



LATEST NEWS ALERTS

Ministry of Corporate Affairs (MCA) has relaxed the due date of filing of AOC-4 / AOC-4(XBRL)/ AOC-4(CFS) & MGT-7/ MGT-7A till 31st Dec. 2021



Executive Summary

Income Tax

- Introduction of Form 11UE/UF to give effect the cession of indirect transfer considered u/s 9 took place before till 28th May 2012.
- Launching PM Cares Children scheme 2021.
- CBDT exempts certain class of Non-resident including foreign companies from filing of ITR.

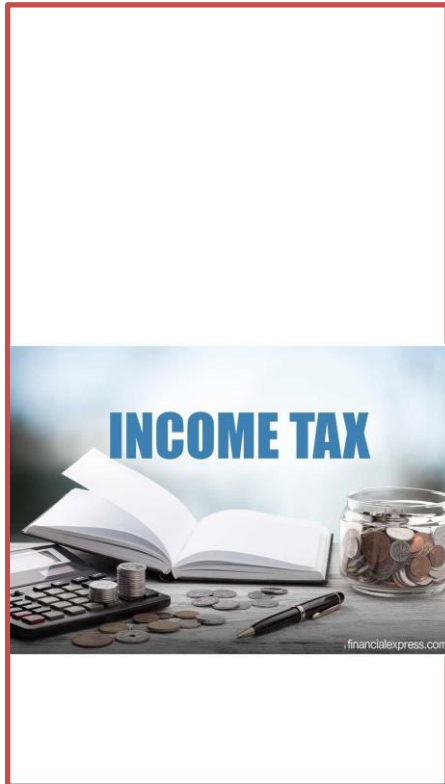
Goods & Services Tax (GST)

- Various recommendations presented under 45th GST Council meeting relating to GST rates, laws and procedure on supply of goods and services has been notified and approved through various notifications on CBIC dated 30th September 2021.
- New exemption notifications services are introduced to exempts specified services under GST.
- RCM applicability is introduced on supply of mentha oil by unregistered person to registered person.
- Custom Duty on IGST on specified medicines and vaccines used in COVID-19 exempted up to 31st December 2021 generated by the supplier having QR and IRN

Companies Act 2013/ Other Laws.

- MCA has issued a general notice on the website of MCA with an intent to Sensitize the General Public about Nidhi Companies and also released the List of Nidhi Companies.
- The Reserve Bank of India (RBI) announces Extension of Priority Sector Banks Lending to NBFCs for on Lending.
- The Reserve Bank of India announces Extension of Priority Sector Banks Lending to NBFCs for on Lending.
- T The Bombay Stock Exchange (BSE) has issue formats specifying disclosure of Corporate Governance by High-value debt listed entities.

Income Tax



➤ **CBDT vide Notification No. 118/2021, Dated 01st October 2021** inserted the Rule 11UE and Rule 11UF. Above rule was inserted to give effect the cession of indirect transfer consider under section 9 took place before till 28th May 2012.

➤ **CBDT vide Notification No. G.S.R. 723(E) [F.NO. 14/1/2019.NS (PT.I)], DATED 6-10-2021**, has launched PM Cares Children scheme 2021 for those children who had not attained the age of eighteen years, lost both parents or last surviving parent or both adopted parents or sole legal guardian to COVID-19 pandemic between period 11-3-2020 to 31-12-2021.

➤ **CBDT vide Notification No. 119/2021, Dated 11th October 2021**, has exempted certain class of person from filing of Income tax return. Such specified class of person

includes Non resident & foreign companies including those non-resident classified as eligible investor u/s 47(viiab). But such exemption will not applicable for escaped assessment u/s 147, assessment u/s 153A/C & notice u/s 142(1).

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Goods & Services Tax



➤ **CBIC vide Notification No. 06/2021 – Integrated tax (Rate) dated 30th September 2021** issues Industry wise analysis of GST rate notifications applicable from 01st October 2021 as below:

- (i) Wherever Section 12AA of Income Tax Act, 1961 is mentioned, now Section 12AB is also inserted.
- (ii) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property right (“IP right”), shall now be charged at rationalized rate of 18%.
- (iii) Services by way of job work in relation to manufacture of alcoholic liquor for human consumption shall be taxable at 18%.
- (iv) Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books (including Braille books), journals and periodicals], shall now be charged a rationalized rate of 18% instead of 12%.

(v) Services by way of admission to; (a) theme parks, water parks and any other place having joy rides, merry-go rounds, go carting, or (b) ballet, - other than anyplace covered by (iii) below chargeable at 18% and (iii) Services by way of admission to (a) casinos or race clubs or any place having casinos or race clubs or (b) sporting events like Indian Premier League chargeable at 28%.

