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Company Secretaries of India**

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From the Desk of the Chairman... CS Pawan G Chandak



WIRC Chairman's Communiqué:

Respected Seniors, Professional Colleagues and Dearest Students,

Seasons Greetings !!!

It gives me immense pleasure to let all the readers know that after a very successful PCS Conference which was hosted by Nagpur Chapter, another successful State conference of this year was held by Goa Chapter on the theme Spectrum 2.0 – Expanding the possibilities and I must appreciate the efforts put in by Goa Chapter ably lead by CS Abhijeet Rane Chairman of Goa Chapter.

WIRC-ICSI also had arranged joint one day conference with Vadodara Chapter of WIRC ICSI and further had hold unique two days conference at Silvassa which was hosted by Surat Chapter of WIRC-ICSI. I place on record the efforts of both the Chapter Teams in coming forward and arranging these conferences and taking the WIRC activities to new heights of vibrancy.

We all know that 31st October is National Unity Day (Rashtriya Ekta Divas) which is celebrated on 31st October every year on the occasion of birth anniversary of Sardar Vallabhbhai Patel (The Iron Man on India) and WIRC-ICSI is pleased to hold the iconic Conference at Statue of Unity at Kevadia Gujarat which shall be hosted jointly by Vadodara and Surat Chapters of WIRC ICSI. The preparation is in full swing, and I am sure about the success of this iconic conference which is possible because of the Unity of Chapters and WIRC-ICSI.

On Students activities front, WIRC had held the Regional and National Rounds of Debate Competition at Vadodara and Pune respectively, and I am elated to let you know that the all the first three winners of National Debate Competition are from WIRC jurisdiction.

To spread the awareness about CS as a Profession, inter Chapter Competition of Career Awareness Programs (CAP) has been declared for Chapters within WIRC jurisdiction and various prizes are declared for best performing Chapters in their individual Chapter categories for highest number of CAPs for the month of October 2021 and the progress reported till date are really inspiring and commendable.

I urge all the Members and Students to take benefit of all the initiatives and request all the members and students to please let us know your feedbacks and suggestions, so that we can align ourselves with your expectations out of us to be one always.

Happy Reading !!!

With regards,

CS Pawan G Chandak
Chairman WIRC of ICSI – 2021
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“FUND RAISING BY START UPS”

“FUNDRAISING IS A MARATHON NOT A SPRINT”

□ **INTRODUCTION:**

Startup India is a Government of India flagship initiative to build startups and nurture innovation. Through this initiative, the Government plans to empower startup ventures to boost entrepreneurship, economic growth and employment across India. India’s startup eco-system has become a talking point for the entire world. With hundreds of innovative youngsters choosing to pursue the path of entrepreneurship instead of joining the multinational corporations and government ventures, the business world has witnessed an explosion of ground-breaking startups providing solutions to the real problems at a mass level in the past years. The paper discusses few issues and challenges that an Indian startup has to face and the opportunities that the country can provide in the current eco-system.

A startup venture could be defined as, a new business that is in the initial stages of operation, beginning to grow and is typically financed by an individual or small group of individuals. It is a young entrepreneurial, scalable business model built on technology and innovation wherein the founders develop a product or service for which they foresee demand through disruption of existing or by creating entirely new markets. Startups are nothing but an idea that manifests into a commercial undertaking.

Funding refers to the money required to start and run a business. It is a financial investment in a company for product development, manufacturing, expansion, sales and marketing, office spaces, and inventory. Many startups choose to not raise funding from third parties and are funded by their founders only (to prevent debts and equity dilution). However, most startups do raise funding, especially as they grow larger and scale their operations. This page shall be your virtual guide to Startup funding.

A startup might require funding for one, a few, or all of the following purposes. It is important that an entrepreneur is clear about why they are raising funds. Founders should have a detailed financial and business plan before they approach investors.

Funds, i.e. Cash and Liquidity is the basic need for every business to run. An enterprise can easily be set up for self-employment. The major eligibility criteria are return on the investment and profitability of the project proposed to be set up. Fund raising will help Entrepreneurs / Businesses to get financial aid and source of liquidity to run business.

Investors essentially buy a piece of the company with their investment. They are putting down capital, in exchange for equity: a portion of ownership in the startup and rights to its potential future profits. Investors form a partnership with the startups they choose to invest in – if the company turns a profit, investors make returns proportionate to their amount of equity in the startup; if the startup fails, the investors lose the money they've invested.

Investors realize their return on investment from startups through various means of exit. Ideally, the VC firm and the entrepreneur should discuss the various exit options at the beginning of investment negotiations. A well-performing, high-growth startup that also has excellent management and organizational processes is more likely of being exit-ready earlier than other startups. Venture Capital and Private Equity funds must exit all their investments before the end of the fund's life. There are various types of fundraising options available in the market and no 'one-size-fits-all' approach. To survive and thrive in a changing world, a Start-up organization must develop a fundraising plan

□ Let us discuss types of fundraising options available to Start-ups:

Sl.	Types of Fundraising	Briefing
1.	Equity Financing	<p>A process under which capital will be raised through the sale of Equity Shares of the particular Company. Equity financing is used when companies, often start-ups, have a short-term need for cash. It is typical for companies to use equity financing several times during the process of reaching maturity.</p> <p>For example,</p> <ul style="list-style-type: none"> • an entrepreneur's friends and family, investors, or an initial public offering (IPO). • Industry giants raised billions in capital through IPOs. <p><u>Risk factor</u> for the investor is higher because there is no guarantee against his investment made though</p>
2.	Debt Financing	<p>A process under which a company borrows money to be paid back at a future date with interest, known as debt financing. There are two types of debt financing: secured and unsecured. Debt Fund have very less involvement in decision making.</p> <p>Pressure for Repayment for startups: More pressure for startups to adhere to repayment timeline and as a result more pressure to generate cash flows to meet interest repayments</p> <p>Sources of debt financing includes: Banks, Non-Banking Financial Institutions, Government Loan Schemes (CGTMSE, Mudra Loan, Standup India)</p>
3.	Grants	<p>Grants are the sum of money given or awarded by government to the business that you don't have to pay back, i.e. Grants are non-repayable funds.</p> <p>Re-payment pressure: No pressure for repayment as grants are a form of monetary support provided for a specific purpose.</p> <p>Sources of fund-raising through grants includes: Central Government, State Governments, Corporate Challenges, Grant Programs of Private Entities.</p>

