



# Newsletter

February 2019

## **BOARD OF BANKRUPT COMPANIES CAN ACCESS DOCUMENT: SC**

The erstwhile boards of bankrupt companies will now have access to vital documents, including proposed resolution plans of the companies they ran, while participating in the meetings of the lenders, the Supreme Court has ruled.

The apex court in its order dated January 31 also ruled, however, that in allowing the directors of the company to participate and review critical documents, the resolution professional can take an undertaking from them in the form of a non-disclosure agreement to maintain confidentiality of the resolution plans. The apex court while giving the order said that there should be "symmetry of information between the creditors and debtors".

Source: [Economic Times](#)

## **INDIA, US CEOs TO SET UP WORKING GROUPS TO BOOST TRADE, INVESTMENTS**

India-US CEOs Forum decided to set up working groups on financial services, healthcare and defence with a view to accelerate trade and investments between the two countries.

The three working groups will be in addition to four such groups, which were established to deal with issues concerning energy, water and environment; ICT, emerging technologies and digital infrastructure; entrepreneurship, inclusive growth, and promoting small business; and infrastructure and manufacturing.

He added that three more groups would be set up in areas of -- financial services, trade and investment; healthcare and pharma; and defence and aerospace.

US Ambassador to India Kenneth Juster said that the working groups will be providing recommendations to the governments.

The working groups, he said, will come out with tangible recommendations that can advance the economic growth of both the counties and create more jobs.

Source: [Live Mint](#)

## **TO FILE ITRs, LINKING AADHAAR-PAN IS MANDATORY BY MARCH 31: CBDT**

The CBDT has stressed that Aadhaar-PAN linking is "mandatory" for those filing an Income Tax Return (ITR) and this procedure has to be "completed" by March 31 this year.

"Constitutional validity of Aadhaar has been upheld by the Supreme Court of India in September, 2018. Consequently, in terms of Section 139AA of Income Tax Act, 1961 and order dated June 30, 2018 of the Central Board of Direct Taxes, Aadhaar-PAN linking is mandatory now which has to be completed till March 31, 2019 by PAN holders requiring filing of ITR," the CBDT said

Source: [Economic Times](#)

## **GOVT SIMPLIFIES, WIDENS DEFINITION OF STRATUP TO PROVIDE RELIEF FROM ANGEL TAX**

Revising the current definition of startups and addressing the raging issue of angel tax, the Minister for Commerce and Industry Suresh Prabhu said an entity shall be considered a startup upto 10 years from its date of incorporation / registration instead of the existing period of 7 years. The proposals aim to simplify the process of exemptions for Startups under section 56 (2) (viib) of the Income Tax act. The minister added that all investments into eligible Startups by Non-Residents, Alternate Investment Funds- Category I registered with SEBI shall also be exempt under Section 56(2)(viib) of Income Tax Act beyond the limit of Rs 25 crores.

Source: [Economic Times](#)





## RBI BUNDLES NBFCs INTO 1 TYPE, OFFERING OPERATIONAL FLEXIBILITY

To provide greater operational flexibility to non-banking lenders, the Reserve Bank created a single category for them by bundling their present three-tier structure.

The central bank also decided that exposures to all NBFCs, excluding core investment companies, will be risk weighted as per credit ratings. "It has been decided that to provide NBFCs with greater operational flexibility, harmonization of different categories of NBFCs into fewer ones shall be carried out based on the principle of regulation by activity rather than regulation by entity," the RBI notification said. Asset finance companies, loan companies and investment companies have been merged into a new category called NBFC- investment and credit companies (NBFC-ICCs), it said.

A deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund, it said.

Source: Economic Times

## SHELL COMPANIES: E-FILING DETAILS MUST FOR ALL FIRMS

The government has made it mandatory for over 12 lakh active registered companies in India to upload all their particulars including details of registered offices in an e-filing to the government.

The Ministry of Corporate Affairs has notified the Companies (Incorporation) Amendment Rules, 2019, under which all companies registered before December 31, 2017, are required to file e-Form ACTIVE (Active Company Tagging Identities and Verification)-INC22A on or before April 25, 2019.

According to the new notification for filing of Form INC22A or ACTIVE, a company must have filed its annual return for the FY18. However, if a company is struck off or is in process of being struck off or is under liquidation, Form ACTIVE need not be filed. If ACTIVE is filed on or after April 26, it can only be done after paying a penalty of Rs 10,000. Only after this, will the company be declared ACTIVE-compliant.

The e-Form will get all details of a company - its directors, annual filings and a photo (internal and external) showing one of the directors in its registered office.

Source: Economic Times



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