(vi) Classification of scheme of classification of services of Multimodal Transport of goods from a place in India to another place in India has been classified under group 99654.

➤ **CBIC Vide Notification no. 07/2021- Integrated Tax (Rate) dates 30th September 2021** introduce new exemption notifications services on 12AB Charitable activities, Asian Football



federation and events organized under AFC Women's Asia Cup 2022.

- **CBIC Vide Notification no. 08/2021- Integrated Tax (Rate) dates 30th September 2021** adhere to the recommendations of 45th GST Council meeting held on 17th September 2021 and amends the rates on various services as below effective from 01st October 2022:

S. No.	Description	From	To
GST rate changes			
1.	Retro fitment kits for vehicles used by the disabled	Appl. rate	5%
2.	Tamarind seeds meant for any use other than sowing	Appl. rate	5%
3.	Medicine Keytruda for treatment of cancer	12%	5%
4.	Biodiesel supplied to OMCs for blending with Diesel	12%	5%
5.	Iron ores and concentrates, including roasted iron pyrites.	5%	18%
6.	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.	5%	12%
7.	Copper ores and concentrates.	5%	18%
8.	Nickel ores and concentrates.	5%	18%
9.	Cobalt ores and concentrates	5%	18%
10.	Aluminum ores and concentrates.	5%	18%
11.	Lead ores and concentrates.	5%	18%
12.	Zinc ores and concentrates.	5%	18%
13.	Tin ores and concentrates.	5%	18%
14.	Chromium ores and concentrates	5%	18%
15.	Following renewable energy devices and parts for their manufacture: – (a) Bio-gas plant; (b) Solar power-based devices; (c) Solar power generator; (d) Wind mills, Wind Operated Electricity Generator (WOEG); (e) Waste to energy plants / devices; (f) Solar lantern / solar lamp;	5%	12%



	<p>(g) Ocean waves/tidal waves energy devices/plants; (h) Photo voltaic cells, whether or not assembled in modules or made up into panels.</p> <p>Explanation:- If the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 [G.S.R. 690(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy percent of the gross consideration charged for all such supplies, and the remaining thirty percent of the gross consideration charged shall be deemed as value of the said taxable service.”;</p>		
16.	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard of a kind used in offices, shops or the like	12%/18%	18%
17.	Waste, Parings and Scrap, of Plastics	5%	18%
18.	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing	12%	18%
19.	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title (other than Duty Credit Scrips).	12%	18%
20.	Transfers (decalcomanias).	12%	18%
21.	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	12%	18%
22.	Calendars of any kind, printed, including calendar blocks.	12%	18%
23.	Other printed matter, including printed pictures and photographs; such as Trade advertising material, Commercial catalogues and the like, printed Posters, Commercial catalogues, Printed inlay cards, Pictures,	12%	18%

	designs and photographs, Plan and drawings for architectural engineering, industrial, commercial, topographical or similar purposes reproduced with the aid of computer or any other devices		
24.	Ball point pens; felt tipped and other porous tipped pens and markers; fountain pens; stylograph pens and other pens; duplicating stylos; pen holders, pencil holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609.	12%/18%	18%
25.	Railway parts, locomotives & other goods in Chapter 86	12%	18%
26.	Carbonated Beverages of Fruit Drink or Carbonated Beverages with Fruit Juice	18%	28%

- **CBIC Vide Notification no. 09/2021- Integrated Tax (Rate) dates 30th September 2021** clarifies that, Seeds, fruit and spores, of a kind used for “sowing” shall also be exempted.
- **CBIC Vide Notification no. 10/2021- Integrated Tax (Rate) dates 30th September 2021** notified RCM applicability on supply of mentha oil by unregistered person to registered person.
- **CBIC Vide Notification no. 11/2021- Integrated Tax (Rate) dates 30th September 2021** reduces rates of GST on Fortified Rice Kernel (Premix) supply for ICDS or similar scheme for free distribution to economically weaker sections of the society
- **CBIC Vide Notification no. 12/2021- Integrated Tax (Rate) dates 30th September 2021** Seeks to exempt IGST on specified medicines used in COVID-19, up to 31st December, 2021.
- **CBIC vide Notification no. 45/2021 – (Customs) dated 29th September 2021** Seeks to exempt COVID-19 vaccines from basic Custom duty till 31st December, 2021.
- **CBIC vide Notification no. 46/2021 – (Customs) dated 29th September 2021** Seeks to implement GST Council recommendation on IGST on imports related to Spinal Muscular Atrophy disease, etc, as well Condition No. 102 pertaining to Services.
- **CBIC vide Notification no. 47/2021 – (Customs) dated 29th September 2021** Seeks to implement GST Council recommendation on IGST on imports related to goods from Antarctica and Border haats.
- **CBIC vide Notification no. 48/2021 – (Customs) dated 29th September 2021** Seeks to reduce BCD on crude and refined soya, sunflower and palm oils till 31.03.2022.
- **CBIC vide Notification no. 49/2021 – (Customs) dated 29th September 2021** Seeks to reduce AIDC on crude soya, sunflower and palm oils till 31.03.2022.
- **CBIC vide Notification no. 50/2021 – (Customs) dated 22nd October 2021** Seeks to amend

