



JUNE 2020

ICSI-NIRC Ghaziabad Chapter e-Newsletter

Ghaziabad Chapter Of NIRC Of ICSI

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From the Desk of the Chairperson, Ghaziabad Chapter of NIRC of ICSI

My dear Professional colleagues,

“Goals should never be easy, they should force you to work, even if they are uncomfortable at the time.”

– Michael Phelps

I hope you are keeping safe and healthy in these challenging times. Ongoing pandemic COVID-19 has disrupted the social & business activities worldwide. After complete lockdown for nearly 2 months Government of India has now been announcing measures to unlocking the lockdown. Presently we are in Phase 2 of unlock & have to be more cautious in combating this threat.

“Anyone who has never made a mistake has never tried anything new.”

Albert Einstein

Ghaziabad Chapter celebrated PCS Day on 15th June, 2020 and International Yoga Day on 21st June, 2020 wherein special bulletin mentioning journey of



our fellow friends as a PCS and different poses of Yoga was published, and the same was unveiled by CS Suresh Pandey, Chairman of NIRC of ICSI at Annual General Meeting of the Chapter on June 27th, 2020.

To keep our members updated Ghaziabad Chapter conducted few webinars on topics such as Ideal Disclosures in Director's Report and Amendments in Companies Act, 2013. Members found these seminars useful in updation of knowledge in these challenging times.

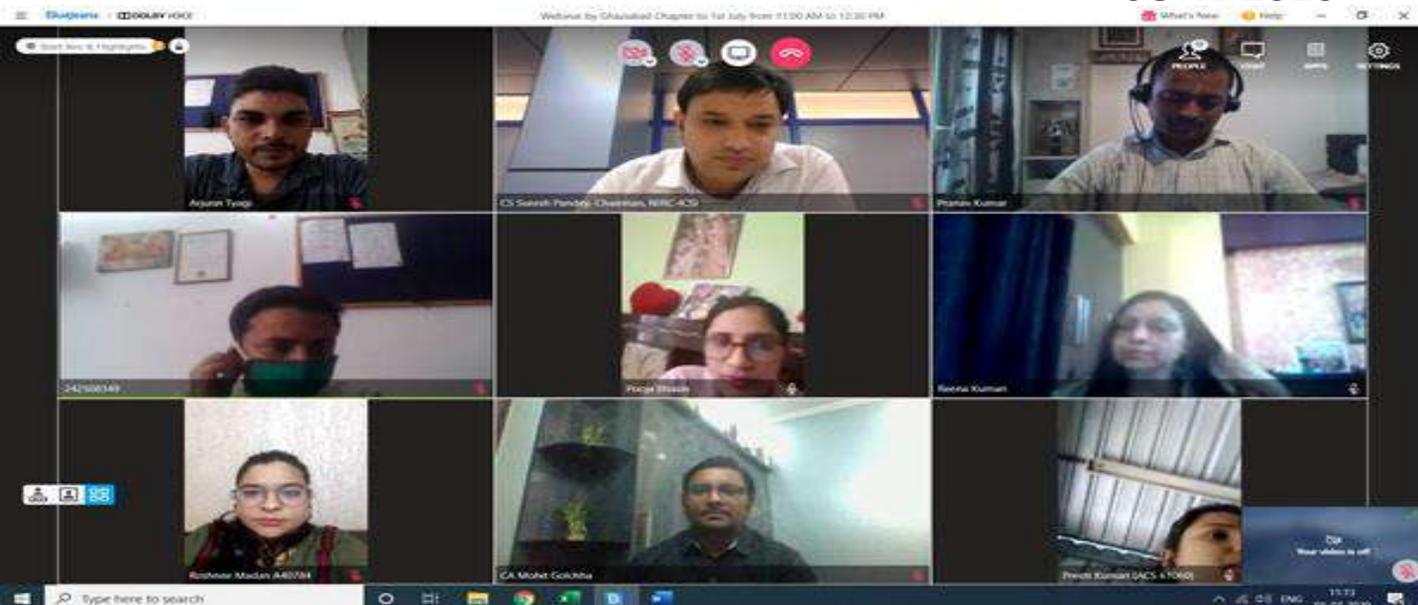
Another webinar was conducted on July 1st, 2020 to celebrate GST Day wherein speakers were CA Mohit Golchha and CA Anshul Agarwal.

“Education is the passport to the future, for tomorrow belongs to those who prepare for it today.” — Malcolm X

Another initiative taken for students by celebrating Student's Month. Online quiz on Company law conducted and prize was awarded to the winners and also webinar on life skills was conducted and further planning to conduct many more webinars in the month of July.

Happy Reading
Yours Sincerely,

**CS Arjunn Tyagi, Chairperson
Ghaziabad Chapter of NIRC of ICSI**

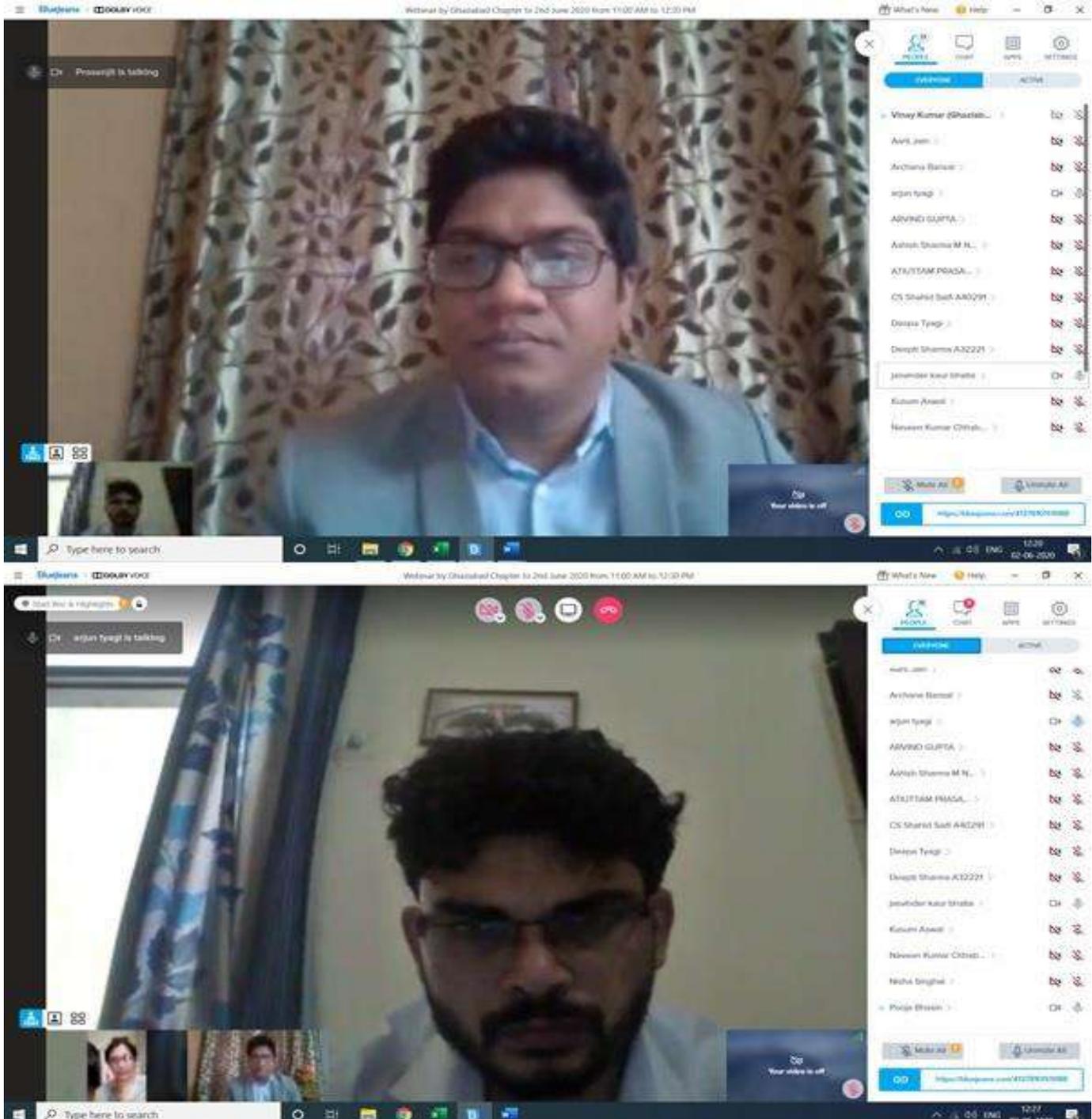


**Ghaziabad chapter management committee express its gratitude towards
CORONA WARRIORS - DIL SE THANK YOU**

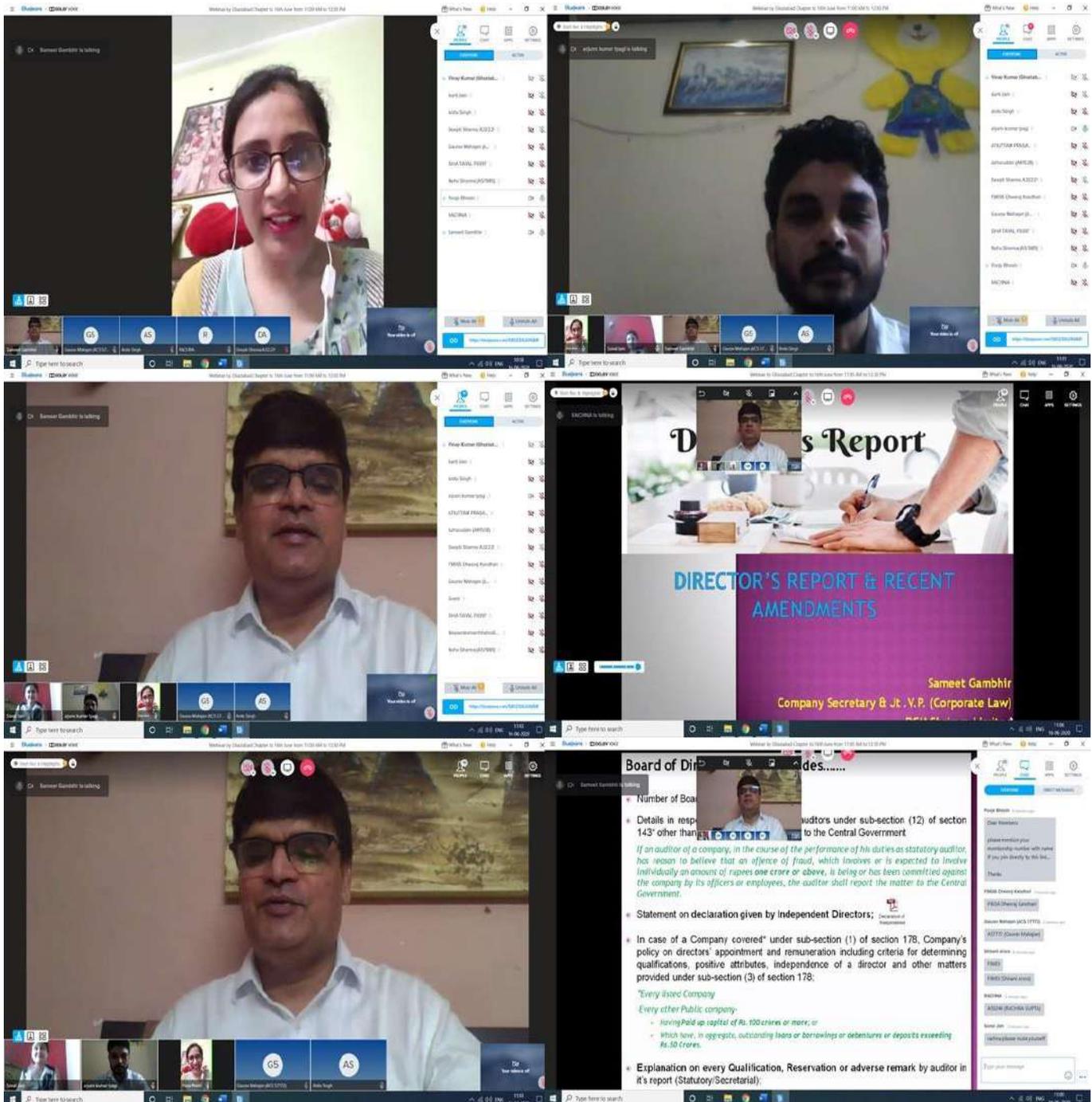
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Webinar organized by Ghaziabad Chapter of NIRC of ICSI on “Recent Amendments in FEMA due to COVID-19” on June 02, 2020



Webinar organized by Ghaziabad Chapter of NIRC of ICSI on “Director’s Report and Recent amendments in Companies Act, 2013” on June 16, 2020



Director's Report & Recent Amendments

Sameet Gambhir
Company Secretary & Jt. V.P. (Corporate Law)

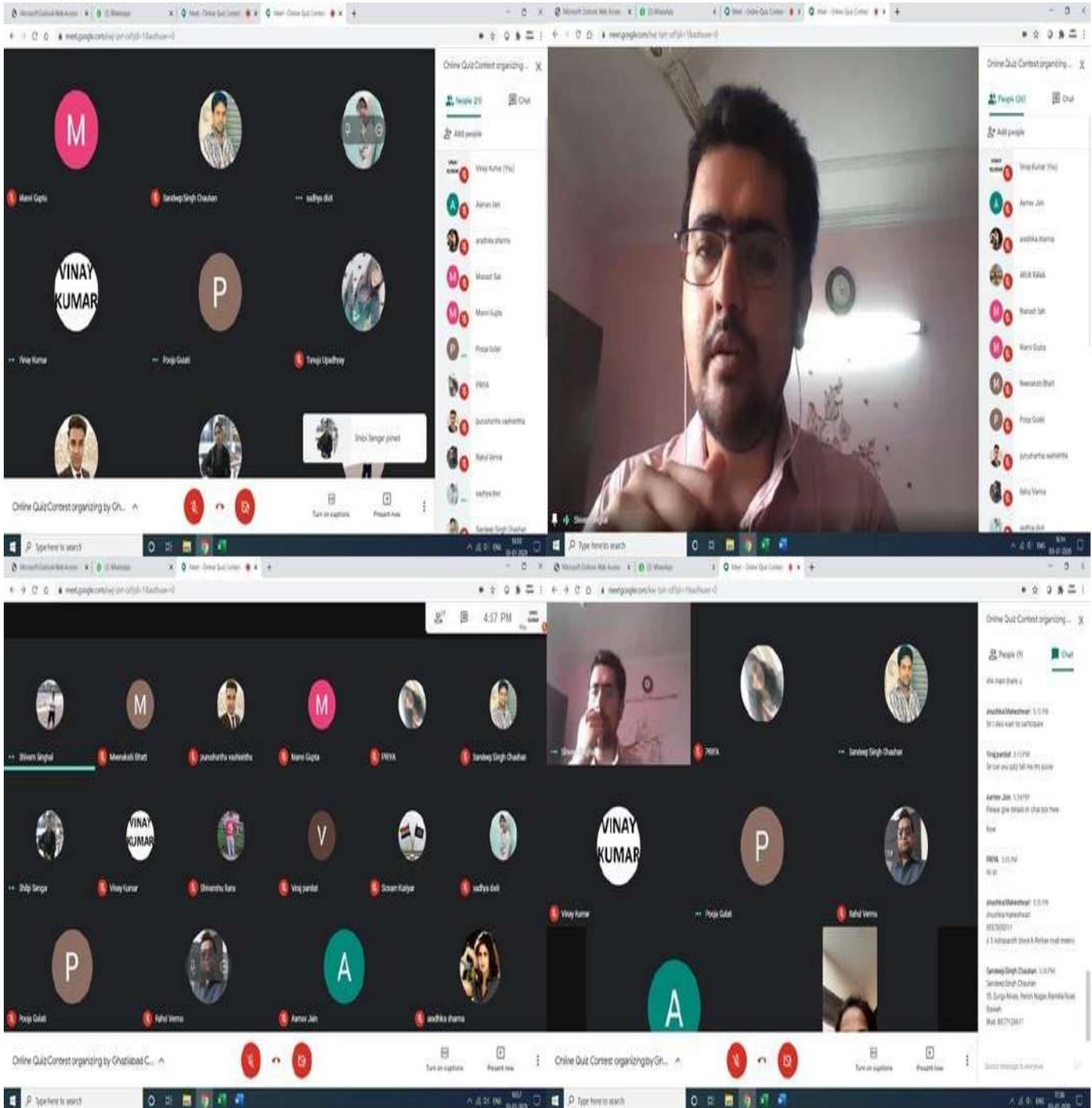
Board of Directors.....

- Number of Board members
- Details in respect of independent auditors under sub-section (12) of section 143 other than those appointed to the Central Government.
- Statement on declaration given by Independent Directors;
- In case of a Company covered under sub-section (1) of section 178, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.
 - Every listed Company
 - Every other Public company:
 - Having paid up capital of Rs. 100 crores or more; or
 - Which have, in aggregate, outstanding loans or borrowings or deposits exceeding Rs. 50 Crores.
- Explanation on every Qualification, Reservation or adverse remark by auditor in R's report (Statutory/Secretarial).

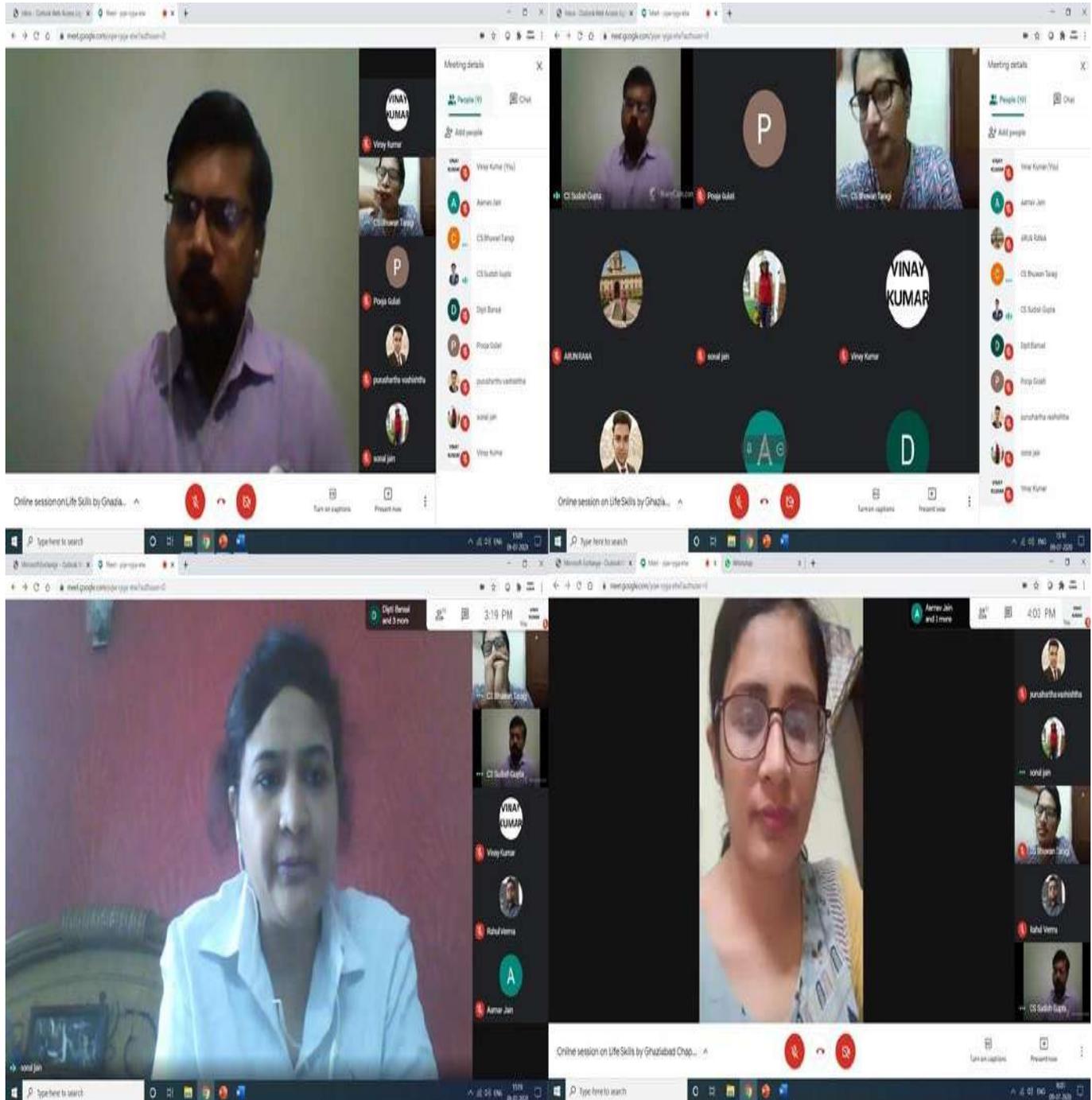
Webinar organized by Ghaziabad Chapter of NIRC of ICSI on “Celebration of GST Day” on July 01, 2020



Ghaziabad Chapter of NIRC of ICSI organized Online Quiz Competition on “Company Law” on July 03, 2020



Ghaziabad Chapter of NIRC of ICSI organized Online Session on “Life Skills” on July 09, 2020





CS Suman Goyal
Practicing Company Secretary

INTERPRETATION OF STATUTES WITH THE COMPANIES ACT, 2013

The Ship Repair man Story: A giant ship engine failed. The ship’s owners tried one expert after another, but none of them could figure that how to fix the engine.

Then they brought in an old man who had been fixing ships since he was a young. He carried a large bag of tools with him, and when he arrived, he immediately went to work. He inspected the engine very carefully, top to bottom.

Two of the ship’s owners were there, watching this man, hoping he would know what to do. After looking things over, the old man reached into his bag and pulled out a small hammer. He gently tapped something. Instantly, the engine lurched into life. He carefully put his hammer away. The engine was fixed!

A week later, the owners received a bill from the old man for 10,000 dollars.

“What?” the owners exclaimed. “He hardly did anything!”

So they wrote the old man a note saying, “Please send us the bifurcation of the bill”.

The man sent a bill that read:

Tapping with a hammer..... \$ 2.00
Knowing where to tap..... \$ 9,998.00

Effort is important, but knowing where to make an effort makes all the difference! That’s why, perfect skills makes perfect professional.

Professionals Skills: In today scenario, as a professional (i.e. CS, CA, CMA or Advocate), we

should have the following skills:

1. Interpretation Skills;
2. Drafting Skills;
3. Presentation Skills; and
4. Information Technology (IT) Skills.

Without the abovementioned skills, a professional cannot win the heart of his client or his employer. In this article, we will discuss on interpretation of statutes with the provisions of the Companies Act, 2013.

