



Financial Accounting | CFO services | Compliance  
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NEWSLETTER

## HEADINGS

## GIST OF CONTENTS

### GST

[Interim measure for filing revocation of cancellation order in appeal channel](#)

[Filing Form GSTR-4 Annual Return by Composition Taxpayers on GST Portal](#)

In case your application for revocation of cancellation of registration was rejected by the tax authorities before 12/6/2020 and you wish to avail benefit of RoD order 01/2020 dated 25.06.2020, as an interim measure, you can request the appellate authority or the higher authority to pass a simple offline order on it for restoration of the application.

Based on such order, your jurisdictional authority can restore the application for revocation of cancellation. You need to apply post login:- Registration- Restore Registration- Restore Revocation. You have to enter ARN of the order and would require to upload scanned copy of the order passed after clicking "Appeal in favour".

Read more → [GST News & Updates](#)

**What is Form GSTR-4 Annual Return:** - With effect from 1<sup>st</sup> April, 2019, all Composition Taxpayers are required to file Form GSTR-4 Annual Return, on annual basis, for each financial year.

**Who are required to file Form GSTR-4 Annual Return:** All registered taxpayers who have opted for composition scheme or were under composition scheme under GST, for any period during a financial year, starting from 01.04.2019, need to file Form GSTR-4 Annual Return, annually.

**Who can file NIL Form GSTR-4 Annual Return:** Nil Form GSTR-4 Annual Return can be filed for the financial year, if you have, for all applicable quarters of the year,:

- NOT made any outward supply
- NOT received any goods/services
- Have NO other liability to report
- Have filed all Form CMP-08 as Nil

Read more → [GST News & Updates](#)

## HEADINGS

### DIRECT TAX

[CBDT issues Notification on Extension of time limits under the Income Tax Act, 1961 and related Acts](#)

[Clarification in relation to notification issued under clause \(v\) of proviso to section 194N of the Income-tax Act, 1961 \(the Act\) prior to its amendment by Finance Act, 2020 \(FA, 2020\)-Reg.](#)

[Notification of Sovereign Wealth Fund under section 10\(23FE\) of the Income-tax Act, 1961](#)

## GIST OF CONTENTS

In exercise of the powers conferred by sub-section (1) of section 3 of the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (2 of 2020), the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, number 35/2020, dated the 24th June, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), vide number S.O. 2033(E), dated the 24th June, 2020

Read more → [CBDT Notification](#)

Section 194N of the Act as inserted by Finance (No.2) Act 2019 provided for deduction of tax at source on payment made by a banking company, a cooperative society engaged in the business of banking or post office, in cash to a recipient exceeding Rs. 1 crore in aggregate during a financial year from one or more account maintained by such recipient. Clause (v) of proviso to the said section had empowered the Central Government, in consultation with the Reserve Bank of India (RBI), to exempt by way of notification in Official Gazette, persons or class of persons so that payments made to such persons or class of persons shall not be subjected to TDS under this section. Accordingly, in exercise of the said power, Central Government has issued three notifications which are as under:

Read more → [CBDT Circular](#)

The Finance Act, 2020, inter alia, inserted clause (23FE) in section 10 the Income-tax Act, 1961 (the Act) to provide for exemption to income of a specified person in the nature of dividend, interest or long-term capital gains arising from investment made by it in India if the investment is made in specified infrastructure business (including business notified vide Notification No 44/2020 dated 06.07.2020, i.e., Infrastructure sub-sectors mentioned in Harmonised Master List updated as on 13.08.2018) during the period from 01.04.2020 to 31.03.2024, and held for at least three years.

Read more → [CBDT Circular](#)

## HEADINGS

### RESERVE BANK OF INDIA

#### Fair Practices Code for Asset Reconstruction Companies

#### Implementation of Indian Accounting Standards

## GIST OF CONTENTS

In exercise of the powers conferred by Section 9 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, Asset Reconstruction Companies registered with the Bank are advised to adopt 'Fair Practices Code' so as to ensure transparency and fairness in their operation. Guidelines in this regard are enclosed in Annex.

In order to achieve the highest standards of transparency and fairness in dealing with stakeholders, Asset Reconstruction Companies (ARCs) are advised to put in place Fair Practices Code (FPC) duly approved by their Board. The following paragraphs provide the minimum regulatory expectation while each ARC's Board is free to enhance its scope and coverage. The FPC must be followed in right earnest and the Board must involve itself in its evolution and proper implementation at all times. The FPC shall be placed in public domain for information of all stakeholders.

Read more → [RBI Notification](#)

Please refer to paragraph 3 of the Annex to our circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, on the captioned subject, in terms of which any net unrealised gains arising on fair valuation of financial instruments, should not be included in owned funds whereas all such net losses should be considered.

On a review, it has been decided that the unrealised gain/loss on a derivative transaction undertaken for hedging may be offset against the unrealised loss/gain recognized in the capital (either through Profit or Loss or through Other Comprehensive Income) on the corresponding underlying hedged instrument. If after such offset and netting with unrealised gains/losses on other financial instruments, there are still net unrealised gains, the same should be excluded from regulatory capital as required by paragraph 3 of the annex to the said circular.

It is also clarified that unrealized gains/losses shall be considered net of the effect of taxation. All other instructions remain unchanged.