notification No. 96/2008- Customs dated 13.08.2008 to include Sierra Leone.

- **CBIC vide Notification no. 51/2021 – (Customs) dated 22nd October 2021** Seeks to amend notification No. 25/2021 - Customs dated 31.03.2021.
- **CBIC Vide Notification No. 5/2021- Customs (CVD) dated 30th September 2021** Seeks to amend notification No. 01/2017 – Customs (CVD) dated 7th September, 2017 so as to extend the temporary revocation of the operation of the said notification up to 31st January, 2022.
- **CBIC Vide Notification No. 53/2021- Customs (ADD) dated 29th September 2021** Seeks to amend Notification No. 49/2017-Customs (ADD) dated 17th October, 2017 to extend the levy of ADD on 'Colour coated/pre-painted flat products of alloy or non-alloy steel' from China PR and EU up to 31st March, 2022.
- **CBIC Vide Notification No. 54/2021- Customs (ADD) dated 30th September 2021** Seeks to amend notification No. No. 29/2017-Customs (ADD), dated the 14th June, 2017 to extend levy of anti-dumping duty on “Glazed/Unglazed Porcelain/Vitrified tiles in polished or unpolished finish with less than 3% water absorption” from China PR up to 28th February, 2022.
- **CBIC Vide Notification No. 55/2021- Customs (ADD) dated 30th September 2021** Seeks to amend notification No. 54/2018 – Customs (ADD) dated 18th October, 2018 so as to extend the temporary revocation of the operation of the said notification up to 31st January, 2022.
- **CBIC Vide Notification No. 56/2021- Customs (ADD) dated 30th September 2021** Seeks to amend notification No. 38/2019 – Customs (ADD) dated 25th September, 2019 so as to extend the temporary revocation of the operation of the said notification up to 31st January, 2022.
- **CBIC Vide Notification No. 57/2021- Customs (ADD) dated 30th September 2021** Seeks to amend notification No. 38/2019 – Customs (ADD) dated 25th September, 2019 so as to extend the temporary revocation of the operation of the said notification up to 31st January, 2022.
- **CBIC Vide Notification No. 64/2021- Customs (ADD) dated 28th October 2021** seeks to impose anti-dumping duty on 'Seamless tubes, pipes and hollow profiles of iron, alloy or non-alloy steel (other than cast iron and stainless steel), whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14" OD' originating in or exported from China PR for a period of 5 years.
- **CBIC Vide Notification No. 63/2021- Customs (ADD) dated 22nd October 2021** Seeks to rescind Notification No. 24/2021-Customs(ADD) dated 26th April, 2021, to remove levy of ADD on Polytetrafluoroethylene originating in or imported from Korea RP.
- **CBIC Vide Notification No. 62/2021- Customs (ADD) dated 22nd October 2021** Seeks to rescind Notification No. 23/2016-Customs (ADD) dated 6th June, 2016, to remove levy of ADD on Polytetrafluoroethylene originating in or imported from Russia.