Why ‘Interpretation of Statutes’:

‘Interpretation of Statutes’ is a process to:

- understand the true and correct meaning of law; and
- understand the intention of the law maker/ legislature.

As a professional, we should have sound skills of interpretation of statutes. So, that we can advice our client or employer on any point of law.

Difference between ‘Interpretation’ and ‘Construction’

‘Interpretation’ is the art of deriving the true meaning of law and the ‘Construction’ is the drawing of conclusion based on true spirit of law. So, we can say that interpretation is the first stage and construction is the final stage to understand the law.

RULES OF INTERPRETATION/ CONSTRUCTION:

1	Literal Construction	Other name	:	It is also known as ' plain meaning rule '.
		Maxims and meaning	:	<i>Absolute sententia expositore non-indigent.</i> It means ' Plain words require no explanation '.
		Rule	:	As per this rule, the words or phrases of a statute are to be interpreted using the ordinary meaning of the language of the statute unless a statute explicitly defines some of its terms otherwise or unless the result would be cruel or absurd. In other words, if the words are clear, they must be applied, even though the intention of the legislator may have been different or the result is harsh or undesirable.
		Example	:	Section 101 of the Act provides that: <i>'A general meeting of a company may be called by giving not less than clear 21 days notice either in writing</i> ' Here, for the purpose of reckoning 21 days clear notice , the day of sending the notice and the day of meeting shall not be counted.
2	Reasonable Construction	Maxims and meaning	:	<i>Ut res magis valeat quam pereat.</i> It means ' The words of a statute must be construed so as to give a sensible or reasonable meaning to them '.
		Rule	:	As per this rule, the words or phrases of a statute must be interpreted by using its reasonable or sensible meaning. In other words, while interpreting the law, two meanings are possible, one may be meaningless and other leading to a meaningful interpretation, in this case meaningful interpretation should be followed.
		Example	:	Section 180 of the Act uses the expression " <i>to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company....</i> " If a company mortgages the whole or substantially the whole of its undertaking for obtaining loans or other financial assistance, whether the company has to comply with the requirements of section 180? In this case, we should interpret this provision reasonably and such mortgage is cover in the aforementioned expressions. Therefore, the company has to comply with the provisions of section 180.
3	Harmonious Construction	Rule	:	As per this rule, if two or more provisions are written in a law which are conflicted with each other, they should be interpreted in harmonise way so that each has a separate effect and neither is redundant or nullified.

		Example	:	<p>Section 152 of the Act states that every director shall be appointed by the company in general meeting. However, section 161(1) is facilitate to appoint any person (other than a person who fails to get appointed as a director in a general meeting) as an additional director by the Board of the company at any time, if articles permits.</p> <p>In this case, we should interpret both provisions harmoniously and the Board of the company may follow any feasible route to appoint a director in the Board:</p> <ul style="list-style-type: none"> • Appoint any person as an additional director through Board meeting subject to the conditions specified in section 161(1); or • Appoint a person as a director through general meeting.
4	Beneficial Construction	Other name	:	It is also known as ' Heydon's rule/ Mischief rule/ Purposive rule '
		Rule	:	<p>As per this rule, if there are two interpretations possible of the words or phrases of a statute, then for sure and true interpretation, the following four things are to be considered in the form of questions:</p> <ol style="list-style-type: none"> a) What was the common law before the making of the Act? b) What was the mischief and defect for which the common law did not provide? c) What is the remedy that the Act has provided? d) What is the reason for the remedy?
		Example	:	<p>The Companies (Amendment) Act, 2017 has amended section 82 of the Act to increase the timeline for filing of satisfaction of charge to 300 days. Previously, timeline was 30 days.</p> <p>We may observe that creation and modification of charges were allowed to file beyond 30 days but no such facility were in case of satisfaction of charges. To provide such remedy, parliament has amended the law in 2017 and allow to file satisfaction of charges beyond 30 days.</p>
5	Ejusdem Generis Construction	Meaning	:	It means ' of the same kind '.
		Rule	:	<p>As per this rule, where there are general words following particular and specific words, the general words must be confined to things of the same kind as those specified.</p> <p>Where an Act permits keeping of Car, Bike, Truck, Rickshaw etc., the expression 'etc.' would not include aeroplane or train, but would mean keep only private vehicles like Scooter etc.</p>



		Example	:	Section 120 of the Act provides that: <i>'any document, record, register, minutes etc., required to be kept by a company may be kept in electronic form'.</i> Here, any form or document filed by the company with the regulators would also kept in electronic form.
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CS Lalit Rajput CS Nandita Bansal



DEBATE OVER TREATMENT OF AMOUNT OF UNPAID DIVIDENDS

INTRODUCTION

Funds are the lifeline of any business and stakeholders are the persons who invest their funds in order to gain control over the share of profits in proportion to their investment. People buying stake expect to earn return that compensates them from their risk. This share of return/profit earned by the company given to its shareholders is termed as dividends.

The word "Dividend" has origin from the Latin word "Dividendum". It means a thing to be divided. Dividend is a return on the investment made in the share capital of a company, as distinct from the return on borrowed capital, which is in the form of interest.

Section 2(35) of the Companies Act, 2013: "dividend" includes any interim dividend.

SOURCES OF DIVIDEND:

Dividends may be declared:			
(a) Out of the profits of the company for that year arrived at after providing	(b) Out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed	(c) Out of both (a) and (b)	(d) Out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

DECLARATION OF DIVIDEND:

Dividend shall be declared only on recommendation of the board, made at the meeting of the board and shall be declared only at AGM after adoption of the financial statements of the company and in case of Interim Dividend, shall be declared at the Board meeting and no approval of members is required. Further Company is prohibited to issue Bonus shares in lieu of Dividend.

PAYMENT OF DIVIDEND:

Dividend shall be deposited in a separate bank account within five days from the date of declaration and shall be paid cash and not in kind within 30 days of declaration. Further Taxes as applicable on distribution of dividend shall be paid by the company within prescribed time.

UNPAID DIVIDEND:

- The amount of Dividend which remains unpaid or unclaimed after thirty days from the date of its declaration shall be transferred to a special bank account titled as 'Unpaid Dividend Account' to be opened by the company in that behalf with any scheduled bank. Such transfer shall be made within seven days from the date of expiry of the thirty days period from the date of declaration of Dividend.
- Any amount in the Unpaid Dividend Account of the company which remains unpaid or unclaimed for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account, along with interest accrued, if any, shall be transferred to the Investor Education and Protection Fund.

PROCEDURE OF TRANSFERRING OF AMOUNT OF UNCLAIMED DIVIDEND:

Compliance of Section 124 which states that:

(1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of [section 125](#) and the company shall send a statement in the [prescribed form](#) of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

In both cases, Company has to comply with following requirements:

1. Opening of Separate Accounts
2. Any amount required to be credited by the companies to the Fund as provided under clauses (a) to (n) of sub-section (2) of section 125 of the Act shall be remitted online along with a Statement in Form No. IEPF 1 containing details of such transfer to the Authority within a period of thirty days of such amounts becoming due to be credited to the Fund.
3. The companies which have transferred any amount referred to in clauses (a) to (d) of

sub-section (2) of section 205C of the Companies Act, 1956 (1 of 1956) to Investor Education and Protection Fund or Central Government, but have not filed the statement or have filed the statement in any format other than in excel template, as required under sub-rule (1) of rule 5, shall submit details mentioned in sub-rule (1) of rule 5 in Form No. IEPF – 1A along with excel template within sixty days of notification of these amended rule

4. The company shall maintain the record filed under sub – rule (1) in the same format along with all supporting documents and the Authority shall have the powers to inspect such records
5. Every company shall within a period of sixty days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act, whichever is earlier and every year thereafter till completion of the seven years period, identify the unclaimed amounts, as referred in subsection (2) of section 125 of the Act, as on the date of closure of financial year the account of which are to be adopted in the Annual General Meeting as per sub-section (1) of section 137 of the Act, separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information of unclaimed and unpaid amounts separately for each of the previous seven financial years through [Form No. IEPF-2](#), containing following information, namely:-the names and last known addresses of the persons entitled to receive the sum; the nature of amount; the amount to which each person is entitled; the due date for transfer into the Investor Education and Protection Fund; and such other information as may be considered necessary

6. For the purposes of effecting transfer of such shares, the Board shall authorise the Company Secretary or any other person to sign the necessary documents.
 - The company shall inform, at the latest available address, the shareholder concerned regarding transfer of shares three months before the due date of transfer of shares and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation informing the concerned that the names of such shareholders and their folio number or DP ID - Client ID are available on their website duly mentioning the website address.
7. The company shall furnish details of such shares and unpaid dividend to the Authority in Form No. IEPF 3 within thirty days from the end of financial year.
8. the Company shall inform the depository by way of corporate action, where the shareholders have their accounts for transfer in favour of the Authority
9. For the purposes of effecting the transfer shares held in physical form-the Company Secretary or the person authorised by the Board shall make an application, on behalf of the concerned shareholder, to the company, for issue of a new share certificate;
10. The company shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action taken under clause (c) of sub-rule (3) of rule 6 containing details of such transfer and the company shall also attach a copy of the public notice published under clause (a) of sub-rule (3) of rule 6 in Form No IEPF-4.
11. Any amount required to be credited by the companies to the Fund as provided under sub-rules (10), (11) and sub-rule (12) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank.

“AMOUNT STUCK AS UNPAID DIVIDEND IS BOON OR BANE FOR INVESTOR?”

- **Lalit opine in favour states that** Investors who have invested their hard earned money in the company can now claim their refund after 7 years from Investor Education and Protection fund authority by filing e-Form IEPF 5 available on website of MCA21. For administration of Investor Education and Protection Fund, Ministry of Corporate affairs has on Sept 2016 established Investor Education and Protection Fund Authority under section 125 of Companies Act, 2013. The Authority is entrusted with the responsibility of administration of IEPF, unclaimed dividends, matured deposits/ debentures.
- **Nandita contradicting his opinion states** Claimant has to go through a cumbersome procedure for claiming the said refund through filing IEPF 5 i.e. he has to send original physical share certificate, original indemnity bond, deposit certificates, advance receipts or any other document as required by IEPF 5 to the nodal officer of the concerned company at its registered office for verification of his claim. Once the e-Form is uploaded (in case of normal filing or re-Submission), an email notification shall go to Nodal officer of the company to upload e-verification Report for the claimant. When an e-Form is approved/rejected by the authority concerned, an acknowledgement of the same is sent to the user in the form of an email.
- **Nandita’s another views favouring law states** that Chapter VII (specifically S. 124) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 have significantly strengthened the legal framework governing unclaimed/unpaid dividends thereby

- reducing instances of companies taking undue advantage of the dividend in question.
- **Lalit's contradicting Nandita's views states** that Companies needs funds to operate, as funds are lifeline of any business growth. Also, shareholders invest money in company to get good return on their investments. According to law, it is mandatory for every company having share capital that makes a profit have to declare and distribute a dividend to its shareholders. The dividend declared by the company out of current or accumulated profits is charged with an additional tax rate of 15%. This tax is required to be paid within 14 days of the declaration of the dividend. So, after following such cumbersome process, the amount earned by Company for its Shareholders goes directly in account of Government, without anything left in the hands of Company.
- **Lalit's another favouring opinion states** money invested by shareholders are safe in long term. As, after declaration of the dividend, company is required to open a separate bank account. The declared amount of dividend shall be transferred to the account. Within 30 days of the annual general meeting, a dividend warrant is required to be sent to the shareholders. Amount remaining unclaimed is required to be transferred to unpaid dividend account within 7 days from the expiry of 30 days of dividend declaration. The unpaid or unclaimed dividend for 7 years is transferred to Investor Education Protection Fund within 30 days.
- **Nandita's arguing views states** that unclaimed funds after 7 years are transferred and remain idle in IEPF account for lifetime. As per latest report by Business Standard Rs. 2,000 crore are lying with Investor Education and Protection Fund Authority (Article dated 19 March, 2019). These unclaimed funds in my opinion could have been used by the company for achieving its long term goals.
- **Nandita highlighting another favourable view states** that with effect from 20.08.2019, rule 5(6)(C) of the IEPF Rules specifies that the Companies are required to keep and maintain the records consisting of names, address, amount, etc. in respect of whom the unpaid dividend has been transferred to IEPF and also the records shall be maintained for perpetuity. Hence, the claimant of shares transferred to IEPF are entitled to claim the transfer of shares from IEPF fund at any point of time (even after the term of seven years) and the IEPF Authority shall have the power to inspect such records maintained by the Company.
- **Lalit strongly contradicted Nandita's views and states that** Limitation is preventive and not curative and it ensures that litigants are diligent in seeking remedies in court and prohibits stale claims. It ensures promptitude and assist vigilant persons who do not sleep over their rights. By making the laws stringent the Rules, have favoured the claimants thereby, increasing the burden of Compliance on Company.
- **Lalit's opine another favoring point stating** according to provisions of section 124 (6) of the Companies Act, 2013, the states "*All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribe*". Hence, a person shall always be permitted to re-claim his shares, from the IEPF.
- **Nandita not satisfied with Lalit's views states that** there are certain occasions when the shares even after the being left with the company for more than seven years may NOT be transferred to the IEPF Authority i.e. in case the beneficial owner has encashed any dividend warrant during the last seven years;

or there is a specific order of Court or Tribunal or statutory Authority restraining any transfer of such shares and payment of dividend; or The shares are subject to pledge or hypothecation under the Depositories Act, 1996. Hence, the rights of the genuine shareholders are defeated.

➤ **FOREIGN LAWS:**

COMPANIES ACT 2006 UNITED KINGDOM (UK)

Section 982: Further provision about consideration held on trust under section 981(9)

(2) The company must pay into a separate bank account that complies with subsection (3)—

(b) any dividend or other sum accruing from any other consideration it receives under that paragraph.

(4) If— (a) the person entitled to the consideration held on trust by virtue of section 981(9) cannot be found, and

(b) subsection (5) applies, the consideration **(together with any interest, dividend or other benefit that has accrued from it) must be paid into court.**

(5) This subsection applies where— (a) reasonable enquiries have been made at reasonable intervals to find the person, and (b) twelve years have elapsed since the consideration was received, or the company is wound up.

(7) If the person entitled to the consideration held on trust by virtue of section 981(9) cannot be found and subsection (5) applies—

(a) the trust terminates,

(b) the company or (if the company is wound up) the liquidator must sell any consideration other than cash and any benefit other than cash that has accrued from the consideration, and

(c) a sum representing—

(i) the consideration so far as it is cash,

(ii) the proceeds of any sale under paragraph (b), and

(iii) any interest, dividend or other benefit that has accrued from the consideration, must be deposited in the name of the Accountant of Court in a

separate bank account complying with subsection (3) and the receipt for the deposit must be transmitted to the Accountant of Court.

**COMPANIES ACT 61 OF 1973 – SOUTH AFRICA
SECTION 386 GENERAL POWERS OF
LIQUIDATORS**

(1) The liquidator in any winding-up shall have power-

(b) to prove a claim in the estate of any debtor or contributory of the company and receive payment in full or a dividend in respect thereof;

SECTION 397 RECOVERY OF CONTRIBUTIONS AND NATURE OF LIABILITY

(b) A contributory shall not be entitled to set off against his liability any amount due to him by the company in respect of dividends, profits or directors' remuneration.

SECTION 410. LIQUIDATOR'S DUTY AS TO RECEIPTS AND UNPAID DIVIDENDS:

(1) The liquidator shall without delay lodge with the Master the receipts for any dividends paid or other proof of payment thereof.

(2) If any **dividend remains unpaid for a period of two months** (or such longer period as the Master may approve) after the confirmation of the relevant account, **the liquidator shall immediately pay the amount to the Master for deposit in the Guardians' Fund for the account of the creditor or member concerned.**

SECTION 440K COMPULSORY ACQUISITION OF SECURITIES OF MINORITY IN AFFECTED TRANSACTION

(4) Any sum, and any dividend or other sum accruing from any other consideration, received by the offeree company under this section shall be paid into a separate bank account with a banking institution registered under the Banks Act, 1965 (Act 23 of 1965), and any such sums, dividend or any other consideration so received shall be held in trust by the offeree company for the person entitled to the securities in respect of which the said sums, dividend or other consideration was received.

SINGAPORE COMPANIES ACT - (Original Enactment: Act 42 of 1967)**• AS TO MEMBER'S RIGHTS AT MEETINGS****Section 180:**

(2) In the case of a company limited by shares, the holder of a share may vote on a resolution before a general meeting of the company if, in accordance with the provisions of section 64, the share confers on the holder a right to vote on that resolution.

(4) Notwithstanding subsection (2), a preference share issued after 15 August 1984 but before the date of commencement of section 96 of the Companies (Amendment) Act 2014 shall, in addition to any other right conferred by this Act, carry the right in a poll at any general meeting to at least one vote in respect of each such share held during such period as the preferential dividend or any part thereof **remains in arrears and unpaid, such period starting from a date not more than 12 months,** or such lesser period as the constitution may provide, after the due date of the dividend.

• UNCLAIMED ASSETS TO BE PAID TO OFFICIAL RECEIVER

Section 322.—(1) Where a liquidator has in his hands or under his control —

- a. any unclaimed dividend or other moneys which have remained unclaimed for more than 6 months from the date when the dividend or other moneys became payable; or
- b. after making final distribution, any unclaimed or undistributed moneys arising from the property of the company,

(2) The Court may, at any time on the application of the Official Receiver, order any liquidator to submit to it an account of any unclaimed or

undistributed funds, dividends or other moneys in his hands or under his control verified by affidavit and may direct an audit thereof and may direct him to pay those moneys to the Official Receiver to be placed to the credit of the Companies Liquidation Account.

(8) Where any unclaimed moneys paid to any claimant are afterwards claimed by any other person, that other person shall not be entitled to any payment out of the Companies Liquidation Account or out of the Consolidated Fund but such person may have recourse against the claimant to whom the unclaimed moneys have been paid.

(9) Any unclaimed moneys paid to the credit of the Companies Liquidation Account to the extent to which the unclaimed moneys have not been under this section paid out of that Account shall, on the lapse of 7 years from the date of the payment of the moneys to the credit of that Account, be paid into the Consolidated Fund.

• DISPOSAL OF OUTSTANDING INTERESTS IN PROPERTY

Section 347: (4) The moneys received by the Official Receiver in the exercise of any of the powers conferred on him by this Subdivision shall be applied in defraying all costs, expenses, commission and fees incidental thereto and thereafter to any payment authorised by this Subdivision and the surplus, if any, shall be dealt with as if they **were unclaimed moneys paid to the Official Receiver in pursuance of section 322.**

CORPORATIONS ACT 2001 – AUSTRALIA**• SECTION 9: RETURNS TO SHAREHOLDERS**

9.1 Dividends are payments to shareholders out of the company's after tax profits. It is a replaceable rule that the directors decide whether the company should pay a dividend.

• **SECTION 254V: WHEN DOES THE COMPANY INCUR A DEBT?**

(1) A company does not incur a debt merely by fixing the amount or time for payment of a dividend. The debt arises only when the time fixed for payment arrives and the decision to pay the dividend may be revoked at any time before then.

(2) However, if the company has a constitution and it provides for the declaration of dividends, the company incurs a debt when the dividend is declared.

Kindly note that:

An unclaimed money return is where an entity provides to ASIC unclaimed money in accordance with the law. Companies, liquidators and financial product providers forward unclaimed money to ASIC under several sections of the Corporations Act 2001 when money paid to them is not claimed (company unclaimed money).

• **SECTION 9 OF CORPORATIONS ACT 2001**

unclaimed money account means an account that:

(a) ASIC maintains under section 63J of the Audit Act 1901; and

(b) is maintained for the sole purpose of containing money that is unclaimed property.

BANKRUPTCY ACT 1966 – AUSTRALIA

• **SECTION 139H ENTITY ENTITLED TO CLAIM IN BANKRUPTCY**

(1) Where, on an application under section 139A, the Court makes an order under section 139D or 139DA vesting in the applicant an estate in property, or an order under section 139E or 139EA directing the payment of a specified amount to the applicant, the respondent entity may claim for dividend in the bankruptcy in respect of the value of that property as at the making of the order, or in respect of the specified amount, as the case may be.

(2) A claim under subsection (1) shall be postponed until all claims of the other creditors (including claims for interest on interest-bearing debts in respect of a period after the date of the bankruptcy but not including claims under subsection 120(4)) have been satisfied.

SECTION 254 : PAYMENT OF UNCLAIMED MONEYS TO THE COMMONWEALTH

(1) In this section, trustee means:

(a) a trustee of the estate of a bankrupt; or

(aa) the administrator of a debt agreement; or

(b) a trustee of a personal insolvency agreement; or

(c) a trustee of a composition or a scheme of arrangement; or

(d) a trustee of the estate of a deceased person in respect of

which an order has been made under Part XI of this Act;

and includes the Official Trustee.

(2) Where a trustee has under his or her control:

(a) any dividends or other moneys that have remained unclaimed for a period exceeding 6 months, in circumstances where the trustee has identified the person entitled to the dividends or other moneys but has been unable to locate the person after making all reasonable efforts to do so; or

(b) any moneys that it is proposed not to distribute or pay to any person; he or she shall forthwith pay those moneys to the Commonwealth.

(2A) Where:

(a) the Court has, after the presentation of a creditor's petition against a debtor, directed the Official Trustee, an Official Receiver or a registered trustee to take control of the property of the debtor;

(b) the petition has been withdrawn or dismissed;

(c) the Official Trustee, Official Receiver or registered trustee, as the case may be, has moneys under its control in pursuance of the direction; and
(d) it is not reasonably practicable to pay those moneys to the person entitled to them; the Official Trustee, Official Receiver or registered trustee, as the case may be, shall pay those moneys to the Commonwealth.

(3) Application for entitlement determination

A person who claims to be entitled to any moneys that have been paid to the Commonwealth under subsection (2) or (2A) may make an application, in the approved form, to the Official Receiver for a determination that the person is so entitled.

(4) Official Receiver satisfied person entitled to moneys

If a person makes an application in accordance with subsection (3) and the Official Receiver is satisfied that the person is entitled to those moneys or a part of those moneys, the Official Receiver must:

- (a) make a written determination to that effect; and
- (b) specify in the determination the amount to which the person is so entitled; and
- (c) give the person notice of the determination.

(5) The Commonwealth must pay to the person an amount equal to the amount referred to in paragraph (4)(b). That amount is a repayment for the purposes of section 77 of the Public Governance, Performance and Accountability Act 2013.

