



Compliance Requirements – FY 2021-22

(Companies Act, 2013 and Securities Laws)

Presented at the Ahmedabad Chapter of WIRC of ICSI
By CS Bhargav Parekh

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Coverage

- ▶ **New Requirements - FY 2021-22**
- ▶ **Compliance Docket – FY 2020-21**
- ▶ **Secretarial Audit – FY 2020-21 – Key Consideration**
- ▶ **Compliance Calendar – FY 2021-22**

New Requirements

FY 2021-22

Companies Act, 2013

- ▶ **Increased Threshold for Small Companies** – PC - ₹ 2 Cr. and Turnover - ₹20 Cr.
- ▶ **NRI permitted to incorporate OPCs** – Residency period reduced to 120 days from 182 days
- ▶ **Removal of cap on size of OPCs** – Free conversion into or by OPCs
- ▶ **Exclusion of companies with only privately placed listed NCDs/NCRPSs or listed only on foreign stock exchange from definition of listed companies** – reduction of corporate governance compliance – impact on DRR requirement
- ▶ **Rights Issue – Minimum period reduced to 7 Day from 15 Days** – listed companies need to wait till SEBI ICDR Regulations is amended

Companies Act, 2013

- ▶ **New CSR Regime – Registration of implementing Agency through form CSR-1 & CSR-RN**
- ▶ **NEDs / IDs eligible to receive remuneration in case of inadequate or no profit – AGM 2021 likely to seek approval for variation or ratify remuneration of NEDs / IDs**
- ▶ **Periodical Financial Results along with limited review report – class of unlisted entities to be notified by MCA**
- ▶ **E-AGM Framework to continue for the year 2021**
- ▶ **Framework for E-EGM, Postal Ballot & BM through VC for restricted matters to continue till June, 2021 or extended period**

Companies Act, 2013

- **Shareholding of promoters** at the end of the year and changes during the year
- **use of borrowings from banks and FIs for other purpose**
- **Ageing Schedule** of Trade payables, Trade receivables, capital work in progress and Intangible asset under development
- **Title deeds of Immovable Property not held in name** of the Company in prescribed format
- **Loans granted to promoters, directors, KMPs & their relatives** in prescribed format
- Details of **Benami Property held**
- disclosure with respect to **Wilful Defaulter**
- Compliance with approved Scheme of Arrangement

Additional Disclosure in Financial Statements – Schedule III

- **Relationship with struck off companies** if companies has any transaction with such companies
- Details of **pending Registration or satisfaction of Charge**
- Compliance with number of layers of companies,
- **Utilization of Borrowed funds and share premium for third party funding**
- Specified accounting ratios
- Details of undisclosed income not recorded in the books of account
- **Details of CSR** and
- **Details of Crypto Currency or virtual currency**

Companies Act, 2013

CARO – 2020 – Auditors to comment on

- ▶ Title deeds of Immovable Property not held in name of the Company in prescribed format
- ▶ Details of Benami Property held
- ▶ Working Capital Finance and correctness of returns submitted to banks vis-à-vis books of accounts.
- ▶ Loans / advances to promoters / related parties
- ▶ Undisclosed income not recorded in the books of account
- ▶ Disclosure with respect to Wilful Defaulter
- ▶ Use of short-term funds for long term purpose
- ▶ Fund raising and its utilization and variation in use, if any
- ▶ Fraud reporting and consideration of whistle blower complaint
- ▶ Cash losses during the current and previous FY
- ▶ Financial solvency of the Company for next one year
- ▶ Transfer of unspent CSR amount in accordance with sec. 135
- ▶ Resignation of auditors during the year

Enhanced Reporting by Auditors – CARO, 2020 and other matters

Other matters in Audit Report

- ▶ Representation made by Company on **funding of third party through intermediary** by the Company
- ▶ Representation made by Company on **Receipt of fund by the Company for funding third party**
- ▶ Reasonableness of above representation
- ▶ **Compliance with sec. 123** for dividend declared or paid during the year
- ▶ use and operation of the **accounting software having feature of recording audit trail** (effective from April 1, 2022)