□ **Sources of funding**

- i. **Bootstrapping-** Self-funding or bootstrapping is an effective way of financing, particularly when you are just starting your business. First-time entrepreneurs often have trouble getting funding without first showing some traction and a plan for potential success. You can invest from your own savings or can get your family and friends to contribute. This will be easy to raise due to less formalities/compliances, plus less costs of raising.
- ii. **Crowdfunding-** Crowdfunding is any financing method that involves taking small amounts of money from a large number of individuals. The people who fund these projects and entities may do so without expecting anything in return—they're donations to a cause they support. Others fund these projects in exchange for products, services, or equity in the entity.
- iii. **Angel Investment-** An angel investor is a person who invests in a new or small business venture, providing capital for start-up or expansion. Angel investors are typically individuals who have spare cash available and are looking for a higher rate of return than would be given by more traditional investments.
- iv. **Venture Capital-** It is a private or institutional investment made into early-stage / start-up companies (new ventures). Ventures involve risk (having uncertain outcome) in the expectation of a sizeable gain. Venture Capital is money invested in businesses that are small; or exist only as an initiative, but have huge potential to grow. The people who invest this money are called venture capitalists (VCs). Venture Capital investment is also referred to as risk capital or patient risk capital, as it includes the risk of losing the money if the venture doesn't succeed and takes medium to long term period for the investments to fructify. Venture capital firms infused a total of \$17.2 billion investment into the Indian startup ecosystem during January-July 2021, according to data released by the Indian Private Equity and Venture Capital Association (IVCA) and Venture Intelligence (VI). Some of the big VC deals included those in Udaan, Lenskart, Zomato, Swiggy, PharmEasy, Meesho, Pine Labs, Zeta, Cred, RazorPay, HealthifyMe, Byju's, Unacademy, Eruditus, Vedantu, Dunzo, Bira 91, Boat, Mamaearth, MyGlamm, Uniphore Software Systems, Yellow.ai, Entropik and others.

The Top 10 Investment Rounds Of First Quarter Of 2021:

- a) Udaan: \$280 Mn
- b) Zomato: \$250 Mn
- c) BharatPe: \$143 Mn
- d) Zetwerk: \$120 Mn
- e) Infra.Market: \$107 Mn
- f) Innovaccer: \$105 Mn
- g) Dailyhunt: \$100 Mn
- h) boAt: \$100 Mn
- i) Mobile Premier League: \$96 Mn
- j) Cred: \$81 Mn

- i. **Incubators & Accelerators-** Early stage businesses can consider Incubator and Accelerator programs as a funding option. Though used interchangeably, there are few fundamental differences between the two. Incubators are like a parent to a child, who nurture the business providing shelter tools and training and network to a business. Accelerators are more or less the same thing, but an incubator helps/assists/nurtures a business to walk, while accelerator helps to run/take a giant leap.
- ii. **Raise Funds by Winning Contests-** An increase in the number of contests has tremendously helped to maximize the opportunities for fund raising. It encourages entrepreneurs with business ideas to set up their own businesses. In such competitions, you either have to build a product or prepare a business plan. Winning these competitions can also get you some media coverage.
- iii. **Bank Loans-** The bank provides two kinds of financing for businesses. One is working capital loan, and other is funding. Working Capital loan is the loan required to run one complete cycle of revenue generating operations, and the limit is usually decided by hypothecating stocks and debtors. Funding from bank would involve the usual process of sharing the business plan and the valuation details, along with the project report, based on which the loan is sanctioned.
- iv. **Business Loans from Microfinance Providers or NBFCs-** Microfinance is basically access of financial services to those who would not have access to conventional banking services. It is increasingly becoming popular for those whose requirements are limited and credit ratings not favoured by bank.

Similarly, NBFCs are Non-Banking Financial Corporations are corporations that provide Banking services without meeting legal requirement/definition of a bank.

- v. **Govt Programs-** The Government of India has launched 10,000 Crore Start-up Fund in Union budget 2014-15 to improve start-up ecosystem in India. Government backed 'MUDRA' was also started with an initial corpus of Rs. 20,000 crores to extend benefits to around 10 lakhs SMEs. Also, different states have come up different programs to encourage small businesses.
- vi. **SIDBI Fund of Funds Scheme -** The Government of India formed a fund of INR 10,000 CR to increase capital availability as well as to catalyze private investments and thereby accelerate the growth of the Indian startup ecosystem. The Fund was set up as a Fund of Funds for Startups (FFS), approved by the Cabinet and established by the Department for Promotion of Industry and Internal Trade (DPIIT) in June 2016. FFS does not invest in startups directly but provides capital to SEBI-registered Alternate Investment Funds (AIFs), known as daughter funds, who in turn invest money in high-potential Indian startups. SIDBI has been given the mandate of managing the FFS through the selection of daughter funds and overseeing the disbursement of committed capital. The fund of funds makes downstream investments in venture capital and alternative investment funds that in turn invest in startups. The fund has been formed in a way that creates a catalyzing effect. Funding is provided to startups across different life cycles.
- vii. **Startup India Seed Fund Scheme -** Department for Promotion of Industry and Internal Trade (DPIIT) has created Startup India Seed Fund Scheme (SISFS) with an outlay of Rs. 945.00 CR, which aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. This would enable these startups to graduate to a level where they will be able to raise investments from angel investors or venture capitalists or seek loans from commercial banks or financial institutions. The scheme will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years. The Seed Fund will be disbursed to eligible startups through eligible incubators across India.

□ Reasons for funding

Reasons	Particulars
Scale up operations	One of the most prominent reasons for funding is to scale up your operations, for expansion and achieve economies of scale.
Establish a competitive advantage	Another reason is to establish a competitive advantage over your competition and quickly acquire a substantial market share.
Funding short term operational expenses.	The third reason is to fund your short-term operational expenses or working capital.
Research and development.	In very few specific cases, depending on the nature of the business, the business might demand a considerable gestation period or extensive research and development. For these businesses, it is imperative to get funding from the start without which the company cannot be set up. This kind of funding is generally applicable if the product is unique and innovative.

Apart from these reasons and a few exceptions, you would struggle to justify your funding need. Ensure that you create a strong foundation for the business before looking for funding. Seeking funds for wrong reasons is a recipe for disaster.

□ What do investors look for before investing?

Let us understand the investment criteria from the investors' point of view that drives an investment.

Key points	Briefing
Idea and its potential	The starting point is the idea and its potential. The idea must be feasible, scalable, unique, and innovative and must have a market opportunity. Startups should showcase the potential to scale in the near future, along with a sustainable and stable business plan. They should also consider barriers to entry, imitation costs, growth rate, and expansion plans.

Business	The investors also focus on the business, including the credibility and credential of the core team and their ability to execute the idea. The business model and revenue model, along with your positioning, pricing, and cost structures, are equally important.
Future potential	Investors not only focus on the present but also the future potential of the business, which can be showcased through a well-drafted business plan, which includes the business strategies, the usage of funds, value proposition, and the exit strategy.
Market Landscape	Market size, obtainable market share, product adoption rate, historical and forecasted market growth rates, macroeconomic drivers for the market your plans to target.
Financial Assessment and Return on investment	A detailed financial business model that showcases cash inflows over the years, investments required key milestones, break-even points, and growth rates. Assumptions used at this stage should be reasonable and clearly mentioned. Along with all of these, the most crucial point that the investors look for is the return on investment. It is essential that the investors feel confident of the investment proposition and are convinced that they will be able to earn back their investments.
Exit Avenues	A startup showcasing potential future acquirers or alliance partners becomes a valuable decision parameter for the investor. Initial public offerings, acquisitions, subsequent rounds of funding are all examples of exit options.

