

**SKYZ & Co.**

CHARTERED  
ACCOUNTANTS



# News Letter

Volume 3- 10th Jan'23

## Who We Are

Since 2004 and counting, we have been the preferred market leader for Accounting, Auditing, Finance and Taxation Services, operating for 18+ years now.

Embracing challenges and driving innovation is what we do best and our expertise lies in but is not limited to Auditing and Assurances, Taxation Advisory, Corporate Insolvency Resolution, Forensic Audits, Valuations, Company law, Intellectual Property Rights, RERA, Project Finance, Risk Management and MIS Reporting

With an aim to deliver nothing but excellence to our clients, we have blended our years of technical expertise with premiere creativity and responsiveness to drive client service and fuel customer satisfaction. We are a multidisciplinary organization focused on creating long term partnerships with our clients so that we can transform our services into value-worthy experiences for our clientele



### Our Vision

Enabling the business brains globally with innovative solutions & value additions



### Our Mission

To build a team of 100 energetic brains by 2025 enabling people development consistently



### Our Values

We embrace challenges consistently for growth. We strive to be frontrunner in adopting the changes. Integrity is in our DNA

**The major announcements which have been made are as under:**

1. In exercise of the powers conferred by section 139A read with section 295 of the Income-tax Act, 1961, the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, in rule 114BB, after sub-rule (1), the following proviso shall be inserted, namely:

“Provided that the provisions of this sub-rule shall not apply in a case where the person, depositing the money as per Sl. No. 1 of column (2) or withdrawing money as per Sl. No. 2 of column (2) or opening a current account or cash credit account as per Sl. No. 3 of column (2) of the Table above, is the Central Government, the State Government or the Consular Office”.

**[Notification No. 105/2022/F. No. 370142/38/2022-TPL-Part-I]**

2. In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961, the Central Government hereby notifies for the purposes of the said clause, ‘Central Registry of Securitization Asset Reconstruction and Security Interest of India’ (PAN AAEC5770G), a body set up under SARFAESI Act, 2002 in respect of the following specified income arising to that body, namely:-

(a) fee income from Security Interest transaction; (b) fee income from transactions on Central KYC (CKYC) Records Registry; (c) RTI application fee; and (d) interest income earned on fixed deposits and on (a) to (c) above; subject to fulfillment of some conditions given .

**[Notification No. 107/2022/F. No. 300196/25/2018-ITA-I]**

3. Form of statement to be furnished by producers of cinematograph films or persons engaged in specified activity.
  - The statement required to be furnished under section 285B by a person carrying on production of cinematograph film or engaged in specified activity, or both, shall be in Form No. 52A for each previous year.
  - Form No. 52A shall be furnished within sixty days from the end of the previous year.

**[Notification No. 109/2022/F. No. 370142/ 44/2022-TPL]**

4. Return of income under section 170A. The modified return of income to be furnished by a successor entity to a business reorganization, as referred to in section 170A, for an assessment year, shall be in the Form ITR-A and verified

in the manner specified therein. (2) The return of income referred to in sub-rule (1) shall be furnished electronically under digital signature.

**[Notification No. 110/2022/F.No. 370142/41/2022-TPL]**

5. In exercise of the powers conferred by section 295 read with sub-section (18) of section 155 of the Income-tax Act, 1961, CBDT, hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

“Application for re-computation of income under sub-section (18) of section 155. An application requesting for re-computation of total income of the previous year without allowing the claim for deduction of surcharge or cess, which has been claimed and allowed as deduction under section 40 in the said previous year, shall be made in Form No. 69 on or before the 31st day of March, 2023”.

**[Notification No. 111/2022/F. No. 370142/32/2022-TPL]**

6. In exercise of powers conferred by sub-clause (vi) of clause (b) of Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961, the Central Government hereby specifies the sovereign wealth fund, namely, Public Investment Fund, (hereinafter referred to as “the assessee”) as the specified person for the purposes of Audit Report to be filed by the Sovereign Wealth Fund claiming exemption under section 10 of the Income-tax Act, 1961; the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to fulfillment of some conditions.

**[Notification No. 125/2022//F. No. 500/SWF2/S10(23FE)/FT&TR-II(Pt.1)]**

7. In exercise of the powers conferred by clause (39) of section 10 of the Income-tax Act, 1961, the Central Government hereby notifies the following as the international sporting event, persons and specified income for the purposes of the said clause namely: -

(a) Federation Internationale de Football Association Under-17 Women's World Cup, 2022 as the international sporting event;

(b) the Federation Internationale de Football Association, as the person;

(c) income arising from the receipts from National supporters namely; Hero Motocorp Ltd., the Department of Tourism, Government of Odisha, the National Thermal Power Corporation Limited and the Power Grid Corporation of India Limited - rupees twelve crores and fifty lakhs only (Rs. 12,50,00,000/-) as specified income arising to Federation Internationale de

Football Association, from organizing the Federation Internationale de Football Association, Under-17 Women's Football World Cup, 2022 in India.

