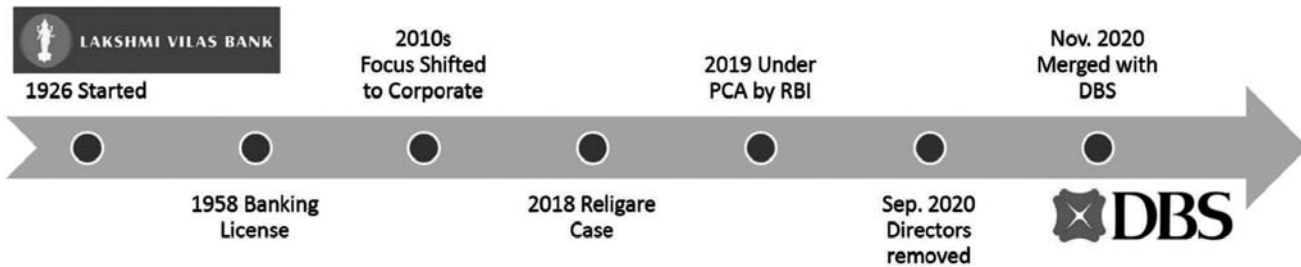
Particulars	Dec-20	Jan-21
A. Funds Mobilisation through Public Issue (I+II)	1,652.0	10,262.0
I. Equity Public Issue	1,652.0	5,015.0
a. IPOs (i+ii)	1,353.0	4,933.0
i. Main Board	1,351.0	4,933.0
ii. SME Platform	3.0	-
b. FPOs	-	-
c. Equity Rights Issue	299.0	81.0
II. Debt Public Issue	-	5,248.0
B. Funds Mobilisation through Private Placement	97,335.0	62,127.0
1. QIP/IPP	7,423.0	1,170.0
2. Preferential Allotment	1,782.0	5,333.0
3. Private Placement of Debt	88,130.0	55,624.0
Total Funds Mobilised (A+B)	98,987.0	72,389.0

Mergers & Acquisitions key deals:

Short Case Study: RBI merges Lakshmi Vilas Bank with DBS:

RBI announced a draft scheme for amalgamation of Lakshmi Vilas Bank (LVB) and DBS India Ltd (DBIL), wholly owned subsidiary of DBS Singapore in November. DBS will infuse Rs. 2500 Crore into DBIL as and when the scheme is approved. DBS is a major Singapore based bank.

The equity share value of the LVB shareholders was reduced to Nil as per the scheme of amalgamation. It read "On and from the appointed date, the transferor bank shall cease to exist by operation of the scheme, and its shares or debentures listed in any stock exchange shall stand delisted without any further action from the transferor bank, transferee bank or order from any authority,"



History:

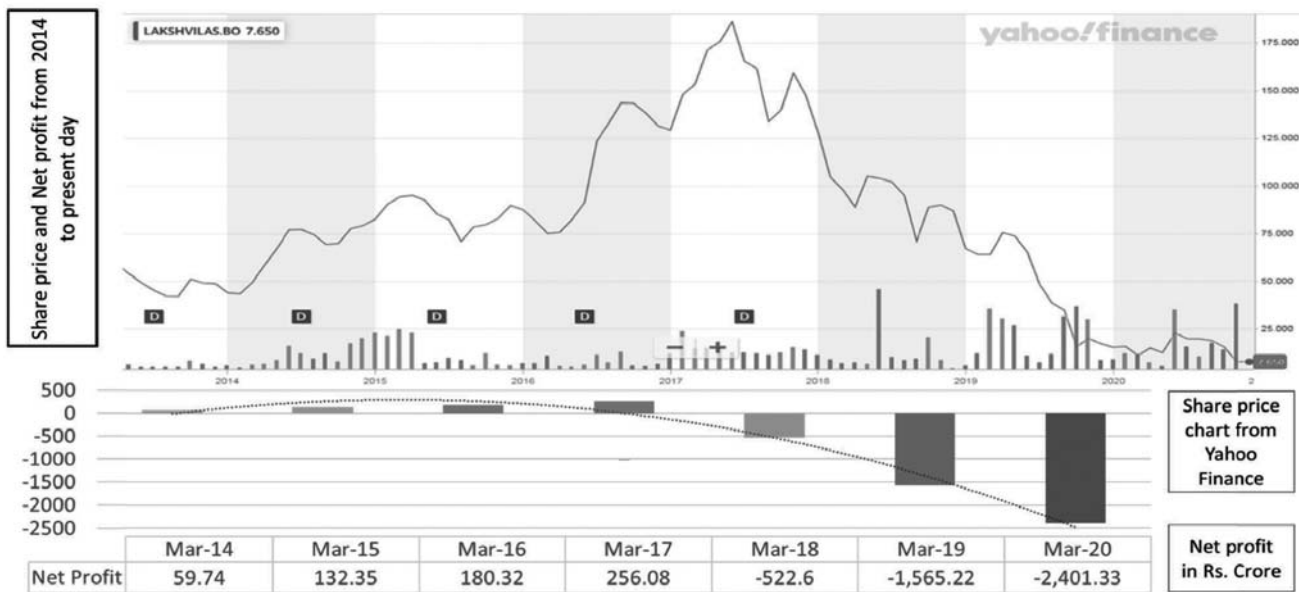
LVB was found in 1926 in Tamil Nadu by a group of businessmen under the leadership of VSN Ramalinga Chettiar to aid small businesses. They received banking license in 1958 and had over 550 branches in India at the time of takeover.