Documents preparation

All documents have to be well-structured so investors can read and understand immediately. Entrepreneurs must spend adequate time and effort researching, creating, and preparing the components of the pitch before approaching the investors.

Investor Pitch Deck	Business Plan
It's the first communication you send to the investor and it's approx. 10-page presentation.	It's an in-depth document that will outline everything about your business – from history to vision/mission, from strategies to exit plan – it will have it all.

□ ISSUES AND CHALLENGES FACED BY STARTUPS IN INDIA

1. **Financial resources** Availability of finance is critical for the startups and is always a problem to get sufficient amounts. A number of finance options ranging from family members, friends, loans, grants, angel funding, venture capitalists, crowd funding etc are available. The requirement starts increasing as the business progresses. Scaling of business requires timely infusion of capital. Proper cash management is critical for the success of the startups. A recent report paints a gloomy picture with 85% of new company's reportedly underfunded indicating potential failure.
2. **Revenue generation** Several startups fail due to poor revenue generation as the business grows. As the operations increase, expenses grow with reduced revenues forcing startups to concentrate on the funding aspect, thus, diluting the focus on the fundamentals of business. Hence, revenue generation is critical, warranting efficient management of burn rate which in common parlance is the rate at which startups spend money in the initial stages. The challenge is not to generate enough capital but also to expand and sustain the growth.
3. **Regulations** Starting a business requires a number of permissions from government agencies. Although there is a perceptible change, it is still a challenge to register a company. Regulations pertaining to labor laws, intellectual property rights, dispute resolution etc. are rigorous in India.
4. **Lack of a good branding strategy** Absence of an effective branding strategy is another issue that prevents startups from flourishing at a faster pace. Hemant Arora, Business Head- Branded Content, Times Network opines that branding demands paramount attention as it gives an identity and occupies a space in the consumer minds.

□ Conclusion:

The current economic scenario in India is on expansion mode. The Indian government is increasingly showing greater enthusiasm to increase the GDP rate of growth from grass root levels with introduction of liberal policies and initiatives for entrepreneurs like 'Make in India', 'Startup India', MUDRA etc. 'Make in India' is great opportunity for the Indian start-ups. With government going full hog on developing entrepreneurs, it could arrest brain drain and provide an environment to improve availability of local talent for hiring by startup firms.

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ANNUAL FILING 2020-21: APPLICABILITY OF VARIOUS AMENDMENTS

As the annual filing season is coming along the way, it is pertinent to gain clarity regarding applicability of various amendments introduced by the Ministry of Corporate Affairs (MCA), from time to time.

In this article, we are going to have a look at the following areas of discussion in a sequential and dot-connecting manner:

1. Definition of Small Company
2. MGT-7 vs MGT-7A
3. MGT-9: Extract of Annual Return
4. Annual Report on CSR activities
5. Board's Report
6. Auditor's Report
7. Schedule III of the Companies Act, 2013 (the Act)
8. Companies (Auditor's Report) Order, 2020 (CARO 2020)

Definition of Small Company

- In the Union Budget 2021, Hon'ble FM Smt. Nirmala Sitharaman ji proposed to revise the definition of small company under the Companies Act, 2013 (the Act), with a view to facilitate ease of doing business and reducing compliance burden thereof.

- Accordingly, the MCA notified a new set of Rules, **Companies (Specification of Definitions Details) Amendment Rules, 2021** to amend the existing **Companies (Specification of Definitions Details) Rules, 2014 (the Rules)** vide **Notification No. G.S.R. 92(E)**, dated, 1st February, 2021.

- With this amendment, a new **clause (t)** was inserted in **Rule 2(1)**, to provide for amendment in the definition of small company.

The clause reads as follows:

“(t) For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees two crores and rupees twenty crores respectively.”

- However, the definition under section 2(85) of the Act, is itself not amended by the Ministry.

- The amendment rules were set to come into force **w.e.f. 1st April, 2021**.

- **Existing Definition:**

Section 2(85): small company means a company, other than a public company—

(i) paid-up share capital of which does not exceed **fifty lakh rupees** or such higher amount as may be prescribed which shall not be more than ten crore rupees **and**

(ii) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed **two crore rupees** or such higher amount as may be prescribed which shall not be more than one hundred crore rupees:

Provided that nothing in this clause shall apply to—

(A) a holding company or a subsidiary company;

(B) a company registered under section 8; or

(C) a company or body corporate governed by any special Act;

- **Amended Definition:**

Keeping in view the insertion of clause (t) in Rule 2(1) of the Rules, it can be said that, for the purpose of bringing into effect the amended provisions, the definition under section 2(85) read along with the Rules shall be referred to, in the following manner:

Small company means a company, other than a public company—

- (i) paid-up share capital of which does not exceed **two crore rupees** or such higher amount as may be prescribed which shall not be more than ten crore rupees **and**
- (ii) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed **twenty crore rupees** or such higher amount as may be prescribed which shall not be more than one hundred crore rupees:

Provided that nothing in this clause shall apply to—

- (A) a holding company or a subsidiary company;
- (B) a company registered under section 8; or
- (C) a company or body corporate governed by any special Act;

Criteria	Old	New
Paid-up share capital	50 lakhs	2 crores
Turnover	2 crores	20 crores

CONCLUSION: After considering the afore-mentioned points in general and date of applicability of the amended provisions in particular, it can be concluded that the amended definition is applicable from F.Y. 2021-22 onwards and it will have no impact on the filings which pertain to F.Y. ended 31st March, 2021. That is to say, for the purpose of annual filing of F.Y. 2020-21, the old definition of small company shall be applicable for all matters.

MGT-7 vs MGT-7A

- As we all are well aware that the Ministry vide its **notification no. G.S.R. 159(E). dtd. 05th March, 2021**, amended **Rule 11(1) of Companies (Management and Administration) Rules, 2014** and introduced a new form of annual return exclusively for **OPC and Small Companies**.

- The amended rule states that:

“Every company shall file its annual return in Form No.MGT-7 except One Person Company (OPC) and Small Company. One Person Company and Small Company shall file annual return from the financial year 2020-2021 onwards in Form No.MGT-7A.”

- On giving the above provision a plain reading, it can be inferred that MGT-7A is applicable for filings **pertaining to F.Y. 2020-21 onwards**.

But in actual practice, it does not hold true.

- It has to be noted that, if a Company wants to file its Annual Return pertaining to any year preceding F.Y. 2020-21, say for the F.Y. 2019-2020 then it has to proceed with filing keeping in view the amended provisions.

- For e.g., ABC Private Limited, a small company, wants to file its annual return of F.Y. 2019-2020, post the introduction of form MGT-7A & revised form MGT-7, then which form will the Company file?

