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ICSI -WIRC Pune Chapter Newsletter

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A Capsule of Information for Corporate Professionals

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Chairman's Communique



Respected Seniors, Professional Colleagues & Dearest Students,

Just to start with a story from the Ramayana...

Lord Rama and his army of Vanara were preparing for war with Ravana. Rama asked his army to build a bridge over the sea to reach Lanka. They started building the bridge over the sea by taking out rocks and heavy stones from the mountains, and carried them to the sea. One day, Rama saw a small brown squirrel. She was going up and down the seashore with little pebbles in her mouth and sand on her back and dropping them into the sea. A Vanara shouts at the Squirrel "You are such a small creature, what are you doing here, do you think we can build a bridge with pebbles and sand?". Then Rama held the squirrel close to him. He says to the Vanaras, "It doesn't matter how small our contribution is. What matters is the dedication with which we accomplish any task and it doesn't depend upon the strength or what work we do! Rama further says you are laying the bridge with huge stones but did you realise that, the huge stones are binded together only because of the small gaps between them being filled by the pebbles and tiny grains of sand, got by the squirrel."

This story is very much relevant for us in this today's situation, isn't it? We can build a bridge by our small individual contributions like following guidelines issued by the government, helping the needy people in this difficult times, participating in social cause initiatives and the most importantly - observing social distancing. Our Institute and Pune Chapter also have continued to take various initiatives in social interest. It is a matter of satisfaction that, our members' individual contribution through participation in these initiatives, we are supporting the government in building up the bridge to combat against this epidemic.

In the beginning of April, we came to know that the State of Maharashtra is facing an acute shortage of blood due to lockdown, and the Government of Maharashtra appealed to citizens to come forward and donate blood and help in the ongoing Medical emergency. In view of this, the Pune chapter decided to organise a blood donation drive in Pune. All protective precautions of COVID 19 including social distancing, spacing between two appointments,

sanitization and all guidelines of government were strictly followed. Members, students and citizens of Pune participated in the blood donation drive.

In attempt to provide the members an opportunity to pass on the knowledge to others and with the objective of creating proclivity towards research among the members, the Chapter organised a three week Research Paper Competition for its members. Research papers were invited on various contemporary subjects.

I am glad to inform that, Pune is the first chapter among others to take such unique initiatives. We are determined to serve the members and students in this difficult time also. The staff of chapter is working tirelessly from home and also resolving of members' and students' queries received over mail/phone. Oral Tuition Classes for students were conducted on virtual mode and most of the faculties have successfully completed the syllabus through online lectures.

I extend my sincere gratitude to ICSI for conducting webinars, introducing crash courses on various subjects to update and up skill the knowledge of members and contribution to the PM Cares Fund. The Institute has contributed over Rs.5 Crore till date to government's relief fund. I once again request you to make a voluntary contribution to the corpus created by the ICSI for said purpose.

Friends, I look forward to your valuable suggestions/ feedback about initiatives of the chapter and feel free to share with us ideas for new initiatives.

Every day may not be good...but there's something good in every day. A powerful attitude awakens inner strength, energy, motivation and initiative. So let us keep our attitude positive.

Stay home, stay safe!!

With regards,

CS Gaurav Nashikkar,
Chairman - Pune Chapter of WIRC of ICSI

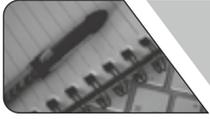


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Articles

Changes in India's foreign investment framework in view of COVID-19

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The sudden outbreak of COVID-19 in India and other countries of the world has resulted in many countries struggling to survive and cope with businesses adversely hit by the pandemic outbreak.

In this dire economic situation while the country is still trying to control the pandemic outbreak, the Government of India has taken a cautious step to prevent Indian entities from predatory acquisitions.

On April 18, 2020 the Department of Promotion of Industry and Internal Trade, Government of India released a Press Note No. 3 of 2020 ("PN 3") through which a critical change in the extant consolidated foreign direct investment policy of 2017 ("FDI Policy") was announced. The PN 3 announces change in the FDI Policy in order to curb the opportunistic takeover/acquisitions of Indian companies due to the current COVID-19 pandemic.

The PN 3 has introduced revised para 3.1.1 (a) of the FDI Policy which lays down a mechanism consisting of prior approval from the Government of India for investment by entities of country which shares land borders with India or where the beneficial owner of investment in India is situated in or is a citizen of such country.

Para 3.1.1 (b) of the PN 3 further lays down restrictions on exit by including provisions in respect of requirement of prior approval from the Government of India in the event of the transfer of ownership of any existing or future foreign direct investment in any entity in India, directly or indirectly, resulting into the beneficial ownership falling within the restrictions covered in para 3.1.1 (a) of the FDI Policy.

The above-mentioned changes in the FDI Policy announced by the Indian government are in line with other countries including Australia, Italy and Germany where similar restrictions are introduced in their foreign investment review framework in order to protect national interest.

Prior to issuance of PN 3, the earlier para 3.1.1 of the FDI Policy inter alia stated that foreign investment in Indian entities by citizens of Bangladesh and Pakistan or entities incorporated in Bangladesh and Pakistan were covered

under the government route under the FDI Policy. Specific reference to investment by citizens of and entities incorporated in Pakistan requiring government approval still appears in the revised para 3.1.1 (a) of the FDI Policy.

Analysis

These restrictions on foreign investments from neighboring countries newly introduced in the FDI Policy may have certain ramifications on the existing investments in Indian companies and Indian companies which are now in the process of fund-raising activity.

While it seems to be a timely move by the Indian government, there seem to be quite a few points of concern in PN 3 which the government will be required to address in the near future. The amendments proposed in PN 3 have been notified by an amendment to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules"). The NDI Rules were amended vide notification dated April 22, 2020 wherein a proviso has been inserted below Rule 6(a) of the NDI Rules and the said newly inserted proviso consists of the amendments captured in the PN 3.

Few aspects covered under PN 3 where detailed clarification is required are as follows:

(a) PN 3 lays down restrictions in terms of prior government approval in respect of foreign investment by entities or citizens belonging to restricted countries. However, there is no specific percentage threshold mentioned for such foreign investment. Hence, even a negligible amount of investment/ minority investments or disinvestments falling under the purview of PN 3 may require prior approval from government. This can be overwhelming and tedious for small entities in India which rely on investors for their cash flow.

(b) PN 3 refers to 'beneficial owner' of investment. However, there is ambiguity in terms of what constitutes beneficial ownership in terms of Indian foreign exchange laws as the term has not been defined as such in the PN 3 or the FDI Policy. In addition, there is no reference to the threshold for such beneficial ownership. The possibility of borrowing the definition of 'beneficial ownership'

¹Foreign Exchange Management (Non-Debt Instruments) Amendment Rules, 2020



from the Companies Act, 2013 or the Prevention of Money Laundering Act, 2002 will have to be deliberated upon.

(c) Tentative timelines and procedure regarding government approval for such foreign direct investments from investors belonging to restricted countries are not mentioned. Moreover, timelines in respect of applicability of the newly introduced amendments are not clear, i.e. whether these restrictions would be for a temporary period in view of protection of national interest in the current economic scenario caused due to COVID-19 outbreak or whether these restrictions on investment will form part of the foreign direct investment policy as such without any reference to timelines on the applicability.

While the restrictions on foreign investment from restricted countries announced in PN 3 have been enforced vide amendment to the NDI Rules, the said notification fails to provide clarity on the above discussed aspects.