Troubles:

Bank in 2010s started focusing its attention to the large corporate book instead of small retail loans for faster growth. However, this strategy, while it gave short term gains, proved failure for the bank due to high risks associated with the corporate book.

Bank Non Performing Assets (NPAs) went steadily up and crossed 15% in FY 19. While the profits went up till FY 17 (Profit of Rs. 256 Crore), they nosedived from FY 18 (Loss of Rs. 522 Crore) and so did the share price and valuation of the company. (As can be seen in the following chart).

Further troubles came in 2018 when Religare Finvest Ltd. (RFL) accused LVB of liquidating FDs of Rs. 750 Crore and misappropriating the funds. As per the complaint, RFL had created FDs of Rs. 750 Crore with the bank to keep it free from any encumbrances. However, LVB transferred the funds to current account to set it off against dues from RHC holdings, which was earlier the parent company of RFL.



Recovery Efforts:

LVB was put in Prompt corrective action (PCA) in Sept 2019 by RBI due to continuously deteriorating liquidity position. Being in PCA meant that bank had to raise fresh funds, restrict lending, reduce NPAs and improve the Provision Coverage Ratio.

LVB started fund raising exercise to salvage the situation. It could raise equity multiple times with Rs. 168 Crore Qualified Institutional Placement (QIP) in January 2017 and Rs. 460 Crore through QIP In March 2019.

Bank had plans to raise further Rs. 1500 Crore to strengthen capital base, however that could not be managed.

LVB simultaneously also kept Mergers & Acquisitions (M&A) route open. First proposal came from India Bulls Housing Finance, which also took about 5% share of LVB on preferential basis. However, the merger of LVB and India bulls was not approved by RBI.

Bank till recently also carried out negotiations with Clix capital, but deal did not struck till late which necessitated measures from RBI.

Management Ousted:

In September 2020, in an exceptional move, the shareholders of LVB removed seven directors of bank from the company including MD S Sundar. The shareholders were unhappy with continuously deteriorating position of bank's finances and took this extreme step. After this the bank's control was effectively taken over by RBI.

RBI Action:

In November 2020, RBI announced that with rapidly deteriorating financial position of LVB relating to liquidity, capital and other critical parameters, and the absence of any credible plan for infusion of capital has necessitated RBI to take immediate action in public interest and particularly in the interest of the depositors.

Accordingly, LVB was merged with DBS. The share value of LVB shares and bonds was made Nil as per the scheme, which has been challenged by investors questioning the basis for such evaluation. Examples of Yes Bank is also cited as the Yes Bank shareholders were protected in the scheme of merger.

However, with corporate governance of LVB in question with piling up of NPAs & losses in successive quarters, the RBI move has ensured protection of depositors and employees of LVB and stability of financial system.

M&A: Wipro to acquire Capco:

Transaction:

Wipro Limited has signed an agreement to acquire the Capital Markets Company ("Capco") group, through its holding companies Cardinal US Holdings, Inc. and Cardinal Foreign Holdings S.à.r.l., and its Indian subsidiary Capco Technologies Private Limited. Purchase Consideration is US\$ 1.45 billion for 100% stake. The acquisition is subject to customary closing conditions and regulatory approvals and is expected to close by June 2021.