(6) Official Receiver not satisfied person entitled to moneys

If a person makes an application in accordance with subsection (3) and the Official Receiver is not satisfied as mentioned in subsection (4), the Official Receiver must:

- (a) make a written determination to that effect; and
- (b) give the person notice of the determination

(7) Review by the Court

The person may apply to the Court for review of a determination under subsection (4) or (6).

(8) After reviewing the determination, the Court must:

- (a) affirm the determination; or
- (b) vary the determination; or
- (c) set aside the determination and substitute another determination

(9) Official Receiver's determination not a legislative instrument

A determination under subsection (4) or (6) is not a legislative instrument.

FOREIGN COMPANY'S APPROACH TO UTILISE UNCLAIMED DIVIDENDS:

1. UK Law - by Rentokil Initial PLC

New approach puts unclaimed dividends and shares to good use

<https://www.rentokil-initial.com/media/news-releases/news-2019/new-approach-puts-unclaimed-dividends-and-shares-to-good-use.aspx>

Rentokil Initial (FTSE100) is one of the largest business services companies in the world, operating in 75 countries. The Company is the global leader in Pest Control and Hygiene services, operating these and other route-based businesses through teams of local experts. **Rentokil Initial is to donate all its unclaimed dividends and untraceable shares to charity, creating a new good causes fund 'Rentokil Initial Cares'. In its first year i.e. 2019 it will add £250,000 to this fund.**

In line with UK company law, these "dormant" funds can be returned to companies after twelve years.

This is the change the Company is making, but choosing to donate these funds to charity.



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The total value of unclaimed dividends and shares in the company currently stands at over £1m.

Also, the Company has decided if a legitimate claim up to a value of £3,500 (the size of the average holding at Rentokil Initial) is made after the 12-year cut-off point, they will continue to honour the claim and pay the dividends to the shareholder, even if they have used the funds for RI Cares by then.

While the Limitation Act 1980 provides that the time limit is generally six years, the sample model articles of association under the Companies Act 2006 states a 12-year period and most companies allow for 12 years. It is possible to reduce the period for unclaimed dividends (but not shares) down to six years by amending a company's articles of association, which Rentokil Initial has done.

2. Under Australian Law – by The Australian Securities And Investments Commission (ASIC)

Unclaimed money received by ASIC is transferred to the Commonwealth of Australia Consolidated Revenue Fund. It is available to be claimed at any time by the rightful owner and there is no time limit on claims. Bank accounts become unclaimed after 7 years if the account is inactive (no deposits or withdrawals).

<https://moneysmart.gov.au/find-unclaimed-money>

3. Under THE COMPANIES ORDINANCE, Hongkong – by HKEX (HONG KONG EXCHANGES AND CLEARING LIMITED) Group, a leading financial market operator in the world.

As provided in Article 126 of the Articles of Association, any dividend unclaimed after a period of 6 years from the date for payment of such dividend shall be forfeited and shall revert to HKEX. In this connection, shareholders entitled to but yet to receive dividend payments or cash in their dividend warrants in respect of the dividends payable by HKEX are advised to contact HKEX's registrar as soon as possible. Subject to the completion of the necessary formalities, it normally takes approximately 3 to 4 weeks for HKEX's

registrar to process a shareholder's request for payment of unclaimed dividends.

https://sc.hkex.com.hk/gb/www.hkexgroup.com/Investor-Relations/Shareholder-Information/Dividend/Unclaimed-Dividends/2016?sc_lang=en

For example: Pursuant to bye-law 140 of the bye-laws of Giordano International Limited (the "Company"), all dividends unclaimed for six years following declaration may be forfeited by the board of directors of the Company (the "Board") and revert to the Company. The Board informed the shareholders of the Company (the "Shareholders") that the final dividend declared on February 27, 2014 and remaining unclaimed on or after April 14, 2020 will be forfeited and revert to the Company.

<https://www.marketscreener.com/GIORDANO-INTERNATIONAL-LI-1412757/news/Giordano-International-FORFEITURE-OF-UNCLAIMED-DIVIDEND-30148878/>

NEWS COVERAGE HIGHLIGHTING UNCLAIMED DIVIDEND AMOUNT BLOCKED IN INDIA:

1. Unclaimed dividend of Rs 857 crore lying with companies as at March 2017: Government In 2013-14, Rs 190 crore was lying with various firms; Rs 261.56 crore in 2014-15; Rs 223.42 crore in 2015-16 and stated by Minister of State for Corporate Affairs Arjun Ram Meghwal

New Headline dated Mar 17, 2017

<https://economictimes.indiatimes.com/news/economy/finance/unclaimed-dividend-of-rs-857-crore-lying-with-companies-government/articleshow/57690684.cms?from=mdr>

2. Rs 2,000 cr of unclaimed dividends lying with investor protection authority

Senior government officials say there are at least 2.5 million investors who have not claimed their dividends

New dated 19th March, 2019 in the Business Standard

https://www.business-standard.com/article/markets/rs-2-000-cr-of-unclaimed-dividends-lying-with-investor-protection-authority-119031900562_1.html)

3. Dividend payments of at least Rs 530 crore are lying unclaimed with the country's top-50 blue-chip companies, including the likes of Reliance Industries, ITC and HUL and Tata Steel.

News dated Feb 10, 2013

Link:<https://www.hindustantimes.com/business/dividends-worth-over-rs-500-cr-lying-unclaimed-with-bluechips/story-whyWUOp8r54ANhHrbzsQUJ.html>

SUGGESTIONS BY AUTHORS:

- Unclaimed Dividend is a hidden wealth to the investors. Investors / Shareholders of the Company can seek help from companies such as Hidden Wealth which help investors unlock their lost investment details and claim the money.
- While unclaimed dividends under mutual funds can be invested in liquid funds, the same isn't allowed for corporate dividends. Hence, the money is lying idle.
- Companies should be allowed to invest / use the amount fully / partially blocked in Unpaid Dividend Account. This will help Companies to increase their working capital, investment in market segment.
- Our Country is suffering from COVID19, pandemic disease. Our corporate sector is having fund shortage to run the business. This is correct time to amend the provisions and allowed corporates to use this Fund with certain restrictions and regulatory approvals.



CS Brajesh Tiwari

Dividend Declaration – Compliances for Listed/Unlisted Companies

Section 2(35) of the Companies Act, 2013 (CA13/Act) defines dividend. Accordingly, “dividend” includes any interim dividend. It is, therefore, an inclusive definition. In general parlance, “dividend” means the share in profit of a company which is distributed among the shareholders. A company can retain its earnings or it can distribute the same among its shareholders as dividends. Dividend is called ‘final dividend’ when declared by the company at its Annual General Meeting on the recommendation of the Board of directors. In the interim, at times, dividend may be declared and paid by the Board of directors between two Annual General Meetings which is called ‘interim dividend’. Dividend can be paid by a company to its shareholders either out of profits or out of reserves / accumulated profits after complying with the applicable provisions.

It is important to note that, in terms of section 63(3) of CA13, the bonus shares shall not be issued in lieu of dividend.

In terms of section 51 of CA13, a company may, if so authorized by its articles, pay dividends in proportion to the amount paid-up on each share. Companies are, therefore, permitted to pay dividends in proportion to the amount paid-up on each share when all shares are not uniformly paid up, i.e. pro rata.

APPLICABLE LAWS/REGULATIONS:

The following laws to the extent applicable shall be followed by the company declaring dividend:

1. Chapter - VIII from section 123 to 127 of the Companies Act, 2013 which deals with “Declaration and payment of dividend”;
2. Section 24, Chapter III, Part-I, of the Companies Act, 2013 - Power of SEBI to

- administer the provisions relating to non-payment of dividend by listed companies;
3. Other applicable provisions of the Companies Act, 2013 (dealt with in this article);
4. The Companies (Declaration and Payment of Dividend) Rules, 2014 ;
5. Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 (read with relevant provisions of other Investor and Protection Fund Rules);
6. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
7. Section 27 of Security Contract Regulation Act, 1956;
8. Provisions of the Income Tax Act, 1961 relating to tax and withholding of tax on dividend;
9. Secretarial Standards on Dividend (SS-3) (recommendatory);
10. Foreign Exchange Management Act, 1999 (where repatriation of dividend is involved);
11. Other SEBI Guidelines/Circulars etc. as amended from time to time and to the extent applicable;
12. Dividend Distribution Policy of the company formulated vide regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
13. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
14. Other Guidelines/ Circulars/ Notifications applicable from **Sectoral Regulators** of the sector in which the company operates, if any.

In declaration of dividend, the first thing in the entire process is decision of the Board of Directors (“Board”) to declare/recommend dividend.

The Board takes decision on dividend on the basis of various circumstances and factors which may include- (a) future expansion plans b) Profit earned

during the current financial year c) Overall financial conditions d) Cost of raising funds from alternative sources e) Tax implications f) Money market conditions g) Macro-economic situations, etc.

Dividend may be paid as interim dividend or final dividend.

Chapter VIII of the Companies Act, 2013 comprising section 123-127 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 deals with Declaration and Payment of Dividend.

According to section 123(3), the Board of Directors of a company may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.

According to proviso to section 123(3), in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

Final Dividend is declared by members at an Annual General Meeting as “Ordinary Business” in terms of section 102(2)(a)(ii) of the Companies Act, 2013 only if recommended by the Board of Directors prior to that, and at a rate not more than what is recommended by the directors.

Section 123 (1) states that no dividend shall be declared or paid by a company for any financial year except—

(a) out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2), or out of the profits of the company for any

previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both.

Proviso to section 123(1)(a) provides that in computing profits any amount representing unrealized gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded; or (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

First proviso to section 123(1)(b) provides that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.

Second proviso to section 123(1)(b) provides that that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the free reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf.

Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014 deals with Declaration of Dividend out of Reserves. Accordingly –

In the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves subject to the fulfillment of the following conditions, namely:-

(1) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

As per proviso to Rule 3(1), this sub-rule shall not apply to a company, which has not declared any

dividend in each of the three preceding financial year.

(2) The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

(3) The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

(4) The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

Third proviso to section 123 (1)(b) provides that that no dividend shall be declared or paid by a company from its reserves other than free reserves.

“Free reserves” has been defined by Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend. However the following shall not be treated as free reserves- (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

Fourth proviso to section 123(1)(b) provides that that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.

According to section 123 (2), for the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II to the Companies Act, 2013.

Section 123(3) deals with interim dividend, already discussed above.

Section 123 (4) provides that the amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend. Here it is important to note that the amount of interim dividend once declared must also be transferred as aforesaid.

According to section 123(5), no dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. Second proviso to section 123(5) provides that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

According to section 123(6), a company which fails to comply with the provisions of sections 73 and 74 (relating to deposits) shall not, so long as such failure continues, declare any dividend on its equity shares.

Section 124 deals with unpaid and unclaimed dividends.

As per section 124(1) - Dividend declared but remaining unpaid or unclaimed for 30 days from declaration date shall within next seven days be transferred to Unpaid Dividend Account to be opened by the company with a scheduled bank. Else, as per section 124 (3), interest @12 % per annum from the date of default on the portion not transferred, the company shall be liable to and such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them. As per section 124(4), application may be made to the company for claiming amount thus transferred.

As per section 124 (2), the company shall, within a period of ninety days of making transfer under section 124(1) shall prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the web-site of the company, if any, and also on any other web-site approved by the Central Government for this purpose, in such

form, manner and other particulars as may be prescribed.

As per section 124(5), any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 (Investor Education and Protection Fund) and the company shall send a statement in the prescribed form (Form No. IEPF 1) of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer. Such amount can be remitted online along with a Statement in Form No. IEPF 1 containing details of such transfer to the Authority within a period of thirty days of such amounts becoming due to be credited to the Fund.

According to section 124(6), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed

As per proviso to section 124(6), any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

According to section 124(7), if a company fails to comply with any of the requirements of this section, the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Section 125 deals with Investor Education and Protection Fund.

Section 126 deals with - Right to dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.

Further, Right / Title to dividends shall also be governed by section 27 of Security Contract Regulation Act, 1956 and other applicable laws, rules and regulation as amended and enforced from time to time.

Section 127 deals with Punishment for Failure to Distribute Dividends. Accordingly, where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen per cent per annum during the period for which such default continues

Proviso to section 127 says that that no offence under this section shall be deemed to have been committed:—

- (a) where the dividend could not be paid by reason of the operation of any law;
- (b) where a shareholder has given directions to the company regarding the payment of the dividend and those directions cannot be complied with and the same has been communicated to him;
- (c) where there is a dispute regarding the right to receive the dividend;
- (d) where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder; or
- (e) where, for any other reason, the failure to pay the dividend or to post the warrant within the period under this section was not due to any default on the part of the company.

Power of Securities and Exchange Board to Regulate Issue and Transfer of Securities, etc.

Section 24(1) of CA 13, inter alia states that [section 127](#) relating to non-payment of dividend by listed companies or those companies which intend to get their securities listed on any recognized stock exchange in India, except as provided under this Act, be administered by the Securities and Exchange Board by making regulations in this behalf. For other companies, such provisions shall be administered by the Central Government.

Further, in accordance with Section 70, a company cannot buy its own shares if apart from other things provided in the section; it makes default in payment of dividend to any shareholder.

Where debentures are issued by a company, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures in terms of section 71 (4) of the Companies Act, 2013.

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Requirement related to declaration and payment of Dividend under SEBI(LODR) Regulations, 2015:

An intimation of at least 2 working days (excluding the date of the intimation and date of the meeting of the Board is required to be given to the stock exchange(s) in terms of Regulations 29(1) and (2), prior to the meeting of the Board at which the recommendation of dividend is to be considered. In terms of Regulation 30, the outcome of the meeting shall be intimated, online, immediately to the above Stock Exchanges within 30 minutes of the closure of the board meeting. In terms of Regulation 43(1), the company shall declare and disclose the dividend on per share basis only.

The company shall determine the date of closure of the register of members and the share transfer register of the company as per requirements of Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI (LODR) Regulations. The company shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date.

The company shall give at least a 7 days prior notice by advertisement, stating the dates of closure of its transfer books/record date, at least once in a vernacular newspaper in the vernacular language having a wide circulation in the district in which the registered office of the company is situated and at least once in English language in an English newspaper circulating in the district and has wide circulation in the place where the registered office is located and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

The time gap between two book closure and record date would be at least 30 days in terms of Regulation 42(4) of SEBI (LODR) Regulations.

The company shall file with the ROC one copy of the challan evidencing deposit of the amount to the Fund in Form -1 in terms of Rule 3 (ii) (b) of Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001, as amended from time to time.

DISCLOSURE

The Balance Sheet of the company should disclose under the head 'current liabilities and provisions', the amount lying in the Unpaid Dividend Account together with interest accrued thereon, if any.

The Annual Report of the company should disclose the total amount lying in the Unpaid Dividend Account of the company in respect of the last seven years. The amount of Dividend, if any, transferred by the company to the Investor

Education and Protection Fund during the year should also be disclosed.

The amounts lying in the Unpaid Dividend Account and the amounts transferred to the Investor Education and Protection Fund should be disclosed in the Directors' Report.

In terms of SEBI LODR Regulation 33 read with Part A, Schedule IV to the LODR Regulations relating to disclosure in financial results the Company shall disclose the following in respect of dividends paid or recommended for the year, including interim dividends: (i) amount of dividend distributed or proposed for distribution per share; the amounts in respect of different classes of shares shall be distinguished and the nominal values of shares shall also be indicated; (ii) where dividend is paid or proposed to be paid pro-rata for shares allotted during the year, the date of allotment and number of shares allotted, pro-rata amount of dividend per share and the aggregate amount of dividend paid or proposed to be paid on pro-rata basis.

In terms of regulation 2(1)(n)(ii) of SEBI (Prohibition of Insider Trading), 2015, declaration of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information" hence company shall comply with norms / compliances of trading window read with company's insider Trading Policy viz. Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to regulation 9 of SEBI (Prohibition of Insider Trading), 2015.

The Company will comply with Secretarial Standards as and when the secretarial standards are notified enforced by the Ministry of Corporate Affairs.

Taxation Aspect of Dividend:

Amendment to Section 115-O of IT Act which deals with dividend distribution tax (for brevity 'DDT') has been made, and the effect of amendment is that the domestic companies need not pay such DDT for any amount declared, distributed or paid by way of dividends post 31st March 2020. Prior to amendment, Section 115-O used to state that any domestic companies which declare, distribute or pay any amounts by way of dividends, the same would be subjected to an additional tax of 15% (plus surcharge and cess) on the dividend declared. The said DDT is in addition to the normal income tax payable by the company. Since the company was subjected to pay such DDT, the said dividend was exempted in the hands of shareholders by virtue of Section 10(34) of IT Act. Now, since the company is exempt from DDT, withholding/TDS shall be applied as per the applicable rates. Further, since dividend is taxable in the hands of the recipients, provisions under Income Tax Act must be complied with.

Repatriation of dividend under FEMA is mostly allowed freely subject to compliance of procedures.

Conclusion: A compliance officer must be abreast of all provisions up to date, so as to advise the management and act on all aspects, approvals and actions, well in time.



CS Ujjwal Jindal
B.Com, CA, CS


JUNE 2020

DIVIDENDS – NO LONGER TAX EXEMPT? (incl. pre –budget and post-budget scenario along with illustrations)

In India, there are numerous instruments available for an investor wherein he can park his fund and reap a bonus/reward. Depending on the type of instrument, this bonus/reward has been named differently. When the investment instrument is debt, the bonus/reward is termed as interest and when it is equity, it is referred to as dividend.

There has been much debate on the tax treatment of dividend earnings.

At the first instance, they were taxed as a part of the total income of the shareholder; however, due to reasons of revenue leakage and for easier single point collections, a new method of taxing dividend was introduced (by The Finance Act, 1997).

Again this new method was abolished (by The Finance Act, 2002) and the earlier method was re-introduced with some amendments.

Once again, the older practice (as introduced by The Finance Act, 1997) was re-introduced with amendments (by The Finance Act, 2003).

In the recent Budget (2020), as well, there has been a considerate switch in the system of taxing dividends.

In this article, we shall be focusing on the **pre-budget** and the **post-budget** methods of taxing dividends, the reasons for such changes and their allied implications.

THE PRE – BUDGET 2020 SCENERIO

Section 115-O of the Act, provides that, in addition to the income tax chargeable in respect of the total income of a domestic company, any amount declared, distributed or paid by way of dividends shall be charged to additional income

tax @15%* (plus applicable surcharge and health & cess)

The tax so paid by the company (called **Dividend Distribution Tax** or **DDT**) is treated as the final payment of tax in respect of amount declared, distributed or paid by way of dividend.

The government followed the above practice citing the reason that it was **easier to collect tax at a single point** i.e. from the company rather than to collect it from the shareholders individually.

{Section 115-O(1B) provides that dividend, referred above, shall be **grossed up to such an amount that after deducting the DDT on such grossed up amount, the resultant figure is the amount of dividend distributed.*

So, if the dividend of Rs. 100 is to be paid, then Rs. 100

-shall be increased to such an amount;

-as would after reduction of tax on such increased amount;

-@15%

-would be equal to dividend of Rs. 100 distributed.

If the dividend is Rs. 100, then

$100 \times [100\% \div 85\%] = 117.64706$

The rate of 17.64706% shall be increased by surcharge of 12% and health and education cess of 4%. Therefore the effective rate of DDT is 20.555%

Such dividend is **exempt in the hands of shareholders** by virtue of **Section 10(34)** of the Act.

However, The Finance Act, 2016 introduced **Section 115BBDA** which provided that if total dividend received is in excess of Rs. 10 lakh by a shareholder (except domestic companies, non residents, foreign companies and religious and charitable trusts), then such dividend is taxable in the hands of shareholder @10% and the company also pays DDT under Section 115-O on such dividend.

[This was done to rationalize the tax provisions as the richer are liable to pay tax @30% (plus applicable surcharge and cess), however, the DDT

rate was 15% (*grossed up rate 20.555%). Thus, to ensure fair revenue collections, an additional tax @10% under 115BBDA was introduced for dividends received by an individual of over Rs. 10 lakh as this, if would have been taxed in the hands of the individual, otherwise, would have made him to pay the tax in the highest bracket i.e. 30% (plus applicable surcharge and cess)].*

Let's now understand the pre-budget status in the hands of an individual through an illustration.

Situation	Tax Implication on the Company	Shareholding and Dividend received by Shareholder (Mr. X)		Tax Implication on the Shareholder (Mr. X)
		No. of Shares	Dividend Amount	
I. Dividend of Rs. 1,000 distributed by the company A in the year 2019 (Rs. 10 per share on its 100 shares)	Rs. 206 (approx.) Notes: Tax @ 20.555%* on Rs. 1000 shall be paid by the company as DDT.	No. of Shares	Dividend Amount	NIL Notes: Exempt by virtue of Section 10(34).
		50 Shares	Rs. 500 (Rs. 10 x 50 shares)	
II. Dividend of Rs. 1,00,00,000 paid by Company A the year 2019 (Rs. 1,000 per share on its 10,000 shares)	Rs. 20,55,500 Notes: Tax @ 20.555%* on Rs. 1,00,00,000 shall be paid by the company as DDT.	No. of Shares	Dividend Amount	Rs. 20,800 Notes: 1. Exempt up to Rs. 10,00,000 under section 10(34). 2. Tax @10% (+4% health & education cess) payable under Section 115BBDA on dividend received over Rs. 10 lakh.
		1200 Shares	Rs. 12,00,000 (Rs. 1,000 x 1200 shares)	
III. Dividend of Rs. 10,00,000 paid by Company A, B and C each in the year 2019 (Rs. 100 per share on their 10,000 shares each)	Rs. 2,05,550 each Notes: Tax @ 20.555%* on Rs. 10,00,000 shall be paid by each company A, B and C as DDT respectively.	No. of Shares	Dividend Amount	Rs. 20,800 Notes: 1. Exempt up to Rs. 10,00,000 under section 10(34). 2. Tax @10% (+4% health & education cess) payable under Section 115BBDA on dividend received over Rs. 10 lakh.
		3000 shares of Co. A	Rs. 3,00,000 (Rs. 100 x 3000 shares)	
		5000 shares of Co. B	Rs. 5,00,000 (Rs. 100 x 5000 shares)	
		4000 shares of Co. C	Rs. 4,00,000 (Rs. 100 x 4000 shares)	

*Grossed-up rate of DDT (as discussed above) is 20.555%.

THE POST – BUDGET 2020 SCENERIO

Currently in the case of dividends, the incidence of tax is on the payer company and not on the recipient, where it should normally be.

The Finance Bill, 2020 suggested that the **dividend is income in the hands of the shareholders and not in the hands of the company.**

The incidence of the tax should therefore, be on the recipient.

Moreover, the present provisions levy tax at a flat rate on the distributed profits (dividends), irrespective of the marginal rate at which the recipient is otherwise taxed.