Impact on start-up ecosystem

The revisions introduced in PN 3 are bound to have an impact on the start-up ecosystem in India wherein majority of the startups being capital deficient are dependent on investors for fund raising. Investors from restricted countries who have already invested in India will face problems at the time of exit as the PN 3 states approval of government requirement in case of transfer of ownership of any existing foreign direct investment. It is interesting to note that existing fund raising deals wherein investors from restricted countries are involved

may take longer to close considering the time involved in procuring newly introduced government approvals. Such ongoing deals now also carry a risk of not being able to reach closure in the event the parties involved are unable to procure the required approval from the Indian government.

Attracting further investment from existing investors belonging to restricted countries would be a challenge for Indian startups as these startups would now require government approval for further round of fund raising.

Investments by investors from restricted countries in sectors under automatic route may no longer be a lucrative option for investment.

Conclusion

Industry experts have said that this change is a brilliant move by the Indian government to avoid undue advantage to investors from restricted countries towards investments in financially vulnerable Indian entities at low valuations owing to the current economic situation caused by the outbreak of COVID-19.

While the amendments in India's foreign exchange laws by way of PN 3 may bring about a major change in India's foreign investment framework, the notification amending the NDI Rule lacks clarity on many aspect leaving Indian entities expecting foreign investments in a hassle. Nevertheless, introduction of restrictions in foreign investment framework is a welcome step by to safeguard Indian entities in these uncertain times.



Are you a 'business person' or an 'entrepreneur' or both? COVID-19 and the lockdown will reveal



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Well we all as the professionals do have an idea about what the situation through which our economy is currently going and also about the challenges it's going to face once these 'lock down' days are gone. Apart from the economic, financial and technical challenges; there is going to be one more very important factor which will be deciding the volume of difficulties, efforts and the amount of time which may require for the economy to recover from the crisis situation post pandemic. That factor is the 'psychology' of the people of this country who actually run this economy and are responsible for its wellbeing and the prominent class of such people do consists of 'business persons'. We, as the professional Company Secretaries, have them as our clients and thus it is our duty and responsibility to guide them properly to make them survive and recover not only for their own benefit, but also for the interest of the economy of this country as a whole.

As a professional Company Secretary I always get an opportunity to come across different kind of business people and I thought it important to share some of my observations with all of them who are facing survival issues considering the current COVID-19 crisis.

As on today, we can see broadly three categories of businesspeople around us –

❖ First kind of people includes those whose nature of business is as such that they are not much affected by the 'lock down' scenario. Their work is going on and they are as busy as they were before pandemic or may be even more. Some of them are even getting more business during these times. This class includes people related to computer software, website designing, app designing, virtual conferencing or virtual teaching business etc.

One, and may be they themselves may be thinking that there is not going to be any kind of adverse effect on the business of these people included in first category. That is not true if we think wisely. There is going to be a liquidity crunch in overall market during the extended days of 'stay home' in all over the world so even though there is a demand for their services and products in the market, they may not be able to convert it into income

right now. Further, considering the overall rise in demand of computer software and app related items it will be a challenge to provide adequate security to the clients and to maintain business goodwill which will be required to survive in post lock down recession time.

This type of people also included of course the people dealing in medical items and groceries etc. These classes of people are doing adequately well even in these days due to the Government guidelines which excludes them from 'lock down' being the providers of 'essential products or services'. However, these people may get tempt to take advantage of the current situations and make profits through unethical ways like creating artificial scarcity of products in the market in order to increase their prices. Such temptations should always be avoided not just because they are unethical and against the interest of society but also because there are going to keep a very adverse remark on their goodwill in the market which may harm them later on once the 'lock down' period is over.

❖ Secondly, there are some business people who are completely shut down as there are no ways to continue with their business due to nature of products or services they deal with. These are mostly the manufacturers of products or providers of services which do not come in the list of 'essential items' like furniture, clothing, footwear, electronics, cosmetics, luxury items, stationary, gardening, household appliances and decorating items etc. The number of business people in this second class are huge and much more than those in the first category business people. These people are those who are earning absolutely NIL during these days as there are no ways to continue with their business till the lock down is over.

Many of the business people in this category – who have no option just now but to shut down, shut up and sit at one place till the days are over - are not willing to think about that future crisis as they know that it will be of no better use but to just cause an anxiety and nightmares to them. They are just waiting for the days to get over at the earliest and more specifically before they run out of their savings and exhausted with all other ways of



▶ Are you a 'business person' or an 'entrepreneur' or both?

earning. As of now, most of them are busy in keeping themselves calm and positive that the things will not turn out that worse.

These category people have the biggest challenge of 'survival' during and even after the period of 'lock down'. Many of these people will be required to start again from scratches which may leave a long lasting impact on their morals and lead to their total failure as a business person.

❖ And lastly, there are some kinds of people who are actually facing severe direct losses and it is so very difficult for them to stand up again in their business even after this phase is over. These businesses include tours and travels, transports, lodging and boarding, hotels and restaurants, tourism industry etc. These are the industries which not only have stopped earning but have faced huge losses due to this pandemic COVID-19 disease. It's a great challenge before them to stand up again in the market which may even take a year or more after this phase is over. Recovering the huge losses and then to start earning again from their business is going to be difficult.

Many of these people - especially the small ones among them - may be thinking of closing down their businesses and be looking for another option of income. Many of them are frightened and depressed and keeping the morals up is the toughest challenge they may be facing right now. They are hoping for government support and few of them are even designing strategies to start it all over again from day one.

Beyond all the above categories of business persons, there are people who are just partially closed down during this period. It means that they are not actively pursuing their business activities nor they are going to their shops or offices but still they are working on their business ideas. They are constantly thinking of new ideas and opportunities to keep going in their business and they are utilizing every small chance to promote their business. For such people, nature of their business does not matter and whether they belong to any of the category mentioned above do not have any effect on their activities.

What these people know by their heart is that "you have to keep your company 'alive' in any circumstances". Not only working but also alive! Legally, financially, technically and practically alive! For being in this

category, one need to be basically an 'entrepreneur' AND a good 'business person'.

So what's the difference between the 'entrepreneurs' and 'business persons'? I could draw the following points of differences -

❖ Entrepreneurs are more innovative leaders who seek opportunities by figuring out solutions for the problems which are not solved yet. They will use every possible resource to turn opportunities into the best possible product or service for a specific market. This means they have the tendency to see the problems and assess the situations thoroughly to find the best solution. So they do it for their own satisfaction which is clearly an intangible and rational thing. They do it because they 'want' to do it. Its their 'passion' to do it.

Business person need not be and entrepreneur. Because once a person is a business person he is expected and ready to do a business only and nothing else. And his goals are also very tangible i.e. to earn profits.

❖ A business person can make a business out of an unoriginal business or product idea. He chooses a hot and profitable business idea regardless of whether it is his original idea or borrowed from someone else. On the other hand, an entrepreneur is an inventor and the first creator of a product. He invests time, energy and money on his own idea. He doesn't start a business from an unoriginal idea. That is why he starts on a startup while a business person starts on a business.

❖ Businessmen take calculated and managed risks. They cannot afford to lose money and suffer from bankruptcy. That is why they always do the Math when it comes to business. Entrepreneurs are like sky divers. They take crazy risks. They often don't care of losing time and money just to pursue their passion. But since they do it with love, joy and passion, they often gain extraordinary rewards. Entrepreneurs, since they do the things they love the most, they do it with the best of themselves, resulting to greater success.