- **CBIC Vide Notification No. 61/2021- Customs (ADD) dated 20th October 2021** Seeks to rescind Notification No. 06/2016-Customs (ADD) levying ADD on Phenol originating and imported from European Union, Singapore and Korea RP.
- **CBIC Vide Notification No. 60/2021- Customs (ADD) dated 14th October 2021** Seeks to levy of ADD on “Aceto Acetyl Derivatives of aromatic or hetrocyclic compounds also known as Arylides” originating in or imported from China PR.
- **CBIC Vide Notification No. 59/2021- Customs (ADD) dated 04th October 2021** seeks to extend antidumping duty on 'ceramic tableware and glassware' originating in or exported from Malaysia, to prevent the circumvention of anti-dumping duty levied on subject goods originating in or exported from China PR vide Notification No. 4/2018- Customs (ADD) dated 21st February, 2018.
- **CBIC Vide Notification No. 58/2021- Customs (ADD) dated 01st October 2021** Seeks to extend the levy of ADD on import of Jute products originating in or exported from Bangladesh and Nepal by amending notification No. 01/2027-Customs (ADD) dated 05-01-2017.
- **CBIC Vide Notification No. 54/2021- Customs (ADD) dated 30th September 2021** Seeks to amend notification No. No. 29/2017-Customs (ADD), dated the 14th June, 2017 to extend levy of anti-dumping duty on “Glazed/Unglazed Porcelain/Vitrified tiles in polished or unpolished finish with less than 3% water absorption” from China PR up to 28th February, 2022
- **CBIC Vide Notification No. 53/2021- Customs (ADD) dated 29th September 2021 Seeks to amend** Notification No. 49/2017-Customs (ADD) dated 17th October, 2017 to extend the levy of ADD on 'Colour coated/pre-painted flat products of alloy or non-alloy steel' from China PR and EU up to 31st March, 2022.

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Companies Act, 2013

- **MCA has issued a general notice on the website of MCA with an intent to Sensitize the General Public about Nidhi Companies and also released the List of Nidhi Companies wherein eForm NDH-4 is already rejected by the Ministry.**



Amended section 406 of the Companies Act and Nidhi Rules requires all Nidhi Companies to apply to the Central Government in eForm NDH – 4 for updation of their status/declaration as Nidhi Company. While examining those applications, the MCA has noticed that those companies are not complying with the applicable provisions of the Act and rules thereunder in toto. Further, all the companies functioning as Nidhi company haven't submitted their application within the fixed time frame prescribed under Nidhi Rules and therefore have committed a violation of those rules. Till date, MCA has rejected 404 applications filed by such Companies All investors are advised to verify the antecedents/status of such a Company, before becoming its member and take an informed decision

before investing in such companies.

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Other Laws

SEBI

- **SEBI has further extended the relaxations granted to companies with regard to compliance with procedural norms on rights issues opening till March 31, 2022.**

In terms of Regulation 76 of the ICDR Regulations, an application for a rights issue shall be made only through the ASBA facility. In view of the difficulties faced due to the COVID-19 pandemic and the lockdown measures, and in order to ensure that all eligible shareholders are able to apply to rights issues during such times, the issuer shall along with lead manager(s) to the issue, the Registrar, and other recognized intermediaries institute an optional mechanism (non-cash mode only) to accept the applications of the shareholders subject to ensuring that no third-party payments shall be allowed in respect of any application. Further, the Issuer Company shall conduct a Vulnerability Test for optional mechanism, provided to accept the applications in Rights Issue (facility provided by RTA), from an independent IT Auditor, and submit the report to Stock Exchange(s). This relaxation has now been further extended and shall be applicable for rights issues opening up to March 31, 2022.

- **SEBI has released the revised formats for filing financial information by entities that have listed their non-convertible securities on stock exchanges.**

In September, the regulator had notified corporate governance rules for listed entities that have listed their debt securities. It had mandated that such entities should disclose financial results on a quarterly basis, including assets and liabilities, and cash flows. SEBI has also asked the entities to disclose reasons for delay or non-disclosure of financial results to the stock exchanges within one working day of the due date of submission of the financial results. If the entities decide to delay the results prior to the due date, they have to disclose detailed reasons for such delays to the stock exchanges within one working day of taking the decision. The regulator has provided a format for disclosure of standalone financial results on a quarterly basis and standalone and consolidated financial results on an annual basis. Besides, a format for statement of assets and liabilities on a half-yearly basis has been given and the same should contain the items mentioned in the format of the balance sheet as given under the Companies Act, 2013. Further, the format for statement of cash flows on a half-yearly basis is also provided and the same should be prepared under the indirect method in accordance with the relevant accounting standards.

