



# **Compliance Requirements – FY 2021-22**

## **(Companies Act, 2013 and Securities Laws)**

**Presented at the Ahmedabad Chapter of WIRC of ICSI**  
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# Coverage

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

# New Requirements

**FY 2021-22**

# Companies Act, 2013

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

# Companies Act, 2013

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

# Companies Act, 2013

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

## Additional Disclosure in Financial Statements – Schedule III

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

# Companies Act, 2013

## CARO – 2020 – Auditors to comment on

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

## Enhanced Reporting by Auditors – CARO, 2020 and other matters

## Other matters in Audit Report

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



# Securities Laws

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

# Securities Laws

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

# Compliance Docket

**FY 2020-21**

# Compliance and Due Date

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

# Compliance and Due Date

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

# Compliance and Due Date

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

# Compliance and Due Date

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

# Secretarial Audit

## FY 2020-21

**KEY POINTS OF CONSIDERATION**



# Points of Consideration

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

# Compliance Calendar

## FY 2021-22

# Quarterly Compliance

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

# Half Yearly Compliance

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

# Annual Compliance

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

# Q&A / Discussion



**THANK YOU**

***AT YOUR SERVICE***

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