❖ Losing money is one of the biggest worries of businessmen. Most business owners rely on a good economy to start, operate and attain success in business, especially in the retail, franchising and financing industry. Entrepreneurs do not worry a lot about money since they can always start from a scratch. Some entrepreneurs don't really care about money at all.

► Are you a 'business person' or an 'entrepreneur' or both?



❖ An entrepreneur sees the world as an opportunity. He sees it as an opportunity to make a living. He also sees it as an opportunity help the people living on it. An entrepreneur sees the world as a duty rather than an opportunity.

❖ A business person walks on the defined path, but an entrepreneur believes in making his own path, which becomes a guideline for other businessmen. Entrepreneurs are the fixers, who want to be paid in the end of their journey, while business persons are simply money makers who help people to find the “ideal” solution.

In short I can say that an entrepreneur is a person whose ultimate goals are intangible which cannot be seen or counted in physical terms. Even if he or she fails in making any monetary rewards at the end of it, the

journey of being an entrepreneur decides whether he or she is successful or not. Measuring a success of a business is much easier as it can be counted in the tangible achievements and profits.

All entrepreneurs are not business persons and all business persons are not entrepreneurs. They are different. But you need to have both the qualities in you if you really wish to be strong and committed enough to overcome the situations like today's. So, whether you are an entrepreneur busy with following your passion and doing inventions or you are a business person busy in finding out new ways of earning profits – you need to realize and identify your own self and work on it to stand up and become successful again.



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(ONLINE COMPLAINT MANAGEMENT SYSTEM FOR FACING SEXUAL HARRASMENT AT WORK PLACE)

The Government of India enacted Protection of Women from Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act (the SH Act) 2013 with the objective to create safe and secure workplace for women free from sexual harassment.

The Act is unique in its broad coverage way and includes all woman working in Public, Private, Government, organised or unorganised sector and establishes a redressal mechanism for the disposal of their complaints.

This Sexual Harassment electronic Box (She-Box) is an effort of Government of India to provide single window access and facilitate the registration of complaint related to sexual harassment. Once a compliant is submitted it will be directly send to the concerned authority having jurisdiction to take action in this matter.

Definition of Sexual Harassment:

Sexual Harassment includes any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely:-

- i. Physical contact and advances; or
- ii. A demand request for sexual favours; or
- iii. Making sexually coloured remarks; or
- iv. Showing pornography; or
- v. Any other unwelcome physical, verbal or nonverbal conduct of sexual nature;

Prevention of Sexual Harassment: No Woman shall be subject to sexual harassment at any workplace in relation to

- i. Implied or explicit promise of preferential treatment in her employment; or
- ii. Implied or explicit threat of detrimental treatment in her employment;
- iii. Implied or explicit threat about her future or present employment status;
- iv. Interference with her work or creating an intimidating or offensive or hostile work environment for her,
- v. Humiliating treatment likely to affect her health or safety.

Apart from the She Box mentioned below there are also other mechanisms mentioned in the act like Internal Committee or the Local Complaints Committee to file the complaints.

Punishment for false or malicious compliant and false evidence: Where the committee arrives at the conclusion that the allegation made against the respondent is malicious or the compliant is false or any forged document is produced the District Officer as the case may be take action against the person who made the compliant in accordance with the provisions of the service rules or where no service rules exist in such manner as may be prescribed.



How to Register a Complaint in She-Box

Click on 'Register your compliant' tab



Choose the category to which you belong:

Government Employees
Private
Government Employees



In case you are Government Employee, select whether you are working with:
Central Government or Private



Fill all the fields of the registration form and press the submit button



A confirmation message will be sent to your email address provided in the registration form



Click on the link and confirm my email and create my account provided in the confirmation email to generate password



View status of the Complaint by submitting your email id and password so generated



Introduction:

A company registered under the Companies Act, 2013 can issue equity shares to the company's employees/directors on discounted price, in recognition of their work. The issue of sweat equity is useful for the company to retain the employees by rewarding them for their services.

Sweat Equity Shares issued to directors or employees at a discount or consideration, other than cash which may be against providing know-how, intellectual property rights or other value additions.

Definitions:

As per Section 2(88) of the Companies Act, 2013 "sweat equity shares" means such equity shares as are issued by a company to its directors or employees at a discount or for consideration, other than cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called;

The word "director" is defined under Section 2(34) of the Companies Act, 2013("the Act") means a director appointed to the Board of a company;

Employee has been explained under Rule 8 (1) of Companies (Share Capital and Debenture) Rules, 2014 as under:

- a) a permanent employee of the company who has been working in India or outside India, for at least last one year; or
- b) a director of the company, whether a whole time director or not; or
- c) an employee or a director as defined in sub-clauses (a) or (b) above of a subsidiary, in India or outside India, or of a holding company of the company;

The expression 'Value additions' has been explained under Rule 8 (1) of Companies (Share Capital and Debenture) Rules, 2014 as under:

"Means actual or anticipated economic benefits derived or to be derived by the company from an expert or a professional for providing know-how or making available rights in the nature of intellectual property rights, by such person to whom sweat equity is being issued for which the consideration is not paid or included in the normal remuneration payable under the contract of employment, in the case of an employee."

Issue of Sweat Equity Shares:

As per Section 54 of the Act a company may issue sweat equity of a class of shares already issued. Thus, a company cannot issue new class of shares through sweat equity shares. Section 54 of the Act overrides Section 53 which prohibits issue of shares at discount.

Issue of sweat equity shares should be authorised by a special resolution. The explanatory statement to be annexed to the notice of the general meeting shall contain the details as specified under Rule 8(2) of Companies (Share Capital and Debenture) Rules, 2014.

The special resolution authorising the issue of sweat equity shares shall be valid for making the allotment within a period of not more than twelve months from the date of passing of the special resolution.

The resolution should specify the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;

Where the equity shares of the company are listed on a recognised stock exchange, the sweat equity shares should be issued in accordance with the regulations made by the Securities and Exchange Board.

The holders of sweat equity shares shall rank pari passu with other equity shareholders and the rights, limitations, restrictions and provisions as are for the time being applicable to equity shares shall be applicable to the sweat equity shares.

The company cannot issue equity shares for more than fifteen percent of the existing paid up equity share capital in a year or shares of the issue value of rupees five crores, whichever is higher. However, the issuance of sweat equity shares shall not exceed twenty five percent of the paid up equity capital of the Company at any time.

A startup company may issue sweat equity shares not exceeding fifty per cent of its paid up capital upto five years from the date of its incorporation or registration.

The sweat equity shares issued to directors or employees shall be locked in/non transferable for a period of three years from the date of allotment and the share certificates are under lock-in and the period of expiry of lock in shall be stamped in bold or mentioned in any other prominent manner on the share certificate.

The sweat equity shares to be issued shall be valued at a



► Issue of Sweat Equity Shares by an unlisted company

price determined by a registered valuer as the fair price giving justification for such valuation.

The valuation of intellectual property rights or of know how or value additions for which sweat equity shares are to be issued, shall be carried out by a registered valuer, who shall provide a proper report addressed to the Board of directors with justification for such valuation.

A copy of gist along with critical elements of the valuation report obtained under clause (6) and clause (7) shall be sent to the shareholders with the notice of the general meeting.

The Board's Report shall disclose details of issue of sweat equity shares as specified under Rule 8(13) of Companies (Share Capital and Debenture) Rules, 2014.

The Company shall maintain Register of Sweat Equity Shares in Form No. SH-3.