The provisions are hence, considered, iniquitous and regressive.

Further, the present system of taxation of dividend in the hands of company was reintroduced by the Finance Act, 2003, since it was easier to collect tax at a single point and the new system was leading to increase in compliance

burden. However, with the advent of technology and easy tracking system available (i.e. TDS), the justification for current system of taxation of dividend has outlived itself.

In view of above, The Finance Act, 2020 amended the provisions with regard to dividends and provided that dividends shall be taxable in the hands of shareholders at the applicable rates (slab-wise) and the domestic company shall not be required to pay any DDT.

The amendment, thus, abolished Dividend Distribution Tax (DDT) as provided under section 115-O w.e.f. 1st April, 2020. The dividends received are now to be taxed as income of the shareholder as per respective individual slab rates applicable to them.

Let's now have a look at the respective section wise changes that are made effective by The Finance Act, 2020:

S. No.	Section Amended	Effect of the Amendment
1.	115-O [DDT]	This shall now be applicable to dividends declared, distributed or paid by a domestic company on or before 31 st March, 2020 only.
2.	10(34) [Exempts dividend in the hands of shareholders]	This shall not apply to any income, by way of dividend, received on or after 1 st April, 2020.
3.	115BBDA [Taxes dividends in excess of Rs. 10 lakh in the hands of shareholders @10%]	This shall now be applicable to dividends declared, distributed or paid by a domestic company on or before 31 st March, 2020 only.
4.	194 [TDS on Dividend]	Earlier, as the dividends received (under Section 115-O) were tax exempt in the hands of shareholders, no TDS was deducted on such dividend distributed. However, The Finance Act, 2020 has now made dividends taxable in the hands of shareholders and thus, TDS provisions have been made effective. TDS @10% shall now be deducted by the company, on dividends distributed of any amount in excess of Rs. 5,000 to its shareholders. No TDS shall be deducted up to threshold provided of Rs. 5,000.

5.	195 [TDS on Dividend for Non-Residents]	As stated above, as dividend was tax exempt in the hands of shareholders, no TDS was applicable. However, from now on, TDS shall be deducted on dividend payments to the Non-Residents. The exemption provided earlier in the section has been deleted.
6.	57 [Deductions]	Any expense incurred on earning exempt income is not deductible. Thus earlier, the interest paid to banker on loans taken for investment in dividend reaping securities was not deductible. However, as the dividends are now no longer tax exempt in the hands of shareholders, The Finance Act, 2020 has now allowed deduction of such interest expense up to 20% of such dividend income which is included in the total income of the shareholder in a financial year without any deduction under this section.

Let's now understand the post-budget status in the hands of an individual through an illustration

Situation	Tax Implication in the hands of the Company	Shareholding and Dividend received by the Shareholder (Mr. X)		Tax Implication in the hands of the Shareholder (Mr. X)
		No. of Shares	Dividend Amount	
I. Dividend of Rs. 1,000 distributed by the company A on 1 st May, 2020 (Rs. 10 per share on its 100 shares)	NIL <u>Notes:</u> 1. DDT has now been abolished. Thus, no tax shall be paid by the company. 2. No TDS shall be deducted on dividend distributed to Mr. X and others (as per Section 194) as the amount of dividend is less than Rs.5,000	50 Shares	Rs. 500 (Rs. 10 x 50 shares)	The amount of Rs. 500 shall be included in Mr. X's total income and shall be chargeable to tax (as per slab rate applicable) as income under head other sources. <u>Notes:</u> Exemption under Section 10(34) has been removed.

<p>II. Dividend of Rs. 1,00,00,000 paid by Company A on 10th April, 2020 (Rs. 1,000 per share on its 10,000 shares)</p>	<p>NIL</p> <p>Notes:</p> <p>1. DDT has now been abolished. Thus, no tax shall be paid by the company.</p> <p>2. TDS @10% shall be deducted by the company on dividend paid to Mr. X (and others, if applicable) in excess of Rs. 5000 (as per Section 194). Thus, Rs. 1,20,000 shall be deducted before payment to Mr. X.</p>	<p>No. of Shares</p> <p>1200 Shares</p>	<p>Dividend Amount</p> <p>Rs. 12,00,000</p> <p>(Rs. 1,000 x 1200 shares)</p>	<p>The amount of Rs. 12,00,000 shall be included in Mr. X's total income and shall be chargeable to tax (as per slab rate applicable) as income under head other sources.</p> <p>Notes:</p> <p>1. Exemption under Section 10(34) has been removed</p> <p>2. Section 115BBDA shall not be applicable on dividends received after 31st March, 2020</p> <p>3. TDS deducted can be adjusted by Mr. X while filing income tax return /payment of tax against his total income.</p>
<p>III. Dividend of Rs. 10,00,000 paid by Company A, B and C each on 2nd May, 2020 (Rs. 100 per share on their 10,000 shares each)</p>	<p>NIL</p> <p>Notes:</p> <p>1. DDT has now been abolished. Thus, no tax shall be paid by the company A, B and C.</p> <p>2. TDS @10% shall be deducted by each company A, B and C on dividend paid to Mr. X (and others, if applicable) in excess of Rs. 5000 (as per Section 194). Thus Rs. 30,000, Rs. 50,000 and Rs. 40,000 shall be deducted before payment by each company A, B and C respectively to Mr. X.</p>	<p>No. of Shares</p> <p>3000 shares of Co. A</p> <p>5000 shares of Co. B</p> <p>4000 shares of Co. C</p>	<p>Dividend Amount</p> <p>Rs. 3,00,000 (Rs. 100 x 3000 shares)</p> <p>Rs. 5,00,000 (Rs. 100 x 5000 shares)</p> <p>Rs. 4,00,000 (Rs. 100 x 4000 shares)</p>	<p>The amount of Rs. 12,00,000 shall be included in Mr. X's total income and shall be chargeable to tax (as per slab rate applicable) as income under head other sources.</p> <p>Notes:</p> <p>1. Exemption under Section 10(34) has been removed.</p> <p>2. Section 115BBDA shall not be applicable on dividends received after 31st March, 2020.</p> <p>3. TDS deducted can be adjusted by Mr. X while filing income tax return /payment of tax against his total income.</p>



JUNE 2020

In a nutshell, the entire system of taxing dividend earnings has once again been switched to that done by The Finance Act, 2020.

The shareholders are made responsible for paying taxes as per their respective applicable slab rates and the companies have been made free from the statutory requirement of paying DDT. However, they have now been obligated with the responsibility of deducting TDS on such dividend distribution as per the necessary applicable provisions.

The above change has been made by The Finance Act, 2020 on the premise that the earlier system (DDT) was regressive and iniquitous.

The incidence of tax, under the direct taxes, shall always be on the recipient of such income and not on the payer.

Thus, the amendment made is valid, keeping in view, the fundamental aspect of direct taxes. *For any queries relating to the information provided in this article, drop an e-mail on connect@ujlegal.com*

Thanks for reading.

Stay Home | Stay Safe



CS Rajesh Lachhwani

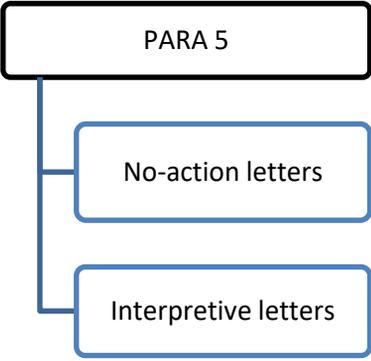
SEBI (INFORMAL GUIDANCE) SCHEME 2003 WITH RESPECT TO SEBI (LODR) 2015

SEBI (Informal Guidance) Scheme 2003

First lets put the background on the Informal Guidance Scheme come into operation from 24.6.2003. As per PARA 4 of the scheme following can seek guidance

w.e.f 24.6.2003		added vide Press note No, 12 [2004 Series], dated 22-1-2004 w.e.f. 21-1-2004		
Any intermediary registered with the Board under section 12 of the Act	any listed company	any company which intends to get any of its securities listed and which has filed either a listing application with any stock exchange or a draft offer document with the board or the Central Listing Authority	any mutual fund trustee company or asset management company	any acquirer or prospective acquirer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

PARA 5 of the Scheme

	<p>Clause 5 of the scheme that informal guidance mentioned may be sought for and given in two forms</p> <p>i. No-action letters: in which a Department of SEBI indicates that the Department would or would not recommend any action under any Act, Rules, Regulations, Guidelines, Circulars or other legal provisions administered by SEBI to the Board if the proposed transaction described in a request made under para 6 is consummated.</p> <p>ii. Interpretive letters: in which a Department of SEBI provides an interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI in the context of a proposed transaction in securities or a specific factual situation.</p>
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FEES FOR INFORMAL GUIDANCE

An applicant shall be accompanied with a fee of ₹ 25,000 and in case request is rejected for non-compliance with para 6 or under para 8, the fee if any paid by the requestor shall be refunded to him

after deducting therefrom a sum of ₹ 5,000 towards processing fee.

PARA 6	PARA 8
A request seeking informal guidance shall comply with the following: i. It shall state that it is being made under this scheme and also state	SEBI may not respond to the following types of requests: i. those which are general and those which do not completely and sufficiently describe the factual situation; ii. those which involve hypothetical situations;

PARA 6	PARA 8
<p>whether it is a request for a no-action letter or an interpretive letter;</p> <p>ii. It shall be accompanied with a fee of ₹. 25,000;</p> <p>iii. It shall be addressed to the concerned Department of SEBI; and,</p> <p>iv. It shall describe the request, disclose and analyse all material facts and circumstances involved and mention all applicable legal provisions</p>	<p>iii. those requests in which the requestor has no direct or proximate interest;</p> <p>iv. where the applicable legal provisions are not cited;</p> <p>v. where a no-action or interpretive letter has already been issued by that or any other Department on a substantially similar question involving substantially similar facts, as that to which the request relates;</p> <p>vi. those cases in which investigation, enquiry or other enforcement action has already been initiated;</p> <p>vii. those cases where connected issues are pending before any Tribunal or Court and on issues which are sub judice; and,</p> <p>viii. those cases where policy concerns require that the Department does not respond.</p>

This article is in respect to informal guidance with respect to SEBI (Listing (Listing Obligations and Disclosure Requirements) 2015 . Many times Interpretive letters are required from SEBI when 2 regulations or say a situation which comes which brings ambiguity so clarification is required.

One of the Noted Example was when BSE ([Click here](#)) and NSE ([Click here](#)) has given Circular on September 26, 2019 in respect to consolidate its accounts in reference to the informal guidance sought. Though it must be note that

Circular is reproduced as below:

Subject: Submission of Consolidated Financial Results

This has reference to Regulation 33 of SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 and the Informal Guidance issued by SEBI on August 02, 2019 in the matter of Shriram Transport Finance Company Limited.

As stated in the aforementioned SEBI Informal Guidance, it is mandatory for listed companies to file quarterly / year to date consolidated financial results. For this purpose, Companies are required to consolidate the financial statements of Subsidiary and or its Associate companies / Joint ventures as the case may be, with the Standalone results of the listed company.

The Consolidated Financial Results as mentioned above shall be submitted to the Exchange from the quarter ending September 30, 2019 onwards.

Listed Companies are required to take note of the same and comply accordingly.

The informal guidance given on the respective matter will differ when different facts or conditions might lead to result. Further the letter does not express a decision of the voard on questions referred. The last points of the guidance make it clear that the reply is made only for question asked. Also that the general questions and the questions asked without reference to provisions of SEBI Act or regulation is liable to be rejected.

Below is the table of informal guidance date wise sought

DATE OF REPLY BY SEBI	REGULATION	PARTICULARS	Questions Sought
24/01/2020	REG 24 & 16	<u>Informal Guidance request of AGC Networks Limited under SEBI (LODR) Regulations, 2015</u>	https://www.sebi.gov.in/sebi_data/commondocs/jan-2020/SEBI%20AGC%20Let_p.pdf
09/01/2020	REG 24(1)	<u>Informal Guidance request of KCP Limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/jan-2020/InfoLetter09_p.pdf
02/08/2019	REG 33(3)(B)	<u>Shriram transport finance company limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/aug-2019/Informal%20Guidance%20Letter%20by%20SEBI%20Vivek%20Achawal_p.pdf
03/06/2019	REG 2(1)(P)	<u>Informal Guidance in the matter of VC Corporate Advisors Pvt. Ltd. Under SEBI ICDR Regulations, 2018, SEBI LODR Regulations, 2015 and SEBI (SAST) Regulations, 2011</u>	https://www.sebi.gov.in/sebi_data/commondocs/jun-2019/VC%20Corporate%20Advisor%20Informal%20Guidance%20-%20%20SEBI%20Letter_p.pdf
30/05/2019	REG 46	<u>Hcl technologies limited (website update)</u>	https://www.sebi.gov.in/sebi_data/commondocs/may-2019/SEBI%20Letter%20-%20Informal%20Guidance%20issued%20in%20the%20matter%20of%20HCL%20Technologies%20Limited_p.pdf
22/05/2019	LARGE CORPORATE	<u>Ircon limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/may-2019/irconsebiletterinformal_p.pdf
22/05/2019	REG 52	<u>Ongc videsh limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/may-2019/Informal%20Guidance%20to%20ONGC%20Videsh%20Limited%20SEBI%20letter_p.pdf
15/10/2018	REG 16(1)(B)(VIII), 17(1A) AND 25(1)	<u>Board structure</u>	https://www.sebi.gov.in/sebi_data/commondocs/oct-2018/sebisundaraminformal_p.pdf
19/09/2017	26(6)	<u>Informal Guidance in the matter of Mphasis Limited</u>	https://www.sebi.gov.in/enforcement/informal-guidance/oct-2017/informal-guidance-in-the-matter-of-mphasis-limited_36310.html

13/09/2017	REG 37	<u>Draft Scheme of Arrangement & Scheme of Arrangement.</u>	https://www.sebi.gov.in/sebi_data/commondocs/dec-2017/sebirenaissanceletter_p.pdf
31/07/2017	REG 31A	<u>Gujarat Ambuja Exports limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/oct-2017/gujaratsebi_p.pdf
19/07/2017	REG 26(6)	<u>Obligations with respect to employees including senior management, key managerial persons, directors and promoters</u>	https://www.sebi.gov.in/sebi_data/attachdocs/oct-2017/1509037204890.pdf
17/10/2016	REG 31A (2) & (3)	<u>Alembic pharma limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/Alembic-sebiletter_p.pdf
23/08/2016	REG 31A (2) & (3)	<u>Disclosure of Class of shareholders and Conditions for Reclassification</u>	https://www.sebi.gov.in/sebi_data/commondocs/Krebsebiinformalguide_p.pdf
02/08/2016	16(1)(C) AND 24(5)	<u>Suzlon energy limited</u>	https://www.sebi.gov.in/sebi_data/commondocs/suzlonsebiletter_p.pdf
10/05/2016	REG 38	<u>Website update</u>	https://www.sebi.gov.in/sebi_data/commondocs/sebibeeyu_p.pdf
04/09/2015	APPLICABILITY OF LISTING REGULATION	Swojas energy limited	https://www.sebi.gov.in/enforcement/informal-guidance/sep-2015/informal-guidance-in-the-matter-of-swojas-energy-limited-regarding-listing-agreement_30655.html
24/01/2020	16(1)(24) and 24	AGC Networks Limited under SEBI (LODR) Regulations, 2015	https://www.sebi.gov.in/sebi_data/commondocs/jan-2020/SEBI%20AGC%20Let_p.pdf
05/02/2020	REG 33	Informal Guidance request of Minda Industries Ltd	https://www.sebi.gov.in/sebi_data/commondocs/may-2020/IG %20Letter %20by %20SEBI_p.PDF
10/06/2020	Reclassification	reclassification of promoters under SEBI (LODR) Regulations, 2015	https://www.sebi.gov.in/sebi_data/commondocs/jun-2020/SEBI%20Informal%20guidance%20Mirza_p.pdf

The Company Secretary of the company shall be responsible for day to day functioning and also he/she faces ambiguity in various provisions, the references shall be considered in a reference for idea motive for similar situations.

DISCLAIMER: The above article is made to the best of my Knowledge . Any correction or updation can be brought at lachhwanirajesh@live.com



CS Ravi Garg

TRADEMARK REGISTRATION PROCESS IN INDIA

*“Your smile is your logo, your personality is your business card, how you leave others feeling after an experience with you becomes your trademark”
~ Jay Danzie*

HISTORY, MEANING & USAGE OF THE TRADEMARK

Intellectual Property Rights is an inevitable tool for today’s globalized economy. Fostering innovation is one of the sustainable development goals set by the Government of India. The Trade Marks Registry was established in India in 1940 and presently it administers the Trade Marks Act, 1999 and the rules made thereunder. It acts as a resource and information Centre and is a facilitator in matters relating to trademarks in the country.

The objective of the Trade Marks Act, 1999 is to register trademarks applied for in the country and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark.

The main function of the Registry is to register trademarks which qualify for registration as per the provisions of the Trade Marks Act and Rules, and to maintain the Register of trademarks. The Controller General of Patents, Designs and Trade Marks heads the Trade Marks Registry offices and functions as the Registrar of Trade Marks.

What is a Trademark?

A Trademark generally refers to a “brand” or “logo”. Trademark registration can also be obtained for a business name, distinctive catch phrases, taglines or captions. Properly used and promoted, a Trademark may become the most valuable asset of a business.

It is also essential to obtain trademark registration for the business name/trade name under the Trademarks Act. Registration of a company or business name under the Companies Act does not in itself give protection against others who might commence using identical or similar marks.

What can be registered as a trademark?

Any word, name, device, label, numerals or a combination of colors that can be represented graphically (in a paper) can be registered as a trademark. The trademark to be registered must also be distinctive for the services or goods for which it is proposed to be registered.

STEPS AND PROCEDURE FOR REGISTRATION OF TRADEMARK IN INDIA

- A) Preliminary Search for the mark to be applied for:

Before applying for the registration of a trade mark, an applicant should conduct a search to find out whether the trademark can be registered or not and also whether there exists in the records a trademark which could be confused with the intended trade mark from the website, Link: <https://ipindiaonline.gov.in/tmrpublicsearch/frmmain.aspx>



Search is not mandatory but is advisable for the following two reasons:

Help one in determining whether the application has a chance for success, or whether it would be a waste of time and money to try and register it in its present form.

↓
Renewal of Trademark after 10 years

↓
*Where in case Application got refused then appeal may be made by the Applicant before Intellectual Property Appellate Board (IPAB).

B. Submission of application (Form TM-A) through online portal or through physical mode (Section 18 of Trademark Act, 1999 read with Rule 23 of Trademark Rules, 2017)

C. Process of application by Trademark Office, data entry and digitization at Branch Office

D. Examination of Application and approval by Supervisors, centrally at TMR Mumbai

E. Issuance of Examination Report

↓

<p>Case 1: Objection raised :-</p> <ul style="list-style-type: none"> ➤ Response from Applicant; ➤ Consideration of response at Branch Office; ➤ Show cause hearing, if objection not waived off after response <p>or</p> <p>Publication in Trade Mark Journal, if objection waived off after response</p> <ul style="list-style-type: none"> ➤ <u>Application refused*</u>, if objection no waived off after hearing. <p>or</p> <p>Publication in Trade Mark Journal, if objection waived off after hearing</p>	<p>Case 2: Objection not raised :-</p> <ul style="list-style-type: none"> ➤ Publication in Trade Mark Journal, if objection waived off after response
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F. Publication in Trade Mark Journal

<p>Case 1: Opposition by third Party</p> <ul style="list-style-type: none"> ➤ Opposition Proceedings at Branch Offices ➤ If opposition allowed, then <u>application shall stand refused*</u> <p>Or</p> <p>If opposition decided in favour of the Applicant, then application proceeds to registration</p>	<p>Case 2: No Opposition by third Party</p> <ul style="list-style-type: none"> ➤ Application proceeds to registration
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As soon as you make the application you can start using **TM** nearby your mark. However TM can be use for the marks which are intended to use or registration. Applicant can use the symbol, “®” after registration of the trademark, which indicates that mark is federally registered.

ADVANTAGES OF REGISTERING A TRADEMARK

There are many advantages of registering a trademark. Some of them are:-

- **Exclusive Rights:** The proprietor of Registered Trademark has the benefit of selective right over the trademark.
- **Builds trust and understanding:** The reputable excellence of your goods and services are known by everybody through the trademark and which builds the trust and understanding among the clients in the market.
- **Safeguard against infringement:** No competitor or other individuals can utilize the registered logo by you under trademark. Be that as it may, if regardless one uses it without the endorsement of the proprietor of the trademark or make any misleading utilization of same, the proprietor can get the action under the Act..
- **Trademarks are economically efficient tools:** Trademarks create a face value in the market among competitors. Furthermore, they give your business a monopoly over the brand name.

UPDATES UNDER TRADE MARKS ACT, 1999

- New Trade Marks Rules 2017 notified w.e.f. 6th March, 2017.
- Amendment in Fees Structure of Trademark Applications under one Class

(in INR)

for Individuals, start-ups, and small enterprises		for others	
e-filing	Physical Filing	e-filing	Physical Filing
4500	5000	9000	10000

- The specific meaning of the term "Small Enterprise" and "Startup" was defined under Rule 2(1)(v) and Rule 2(1)(x) of Trade Mark Rules, 2017 respectively.

CASE LAWS AND JUDGEMENTS

Case No. 1:

MNC's can't claim right on Trademark if they don't use it in India: The Delhi High Court opined and had made the reference to Supreme Court's verdict in the case of *Milmet Oftho Industries and Others vs. Allergan Inc.*, wherein it was held that multinational companies have no right to claim exclusivity of the trademark if they do not enter or intend in a reasonable time to enter into business in India and which observations squarely apply in the facts of this case where in spite of registration since the year 2005 till today in the year 2017 the respondent has not commenced his business in India. **(Munish Kumar Singla Trading as Chakshu Food Products v. Jollibee Foods Corporation, 20.11.2017)**

Case No 2:

Rights of Prior User of Trademark Prevails over Registered Proprietor: The Delhi High Court in this case recognized the prior user right as the superior right which also prevails over the registered proprietor of a similar or identical trademark. In view of the aforesaid facts, the Delhi High Court enjoined the Plaintiff from using the mark NAW. **(M/s R. J. Components and Shafts vs. M/s Deepak Industries Limited, 17.10.2017)**

TERMINOLOGIES & STAGES UNDER TRADEMARK ACT

1. **Send to Vienna Codification:** It is one of the initial stages of the trademark registration process. As a part of the process, any trademarks comprising figurative elements/logo is assigned a Vienna Code by the Registry.
2. **Formalities Chk Pass/fail (Verification of Docs):** The Trade Mark Registry usually checks if the basic requirements are met such as: whether the POA has been uploaded (when filed through an agent) and whether appropriate translation/transliteration has been filed when the trademark is not in English/Hindi. When such basic requirements are not met, the status could be reflected as "Formalities Chk Fail".
3. **Exam Report Issued/Accepted:** This is to indicate that the trademark application has been ordered for publication in the Trade Marks Journal prior to registration and when no objections are raised by the Examiner or the objections are overcome by way of written submissions or hearing.
4. **Objected:** This is when the Examiner raises some objections. A written response needs to be filed with the Trade Mark Registry within one month from the date of receipt of examination report; else the application may be treated as abandoned by the Registry. If the Examiner is not convinced with the written response, a hearing is posted for allowing arguments to be put forth in person.
5. **"Advertised before acc" or "Advertised" or "Accepted & Advertised:** This status is shown when the trademark application is

advertised/published in the Journal. Once the trademark is published in the Trade Marks Journal, 4 months' time is given for any third party to oppose the registration of the trademark. If no oppositions are filed, then the trademark registration certificate shall be issued.