About Wipro Limited:

Wipro Limited is a global information technology, consulting and business process services company. It has over 190,000 dedicated employees serving clients across six continents.

About Capco:

Founded in 1998 and headquartered in London, Capco is a global management and technology consultancy firm to the global banking and financial services industry. Capco has been working in banking, capital markets, wealth, asset management and insurance sectors and has client portfolio of over 100 global organizations. Capco has over 5,000 consultants based in more than 30 global locations across 16 countries. Capco had revenue of \$700 million in FY20 with 55% revenue from North America and 41% from Europe.

Rationale:

This acquisition will strengthen Wipro's position as a consulting and IT services provider to the Banking, Financial Services and Insurance (BFSI) sector, provide access to marquee BFSI clients and create a large global financial services practice. Presently 51% of revenue of Capco comes from BFSI sector and 34% from capital markets with 10% from wealth and 5% from insurance. The merger aims to combine Capco's consulting led expertise to Wipro's technology offering. The combined entity will have revenue of \$3.2 billion from current \$2.5 billion.

M&A: TOTAL to Acquire 20% Stake in Adani Green Energy Limited:

Transaction:

Adani Promoter Group, India and TOTAL, France announce the acquisition of a 20% minority interest by TOTAL in Adani Green Energy Limited (AGEL) via the acquisition of shares held by the Adani Promoter Group in AGEL.

Earlier in 2018, TOTAL and Adani embarked on the energy partnership with investment by TOTAL in Adani Gas Limited, city gas distribution business, associated LNG terminal business and gas marketing business. TOTAL acquired 37.4% stake in

Adani Gas Limited and 50% stake in Dhamra LNG project. TOTAL and Adani agreed the acquisition of a 50% stake in a 2.35 GWac portfolio of operating solar assets owned by AGEL and a 20% stake in AGEL for a global investment of USD 2.5 Billion.

About Adani Green Energy Limited:

Adani Green Energy Limited (AGEL) is a renewable company in India, with a current project portfolio of 13,990 MW. AGEL is part of the Adani Group. The Company develops, builds, owns, operates and maintains utility-scale grid-connected solar and wind farm projects. The electricity generated is supplied to central and state government entities and government-backed corporations.

About TOTAL:

Total is a French multinational integrated oil and gas company founded in 1924. It produces and markets fuels, natural gas and electricity. Its head office is located in La Défense district in Courbevoie, west of Paris. It was declared as the 29th-largest public company in the world in the 2020 Forbes Global 2000.

Rationale:

India has set a policy target of setting up 450 GW of renewable power capacity by 2030. Adani aims to achieve 25 GW of renewable power generation by 2025 and is committed to contribute to India's COP21 goals and to the wider UNFCCC goals of sustainability.

Adani group has aggressively expanded with debt till date and this equity infusion from Total will reduce the high debt of the group.

There is a growing demand on all oil majors to curb emissions and go green. This acquisition is part of Total's target of building 35 GW of renewable energy capacity globally by 2025.

Private Equity Key Deals:**TA Associates acquires a significant stake in OmniActive Health Technologies:****Transaction:**

TA Associates, a global growth private equity firm, has acquired a significant stake in OmniActive Health Technologies, while Founder and Executive Chairman Sanjaya Mariwala has further increased his personal holding.

About OmniActive health Technologies:

Started in 2004, Omniactive Health Technologies is one of the leaders in the Nutraceutical industry. Its core products include carotenoids, plant extracts and specialty functional ingredients which provide dietary supplementation and nutritional fortification. Omniactive leverages international R&D strengths to deploy an array of state-of-the-art manufacturing technologies in extraction, purification, isolation and delivery of nutritional actives. The company's manufacturing operations are located at multiple sites in India and are cGMP and HACCP system compliant.

About TA Associates:

TA Associates is a leading global growth private equity firm. Focused on targeted sectors within five industries – technology, healthcare, financial services, consumer and business services – TA invests in profitable, growing companies with opportunities for sustained growth, and has invested in more than 500 companies around the world.

Rationale:

TA's global healthcare experience will be valuable in supporting Omniactive's next phase of growth through continued organic growth and strategic acquisitions. TA has deep capabilities and experience investing in companies focused on nutritional ingredients, and shares Omniactive's vision of bringing innovative, natural and science-based solutions to the customers and end consumers. Omniactive intends to leverage its strong management capabilities and TA's distinctive M&A sourcing engine to drive programmatic M&A and in-licensing to continuously deliver innovation to its customers.