**[Notification No. 126/2022/F. No. 200/8/2022-ITA-I]**

8. As per Income Tax Act, 1961, it is mandatory for all pan holders, who do not fall under the exempt category, to link their pan with Aadhaar on or before 31.03.2023.

**From 01.04.2023 onwards, the unlinked Pan will become inoperative.**

# INCOME TAX

## SALES



**Amendments and updated related to Indirect Tax Laws:**

1. As per the new conditions, the recipient will not be eligible to avail the ITC related to the following suppliers who are not GST complaints and the said ITC will be showing as ITC not available.
2. Implementation of mandatory mentioning of HSN codes in GSTR-1 As per Notification No. 78/2020 – Central Tax dated 15th October, 2020, it is mandatory for the taxpayers to report minimum 4 digit or 6 digit of HSN Code in table-12 of GSTR-I on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal.
3. As per Notification No. 8/2021 dated 30.09.2021, the GST rate for specified renewable energy devices and parts for their manufacture have increased from 5% to 12%.
4. Govt hereby prohibits the export of Maps and Geospatial data of spatial accuracy and value finer than the threshold values as specified in Annexure-I appended to Notification No. 82/2022-Customs (N.T.) | Dated the 23rd September, 2022.
5. Foreign Trade Policy extended for six months:  
FTP 2015-20 which was valid till 30 September 2022 has been extended for six months with effect from 1 October 2022 (till 31 March 2023). (Press release id 1862335 dated 26 September 2022)
6. Guidelines for launching of prosecution under CGST Act 2017 issued by CBIC:  
Guidelines have been issued by CBIC for launching of prosecution against the offender. Such guidelines provide the nature of evidence to be collected, circumstances in which prosecution should be launched, sanction of principal commissioner or commissioner to be obtained before launching the prosecution etc. (**Instruction No. 04/2022-23 GST Inv dated 1 September 2022**)
7. **Guidelines for filing or revising TRAN-1/ TRAN-2:**  
A circular has been issued providing guidelines for furnishing Form TRAN 1/ TRAN 2 in pursuance of the SC ruling in the case of Filco Trade Centre Pvt.

Ltd. The guidelines provide that it is the last opportunity for all taxpayers who have missed filing transitional forms or revising such forms. If assessee had filed Form TRAN-1/TRAN 2 earlier and during scrutiny their claim was rejected in whole or in part, then such assessee will not be allowed to avail this opportunity. **(Circular No. 180/12/2022-GST dated 9 September 2022).**

8. Notification extending time limit for applying refund by Unique Identification Number (UIN) entities rescinded:

CBIC has rescinded a notification which prescribed the time limit for filing refund claims by UIN entities within eighteen months from the last date of the quarter, in which supply is received. The Finance Act, 2022 has amended the time-limit and incorporated a provision in the CGST Act that refund claim can be filed till the expiry of two years from the last day of quarter in which such supply was received. Therefore, this notification had become irrelevant due to amendment introduced by Finance Act, 2022. **(Notification No. 20/2022 – Central Tax dated 28 September 2022)**

9. Export freight taxable with effect from 1 October 2022:

**S. No. 19A of the Notification No. 12/2017 – Central Tax, dated 28 June 2017** (as amended time to time) provided for exemption from payment of GST for the services of transportation of goods by vessel or aircraft, from any Indian Port / Airport to a foreign Port / Airport. This exemption was extended from time to time, but no such extension has been made after 30 September 2022. Therefore, transportation of export consignments (CIF contracts) by Vessel / Aircraft become liable to GST from 01 October 2022.

10. Instructions on Pre-deposit payment method for cases pertaining to Central Excise and Service Tax:

A clarificatory instruction has been issued by CBIC on the pre-deposit payment method for the cases pertaining to Central Excise and Service Tax in pursuance of the Bombay HC ruling in the case of Sodexo India Services Pvt Ltd. It has been clarified that making payments through Form GST DRC 03 under the GST regime is not a valid mode for making pre-deposits for service tax or excise matters. Therefore, the pre-deposit required for filing Service Tax/Excise appeals should be made through the portal "cbic-gst.gov.in". **(Instruction no- CBIC-240137/14/2022- SERVICE TAX SECTION-CBEC dated October 28, 2022)**

## MINISTRY OF CORPORATE AFFAIRS

## NOTIFICATION

New Delhi, the 20th September, 2022

**G.S.R. 715(E).**— In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, namely:-

1. **Short title and commencement.** - (1) These rules may be called the **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022.**  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the said rules), in rule 3, -
  - (i) in sub-rule (1), after the proviso, the **following proviso shall be inserted, namely: -**  
**“Provided further that a company having any amount in its Unspent Corporate Social Responsibility Account as per sub-section (6) of section 135 shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.”;**
  - (ii) **sub-rule (2) shall be omitted.**
3. In the said rules, **in rule 4, for sub-rule (1), the following sub-rule shall be substituted, namely: -**  
 ‘(1) The Board shall ensure that the CSR activities are undertaken by the company itself or through, -
  - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
  - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