Ans. If we read the provisions of Rule 11(1), then it can be inferred that the Company needs to file MGT-7 as the filing relates to F.Y. 2019-2020 but if we look at the practical side, then it can be noted that the revised form MGT-7 is not accepting CIN of a Small Company (which is small in the F.Y. 2019-2020) and is delivering a prompt message to file form MGT-7A. Further, it is also pertinent to note that, in the help kit of form MGT-7A, in the section of “**Financial year**” it is mentioned, “*Enter the start and end dates of the financial year for which the annual return is being filed. Filing is allowed if financial year end date is after 1st April 2014.*”

Snapshot of MGT-7 & MGT-7A help kit.

FORM NO. MGT-7
[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



Annual Return
(other than OPCs and Small Companies)

Form language English Hindi
Refer the instruction kit for filing the form.

Error

Company is small company. Please file MGT-7A

I. REGISTRATION AND OTHER DETAILS

(vii)	Financial year (From date and To date)	Enter the start and end dates of the financial year for which the annual return is being filed. Filing is allowed if financial year end date is after 1st April 2014. Make sure that financial year entered is as per the applicable provisions of the Companies Act, 2013 and rules made thereunder.
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CONCLUSION: Keeping in view the above deliberations, it can be concluded that a Company which is intending to file its Annual Return pertaining to F.Y. 2020-21 & any F.Y. preceding the F.Y. 2020-21, has to consider the amended provisions and proceed with the filing accordingly.

MGT-9: Extract of Annual Return

It has always been an area of doubt and point of confusion for professionals that whether MGT-9 is to be attached as an annexure with the Board's Report or not. Certainly, to have a clear understanding and to draw a conclusion we have to consider the following developments, made by the MCA, from time to time:

1. Section 36 of the Companies (Amendment) Act, 2017 notified vide notification no. S.O. ___(E). dtd. 31st July, 2018

Section 36 was intended to amend the provisions of Section 134 of the main Act, accordingly it was notified by the Ministry to come into force, on the above-mentioned date.

For the purpose of annual return, amendment in **Section 134(3)(a)** is relevant.

Existing provision: The extract of the annual return as provided under sub-section (3) of section 92.

Substituted provision: *The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed.*

2. Section 23 clause (ii) of the Companies (Amendment) Act, 2017 notified vide notification no. S.O. ___(E). dtd. 28th August, 2020

Section 23 clause (ii) was intended to amend the provisions of Section 92(3) of the main Act, accordingly it was notified by the Ministry to come into force, on the above-mentioned date.

Existing provision: An extract of the annual return in such form as may be prescribed shall form part of the Board's report.

Substituted provision: *Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.*

3. Companies (Management and Administration) Amendment Rules, 2020 notified vide notification no. G.S.R. ___(E). dtd. 28th August, 2020:

In **Rule 12(1)** a **proviso** was inserted, accordingly the Rule stands amended as follows:

(1) The extract of the annual return to be attached with the Board's Report shall be in Form No. MGT.9.

Provided that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013.

(2) A copy of the annual return shall be filed with the Registrar with such fee as may be specified for the purpose.

These amendments came into effect on the date of its publication.

4. Companies (Management and Administration) Amendment Rules, 2021 notified vide notification no. G.S.R. 159(E). dtd. 05th March, 2021:

Rule 12 was **substituted**; accordingly, the Rule stands as follows:

A copy of the annual return shall be filed with the Registrar with such fees as may be specified for this purpose.

These amendments came into effect on the date of its publication.

POINTS OF INFERENCE

Here, it is pertinent to note the above developments in a chronological order:

1. With the advent of first development, the requirement of preparing extract of annual return (MGT-9) was taken down from the provisions of **Section 134(3)(a)**.
2. With the advent of second development, the requirement of preparing extract of annual return (MGT-9) was taken down from the provisions of **Section 92(3)** as well but the same sustained in **Rule 12 of Companies (Management and Administration) Rules, 2014**.
3. With the advent of third development, a proviso in **Rule 12** was added which provided that if the web-link of annual return is disclosed in the Board Report then there is no requirement of preparing and attaching MGT-9.
4. Fourth development changed it all and wiped off the requirement of preparing MGT-9 from **Rule 12** as well, making it clear that MGT-9 is not required by any provision of the Act or Rules.

CONCLUSION: Keeping in view the above developments in general and latest amendment of 5th March, 2021 in particular along with its immediate applicability, it can be concluded that, from **F.Y. 2020-21 onwards**, there is **no requirement** of preparing MGT-9 (irrespective of the fact whether the co. has a website or not). However, it is also pertinent to note that if the Company has a website, then in accordance with the provisions of Section 92(3) & Section 134(3)(a), it is mandatory to provide web-link of annual return in the Board Report.

Annual Report on CSR activities

The MCA vide its **Notification No. G.S.R. 40(E). dtd. 22nd January, 2021**, notified a new set of Rules i.e., **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021** to amend the existing **Companies (Corporate Social Responsibility Policy) Rules, 2014** which was ought to come into force w.e.f. the date of its publication in the Official Gazette unless explicitly provided elsewhere in the notification. There were a number of amendments made by the Ministry amongst which, for the purpose of our discussion, the amendment made in **Rule 8** is relevant.

Extract of amended Rule 8:

“CSR Reporting. - (1) The Board’s Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.”

Points of difference from the erstwhile provisions:

1. In the existing provisions, there was only a single Annexure prescribed by the MCA for the purpose of preparing annual report on CSR by the Companies for **F.Ys. commencing on or after 1st April, 2014**. However, with the advent of this amendment, the existing annexure is renamed as **Annexure I** which shall be used for **F.Ys. commencing prior to 1st April, 2020** and a new annexure is inserted, by the name **Annexure II** which shall be used by the Companies for **F.Ys. commencing on or after 1st April, 2020**.

2. In the existing provisions, there was no such prescribed format for annual report on CSR by foreign companies which is now amended and for that purpose, even foreign companies shall have to follow **Annexure I or Annexure II, as applicable**.

3. In the existing provisions, there was no specific requirement of impact assessment, which is now introduced by the MCA in Rule 8(3).

4. The major point of difference in the existing and new provisions is that of two separate formats of annual report on CSR for two different timelines. The point to be noted is that there is a big difference in both the annexure in terms of the information/ particulars to be provided in the annual report. The annual report pertaining to F.Ys. commencing on or after 1st April, 2020 (as provided in annexure II) is more on the stricter side as compared to the ones which relate to F.Ys. commenced prior to 1st April, 2020 (as provided in annexure I).

CONCLUSION: Keeping in view the above discussion in general and date of applicability of the provisions of amended Rule 8 i.e., **22nd January, 2021 (immediate effect)** in particular, it can be concluded that, the amended provisions are applicable on the annual filing pertaining to **F.Y. 2020-21**. Hence, the Companies are required to prepare annual report on CSR by keeping into consideration the amended provisions and annexures.

Board's Report

The MCA vide its **Notification No. G.S.R. 205(E), dtd. 24th March, 2021** notified a new set of Rules i.e., **Companies (Accounts) Amendment Rules, 2021** to further amend the existing **Companies (Accounts) Rules, 2014**. The said notification was set to come into force **w.e.f. 1st April, 2021**.