TA Associates commented that it expects strong growth in nutritional ingredients space in next decade. TA associates would be counting on Omniactive's capabilities on brand building in this growing healthcare segment.

Acknowledgements: RBI Bulletin (www.bulletin.rbi.org.in), SEBI (www.sebi.gov.in), NSE (www.nseindia.com), BSE (www.bseindia.com)

Compliance Calendar

Due date	Particulars
Income Tax Act	
7th May, 2021	Deposit of Tax Deducted at Source & Tax Collected at Source for the Month of April, 2021
15th May, 2021	Quarterly Statement of TCS deposited for the Quarter Ending March 31, 2021
31st May, 2021	Quarterly Statement of TDS deposited for the Quarter Ending March 31, 2021
31st May, 2021	Due date for Furnishing of Statement of Financial Transaction u/s 285BA in respect of FY 2020-21
7th June, 2021	Deposit of Tax Deducted at Source & Tax Collected at Source for the Month of May, 2021
15th June, 2021	First instalment of Advance Tax for Assessment Year 2022-23
15th June, 2021	TDS Certificate-Form 16 to employees (in respect of salary paid) for AY 2021-22
15th June, 2021	Quarterly TDS certificate (other than salary) for the Quarter Ending March 31, 2021
7th July, 2021	Deposit of Tax Deducted at Source & Tax Collected at Source for the Month of June, 2021
15th July, 2021	Quarterly Statement of TCS deposited for the Quarter Ending June 30, 2021
30th July, 2021	Quarterly TCS Certificate for the Quarter Ending June 30, 2021
31st July, 2021	Quarterly Statement of TDS deposited for the Quarter Ending June 30, 2021
31st July, 2021	Due date for filing of Income Tax Return (ITR) for AY 2021-22 for all Assesseees other than (i) Corporate Assessee or (ii) Non-Corporate Assessee who is liable to get his accounts audited or (iii) Assessee who has entered into an international or specified domestic transaction
Goods & Services Tax Act	
11th May, 2021	Monthly Filers - GSTR-1 for the Month of April, 2021
13th May, 2021	QRMP Filers - IFF (Optional) for the Month of April, 2021
20th May, 2021	Monthly Filers - GSTR 3B for the month of April, 2021
25th May, 2021	QRMP Filers - GST Challan Payment for the Month of April, 2021
11th June, 2021	Monthly Filers - GSTR-1 for the Month of May, 2021
13th June, 2021	QRMP Filers - IFF (Optional) for the Month of May, 2021
20th June, 2021	Monthly Filers - GSTR 3B for the month of May, 2021
25th June, 2021	QRMP Filers - GST Challan Payment for the Month of May, 2021
11th July, 2021	Monthly Filers - GSTR-1 for the Month of June, 2021
13th July, 2021	QRMP Filers - GSTR-1 for the Quarter of April to June, 2021
18th July, 2021	GST CMP-08 for the Quarter April to June, 2021
20th July, 2021	Monthly Filers - GSTR 3B for the month of June, 2021
22nd July, 2021	QRMP Filers - GSTR 3B for the Quarter April to June, 2021- (Group A: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep)
24th July, 2021	QRMP Filers - GSTR 3B for the Quarter April to June, 2021- (Group B: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi)



APPLICATION FORM FOR MEMBERSHIP



ASSOCIATION OF CORPORATE ADVISERS & EXECUTIVES

(Registered under the Societies Registration Act, 1860)

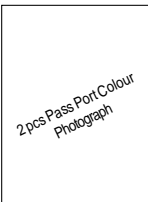
An ISO 9001 : 2015 Certified Organisation

6, Lyons Range 3rd Floor, Unit - 2, Kolkata - 700 001

Phone : +91-33-2210-7724 • Telefax : +91-33-4060-8353

E-mail : info@acaekolkata.org • Website : www.acaeekolkata.org

GSTIN : 19AAATA7029F1ZV



APPLICATION FORM FOR MEMBERSHIP

To
The General Secretary,
Association of Corporate Advisers & Executives
6, Lyons Range, 3rd Floor, Unit - 2
Kolkata - 700 001

FOR OFFICE USE ONLY	
Date of Receipt	_____
Membership Approved on	_____
Membership No. Allotted	_____
Chairperson <i>Membership Development Sub-Committee</i> <i>General Secretary</i>	

Dear Sir,
Please **ENROL** me/us as a **LIFE/GENERAL MEMBER** of the Association. I/We agree to abide by the Memorandum and Rules & Regulations of the Association.