**Explanation.**- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.’
4. **In the said rules, in rule 8, in sub-rule (3),** in clause (c),-
  - (i) for the words “five percent”, the words “two per cent.” shall be substituted;
  - (ii) for the words “whichever is less”, the words “whichever is higher” shall be substituted.
5. **In the said rules, for Annexure-II, the following Annexure shall be substituted, namely:-**

**“ANNEXURE -II**

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER THE 1ST DAY OF APRIL, 2020**

- A. Brief outline on CSR Policy of the Company:



B. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--------------------------------------|--|--|
|         |                  |                                      |  |  |

C. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

D. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

(a) Average net profit of the company as per sub-section (5) of section 135.

E.

(a) Two percent of average net profit of the company as per sub-section (5) of section 135.

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

(c) Amount required to be set-off for the financial year, if any.

(d) Total CSR obligation for the financial year [(b)+(c)-(d)].

F. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

(b) Amount spent in Administrative Overheads.

(c) Amount spent on Impact Assessment, if applicable.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.)  |                   |  |         |                   |
|---|--|-------------------|--|---------|-------------------|
|   | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |         |                   |
|   | Amount.  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
|   |  |                   |  |         |                   |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular  | Amount<br>(in Rs.) |
|---------|---|--------------------|
| (1)     | (2)   | (3)                |
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      |                    |
| (ii)    | Total amount spent for the Financial Year   |                    |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]   |                    |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any |                    |
| (v)     | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     |                    |



G. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1       | 2                           | 3   | 4   | 5  | 6  |                  | 7  | 8                  |
|---------|-----------------------------|---|---|--|--|------------------|--|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
|         |                             |   |   |  | Amount (in Rs)   | Date of Transfer |  |                    |
| 1       | FY-1                        |   |   |  |  |                  |  |                    |
| 2       | FY-2                        |   |   |  |  |                  |  |                    |
| 3       | FY-3                        |   |   |  |  |                  |  |                    |
|         |                             |   |   |  |  |                  |  |                    |

H. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes       No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s)<br><br>[including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |      |                    |
|---------|--|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1)     | (2)  | (3)                                 | (4)              | (5)                        | (6)   |      |                    |
|         |  |                                     |                  |                            | CSR Registration Number, if applicable                            | Name | Registered address |
|         |  |                                     |                  |                            |   |      |                    |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

I. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

|   |                                      |   |
|---|--------------------------------------|---|
| Sd/-<br>(Chief Executive Officer or<br>Managing Director or<br>Director). | Sd/-<br>(Chairman CSR<br>Committee). | Sd/-<br>[Person specified under clause (d)<br>of sub-section (1) of section 380]<br>(Wherever applicable)." |
|---|--------------------------------------|---|

6. In the **said rules, in the e-form CSR-1**, for serial number 1 and the entries relating thereto, the following serialnumber shall be substituted, namely:-

- \*Nature of the entity
- o Company established under section 8, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
  - o Company established under section 8, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
  - o Registered public trust, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
  - o Registered public trust, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
  - o Registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 and approved under section 80G of the Income Tax Act, 1961.
  - o Registered society, registered under section 12A and approved under section 80G of the Income Tax Act, 1961.
  - o Company established under section 8 or registered Trust or registered Society established by the Central Government or State Government.
  - o Entity established under an Act of Parliament or State Legislature."



**MINISTRY OF CORPORATE AFFAIRS  
NOTIFICATION**

New Delhi, the 15th September, 2022

G.S.R. 700(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to

amend the Companies (Specification of Definition Details) Rules, 2014, namely:-

1. Short title and commencement.-

(1) These rules may be called Companies (Specification of definition details) Amendment Rules, 2022.

(2) They shall come into force from the date of their publication of this notification in the Official Gazette.

2. In the Companies (Specification of definition details) Rules, 2014,

in rule 2, in sub-rule (1), for clause (t), the following clause shall be substituted, namely:-

“(t) For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees four crore and rupees forty crore respectively.”.



## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## NOTIFICATION

New Delhi, the 16th September, 2022

**No. IBBI/2022-23/GN/REG093.** In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations further to amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely: –

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2022.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as 'the principal regulations'), after regulation 4B, the following shall be inserted, namely: –

“4C. Process e-mail.

(1) The interim resolution professional shall open an email account and use it for all correspondences with stakeholders and in the event of his replacement by a resolution professional, shall handover the credentials of the email to him.

(2) The resolution professional shall, in case of his replacement with another resolution professional or a liquidator, hand over the credentials of the email to the other resolution professional or the liquidator, as the case may be.”

3. In the principal regulations, after regulation 6, the following shall be inserted, namely:-

“6A. Communication to creditors.

The interim resolution professional shall send a communication along with a copy of public announcement made under regulation 6, to all the creditors as per the last available books of accounts of the corporate debtor through post or electronic means wherever the information for communication is available.

