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REGULATORY UPDATES - OVERVIEW OF RECENT AMENDMENTS AND OTHER REGULATORY UPDATES

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Insolvency and Bankruptcy Code, 2016 - Amendments

<p><i>Insertion of Section 10 (A) and Section 66 (3) through the IBC (Amendment) Ordinance, 2020 dated June 05, 2020 and effective from March 25, 2020.</i></p>	<p><u>Suspension of Section 7, 9 and 10 of IBC:</u></p> <p>By virtue of insertion of Section 10(A) through an ordinance, Section 7, 9 and 10 of IBC Code, 2016 have been suspended for any default arising on or after March 25, 2020 for a period of 6 months or such further period, not exceeding one year from such date.</p> <p>Section 66(3) has resulted in no application being filed by a resolution professional under sub-section (2), in respect of such default against which initiation of CIRP is suspended under Section 10(A)</p>
<p><i>The Insolvency and Bankruptcy Board of India has issued a notification No. IBBI/2020-21/GN/REG061 to amend the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.</i></p>	<p><u>Relaxation of IPE Norms:</u></p> <p>By virtue of the said amendment, IBBI has relaxed norms relating to Insolvency Professional Entity wherein, IBBI has allowed IPE to provide support services to all IPs who are not just its partners or directors.</p>

Regulatory Updates - Overview of Recent Amendments and Other Regulatory Updates



MCA Amendments

<p><i>The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020 has been amended vide notification dated June 23, 2020</i></p>	<p><u>Approval of Financial Statement through VC or OVAM:</u></p> <p>Vide the said notification, Companies are allowed to conduct Board Meeting for approving financial statements through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till September 30, 2020.</p>
<p><i>Clarification on the passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder vide general circular dated June 15, 2020</i></p>	<p><u>Extension of date for passing ordinary and special resolution:</u></p> <p>MCA vide its general circular no. 22/ 2020 dated June 15, 2020 has extended the said date from June 30, 2020 till September 30, 2020.</p>
<p><i>Ministry of Corporate Affairs has amended schedule VII (CSR Expenditure List) of Companies Act, 2013 vide Notification dated June 23, 2020</i></p>	<p><u>Amendment in Corporate Social Responsibility:</u></p> <p>Vide the said notification, it has been authorised the amount spent on Central Armed Force (CAPE) and Central Para Military Force (CPMF) Veterans and their dependents including widows will be considered as CSR expenditure.</p>
<p><i>The Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 has been notified dated June 23, 2020</i></p>	<p><u>Extension of date for Independent Director Registration:</u></p> <p>Vide the said notification, the last date for registration of details of Independent Directors with the ID Data Bank has been extended for a further three months, i.e., till September 30, 2020.</p>

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SEBI Amendments

<i>Extension of time for submission of financial results for the quarter / half year / financial year ending 31st March 2020 vide circular dated June 24, 2020</i>	<u>Extension for submission of Financial Results:</u> SEBI vide its circular dated June 24, 2020 has extended the timeline for submission of financial results under Regulation 33 of the LODR to July 31, 2020, for the quarter and the year ending March 31, 2020.
<i>Extension of time for submission of Annual Secretarial Compliance Report by listed entities vide circular dated June 25, 2020</i>	<u>Extension of time for submission of Annual Secretarial Compliance Report:</u> SEBI vide its earlier circular dated March 19, 2020 had extended the deadline by one month from May 31 to June 30 and now it has further been extended to July 31, 2020.
<i>Relaxation of time gap between two board / Audit Committee meetings of listed entities vide circular dated June 26, 2020</i>	<u>Relaxation of time gap between two board / Audit Committee meetings:</u> SEBI vide its circular dated June 26, 2020 has further relaxed the requirement of maximum stipulated time gap of 120 days between two meetings of the board and Audit Committees of listed entities till July 31, 2020.

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Income Tax Amendments

<i>Extension of various time limits under Direct Tax & Benami laws Date vide press release dated June 24, 2020</i>	<u>Extension of various time limits under Direct Tax & Benami laws :</u> Ministry of Finance (Central Board of Direct Taxes) vide its press release dated June 24, 2020, has announce the extension of various time limits under Direct Tax & Benami Laws
<i>One Time relaxations for Verifications of Income Tax Returns</i>	<u>One Time relaxations for Verifications of Income Tax Returns:</u> A one-time relaxation for verification of Income Tax Returns has been provided for the Assessment years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20, which are pending due to non-filing of ITRV form. The said returns are required to be filed by September 30, 2020.
<i>Central Board of Indirect Taxes and Customs issued notification dated June 30, 2020</i>	<u>Conditional waiver of late fees:</u> Vide the said notification conditional waiver of late fees for the period from July 2017 to September 2020 has been provided.

