

LOVI MEHROTRA & ASSOCIATES

CHARTERED ACCOUNTANTS

MONTHLY UPDATE APRIL 2019

(Circulars/ Notifications released during April 2019)

[RBI](#)

[SEBI](#)

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30TH April, 2019

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I. RBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	RBI/2018-19/157 DBR.BP.BC.No.32/21.04.018/2018-19 Dated 1 st April, 2019	Disclosure in the "Notes to Accounts" to the Financial Statements - Divergence in the asset classification and provisioning	<p>RBI has provided clarification with respect to disclosures required for banks in case of divergences from prudential norms on income recognition, asset classification.</p> <p>Clarification has been provided keeping in view the regulatory intent of disclosure only in case of material divergences.</p> <p>It has been decided that banks should disclose divergences only if either or both of the following conditions are satisfied:</p> <ol style="list-style-type: none"> the additional provisioning for NPAs assessed by RBI exceed 10 per cent of the reported profit before provisions and contingencies for the reference period, and the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. <p>All other conditions mentioned in the circular on the subject dated April 18, 2017 would remain unchanged.</p> <p>Notification</p>
2.	RBI/2018-19/170 DNBR (PD) CC.No.098/03.10.001/2018-19 Dated 16 th April, 2019	Licensing as Authorised Dealer- Category II	<p>Vide this notification, RBI has decided that Systemically Important Non-Deposit taking Investment and Credit Companies shall be eligible for Authorized Dealer- Category II (AD- Cat II) licence, subject to the following conditions being satisfied:</p> <ol style="list-style-type: none"> NBFCs offering such services shall have a 'minimum investment grade rating'. NBFCs offering such services shall put in place a board approved policy on (a) managing the risks, including currency risk, if any, and (b) handling customer grievances arising out of such activities. A monitoring mechanism, at least at monthly intervals, shall be put in place for such services. <p>Notification</p>
3.	RBI/2018-19/175 DBR.BP.BC.No.37	Disclosure on Exposure to Infrastructure Leasing & Financial	Pursuant to the order of National Company Law Appellate Tribunal's (NCLAT) dated 25.02.2019 in terms of which "no financial institution will declare the accounts of 'Infrastructure

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	/21.04.048/2018-19 Dated 24 th April, 2019	Services Limited (ILFS) and its group entities	Leasing & Financial Services Limited' or its entities as 'NPA' without its prior permission", RBI has advised banks and AIFIs to disclose in their notes to accounts, the following information in the prescribed proforma: <ul style="list-style-type: none"> - Amount outstanding - Out of amount outstanding, total amount of exposures which are NPAs as per IRAC norms and not classified as NPA - Provisions required to be made as per IRAC norms - Provisions actually held Notification
4.	RBI/2018-19/176 A.P. (DIR Series) Circular No. 33 Dated 25 th April, 2019	Investment by Foreign Portfolio Investors (FPI) in Debt – Review	Vide this notification, RBI has broadened access of non-resident investors to debt instruments in India. Foreign Portfolio Investors (FPI) are now permitted to invest in municipal bonds. FPI investment in municipal bonds shall be reckoned within the limits set for FPI investment in State Development Loans (SDLs). All other existing conditions for investment by FPIs in the debt market remain unchanged (Ref AP (DIR Series) Circular No. 26 dated March 27, 2019 on FPI investments in debt instruments). Notification