Provided that where it is not possible to send a communication to creditors, the public announcement made under regulation 6 shall be deemed to be the communicated to such creditors.”

4. In the principal regulations, in regulation 18, after sub-regulation (2), the following explanation shall be inserted, namely:-

**“Explanation:** For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority.”

5. In the principal regulations, in regulation 35A, for sub-regulation (3), the following shall be substituted, namely:-

“(3) Where the resolution professional makes a determination under sub-regulation (2), he shall apply to the Adjudicating Authority for appropriate relief on or before the one hundred and thirtieth day of the insolvency commencement date.”

6. In the principal regulations, in regulation 35A, after sub-regulation (3), the following shall be inserted, namely:-

“(3A) The resolution professional shall forward a copy of the application to the prospective resolution applicant to enable him to consider the same while submitting the resolution plan within the time initially stipulated.”

7. In the principal regulations, in regulation 36,

(i) in sub-regulation (1), for the words “within two weeks of his appointment, but not later than fifty-fourth day from the insolvency commencement date, whichever is earlier.”, the words “on or before the ninety-fifth day from the insolvency commencement date” shall be substituted.

(ii) in sub-regulation (2),

(a) for the opening words, the following shall be substituted, namely:-

“(2) The information memorandum shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant and shall contain the following details of the corporate debtor- ”

(b) in clause (a) after the words “assets and liabilities”, the words “including contingent liabilities” shall be inserted

(c) in Explanation to clause (a), the words “geographical coordinates of fixed assets” shall be inserted before the words “and any other relevant details”

(d) the following clauses shall be inserted after clause (i), namely:-

“(j) company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities

(k) Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements”

8. In the principal regulations, in regulation 36A, in sub-regulation (1), for the words “not later than seventy fifth day”, the words “not later than sixtieth day” shall be substituted.
9. In the principal regulations, in regulation 36B, after sub-regulation (6) the following sub-regulation shall be inserted, namely:-

“(6A) If the resolution professional, does not receive a resolution plan in response to the request under this regulation, he may, with the approval of the committee, issue request for resolution plan for sale of one or more of assets of the corporate debtor.”

10. In the principal regulations, after regulation 36B, the following shall be inserted, namely:-

“36C. Strategy for marketing of assets of the corporate debtor.

(1) The resolution professional shall prepare a strategy for marketing of the assets of the corporate debtor in consultation with the committee, where the total assets as per the last available financial statements exceed one hundred crore rupees and may prepare such strategy in other cases.

(2) Decision of implementing such strategy along with its cost shall be subject to the approval of the committee.

(3) The member(s) of committee may also take measures for marketing of the assets of the corporate debtor.”

11. In the principal regulations, in regulation 37, after clause (l) the following shall be inserted, namely: –

“(m) sale of one or more assets of corporate debtor to one or more successful resolution applicants submitting resolution plans for such assets; and manner of dealing with remaining assets.”

12. In the principal regulations, after regulation 39B, the following regulation shall be inserted, namely: –



“39BA. Assessment of Compromise or Arrangement.

(1) While deciding to liquidate the corporate debtor under section 33, the committee shall examine whether to explore compromise or arrangement as referred to under sub -regulation (1) of regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 and the resolution professional shall submit the committee's recommendation to the Adjudicating Authority while filing application under section 33.

(2) Where a recommendation has been made under sub-regulation (1), the resolution professional and the committee shall keep exploring the possibility of compromise or arrangement during the period the application to liquidate the corporate debtor is pending before the Adjudicating Authority.”

**13. In the principal regulations, in regulation 40A, for the Table the following shall be substituted, namely:-**

|  |  |   |  |
|--|--|---|--|
| <b>Regulation 6(1)</b>                                   | Public announcement inviting claims  | Within 3 Days of Appointment of IRP   | T+3  |
| <b>Section 15(1)(c) / Regulations 6(2)(c) and 12 (1)</b> | Submission of claims   | For 14 Days from Appointment of IRP   | T+14   |
| <b>Regulation 12(2)</b>                                  | Submission of claims   | Up to 90 <sup>th</sup> day of commencement  | T+90   |
| <b>Regulation 13(1)</b>                                  | <ul style="list-style-type: none"> <li>• Verification of claims received under regulation 12(1)</li> <li>• Verification of claims received under regulation 12(2)</li> </ul> | Within 7 days from the receipt of the claim   | <ul style="list-style-type: none"> <li>•T+21</li> <li>•T+97</li> </ul> |
| <b>Section 21(6A) (b) /Regulation 16A</b>                | Application for appointment of AR  | Within 2 days from verification of claims received under regulation 12(1)                             | T+23   |
| <b>Regulation 17(1)</b>                                  | Report certifying constitution of CoC  | Within 2 days from verification of claims received under regulation 12(1)                             | T+23   |
| <b>Section 22(1) / Regulation 19(2)</b>                  | 1 <sup>st</sup> meeting of the CoC   | Within 7 days of filing of the report certifying constitution of the CoC, but with five days' notice. | T+30   |