- Name in Full (IN BLOCK LETTERS) : _____
- Father's Name : _____
- Date of Birth : _____
- Academic and/or Professional Qualifications : _____
- Occupation : _____
- Name of the Concern with which associated : _____
- GSTIN : _____
- Designation : _____
- CA/CS/ICWAI Membership No. : _____
- Blood Group : _____ (Self) _____ (Spouse)
- Date of Marriage : _____ Name of Spouse _____
- Office Address : _____
- Resident Address : _____

14. Telephone (Nos.) : (Off.) : _____ (Resi.) : _____ Fax : _____
Mobile : _____ E-mail : _____

15. Address where Circular etc. should be sent : Office Residence
I am/We are sending herewith Rs. _____ (Rupees _____)
by Cash/Cheque No. _____ Dated _____ Drawn on _____
towards Life Membership General Membership.

Place : _____
Date : _____ Signature of the Applicant

Proposed By: Name : _____
ACAe Membership No. : _____ Signature : _____

Seconded By: Name : _____
ACAe Membership No. : _____ Signature : _____

- NOTES:**
- Fee for Life Membership Rs. 11,800/- (for individuals only) (inclusive of GST)
 - Fee for General Membership :
 - Annual Subscription Rs. 8850/- and Admission fees Rs. 8850/- (For Firm and Body Corporate) (inclusive of GST)
 - Annual Subscription Rs. 1770/- and Admission fees Rs. 1770/- (for individual) (inclusive of GST)
 - Annual Subscription will be half, if Membership Commences after 30th September of the year in which the membership is approved.
 - Cheques should be drawn in favour of **Association of Corporate Advisers & Executives**.

Activities at a Glance ...