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II. SEBI

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	<p>Circular No.: SEBI/HO/RRD/RD1 /CIR/P/2019/46</p> <p>Dated 2nd April, 2019</p>	<p>Securities and Exchange Board of India (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018 (Administrator Regulations)</p> <p>Empanelment of Insolvency Professionals (IPs) to be appointed as Administrator and related issues</p>	<p>In terms of the Administrator Regulations notified in October 2018, the Board is empowered to deal with issues pertaining to eligibility criteria, terms of appointment including remuneration of an Administrator and to issue clarifications and guidelines in respect of the application of the Administrator Regulations.</p> <p>Drawing power from the extant regulations, SEBI has vide this circular, issued clarifications and guidelines on the following issues:</p> <ul style="list-style-type: none"> - Restrictions on an Administrator, selected from a Panel of IPs to withdraw his consent to act as an Administrator or refuse to act as an Administrator, or surrender his registration to the IBBI Board or membership to his Insolvency Professional Agency (IPA) during the pendency of the assignment. - Guidelines for Remuneration of Administrator - Procedure for appointment of Chartered Accountant, Registered Valuer and Registrar and Share Transfer Agent <p>Circular</p>
2.	<p>Circular No.: SEBI/HO/CFD/DIL 2/CIR/P/2019/50</p> <p>Dated 3rd April, 2019</p>	<p>Streamlining the Process of Public Issue of Equity Shares and convertibles- Extension of time line for implementation of Phase I of Unified Payments Interface with Application Supported by Block Amount</p>	<p>Vide Circular dated Nov 1, 2018, SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer Agent and Depository Participants) with effect from January 1, 2019.</p> <p>Implementation was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.</p> <p>Based on representation received from various stakeholders, SEBI has decided to extend the timeline for implementation of Phase I till June 30, 2019.</p> <p>Circular</p>

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3.	Regulations Dated 5 th April, 2019	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2019	<p>SEBI has amended the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Following is the brief of the amendments:</p> <ol style="list-style-type: none"> Definition of “innovators growth platform” inserted in regulation 283 Substitution of the term institutional trading platform with the term innovators growth platform wherever appearing in the regulations. Modification of Regulation 283 pertaining to eligibility conditions for issuers to list on innovators growth platform and for investors to obtain accreditation on the platform. Insertion of Regulation 285A pertaining to minimum public shareholding norms and minimum offer size Modification of Regulation 286 pertaining to Minimum application size Modification of Regulation 287 pertaining to Allocation and allotment Modification of Regulation 289 pertaining to Trading lot <p>Regulation</p>
4	Circular No. MRD/DoP2DSA2/CI R/P/2019/51 Dated: 10 th April, 2019 Effective Date: 01 st June, 2019	Separate BSDA limit for Debt Segment	<p>With a view to boost participation in Debt market, SEBI has decided to revise the structure of charges for debt securities as defined in SEBI (Issue and Listing of Debt Securities) Regulations, 2008.</p> <p><u>Fees for holdings of Debt Securities:</u></p> <ul style="list-style-type: none"> - no AMC in case the value of holdings is up to Rs. 1 lakh - maximum AMC of Rs. 100 if the value of holdings is between Rs. 1,00,001 and Rs.2,00,000. <p><u>Fees for holdings other than Debt Securities:</u></p> <ul style="list-style-type: none"> - -No AMC in case the value of holdings is below Rs. 50,000 - maximum AMC of Rs. 100 if the value of holdings is between Rs.50,001 and Rs.2,00,000. <p>Notification</p>

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III. MCA

S.NO.	CIRCULAR/ NOTIFICATION NO.	PARTICULARS	SHORT SUMMARY
1.	Notification No. G.S.R.275(E) Dated 29 th March, 2019	Companies (Incorporation) Third Amendment Rules, 2019	<p>MCA has amended the Companies (Incorporation) Rules, 2014 and inserted rule 38A pertaining to application for registration of the Goods and Service Tax Identification Number (GSTIN), Employees' State Insurance Corporation (ESIC) registration and Employees' Provident Fund Organisation (EPFO) registration.</p> <p>As per rule 38A, an application for incorporation of a company through E form SPICe shall be accompanied by e-form AGILE (INC-35) containing an application for registration of the following numbers, namely:-</p> <ol style="list-style-type: none"> 1. GSTIN with effect from 31st March, 2019 2. EPFO with effect from 8th April, 2019 3. ESIC with effect from 15th April, 2019 <p>Notification</p>
2.	Notification No. G.S.R.____ Dated 30 th March, 2019 Effective Date: 1 st April, 2019	Companies (Indian Accounting Standards) Amendment Rules, 2019	<p>MCA has amended the Companies (Indian Accounting Standards) Rules, 2015 as below:</p> <ol style="list-style-type: none"> 1. Insertion of Ind AS 116 pertaining to 'Leases' 2. Amendments in Ind AS 101 pertaining to 'First-time Adoption of Indian Accounting Standards' 3. Amendments in Ind AS 103 pertaining to 'Business Combinations' 4. Amendments in Ind AS 104 pertaining to 'Insurance Contracts' 5. Amendments in Ind AS 107 pertaining to 'Financial Instruments: Disclosures' 6. Amendments in Ind AS 109 pertaining to 'Financial Instruments' 7. Amendments in Ind AS 113 pertaining to 'Fair Value Measurement' 8. Amendments in Ind AS 115 pertaining to 'Revenue from Contracts with customers' <p>Notification</p>
	Notification No. G.S.R.____ Dated 30 th March,	Companies (Indian Accounting Standards) Second Amendment Rules, 2019	MCA has further amended the Companies (Indian Accounting Standards) Rules, 2015 as below:

3.	2019 Effective Date: 1 st April, 2019		<ol style="list-style-type: none"> 1. Amendments in Ind AS 101 pertaining to 'First-time Adoption of Indian Accounting Standards' 2. Amendments in Ind AS 103 pertaining to 'Business Combinations' 3. Amendments in Ind AS 109 pertaining to 'Financial Instruments' 4. Amendments in Ind AS 111 pertaining to 'Joint Agreements' 5. Amendments in Ind AS 12 pertaining to 'Revenue from Contracts with customers' 6. Amendments in Ind AS 19 pertaining to 'Employee Benefits' 7. Amendments in Ind AS 23 pertaining to 'Borrowing Costs' 8. Amendments in Ind AS 28 pertaining to 'Investments in Associates and Joint Ventures' Notification
4.	General Circular No. 04/2019 Dated 4 th April, 2019	Relaxation of additional fees and extension of last date of filing eform CRA-2 (Form of intimation of appointment of cost auditor by the company to Central Government) in certain cases under the Companies Act, 2013	<p>Vide this circular, MCA has extended the last day for filing of e-form CRA-2 without payment of additional fees upto 31.05.2019.</p> <p>The extension is provided in such cases where the company has been mandated to get its cost records audited for the first time under Companies Act, 2013 in terms of the provisions of Companies (Cost Records and Audit) Amendment Rules, 2018 as notified vide G.S.R. 1157(E) dated 03.12.2018.</p> Circular
5.	General Circular No. 05/2019 Dated 12 th April, 2019	Filing of one time return in DPT-3 Form	<p>Vide this circular, MCA has modified Rule 16A(3) of the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, one-time return for data on deposits accepted from 1st April, 2014 is required to be filed in Form DPT-3 till 31st March 2019 (previously it was to be filed upto the date of publication of notification i.e. 22nd January, 2019). It has further been clarified that pending the deployment of revised Form DPT-3 on MCA portal, additional fee shall be levied after 30 days from the date of such deployment.</p> Circular
6.	Clarification Dated 13 th April, 2019	Latest Message on eform DIR-3 KYC filings on Annual Basis	<p>MCA has provided clarification with respect to filing of Form DIR-3 KYC on or before 30th April of the immediate next financial year as per Rule 12A of Companies (Appointment and Qualification of Directors) Rules 2014.</p>

			<p>DIN holders are required to file DIR-3 KYC form every year and a revised form will be hosted shortly which can be filed by the existing holders of DIN without any additional fees within 30 days from such deployment.</p> <p>Clarification</p>
7.	<p>Notification No. G.S.R.____</p> <p>Dated 25th April, 2019</p>	<p>Companies (Incorporation) Fourth Amendment Rules, 2019 read with Companies (Registration offices and Fees) Second Amendment Rules, 2019.</p>	<p>MCA has amended the Companies (Incorporation) Rules, 2014 and Companies (Registration offices and Fees) Second Amendment Rules, 2019.</p> <p>As per the amended rules, the due date for filing of Form INC-22A has been extended from 25th April, 2019 to 16th June, 2019 without payment of additional fees of Rs. 10,000.</p> <p>Notification</p>
8.	<p>Advisory dated 25.04.2019</p>	<p>Advisory on Charge related e-Forms</p>	<p>MCA has issued advisory on e-Forms to be filed in respect of charges to be created/modified/satisfied.</p> <p>The advisory is issued to address the amendments brought about by the Companies (Amendment) Ordinance, 2019.</p> <p>Advisory</p>

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Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.

Instead it is only a listing of some of the circulars/notifications that we considered important.