|                                       |   |  |   |
|---------------------------------------|---|--|---|
| <b>Section 22(2)</b>                  | Resolution to appoint RP by the CoC   | In the first meeting of the CoC  | T+30  |
| <b>Section 16(5)</b>                  | Appointment of RP   | On approval by the AA  | .....   |
| <b>Regulation 17(3)</b>               | IRP performs the functions of RP till the RP is appointed.  | If RP is not appointed by 40 <sup>th</sup> day of commencement   | T+40  |
| <b>Regulation 27</b>                  | Appointment of valuer   | Within 7 days of appointment of RP, but not later than 47 <sup>th</sup> day of commencement.   | T+47  |
| <b>Section 12(A) / Regulation 30A</b> | <ul style="list-style-type: none"> <li>Submission of application for withdrawal of application admitted</li> <li>CoC to dispose of the application</li> <li>Filing application of withdrawal, if approved by CoC with 90% majority voting, by RP to AA</li> </ul> | <ul style="list-style-type: none"> <li>Before issue of EoI</li> <li>Within 7 days of its receipt or 7 days of constitution of CoC, whichever is later.</li> <li>Within 3 days of approval by CoC</li> </ul>  | <ul style="list-style-type: none"> <li>W</li> <li>W+7</li> <li>W+10</li> </ul>  |
| <b>Regulation 35A</b>                 | <ul style="list-style-type: none"> <li>RP to form an opinion on preferential and other transactions</li> <li>RP to make a determination on preferential and other transactions</li> <li>RP to file applications to AA for appropriate relief</li> </ul>           | <ul style="list-style-type: none"> <li>Within 75 days of the commencement</li> <li>Within 115 days of commencement</li> <li>Within 130 days of commencement</li> </ul>   | <ul style="list-style-type: none"> <li>T+75</li> <li>T+115</li> <li>T+130</li> </ul>  |
| <b>Regulation 36 (1)</b>              | Submission of IM to CoC   | Within 95 days of commencement   | T+95  |
| <b>Regulation 36A</b>                 | <ul style="list-style-type: none"> <li>Publish Form G</li> <li>Invitation of EoI</li> <li>Submission of EoI</li> <li>Provisional List of RAs by RP</li> <li>Submission of objections to provisional list</li> <li>Final List of RAs by RP</li> </ul>              | <ul style="list-style-type: none"> <li>Within 60 days of commencement</li> <li>Within 60 days of commencement</li> <li>At least 15 days from issue of EoI (Assume 15 days)</li> <li>Within 10 days from the last day of receipt of EoI</li> <li>For 5 days from the</li> </ul> | <ul style="list-style-type: none"> <li>T+60</li> <li>T+60</li> <li>T+75</li> <li>T+85</li> <li>T+90</li> <li>T+100</li> </ul> |

|                         |  |  |  |
|-------------------------|--|--|--|
|                         |  | date of provisional list<br><ul style="list-style-type: none"> <li>• Within 10 days of the receipt of objections</li> </ul>  |  |
| <b>Regulation 36B</b>   | <ul style="list-style-type: none"> <li>• Issue of RFRP, including Evaluation Matrix and IM</li> <li>• Receipt of Resolution Plans</li> </ul> | <ul style="list-style-type: none"> <li>• Within 5 days of the issue of the provisional list</li> <li>• At least 30 days from issue of RFRP (Assume 30 days)</li> </ul> | <ul style="list-style-type: none"> <li>• T+105</li> <li>• T+135</li> </ul> |
| <b>Regulation 39(4)</b> | <ul style="list-style-type: none"> <li>• Submission of CoC approved Resolution Plan to AA</li> </ul>   | <ul style="list-style-type: none"> <li>• As soon as approved by the CoC</li> </ul>   | <ul style="list-style-type: none"> <li>• T+165</li> </ul>                  |
| <b>Section 31(1)</b>    | Approval of resolution plan by AA  | -----  | T+180  |

14. In the principal regulations, after regulation 40C, the following shall be inserted, namely:-

“40D. Decision for liquidation.

- (1) The committee while considering the liquidation of the corporate debtor may consider factors including but not limited to non-operational status for preceding three years, goods produced or service offered or technology employed being obsolete, absence of any assets, lack of any intangible assets or factors which bring value as a going concern over and above the physical assets like brand value, intellectual property, accumulated losses, depreciation, investments that are yet to mature.
- (2) Such consideration may be recorded and submitted in the application for liquidation submitted by the resolution professional to the Adjudicating Authority.”