Accounting Treatment:

Where sweat equity shares are issued for a non cash consideration on the basis of valuation report, such non-cash consideration shall be treated in the following manner in the books of account-

- ❖ where the non-cash consideration takes the form of a depreciable or amortizable asset, it shall be carried to the balance sheet of the company in accordance with the accounting standards; or
- ❖ where above clause is not applicable, it shall be expensed as provided in the accounting standards.

The amount of sweat equity shares issued shall be treated as part of managerial remuneration for the purposes of sections 197 and 198 of the Act, if the sweat equity shares are issued to any director or manager; and they are issued for consideration other than cash, which does not take the form of an asset which can be carried to the balance sheet of the company.

Where the sweat equity shares are not issued pursuant to acquisition of an asset then the accounting value of sweat equity shares shall be treated as a form of compensation to the employee or the director in the financial statements of the company.

Value of the asset, as determined by the valuation report, shall be carried in the balance sheet as per the Accounting Standards and excess amount of the value of assets as per the valuation report shall be treated as a form of compensation to the employee or the director in the financial statements of the company.

Tax Treatment :

Sec 17(2)(vi) of Income-tax Act, 1961 provides that the value of any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the employer, or former employer, free of cost or at concessional rate to the assessee shall be treated as perquisites in the hands of Employee.

Explanation.—For the purposes of this sub-clause,—

- (a) "specified security" means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and, where employees' stock option has been granted under any plan or scheme therefor, includes the securities offered under such plan or scheme;
- (b) "sweat equity shares" means equity shares issued by a company to its employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called;
- (c) the value of any specified security or sweat equity shares shall be the fair market value of the specified security or sweat equity shares, as the case may be, on the date on which the option is exercised by the assessee as reduced by the amount actually paid by, or recovered from, the assessee in respect of such security or shares;
- (d) "fair market value" means the value determined in accordance with the method as may be prescribed;
- (e) "option" means a right but not an obligation granted to an employee to apply for the specified security or sweat equity shares at a predetermined price;

Taxable value of perquisites Rule 3(8) & 3(9):

Fair Market value of shares or securities on the date of exercise of option by the assessee less amount recovered from the employee in respect of such shares shall be the taxable value of perquisites.

Fair Market Value shall be determined as follows:

- a) In case of listed Shares: Average of opening and closing price as on date of exercise of option (Subject to certain conditions and circumstances)
- b) In case of unlisted shares/ security other than equity shares: Value determined by a Merchant Banker as on date of exercise of option or an earlier date, not being a date which is more than 180 days earlier than



the date of exercise of the option.

Capital Gain :

Capital gains is taxable in hands of employee in year in which shares/securities are transferred. Cost of acquisition will be as follows-

- ❖ if shares are allotted after 31st March, 2009 then fair market value on date of exercise of option
- ❖ if shares are allotted on or before 31st March, 2009 but after 31st March, 2007 then fair market value on date of vesting of option
- ❖ if shares are allotted on or before 31st March, 2007 then the amount actually paid to acquire shares.

Conclusion:

Sweat Equity shares is tool available to company to reward the employees by giving shares without or with less consideration. Company is required to follow the procedure laid down under the Act to issue sweat equity shares. Sweat Equity Shares is treated as perquisites under the Income Tax Act in the hands of employees but still is considered lucrative to incentivizing certain employees.



ICSI/TRG(e PDP)2020

01/05/2020

**The ICSI Announces
Professional Development Programme (e PDP)**

Eligibility:

Students registered in Executive Program on or before 31.03.2014 and required to complete 24 PDP hours.

Schedule of upcoming e PDP

Date of the Program and PDP Hours	Opening of Registration	Closing of Registration	Fee	Topic	
				Session 1	Session 2
13.05.2020 (08 PDP hours)	09.05.2020 (10:00am)	10.05.2020 (12:00 pm)	Rs 200/-	Public Speaking and presentation (11:00 am to 01:00 pm)	Relaxation under Companies Act during Covid 19. (03:00 pm to 05:00 pm)
22.05.2020 (08 Hours)	16.05.2020 (10:00 am)	17.05.2020 (12:00 pm)	Rs 200/-	Relaxation for listed companies SEBI (LODR) (11:00 am to 01:00 pm)	Related party transaction (03:00 pm to 05:00 pm)

For Registration : Click on <https://stimulate.icsi.edu> (use your smash log in id and password for login into the stimulate)

Other terms and conditions

1. The program shall be imparted through webinar mode. The link of webinar will be sent separately to all registered students through email.
2. Only those students can registered for PDP whose record w.r.t EDP is updated /completed on the stimulate portal. Hence all students are advised to upload their EDP certificate from the tab of short term training (upload training completion certificate).
3. The students will be provided the soft copy of the PDP completion certificate with PDP hours after verification of their attendance.

For queries, you can write at e-training@icsi.edu

**Directorate of Training
The Institute of Company Secretaries of India**



Business Continuity Management (BCM)

CS Santosh Sanas

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Business Continuity Management (BCM) is building an organisation's ability to continue delivering its prioritised activities while its operations are disrupted.

It is devising a management process, which will highlight possible threats and their impact on business operations. Timely identification of threats may assist to develop the organisation's ability to return quickly to a previous good condition after the threats and give an effective and suitable response that will protect the stakeholders' interest.

Business Continuity Plan (BCP):

It means devising a set of procedures, which will direct the organisation to react, recover and restart the operations after the interruption.

It is a plan that describes how an organisation will continue to function during or after interruption like:

- ❖ unavailability of employees;
- ❖ destruction of a premises (complete or partial);
- ❖ unavailability of utilities - power, internet etc;
- ❖ loss of technology;
- ❖ loss of information;
- ❖ national or international crisis;
- ❖ issues with suppliers;
- ❖ act of God;
- ❖ pandemic; and
- ❖ other force majeure events.

It involves systematic planning on how the key services or products can be continued, even in the disruption.

Testing:

This is an essential activity that is undertaken to gauge the capabilities and effectiveness of a business continuity plan.

Training:

This activity is more formalised as compared to awareness. It purports to build skills and knowledge to increase the performance of the team regarding a specific function.

Review:

It is recommended to periodically review the plan and assess its effectiveness.

Tips for the practising company secretaries:

1. Building a remote working system for the team (working from home, using laptops)

2. Managing a centralised database (e.g. Dropbox, OneDrive, Google Drive, or SharePoint)
3. The team should always be connected through apps (e.g. Microsoft Teams, Skype, or Google hangout)
4. Syncing the database (which will help to continue working offline even if slow or interrupted internet connectivity)
5. Activating flows to automate the activities of repetitive nature (available in SharePoint)
6. Paper copies generated, if any should be scanned and made available in the database
7. Generating shared Excel control files (e.g. time sheet, client contacts, due dates, work allocation) to know the status on a real-time basis
8. Giving flexibility in working to the team (avoiding 9 am to 6 pm shift). Importance should be to productivity and not the time spent. This will help to reduce supervision.
9. Using Outlook and keeping everything on email
10. Providing client, the access to the client's data (it will help to reduce dependency on the team)
11. Weekly testing of the devised plan, even in a normal situation.
12. Periodical training to the team to use the technology.

Conclusion:

Please note that each business and operation is unique. Points highlighted in this writing are basic suggestions. It is recommended to create a plan that best suits your business and operational needs.

Purpose of this writing is to assist organisations to systematically build their business continuity capability before, during and after crises.

An organisation can continue its prioritised activities at a predetermined level after the occurrence of the disruptive incidence.

Systematic and deep thinking over the plan will help the organisations to continue performing their prioritised activities and comply with their contractual commitments.