6. **Opposed**: This is when the third party has filed an opposition to the registration of your trademark. The notice of opposition is sent by the Registry to the applicant/agent. To respond to the opposition, a counter statement should be filed within two months from the date of receipt of notice of opposition else the trademark application will be abandoned and cannot be revived.

7. **Send Back to EDP**: When there are errors regarding data entry of applications which needs to be rectified, the application is sent to EDP Section under this status. This could also happen in case where the documents are not digitized properly.

8. **Send to PRAS (Pre-Registration Amendment Section)**: Any amendments which have been filed prior to registration such as amendment of proprietor details, address, specification of goods, etc. are dealt by PRAS Section.



Purushartha Vashishtha

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Reg.No: 240660258/04/2018

Student

CRAW-OIL-ONA

CRAWLING OIL PRICES DUE TO CORONA



JUNE 2020

A main benchmark for the price of oil fell negative for the first time ever this week. The decline — more than 300 percent in daily trading — raised fresh questions about the damage the coronavirus is having on the global economy.

What does it mean for oil prices to be negative?

A benchmark price for a barrel of oil to be delivered next month fell to -\$37.63 on Monday, which means that sellers would have to pay someone that much to take it off their hands.

But that historic plunge was exacerbated by a quirk in how the oil markets work. The negative price concerned only contracts for delivery of barrels in May that are traded on so-called futures markets. At the same time trading happens for May deliveries, people trade on contracts ending in June, in July and so on.

Demand for oil has collapsed in recent weeks as the coronavirus pandemic has devastated practically all corners of the economy, eliminating much of the need for fuel to ship goods, ride on airplanes or commute to work. Without a use for it, the world's biggest producers — the United States is high on that list — are running out of places to store all the oil that companies have continued to pump out of the ground.

As a result, traders this week were willing to pay to get rid of oil rather than figure out how to keep storing it. The May contracts that fell so much ended on Tuesday. (The price of the June contract is still in positive territory, though it has fallen a lot in recent weeks, too.)

What is a negative crude future and does it mean anything for consumers?

New York oil crashed on Monday to nearly \$11 per barrel, the lowest level since 1998, the US benchmark West Texas Intermediate (WTI) crude for May delivery tanked to \$11.31 per barrel, as the market was hit also by technical trade ahead of the contract's expiry later on Monday.

Trade, however, and the very sharp losses were technically driven as investors closed out their positions ahead of the May contract expiry due later Monday so that they would not be obliged to actually take delivery of the oil.

Signs that the coronavirus may have peaked in Europe and the United States failed to lift Asian and European financial markets generally. Traders are instead becoming more and more concerned that oil storage facilities are reaching their limits, as stockpiles continue to build owing to the crash in demand caused by the COVID-19 pandemic.

Analysts said this month's agreement between OPEC and its peers to slash output by 10 million barrels a day was having little impact because of the virus lockdowns and travel restrictions that are keeping billions of people at home.

There are also plenty of supplies from the Middle East with no buyers as "freight costs are high", he told AFP.

"It hasn't taken long for the market to recognise that the OPEC+ deal will not, in its present form, be enough to balance oil markets."

Stock markets were mostly lower despite governments starting to consider how and when to ease the lockdowns that have crippled the global economy. Italy, Spain, France and Britain reported drops in daily death tolls and slowing infection rates, while Germany began allowing some shops to reopen and Norway restarted nurseries.

Will the price of oil stay or become negative again?

This had never happened before, and experts do not expect prices to stay negative for days or weeks. Demand for oil is likely to remain tepid for months because few experts believe the economy will quickly rebound to where it was before the pandemic.

But the low prices will also put pressure on oil companies and countries like Saudi Arabia and Russia, huge producers, to pump less oil because they themselves will run out of room to store it. That should, over time, help lift prices — or at least slow down declines.

Can I buy barrels of oil and store them, say, in my backyard and make money?

No, you can't. The contract for oil traded in the United States is for delivery of oil at Cushing, Okla., a critical storage hub where lots of oil pipelines converge.

In addition, each contract is for 1,000 barrels of oil, or about five tanker trucks' worth. Even if you had a place to park five tanker trucks filled with oil, you would be hard pressed to find a trader willing to sell you a single contract. Most trades are for many times that amount.

Monday's abnormal fall in prices was a reminder that the industry — and for that matter, the world economy — has changed a lot since the last oil crisis. For one, the United States is now one of the biggest producers in the world, and the country has in recent years been pumping out crude oil as fast it can.

The steep rise in output has outpaced the world's need for energy, a problem that is magnified by the coronavirus.

What's not known is how long this slowdown will last, as well as the long-term consequences of an economic recession, and if that will fundamentally change how much oil the world needs.



PCS LALIT RAJPUT

CORPORATE COMPLIANCE CALENDAR

ABOUT ARTICLE :

This article contains various Compliance requirements under Statutory Laws. Compliance means “*adhering to rules and regulations.*” Compliance is a continuous process of following laws, policies, and regulations, rules to meet all the necessary governance requirements without any failure.

If you think compliance is expensive, try non-compliance

Compliance Requirement Under

1 Foreign Exchange Management Act, 1999 (FEMA) and Important Notifications	page no. 46
2. Income Tax Act, 1961	page no. 49
3. Goods & Services Tax Act, 2017 (GST) and Important Updates / Circulars	page no. 52
4. Other Statutory Laws and Updates	page no. 57
5. SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015	page no. 60
6. SEBI Takeover Regulations 2011	page no. 67
7. SEBI (Prohibition of Insider Trading) Regulations, 2015	page no. 69
8. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	page no. 69
9. SEBI (Buyback of Securities) Regulations, 2018	page no. 70
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11. Minimum Public Shareholding (MPS) requirements	page no. 71
12. Regulatory Requirements by the trading members / clearing members / depository participants, mentioned in the SEBI circulars	page no. 71
13. SEBI Operational framework for transactions in defaulted debt securities post maturity	page no. 72
14. SEBI Relaxations for Preferential Issues Matters	page no. 74
15. Timelines for compliance with the regulatory requirements by DPs / RTAs, mentioned in the SEBI circulars	page no. 75
16. Companies Act, 2013 (MCA/ROC and LLP Compliance) and Notifications	page no. 78
17. IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016	page no. 82
18. ICSI Updates	page no. 82
19. Insolvency and Bankruptcy Board of India (IBBI) Updates	page no. 83
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21. Govt Extends Validity of Vehicle Documents till July 31, 2020	page no. 86
22. Micro, Small and Medium Enterprises – MSME	page no. 86

SPECIAL ALERT OF THE MONTH:

Company Secretary for Banks: RBI has released a discussion paper on 12.06.2020, on ‘**Governance in Commercial Banks in India**’ for public comments to align the current regulatory framework with global best practices.

Key Opportunities:

- a. Appointment of Company Secretary for Banks
- b. Secretarial Audit Applicability for Banks

Suggestions and comments on the discussion paper may be sent by email latest by **15th July, 2020** at E – mail Dpcg@rbi.org.in

1. COMPLIANCES UNDER FEMA / RBI

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / (Filing mode)
FEMA ACT 1999	July 15 every year	Annual Return on Foreign liabilities and assets The FLA return is required to be submitted by the companies who have received Foreign direct investment (FDI) and/or made Foreign direct investment abroad in the previous year(s) including the current year	FLA Return
FEMA ACT 1999	Monthly Basis	External Commercial Borrowings Borrowers are required to report all ECB transactions to the RBI on a monthly basis through an AD Category – I Bank in the form of 'ECB 2 Return'.	ECB 2 Return
FEMA ACT 1999	Not later than 30 days from the date of issue of Capital instrument	FC-GPR is a form filed when the Indian company receives the Foreign Direct Investment and the company allots shares to a person resident outside India.	Form FC-GPR
FEMA ACT 1999	With in 60 days of receipt/ remittance of funds or transfer of capital instruments whichever is earlier.	Reporting of transfer of shares and other eligible securities between residents and non-residents and vice- versa is to be made in Form FC-TRS. The onus of reporting shall be on the resident transferor/ transferee.	Form FC-TRS.
FEMA ACT 1999	within 30 days from the date of receipt of the amount of consideration.	A Limited Liability Partnership receiving amount of consideration and acquisition of profit shares is required to submit a report in the Form FDI LLP-1	Form FDI LLP-I
FEMA ACT 1999	within 60 days from the date of receipt of funds in	A Limited liability Partnership shall report disinvestment/ transfer of capital contribution or profit share between a resident and a non resident (or vice versa)	Form FDI LLP-II
FEMA ACT 1999	within 30 days from the date of allotment of capital instruments	The domestic custodian shall report the issue/ transfer/ of sponsored/ unsponsored depository receipts	Downstream statement - Form DI

DUE DATES EXTENDED BY RBI - LFAR FOR FY 2019-20:

1. RBI has extended the timeline for submission of Long Form Audit Report (LFAR) by the statutory auditors to the banks by one month and now, it can be submitted by July 31, 2020.

2. with respect to LFAR, all Certificates as per the Certification/Validation requirements for SCAs of scheduled commercial banks for FY 2019-20 can be submitted along with the LFAR by July 31, 2020.

RBI STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES

COVID-19 – Regulatory Package by RBI: [Click Here](#)

1. RBI had announced a special refinance facility of ₹15,000 crore to SIDBI for on-lending/refinancing.

2. In view of difficulties expressed by FPIs and their custodians on account of COVID-19 related disruptions in adhering to the condition that at least 75 per cent of allotted limits be invested within three months, it has been decided that an additional 3 months will be allowed to FPIs to fulfil this requirement.

3. In view of the importance of exports in earning foreign exchange and in providing income and employment; and of imports in bringing in essential requirements of raw materials, intermediates, finished goods and technology, measures are being taken to support the foreign trade sector.

4. RBI increase the maximum permissible period of pre-shipment and post shipment export credit sanctioned by banks from the existing one year to 15 months, for disbursements made up to July 31, 2020.

5. RBI extends a line of credit of Rs. 15,000 crore to the EXIM Bank for a period of 90 days from the date of availment with rollover up to a maximum period of one year so as to enable it to avail a US dollar swap facility to meet its foreign exchange requirements.

6. RBI extends the time period for completion of remittances against normal imports into India (except in cases where amounts are withheld towards guarantee of performance) from six months to twelve months from the date of shipment for such imports made on or before July 31, 2020.

7. RBI decided to permit lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020.

8. Deferment of Interest on Working Capital Facilities – Additional 3 months, from June 1, 2020 to August 31, 2020

9. Extension of Resolution Timeline - lending institutions are permitted to exclude the entire moratorium/deferment period from March 1, 2020 to August 31, 2020 from the calculation of 30-day Review Period or 180-day Resolution Period, if the Review/Resolution Period had not expired as on March 1, 2020.

10. Limit on Group Exposures under the Large Exposures Framework – RBI decided, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from 25 per cent to 30 per cent of the eligible capital base of the bank. The increased limit will be applicable up to June 30, 2021.

Details available at :

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR239281035C0C72F5477589233CDB3AFDE29E.PDF>

RBI CIRCULARS / NOTIFICATIONS:

Sl. No.	Date & Circular	Particulars of the Circulars	Link
1	Date: 04 th June, 2020, RBI/2019-20/250 FIDD.CO.FSD.BC.NO.25/05. 02.001/2019-20	Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Loans for Agriculture including Animal Husbandry, Dairy and Fisheries for extended period on account of Covid-19	https://rbidocs.rbi.org.in/rdocs/notification/PDFs/25OISS1B6B55D87E8D40FF97D3B93DF923F1A5.PDF
2	Date: 04 th June, 2020, RBI/2019-20/251 DPSS.CO.PD.NO.1897/02.1 4.003/2019-20	Extension of timeline for compliance with various payment system requirements	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11910&Mode=0
3	Date: 08 th June, 2020 RBI/2019-20/252 DOR.AML.BC.No.75/14.06. 001/2019-20	Implementation of Section 51A of UAPA, 1967 - Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List - Addition of one individual	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11911&Mode=0
4	Date: 21 st June, 2020 RBI/2019-2020/255 DOR.BP.BC.NO.76/21.06.2 01/2019-20	Assignment of Risk Weights on Credit Facilities (Guaranteed Emergency Credit Line) under the Emergency Credit Line Guarantee Scheme	https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11916&Mode=0
5	Date: 22 nd June, 2020 RBI/2019-2020/256 DPSS.CO.OD.NO.1934/06.0 8.005/2019-20	Increasing Instances of Payment Frauds – Enhancing Public Awareness Campaigns Through Multiple Channels	https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11917
6	Date: 24 th June, 2020 RBI/2019-2020/258 DOR (NBFC) (PD) CC. NO.112/03.10.001/2019- 20	Loans Sourced by Banks and NBFCs over Digital Lending Platforms: Adherence to Fair Practices Code and Outsourcing Guidelines	https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11920
7	Date: 26 th June, 2020 RBI/2019-2020/259 DOR.NO.RET.BC.77/12.02. 001/2019-20	Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF)	https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11921
8	Date: 26 th June, 2020 RBI/2019-2020/260 DOR.NO.RET.BC.78/12.01. 001/2019-20	Section 42(1) of the Reserve Bank of India Act, 1934 - Change in Minimum Daily Maintenance of the Cash Reserve Requirement	https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11922
9	RBI/2019-2020/261 IDMD.CDD.NO.3145/13.01 .299/2019-20	Floating Rate Savings Bonds 2020 (Taxable)	https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11923

2. COMPLIANCE REQUIREMENT UNDER INCOME TAX ACT, 1961

Applicable Laws/Acts	Compliance Particulars	Due Dates	Revised Due Dates
Income Tax Act, 1961	Filing of original return for the Assessment Year 2019-20 u/s 139 (1)		31-07-2020
Income Tax Act, 1961	Filing of belated return for the Assessment Year 2019-20 u/s 139 (4)	30-06-2020	31-07-2020
Income Tax Act, 1961	Filing of revised return for the Assessment Year 2019-20 u/s 139 (5)	30-06-2020	31-07-2020
Income Tax Act, 1961	TDS/ TCS Return for quarter ending 31.03.2020 (Q4 of F.Y. 2019-20) for Government Offices	30-06-2020	15-07-2020
Income Tax Act, 1961	TDS/ TCS Return for 31.03.2020 (Q4 of F.Y. 2019-20) quarter	30-06-2020	31-07-2020
Income Tax Act, 1961	Date of issuance of TDS certificate to employees in form 16A and other in form 16	15-07-2020	15-08-2020
Income Tax Act, 1961	Investments for claiming deduction under Chapter-VIA-B of the IT Act which includes section 80C, 80D, 80G etc. for the A.Y. 20-21 i.e. F.Y. 19-20	30-06-2020	31-07-2020
Income Tax Act, 1961	Investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains under sections 54 to 54GB	30-06-2020	30-09-2020
Income Tax Act, 1961	Furnishing of Form 24G by an office of the Government for the month of: <ul style="list-style-type: none"> February 2020 March 2020 April to November 2020 	15-03-2020 30-04-2020 Within 15 days from the end of the month	15-07-2020 15-07-2020 31-03-2020
Income Tax Act, 1961	New procedure for registration, approval or notification entities under u/s 10(23C), 12AA, 35 and 80G	01.06.2020	01.10.2020
Income Tax Act, 1961	Form 24QB, 24QC and 24QD of February and March 2020 (Section 200 read with Rule 31A or Section 206C read with Rule 31AA)	30-03-2020 30-04-2020	30-06-2020
Income Tax Act, 1961	Date of filing of declaration and payment of tax under VI VAD SE VISH WAS	30-06-2020	31-12-2020

<p>Income Tax Act, 1961</p>	<p>Due date for any of the following actions, except mentioned above, under the the Wealth-Tax Act, 1957, Income-tax Act, 1961, Prohibition of Benami Property Transactions Act, 1988, Chapter VII of Finance (No. 2) Act, 2004 (dealing with Securities Transaction Tax), Chapter VII of Finance Act, 2013 (dealing with Commodities Transaction Tax), Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, Chapter VIII of Finance Act, 2016 (dealing with Equalisation Levy) and Direct Tax Vivad se Vishwas Act, 2020 by any Authority, Commission or Tribunal:</p> <ul style="list-style-type: none"> • passing order • issuance of notice, intimation, notification, sanction or approval • completion of proceedings • any other action • filing of appeal, reply, application • furnishing of reports, document, return, statement or any such record 	<p>20-03-2020 to 31-12-2020</p>	<p>31-03-2021</p>
<p>Income Tax Act, 1961</p>	<p>Due date for any of the following actions, except mentioned above, under: the Wealth-Tax Act, 1957, Income-tax Act, 1961, Prohibition of Benami Property Transactions Act, 1988, Chapter VII of Finance (No. 2) Act, 2004 (dealing with Securities Transaction Tax), Chapter VII of Finance Act, 2013 (dealing with Commodities Transaction Tax), Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, Chapter VIII of Finance Act, 2016 (dealing with Equalisation Levy) and Direct Tax Vivad se Vishwas Act, 2020 by the Taxpayers and/or Authority:</p> <ul style="list-style-type: none"> • filing of appeal, reply, application • furnishing of reports, document, return, statement or any such record 	<p>20-03-2020 to 31-12-2020</p>	<p>31-03-2021</p>

➤ **IMPORTANT UPDATES:**

1. PAN-Aadhaar linking deadline FURTHER extended to beyond JUNE, 2020

The due date for linking of PAN with Aadhaar as specified under sub-section 2 of Section 139AA of the Income-tax Act, 1961 has been extended from 31st December, 2019 to 31st March, 2020 and further extended to 31st March, 2021 due to COVID – 19 outbreak.

○ **IMPORTANT NOTIFICATIONS:**

Sl. No.	Particulars of the Notification(s)	File No. / Circular No.	Notification Link(s)
1.	The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 1790	Notification No. 32/2020/ F.No. 370142/17/2020-TPL	https://www.incometaxindia.gov.in/communications/notification/notification_32_2020.pdf
2.	Central Government hereby notifies for the purposes of the said clause, 'Greater Noida Industrial Development Authority' (PAN AAALG0129L) - reg.	Notification No. 33/2020 F.No.300196/39/2018-ITA-I	https://www.incometaxindia.gov.in/communications/notification/notification_33_2020.pdf
3.	the Central Government hereby notifies for the purposes of the said clause, 'Maharashtra Electricity Regulatory Commission', Mumbai (PAN AAAGM0004R), a commission established by the State Government of Maharashtra	[Notification. No. 34/2020/F.No.300196/53/2019-ITA-I	https://www.incometaxindia.gov.in/communications/notification/notification_34_2020.pdf
4.	Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (2 of 2020)	[Notification No.35/2020/ F. No. 370142/23/2020-TPL	https://www.incometaxindia.gov.in/communications/notification/notification_35_2020.pdf
5.	the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Regulatory Authority' as specified in the schedule to this notification	Notification No. 36/2020, F. No. 300196/38/2017-ITA-I	https://www.incometaxindia.gov.in/communications/notification/notification_36_2020.pdf
6.	the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Regulatory Authority' as specified in the schedule to this notification, constituted by Government in exercise of powers conferred under sub-section (1) of Section 20 of the Real Estate (Regulation and Development) Act, 2016	Notification No. 37/2020/F. 300196/50/2019-ITA-I	https://www.incometaxindia.gov.in/communications/notification/notification_37_2020.pdf
7.	the Income-tax (13th Amendment) Rules, 2020	Notification No. 38/2020/F. No.370142/15/2020-TPL	https://www.incometaxindia.gov.in/communications/notification/notification_38_2020.pdf
8.	Corrigendum to Notification No 35/2020 regarding extension of time limits under the Income-tax Act, 1961 and related Acts	Notification No 39/2020/ F. No. 370142/23/2020-TPL	https://www.incometaxindia.gov.in/communications/notification/notification_39_2020.pdf

3. COMPLIANCE REQUIREMENT UNDER GOODS & SERVICES TAX ACT, (GST) 2017

Keeping in view the preventive measures taken to contain the spread of Novel Coronavirus (COVID-19) and the difficulties being faced by the GST taxpayer, Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes & Customs, **has extended the due date for Filing GST Returns.**

GST Compliance Relaxations:

GSTR 3B Due Dates for May 2020

A. Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
Feb, 2020	20th March, 2020	4th April, 2020	5th April to 24th June, 2020	25th June, 2020
March, 2020	20th April, 2020	5th May, 2020	6th May to 24th June, 2020	25th June, 2020
April, 2020	20th May, 2020	4th June, 2020	5th June to 24th June, 2020	25th June, 2020
May, 2020	27th June, 2020 (extended date for filing)	27th June, 2020	--	28th June, 2020

B. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group A)

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
Feb, 2020	22nd March, 2020	30th June, 2020	1st July to 30th Sept., 2020	1st Oct., 2020
March, 2020	22nd April, 2020	3rd July, 2020	4th July to 30th Sept., 2020	1st Oct., 2020
April, 2020	22nd May, 2020	6th July, 2020	7th July to 30th Sept., 2020	1st Oct., 2020
May, 2020	12th July, 2020 (extended date for filing)	12th Sept., 2020	13th Sept to 30th Sept., 2020	1st Oct., 2020
June, 2020	22nd July, 2020	23rd Sept., 2020	24th Sept to 30th Sept., 2020	1st Oct., 2020

Group A States: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep

C. Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY (Group B)

Tax period	Due Date	No interest payable till	Interest payable @ 9% from & till	Interest payable @ 18% from
Feb, 2020	24th March, 2020	30th June, 2020	1st July to 30th Sept., 2020	1st Oct., 2020
March, 2020	24th April, 2020	5th July, 2020	6th July to 30th Sept., 2020	1st Oct., 2020
April, 2020	24th May, 2020	9th July, 2020	10th July to 30th Sept., 2020	1st Oct., 2020
May, 2020	14th July, 2020 (extended date for filing)	15th Sept., 2020	16th Sept to 30th Sept., 2020	1st Oct., 2020
June, 2020	24th July, 2020	25th Sept., 2020	26th Sept to 30th Sept., 2020	1st Oct., 2020

Group B States: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi

D. Late Fee Relief to Normal Taxpayers filing Form GSTR-3B

i) Taxpayers having aggregate turnover > Rs. 5 Cr. in preceding FY

Tax period	Late fees waived if return filed on or before
Feb, 2020	24th June, 2020
March, 2020	24th June, 2020
April, 2020	24th June, 2020
May, 2020	27th June, 2020 (extended date for filing)

ii) Taxpayers having aggregate turnover upto Rs. 5 crores in preceding FY

Tax period	Late fees waived if return filed on or before (For Group A States)*	Late fees waived if return filed on or before (For Group B States)*
Feb, 2020	30th June, 2020	30th June, 2020
March, 2020	03rd July, 2020	05th July, 2020
April, 2020	06th July, 2020	09th July, 2020
May, 2020	12th Sept., 2020	15th Sept., 2020
June, 2020	23rd Sept., 2020	25th Sept., 2020
July, 2020	27th Sept., 2020	29th Sept., 2020

States	Group A- Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep	Group B- Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi
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Kindly note:

Taxpayers who are yet to file Form GSTR-3B for any month(s) from July, 2017 till Jan., 2020, can now file Form GSTR-3B from 1st July, 2020 till 30th Sept., 2020, without any late fee, for those months in which they did not have any tax liability. However, for the months they had a tax liability, their late fee is capped at Rs 500 per return.

iii) Late Fee Relief to Normal Taxpayers filing Form GSTR-1:

Tax period	Due Date	Waiver of late fee if return filed on or before
March 2020	11.04.2020	10.07.2020
April 2020	11.05.2020	24.07.2020
May 2020	11.06.2020	28.07.2020
June, 2020	11.07.2020	05.08.2020
Quarterly taxpayers Jan to March 2020	30.04.2020	17.07.2020
Quarterly taxpayers April to June 2020	31.07.2020	03.08.2020

Kindly note:

If the Form GSTR-3B and Form GSTR-1 for the period mentioned in Tables above is not filed by the notified dates, late fee will become payable from the due dates for these returns.