15. In the principal regulations, in the Schedule, for the Form G, the following shall be substituted, namely: –



## “FORM G

## INVITATION FOR EXPRESSION OF INTEREST FOR

**[NAME OF CORPORATE DEBTOR] OPERATING IN [INDUSTRY TYPE] AT [LOCATION(S)]**

(Under Regulation 36A(1) of the Insolvency and Bankruptcy Board of India  
(Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

|    |  |  |
|----|--|--|
| 1  | Name of the corporate debtor along with PAN/ CIN/ LLP No.  |  |
| 2  | Address of the registered office   |  |
| 3  | URL of website   |  |
| 4  | Details of place where majority of fixed assets are located  |  |
| 5  | Installed capacity of main products/ services  |  |
| 6  | Quantity and value of main products/ services sold in last financial year  |  |
| 7  | Number of employees/ workmen   |  |
| 8  | Further details including last available financial statements (with schedules) of two years, lists of creditors, relevant dates for subsequent events of the process are available at: |  |
| 9  | Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:  |  |
| 10 | Last date for receipt of expression of interest  |  |
| 11 | Date of issue of provisional list of prospective resolution applicants   |  |
| 12 | Last date for submission of objections to provisional list   |  |
| 13 | Process email id to submit EOI   |  |

## CASE LAW

**Court: High Court, Delhi**

**Case: Amit Jain Vs. Canara Bank & Ors**

**Intimation of invocation pledge of shares received by way of a text message from NSDL and notice giving 7 days to the plaintiff to clear the outstanding dues would constitute reasonable notice under Section 176 of the Indian Contracts Act, 1872**

The pledge in respect of 19,79,549 shares was invoked by the defendant's bank on 6th September 2022, and the plaintiff was duly informed of the same by way of a text message dated 6th September 2022 received from NSDL. Subsequently, a notice was issued by the defendant bank on 15th September 2022 calling upon the plaintiff to clear the outstanding liabilities within seven days, failing which the defendant bank shall sell the pledged shares.

It has been contended on behalf of the plaintiff that the defendant bank has failed to give reasonable notice to the plaintiff for the sale of the pledged shares, as required under Section 176 of the Indian Contracts Act, 1872.

It was further observed that requirement of notice under Section 176 of the Indian Contracts Act, 1872 is to make the pawnor aware of the intention of the pawnee to sell. In the present case, the intent of the defendant bank to sell the pledged shares was made clear to the plaintiff when the pledged shares were invoked by the defendant bank on 6th September 2022. The intimation of invocation was duly received by the plaintiff by way of a text message on 6th September 2022 and this was, in fact, challenged by the plaintiff by way of a writ petition. It was only thereafter that the notice dated 15th September 2022 was issued by the defendant bank giving seven days to the plaintiff to clear the outstanding dues, failing which the defendant bank would sell the pledged shares. Therefore, the notice dated 15th September 2022 would have to be read along with the intimation of invocation sent on 6th September 2022, and in my view, this would constitute reasonable notice under Section 176 of the Indian Contracts Act, 1872.



## CASE LAW

**Court: National Company Law Tribunal, Mumbai**

**Case: Taguda Pte. Ltd. Vs. Subodh Kumar Agrawal, RP of Ushdev International Ltd.**

**Income Tax liability on notional income arising on implementation of the Resolution Plan due to writing back of the unpaid dues to the creditors in the books of Corporate Debtor is to be waived off**

The Adjudicating Authority observed that all the past liabilities arising out of any levies/tax dues to any government authorities, etc. which are not part of the Resolution Plan and pertaining to Corporate Insolvency Process period shall stand extinguished from the date of approval of the Resolution Plan. The authorities have to file the claim before the RP before the approval of Resolution Plan by the COC. At this stage, we cannot burden the Resolution Applicant with the liabilities that had arisen before the approval of the Resolution Plan. Further, waiving of fees and stamp duty for filing Form SH-7 with the Ministry of Corporate Affairs amounting to Rs. 2,65,44,000/- on implementation of the Resolution Plan is concerned, the applicant may approach the ROC concerned who would consider such request under the Companies Act, keeping in view the spirit of IBC legislation.

Moreover, this bench is of the view that the income tax liability on notional income arising on implementation of the Resolution Plan due to writing back of the unpaid dues to the creditors in the books of Corporate Debtor is to be waived off. Accordingly, such liabilities are waived off. Further, the Applicant is provided 6-month time after the Closing Date in order to assess the status of the permits, approvals and consents that may have lapsed, expired, suspended, cancelled, revoked or terminated and to ensure that the Corporate Debtor is compliant with them without initiating any investigations, actions or proceedings by the Government Authorities in relation to the non-compliances for the period till Closing Date.

Further, the time period for the implementation of the Resolution Plan is also extended till 6 months. Accordingly, IA/887/2022 and IA/1606/2022 are disposed of as partly-allowed.



**SECURITIES AND EXCHANGE BOARD OF INDIA****NOTIFICATION**

Mumbai, the 14th November, 2022

**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (SIXTH AMENDMENT) REGULATIONS, 2022**

**No. SEBI/LAD-NRO/GN/2022/103.**—In exercise of the powers conferred by section 11, subsection (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, namely: –

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022.