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The business landscape today is fast-paced and ultra-competitive. In such an environment, establishing and maintaining a connection between consumers and your brand is more important than ever before. Each bit of competitive edge you can gain counts and protecting your brand is a critical priority, after all it is most important to provide 360 degree protection to your brand and not only to start / establish your brand.

What is Brand?

Founder of Amazon, Mr. Jeff Bezos has defined the Brand very effectively; Your Brand is what other people say about you when you are not in the room. Mr. Walter Landor was a brand designer and the founder of Landor Associates; he rightly said that Products are made in the factory but brands are created in the Mind.

A Brand / Company always pumping huge money in the Branding campaigns, R&D department, Sales, Specialised Human Resources recruitment, Product launches, and Marketing; but Counterfeiters are pretty smart; they just copy your Intellectual Property and dent your brand badly! For many businesses, intellectual property protects more than just an idea or a concept – it protects genuine business assets that may be integral to the core services of the business and overall long-term viability.

Intellectual property can consist of many different ideas, from logos and corporate identity through to products, services and processes that differentiate your business offering. It's when these ideas are used without permission that an organisation can suffer. Almost all businesses have undoubtedly benefited from the internet, where products, services and marketing communications can reach vast audiences at relatively low costs - but this has also increased the chances of intellectual property theft. Companies of all sizes are at risk of having their unique ideas, products or services infringed upon, even if they are on the other side of the world, making intellectual property protection more important than ever.

Keep your ideas

When you have a great idea for a product or service, there will always be people who will want to duplicate your success and sell your ideas as their own. Depending on individual circumstances, you can use patents, trademarks or copyrights – all of which cover different areas of intellectual property. These can be used to

prevent competitors or anyone else from using your ideas for their own profit without your consent. Read more about the forms of IP. IP protection applies to businesses of all sizes; even huge corporations have had their ideas infringed upon and have made multi-million pound lawsuits; just look at the on-going disputes between Apple and Samsung over their smartphones.

Protect business growth

If you are a small business, it's very important to protect any unique products or services that you own as competitors can use your success to take away market share, resulting in slow growth or loss of revenue. Losing market share early on in a business's development can be devastating and time consuming if trying to chase up the guilty party without any legal protection. It's important to remember that no one else will check to see if you're intellectual property has been infringed; it's your responsibility to ensure that no one else is using your assets.

It's easier than you think

It may seem initially daunting or time consuming, but protecting your IP is well worth the time and effort and isn't as difficult as you may think. Whilst you cannot protect an idea itself, can protect the means by which you put the idea into operation and this is what you would protect using Intellectual Property (IP).

Steps for protecting brand

- ❖ For copyright, there is no actual registration procedure to follow as protection is free and automatic. Although copyright does not actually protect an idea itself, it can protect the way the idea has been represented - for example brochures, presentations, websites, flyers etc.
- ❖ A brand is an intangible perception in consumers' minds concerning the qualities and attributes of a business's product or service. It is this perception that businesses strive to enhance and nurture—and businesses spend valuable resources to promote their brands in order to increase revenue and profitability.
- ❖ Although developing a brand requires significant time and investment, destroying a brand could happen very fast. With the widespread use of the Internet and ecommerce in today's business world, it has become more important than ever to be vigilant in protecting your brand.



▶ Power of Brands & Need for Brand Protection !

- ❖ A brand is a form of intellectual property that could be protected as a trademark. A trademark or service mark is generally a word, phrase, symbol, design or a combination thereof that identifies and distinguishes the source of goods or services of one party from those of others.
- ❖ A trademark may be located on a package, a label, a voucher or on the product itself. The trademark owner can be an individual, business organization or any legal entity.
- ❖ There are several ways to protect your brand or trademark. You can establish rights in a mark based on use of the mark in commerce, without a registration. This is called common law rights.
- ❖ Common law trademark rights have been developed under a judicially created scheme of rights governed by Indian Trademark law. However, trademark rights are limited to the geographic area in which the mark is used.
- ❖ Another avenue of brand protection is through registration of the mark. The broadest scope of brand protection is to file trademark of your brands or to file Copyrights of packaging.
- ❖ A legal presumption of your ownership of the mark and your exclusive right to use the mark nationwide on or in connection with the goods and or services listed in the registration. (whereas state registration only provides rights within the borders of that one state.
- ❖ Public notice of your claim of ownership of the trademark. Listing in the Trademark Office's online database (which could deter a junior user from using a similar mark for similar goods or services.)
- ❖ The ability to record the Indian registration with the Indian Customs and Border Protection Service to prevent importation of infringing goods. (competing products with confusingly similar marks could be detained or seized by Indian Customs.)
- ❖ The right to use the trademark registration symbol "®" The ability to bring an action concerning the registered mark in any courts of India.
- ❖ Availability of damages under Indian trademark law. The use of the Indian trademark registration as a basis to obtain registration in foreign countries.
- ❖ Rights in a registered trademark can last indefinitely if you continue to use the mark and file all

necessary maintenance documents with the required fees at the appropriate times.

Your brand is your promise to consumers and the foundation of your business's success. Having the proper protection of your brand could deter potential infringers from disrupting your business and provide your business with security in the event of infringement.

Cut the Counterfeiting

A novel and attractive product can be reproduced and commercialized as an imitation or counterfeit of the original product. IPR protection helps deter counterfeiters and may even stop that counterfeited product at the border by means of effective customs legal actions based on those original IP rights.

Counterfeiting is a global problem and crime of 21st Century, involving the manufacturing or distribution of goods under someone else's name and without their permission. Simply put, it is IP theft. Counterfeiting is a much bigger problem than most people realize. According to the International Anti-Counterfeiting Coalition (IACC), in fiscal year 2013 the Department of Homeland Security seized counterfeit goods valued at over 1.7 billion dollars.

It affects even small businesses

Any bad experience a customer experiences hurt your brand and negatively affect your goodwill. If you do business online, counterfeiters put your clients at risk for identity theft and credit card fraud when they provide a counterfeit merchant with their banking information. Counterfeiters don't pay taxes, meaning less money for local schools, hospitals, parks, and other social programmes.



Sanskrit Shlok and its meaning

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वातोलासितकल्लोल धिक् ते सागरगर्जनम् ।
यस्यतीरे तृषाक्रान्तःपान्थःपृच्छतिवापिकाम् ॥

Meaning

Even if ocean has wonderful waves created by beautiful winds and has tons of water but it is of no use for a thirsty person who stands next to the ocean and looks for a well with a sweet water.

Comment

We have to learn a lot from this simile. For a thirsty person what is more important is not the limitless volume of water, not the beauty of ocean but a sweet water, may be in small quantity which will quench his thirst. Therefore, he would prefer a small well rather than a huge, wonderful ocean. A person may have tons of money, he may be filthy rich, but that wealth will be useless, unless it satisfies the wants of needy person. Common person even if given a small help, like by a well with its sweet water, would meet his hunger and thirst and make him happy. One may have a small pocket but if he makes use of that little money for the cause of needy people, one is of more importance than a wealthy person who holds wealth without using it.

During this CORONA crisis, please be of some help to others.





Regulatory updates on the Companies Act, 2013

(From 21st March 2020 to 20th April 2020)

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CS Chetan Patankar, patankarcv@gmail.com

General Circular No. 10/2020 dated 23rd March 2020.

Clarification on spending of CSR fund for COVID-19.

CSR funds may be spent for various activities related to COVID-19 under items no (i) to (xii) of Schedule VII of Companies Act 2013, relating to promotion of health care, including preventive healthcare and sanitation and, disaster management.