In regards to the same, there's a confusion amongst Professionals and Companies regarding its applicability. To build a better understanding and to have a clearer picture, let's have a look at the amendments:

1. Insertion of proviso in Rule 3(1):

“Provided that for the financial year commencing on or after the **1st day of April, 2021**, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of **recording audit trail** of each and every transaction, creating an **edit log** of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.”

Vide this amendment, the MCA introduced the concept of **Audit Trail** in the Corporate Environment which was missing from a long time and was essentially required for the purpose of maintaining transparency and minimizing frauds.

As it can be clearly noted that this amendment was ought to come into force w.e.f. 1st April, 2021, however, the MCA vide its **Notification No. G.S.R. 247(E), dtd. 01st April, 2021** notified **Companies (Accounts) Second Amendment Rules, 2021**, and substituted **“1st day of April, 2021”** with **“1st day of April, 2022”** in the proviso. Consequently, the applicability of this amendment got deferred.

2. Insertion of clauses (xi) & (xii) in Rule 8(5):

“(xi) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

(xii) the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.”

Vide this amendment, the MCA **added 2 new matters** to be included in the **Board’s Report** from **F.Y. 2021-22 onwards**.

CONCLUSION: Keeping in view the above points in consideration, it can be concluded that:

- a. The provisions of **Audit Trail** are applicable w.e.f. **1st April, 2022**.
- b. The additional matters to be included in the Board’s Report are applicable w.e.f. **1st April, 2021**.

Whether the newly introduced matters are to be included in the Board’s Report of F.Y. 2020-21?

Here, it is very clear from the language of the provision itself, that the amendments in Board’s Report are applicable w.e.f. 1st April, 2021. So, for the Board’s Report which is to be prepared for **F.Y. 2020-21**, there is no need to include the matters as provided in **clauses (xi) & (xii) of Rule 8(5)**.

Is there any change in the Board’s Report to be prepared for F.Y. 2020-21?

Keeping in view the discussions of previous sections, it can be said that yes, there are following changes in the Board’s Report for F.Y. 2020-21:

- a. Non-preparation of **MGT-9: Extract of Annual Return**
- b. Amended **Annual Report on CSR**

However, in addition to the above, if a Company wishes to include matters as provided in **clauses (xi) & (xii) of Rule 8(5)** on voluntary basis, then it is free to do so.

Auditor's Report

The MCA vide its **Notification No. G.S.R. 206(E), dtd. 24th March, 2021** notified a new set of Rules i.e., **Companies (Audit and Auditors) Amendment Rules, 2021** to further amend the existing **Companies (Audit and Auditors) Rules, 2014**. The said notification was set to come into force **w.e.f. 1st April, 2021**.

In regards to the same, there's a confusion amongst Professionals and Companies regarding its applicability. To build a better understanding and to have a clearer picture, let's have a look at the amendments:

1. Omission of clause (d) of Rule 11:

Omitted provision:

“(d) whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.”

Vide this amendment, the MCA omitted **clause (d)**, which is of no essence in the present time.

2. Insertion of clauses (e), (f) & (g) in Rule 11:

“(e) (i) Whether the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received

by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(f) Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

(g) Whether the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.”

Vide this notification, the **MCA introduced 3 new matters to be included in the Auditor’s Report.**

CONCLUSION: As it can be clearly noted that this notification was ought to come into force w.e.f. 1st April, 2021, however, the MCA vide its **Notification No. G.S.R. 248(E), dtd. 01st April, 2021, notified Companies (Audit and Auditors) Second Amendment Rules, 2021, and amended clause (g) of Rule 11 by substituting the words “Whether the company”, with the words, figures and letters “Whether the company, in respect of financial years commencing on or after the 1st April, 2022,”** This amendment was made so as to bring the same in line with the **Companies (Accounts) Second Amendment Rules, 2021.**

Keeping in view the above points in consideration, it can be concluded that the provisions of **Companies (Audit and Auditors) Amendment Rules, 2021** are applicable w.e.f. 1st April, 2021 **except for clause (g) which will be applicable w.e.f. 1st April, 2022.**

Whether the newly introduced matters are to be included in the Auditor’s Report for the F.Y. 2020-21?

Here, it is very clear from the language of the provision itself, that the amendments in Auditor's Report are applicable **w.e.f. 1st April, 2021 [except for clause (g) which is applicable w.e.f. 1st April, 2022]**. So, for the Auditor's Report which is to be prepared for **F.Y. 2020-21**, there is no need to include the matters as provided in **clauses (e), (f) & (g) of Rule 11**.

SCHEDULE- III

The amendments to Schedule-III are so much so, that it demands a separate article for deep discussion, therefore, in this article we are not going to have a look at the same, rather we will only talk about its applicability on **Financial Statements of F.Y. 2020-21**.

The MCA vide its **Notification No. G.S.R. 207(E), dtd. 24th March, 2021 amended Schedule III of the Companies Act, 2013**. The said notification was set to come into force **w.e.f. 1st April, 2021**.

Division I – Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006.

Division II – Financial Statements for a company whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015.

Division III – Financial Statements for a Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015.

In recent years, there have been substantial changes in the reporting requirement by the auditors, but no such corresponding amendments were made in Schedule III for the preparation of the financial statements. Thus, to align the Company's financial statements in accordance with the auditor's reporting requirements, these amendments are introduced. Majority of the amendments to Schedule III to the Companies Act, 2013 have been undertaken in response to the amendments covered in the newly issued **Companies (Auditor's Report) Order, 2020** and the **Companies (Indian Accounting Standards) Amendment Rules, 2020**.

CONCLUSION: As it is very clear from the wordings of the notification itself, that it shall come into force **w.e.f. 1st April, 2021**. Therefore, we can conclude that the provisions of the amended Schedule-III are not applicable to the Financial Statements of **F.Y. 2020-21** and shall be applicable from **F.Y. 2021-22**.

Companies (Auditor's Report) Order, 2020

With the intent of replacing the existing **Companies (Auditor's Report) Order, 2016 (CARO 2016)**, the **MCA vide Order no. S.O. 849(E). dtd. 25th February, 2020**, notified **Companies (Auditor's Report) Order, 2020**. Such Order was made by the Central Government, after consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013.

The Order was ought to come into force as on the date of its publication in the Official Gazette and was applicable for the financial years **commencing on or after 1st April, 2019**. However, subsequently, the date of coming into force got deferred from time to time.

Now, let's have a look at the developments:

1. Order no. S.O. 849(E). dtd. 25th February, 2020: The provision of applicability was provided under **Paragraph 2** as follows:

“Auditor’s report to contain matters specified in paragraphs 3 and 4-

Every report made by the auditor under section 143 of the Companies Act on the accounts of every company audited by him, to which this Order applies, for the financial years **commencing on or after the 1st April, 2019**, shall in addition, contain the matters specified in paragraphs 3 and 4, as may be applicable:

Provided this Order shall not apply to the auditor’s report on consolidated financial statements except clause (xxi) of paragraph 3.”