2. They shall come into force on the date of their publication in the Official Gazette.

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, –

(1) in regulation 25,

(a) in sub-regulation (2A), the following provisos shall be inserted, namely, -

“Provided that where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A):

Provided further that an independent director appointed under the first proviso shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.”

(2) in regulation 32, in sub-regulation (6) and in sub-regulation (7), the words “public or rights issue” shall be substituted with the words “public issue or rights issue or preferential issue or qualified institutions placement”.

(3) in regulation 52,

(a) in sub-regulation (1),

(i) the following proviso shall be inserted before the existing proviso, namely,

-

“Provided that for the last quarter of the financial year, the listed entity shall submit un-audited or audited quarterly and year to date standalone financial results within sixty days from the end of the quarter to the recognised stock exchange(s):”

(ii) in the existing proviso,

**A.** After the word “provided” and before the words “that in case of entities which have listed”, the word “further” shall be inserted.

**B.** The words “the information is submitted to stock exchanges” shall be deleted.

(b) in sub-regulation (2),

**(i)** under clause (d), the existing proviso shall be substituted with the following, namely –

“Provided that issuers, which are required to be audited by the Comptroller and Auditor General of India under applicable law, shall submit:

(i) un-audited financial results along with the limited review report issued by the Comptroller and Auditor General of India or an auditor appointed by the Comptroller and Auditor General of India or a Practising Chartered Accountant, to the stock exchange(s), within sixty days from the end of the financial year; and

(ii) the financial results, audited by the Comptroller and Auditor General of India, to the stock exchange(s), within nine months from the end of the financial year.”

**(ii)** clause (f) shall be omitted.

(c) after sub-regulation (2) and before sub-regulation (3), the following shall be inserted, namely –

“(2A) The listed entity shall submit a statement of assets and liabilities and statement of cash flows as at the end of every half year, by way of a note, along with the financial results.”

(d) sub-regulation (4) shall be substituted with the following, namely -

“(4) The listed entity, while submitting quarterly and annual financial results, shall disclose the following line items along with the financial results:



- (a) debt-equity ratio;
- (b) debt service coverage ratio;
- (c) interest service coverage ratio;
- (d) outstanding redeemable preference shares (quantity and value);
- (e) capital redemption reserve/debenture redemption reserve;
- (f) net worth;
- (g) net profit after tax;
- (h) earnings per share;
- (i) current ratio;
- (j) long term debt to working capital;
- (k) bad debts to Account receivable ratio;
- (l) current liability ratio;
- (m) total debts to total assets;
- (n) debtors' turnover;
- (o) inventory turnover;
- (p) operating margin percent;
- (q) net profit margin percent;

Provided that if the information mentioned in sub-regulation (4) above is not applicable to the listed entity, it shall disclose such other ratio/equivalent financial information, as may be required to be maintained under applicable laws, if any."

- (e) sub-regulation (7) shall be substituted with the following, namely -

"(7). The listed entity shall submit to the stock exchange(s), along with the quarterly financial results, a statement indicating the utilisation of the issue proceeds of non-convertible securities, in such format as may be specified by the Board, till such proceeds of issue have been fully utilised or the purpose for which the proceeds were raised has been achieved."

- (f) sub-regulation (7A) shall be substituted with the following, namely -

"(7A). The listed entity shall submit to the stock exchange(s), along with the quarterly financial results, a statement disclosing material deviation(s) (if any) in the use of issue proceeds of non-convertible securities from the objects of the issue, in such format as may be specified by the Board, till

such proceeds have been fully utilised or the purpose for which the proceeds were raised has been achieved.”

(g) in sub-regulation (8),

(i) the word “statement” shall be substituted with the words “the line items”.

(ii) the symbol “.” after the words “substantially the whole of India” shall be substituted with the symbol “:”.

(h) under sub-regulation (8), the following proviso shall be inserted, namely -

“Provided that if the listed entity has submitted both standalone and consolidated financial results, to the stock exchange(s), it shall publish consolidated financial results along with the line items referred to in sub-regulation (4), in the newspaper.”

(4) After regulation 59 and before regulation 60, the following regulation shall be inserted, namely, -

“Draft Scheme of Arrangement and Scheme of Arrangement. 59A.

(1) Without prejudice to the provisions of regulation 11, the listed entity that has listed nonconvertible debt securities or non-convertible redeemable preference shares, intends to undertake a scheme of arrangement or is involved in a scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013, shall file the draft scheme of arrangement with the stock exchange(s), along with a non-refundable fee as specified in Schedule XI, for obtaining the No-objection letter, before filing of such scheme with the National Company Law Tribunal, in terms of the requirements specified by the Board or stock exchange(s) from time to time.

(2) The listed entity shall not file any scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013, with the National Company Law Tribunal unless it has obtained a No-objection letter from the stock exchange(s).