General Circular No. 11/2020 dated 24th March 2020.

Special Measures under Companies Act, 2013 (CA- 2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak.

In order to support and enable Companies and LLPs in India to focus on taking necessary measures to address the COVID-19 threat, including the economic disruptions caused by it, MCA would implement necessary measures including:

- 1) Waiver of additional fees during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date.
- 2) The requirement of holding board meetings within prescribed interval of 120 days, stands extended by a period of 60 days till next two quarters i.e., till 30th September. Accordingly, as a one-time relaxation the maximum gap between 2 consecutive board meetings may extend upto 180 days, till September 30, 2020.
- 3) The Companies (Auditor's Report) Order, 2020 shall be made applicable from the FY 2020-2021 instead of FY 2019-2020.
- 4) As per Para VII (1) of Schedule IV to the CA-13, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.
- 5) Requirement under section 73(2)(c) of CA, 13 to create the deposit repayment reserve of 20% of deposits maturing during the FY 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June, 2020.
- 6) Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 to invest or deposit at least 15% of the amount of debentures maturing in specified methods of investments or deposits before 30th April, 2020, may be complied with till 30th June 2020.
- 7) Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of incorporation under section 10A of the CA 13. An additional period of 180 more days' is allowed for this compliance.

Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the CA, 13 shall not be treated as a non-compliance for the financial year 2019-20.

Notification of order dated 24th March 2020

CARO 2020

CARO 2020 would apply to the companies covered under this order, from the financial years commencing on or after the 1st April, 2019.

However, the MCA issued an order vide notification dated 26th March, 2020, and as per this order, the CARO 2020 shall apply to the companies covered under this order, from the financial years commencing on or after the 1st April, 2020 instead of 1st April 2019.

Circular dated 28th April, 2020

Clarification on contribution to PM CARES Fund as eligible CSR Activity

Any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013. shall



apply to the companies covered under this order, from the financial years commencing on or after the 1st April, 2020 instead of 1st April 2019.

General Circular No. 12/2020 dated 30th March, 2020

Companies Fresh Start Scheme, 2020 (CFSS-2020)

All the additional fees will be waived off during a moratorium period from 01st April 2020 to 30th September 2020, in respect of certain prescribed documents, returns, statements etc., required to be filed in the MCA-21 Registry, irrespective of its due date. Further, immunity will be granted from launching of prosecution or proceedings for imposing penalty on account of delay associated with certain filings.

General Circular No. 13/2020 dated 30th March, 2020

LLP Settlement Scheme, 2020 – Modification.

The scheme allows a one-time condonation of delay in filing of statutory documents with Registrar.

Further, the modified LLP Settlement Scheme will remain in force from 1st April, 2020, till 30th September, 2020. As per this scheme, the LLPs are permitted to file belated documents and returns which are pending to be filed up to 31st August, 2020, without paying any additional fees. Under the original scheme, the LLPs were subject to payment of additional fees at the rate of INR 10/- per day for the period of delay, in addition to any normal fee payable, subject to maximum of INR 5000/- per return.

General Circular No. 14/2020 dated 08th April 2020

Clarification on passing of Ordinary & Special Resolutions by Companies on account of the threat posed by COVID-19

Since the corporates are facing difficulties on account of the lockdown due to COVID 19, the MCA, vide this circular, allowed the Companies to hold Extraordinary General Meetings (EGMs) through Video Conferencing (VC) or other audio visual means (OAVM) with e-Voting facility/simplified voting through registered emails, without requiring the shareholders to be physically present at a common venue. Although the CA13 allows ordinary and special resolutions to be passed through postal ballot/e-voting route without holding a physical general meeting, in present lockdown situation, postal ballot facility cannot be utilized by the companies.

Therefore, the MCA allowed listed companies or companies with 1,000 shareholders or more which are required to provide e-voting facility under the Companies Act, 2013 to conduct EGM through VC/ OAVM and e-Voting. For the other companies, a simplified mechanism for voting through registered emails has been put in place for easy compliance.

As the meetings will be conducted over VC/ OAVM, the facility for appointment of proxies has been dispensed with, while representatives of bodies corporate will continue to get appointed for participation in such meetings.

The Companies shall not compromise on the other requirements of the law while conducting meetings through VC/ OAVM. Further, all companies using this option are required to maintain a recorded transcript of the entire proceedings in safe custody, and public companies are also required to host this transcript on their website for greater transparency. Further, all resolutions passed through this framework, whether ordinary or special, will be required to be filed with the RoC within 60 days.

General Circular No. 15/2020 dated 10th April 2020

COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR)

As per this circular:

1. Contribution to the PM CARES FUND shall qualify as CSR expenditure.
2. Contribution to the Chief Minister's Relief Funds' or 'State Relief Fund for COVID-19' shall not qualify as CSR expenditure.
3. contribution made to State Disaster Management Authority shall qualify as CSR expenditure
4. spending of CSR funds for COVID-19 related activities shall qualify as CSR expenditure. The funds may be spent for



various activities related to COVID-19 under items nos. (i) and (xii) of Schedule VII relating to promotion of health care including preventive health care and sanitation, and disaster management. Further, as per general circular No. 21/2014 dated 18.06.2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.

5. Payment of salary/ wages to employees and workers during the lockdown period (including imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure.
6. Payment of wages to temporary or casual or daily wage workers during the lockdown period shall not count towards CSR expenditure.
7. Ex-gratia payment is made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19, the same shall be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor.

General Circular No. 16/2020 dated 13th April 2020

Filings under section 124 & 125 of CA 13 r/w IEPFA (Accounting, Audit, Transfer and refund) Rules 2016, in view of emerging situation due to outbreak of Covid-19.

In light of the issues faced by the stakeholders, especially in compliance with procedures relating to the transfer of money to IEPF under sections 124 (5) and 124 (6) of the CA 13, due to lockdown, the MCA Vide General Circular No. 16/2020 dated 13th April, 2020, clarified that it has already waived off additional fees in case of delay in filing of forms, statements, etc. such as IEPF 1, IEPF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF-7 and e-verification of claims filed in form IEPF-5, vide circular Nos. 11/2020 and 12/2020, till 30th September, 2020.

General Circular No. 17/2020 dated 13th April 2020

Clarification on passing of Ordinary & Special Resolutions by Companies on account of the threat posed by Covid-19

The MCA provides greater clarity regarding issue of notices to members for such meetings by using only electronic means, in view of the COVID-19 related lockdown, while at the same time ensuring that the relevant companies facilitate registration of email addresses of the members who have not done so and make suitable disclosure in this regard at the time of issue of public notice in the newspapers.

The public notice to be issued by such companies would also be required to specify the manner in which members who are holding shares in physical form or who have not registered their email addresses with the company can cast their vote through remote e-voting or through the e-voting system during the meeting.

A similar framework for smaller companies i.e. companies which are not required to provide e-voting facility to their members has also been specified in the Circular. This procedure is being allowed on account of disruption caused in postal services, whereby it has become difficult to serve or receive notices by post.

The Circular also provides that where certain companies intend to transact a business only through postal ballot (without convening a general meeting) in accordance with the applicable provisions of the Companies Act, 2013/rules made thereunder, then in such case, the relevant provisions of the Companies (Management and Administration) Rules, 2014 with regard to voting by electronic means and the framework provided for e-voting in the present Circular and earlier Circular dated 08th April, 2020 issued by MCA would be applicable mutatis mutandis.