- **SEBI has issued a clarification regarding the transmission of Securities to Joint Holder(s).**

SEBI has been observed in some cases that due to counterclaim/ dispute from the legal representative of one of the deceased holders of securities, the Registrars to an Issue & Share Transfer Agents (RTAs) have not affected transmission to the surviving joint holder(s). RTAs are advised to comply with provisions of the Companies Act 2013 and transmit securities in favour of surviving Joint holder(s), in the event of the demise of one or more joint holder(s), provided that there is nothing contrary to the same in

the Article of Association of the company. SEBI has issued this circular with an intent to protect the interests of investors in securities and to promote the development of, and to regulate the securities market read with Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

➤ **SEBI has issued a circular to release the revised Formats for Limited Review/ Audit Report to be submitted by entities that have listed their non-convertible securities.**

SEBI has earlier mandated entities that have listed non-convertible securities to disclose financial results on a quarterly basis, including assets & liabilities and cash flows as well as requiring certain changes in the line items in the financial results. SEBI has now notified the formats for limited review/ audit reports on financial information to be adopted by listed entities other than insurance companies. Insurance companies would disclose limited review/ audit reports as per the formalities specified by IRDAI. The formats would be applicable for limited review reports for quarterly standalone financial results for banks and NBFCs as well as entities other than banks and NBFCs. SEBI has issued the following formats for limited review/ audit reports on financial information to be adopted by listed entities, includes , Limited Review Report for quarterly standalone financial results for entities other than Banks, NBFCs; Limited Review Report for quarterly standalone financial results for Banks and NBFCs; Audit Report for quarterly standalone financial results for entities other than Banks, NBFCs; Audit Report for quarterly standalone financial results for Banks and NBFCs; Audited Annual consolidated Financial Results for entities other than Banks, NBFCs and Audited Annual consolidated Financial Results for Banks and NBFCs.

➤ **SEBI has issued a circular on streamlining issuance of SCORES Authentication for companies intending to list their securities on SEBI recognized stock exchanges.**

SEBI has issued a Circular to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. The objective of the circular is to streamline the redressal of investor grievances against companies before listing. SEBI has now introduced an online mechanism for obtaining SCORES credentials for all companies intending to list their securities on SEBI recognized stock exchanges. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, for the Companies intending to list on Main Board, a declaration that the DRHP has been submitted with SEBI. For the companies intending to list on SME/Debt Platform of stock exchange, a declaration that an application to list its securities has been submitted with the stock exchange/ in-principle approval to list its securities has been obtained from the stock exchange. The SCORES credentials shall be sent to the e-mail id of the Compliance Officer /Dealing Officer as provided in the online form. In view of the same, companies are no longer required to submit a physical copy of Form -A or e-mail the same to SEBI, as provided in Circular No. CIR/OIAE/1/2014 dated December 18, 2014.

➤ **SEBI has issued a circular to prescribe the modalities for filing placement memorandum through a Merchant Banker under SEBI (Alternative Investment Funds) Regulations, 2012.**

Accordingly, the Merchant Bankers have to independently exercise due diligence of all the disclosures in the placement memorandum, satisfy themselves with respect to veracity and adequacy of the

disclosures and provide a due diligence certificate. While filing a draft placement memorandum at the time of registration or prior to the launch of the new scheme on the SEBI intermediary portal, the due diligence certificate provided by the Merchant Banker will also be submitted along with other necessary documents. Under the SEBI norms, AIFs can launch schemes subject to the filing of a placement memorandum with the regulator through a registered Merchant Banker. AIFs are funds established or incorporated in India to pool capital from Indian and foreign investors for investing as per a pre-decided policy. Further, AIFs are required to intimate the regulator regarding any changes in terms of placement memorandum on a consolidated basis, within one month of the end of each financial year. Such an intimation will also be submitted through a merchant banker along with the due diligence certificate provided by such merchant banker, the regulator said.

➤ **The Securities and Exchange Board of India has amended the framework for Investor Grievance Redressal System and Arbitration Mechanism at stock exchanges.**

Under the new Arbitration Mechanism framework, SEBI clarified that forming an exclusive panel for appellate arbitration is not required and members can serve on both the panels - arbitration and appellate arbitration. However, the exchanges will have to ensure that in the same matter, the members of the arbitration panel are not considered for constituting the appellate arbitration panel if the matter goes to appeal. Earlier, the mechanism called for segregation of arbitration and appellate arbitration panels. Regarding the place of arbitration or appellate arbitration, in case the award amount is more than ₹50 lakh, the next level of proceedings may take place at the nearest metro city if so desired by any of the parties involved. The additional statutory cost for arbitration, if any, will be borne by the party that wants to shift the place of arbitration. In respect of the threshold limit for interim relief paid out of the Investors Protection Fund (IPF) in stock exchanges, SEBI has laid out a procedure that needs to be undertaken by the bourses in case the order is in favour of a client and the member opts for arbitration wherein the claim value admissible to the client is not over ₹20 lakh. Further, In case the grievance redressal committee (GRC) order is in favour of the client, then 50 per cent of the admissible claim value or ₹2 lakh, whichever is less, will be released to the client from IPF of the stock exchange.

