

**BHUBANESWAR BRANCH OF  
EASTERN INDIA REGIONAL COUNCIL OF**

**THE**

**INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**e-newsletter/11/2021-22**

# **NEWSLETTER**



**NOVEMBER 2021**



**ICAI BHAWAN**

**PLOT NO-A/122/1, NAYAPALLI,**

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## *From Chairman's Desk*

Dear Professional Colleagues,  
Greetings of the day!

Wishing you all a very Happy Deepavali!

May the festival of lights bring us all happiness, prosperity, and all round development. May this Dhanteras bring a bright future for all of us, and may our country see its growth in the double digits and create prosperity all around. Wish you and your family a very a very happy and prosperous Deepavali!

Thank you, stay safe and stay healthy.

CA. Bisworanjan Sutar  
Chairman

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## Editorial Board

### **Editor-in-Chief:**

**CA Bisworanjan Sutar**

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**CA Ranjan Kumar Prusty**

### **Members:**

**CA Goutam Lenka**

**CA Janhabi Deo**

**CA Pradip Kumar Sahoo**

**CA Bibhu Prasad Mohapatra**

**CA Sugyan Kumar Sahoo**

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*MANAGING COMMITTEE MEMBERS  
OF BHUBANESWAR BRANCH OF EIRC OF ICAI (2021-22)*



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Chairman



CA. Ranjan Kumar Prusty  
Vice Chairman



CA. Janhabi Deo  
Secretary



CA. Goutam Lenka  
Treasurer



CA. Pradip Kumar Sahoo  
Member



CA. Bibhu Prasad Mohapatra  
Member



CA. Sugyan Kumar Sahoo  
Member



## Members Area of Interest

### LLP AMENDMENT BILL 2021

#### BACKGROUND:

The Limited Liability Partnership (LLPs) is an alternative corporate business vehicle that provides the benefits of limited liability but allows its members the flexibility of organizing their internal structure as a partnership based on a mutually arrived agreement. In order to provide greater ease of doing business in India to law-abiding LLPs, it was the need of the hour to review the penal provisions of the Act so as to decriminalize compoundable offences involving minor, procedural or technical violations of the Act, or offences which can be objectively identified as where no fraud or mala fide intent is present nor is there any harm to public interest.

On Wednesday, 28th July, 2021 Cabinet has passed LLP Amendment Bill, 2021. This will be the first time that changes are being made to the Act since it came into effect in 2009. They have made 29 amendments to LLP Act 2008 by LLP Amendment Bill 2021.

#### OBJECTIVE OF AMENDMENTS:

- To encourage the conversion of partnership firm into LLPs;
  - To make LLP popular for startups;
  - To provide greater ease of doing business in India;
  - The objective of the De-criminalization exercise is to remove criminality of offences from business laws where no mala fide intentions are involved;
- To promote the formation of LLPs.

#### HIGHLIGHTS OF THE AMENDMENT

- ◆ **Small limited liability partnership**– The Bill defines the term “small limited liability partnership”. The definition is an exhaustive definition.
- ◆ **Residency of designated partners**– There is a pre-requisite for each LLP to have at least 2 designated partners who are individuals and at least one of them shall be a resident in India. While determining the condition of residency the amendment bill has reduced the term of stay to 20 days during the financial year.
- ◆ **Accounting Standards**– the Central Government, in consultation with the National Financial Reporting Authority constituted, prescribe the Accounting Standards and prescribe the Auditing Standards, as recommended by the Institute of Chartered Accountants of India for a particular class of LLP.
- ◆ **Authority to Regional Director**– the Bill provides that a Regional Director, authorized by the Central Government, may compound such offences. The compounding provisions have been brought in line with the compounding provisions mentioned under the Companies Act, 2013.
- ◆ **Establishment of Special Courts**– For the purpose of speedy trial of offences, the Central



Government may establish Special Courts. The amendment bill further mentions the composition of such courts which is as follows:

- (i) A Sessions Judge or an Additional Sessions Judge, for offences punishable with imprisonment of 3 years or more; and
- (ii) A Metropolitan Magistrate or a Judicial Magistrate, for other offences. They will be appointed with the concurrence of the Chief Justice of the High Court.