Sl.No.	Date	Topics & Speaker
1.0	28.01.2021 & 29.01.2021 (Virtual)	Goods & Services Tax (GST Conclave). Theme : GST Transforming Businesses. Day 1 – Inaugural Session : Chief Guest – Ms. Zainab Sayeed, IRS, Deputy Commissioner, CGST & CX Kolkata South Commissionerate. 1st Technical Session : GST and Ease of Doing Business (EODB). Speaker : CA Pratik Jain, Partner, PwC, Mumbai. 2nd Technical Session : GST and Seamless Input Tax Credit (ITC). Speaker : CA M S Mani, Partner, Deloitte, Mumbai. Day 2 – Inaugural Session : Chief Guest – Shri D P Karanam, IAS, Commissioner State Tax, West Bengal. 3rd Technical Session : GST and Audits and Assessments. Speaker : CA V S Datey, Renowned Author, Pune and CA Ashok Batra, New Delhi. 4th Technical Session : GST and Litigation. Speaker : Adv Abhishek A Rastogi, Partner, Khaitan & Co., Mumbai. CA Tarun Kr Gupta, Chairman – GST Conclave Committee.
2.0	01.02.2021 (ACAE Emami Conference Hall)	Watch Live Telecast of Union Budget – 2021 with Panel Discussions. Panelists : CA S S Gupta – Direct Tax. CA Arun Kr Agarwal – Indirect Tax.
3.0	03.02.2021 (Virtual)	Group Discussion on QRMP Scheme and Recent Changes in GST. Initiator : CS Payal Kataria, Delhi. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
4.0	04.02.2021 (Virtual)	Seminar on Union Budget – 2021. Speakers : CA (Dr.) Girish Ahuja, Delhi – Direct Tax; CA A Jatin Christopher, Bengaluru – Indirect Tax; CA Vikram Kotak, Mumbai – Capital Market; Mr. Atul Tantia, Kolkata – Macro Economic Outlook.
5.0	10.02.2021 (Virtual)	Group Discussion on Recent Amendments in GST and Companies Act. Initiators : CA Sahib Singh Choudhary, Kolkata and CA Mayur Agrawal, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
6.0	13.02.2021 (Virtual)	Programme for Young Professionals, Articles/Students. The Focus of the Session : Selection of career post qualification. Speakers : Mr. Rajeev Poddar – Youth Motivation; CA Satish Jalan – What it takes to be a great leader; CA Sruthi PS – Life after – CA. CA Pramod Dayal Rungta, Chairman – Students Development Sub-Committee.
7.0	17.02.2021 (Virtual)	Group Discussion on Proposed Amendments in Income-Tax. Initiator : CA Ayush Goel, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
8.0	18.02.2021 (Virtual)	Lecture Meeting on Section 148, 148A and 149 of the Income-Tax Act, 1961 – Proposed Changes as per Finance Bill 2021. Speaker : Advocate Kapil Goel, New Delhi. CA R R Modi, Chairman – Direct Tax Sub-Committee.
9.0	20.02.2021 (Virtual)	Lecture Meeting on Practical Aspects of Banking Laws relating to SARFAESI Act, Recovery of Debts and Bankruptcy Act 1993, Insolvency and Bankruptcy Code 2016, Criminal Liability and Borrowers, Wilful Defaulters, Relevance of RBI Circulars about Banking, One-time settlement with Banks and General Management of Stressed Assets. Guest of Honour & Keynote Speaker : Hon'ble Justice Sri Anil Kumar Chaturvedi, Presiding Officer in DRT – III, Kolkata; Additional Charge of DRT, Patna; Additional Charge of DRT – I, Kolkata. Guest Speaker : Sri Ashok Kumar Dhandhanian, President : Calcutta Bar Association; President : DRT Bar Association, Kolkata. CA Hari Ram Agarwal, Chairman – Banking and Finance Sub-Committee.
10.0	23.02.2021 (Virtual)	Lecture Meeting on Valuation - organized by EIRC-ICAI in collaboration with ACAE. Overview of Valuation – Speaker : CA Debayan Patra, Treasurer, EIRC of ICAI; Valuation of Private Companies – Speaker : CA Vikas Goel; The essential contents of Valuation Reports for compliance with regulatory framework – Speaker: CA Ankit Goel.
11.0	24.02.2021 (Virtual)	Group Discussion on Curtain Raiser to Forensic Accounting & Investigation Standards. Initiator : CA Shivank Chhaparia, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
12.0	26.02.2021 (Virtual)	Lecture Meeting on CSR under Companies Act, 2013 – Recent Amendments. Speakers : CS Vinod Kumar Kothari, Kolkata and CS Pammy Jaiswal, Kolkata. Corporate Restructuring – Key Considerations and Procedures covering Mergers, Demergers, Slump Sale etc. – Implications under various statutes. Speaker : CA Neha Dhanuka, Gurugram. CA Mohit Bhuteria, Chairman – Corporate Laws Sub-Committee.
13.0	03.03.2021 (Virtual)	Group Discussion on Code of Ethics. Keynote Speaker : CA Ranjeet Kr Agarwal, Central Council Member, ICAI. Initiator : CA Nitika Bagaria, Guwahati & Nagaon (Assam). CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
14.0	04.03.2021 (Virtual)	Lecture Meeting on Law on Prohibition of Benami Transactions – An Overview and Practical Aspects. Speaker : Advocate Subash Agarwal, Kolkata. CA R R Modi, Chairman – Direct Tax Sub-Committee.
15.0	06.03.2021 (The Bengal Club Ltd.)	Felicitations of CA (Dr.) Debashis Mitra on being elected as the Vice President (2021-2022) of ICAI and also felicitations of Chairman EIRC-ICAI CA Sunil Kr Sahoo and his team.