➤ **SEBI has issued a circular regarding the amendment to circular pertaining to Investor Protection Fund (IPF)/Investor Service Fund (ISF) and its related matters.**

In order to align with the practices in the securities market, based on the internal deliberations/discussions, and the feedback received from the Stock Exchanges, the SEBI has decided to modify the clause pertaining to the determination of legitimate claims which shall be effective from January 01, 2022. The Stock Exchanges shall ensure that once a member has been declared defaulter, the claim(s) shall be placed before the Member Core Settlement Guarantee Fund Committee (MCSGFC, the erstwhile Defaulters' Committee) for sanction and ratification. MCSGFC's advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately. In case the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the MCSGFC is less than the claim amount then the investor will be at liberty to prefer for arbitration outside the exchange mechanism / any other legal forum outside the exchange mechanism for a claim of the balance amount.

➤ **SEBI has notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2021.**

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2021 which shall come into force on the date of their publication in the Official Gazette i.e 26-10-2021. The amendment is brought under Regulation 6(3) which deals with eligibility requirements for an initial public offer in which the following explanation has been substituted. SEBI has relaxed the framework governing the issue of shares with superior voting rights (SR shares), a move that will help new-age technology companies. The promoters who have a net worth of over Rs 1,000 crore can have superior voting rights in their companies, raising it from the current Rs 500 crore. Further, as per regulation 6(3)(v), The SR equity shares have been issued prior to the filing of draft red herring prospectus and held for a period of at least three months prior to the filing of the red herring prospectus.

➤ **SEBI has published the Securities and Exchange Board of India (Depositories and Participants) (Second Amendment) Regulations, 2021**

To further amend the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, which shall come into force on the date of their publication in the Official Gazette i.e 26-10-2021. Through this amendment, it has been notified that the issuer shall submit their audit report on a quarterly basis, to the concerned stock exchanges can now also be audited by a practicing Cost Accountant. As per Regulation 76(1) Every issuer shall submit audit report on a quarterly basis, to the concerned stock exchanges audited by a qualified Chartered Accountant or a practicing Company Secretary, or practicing Cost Accountant for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.

RBI

➤ **The Reserve Bank of India announces Extension of Priority Sector Banks Lending to NBFCs for on Lending.**

RBI, in order to increase the credit flow to certain priority sectors of the economy which contribute significantly to growth and employment, and recognizing the role, played by NBFCs in providing credit to these sectors, bank lending to registered NBFCs (other than MFIs) for on-lending to Agriculture (investment credit), Micro and Small enterprises and housing (with an increased limit) was permitted to be classified as priority sector lending up to certain limits in August 2019, which was last extended on April 07, 2021 and was valid up to September 30, 2021. However, considering the increased traction observed in delivering credit to the underserved/unserved segments of the economy, it has been decided to extend this facility till March 31, 2022. Further, the Loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier and bank loans to HFCs for on-lending for the purpose of housing will continue as hitherto.

➤ **The Reserve Bank of India has notified the revised Scale Based Regulatory Framework for Non-Banking Financial Companies (NBFCs) which shall be effective from 1st October 2022.**

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., it has been decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines. The regulatory structure for NBFCs shall comprise four layers based on their size, activity, and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC – Base Layer (NBFC-BL). NBFCs in the middle layer and upper layer shall be known as NBFC – Middle Layer (NBFC-ML) and NBFC – Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC – Top Layer (NBFC-TL). Further, it has been decided to introduce a Large Exposure Framework (LEF) for NBFCs placed in the Upper Layer. Accordingly, large exposure of an NBFC to all counterparties and groups of connected counterparties will be considered for exposure ceilings. Simplified and separate guidelines will be issued incorporating the definition of large exposure, regulatory reporting and large exposure limits. In addition to the internal limits on SSE in respect of capital market and commercial real estate.

➤ **The Ministry of Finance has notified the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2021**

To further amend the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 which shall come into force on the date of their publication in the Official Gazette i.e 12-10-2021. The Government has permitted 100% foreign direct investment (FDI) under the automatic route in the telecom services sector subject to certain conditions that all telecom services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, United Access Services, Unified license (Access services), Unified License, National/ International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), all types of ISP licenses, Voice Mail/Audiotex/UMS, Resale of IPLC, Mobile Number Portability services, Infrastructure Provider Category-I (providing dark fiber, right of way, duct space, tower), Other Service Providers and such other services as may be permitted by the Department of Telecommunications (DoT). Further, the licensing, security, and any other terms and conditions as notified by the Department of Telecommunications (DoT) from time to time, shall be observed by licensee/entities providing the above services. Accordingly, the heading “Entry Route”, is now substituted, by “Automatic” in column (4) of Schedule I of the Table.