2. Order no. S.O. 1219(E). dtd. 24th March, 2020: **Substitution** of words and figures **“1st April, 2019”** with words and figures **“1st April, 2020”**.

3. Order no. S.O. 4588(E). dtd. 17th December, 2020: **Substitution** of words and figures **“1st April, 2020”** with words and figures **“1st April, 2021”**.

CONCLUSION: It can be clearly noted from the above-mentioned developments that, even though the CARO 2020 was supposed to apply to **F.Ys. commencing on or after 1st April, 2019**, the same got deferred from time to time and keeping in view the latest development of **17th December, 2020**, it can be concluded that **CARO 2020 is not applicable on auditor’s report which is to be prepared for F.Y. 2020-21 and CARO 2016** shall continue to be applicable for that matter.

Summary

Particulars	Applicable for F.Y. 2020-21
New definition of Small Company	No
New form MGT-7A	Yes
Non-requirement of MGT-9	Yes
Amended Annual Report on CSR	Yes
Amended Board's Report [clause (xi) & (xii) of Rule 8(5)]	No
Amended Auditor's Report	No
Amended Schedule III	No
CARO 2020	No

Disclaimer: The author is based in Jabalpur and is a Practicing Company Secretary dealing in Corporate, Legal & Taxation matters. The information contained in this write up, as provided by the author, is to provide a general guidance to the intended user. The information shall not be used as a substitute for specific consultations. Author recommends that professional advice is sought before taking any action on specific issues.

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MCA Updates

Sr. No.	Date of Notification	Particulars / Content
		http://www.mca.gov.in/MinistryV2/companiesact2013.html
1	27.09.2021	Extension of last date of filing of Cost Audit report to the Board of Directors under rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014



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SEBI UPDATES

SR NO.	NOTIFICATION DATE	PARTICULARS/CONTENT
1	Sep 01, 2021	<p>Revised guidelines for Liquidity Enhancement Scheme in the Equity Cash and Equity Derivatives Segments</p> <p>SEBI vide circular CIR/MRD/DP/14/2014 dated April 23, 2014 permitted stock exchanges to introduce liquidity enhancement schemes in the equity cash and equity derivatives segments to enhance liquidity in illiquid securities.</p> <p>Based on the experience of stock exchanges, it has been decided to modify clause 3.1 and 4.1 of said Circular as under: “3.1 The Scheme shall have prior approval of the Governing Board of the Stock Exchange which will be valid for one year. The Governing Board of the Stock Exchange may give yearly approval till the time the scheme is in operation. Further, its implementation and outcome shall be monitored by the Governing Board at quarterly intervals.</p> <p>4.1. The Stock Exchange shall introduce liquidity enhancement schemes on any security. Once the scheme is discontinued, the scheme can be re-introduced on the same security”.</p> <p>The above will also be applicable to existing schemes. Other conditions prescribed in aforesaid SEBI Circular dated April 23, 2014 will remain unchanged.</p>

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Sep 02, 2021

Alignment of interest of Asset Management Companies ('AMCs') with the Unitholders of the Mutual Fund Schemes

As per the amended regulations i.e. sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), Asset Management Companies ('AMCs') are required to invest such amount in such scheme(s) of the mutual fund, based on the risk associated with the scheme, as may be specified by the Board from time to time.

Accordingly, it is decided that based on the risk value assigned to the scheme(s), in terms of SEBI **circular no.**

SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 5, 2020, AMCs shall invest minimum amount as a percentage of assets under management ('AUM') in their scheme(s) as provided below:

RISK VALUE	RISK LEVEL AS PER RISK-O-METER	MINIMUM PERCENTGE OF AUM* TO BE INVESTED IN SCHEME
≤ 1	Low	0.03
>1 to ≤ 2	Low to Moderate	0.05
>2 to ≤ 3	Moderate	0.07
>3 to ≤ 4	Moderately High	0.09
>4 to ≤ 5	High	0.11
>5	Very High	0.13
*Asset Under Management		

3	Sep 02, 2021	<p>Amendment to SEBI Circular SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 on Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism</p> <p>Pursuant to representation received from the stock exchanges, the following paragraphs of the aforesaid circular stands modified/replaced as under:</p> <p>A. Clause 1.H. is replaced as under: “1.H. Place of arbitration / appellate arbitration In case award amount is more than Rs. 50 lakh (Rs. Fifty lakh), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if desired by any of the party involved. The additional statutory cost for arbitration, if any, to be borne by party desirous of shifting the place of arbitration.”</p> <p>B. Clause 1.J. is modified as under: “1.J. Speeding up grievance redressal mechanism “(v) In all cases except the additional fees charged from the trading members, if the claim is filed beyond the timeline prescribed in column 3, (only for member), on issue of the arbitral award the stock exchange shall refund the deposit to the party in whose favour the award has been passed. (vi) The additional fees charged from the trading members, if the claim is filed beyond the timeline prescribed in column 3, (only for member), if any, to be deposited in the IPF of the respective Stock Exchange.”</p> <p>C. Clause 2.E. is replaced as under: “2.E. Determination of legitimate claims from IPF for clients of the defaulter member The Stock Exchanges shall ensure that once a member has been declared defaulter, the claim (s) shall be placed before the Member Core Settlement Guarantee Fund Committee (MCSGFC, the erstwhile Defaulters’ Committee) for sanction and ratification. MCSGFC’s advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately. In case the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the MCSGFC is less than the claim amount then the investor will be at liberty to prefer for arbitration outside the exchange</p>
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mechanism/ any other legal forum outside the exchange mechanism for claim of the balance amount.”

D. Clause 2.F. is modified as under:

“2.F. Threshold limit for interim relief paid out of IPF in Stock Exchanges

(iii) In case, order is in favour of client and the member opts for arbitration wherein the claim value admissible to the client is not more than Rs. 20 lakhs (Rs. Twenty lakhs), the following steps should be undertaken by the Stock Exchange:

- a) In case the GRC order is in favour of the client then 50% of the admissible claim value or Rs. 2.00lakhs (Rs. Two lakhs), whichever is less, should be released to the client from IPF of the Stock Exchange.
- b) In case the arbitration award is in favour of the client and the member opts for appellate arbitration then a positive difference of, 50% of the amount mentioned in the arbitration award or Rs. 3.00 lakhs (Rs. Three lakhs), whichever is less, and the amount already released to the client at clause (a) above, shall be released to the client from IPF of the Stock Exchange.
- c) In case the appellate arbitration award is in favour of the client and the member opts for making an application under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the appellate arbitration award, then a positive difference of, 75% of the amount mentioned in the appellate arbitration award or Rs. 5.00 lakhs (Rs. Five Lakhs), whichever is less and the amount already released to the client at clause (a) and (b) above, shall be released to the client from IPF of the Stock Exchanges.
- d) d)Total amount released to the client through the facility of interim relief from IPF in terms of this Circular shall not exceed Rs.10.00lakhs (Ten lakhs) in a financial year.”