Read more → [RBI Notification](#)

## HEADINGS

## GIST OF CONTENTS

### MINISTRY OF CORPORATE AFFAIRS

#### Companies (Indian Accounting Standards) Amendment Rules, 2020

In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government, in consultation with the National Financial Reporting Authority, hereby makes the following rules further to amend the Companies (Indian Accounting Standards) Rules, 2015. These rules may be called the Companies (Indian Accounting Standards) Amendment Rules, 2020 they shall come into force on the date of their publication in the Official Gazette

Read more → [MCA Notification](#)

ANNUAL GENERAL  
MEETINGThe logo consists of the letters 'AGM' in a bold, sans-serif font. The 'A' and 'M' are dark blue, while the 'G' is a lighter, vibrant blue. The letters are slightly overlapping and have a subtle drop shadow effect.

ANNUAL GENERAL MEETING

**Annual General Meeting (AGM)**

Annual General Meeting by its name says that it is to be held annually by each and every company. It is compulsory in nature for every company whether big or small, private or public, listed or unlisted.

**Logic behind the provisions of an Annual General Meeting**

In the company form of business, there is separation of ownership and management. Those who are the owner's i.e shareholders, may not run the company and those who are in the management i.e Board of directors may not be the shareholders of the company. So, it is the duty of the Board of directors to, at least in once in a year, appear before the owners of the Company i.e shareholders in a meeting and put the financial data of the last year before the owners of the company.

## HEADINGS

## ANNUAL GENERAL MEETING

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#### **Legal Provisions behind an Annual General Meeting**

Section 96 of the Companies Act makes it mandatory to hold the first AGM within the timeframe of 9 months from the date of the closing of the financial year of a company i.e within 31<sup>st</sup> December if F.Y closes on 31<sup>st</sup> March. In all other cases, the company has to hold its AGM within a period of 6 months from the closing of its financial year. Additionally, it provides that the gap between the holdings of two AGM's should not be more than 15 months.

The business which is to be transacted in an AGM is provided under Section 102(2)(a) according to which all such business transacted at an AGM shall be deemed special, other than the following business:

- the consideration of financial statements and the reports of the board of directors and auditors;
- the declaration of any dividend;
- the appointment of directors in place of those retiring and
- the appointment of and the fixing of the remuneration of the auditors.

Apart from the above businesses, the rest are deemed to be a special business, transacted during the AGM.

#### **Extension of time for holding an Annual General Meeting**

It is noted that no extension of time can be allowed for delaying the first AGM of company. The Registrar may, for any special reason, extend the prescribed time period of holding AGM by a period not exceeding 3 months for subsequent AGM.

#### **Consequences of not holding an Annual General Meeting**

Companies which are not holding their AGM within stipulated time period are contravening the requirements of section 96 of the Act and liable to pay fine under section 99 of the Companies Act, 2013. The offence under this section is a continuing offence till the compliance is made.

According to Section 99, if any default is made in holding an annual general meeting of the company in accordance with section 96 or in complying with any directions of the tribunal, the company and every officer of the company who is in default shall be punishable with fine which may extend to Rs.1,00,000/- and in the case of a continuing default, with a further fine which may extend to Rs.5000/- for every day during which such default continues.

## HEADINGS

## ANNUAL GENERAL MEETING

### **What if Annual Accounts are not ready by the due date of AGM?**

Even if Annual Accounts are not ready, it is the duty of the Board to call and convene AGM within the stipulated timeline.

### **What if AGM is held after due date? Whether it is treated as Void?**

No. AGM held after the due date is not to be treated as Void. Company is liable for fine for the default of late holding of an AGM for the number of days of delay.

### **Compounding of Offences**

Compounding is nothing but “admission of guilt” wherein company in default approach the authority with the admission of its mistake and authority after levying lump-sum fine, discharge the company. The delay or mistake in holding an AGM is not a Cognizable Offence, therefore, it can very well be compounded under section 441.

Any offence punishable under this Act whether committed by a company or any officer thereof [not being an offence punishable with imprisonment only, or punishable with imprisonment and also with fine], may, either before or after the institution of any prosecution, be compounded by—

(a) the Tribunal (NCLT); or

(b) where the maximum amount of fine which may be imposed for such offence does not exceed Rs.25 Lakh, by the Regional Director or any officer authorised by the Central Government,

on payment of such amount as Tribunal or the Regional Director may order. Provided that the sum so specified shall not, in any case, exceed the maximum amount of the fine which may be imposed for the offence so compounded.

On the composition of an offence under Section 441, an intimation of the same shall be given by the company to the Registrar within 7 days from the date of composition of offence.

## ANNUAL GENERAL MEETING

## HEADINGS

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#### Effects of Compounding

Compounding will have the same effect as Acquittal of accused as per Section 320 of the Criminal Procedure Code, 1973. Once the offence is compounded, no further prosecution shall be initiated in respect of that offence. If any prosecution is going on in any court in respect of such offence then on the successful compounding of the same, the person against whom the prosecution is going on shall be discharged and it will have the effect of an acquittal.

### Quality Policy

*"We are committed to provide world-class service to our customers. We shall continuously improve the processes and apply quality practices to meet or exceed client requirements resulting in customer satisfaction."*



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**Disclaimer:** The entire contents of this document have been prepared on the basis of relevant provisions and as per the information existing at the time of the preparation. Though utmost efforts has made to provide authentic information, it is suggested that to have better understanding kindly cross-check the relevant sections, rules, notifications under various Acts.