Sl.No.	Date	Topics & Speaker
16.0	08.03.2021 (ACAIE, Emami Conference Hall)	Women : the Real Architects of the World! Let's all choose to Challenge! A Panel Discussion on What Women Want. Panelists :Dr. Rajeev Agarwal, Kolkata; Ms. Jaya Seal Ghosh, Kolkata; CA Swati Singhania, Kolkata; Ms. Neha Jain, Kolkata. CA Beena Jajodia, Chairperson – Ladies Wing Sub-Committee.
17.0	10.03.2021 (Virtual)	Group Discussion on Code of Ethics – Part II. Initiator : CA Nitika Bagaria, Guwahati & Nagaon (Assam). CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
18.0	14.03.2021 (The Space Circle, Kolkata)	9th Inter-CA Study Circle Indoor Cricket Tournament : Six team from Study Circles participated – ACAIE CA Study Circle – EIRC – Team A; ACAIE CA Study Circle – EIRC – Team B; BBD Bag CA Study Circle – EIRC; Central Kolkata CA Study Circle – EIRC; DTPA CA Study Circle – EIRC and VIP Road CA Study Circle – EIRC. CA Pramod Kr Mundra, Chairman – Sports Cub-Committee.
19.0	19.03.2021 (Virtual)	Group Discussion on E-Invoicing under GST. Initiator : CA Raman Khatuwala, Delhi. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
20.0	22.03.2021 & 23.03.2021 (Virtual)	Seminar on Bank Audit. Keynote Speaker : CA Sanjib Sanghi, Kolkata. How to Use Excel in Bank Audit – Speaker : CA D S Premnath, Hyderabad. Integrated Bank Audit using Audit Software Tools – Speaker : CA Sivaprasad, Guntur. Keynote Speaker : CA (Dr.) Debashis Mitra, Vice President, ICAI. Advances and NPA in Bank Audit – Speaker : CA Amarjit Chopra, Past President, ICAI. New LFCAR and IFC - Speaker : CA Jayesh Kala, Regional Council Member, WIRC-ICAI. CA Pramod Kr Mundra, Chairman – Accounts & Audit Sub-Committee.
21.0	25.03.2021 (Virtual)	Group Discussion on Bank Audit LFCAR. Initiator : CA Vijay Maheshwari, Bilaspur. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
22.0	31.03.2021 (Virtual)	Group Discussion on How to raise E-Invoicing in Tally. Initiator : Shri Gautam Chakraborty, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
23.0	01.04.2021 (Virtual)	VCM on Accounting and Auditing. Common Errors in Financial Statement – Speaker : CA Aniket Sunil Talati, Central Council Member, ICAI, Ahmedabad. Overview of Accounting Standard and Standard on Auditing – Speaker : CA Pramod Jain, Central Council Member, ICAI, Delhi. CA Pramod Kr Mundra, Chairman, Accounts & Audit Sub-Committee.
24.0	03.04.2021 (Virtual)	VCM on Goods and Services Tax (GST). Enquiries and Audit under the Service Tax regime – Speaker : CA Sushil Kr Goyal, Central Council Member, ICAI. Issues under Valuation in GST – Speaker : CA Abhay Desai, Eminent GST Expert, Vadodara. CA Shivani Shah, Chairperson – GST/Indirect Tax Sub-Committee.
25.0	07.04.2021 (Virtual)	Virtual Group Discussion on Section 148, 148A and other Major Amendments in Income Tax. Initiator : CA Sushil Kr Pransukhka, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
26.0	10.04.2021 (Virtual)	VCM on IBC – Overview on the Prepackaged Resolution Process for MSMEs (under the INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ORDINANCE 2021). Speaker : IP Shri Ashish Makhija, Mumbai. CA Sumit Binani, Chairperson – Insolvency and Bankruptcy Code Committee.
27.0	13.04.2021 (Virtual)	Prepare for Digital Future – Every Tuesday & Friday starting on 13th April, 2021. Total Course Duration : 50 Hours. Course Structure : Prepare yourself for Digital Future – Digital Transformation – A Necessity, Digital Practice – Way Forward & many more; Going Digital – Going Paperless, Getting Desktop Application on Cloud, Work Management, Online Team Management, Cloud Accounting using ZOHO Books & many more; Daily Time Saver using MS Word, MS-Excel, MS-PPT & many more; Automate your Work using Macros & Power Query, G Suite, Google Intra Site & many more; Compliance – GST Compliance at the click of Button, Audit Automation, CAAT using idea & many more; Client Reporting – MIS Reporting using Excel, Power BI. Google Data Studio & many more and Grow your Firm- Creating Websites & Blogs, Special Media Marketing, Top 25 Tools to Digitize your Firm & many more. CA Sanjib Sanghi, Chairman - Digital Transformation Sub-Committee.
28.0	15.04.2021 (Virtual)	Virtual Group Discussion on Major Amendments in Taxation of NGO and Charitable Institutions and How to fill up Registration Form for Charitable Trust. Initiators : CA Ramesh Kr Patodia, Kolkata and CA Ayush Goel, Kolkata. . CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
29.0	17.04.2021 (Virtual)	VCM on Overview of Various Allied Laws vis-à-vis IBC. Speaker : Shri K R Jinan, Former Hon'ble Member (Judicial), NCLT Kolkata Bench. CA Kamal Nayan Jain, Chairman – Allied Laws Committee.
30.0	21.04.2021 (Virtual)	Virtual Group Discussion on CARO 2020, CFSS Form Filing and other related issues with Audit. Initiator : CA Mayur Agrawal, Kolkata. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
31.0	28.04.2021 (Virtual)	Virtual Group Discussion on How to Conduct an Audit Effectively using various features in Tally. Initiator : CA Prabesh Agarwal, Guwahati. CA Vikash Kr Banka, Chairman – Group Discussions Sub-Committee.
32.0	29.04.2021 (Virtual)	VCM on Goods and Services Tax (GST) – Fake Invoicing under GST and How to handle Department Notices and Enquiries under GST. Speaker : Adv (CA) V Raghuraman, Bengaluru. CA Shivani Shah, Chairperson – GST/Indirect Tax Sub-Committee.