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Sep 07, 2021

Position Limits for Currency Derivatives Contracts

SEBI vide circular **CIR/MRD/DP/20/2014** dated **June 20, 2014** inter alia prescribed the position limits in permitted currency pairs. Based on feedback received from Stock Exchanges/ Clearing Corporations and upon a review of the same, it has been decided to revise the client level position limits, per stock exchange, as follows:

Currency Pair	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 20 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 400 million, whichever is higher.

5	Sep 07, 2021	<p>Introduction of T+1 rolling settlement on an optional basis</p> <p>SEBI has been receiving request from various stakeholders to further shorten the settlement cycle. Based on discussions with Market Infrastructure Institutions (Stock Exchanges, Clearing Corporations and Depositories), it has been decided to provide flexibility to Stock Exchanges to offer either T+1 or T+2 settlement cycle.</p> <p>Accordingly, a Stock Exchange may choose to offer T+1 settlement cycle on any of the scrips, after giving an advance notice of at least one month, regarding change in the settlement cycle, to all stakeholders, including the public at large, and also disseminating the same on its website.</p> <p>After opting for T+1 settlement cycle for a scrip, the Stock Exchange shall have to mandatorily continue with the same for a minimum period of 6 months. Thereafter, in case, the Stock Exchange intends to switch back to T+2 settlement cycle, it shall do so by giving 1-month advance notice to the market.</p> <p>Any subsequent switch (from T+1 to T+2 or vice versa) shall be subject to minimum period and notice period as mentioned in Para4 above.</p> <p>There shall be no netting between T+1 and T+2 settlements.</p> <p>The settlement option for security shall be applicable to all types of transactions in the security on that Stock Exchange. For example, if a security is placed under T+1 settlement on a Stock Exchange, the regular market deals as well as block deals will follow the T+1 settlement cycle on that Stock Exchange.</p> <p>The provisions of this circular shall come into force with effect from January 01, 2022.</p>
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6	Sep 27, 2021	<p>Risk Management Framework (RMF) for Mutual Funds</p> <p>There have been significant developments in the mutual fund industry and in the financial markets as a whole, including in the area of product innovation, investment in newer asset classes, distribution landscape, technological evolution, investor penetration and awareness, increase in risk elements, etc. Accordingly, it has been decided to review the extant Risk Management Framework for Mutual Funds. The matter was deliberated in the Mutual Funds Advisory Committee (MFAC) based on the inputs received from the mutual fund industry. The recommendations of MFAC have been suitably incorporated in the Risk Management Framework for mutual funds.</p> <p>With the overall objective of management of key risks involved in mutual fund operation, the revised Risk Management Framework (RMF) shall provide a set of principles or standards, which inter alia comprise the policies, procedures, risk management functions and roles & responsibilities of the management, the Board of AMC and the Board of Trustees. The detailed RMF for mutual funds are placed at https://www.sebi.gov.in/legal/circulars/sep-2021/risk-management-framework-rmf-for-mutual-funds_52943.html</p>
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7	Sep 30, 2021	<p>Guidelines for Investment Advisers - Extension of timelines Guidelines for Investment Advisers” issued vide Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020 (hereinafter referred as “Circular”) inter alia prescribed time line of six months from the end of each financial year for Investment Advisers (IA) to conduct annual audit in respect of compliance of SEBI (Investment Advisers) Regulations, 2013 (“IA Regulations”) and circulars issued thereunder. Further, a timeline of one month from the date of the audit report but not later than October 31st of each year was prescribed for submitting adverse findings of such audit, if any, for the previous financial year starting with the financial year ending March 31, 2021.</p> <p>The Circular further specified a timeline of 6 months from the end of the financial year for the IAs to obtain an annual certificate from an auditor confirming compliance with the client level segregation requirements as specified in Regulation 22 of the IA Regulations.</p> <p>SEBI is in receipt of representations from IAs requesting for extension of abovementioned timelines prescribed for annual compliance audit and annual certificate confirming client level segregation due to pandemic.</p> <p>After due consideration, for financial year ending March 31, 2021, it has been decided to extend the timeline for compliance with the aforesaid requirements by three months.</p> <p>Accordingly, the Circular stands partially modified as under:</p> <ol style="list-style-type: none">i. In accordance with clause 2 (vii) of the Circular, for financial year ending March 31, 2021, the IAs shall conduct the annual compliance audit by December 31, 2021 and submit the adverse findings of the audit, if any, by January 31, 2022.ii. Further, in accordance with clause 2 (i) of the Circular, for financial year ending March 31, 2021, IA shall obtain a certificate from an auditor by December 31, 2021.
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FEMA UPDATES

SR NO	NOTIFICATION DATE	PARTICULARS/CONTENT
1	Sep 07, 2021	<p>Tokenisation – Card Transactions: Permitting Card-on-File Tokenisation (CoFT) Services</p> <p>RBI has issued a circular as on March 17th 2020 on “Guidelines on Regulation of Payment Aggregators and Payment Gateways”, advising that neither the authorised Payment Aggregators (PAs) nor the merchants on-boarded by them shall store customer card credentials [also known as Card-on-File (CoF)].</p> <p>On a review of the tokenisation framework and to enable cardholders to benefit from the security of tokenised card transactions as also the convenience of CoF, it has been decided to effect the following enhancements –</p> <ol style="list-style-type: none"> a. Extend the device-based tokenisation¹ framework referred to at paragraph 1 above to CoF Tokenisation (CoFT) as well. b. Permit card issuers to offer card tokenisation services as Token Service Providers² (TSPs). c. The facility of tokenisation shall be offered by the TSPs only for the cards issued by / affiliated to them. d. The ability to tokenise³ and de-tokenise card data shall be with the same TSP. e. Tokenisation of card data shall be done with explicit customer consent requiring Additional Factor of Authentication (AFA) validation by card issuer. <p>Accordingly, in the interest of clarity, the following points may be noted –</p> <ol style="list-style-type: none"> a. With effect from January 1, 2022, no entity in the card transaction / payment chain, other than the card issuers and / or card networks, shall store the actual card data. Any such data stored previously shall be purged. b. For transaction tracking and / or reconciliation purposes, entities can store limited data – last four digits of actual card number and card issuer’s name – in compliance with the applicable standards. c. Complete and ongoing compliance with the above by all entities involved, shall be the responsibility of the card networks.