E. Compliances for Composition taxpayers

Form No.	Compliance Particulars	Due Date (New)
GST CMP-08	Registered person availing the benefit provided under Notification 2/2019 – Central Tax (Rate) shall be required to furnish details of self-assessed tax in Form GST CMP-08 for quarter ending March 2020	07.07.2020
GSTR-4	The yearly return for 2019-20 shall be required to be filed in Form GSTR 4 by the above persons	15.07.2020

F. Non Resident Tax Payers, ISD, TDS & TCS Taxpayers
- (for the month of March, April, May, June & July 2020)

Form No.	Compliance Particulars	Due Date	Due Date (New)
GSTR -5	Non-Resident Taxpayers	20th of succeeding month	31.08.2020
GSTR -6	Input Service Distributors	13th of succeeding month	31.08.2020
GSTR -7	Tax Deductors at Source (TDS deductors)	10th of succeeding month	31.08.2020
GSTR -8	Tax Collectors at Source (TCS collectors)	10th of succeeding month	31.08.2020

G. Extension of validity period of EWB:

The validity of E-way bills (EWBs), generated on or before 24th March, 2020, and whose validity expiry date lies on or after 20th March, 2020, is deemed to have been **extended till 31st August, 2020.**

○ **KEY UPDATE(s):**

1. Filing NIL Form GSTR-3B through SMS on GST Portal

A taxpayer may now file NIL Form GSTR-3B, through an SMS, apart from filing it through online mode, on GST Portal. Taxpayer can file NIL Form GSTR-3B, through SMS for all GSTINs, for whom they are an Authorized Signatory, using same mobile number.

Link: <https://www.gst.gov.in/newsandupdates/read/381>

2. Relief in opting for Composition by Taxpayers, filing other Returns & EWB.

Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for GST filings. These are notified in Central Tax Notifications 30, 34 & 35/2020 dated 03.04.2020 & 47/2020 dated 09.06.2020 & 55/2020 dated 27.06.2020.

Link: <https://www.gst.gov.in/newsandupdates/read/385>

○ **GST UPDATES AS ON 30.06.2020:**

Sl. No.	Notification(s)	Notification No.	Link(s)
1.	Seeks to give effect to the provisions of Rule 67A for furnishing a nil return in FORM GSTR-3B by SMS	44/2020- Central Tax ,dt. 08-06-2020	https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-44-central-tax-english-2020.pdf

2.	Seeks to extend the date for transition under GST on account of merger of erstwhile Union Territories of Daman and Diu & Dadar and Nagar Haveli.	45/2020- Central Tax ,dt. 09-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-45-central-tax-english-2020-updated.pdf
3.	Seeks to extend period to pass order under Section 54(7) of CGST Act.	46/2020- Central Tax ,dt. 09-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-46-central-tax-english-2020-updated.pdf
4.	Seeks to amend Notification No. 40/2020 – Central Tax dated 05.05.2020 in respect of extension of validity of e-way bill generated on or before 24.03.2020 (whose validity has expired on or after 20th day of March 2020) till the 30th day of June.	47/2020- Central Tax ,dt. 09-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-47-central-tax-english-2020-updated.pdf
5.	seeks to make sixth amendment (2020) to CGST Rules.	48/2020- Central Tax ,dt. 19-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-48-central-tax-english-2020.pdf
6	Seeks to bring into force Sections 118, 125, 129 & 130 of Finance Act, 2020 in order to bring amendment to Sections 2, 109, 168 & 172 of CGST Act w.e.f. 30.06.2020.	49/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-49-central-tax-english-2020.pdf
7	Seeks to make seventh amendment (2020) to CGST Rules.	50/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-50-central-tax-english-2020.pdf
8	Seeks to provide relief by lowering of interest rate for a prescribed time for tax periods from February, 2020 to July, 2020.	51/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-51-central-tax-english-2020.pdf
9	Seeks to provide one time amnesty by lowering/waiving of late fees for non furnishing of FORM GSTR-3B from July, 2017 to January, 2020 and also seeks to provide relief by conditional waiver of late fee for delay in furnishing returns in FORM GSTR-3B for tax periods of February, 2020 to July, 2020.	52/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/hdocs-cbec/gst/notfctn-52-central-tax-english-2020.pdf

10	Seeks to provide relief by waiver of late fee for delay in furnishing outward statement in FORM GSTR-1 for tax periods for months from March, 2020 to June, 2020 for monthly filers and for quarters from January, 2020 to June, 2020 for quarterly filers	53/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-53-central-tax-english-2020.pdf
11	Seeks to extend due date for furnishing FORM GSTR-3B for supply made in the month of August, 2020 for taxpayers with annual turnover up to Rs. 5 crore.	54/2020- Central Tax ,dt. 24-06-2020	https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-54-central-tax-english-2020.pdf
12	Seeks to amend notification no. 35/2020-Central Tax in order to extend due date of compliance which falls during the period from "20.03.2020 to 30.08.2020" till 31.08.2020.	55/2020-Central Tax dated 27.06.2020	https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-55-central-tax-english-2020.pdf
13	Seeks to amend notification no. 46/2020-Central Tax in order to further extend period to pass order under Section 54(7) of CGST Act till 31.08.2020 or in some cases upto fifteen days thereafter.	56/2020-Central Tax dated 27.06.2020	https://www.cbic.gov.in/htdocs-cbec/gst/notfctn-56-central-tax-english-2020.pdf

4. COMPLIANCE UNDER OTHER STATUTORY LAWS

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / (Filing mode)
EPF (The Employees' Provident Funds And Miscellaneous Provisions Act, 1952)	15.07.2020	PF Payment for May 2020	ECR
ESIC (Employees' State Insurance Act, 1948)	15.07.2020	ESIC Payment (May 2020)	ESI CHALLAN
Contract Labour (Regulation & Abolition) Act, 1970	Within 15 Days of commencement/ completion of contract work	Return/Notice within 15 days of commencement/ completion of each contract by the Principal employer	Form VI-B
Contract Labour (Regulation & Abolition) Act, 1970	Within 15 Days of commencement/compl etion of contract work	Notice of commencement/ completion of contract work by the Contractor within 15 days	Form VI-A
Payment of Gratuity Rule	Within 30 Days of applicability of the Act & any change	Notice of applicability of the Act & any change	Form A or B

*** Employees are allowed to file return of Contribution up to 15.07.2020 for the contribution period from October 2019 to March 2020.*

Key Update:

1. Pradhan Mantri Garib Kalyan Yojana: A Scheme to implement the PMGKY package for credit of employee's & employer's share of **EPF & EPS contributions (24% of wages)** for three months (March 2020 to May 2020) by Govt. of India.

2. EPFO operationalizes Pradhan Mantri Garib Kalyan Package for Low Wage Earning EPF Member and EPF covered Establishments with upto 100 Employees:

- Relief available for 6 months from March – August, 2020
- ECR with declaration to be filed to avail benefits of eligible employees and establishments.
- Eligible Establishments remitting for March, 2020 prior to PMGKY ECR Facility have to update Bank details in Form 5A to get re-imburement.

3. ONLINE EPF TRANSFER PROCESS:

Employees' Provident Fund Organization (EPFO), India Ministry of Labour & Employment, Government of India has issued Instructions for transfer online EPF. In case of change of Job, it is important to switch EPF account from previous employer to the new employer. This whole transfer process has to be done to reduce overall tax liability from the balance accumulated in two separate accounts (Account with Previous and New Organization).

Full Process: <https://enlightengovernance.blogspot.com/2020/06/online-epf-transfer-process.html>

4. Mandatorily Enabling Mobile Number and Bank Account Details of an Insured Person while registering an employee with effect from 1st July 2020.

Link available <https://www.esic.nic.in/attachments/circularfile/443193b8ac5cecebe33ff15efe2f5c.pdf>

Twitter Updates:

1. Now Employees can also update their Date of exit-
<https://twitter.com/socialepfo/status/1277830747785592832>

2. Pradhan Mantri Garib Kalyan Package for Low Wage Earning EPF Member and EPF covered Establishments with upto 100 Employees. <https://twitter.com/socialepfo/status/1277452453290508289>

3. The country is dealing with a very challenging situation due to COVID-19 Pandemic. To deal with the crisis, ESIC has undertaken multiple steps to cater to its Stakeholders as well as general public at large, without any user charge. <https://twitter.com/esichq/status/1277244372736552960>

4. In order to empower the Stakeholders, ESIC has taken decision for reconstitution of 'Local Committee' to provide recommendations on common issues faced by IPs and Employers in their area. <https://twitter.com/esichq/status/1276875798129991680>



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5. Online procedure to receive reimbursement of benefits under Pradhan Mantri Garib Kalyan Yojana (PMGKY) Scheme for Establishments which had remitted for March, 2020 before deployment of facility. <https://twitter.com/socialepfo/status/1276733064903712768>

6. Incorrect Bank Account details seeded to UAN? Know how to update Bank Account Details <https://twitter.com/socialepfo/status/1276014938750763008>

7. If you are working in an establishment which is registered with EPFO then please self generate UAN and be assured of social security for yourself and your family. <https://twitter.com/socialepfo/status/1275653764494622720>

8. Activate your UAN in just 7 simple steps <https://twitter.com/socialepfo/status/1274918138715365376>

9. Application for EPF withdrawal claims (Form-31) under 'Outbreak of Pandemic - COVID-19' are being processed on priority by EPFO <https://twitter.com/socialepfo/status/1274193278611619846>

10. With the reduction of the rate of ESI contribution from 6.5% to 4%, 36 million employees and 1.28 million employers are getting substantial relief under ESI Scheme. <https://twitter.com/esichq/status/1273176438997430272>

11. Instructions for filing online claims for the purpose - "Outbreak of Pandemic (COVID-19)" <https://twitter.com/socialepfo/status/1268856678566354944>

12. The Commissioner of Labour Maharashtra has issued an order dated 20th April 2020, extending the date of filing unified annual returns under the Maharashtra Shops and Establishment Act for the year 2019 to 31st July 2020. [http://bombaychamber.com/admin/uploaded/NEWS Block/Annual Return Extension of date.pdf](http://bombaychamber.com/admin/uploaded/NEWS%20Block/Annual%20Return%20Extension%20of%20date.pdf)

❖ **UPDATES TRACKER UNDER LABOUR LAWS:**

Sl. No.	Notification(s)	Link(s)
1.	Relaxation of time limit for filling and depositing ESI contribution for the month of February, 2020 and March-2020	https://www.esic.nic.in/attachments/circularfile/78d655a981aa867c2d3ff640c4201717.pdf
2	FAQ's on ECR FILING AND PAYMENT OF CONTRIBUTIONS	https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/ECR_PaymentprocessFAQs.pdf
3	FAQ's on Transfer Claims for Employees	https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/faq_transfer_claim.pdf
4	Gazette Notification regarding the reduction in the rate of EPF Contribution	https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2020-2021/GN_for_reduction_in_EPF_contribution_rate.pdf

5. SEBI – SECURITIES EXCHANGE BOARD OF INDIA

SEBI MEASURES IN REPOSNSE TO COVID 19

COMPLIANCE REQUIREMENT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (LODR) REGULATIONS, 2015

FILING MODE(s) :

- For BSE : BSE LISTING CENTRE
- For NSE : NEAPS Portal

❖ Half Yearly Compliances

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)	Revised Due Date
1	Regulation 7(3)	Compliance Certificate certifying maintaining physical and electronic transfer facility	Within one month of end of each half of the financial year (on or before 30 April, 2019)	31.05.2020
2	Regulation 40(9)	Certificate from Practicing Company Secretary (PCS)	Within one month of end of each half of the financial year (on or before 30 April, 2019)	31.05.2020
3	Regulation 33	Quarterly / Annually Relating to Financial Results	Un audited Financial Results within 45 days & Audited finance within 60 days Q. 15.05.2020 A. 30.05.2020	31.07.2020

❖ Annual Compliance

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 24A	Secretarial Audit Due date Extended to 31.07.2020	Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019. (within 60 days from the Closure of FY)

COMPLIANCE ON IMPACT OF COVID 19:Reg 4(2)(e),30,33,51

Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_46688.html

❖ **Event based Compliances**

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1.	Regulation 7 (5)	Intimation of appointment / Change of Share Transfer Agent.	Within 7 days of Agreement with RTA.
2.	Regulation 17(2)	Meeting of Board of Directors	COVID-19 Relaxation: The board of directors and Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings. Extension of maximum time gap between two board/Audit
3.	Regulation 18(2)	Meeting of the audit committee	Committee meetings as provided by circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 is further extended till July 31, 2020. However the board of directors / Audit Committee shall ensure that they meet at least four times a year, as stipulated under regulations 17(2) and 18(2)(a) of the LODR.
4.	Regulation 29	Notice for Board Meeting to consider the prescribed matters.	COVID19 Relaxation Board meetings in all cases – 2 days in respect of Board Meetings held till July 31, 2020.
5	Regulation 30	Outcome of Board Meeting (Schedule III Part A- (4)	within 30 minutes of the closure of the meeting
6.	Regulation 39 (3)	Intimation to Stock Exchanges regarding loss of share certificates and issue of the duplicate certificates - within 2 days of its getting information	Extension granted: No penalty for delay in intimation made between March 1 to May 31, 2020
7.	Regulation 40	Transfer or transmission or transposition of securities	After due verification of the documents, the Listed Company shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of 15 days from the date of such receipt of request for transfer: Transmission requests are processed for securities held in dematerialized mode and physical mode within 7 days and 21 days respectively, after receipt of the specified documents

8.	Regulation 43	Declaration of Dividend	The company has to declare and disclose the dividend on per share basis only.
9.	Regulation 46	Company Website: Listed entity shall disseminate the information as stated in Regulation 46 (2)	Shall update any change in the content of its website within 2 working days from the date of such change in content.
10.	Regulation 50	Intimation to stock exchange(s).	Listed Company shall give prior intimation at least 11 working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable.
11.	Regulation 57	Other submissions to stock exchange(s).	Listed Company shall submit a certificate to the stock exchange within 2 days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.
12.	Regulation 82	Intimation and filings with stock exchange(s).	Intention to issue new securitized debt instruments either through a public issue or on private placement basis : <u>Reg. 82(2)</u> : Intimation of Meeting at least 2 working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of trustees, at which the recommendation or declaration of issue of securitized debt instruments or any other matter affecting the rights or interests of holders of securitized debt instruments is proposed to be considered
13.	SCHEDULE III PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES	Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)	(7B) In case of resignation of an independent director of the listed entity, within 7 days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities as mentioned in 7B (i), 7B(ii) & 7B(iii).
14.	Regulation 106J	Period of subscription and issue of allotment letter.	A rights issue shall be open for subscription in India for a period as applicable under the laws of its home country but in no case less than 10 days.
15.	Regulation 108	Application for Listing.	The issuer / the issuing company, shall, make an application for listing, within 20 days from the date of allotment, to one or more recognized stock exchange(s) along with the documents specified by stock exchange(s) from time to time.

16.	Regulation 23	Corporate governance requirements with respect to subsidiary of listed entity	The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
17	Regulation 23(9)	The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis	Disclosure Of Related Party Transactions Pursuant To Regulation 23(9) Of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 WITHIN 30 days from the date of publication of Financial Results (for half year)
18.	Regulation 30 (6) read with Para A of Part A of Schedule III (except sub para 4 of with Para A of Part A of Schedule III	The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay Example : Proceedings of Annual and extraordinary general meetings of the listed entity.	24 hours of Occurrence of event
19.	SCHEDULE III PARTA A (SUB CLAUSE 7A)	In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor	24 hours of Occurrence of event
20.	SCHEDULE III PARTA A (SUB CLAUSE 7B)	In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities	within 7 days from the date of resignation

21.	Regulation 37(1)	Draft Scheme of Arrangement & Scheme of Arrangement before for obtaining Observation Letter or No-objection letter, before filing such scheme with any Court or Tribunal, in terms of requirements specified by the Board or stock exchange(s) from time to time.	Before filling the same with any court or tribunal
22	Regulation 37(1) read with Section 31 of the Insolvency Code,	No need to follow Regulation 37 & 94 if <u>restructuring proposal approved as part of a resolution plan by the Tribunal under section 31 of the Insolvency Code, subject to the details being disclosed to the recognized stock</u> <u>23exchanges within one day of the resolution plan being approved</u>	within one day of the resolution plan being approved
23	Regulation 42(2)	The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. (Refer 42(1) Record date)	7 working days (excluding the date of intimation and the record date)
24.	Regulation 44(3)	The listed entity shall submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.	within 48 hours of conclusion of its General Meeting
25.	Regulation 31A	Re-classification of status of a promoter/ person belonging to promoter group to public an application for re-classification to the stock exchanges has been made by the listed entity consequent to the following procedures and not later than thirty days from the date of approval by shareholders in general meeting.	Not later than 30 days of general Meeting
26.	Regulation 50(1) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	Intimation to stock exchange(s). Listed Company shall give prior intimation at least 11 working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable.	at least 11 working days
27.	Regulation 50(3) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall intimate to the stock exchange(s), at least two working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of directors, at which the recommendation or declaration of issue of non convertible debt securities or any other matter affecting the rights or interests of holders of non convertible debt securities or non convertible redeemable preference shares is proposed to be considered.	at least 2 working days in advance, excluding the date of the intimation and date of the meeting

29.	Regulation 52(5) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall, within seven working days from the date of submission of the information required under sub-regulation (4), ie information submitted with Financial Results submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents.	7 working days of FR
31.	Regulation 57 (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	Other submissions to stock exchange(s). Listed Company shall submit a certificate to the stock exchange within 2 days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.	within 2 days
32.	Regulation 60(2) (Debt OR Non-Convertible Redeemable Preference Shares Or Both)	The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. (Refer 60(1) Record date)	7 working days (excluding the date of intimation and the record date)
33.	Regulation 78(2) (Obligations of listed entity which has listed its indian depository receipts)	Record date The listed entity shall give notice in advance of at least four working days to the recognised stock exchange(s) of record date specifying the purpose of the record date.	at least 4 working days
34.	Regulation 82 (Obligations Of Listed Entity Which Has Listed Its Securitised Debt Instruments)	Intimation and filings with stock exchange(s). Intention to issue new securitized debt instruments either through a public issue or on private placement basis.	At least 2 working days in advance
35.	Regulation 87(2) (Obligations of listed entity which has listed its Indian depository receipts)	Record date The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the Stock Exchange may agree to or require specifying the purpose of the record date.	at least 7 working days(excluding the date of intimation and the record date)
36.	Regulation 87B (Obligations Of Listed Entity Which Has Listed Its Security Receipts)	The listed entity shall first disclose to stock exchange(s) of all events or information, as specified in Part E of Schedule III, as soon as reasonably possible but not later than twenty four hours from occurrence of the event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for the delay.	24 hours of Occurrence of event

Few More SEBI (LODR) Relaxations:

Sl. No.	Compliance Particulars	Due Date	Extended Due Date
1	Regulation 44(5) relating to holding of AGM by top 100 listed entities by market capitalization for FY 19-20 Relaxations on holding AGM by top 100 listed entities vide circular dated April 23, 2020	31.08.2020	30.09.2020
2.	Regulation 19(3A) The nomination and remuneration committee shall meet at least once in a year Regulation 20(3A) The Stakeholders Relationship committee shall meet at least once in a year. Regulation 21(3A) The Risk Management Committee shall meet at least once in a year.	31.03.2020	30.06.2020 Nomination and Remuneration Committee, Stakeholder Relationship Committee and Risk Management Committee shall meet atleast once in a year extended by 3 months i.e. June 30, 2020
3.	Regulation 47: Publication of advertisements in the newspapers	It has been decided to exempt publication of advertisements in newspapers as required under regulation 47 for all events. No advertisement publication in newspaper required for events taking place up to June 30, 2020	
4	Regulation 52 (1) and (2) relating to Financial Results a) 45 days from the end of the Half Year b) 60 days from the end of Financial Year for Annual Financial Results	15.05.2020 30.05.2020	31.07.2020
5.	Regulation 44(5) holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization, due to the COVID – 19 pandemic	31.08.2020	30.09.2020
6.	Regulation 36 (1)(b) & (c) ; Regulation 58 (1)(b) &(c) Hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same	SEBI has dispensed with the requirement of dispatch of hard copies for all listed entities who conduct their AGM till <u>December 31, 2020</u>	

7.	Regulation 44(4) Proxy for general meetings	SEBI has dispensed with this requirement temporarily for all listed entities who conduct their AGM through electronic mode only till 31 st December, 2020	
8.	Regulation 12 Dividend warrants of cheques	SEBI has clarified that this requirement shall apply only once postal services resume normal operations. Where email addresses of shareholders are available, listed entities shall endeavour to obtain their bank account details and use the electronic modes of payment specified in Schedule I of the SEBI (LODR), Regulations, 2015.	
9.	Regulation 52(8) Newspaper publication of financial results	Within 2 calendar days of the conclusion of the meeting of the board of directors	No advertisement publication in newspaper required for events taking place up to June 30, 2020
10.	Regulation 33(3)(b) All listed entities having subsidiaries must submit quarterly/year-to-date consolidated financial results on a quarterly basis. The Companies (Indian Accounting Standards) Rules, 2015 provide for the phased adoption of Ind AS is currently applicable to all listed entities except entities in the banking and insurance sectors	Considering the challenges faced in preparing consolidated financial results due to different accounting standards being followed, listed entities that are in or have subsidiaries in the banking or insurance sectors may submit consolidated financials for the quarter ended June 30, 2020 voluntarily. Entities that choose to publish only standalone results must provide reasons for doing so. however, such entities must continue to submit quarterly/year-to-date standalone financial results.	
11.	Clarification regarding the use of digital signatures	Authentication /certification of any filing /submission made to stock exchanges under LODR may be done using digital signature certifications until June 30, 2020	

6. SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Securities and Exchange Board of India (SEBI) vide notification / Circular No. SEBI/HO/CFD/DCR1/CIR/P/2020/49 issued and published dated 27th March 2020, has published Relaxation from compliance with certain provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 due to the COVID-19 pandemic."