ACAE at a Glance ...



Address by Chief Guest Ms. Zainab Sayeed, IRS on Day 1 of GST Conclave held on 28th January 2021



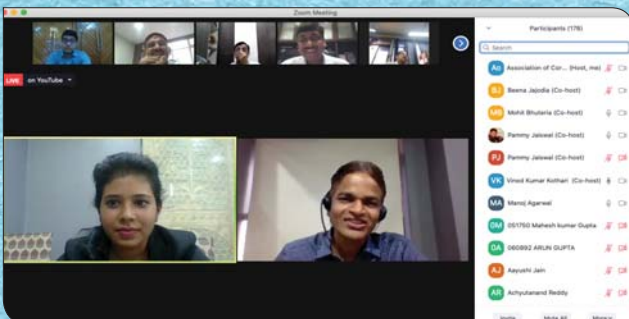
Technical Session by CA Pratik Jain on Day 1 of GST Conclave held on 28th January 2021



Address by Chief Guest Shri Devi Prasad Karanam, IAS on Day 2 of GST Conclave held on 29th January 2021



Technical Session by CA V S Datey on Day 2 of GST Conclave held on 29th January 2021



Virtual Lecture Meeting by CS Vinod Kothari & CS Pammy Jaswal on CSR under Companies Act, 2013 held on 26th February 2021



Felicitation Ceremony of CA (Dr.) Debasis Mitra on being elected as Vice President (2021-2022) of ICAI organised by ACAE at The Bengal Club Ltd on 6th March 2021



Panel Discussion on What Women Want held on the occasion of International Women's Day at ACAE, Emami Conference Hall on 8th March 2021



Inauguration of Inter-CA Study Circle Indoor Cricket Tournament held at The Space Circle Club on 14th March 2021



Winners - BBD Bag Study Circle of Inter-CA Study Circle Indoor Cricket Tournament being presented with Trophy at The Space Circle Club on 14th March 2021



Virtual CPE Meeting by CA Ashish Makhija on Overview on Pre-Packaged Insolvency Resolution Process for MSMEs held on 10th April 2021



Virtual Group Discussion initiated by CA Ramesh Kr Patodia on Major Amendments in Taxation of NGO and Charitable Institutions held on 15th April 2021



Virtual CPE Meeting by Shri K R Jinan, Former Hon'ble Member (Judicial) NCLT Kolkata Bench on Overview on Various Allied Laws vis-a-vis IBC held on 17th April 2021



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2/7, Sarat Bose Road, "Vasundhara", Unit No. - 07, 2nd Floor, Kolkata - 700 020.
Contact No.: 9836128000; +91-33-40016105. Email id: info@arsconsultants.net
Web: www.arsconsultants.net

Mumbai :

6th level, HDIL Kaledonia-A, Sahar Road, Sambhaji Nagar, Andheri East, Mumbai, Maharashtra - 400 069, Phone: 022-46125600

New Delhi:

A-36, First Floor, Rajouri Garden, New Delhi - 110 027
Ph: 011- 45565338, 45134430(8 Lines)

Bhubaneswar:

Block-B1, Flat No-202, Vaishno Monarch Apartment, Rasulgarh Ind. Estate, Bhubaneswar - 751 010. Ph:93385-03007/93385-03008

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