REGULATORY UPDATES ON SECURITIES LAW (April 2020)

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Date	Circular No./ Notification No.	Update
March 30, 2020	SEBI/HO/IMD/DF1/CIR /P/2020/58	<p>In view of Covid-19 pandemic, SEBI has decided to extend the due date for regulatory filings for AIFs and VCFs for the periods ending March 31, 2020 and April 30, 2020 by two months, over and above the timelines prescribed under SEBI (Alternative Investment Funds) Regulations, 2012 and circulars issued thereunder.</p> <p>This circular is available on SEBI website at www.sebi.gov.in under the category "Legal - Circulars" and "Info for - Alternative Investment Funds".</p>
April 15, 2020	SEBI Notification- Covid 19	<p>The Ministry of Home Affairs vide Order No. 40-3/2020- DM-I (A) dated April 15, 2020 has issued revised guidelines on the measures to be taken for containment of COVID-19 in the country and directed that these measures will continue to remain in force upto May 03, 2020.</p> <p>Accordingly, the Notification dated March 24, 2020 issued by SEBI which states offices of SEBI shall function with minimum employees will continue to remain in force in all parts of the country upto May 03, 2020.</p> <p>The said notification has been issued by the Chief General Manager, SEBI.</p>
April 17, 2020	SEBI/HO/CFD/CMD1/CIR/P/2020/63	<p>SEBI had granted relaxations in terms of compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015 ("SEBI LODR") vide circulars dated March 19, 2020 and March 26, 2020. In view of the extension of lockdown due to COVID 19 pandemic, SEBI has decided to provide following additional relaxations to listed entities:</p> <ol style="list-style-type: none"> 1. Prior intimation to stock exchanges about meetings of the board: It has been decided that requirement of prior intimation to stock exchanges of at least 5 days before the meeting (if financial results are to be considered) under Regulation 29(2) of SEBI LODR shall be reduced to 2 working days, for board meetings held till July 31, 2020. 2. Intimation to stock exchanges regarding loss of share certificates and issue of duplicate share certificates: Regulation 39(3) of SEBI LODR requires listed entities to submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of it getting information. It has been decided that any delay beyond the stipulated time will not attract penal provisions laid down vide SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018. This relaxation is for intimations to be made between March 1, 2020 to May 31, 2020. 3. Clarification regarding 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.



REGULATORY UPDATES ON SECURITIES LAWS (April 2020)

Date	Circular No./ Notification No.	Update
April 17, 2020	SEBI/HO/CFD/CMD1/C IR/P/2020/63	<p>4. Relaxations in respect of publication of advertisements in newspapers has been exempted till May 15, 2020 for entities which have listed their NCDs and NCPRS as required under Regulation 52(8) of SEBI LODR.</p> <p>This circular is available on SEBI website at www.sebi.gov.in under the category "Legal-Circulars".</p>
April 20, 2020	PR No.: 22/2020	<p>SEBI vide Press Release dated March 20, 2020 had introduced various regulatory measures for a period of one month w.e.f. March 23, 2020.</p> <p>As the stock markets (both domestic and global) are expected to be volatile in the near future owing to concerns relating to COVID-19 pandemic and the resultant fear of economic slowdown, keeping in view the objective of ensuring orderly trading and settlement, effective risk management, price discovery and maintenance of market integrity, it has been decided that the measures implemented since March 23, 2020 will continue to be in force till May 28, 2020.</p>
April 23, 2020	SEBI/HO/CFD/CMD1/C IR/P/2020/71	<p>Relaxation on holding annual general meeting ("AGM") by top 100 listed entities by market capitalization, due to Covid-19 pandemic</p> <p>Regulation 44(5) of the SEBI LODR requires top 100 listed entities by market capitalization to hold their AGM within a period of five months from the date of closing of the financial year.</p> <p>In view of the relaxation provided by the Ministry of Corporate Affairs vide circular no. 18/2020 dated April 21, 2020, SEBI has declared relaxation in compliance of Regulation 44(5) of the SEBI LODR whereby the top 100 listed entities by market capitalization whose financial year ended on December 31, 2019 may hold their AGM within a period of nine months from the closure of the financial year (i.e. by September 30, 2020)..</p>
April 23, 2020	SEBI/HO/CFD/DCR2/CI R/P/2020/69	<p>Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 ("Buyback Regulations") due to the COVID 19 pandemic</p> <p>Regulation 24(i)(f) of Buyback Regulations provides a restriction that the companies shall not raise further capital for a period of one year from the expiry of buyback period, except in discharge of their subsisting obligations.</p> <p>In order to enable quick access to capital it has been decided to temporarily relax the period of restriction provided in Regulation 24(i)(f) of the Buy-back Regulations and accordingly the words "one year" shall be read as "six months" (which is in line Section 68(8) of the Companies Act, 2013). This relaxation will be applicable till December 31, 2020.</p> <p>This circular is available on SEBI website at www.sebi.gov.in under the category "Legal-Circulars".</p>

PUZZLE - April 2020

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FIND OUT THE LEGAL WORDS...TOTAL 57 WORDS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	X	A	S	J	B	J	C	U	S	T	O	D	I	A	N	O	T	P	B	G	D
2	B	L	O	R	G	U	S	O	R	A	L	T	E	R	A	T	I	O	N	Q	A
3	X	O	L	Q	E	L	Y	E	M	K	S	E	C	U	R	I	T	I	E	S	Q
4	H	L	V	S	H	G	P	B	K	P	N	I	N	V	E	S	T	O	R	R	B
5	J	T	E	R	C	X	I	S	A	K	A	Q	Z	H	Y	S	J	M	O	M	Z
6	U	H	N	C	E	H	Y	S	B	C	O	N	T	R	I	B	U	T	O	R	Y
7	N	S	C	E	T	G	E	E	T	O	K	R	Y	L	O	K	C	O	F	B	N
8	D	T	Y	I	T	V	I	D	G	E	D	O	C	U	M	E	N	T	D	O	B
9	E	R	Z	W	N	W	K	S	U	I	R	Y	C	W	R	K	I	L	D	A	F
10	R	I	I	E	X	K	O	S	T	L	R	E	C	I	P	W	F	J	O	R	C
11	W	K	Z	N	Z	D	S	R	K	R	E	P	D	O	L	A	Y	E	R	D	U
12	R	E	L	A	T	I	V	E	T	C	A	O	T	V	R	Y	V	O	M	R	R
13	I	O	G	M	T	V	Q	P	C	H	A	R	G	E	A	P	Y	P	A	A	R
14	T	F	C	H	A	I	R	M	A	N	U	T	U	Q	J	L	O	C	N	L	E
15	E	F	G	I	H	D	R	E	S	O	S	F	A	U	A	S	U	R	T	L	N
16	R	I	X	B	D	E	V	M	C	M	Z	O	C	I	E	Y	H	E	A	O	C
17	R	C	C	U	G	N	R	B	P	R	E	L	A	T	E	D	P	A	R	T	Y
18	I	E	F	A	Z	D	D	E	P	O	S	I	T	Y	I	J	I	B	R	M	E
19	R	R	N	E	Q	U	Z	R	K	Y	C	O	M	P	L	I	A	N	C	E	P
20	T	A	D	F	I	N	A	N	C	I	A	L	S	T	A	T	E	M	E	N	T
21	M	B	I	H	P	R	I	V	A	T	E	P	L	A	C	E	M	E	N	T	N