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 30(1)	Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise 25% or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the 31 st day of March, in such target company in such form as may be specified.	Report as per the 2020 calendar are required to be filed by April 15, 2020 <u>Due Date Extended</u> It has been decided by SEBI to extend the due date of filing disclosures, in terms of Regulations 30(1), 30(2) and 31(4) of the SAST Regulations for the financial year ending March 31, 2020 to June 01, 2020.
2	Regulation 30(2)	The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may	
3.	Regulation 31(1) read with Regulation 28(3) of Takeover Regulations AUGUST 7, 2019 CIRCULAR https://www.sebi.gov.in/legal/circulars/aug-2019/disclosure-of-reasons-for-encumbrance-by-promoter-of-listed-companies_43837.html	The promoter of every listed company shall specifically disclose detailed reasons for encumbrance if the combined encumbrance by the promoter along with PACs with him equals or exceeds: a) 50% of their shareholding in the company; or b) 20% of the total share capital of the company,	within 2 (two) working days
4.	Regulation 31(4)	Disclosure of encumbered shares	Promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the 31 st March, in such target company in such form as may be specified

7. SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 7(2) "Continual Disclosures"	Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees (10,00,000/-) or such other value as may be specified;	Every company shall notify; within two trading days of receipt of the disclosure or from becoming aware of such information

8. SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

Sl. No	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Schedule XIX - Para (2) of ICDR Read with Reg 108 of SEBI LODR	"The issuer shall make an application for listing from the date of allotment, within such period as may be specified by the Board from time to time, to one or more recognized stock exchange(s)". In regard to above, it is specified that Issuer shall make an application to the exchange/s for listing in case of further issue of equity shares from the date of allotment within 20 days (unless otherwise specified).	Within 20 days from the date of allotment
2	Regulation 162	The tenure of the convertible securities of the issuer shall not exceed eighteen months from the date of their allotment.	Within 18 months from date of allotment
3	SEBI CIRCULAR Aug 19, 2019 https://www.sebi.gov.in/legal/circulars/aug-2019/non-compliance-with-certain-provisions-of-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-icdr-regulations-43941.html	Application for trading approval to the stock exchange Listed entities shall make an application for trading approval to the stock exchange/s within 7 working days from the date of grant of listing approval by the stock exchange/s.	Within 7 working days from grant of date of listing approval

4	Regulation 76 Application for rights issue	The issuer along with lead managers and other parties related to the issue shall constitute an optional mechanism (non-cash mode only) to accept the applications of the shareholders to apply to rights issue subject to ensuring that no third-party payments shall be allowed in respect of any application
5.	Regulation 77 Service of Documents	In case if the company fails to adhere to modes of dispatch through registered post or speed post or courier services due to Covid-19 conditions it will not be treated as non-compliance during the said period. The issuers shall publish required & necessary documents on the websites of the company, registrar, stock exchanges and the lead managers to the rights issue
6	Regulation 84 Advertisement	Issuer has the flexibility to publish the advertisement in additional newspapers above those required in Regulation 84. The advertisement should also be made available on: A. Website of the Issuer, Registrar, Lead Managers, and Stock Exchanges. B. Television channels, radio, the internet, etc. to spread information related to the process.
7.	All offer documents filed until July 31, 2020	A. Authentication/ certification for offer documents can be done through DSC. B. The issuer shall provide a procedure to inspect documents electronically

9. SEBI (BUYBACK OF SECURITIES) REGULATIONS, 2018 (BUYBACK REGULATIONS)

Sl. No.	Regulation No.	Compliance Particular	Compliance Period (Due Date)
1	Regulation 11 and 24(iv)	Extinguishment of equity shares in connection with Buyback The particulars of the security certificates extinguished and destroyed shall be furnished by the company to the stock exchanges where the shares or other specified securities of the company are listed within seven days of extinguishment and destruction of the certificates	7 days of extinguishment and destruction of the certificates
2	Regulation 24(i) (f)	Minimum time between buy back and raising of funds	Temporary relaxation in the period of restriction provided in Regulation 24(i)(f) from "one year" to "six months" <u>Applicable up to December 31, 2020 only</u>

10. SEBI (DEPOSITORIES AND PARTICIPANTS) REGULATIONS 2018)

Sl. No.	Compliance Particulars	Due Date	Extended Due Date
1.	Regulation 76 Reconciliation of Shares and Capital Audit	30.04.2020	Equivalent period of lock down declared by Government of India i.e. <u>21 days, over and above the prescribed time limits</u>
2.	Regulation 74 (5) Certificate Received from Registrar		

11. MINIMUM PUBLIC SHAREHOLDING (MPS) REQUIREMENTS

Sl. No.	Compliance Particulars	Relaxation
1.	Minimum Public Shareholding - Minimum - Atleast 25% MPS	SEBI has advised recognised stock exchanges to not take penal actions as envisaged against Listed entities which were required to follow MPS requirement between the period from March 1, 2020 to August 31, 2020 and also advised the Stock exchange not to take any penal action against such entities. SEBI also directed stock exchanges that penal action, if any initiated by stock exchanges, from March 01, 2020 till date of non-compliances of MPS requirements by such listed entities may be withdrawn

12. REGULATORY REQUIREMENTS BY THE TRADING MEMBERS / CLEARING MEMBERS / DEPOSITORY PARTICIPANTS, MENTIONED IN THE SEBI CIRCULARS, AS UNDER:

Compliance requirements for which timelines were extended vide SEBI <u>circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/61</u> dated April 16, 2020.	S. No. in circular for which timeline is extended further	Extended timeline/ Period of exclusion
Client Funding Reporting	I	Till July 31, 2020 for the months of April, May and June 2020.
Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications.	II	Till July 31, 2020 for the quarter ended on March 31, 2020.
Compliance certificate for Margin Trading for CM Segment.	III	Till July 31, 2020.
Risk based supervision.	IV	

Internal Audit Report for half year ending (HYE) March 31, 2020.	V	Till July 31, 2020 for the half year ended on March 31, 2020.
Net worth certificate in Margin Trading for CM Segment for HYE March 31, 2020.	VIII	
Net worth certificate for all members for HYE March 2020.	IX	
Penalty for non-collection/short collection of upfront margins in cash segment.	X	Till July 31, 2020.
Maintaining call recordings of orders/ instructions received from clients.	XI	
Compliance requirements for which timelines were extended vide SEBI <u>circular</u> No. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020.	S. No. in circular for which timeline is extended further	Extended timeline /Period of exclusion
KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	III	Period of exclusion shall be from March 23, 2020 till July 31, 2020.
Compliance requirements for which timelines were extended vide SEBI <u>circular</u> No. SEBI/HO/MIRSD/DOP/CIR/P/2020/68 dated April 21, 2020.	S. No. in circular for which timeline is extended further	Extended timeline /Period of exclusion
Submission towards weekly monitoring of client funds under the provisions of Enhanced Supervision.	I	Till July 31, 2020.
Submission of data on monthly basis towards clients' and fund balance under the provisions of Enhanced Supervision.	II	
Daily margin trading reporting.	III	
Update in Income Tax Permanent Account Number of Key Management Personnel / Directors.	IV	Three months from the due date.
Issue of Annual Global Statement to clients.	V	

13. SEBI OPERATIONAL FRAMEWORK FOR TRANSACTIONS IN DEFAULTED DEBT SECURITIES POST MATURITY

	Event	Activity to be undertaken	Timeline (Working Days)	By	To
1.	Execution of Debenture trust deed	Pre authorization to seek debt redemption payment related information from issuer's bank	At the time of execution of the deed	Issuer	Debenture Trustee(s)

2.	Any change in bank details of issuer for making debt redemption payment	Information regarding updated bank details	Within 1 working day of event	Issuer	Debenture Trustee(s)
3.	Creation of ISIN / Listing of Debt Securities	Intimation of Redemption date	-	Issuer	Depositories Stock Exchange(s)
4.	Redemption/ Maturity date (T day)	Non acceptance of trades for reporting/settlement	T-2	Stock Exchange	-
5.		Temporary restriction on transaction in ISIN	T	Depository	-
6.		Intimate Status of payment of debt securities	T+1	Issuer	Stock Exchange(s) Depositories Debenture Trustee(s)
7.	Non receipt of status of payment from Issuer	Independent Assessment of Payment Status	T+2 to T+9	Debenture Trustee(s)	-
8.		Intimate Status of payment of debt securities	By T+9		Stock Exchange(s) Depositories
9.	Receipt of information regarding full payment	Obligations as per para 9 of Annexure A	T+3/T+11/ event basis, as applicable	Depositories Stock Exchanges	-
10.	Receipt of information regarding non payment	Obligations as per para 4-8 of Annexure A			
11.	Any development that impacts the status of default of the concerned debt securities (including restructuring of debt securities, IBC proceedings, its repayment, etc.)	Intimate updated Status of payment of debt securities	Within 1 working day of event	Issuer or Debenture Trustee(s)	1. Stock Exchange(s) 2. Depositories

12.	Continuous assessment of Payment	Intimate Status of payment of debt securities	2nd working day of April every financial year	Issuer	1. Stock Exchange(s) 2. Depositories 3. Debenture Trustee(s)
13.	Non receipt of status of payment from Issuer	Independent Assessment of Payment Status	3rd working day of April – 7th working day of April of every financial year	Debenture Trustee(s)	
14.		Intimate Status of payment of debt securities	Within 7 working days of April of Every financial year		1. Stock Exchange(s) 2. Depositories

14. SEBI RELAXATIONS FOR PREFERENTIAL ISSUES MATTERS

Securities Exchange Board of India (SEBI) vide Press Release no. PR No.35/2020 dated 23rd June, 2020 has come out with Relaxations for Listed Companies having stressed assets aimed at helping stressed companies raise capital through timely financial intervention, at the same time protecting the interest of shareholders.

Relaxations are divided into two main parts:

- Relaxations in the pricing methodology for preferential issues
- exempt allottees of preferential issues from open offer obligations

What are the relaxations:

Pricing of their preferential allotments	Exempted from making an open offer
not less than the average of the weekly high and low of the volume weighted average prices of the related equity shares during the two weeks preceding the relevant date.	if the acquisition is beyond the prescribed threshold or if the open offer is warranted due to change in control, in terms of Takeover Regulations.

Read full at : https://www.sebi.gov.in/media/press-releases/jun-2020/relaxations-for-listed-companies-having-stressed-assets_46910.html

15. TIMELINES FOR COMPLIANCE WITH THE REGULATORY REQUIREMENTS BY DPS / RTAS, MENTIONED IN THE SEBI CIRCULARS, AS UNDER

Compliance Requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020	S. No. in circular for which timeline is extended further	Extended Timeline /Period of exclusion
Processing of the demat request form by Issuer / RTA	I	Period of exclusion shall be from March 23, 2020 till July 31, 2020. A 15-day time period after July 31, 2020 is allowed to Depository/ DPs, to clear the back log
Processing of the demat request form by the Participants.		
Submission of half yearly Internal Audit Report (IAR) by DPs for half year ended on 31st March 2020.	II	July 31, 2020 for half year ended on March 31, 2020
Redressal of investor grievances	III	Period of exclusion shall be from March 23, 2020 till July 31, 2020 A 15-day time period after July 31, 2020 is allowed to Depository/ DPs, to clear the back log
Transmission of securities	IV	
Closure of demat account	V	

SEBI Circulars Tracker:

<u>PARTICULARS</u>	<u>LINKS</u>
Dated – 04 th June 2020 Relaxation in compliance with requirements pertaining to AIFs and VCFs	https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcfs_46771.html
Dated – 05 th June 2020 Framework for Regulatory Sandbox	https://www.sebi.gov.in/legal/circulars/jun-2020/framework-for-regulatory-sandbox_46778.html
Dated – 05 th June 2020 Participation of Mutual Funds in Commodity Derivatives Market in India	https://www.sebi.gov.in/legal/circulars/jun-2020/participation-of-mutual-funds-in-commodity-derivatives-market-in-india_46782.html

<p>Dated – 08th June 2020</p> <p>Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and certain SEBI Circulars due to the COVID -19 virus pandemic</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-and-sebi-non-convertible-redeemable-preference-shares-regulations-2013-and-ce-46788.html</p>
<p>Dated – 09th June 2020</p> <p>Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Further Public Offer</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-further-public-offer-46791.html</p>
<p>Dated – 12th June 2020</p> <p>Clarifications with respect to Circular dated February 05, 2020 on ‘Disclosure Standards for Alternative Investment Funds (AIFs)</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/clarifications-with-respect-to-circular-dated-february-05-2020-on-disclosure-standards-for-alternative-investment-funds-aifs-46847.html</p>
<p>Dated – 12th June 2020</p> <p>Investment by the sponsor or asset management company in the scheme</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/investment-by-the-sponsor-or-asset-management-company-in-the-scheme-46848.html</p>
<p>Dated – 19th June 2020</p> <p>Relaxation in timelines for compliance with regulatory requirements</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements-46899.html</p>
<p>Dated – 22nd June 2020</p> <p>Conducting meeting of unit-holders of InvITs and REITs through Video Conferencing (VC) or through other audio-visual means (OAVM)</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/conducting-meeting-of-unit-holders-of-invits-and-reits-through-video-conferencing-vc-or-through-other-audio-visual-means-oavm-46906.html</p>
<p>Dated – 23rd June 2020</p> <p>Operational framework for transactions in defaulted debt securities post maturity date/ redemption date under provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/operational-framework-for-transactions-in-defaulted-debt-securities-post-maturity-date-redemption-date-under-provisions-of-sebi-issue-and-listing-of-debt-securities-regulations-2008-46912.html</p>
<p>Dated – 23rd June 2020</p> <p>Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19</p>	<p>https://www.sebi.gov.in/legal/circulars/jun-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19-46915.html</p>

Dated – 24th June 2020 Further extension of time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 due to the continuing impact of the CoVID-19 pandemic	https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ending-31st-march-2020-due-to-the-continuing-impact-of-the-covid-19-pandemic_46924.html
Dated – 24th June 2020 Guidelines for Order-to-trade ratio (OTR) for Algorithmic Trading	https://www.sebi.gov.in/legal/circulars/jun-2020/guidelines-for-order-to-trade-ratio-otr-for-algorithmic-trading_46925.html
Dated – 25th June 2020 Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic	https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-annual-secretarial-compliance-report-by-listed-entities-due-to-the-continuing-impact-of-the-covid-19-pandemic_46933.html
Dated – 26th June 2020 Relaxation of time gap between two board / Audit Committee meetings of listed entities owing to the CoVID-19 pandemic	https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-of-time-gap-between-two-board-audit-committee-meetings-of-listed-entities-owing-to-the-covid-19-pandemic_46945.html
Dated – 29th June 2020 Guidelines for Portfolio Managers - Extension of implementation timeline	https://www.sebi.gov.in/legal/circulars/jun-2020/guidelines-for-portfolio-managers-extension-of-implementation-timeline_46959.html
Dated – 30th June 2020 Relaxation in timelines for compliance with regulatory requirements	https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_46967.html

LIST OF BSE CIRCULARS:

<u>Relaxation of time gap between two board / Audit Committee meetings of listed entities owing to the CoVID-19 pandemic</u>	June 26, 2020
<u>Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic.</u>	June 25, 2020
<u>Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2020.</u>	June 25, 2020
<u>Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2020</u>	June 25, 2020
<u>Operational framework for transactions in defaulted debt securities post maturity date/ redemption date under provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.</u>	June 24, 2020

<u>Further extension of time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 due to the continuing impact of the CoVID-19 pandemic</u>	June 24, 2020
<u>Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2020</u>	June 23, 2020
<u>Conducting meeting of unitholders of InvITs and REITs through Video Conferencing (VC) or through other audio-visual means (OAVM)</u>	June 23, 2020
<u>Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2020</u>	June 19, 2020
<u>Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020</u>	June 17, 2020
<u>Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2020</u>	June 17, 2020
<u>Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Further Public Offer</u>	June 10, 2020
<u>Subject: Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and other SEBI Circulars due to the COVID-19 virus pandemic</u>	

All BSE circulars are available at: <https://www.bseindia.com/corporates/CircularToListedComp.html>

All NSE circulars are available at: <https://www.nseindia.com/companies-listing/circular-for-listed-companies-equity-market>

16. COMPLIANCE REQUIREMENT UNDER COMPANIES ACT, 2013 AND RULES MADE THEREUNDER;

Applicable Laws/Acts	Due Dates	.Compliance Particulars	Forms / Filing mode
Companies Act, 2013	Within 180 Days From The Date Of Incorporation Of The Company + An additional time of 6 more months shall be allowed by MCA (6+6 months)	As per Section 10 A (Commencement of Business) of the Companies Act, 2013, inserted vide the Companies (Amendment) Ordinance, 2018 w.e.f. 2nd November, 2018, a Company Incorporated after the ordinance and having share capital shall not commence its business or exercise any borrowing powers unless a declaration is filed by the Director within 180 days from the date of Incorporation of the Company with the ROC. http://www.mca.gov.in/Ministry/pdf/CompaniesFourtAmendmentRules_19122018.pdf	MCA E- Form INC 20A

Companies Act, 2013	First declaration within 90 days from the date of notification Dt. 08.02.2019	A person having Significant beneficial owner shall file a declaration to the reporting company http://www.mca.gov.in/Ministry/pdf/CompaniesOwnersAmendmentRules_08020219.pdf i.e. within 90 days of the commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019 i.e. 08.02.2019 In case Subsequent Acquisition of the title of Significant Beneficial Owner / Any Change therein a declaration in Form No. BEN-1 required to be filed to the reporting company, within 30 days of acquiring such significant beneficial ownership or any change therein.	Form BEN-1 Draft Format available at https://enlightengovernance.blogspot.com/2019/07/draft-format-for-ben-1-sbo-rules-2018.html
Companies Act, 2013	30.09.2020 (Due Date Extended as covered under CFSS 2020 Scheme	Filing of form BEN-2 under the Companies (Significant Beneficial Owners) Rules, 2018. (Within 30 days from deployment of the E –form (earlier the date of receipt of declaration in BEN-1) http://www.mca.gov.in/Ministry/pdf/GeneralCircular_24092019.pdf BEN -2 due date extended till 31.03.2020 Circulars Link: http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf	Form BEN – 2 (e-form deployed by Ministry (ROC)) on 01.07.2019
Companies Act, 2013	File between 1st April, 2020 to 30th September, 2020 without any Additional filing fee (Rs. 10,000/-)	Filing of the particulars of the Company & its registered office. (by every company incorporated on or before the 31.12.2017.) Due date extended- Link : http://www.mca.gov.in/Ministry/pdf/CompaniesRegistrationOfficesFeesRule_25042019.pdf	Active Form INC -22A
Companies Act, 2013	File between 1st April, 2020 to 30th September, 2020 without any Additional filing fee (Rs. 5,000/-)	*DIN KYC through DIR 3 KYC Form is an Annual Exercise. Last date for filing DIR-3 KYC for Financial year 2018-19 has been extended till 14th November 2019 http://www.mca.gov.in/Ministry/pdf/Companies5thAmendmentRules_30092019.pdf http://www.mca.gov.in/Ministry/pdf/Companies4thAmendmentRules_30092019.pdf Annual Exercise: http://www.mca.gov.in/Ministry/pdf/DIR3KYCcompleteMessage_13042019.pdf Penalty after due date is Rs. 5000/-(one time)	E-Form DIR – 3 KYC (Web Based and E-form)

Companies Act, 2013	within 60 days from the date of deployment of this form on the website of the Ministry.	Reconciliation of Share Capital Audit Report (Half-yearly) Pursuant to sub-rule Rule 9A (8) of Companies (Prospectus and Allotment of Securities) Rules, 2014 To be filed all unlisted companies, deemed public companies Till further clarification to be filled in GNL-2 <u>Applicable w.e.f. 30.09.2019</u> <u>Extension Notification:</u>	E-Form PAS – 6 (E-Form, Not yet deployed)
Companies Act, 2013	Within 210 days from the date of deployment of this Form	Annual Return To Be Filed By Auditor With The National Financial Reporting Authority http://www.mca.gov.in/Ministry/pdf/Circular_06032020.pdf http://www.mca.gov.in/Ministry/pdf/Circular19_30042020.pdf Note on NFRA -2 https://enlightengovernance.blogspot.com/2020/06/note-on-form-nfra-2-auditors-return.html	NFRA-2 (NFRA-2 e-Form live since 9th December 2019.)
Companies Act, 2013	Due date was 30.06.2020 and can be filed till 30.09.2020 under Moratorium period / CFSS	DPT 3 is a return of deposits that companies must file to furnish information about deposits and/or outstanding receipt of loan or money other than deposits. Company can file Form DPT-3 upto 30.09.2020 without any additional fee	DPT-3

❑ Important Updates

MCA Launched Corporate Revival Schemes :

- Company Fresh Start Scheme, 2020 (CFSS-2020)
- LLP Modified Settlement Scheme, 2020

<u>Companies Fresh Start Scheme, 2020 (CFSS-2020)</u>	<u>Modified LLP Settlement Scheme, 2020.</u>
The Ministry of Corporate Affairs (MCA) vide its General Circular No. 12/2020 dated 30.03.2020 has come up with the Companies Fresh Start Scheme, 2020 for one-time application of condonation of delay of filling the various documents, forms, returns etc. with the Registrar.	MINISTRY OF CORPORATE AFFAIRS (MCA) vide General Circular No. 13/2020 and File No. F. No. 17/61.2016-CL-V-Pt-I issued dated 30th March, 2020, has modified the provisions related to LLP SETTLEMENT SCHEME, 2020.

