



E-FORM AGILE GETS ADDED TO E-FORM SPICE

April 2019

E-form AGILE gets added to e-form SPICe

Application for incorporation of a company, i.e. SPICe is now linked with e-form AGILE (INC-35). AGILE enables applicants to procure GSTIN, EPFO and ESIC registrations through a single application. It is not mandatory though, for the applicants to obtain these registrations at the time of incorporation. Vis-a-vis GST registration, it can be obtained only for the proposed company's principal place of business. The form cannot be used in isolation to procure any or all of the three registrations. Also, MCA does not levy any additional fee for AGILE filing.

PSA view – MCA has increasingly been making the procedure for setting up and operating a company practical and fuss free. This is indeed a big leap from integration of PAN and TAN registration with SPICe. In our view, similar facility for LLP registration would be much appreciated by entrepreneurs.

LLPs can continue manufacturing activities

On March 6, 2019, MCA had restricted LLPs from undertaking manufacturing and allied activities. Consequently, those looking at incorporating LLPs for carrying out manufacturing activities and, companies in this business intending to convert to LLP model, were stopped from doing so. As per MCA, the term "business" as defined under section 2(e) of the LLP Act means trade, profession, service and occupation and this excludes manufacturing. The Institute of Company Secretaries of India came to rescue and raised this issue before the MCA through a representation on April 8, 2019. Institute called MCA's interpretation of the term "business" erroneous and stated that the term should be interpreted liberally to include manufacturing, production and allied activities. On April 16, 2019, MCA lifted this restriction.

PSA's view – The restriction came too late in the day when MCA had already permitted multiple LLPs to set up their manufacturing business. Also, issuing a notification without suggesting a way to LLPs in manufacturing sector on next steps was, in our view, completely uncalled for.

By:

Mansi A. Gambhir & Jaya Moorjani



[SITEMAP](#) | [CONTACT US](#)

PSA © 2021 | Developed by iNFOTYKE