Answer - March 2020 PUZZLE

CS Shradha Havaladar

Email : havaladar.shradha@gmail.com

1C	O	2R	P	O	R	A	T	3E	V	4E	I	L		5A	R	T	6I	C	7L	E
O		A						V	S								E		A	
8M	E	M	9B	E	R	S		E	O		10S			11S	I	P		W		
P			I					N	P		12I	T	A	T		F			13S	
14A	M	E	N	D	15M	E	N	T			C			O					U	
N			D		O			16S	T	O	17C	K	E	X	C	H	A	18N	G	E
19Y	20E	S			R						I			K				C		
	N				T				21K	O	T	A	K					L		
	22D	A	23M	A	G	E		24S		E					25A	L	T	E	R	
			E		A			B						26B						
	27M	A	N	A	G	E	28R	I	A	29L	P	E	30R	S	O	N	31N	E	L	
	S		D		E		&			O			E		A		I		32C	
	M						T			G			N	33R	U	L	E		S	
34R	E	M	U	35N	E	R	A	T	I	O	36N		T		D					
				O							E			37L		38L	39O	G	I	40N
41I	N	C	O	R	P	O	42R	A	43T	I	O	N		E			R			O
N				M			T		A					44I	N	45T	E	R	I	M
C			46C				47I	N	S	I	48D	E	R			O				I
			49L	A	Y	E	R			K		U			50O	P	51C			N
			R								T				T		S			E
52D	E	P	O	S	I	T		53B	O	D	Y	C	O	R	P	O	R	A	T	E

Sr No Horizontal Clue

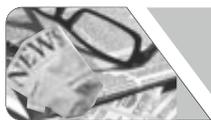
- 1 CORPORATE VEIL
- 5 ARTICLE
- 8 MEMBERS
- 11 SIP
- 12 ITAT
- 14 AMENDMENT
- 16 STOCKEXCHANGE
- 19 YES
- 21 KOTAK
- 22 DAMAGE
- 25 ALTER
- 27 MANAGERIAL PERSONNEL
- 33 RULE
- 34 REMUNERATION
- 38 LOGIN
- 41 INCORPORATION
- 44 INTERIM
- 47 INSIDER
- 49 LAYER
- 50 OPC
- 52 DEPOSIT
- 53 BODY CORPORATE

Sr No Vertical Clue

- 1 COMPANY
- 2 RAM
- 3 EVENTS
- 4 ESOP
- 6 IEPF
- 7 LAW
- 9 BIND
- 10 SICK
- 11 STOCK
- 13 SUE
- 15 MORTGAGE
- 17 CITE
- 18 NCLT
- 20 END
- 23 MEND
- 24 SBI
- 26 BOARD
- 27 MSME
- 28 R&TA
- 29 LOGO
- 30 RENT
- 31 NIL
- 32 CS
- 35 NORM
- 36 NEO
- 37 LEI

Sr No Vertical Clue

- 37 LEI
- 39 ORE
- 40 NOMINEE
- 41 INC
- 42 RTI
- 43 TASK
- 45 TOP
- 46 CARO
- 48 DUTY
- 50 OTP
- 51 CSR



News from Chapter

Chapter Report of ICSI-PUNE CHAPTER

From 21st March 2020 to 20th April 2020

CS Sanjay Patare, Secretary, Pune Chapter of ICSI
(Email ID: cssanjaypatare@gmail.com)

The Pune Chapter of WIRC of ICSI (the Pune Chapter) has postponed all its scheduled programs for members and students till further notice due to COVID 19 outbreak. However, the Pune Chapter has taken necessary measures to continue Oral Tuition Classes (OTC) for students through online platform and also attempting to keep members and students occupied by way of initiating various academic and capacity building activities for students and members during this lockdown period through all possible ways. Details of the activities conducted during the period of 21st March 2020 till 20th April 2020 are given below:

STUDENTS' TRAINING ACTIVITIES

Sr. No.	Activities conducted	Remarks
1	OTC by virtual mode	In order to keep OTC activities unaffected due to lockdown, Pune Chapter made OTC facility available online. All faculties taught their subjects through virtual mode.

OTHER PROGRAMS/MEETING

Sr. No.	Activities conducted	Remarks
1	Blood Donation drive (Month of April 2020)	Pune Chapter of ICSI in association with Maha NGO Federation (MNF) organized Blood Donation drive throughout the Pune and PCMC in the month of April 2020 appealed to the Members and Students of the ICSI for blood donation. This drive was organized in response to the appeal made by the Government of Maharashtra in the wake of COVID 19 and due to acute shortage of blood in the state due to lockdown. The drive was strictly organized as per the various guidelines of the Central / State Government and Municipal Corporations and with prior appointment allotting time slot, travel pass to the donors, area wise preference, etc.
2	Research Paper Competition (April 2020)	Pune Chapter of ICSI came out with an initiative of organizing Research Paper Competition for its members by inviting to write an original research paper on various contemporary subjects with last date of submission as given below : A) "Use of CSR funds by the companies" by 19/04/2020 B) "Impact of COVID 19 on contracts and impact of regulatory moratorium given by MCA to the Corporates" by 26/04/2020 C) "Any one of the below" by 03/05/2020 i. Recent changes in Insolvency and Bankruptcy Code (IBC) ii. Significant Beneficial Ownership (SBO) iii. Indian economy after the lockdown.



Memory Refreshing



रक्तदान शिबिरे

'दि इन्स्टिट्यूट ऑफ कंपनी सेक्रेटरीज ऑफ इंडिया'च्या (आयसीएसआय) पुणे विभाग आणि महा एनजीओ फेडरेशन यांच्यातर्फे एप्रिलमध्ये पुणे आणि पिंपरी-चिंचवड परिसरात ठिकठिकाणी फिरती रक्तदान शिबिरे घेण्यात येणार आहेत. या शिबिरांमध्ये सहभागी होण्यासाठी इच्छुक रक्तदात्यांनी पूर्वनोंदणी करणे आवश्यक आहे. लॉकडाऊनच्या काळात नागरिकांना बाहेर पडण्यावर निर्बंध असल्याने पूर्वनोंदणी करणाऱ्या रक्तदात्यांना शिबिराची पुढील माहिती वैयक्तिक स्वरूपात पाठविण्यात येईल, अशी माहिती 'आयसीएसआयच्या पुणे विभागाचे अध्यक्ष गौरव नाशिककर यांनी दिली. इच्छुक रक्तदात्यांना रक्तदान शिबिराची तारीख, वेळ आणि ठिकाण याची माहिती कळविण्यात येणार आहे. करोनाच्या पार्श्वभूमीवर रक्ताचा तुटवडा निर्माण झाला असल्याने अधिकाधिक इच्छुक रक्तदात्यांनी यामध्ये सहभागी व्हावे, असे आवाहन त्यांनी केले आहे. या संदर्भात अधिक माहितीसाठी ९८६०१६४०४९ किंवा ९८२३०९१५८३ या क्रमांकावर संपर्क साधावा.

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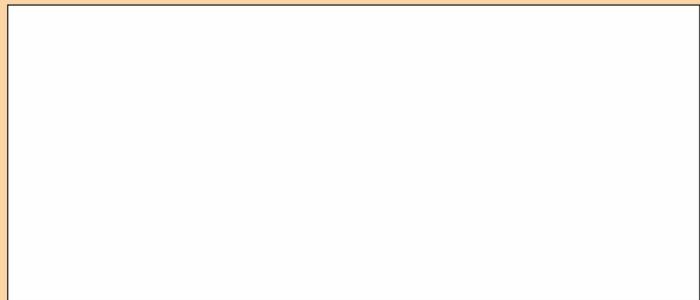
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भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

PUNE CHAPTER

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