National Company Law Tribunal

➤ **The benches of the National Company Law Tribunal (NCLT) have been reconstituted with effect from November 18, 2021.**

The benches shall hear matters of respective jurisdiction as they were hearing before at their present location from 11/10/2021 to 14/10/2021. The Tribunal has 28 benches, 6 at New Delhi (one being the principal bench) and 3 at Ahmedabad (One being the Indore Bench), 1 at Allahabad, 1 at Bengaluru, 1 at Chandigarh, 2 at Chennai, 1 at Guwahati, 3 at Hyderabad of which 1 is at Amaravathi, 1 at Cuttack, 1 at Jaipur, 1 at Kochi, 2 at Kolkata and 5 at Mumbai. Accordingly NCLT, Principal Bench shall now comprise of Shri Bhaskara Pantula Mohan, Acting President and Shri Hemant Kumar Sarangi, Member (T), and other NCLT Benches at New Delhi, in case of Court – II shall now comprise of Shri Abni Ranjan Kumar Sinha, Member (J) and Shri L. N. Gupta, Member (T), Court – III shall now comprise of Shri Bachu Venkat Balarama Das, Member (J) and Shri Narender Kumar Bhola, Member (T), Court – IV shall now

comprise of Shri. Dharminder Singh, Member (J) and Ms. Sumita Purkayastha, Member (T), Court – V shall now comprise of Shri Abni Ranjan Kumar Sinha, Member (J) and Shri Avinash K. Srivastava, Member (T) and Court – VI shall now comprise of Shri Patibandla Satyanarayana Prasad, Member and Shri Rahul Prasad Bhatnagar, Member (T). The Divisional Bench at Allahabad, Chandigarh & Jaipur shall now comprise of Shri. Rajasekhar V. K, Member (J) and Shri Virendra Kumar Gupta, Member (T), Shri Harnam Singh Thakur, Member (J) and Shri Subrata Kumar Dash, Member (T) and Shri Deep Chandra Joshi, Member (J) and Shri Raghu Nayyar, Member (T), respectively. This shall come into force w.e.f. 18.10.2021 till further order.

BSE

The Bombay Stock Exchange vide Notice dated 1st October 2021 has issue formats specifying disclosure of Corporate Governance by High-value debt listed entities.

In order to tighten the Corporate Governance related disclosure norms for high-value debt listed entities, the SEBI (Listing and Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”) vide notification dated September 07, 2021, made Regulations 15 to 27, applicable to high value debt listed entities on a ‘comply or explain’ basis until March 31, 2023 and on a mandatory basis thereafter. Considering the above notification, NSE and BSE, vide their respective circulars, have prescribed formats and requirements for the purpose of corporate governance disclosures, as applicable to such entities under Listing Regulations. The Notice clarifies that listed entities shall submit Annual Secretarial Compliance Report, Quarterly Compliance Report on Corporate Governance and Certain Parts of Schedule V of the Listing Regulations which includes Disclosures in corporate governance report as part of the annual report; Declaration by CEO on compliance of the management and directors with the code of conduct and Compliance certificate by auditors or practicing Company Secretary of corporate governance compliance. Listed entities that have listed their non-convertible debt securities and have an outstanding value of listed non-convertible debt securities of Rs. 500 Crore or more shall be referred to as ‘high-value debt listed entities’. Further, pursuant to this notification/ amendment, the said listed companies are required to submit the same in respective format w.e.f quarter ended September 30, 2021.

➤ **The Bombay Stock Exchange has issued clarification regarding RPT disclosures by listed banking companies.**

BSE circular dated 06/09/2021 required listed companies to file RPT only in XBRL mode from the half-year ended 30/09/2021. The Exchange has clarified that the listed banking companies are excluded from this requirement and XBRL submission shall not be applicable for the half-year ended September 30, 2021 and such companies are requested to continue filing the Related Party Transactions in PDF format for the said period. With a view to making the disclosure more accurate and efficient, the Exchange in consultation with SEBI has introduced a facility of filing Related Party Transactions in XBRL mode under Regulation 23 (9) of SEBI (LODR) Regulations, 2015. For all other companies, the Excel Utility for filing the Related Party Transactions Report in the prescribed Format in the XBRL mode has been made available in the XBRL section of the Listing Centre.