<p><u>Circular Available at:</u> http://www.mca.gov.in/Ministry/pdf/Circular12_30032020_0.pdf</p>	<p><u>Circular available at:</u> http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf</p>
<ul style="list-style-type: none"> • <u>List available Forms at Source / Link:</u> http://www.mca.gov.in/Ministry/pdf/CFSS2020_02042020.pdf 	
<ul style="list-style-type: none"> • <u>MCA has issue 50 FAQ'S ON CFSS, 2020 AND LLP MODIFIED SETTLEMENT SCHEME, 2020 and Available at:</u> http://www.mca.gov.in/Ministry/pdf/FAQCFSS_15042020.pdf 	

○ **LLP Law Updates:**

❖ **Due dates of LLP Return Filing:**

- LLP Form 11 (Filing of Annual Return) : within 60 days of closer of financial year (For F.Y. 2018-19 due date is 30-05-2019 and can be filed upto 30.09.2020 without any additional fees.
- The charge details i.e. creation, modification or satisfaction of charge, can be filed through Appendix to e-Form 8 (Interim)

○ **MCA MONTHLY UPDATE CALENDAR: JUNE 2020**

Sl. No.	Particulars of the Circulars	Link
1	Companies (Share Capital and Debentures) Amendment Rules, 2020 dated 05th June 2020, F. No. 01/04 I2OI3-CL-v- Part-IV	http://www.mca.gov.in/Ministry/pdf/Rule_08062020.pdf
2	Extension of Time for EGMs General Circular No. 22/2020 dated 15.06.2020	http://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf
3	Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 for all Companies Registered with ROC General Circular no. 23/ 2020 dated 17th June, 2020	http://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf
4	Clarification with regard to creation of deposit repayment reserve of 20% under section 73 (2) (C) of the companies Act 2013 and to invest or deposit 15% of amount of debentures under Rule 18 of Companies (Share capital and Debentures) Rules 2014 - COVID-19 - Extension of time-regarding'. General Circular no. 24/ 2020, File No. 02 /O8 I 2020-CL-V dated 19th June, 2020	http://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf
5.	MCA FURTHER REVISED FAQ'S ON NAME RESERVATION AND RESUBMISSION FORMS (THIRD TIME) BEYOND 30.06.2020	http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf
6	Independent Directors Registration due date extended notification dated 23rd June, 2020	http://www.mca.gov.in/Ministry/pdf/Rule2_25062020.pdf
7	Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020	http://www.mca.gov.in/Ministry/pdf/Rule1_25062020.pdf

17. IEPFA (ACCOUNTING, AUDIT, TRANSFER AND REFUND) RULES, 2016

<u>Circular No.</u>	<u>Compliance Particular</u>	<u>Relaxation</u>
General Circular No. 16 /2020 dated 13.04.2020	Filings under Companies Act 2013 w.r.t IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to COVID- 19 IEFF e-forms (IEPF-1, IEFF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF -7) and e-verification of claims filed in e-form IEPF-5	Relaxation has been sought in provisions related to transfer of money remaining unpaid or unclaimed for a period of 7 years in terms of the provision of section 124(5) of the Companies Act, 2013 and transfer of shares under Section 124(6) of the Act read with the IEPFA (Accounting, Audit, Transfer and Refund) Rules. It has been clarified that MCA has already allowed filing without additional fees till 30th September, 2020 through General Circular No. 11/2020, dated 24th March, 2020 and General Circular No. 12/2020 dated 30th March, 2020. http://www.mca.gov.in/Ministry/pdf/Circular16_13042020.pdf

18. THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) UPDATES:

1. ICSI Auditing Standards –Mandatory w.e.f 1st October,2020

Applicability : Due to the spread of Covid-19 pandemic, the mandatory applicability of ICSI Auditing Standards CSAS-1 to CSAS-4 is hereby extended for Audit Engagements accepted by the Auditor on or after 1st October, 2020.

<u>Auditing Standard</u>	<u>Applicability</u>	<u>Link</u>
CSAS-1 Auditing Standard on Audit Engagement	Auditing Standard on Audit Engagement deals with the Auditor's role and responsibilities with respect to an Audit Engagement and the process of entering into an understanding/ agreement with the Appointing Authority for the purpose of audit	https://www.icsi.edu/auditing-standard/
CSAS-2 Auditing Standard on Audit Process and Documentation	Auditing Standard on Audit Process and Documentation deals with responsibilities and duties of the Auditor with respect to process of conducting audit and maintaining proper audit documents including working paper files.	https://www.icsi.edu/auditing-standard/
CSAS-3 Auditing Standard on Forming of Opinion	Auditing Standard on Forming of Opinion deals with basis and of Opinion deals with basis and on subject matter of the audit	https://www.icsi.edu/auditing-standard/

CSAS-4 Auditing Standard on Secretarial Audit	Auditing Standard on Secretarial Audit deals with basis and manner for carrying out the Secretarial Audit u/s 204 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015	https://www.icsi.edu/auditing-standard/
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2. Issuance of Diligence Report for Banks by Peer Reviewed Units only Requirement to issue

Diligence Report for Banks in case of Consortium Lending / Multiple Banking Arrangements by Peer Reviewed Units only shall be effective from 1st July, 2020 instead of 1st April, 2020

3. ICSI (Continuous Professional Education) Guidelines, 2019

These Guidelines shall be called the ICSI (Continuous Professional Education) Guidelines, 2019 or 'ICSI (CPE) Guidelines, 2019' in short. These Guidelines shall come into force, w.e.f 1st April, 2020.

Link : https://www.icsi.edu/media/webmodules/CPE_Gls.pdf

4. ICSI spurs MCA Reform Initiatives

In this technology driven era, the digitally groomed Company Secretary Professionals are making honest efforts and providing every assistance to the Ministry. "The ICSI, as an extended arm of the regulatory authorities, has also shown it's irrefutable support by organising webinars, crash courses, online workshops and Online Classroom Teaching throughout the lockdown period.

Read full at: https://www.icsi.edu/media/filer_public/82/c9/82c985a6-94c6-47ec-8fc4-68c83322b62f/press_release_11062020.pdf

5. Further Postponement of CS Examinations, June-2020 Session

The Institute of Company Secretaries of India, after considering the prevalent situation due to COVID- 19 Pandemic, has decided to further postpone its June-2020 Session Examinations of Foundation Programme, Executive Programme, Professional Programme and Post Membership Qualification (PMQ) scheduled to be held from 6th July to 16th July, 2020.

The examinations of the above session will now be held from 18th August to 28th August, 2020.

1st CS Executive Entrance Test (CSEET) is also postponed from 17th July, 2020 to 29th August, 2020 and the last date for registration for CSEET is now 27th July, 2020.

Read full at : https://www.icsi.edu/media/filer_public/51/7b/517bef15-e51b-4504-a639-4651ae802c07/press_release_-_further_postponement_of_cs_examinations.pdf

19. IBBI UPDATES {INSOLVENCY AND BANKRUPTCY BOARD OF INDIA}

Due to the emerging financial distress faced by most companies it has been decided to raise the threshold of default under section 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh). This will by and large prevent triggering of insolvency proceedings against MSMEs.

Important Notifications and Circulars Tracker

Sl. No.	Notification(s)	Link(s)
1.	Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2020.	https://www.ibbi.gov.in/uploads/egalframework/71d50e11656190259af4e3fe5427d943.pdf
2.	The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020	https://www.ibbi.gov.in/uploads/egalframework/741059f0d8777f311ec76332ced1e9cf.pdf
3	IBBI reconstitutes Advisory Committee on Corporate Insolvency and Liquidation	https://www.ibbi.gov.in/uploads/whatsnew/c08f41974a0a17f105c2d5e6b89af0fd.pdf
4	Provisional list of IPs prepared in accordance with, 'Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2020'	https://www.ibbi.gov.in/uploads/whatsnew/86d992d45776e15688f232fef2ec5283.pdf
5	Corporate Insolvency Resolution Processes yielding Resolution: as on 31st May, 2020	https://www.ibbi.gov.in/uploads/whatsnew/d0e6b81b8e481ee2ac14defefeb10baa.pdf
6	Report of the Committee of Experts to Examine the Need for an Institutional Framework for Regulation and Development of Valuation Professionals	https://www.ibbi.gov.in/uploads/whatsnew/ed6bf110d4c26d3dc9a2e40053cf53c6.pdf
7	Panel of IPs prepared in accordance with 'Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2020' for the period from 1st July 2020 to 25th November 2020	https://www.ibbi.gov.in/uploads/whatsnew/d01493e1629eb59927b84ab8d776f5b6.pdf

20. NBFC COMPLIANCE OVERVIEW

Non-Banking Financial Companies (NBFCs) is a Company registered under the Companies Act 2013 engaged in the businesses) of providing financial services including loans & advances, leasing, hire purchase etc. They provide loans and advances and other credit facilities to business people or budding entrepreneur where Bank/Financial Institution are not comfortable, or say it is an alternative source of finance to businessman. NBFCs are regulated by the Reserve Bank of India (RBI) within the framework of the Chapter IIIB of the Reserve Bank of India Act, 1934 and any rules made thereunder or any directions issued by it under the Act.

A. NBFC MONTHLY COMPLIANCES SUBMITTED BY ALL NON-DEPOSIT TAKING NBFCs

NAME	PURPOSE OF THE FORM	DEPARTMENT
Monthly Return	Monthly Return on NBFC-NDSI with asset size of Rs.100 CR. & above	RBI
NBS_ALM1	Statement of Short term dynamic liquidity to be filed within 10 days of the closer month	RBI
To be submitted by all deposit-taking NBFC's having asset size above Rs. 100 crores or public deposits of Rs. 20 crores and above		
NBS6	Monthly Return stating Exposure to Capital Market	RBI

B. NBFC QUARTERLY COMPLIANCES

NAME	PURPOSE OF THE FORM	DEPARTMENT
To be submitted by all deposit-taking NBFC's except residuary NBFC		
NBS-1	Quarterly Return on Material Financial Parameters of Deposit Taking NBFCs	RBI
NBS-2	Quarterly Statement of Capital Funds, Risk Assets/ Exposures and risk assets Ratio.	RBI
NBS 2: CA & CEO Cert.	Certifying NBS 2	RBI
NBS 3	Quarterly Return on Statutory Liquid Assets	RBI
To be submitted by all residuary non-banking companies		
NBS 3A	Quarterly Return on Statutory Liquid Assets	RBI
Quarterly Return I	Return of investments	RBI
SUBMITTED BY ALL NON-DEPOSIT TAKING NBFCs		
NBS -7	Quarterly Statement of Capital Funds, Risk-Weighted Assets and risk assets Ratio etc.	RBI
NBS-7: SA & CEO Cert.	Certifying NBS -7	RBI

Submitted by NBFCs having an asset size between 50 to 100 cr.		
Quarterly Return	Quarterly Return by NBFC-ND with asset size of Rs.50 to 100 Cr.	RBI
Submitted by all securitization and reconstruction company		
SCRC	Quarterly statement of assets acquired/ securitized/ reconstructed	RBI

C. NBFC COMPLIANCE UNDER COMPANIES ACT, 2013

FORM NAME	PURPOSE OF THE FORM	DEPARTMENT
E-Form MGT-7	Annual Return (Within 60 days of conclusion AGM)	ROC
E-Form AOC-4	Filing of annual financials i.e. Balance Sheet & Profit & Loss statement (Within 30 days of conclusion of AGM)	ROC
E-Form DIR-12	If there is any change in Directors (Within 30 days of the date of that change)	ROC
And any other Event based Compliance like DIR 3 KYC, ADT-1 etc.		

21. GOVT EXTENDS VALIDITY OF VEHICLE DOCUMENTS TILL JULY 31, 2020

Due to this COVID-19 outbreak, In pursuant to the guidelines issued by Ministry of Home Affairs vide No.40-3/2020-DM-I(A), Dated 24th March 2020 and subsequent amendments.

- MORTH has issued a statutory order prescribing that the fees paid on or after 1st February 2020 for the activity(s) including renewal and in case such activity(s) is not completed due to conditions for prevention of COVID-19 pandemic, the fees paid shall continue to remain valid.
- And If there is delay in paying the fees from 1st of Feb, 2020 till the period of lockdown there would not be any additional or late fee to be charged for such delays till **31st July 2020**.
<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1626568>

22. MICRO, SMALL AND MEDIUM ENTERPRISES – MSME

Finance Minister announced measures for relief and credit support related to businesses, especially MSMEs to support Indian Economy’s fight against COVID-19 vide Speech dated 13th May 2020. Finance Minister has announced several relief measures for micro, small and medium enterprises to help them to kickstart their businesses.

1. Definition revised: Based on Investment and Turnover

(Additional criteria of turnover is being introduced)

Existing MSME Classification Investment in plant & machinery (till 30.06.2020)		
Entities	Manufacturing Sector	Service Sector
Micro Enterprises	does not exceed Rs. 25 lakh;	does not exceed Rs. 10 lakh
Small Enterprises	more than Rs. 25 lakh but does not exceed Rs. 5 crore;	more than Rs.10 lakh but does not exceed Rs. 2 crore;
Medium Enterprises	more than Rs.5 crore but does not exceed Rs.10 crore.	more than Rs. 2 crore but does not exceed Rs. 5 crore.

New / Revised MSME Classification Investment in plant & machinery & Turnover (applicable w.e.f. 01.07.2020)	
Entities	Manufacturing and Service Sector
Micro Enterprises	Investment < Rs. 1 cr. And Turnover < Rs.5 cr.
Small Enterprises	Investment < Rs. 10 cr. And Turnover < Rs.50 cr.
Medium Enterprises	Investment < Rs. 50 cr. And Turnover < Rs.250 cr.

NEW MSME SCHEME - DISTRESSED ASSETS FUND–SUB-ORDINATE DEBT FOR MSMEs

Ministry of Micro, Small and Medium Enterprises (MSMEs) launches another funding scheme to help the distressed MSME sector called Credit Guarantee Scheme for Sub-ordinate Debt (CGSSD) which is also called “Distressed Assets Fund–Sub-ordinate Debt for MSMEs”, This is a sub-debt facility to the promoters of those operational MSMEs which are distressed or NPA

KEY HIGHLIGHTS OF THE SCHEME:

- This Scheme seeks to extend **support to the promoter(s) of the operational MSMEs** which are stressed and have become **NPA as on 30th April, 2020**;
- Promoter(s) of the MSMEs will be **given credit equal to 15% of their stake** (equity plus debt) or Rs. 75 lakh whichever is lower;
- **Promoter(s) in turn will infuse this amount in the MSME unit as equity** and thereby enhance the liquidity and maintain debt-equity ratio;
- **90% guarantee coverage** for this sub-debt will be given under the Scheme and **10% would come** from the concerned promoters;
- There will be a **moratorium of 7 years** on payment of principal whereas maximum tenor for **repayment will be 10 years**

Key Highlights of Udyam Registration

New Registration

1. In order to establish an MSME, Udyam Registration has to be filed online on the Udyam Registration Portal, based on self-declaration with no documentary requirements. No fee shall be applicable for registration.
2. Aadhar number shall be required for registration:
3. For any other registered organisation like Company, LLP, Co-operative Society or Trust – GSTIN and PAN shall also be required along with the Aadhar Number.
4. Upon registration, the enterprise will be allotted an ‘Udyam Registration Number’.

Registration of existing enterprises:

1. All existing enterprises registered under EM–Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st July 2020.
2. The existing enterprises registered prior to 30th June 2020, shall continue to be valid only for a period up to the 31st March 2021.

☐ Kindly note that :

- ✓ a composite criterion of investment and turnover shall apply for classification of an enterprise as micro, small or medium
- ✓ Enterprises having Udyam Registration Number shall have to update its information online on Udyam Registration portal along with its ITR and GST Returns and other required details.

Read Full Circular : <http://egazette.nic.in/WriteReadData/2020/220191.pdf>

!!Stay Safe , Stay Home!!

“वर्तमान में @icsi_cs का दायित्व सलाह देने भर तक सीमित नहीं रह गया है। वे अब कॉर्पोरेट प्रशासन के महत्वपूर्ण भाग के रूप में समग्र दृष्टिकोण विकसित कर रहे हैं।

पोस्ट कोरोना काल में निवेश आकर्षित करने तथा आत्मनिर्भर भारत की संकल्पना साकार करने में भी उनकी महत्वपूर्ण उपयोगिता है।

- by Shri OM Birla, Speaker of 17th Lok Sabha , Parliament of India .

This article is updated till 30th JUNE, 2020 with all Laws / Regulations and their respective amendments.

-----**THE END**-----



JUNE 2020

Ghaziabad Chapter of NIRC of ICSI organizing a webinar on “Reinventing the Profession after Lockdown” on July 15, 2020



THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
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Ghaziabad
Chapter

Ghaziabad Chapter of NIRC of ICSI

Fees: NIL

organizing

Webinar on



GUEST OF HONOUR
CS Vijay Somani

Reinventing the Profession
after Lockdown

T TIME TO
R REINVENT
Y YOURSELF

Credit Hours: 01

Wednesday, 15th July, 2020

11:00 A.M. TO 12:30 P.M.



Eminent Speaker

CS Richa Sharma
Partner Conducive Legal LLP

Moderator

CS Santosh Pandey



Please Note:

1. Registration is only first-cum-first registration basis.
2. **Only for members having Profession/Residential address at Ghaziabad.**
3. Only up to first 70 valid registrations will accepted.
4. Credit hours will be awarded to only those members who join the complete webinar.

Webinar Registration Link: <https://forms.gle/rMjpZ9DKkGDkPoh57>

Team Ghaziabad Chapter of NIRC of ICSI

ICSI Vision

"To be a global leader in
promoting good
corporate governance"

ICSI Motto

सत्यं वद। धर्मं चर।
Speak the truth. Abide by the law.

ICSI Mission

"To develop high calibre
professionals facilitating
good corporate governance"

Ghaziabad Chapter of NIRC of ICSI organizing "Essay Writing Competition"



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Ghaziabad
Chapter

ICSI STUDENTS MONTH 2019



Ghaziabad Chapter of NIRC of ICSI

Organizing

Essay Writing Competition

Theme

Role of Auditing in context of Armed Forces

Last date for submission
Thursday, 22nd July, 2020

Winner & Runner up
will be awarded

Please Note:

1. Only for CS Students registered under Ghaziabad Chapter Jurisdiction.
2. Only registered student can participate.
3. No participation fees.
4. Please send your Essay at secretary.ghaziabad@icsi.edu with CC to ghaziabad@icsi.edu
5. For details please contact at 0120-4559681 or 9599902063



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good corporate governance"

Ghaziabad Chapter of NIRC of ICSI organizing "Power Point Competition"



**THE INSTITUTE OF
Company Secretaries of India**

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Ghaziabad
Chapter of
NIRC of ICSI

ICSI STUDENTS MONTH 2020



Ghaziabad Chapter of NIRC of ICSI

Organizing

Power Point Competition

Theme

Challenges faced by Company Secretaries during Coronavirus and Lockdown Period

**Last date for submission
Thursday, 25th July, 2020**

**Winner & Runner up
will be awarded**

Please Note:

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2. Only registered student can participate.
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Rules for the Articles of e-Newsletter



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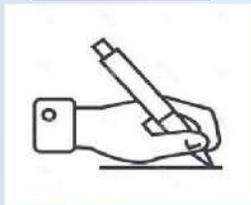
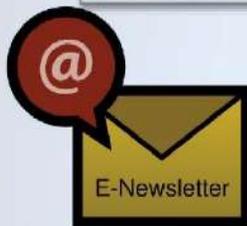
Invites for the Articles for e-Newsletter of Ghaziabad Chapter on any Topics:

1. Related to Profession

3. Motivational, Inspirational, Spiritual

2. Practical Aspects of profession

4. Any creativity like poetry, etc.



TERMS AND CONDITIONS:

Word Limit: Max 1500

Font type: Calibri

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Please Note:

1. Ghaziabad chapter reserves the right to modify the content in the article as per their discretion.
2. Ghaziabad Chapter only consider and publish original content in the newsletter and no copy and paste content of the article shall be acceptable.
3. Kindly send your article at secretary.ghaziabad@icsi.edu and mark cc at chairman.ghaziabad@icsi.edu & ghaziabad@icsi.edu and kindly provide the article on 15th of every month along with following information:
 - Your name and Membership no.(ACS/FCS)
 - One passport size photo
 - E-mail id & Mobile no.

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speak the truth; abide by the law

ICSI Mission

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HEALTH INITIATIVES BY GHAZIABAD CHAPTER



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Ghaziabad Chapter

Special Discounted Rates for the members of Ghaziabad Chapter of NIRC of ICSI

For details please visit Ghaziabad Chapter Child Portal Page at:
<https://icsi.edu/ghaziabad/health-initiatives/>

SRL Diagnostics

30% Discount

Path Kind Labs

30% Discount

YASHODA Super Speciality Hospitals

CGHS Rates

Aggarwal's GYN&E
GYNAE & SPINE PAIN CLINIC

Dr. Anita Singh
MBBS, DNB (GYN&E), FRCOG, FICOG, FRCR (GYN&E), FRCR (OBSTETRICS & GYNAECOLOGY)

Dr. Anurag Aggarwal
MBBS, DNB (SPINE), FRCR (SPINE), FRCR (ORTHOPAEDICS), FRCR (ORTHOPAEDICS & SPINE), FRCR (ORTHOPAEDICS & SPINE), FRCR (ORTHOPAEDICS & SPINE)

CGHS Rates

Drishti EYE & ENT CARE
(NABH CERTIFIED EYE & ENT CENTRE)

**25% discount on OPD
20% discount on Investigation
10 % discount on Surgical Procedures**

Samyak Eye Care Clinic & Opticals

**CGHS Rates
10% discount on OPD
15% discount on Optical Services**

NAVIN HOSPITAL
नवीन हॉस्पिटल

**CGHS Rates
15% discount on OPD & IPD**

Note: To avail the facilities one needs to carry their valid ICSI id card and in case of dependent they must need to present their valid relationship proof/dependency proof prior to OPD billing and IPD admission.

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