The Amendment Bill also elaborates on the procedure of trial of such Special Courts. The appeal and revision petitions shall lie to the High Court within whose jurisdiction the Special Court is located.

**Registration of documents**– Any document required to be registered with Registrar, if, is not registered within the time frame, may be registered after that time, on payment of such additional fee in addition to any fee as is payable.

◆ **Role of Appellate Tribunal**– Appeal shall lie to the Appellate Tribunal. No appeal shall lie to the Appellate Tribunal from an order made by the Tribunal with the consent of parties. The time frame within which appeal shall be filed is period of 60 days. For sufficient cause the time frame can be extended if the Appellate Tribunal is satisfied with the cause. Opportunity of being heard is an important element while dealing with appeals filed.

◆ **Penalty for offences**– If an LLP or any partner or any person contravenes this Act or the rules, the defaulter, shall be liable to a penalty of Rs. 5,000 and in case of a continuing contravention with a further penalty of Rs. 100 for each day after the first during which such contravention continues, subject to a maximum of Rs 100,000.

◆ **Punishment for fraud**– If an LLP or its partners carry out an activity to defraud their creditors, or for any other fraudulent purpose, every person party to it knowingly is punishable with imprisonment now of up to 5 years and a fine between Rs 50,000 and Rs. 5,00,000.

◆ **Adjudication of penalties**– The amendment bill provides for adjudication of penalties by officers appointed by the Central Government not below the rank of Registrar. The officer may by order impose penalty. The penalty where payable by a small LLP or start-up LLP or by its partner the such penalty shall be to the tune of one-half of the penalty specified subject to a maximum of Rs. 1,00,000 for LLP and Rs. 50,000 for every partner or any other person. Opportunity of being heard play the key role under this proceeding.

Appeal shall lie to the Regional Director in case the party is aggrieved by the order of the Registrar which shall be filed within 60 days.

- Where an LLP fails to comply with the order within 90 days from the date of receipt of order, shall be punishable with fine not be less than Rs. 25,000, but may extend to Rs. 5,00,000.



- Where a partner or designated partner fails to comply with an order within 90 days from the date of receipt of order, shall be punishable with imprisonment which may extend to 6 months or with fine which shall not be less than Rs. 25,000 but may extend to Rs. 100,000, or both.

- ◆ **Decriminalizing certain offences:** The Bill seeks to decriminalize numerous sections bearing in mind the harsh consequences of criminal proceeding on the overall functioning of the LLP.

**CONCLUSION:**

It is evident from the amended Act that it focused on smoother operation of LLPs to enable the LLPs to enjoy the privileges currently enjoyed by the Companies under the Companies Act, 2013. They are trying to bridge the gap between Company and LLP's and to make LLPs more attractive and easier to handle, so that many of the startups today, which prefer the LLP model can also feel equally given the ease of business opportunities.

- **KEY TAKEAWAY:**

It can be concluded from this article that Limited Liability Partnership is the most flexible form of business and offers a much-secured business environment to the partners. The latest amendments proposed through the Bill will provide coverage to a lot of small and large enterprises and provide the benefits of a company as well as traditional partnership firms.