IBBI

- **IBBI has notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2021, which shall come into force on the date of their publication in the Official Gazette 30-09-2021.**

The liquidation regulations provide for a consultation committee known as the stakeholders' consultation committee (SCC), which has representation from secured financial creditors, unsecured financial creditors, workmen and employees, government, other operational creditors, and shareholders/partners to advise the liquidator on matters relating to the sale. The amendment expands the scope of consultation to cover all aspects related to the sale of assets and the appointment of professionals. The amendment regulations also provide for the manner of selection of representatives of stakeholders in SCC. The participation of a large number of buyers in the process is key to a better realization of value for the stakeholders. Keeping this in view the amendment regulations provide that Liquidator shall not require payment of any non-refundable deposit or fee for participation in an auction. It also provides that the earnest money deposit shall not exceed ten percent of the reserve price in an auction. Further, to enhance transparency and accountability, the amendment regulations provide for the Liquidator to intimate the reasons for rejection of the highest bid to the highest bidder and report the same in the next progress report.

Consumer Protection (E-commerce) Rules, 2020

- **The Central Consumer Protection Authority has issued an advisory under Consumer Protection (E-Commerce) Rules, 2020 for displaying information provided by sellers to marketplace e-commerce platforms.**

Every marketplace e-commerce entity is required to provide in a clear and accessible manner, displayed prominently to its users at the appropriate place on its platform, all information provided to it by sellers including the name and contact numbers, and designation of the grievance officer for consumer grievance redressal or for reporting any other matter. Industry associations are also requested to give wide publicity to these compliances to ensure adequate redressal mechanism is accessible to consumers while purchasing goods or services using e-commerce.

IFSCA

- **The International Financial Services Centres Authority has notified the IFSCA (Insurance Intermediary) Regulations, 2021 which shall come into force from the date of their publication in the Official Gazette i.e 18-10-2021.**

The new Regulations aims to put in place the process of registration and operations of insurance intermediaries in an International Financial Services Centre under the regulatory purview of The International Financial Services Centres Authority Act, 2019. An application for the grant of certificate of registration to act as an insurance intermediary shall be an Insurance distributor like Composite Broker, Corporate Agent, Direct Broker, Reinsurance Broker or an Insurance claim service provider. An applicant



registered as an intermediary or insurance intermediary with IRDAI and desirous of setting up a branch office in an unincorporated form in an IFSC, shall hold a valid certificate of registration issued by IRDAI, which is not withdrawn, cancelled or suspended and should have obtained a “No-objection Certificate” from IRDAI to establish a branch office in IFSC. The Authority on being satisfied that the applicant fulfils the conditions shall first issue an in-principle approval to the applicant for compliance with requirements viz, minimum capital infusion, training requirements of branch head, professional indemnity policy and such other requirements as may be deemed necessary by Authority for issuance of Certificate. The certificate shall be valid for a period of three (3) years from the date of its issuance unless it is revoked or cancelled by the Authority. Every insurance intermediary shall submit to the Authority, a copy of the audited financial statements along with the auditor’s report thereon within thirty (30) days of holding of the annual general meeting or before 30th September every year, whichever is earlier, along with the remarks or observations of the auditor, if any, on the conduct of the business, state of accounts, etc., and a suitable explanation on auditor’s observations/remarks from the insurance intermediary.

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Monthly Compliance Calendar

07 Nov Equalisation Levy Deposit	07 Nov TDS/ TCS Liability	10 Nov GST-7/8 for the month of Oct 2021
11 Nov GSTR-1 for Oct (turnover > 5 Cr.)	13 Nov GSTR-1/ IFF for Oct-Dec 2021 under QRMP scheme	15 Nov Providend Fund / ESI
15 Nov Issuance of Quarterly TDS certificate	20 Nov GSTR-3B for Oct (turnover > 5 Cr.)	22/24 Nov GSTR-3B for Oct 2021 Group -1/2 States
30 Nov Form 3CEAA-Master file FY 2019-20	30 Nov ITR FY 2020-21 (TP case) (Extended date: 28 Feb)	30 Nov Tax/TP Audit-Period FY 2020-21 Extended date: 15/31 Janurary
30 Nov Extended date of GST anmesty scheme.	30 Nov Filing of MGT-7 Ext. Date: 31 Dec. 2021	30 Nov Form 3CEFA/3CEFB Exercise Option SF Rules (FY 20-21)

Disclaimer: Information in this note is intended to provide only a general update of the subjects covered. It is not intended to be a substitute for detailed research or the exercise of professional judgment. KNM accepts no responsibility for loss arising from any action taken or not taken by anyone using this publication. Updates are for the period 26.09.2021 till 25.10.2021.



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