Securities Laws

- ▶ **Relaxation in sending of physical copy of annual report** to continue till December 31, 2021
- ▶ **Business Responsibility and Sustainability Report** – Top 1000 Companies – Voluntarily FY 2021-22 and Mandatorily FY 2022-23
- ▶ **Dividend Distribution Policy and Risk Management Committee Framework** – Top 1000 Companies
- ▶ **Harmonized Timeline of Quarterly Compliances** – 21 Days – CG Report (from 15 days to 21 Days)
- ▶ **Half yearly compliances shifted to annual** – Reg. 7(3) and Reg. 40(9) Certificates

Securities Laws

- ▶ **Dispensation of Newspaper advertisement for notice of BM for FR and quarterly statement of deviation or variation**
- ▶ **No Stock Exchange Approval for change of name**
- ▶ **Separation of Role of Chairperson and MD – For top 500 companies - FY 2021-22 last year to achieve compliance**
- ▶ **Mandatory voting by Mutual Funds – on corporate governance and capital structure related matters**
- ▶ **Stringent framework for Listed NCDs – DD by Debenture Trustee, execution of charge and DTD prior to listing etc.**

Compliance Docket

FY 2020-21

Compliance and Due Date

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	Due Date
1	Schedule B of PIT Regulations	Intimation of Trading Window Closure	From the end of closure of quarter	March 31, 2021
2	Reg. 30	Annual Disclosure of shareholding under SAST Regulations	Within 7 working day of end of FY	April 12, 2021
3	Reg. 31(4)	Annual confirmation of encumbrance under SAST Regulations	Within 7 working day of end of FY	April 12, 2021
4	Reg. 27(2)	Corporate Governance Report	15 days from end of quarter	April 15, 2021
5	74(5)	Compliance certificate on Demat/Remat	15 days from end of quarter	April 15, 2021
6	Reg. 13(3)	Statement of Investor Complaints	21 days from end of quarter	April 21, 2021
7	Reg. 31(1)(b)	Shareholding Pattern	21 days from end of quarter	April 21, 2021

Compliance and Due Date

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	Due Date
8	Reg. 76	Reconciliation of Share Capital Audit Report	30 days from the end of quarter	April 30, 2021
9	Reg 7(3)	Compliance Certificate on Share Transfer Facility	One month from end of half year	April 30, 2021
10	Reg. 40(9)	PCS Certificate on Share Transfer	One month from end of half year	April 30, 2021
11	SEBI LCB Circular	Initial Disclosure of classification as large corporate borrower	30 days from beginning of FY	April 30, 2021
12	Sec. 405	MSME – I – Half year October 20 to March 21	30 days from end of half year	April 30, 2021
13	SEBI LCB Circular	Annual Disclosure on incremental borrowing by Large Corporate Borrower	45 days from end of FY	May 15, 2021
14	Reg. 24A	Annual Secretarial Compliance Report (in XBRL as well)	60 days from end of FY	May 30, 2021

Compliance and Due Date

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	Due Date
15	Reg. 33	Annual Audited Financial Results	60 days from end of FY	May 30, 2021
16	Reg. 32	Statement of Deviation / Variation	Simultaneously with financial results	May 30, 2021
17	Rule 91	E-form PAS-6 (unlisted public company)	60 days from end of half year	May 30, 2021
18	Reg. 23(9)	Statement of Related Party Transaction	30 days from publication of results	June 29, 2021
19	CFSS	E-form CFSS-2020	Six months from closure of CFSS	June 30, 2021
20	Rule 16	E-form DPT- 3 – Return of Deposit / Exempted Deposit	On or before June 30	June 30, 2021
21	Reg. 34	Submission of Annual Report	Simultaneously while sending to shareholders	-