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Labour Law and MSME

<p><i>Government Notifies Draft Rules for Code on Wages 2019 - Inviting Objections / Suggestions within 45 days</i></p>	<p><u>Notification of Draft Rules for Code on Wages 2019:</u></p> <p>The Central Government has published a draft of Code on Wages (Central) Rules, 2020, inviting objections and suggestions from the public.</p>
<p><i>Ministry of MSME vide notification dated June 01, 2020 has revised the definition of MSME.</i></p>	<p><u>Change in MSME Definition:</u></p> <p>An upward revision of MSME definition vide notification dated June 01, 2020 wherein the threshold limits in the investments and turnover has been increased in the definition of micro, small and medium.</p>

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GST Amendments

<i>Facility for registration of IRP / RPs made available on the GST Portal vide notification No.11/2020-CT, dated March 21,2020and as amended via notification No. 39/2020, dated May 05, 2020</i>	The IRP / RP are required to obtain a new registration within 30 days of their appointment as IRP / RP or by June 30, 2020, whichever is later, in each of State or Union Territories, where the Corporate Debtor is registered.
<i>Notification No.51/2020-Central Tax, dated June 24, 2020</i>	Seeks to provide relief to taxpayers by reducing the rate of interest from 18% per annum to 9% per annum for specified period.
<i>Notification no.52/2020-Central tax dated June 24, 2020</i>	Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing Form GSTR-3B for specified period.
<i>Notification No.53/2020-Central Tax, dated June 24, 2020</i>	Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing Form GSTR-1 for specified period.

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GST Amendments

*Clarification in respect of
levy of GST on Director's
remuneration Circular No.
140/10/2020 dated June
10, 2020*

- **Leviability of GST on remuneration to the independent directors or those directors who are not the employee of the said company:** It is hereby clarified that, the remuneration paid to independent directors, or those directors, by whatever name called, who are not employees of the said company, is taxable in hands of the company, on reverse charge basis.
- **Leviability of GST on remuneration paid by companies to the directors, who are also an employee of the said company:**
 - i) It is clarified that the part of Director's remuneration which are declared as 'Salaries' in the books of a company and subjected to TDS under Section 192 of the IT Act, are not taxable.
 - ii) It is also clarified that the part of employee Director's remuneration which is declared separately other than 'salaries' in the Company's accounts and subjected to TDS under Section 194J of the IT Act as *Fees for professional or Technical Services* shall be treated as consideration for providing services and is therefore, taxable to the recipient of the said services, i.e., the Company, and on reverse charge basis.

Judicial Pronouncement - Interpretation

<p><i>NCLT, Ahmedabad Bench allows changes in payment schedule to the successful bidder on account of COVID-19</i></p>	<p>Summary of the Order: NCLT Ahmedabad Bench, in the matter of the application for approval of resolution plan in the CIRP of Digjam Limited and the Resolution Applicant Finquest Financial Solutions Private Limited has allowed for certain relaxations in the Resolution Plan with regard to payment to be made to the stakeholders on account of current ongoing pandemic due to COVID-19.</p>
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About Think Capital

Think Capital is a mid market Investment Bank focusing on M&A, Fund Raising, Restructuring and Turnaround Advisory for mid and large companies. We have successfully delivered transactions in a varied of sectors including Financial Services, Food and Beverages, Water Technology, Consumer Goods, Healthcare, Auto Components, Energy (thermal and renewable) and Infrastructure among many others. Our senior management comprises of professionals with deep expertise in Investment Banking and Management expertise and come from varied fields and backgrounds. Till date, we have closed transactions of more than USD 7 billion in debt & equity.

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Strict Interpretation Or Reasonable Application Of The Provisions Of Limitation Act

In The Matters of
Insolvency And Bankruptcy Code - An Analysis



About Think Capital Insolvency Professionals LLP

Think Capital Insolvency Professionals LLP is a recognized Insolvency Professional Entity with Insolvency and Bankruptcy Board of India. Majority of the partners are registered as Insolvency Professional with Insolvency and Bankruptcy Board of India (IBBI) and are empanelled with leading banks and financial institutions. Our areas of expertise include Financial Turnarounds, Refinancing, Fund Raising, Cashflow Management and Monitoring, Debt Equity Swaps, Contingency Planning and providing formal Insolvency Solutions.

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