(3) The listed entity shall place the No-objection letter of the stock exchange(s) before the National Company Law Tribunal at the time of seeking approval for the scheme of arrangement in the manner as may be specified by the Board from time to time: Provided that the validity of the No-objection letter of the stock exchange(s) shall be six months from the date of issuance, within which the draft scheme of arrangement shall be filed by the listed entity with the National Company Law Tribunal.

(4) Upon sanction of the Scheme by the National Company Law Tribunal, the listed entity shall submit such documents, to the stock exchange(s), as may be specified by the Board and/ or stock exchange(s) from time to time.

(5) The listed entity shall ensure compliance with such other requirements as may be specified by the Board from time to time.

(6) The requirements as specified under this regulation and under regulation 94A of these regulations shall not apply to a restructuring proposal approved as part of a resolution plan by the National Company Law Tribunal under section 31 of the Insolvency Code, subject to the details being disclosed to the recognized stock exchanges within one day of the resolution plan being approved."

(5) in regulation 61A,

(a) in sub-regulation (3), the symbol ".", after the words "section 125 of the Companies Act, 2013", shall be substituted with the symbol ":".

(b) under sub-regulation (3), the following proviso shall be inserted, namely, -

"Provided that for listed entities which do not fall within the definition of "company" under the Companies Act, 2013 and the Rules made thereunder, any amount in the escrow account that remains unclaimed for seven years shall be transferred to the Investor Protection and Education Fund created by the Board in terms of section 11 of the Act."

(6) in regulation 94, in the heading after the words "Draft Scheme of Arrangement and Scheme of Arrangement", the words "in case of entities that have listed their specified securities" shall be inserted.

(7) after regulation 94 and before regulation 95, the following shall be inserted, namely, -"Draft Scheme of Arrangement & Scheme of Arrangement in case of entities that have listed their non-convertible debt securities or non-convertible redeemable preference shares. 94A. (1) Upon receipt of the draft schemes of arrangement and the documents under subregulation

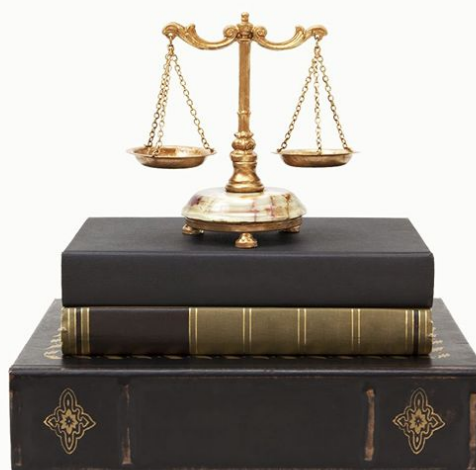
(1) of regulation 59A, the designated stock exchange shall forward the same to the Board, in such manner as may be specified by the Board.

(2) The stock exchange(s) shall submit to the Board its No-Objection Letter on the draft scheme of arrangement, after ascertaining whether the draft scheme of arrangement is in compliance with securities laws, within the timelines as may be specified by the Board from time to time.

(3) The stock exchange(s), shall issue No-objection letter to the listed entity in the manner and within the timelines, as may be specified by the Board from time to time: Provided that the validity of the No-objection letter of stock exchanges shall be six months from the date of issuance.

(4) The stock exchange(s) shall bring the objections to the notice of National Company Law Tribunal at the time of approval of the scheme of arrangement by the National Company Law Tribunal.

- (5) Upon sanction of the Scheme by the National Company Law Tribunal, the stock exchange shall forward its recommendations to the Board on the documents submitted by the listed entity in terms of sub-regulation (4) of regulation 59A."
- (8) in Schedule II, in Part C, in Paragraph A, in clause (6), the words "public or rights issue" shall be substituted with the words "public issue or rights issue or preferential issue or qualified institutions placement".
- (9) Schedule XI shall be substituted with the following, namely –
- "Schedule XI – Fee in respect of draft scheme of arrangement  
[see regulations 37, 59A, 94 and 94A]
1. An entity with listed specified securities, or listed specified securities and listed nonconvertible debt securities or non-convertible redeemable preference shares, shall, along with the draft scheme of arrangement, remit a fee at the rate of 0.1% of the paid-up share capital of the listed/ transferee/ resulting company, whichever is higher, post the sanction of the scheme by the National Company Law Tribunal: Provided that the total amount of fees payable shall not exceed five lakh rupees.
  2. An entity with only listed non-convertible debt securities or non-convertible redeemable preference shares, shall, along with the draft scheme of arrangement, remit a fee at the rate of 0.1% of the amount of outstanding debt of the listed/ transferee/ resulting company, whichever is higher, post the sanction of the scheme by the National Company Law Tribunal: Provided that the total amount of fees payable shall not exceed five lakh rupees.
  3. The fees shall be paid by way of direct credit to the bank account of the Board through NEFT/ RTGS/ IMPS or any other mode allowed by RBI or by means of a demand draft in favour of "Securities and Exchange Board of India" payable at Mumbai."



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