Compliance and Due Date

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	Due Date
22	Rule 12A	DIR-3 KYC / DIR-3 KYC Web	On or before September 30	September 30, 2021
23	Sec. 137	E-form AOC-4/AOC-4 CFS/AOC-4 XBRL	30 days from AGM	October 30, 2021
24	Sec. 121	E-form MGT-15 (Report on AGM)	30 days from AGM	October 30, 2021
25	Sec. 92	E-form MGT-7 / MGT-7A	60 days from AGM	November 29, 2021
26	Rule 5(8)	E-form IEPF – 2	60 days from AGM	November 29, 2021
27	E-AGM Circular	E-form MGT-14 (for all resolution passed in E-AGM)	60 days from AGM	November 29, 2021
28	Rule 5 of NFRA Rules	E-form NFRA – 2 (Annual Return by Auditor)	On or before 30 th November	November 30, 2021

Secretarial Audit

FY 2020-21

KEY POINTS OF CONSIDERATION

Points of Consideration

- ▶ COVID-19 Relaxations by SEBI and MCA
- ▶ Secretarial Audit – Companies with ₹100 Crore or More borrowings from Banks & PFIs
- ▶ Appointment of CS – Private Company – Limit was changed to ₹10 Crore
- ▶ LODR – 1 independent woman director (Top 500), min. 6 directors on board (Top 2000), quorum of 1/3rd or 3 – higher with 1 ID (Top 2000), maximum 7 directorship in listed entities etc.
- ▶ Takeover Code – creeping acquisition limit of 10% for promoters acquiring through preferential issue
- ▶ PIT Regulations – Revised Format and Disclosure of Trading in Rights Entitlements

Compliance Calendar

FY 2021-22

Quarterly Compliance

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	Q1	Q2	Q3	Q4
1	Schedule B	Intimation of Trading Window Closure	From the end of closure of quarter	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
2	74(5)	Compliance certificate on Demat/Remat	15 days from end of quarter	July 15, 2021	October 15, 2021	January 15, 2022	April 15, 2022
3	Reg. 27(2)	Corporate Governance Report	21 days from end of quarter	July 21, 2021	October 21, 2021	January 21, 2022	April 21, 2022
4	Reg. 13(3)	Statement of Investor Complaints	21 days from end of quarter	July 21, 2021	October 21, 2021	January 21, 2022	April 21, 2022
5	Reg. 31(1)(b)	Shareholding Pattern	21 days from end of quarter	July 21, 2021	October 21, 2021	January 21, 2022	April 21, 2022
6	Reg. 76	Reconciliation of Share Capital Audit Report	30 days from the end of quarter	July 30, 2021	October 30, 2021	January 30, 2022	April 30, 2022
7	Reg. 32 & 33	Financial Results & Statement of deviation	45 days/60 days from end of quarter	August 14, 2021	November 14, 2021	February 14, 2022	May 30, 2022

Half Yearly Compliance

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline	HY 1	HY 2
1	Sec. 405	MSME – I	30 days from end of half year	October 30, 2021	April 30, 2022
2	Rule 91	E-form PAS-6 (unlisted public company)	60 days from end of half year	November 30, 2021	May 30, 2022
3	Reg. 23(9)	Statement of Related Party Transaction	30 days from publication of results	December 14, 2021	June 29, 2022

Annual Compliance

Sr No.	Regulation	Form / Disclosure / Report	Statutory Timeline
1	Reg 7(3)	Compliance Certificate on Share Transfer Facility	One month from end of FY
2	Reg. 40(9)	PCS Certificate on Share Transfer	One month from end of FY
3	Reg. 24A	Annual Secretarial Compliance Report (in XBRL as well)	60 days from end of FY
4	Reg. 30	Annual Disclosure of shareholding under SAST Regulations	Within 7 working day of end of FY
5	Reg. 31(4)	Annual confirmation of encumbrance under SAST Regulations	Within 7 working day of end of FY
6	SEBI LCB Circular	Annual Disclosure on incremental borrowing by Large Corporate Borrower	45 days from end of FY
7	Rule 16	E-form DPT- 3 – Return of Deposit / Exempted Deposit	On or before 30 th June
8	Reg. 34	Submission of Annual Report	Simultaneously while sending to members
9	Rule 12A	DIR-3 KYC / DIR-3 KYC Web	On or before September 30

Q&A / Discussion

THANK YOU

AT YOUR SERVICE

CS BHARGAV PAREKH

+918866194518

Bhargavparekh94@gmail.com