<b>Professional Development Committee</b> <b>The Institute of Chartered Accountants of India</b> <b>30th October, 2021</b>
<b>Multipurpose Empanelment Form 2021-22</b> <b>Confusion on eligibility of Individuals/Proprietors for Bank branch audit</b>
<p>As you are aware, Professional Development Committee (PDC) of ICAI has hosted the Multipurpose Empanelment Form (MEF) for the year 2021-22, which is available at <a href="https://meficai.org">https://meficai.org</a> wherein individuals and proprietors are also eligible to empanel, as in earlier years.</p> <p>We understand that certain quarters are creating confusion in the minds of our members, stating that individuals and proprietors are not eligible for Bank branch audits, especially those who are in category IV.</p> <p>It seems some of our members got confused with the RBI circular dated 27th April 2021 regarding Guidelines for Appointment of Statutory Central Auditors (SCAs) and not for appointment of Bank Branch Auditors. <b>We would like to clarify that, the PDC is preparing the panel of eligible bank branch auditors exactly on the same basis as in last year for submission to the Reserve Bank of India.</b></p> <p><b>We would like to further inform you that the President and Vice-President of the ICAI along with the Chairman, PDC are meeting the honourable Governor of the RBI next week for the pressing need for an increase in Bank Audit Fees.</b> We had earlier met the honourable Deputy Governor, RBI &amp; Chairman, Indian Banks' Association on the same issue. We will update you on the developments in this regard.</p> <p><b>While we request our members to fill the MEF latest by 10th November 2021,</b> we would also advise the members to reach PDC at <a href="mailto:mefpdc@icai.in">mefpdc@icai.in</a> for any further clarification, without getting carried away with any misinformation.</p> <p><b>Professional Development Committee</b></p>



Corporate Laws & Corporate Governance Committee  
The Institute of Chartered Accountants of India  
2nd November, 2021

ANNOUNCEMENT

Sub: Extension of last date to file e-forms AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/7A for the FY 2020-21 to 31.12.2021

This is to inform you that the Ministry of Corporate Affairs has extended the due date for filing e-forms AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7/7A for the Financial Year ended 31.03.2021 to 31st December, 2021 vide its General Circular No 17/2021 dated 29th October, 2021.

Accordingly, the aforementioned forms due for the FY 2020-21 can be filed by the Companies upto 31.12.2021 without payment of any additional fees.

Circular is available at the link-

<https://www.mca.gov.in/bin/dms/getdocument?mds=xSlzPTiGfoY1AOdMPFcWzQ%253D%253D&type=open>

Members may take note of the above and plan accordingly.

With Warm Regards,

Corporate Laws & Corporate Governance Committee  
The Institute of Chartered Accountants of India

**Professional Development Committee**  
**The Institute of Chartered Accountants of India**  
**9th November, 2021**

**ANNOUNCEMENT FOR EXTENSION OF LAST DATE OF MEF 2021-22**

ANNOUNCEMENT FOR EXTENSION OF LAST DATE FOR SUBMITTING MEF 2021-22 FROM NOVEMBER 10 TO NOVEMBER 20, 2021

The Multipurpose Empanelment Form (MEF) for the year 2021-22 is live at <https://meficai.org>. Considering the various requests received from the Members of ICAI, it has been decided by the Professional Development Committee to extend the last date for submission of online Multipurpose Empanelment Form along with the Declaration for the year 2021-22 by another 10 days. It is hereby informed that last date is extended from 10th November 2021 to 20th November 2021.

It may be noted that NO FURTHER EXTENSION WOULD BE GIVEN for filing MEF 2021-22.

Members may refer the "Advisory" while filling MEF 2021-22. However, the MEF Applicants can write to us at the Complaint Module of MEF (available at <https://app.meficai.org/complaints>) or at [mefpdc@icai.in](mailto:mefpdc@icai.in) for any clarification, if required.

Professional Development Committee



## Programme to be held during December, 2021

### a. Members

1. Study Circle Meeting on Audit Quality Maturity Model on 12th December, 2021.
2. Professional Cricket League on 24th, 25th & 26th December, 2021.
3. Preparatory meeting for creation of Students Hostel at Bhubaneswar on 27th December, 2021.

### b. Students

1. ICITSS- Information Technology Class
2. ICITSS- Orientation course.
3. AICITSS- Advanced Information Technology
4. Branch Participation at Regional level PPT & Debate Competition at Siliguri.
5. Career Counselling Programme at Baba Bhairabananda (Autonomous) Mahavidyalaya, Chandikhol on 17th December, 2021





## Glimpses of Events