2	Sep 08, 2021	<p>Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021</p> <p>In exercise of the powers conferred by sub-section (1) and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 [Notification No. FEMA 23(R)/2015- RB dated January 12, 2016] (hereinafter referred to as 'the Principal Regulations'), namely:</p> <p>1. Short title and commencement: -</p> <p>These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021.</p> <p>They shall come into force from the date of their publication in the Official Gazette.</p> <p>2. In the Principal Regulations, in Regulation 15, in sub-regulation 1, for clause (ii), the following shall be substituted, namely: -</p> <p>“ii) the rate of interest, if any, payable on the advance payment shall not exceed 100 basis points above the London Inter-Bank Offered Rate (LIBOR) <u>or other applicable benchmark as may be directed by the Reserve Bank, as the case may be;</u> and”.</p> 
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3	Sep 09, 2021	<p>Large Exposures Framework – Credit Risk Mitigation (CRM) for offsetting – non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office</p> <p>Indian branches of foreign banks shall be permitted to reckon cash/unencumbered approved securities, the source of which is interest-free funds from Head Office or remittable surplus retained in Indian books (reserves), held with RBI under 11(2)(b)(i) of the Banking Regulation Act, 1949 ('BR Act') as CRM, for offsetting the gross exposure of the foreign bank branches in India to the Head Office (including overseas branches) for the calculation of LEF limit, subject to the following conditions:</p> <ol style="list-style-type: none"> i. The amount so held shall be over and above the other regulatory and statutory requirements and shall be certified by the statutory auditors. ii. The amount so held shall not be included in regulatory capital. (i.e., no double counting of the fund placed under Section 11(2) as both capital and CRM). Accordingly, while assessing the capital adequacy of a bank, the amount will form part of regulatory adjustments made to Common Equity Tier 1 Capital. iii. The bank shall furnish an undertaking as on March 31 every year to the Department of Supervision (DoS), RBI that the balance reckoned as CRM for the purpose will be maintained on a continuous basis. iv. The CRM shall be compliant with the principles/conditions prescribed in paragraph 7 in the Master Circular – Basel III Capital Regulations dated July 1, 2015 as amended from time to time.
4	Sep 13, 2021	<p>Application for Aadhaar e-KYC Authentication Licence</p> <p>As per Section 11A of the PML Act, 2002, entities other than banking companies may, by notification of the Central Government, be permitted to carry out authentication of client's Aadhaar number using e-KYC facility provided by the Unique Identification Authority of India (UIDAI). Such notification shall be issued only after consultation with UIDAI and the appropriate regulator.</p> <p>A detailed procedure for processing of applications under the aforementioned Section for use of Aadhaar authentication services by entities other than banking companies has been provided by the Department of Revenue, Ministry of Finance vide their circular dated May 9, 2019.</p> <p>Accordingly, Non-Banking Finance Companies (NBFCs), Payment System Providers and Payment System Participants desirous of obtaining Aadhaar Authentication License - KYC User Agency (KUA) License or sub-KUA License (to perform authentication through a KUA), issued by the UIDAI, may submit their application to this Department for onward submission to UIDAI. The applications can also be forwarded over email.</p>

5	Sep 13, 2021	<p>Implementation of Section 51A of UAPA, 1967: Updates to UNSC’s 1267/ 1989 ISIL (Da’esh) & Al-Qaida Sanctions List: Deletion of one entry</p> <p>As per Section 51 of our Master Direction on Know Your Customer dated February 25, 2016 as amended on May 10, 2021, in terms of which “Regulated Entities (REs) shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).”</p> <p>2. In this regard, Ministry of External Affairs (MEA) has now forwarded the following Press Release issued by the United Nations Security Council (UNSC) Committee established pursuant to Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da’esh), Al-Qaida, and associated individuals, groups, undertakings and entities regarding changes in the List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of UNSC resolution 2368 (2017), and adopted under Chapter VII of the Charter of the United Nations.</p>
6	Sep 16, 2021	<p>Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021</p> <p>The draft Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2020 were released for public comments on December 04, 2020. Based on the feedback received from the market participants, the draft Directions were reviewed and have since been finalised. The Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 are placed at https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12163&Mode=0</p>
7	Sep 20, 2021	<p>Master Circular on Investments by Primary (Urban) Co-operative Banks</p> <p>Master Circular on Investments by Primary (Urban) Co-Operative Banks are placed at https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12164&Mode=0</p>

8	Sep 24, 2021	<p>Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021</p> <p>The Draft Framework for Securitisation of Standard Assets that was released on June 8, 2020 for comments from various stakeholders.</p> <p>Based on the examination of the comments received, the Reserve Bank has issued the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021, which are enclosed. These directions have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934; and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.</p> <p>These directions come into immediate effect replacing the existing instructions on the matter of securitisation of standard assets. All lending institutions are advised to take necessary steps to ensure compliance with these directions. These Directions are placed at https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12165&Mode=0</p>
9	Sep 24, 2021	<p>Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021.</p> <p>The Draft Comprehensive Framework for Sale of Loan Exposures that was released on June 8, 2020 for comments from various stakeholders.</p> <p>Based on the examination of the comments received, the Reserve Bank has issued the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, which are enclosed. These directions have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934; and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.</p> <p>These directions come into immediate effect replacing the existing instructions on the matter of sale / transfer of loan exposures. All lending institutions are advised to take necessary steps to ensure compliance with these directions. These Directions are placed at https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12166&Mode=0</p>

10 Sep 28, 2021

Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions

Authorised Dealer Category– I Banks (AD banks) is invited to extant Regulation 15 of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 notified vide [FEMA 23\(R\)/2015-RB dated January 12, 2016](#) and various directions issued to AD banks from time to time prescribing LIBOR linked interest payable in respect of export/import transactions.

In view of the impending cessation of LIBOR as a benchmark rate, it has been decided to permit AD banks to use any other widely accepted/Alternative reference rate in the currency concerned for such transactions. All other instructions in this regard shall remain unchanged. The necessary enabling amendment to FEMA 23(R)/2015-RB has since been notified vide [Notification No. FEMA 23\(R\)/\(5\)/2021-RB dated September 08, 2021](#).

AD banks may bring the contents of this circular to the notice of their constituents concerned.

The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.



11	Sep 30, 2021	<p>Exim Bank's Government of India supported Line of Credit (LoC) of USD 15 million to the Government of the Republic of Sierra Leone</p> <p>Export-Import Bank of India (Exim Bank) has entered into an agreement dated December 17, 2020 with the Government of the Republic of Sierra Leone, for making available to the latter, Government of India supported Line of Credit (LoC) of USD 15 million (USD Fifteen Million only) for the purpose of expansion of the ongoing projects for rehabilitation of existing potable water facilities in four communities in the Republic of Sierra Leone. Under the arrangement, financing of export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their being eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement. Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.</p> <p>The Agreement under the LoC is effective from August 31, 2021. Under the LoC, the terminal utilization period is 60 Months from the scheduled completion date of the project.</p> <p>Shipments under the LoC shall be declared in Export Declaration Form as per instructions issued by the Reserve Bank from time to time.</p> <p>No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category-I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.</p>
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12	Sep 30, 2021	<p>Exim Bank's Government of India supported Line of Credit (LoC) of USD 100 million to the Government of Democratic Socialist Republic of Sri Lanka</p> <p>Export-Import Bank of India (Exim Bank) has entered into an agreement dated March 16, 2021 with the Government of the Democratic Socialist Republic of Sri Lanka (Borrower), for making available to the latter, Government of India supported Line of Credit (LoC) of USD 100 million (USD One Hundred Million only) for the purpose of financing projects in the Solar Energy Sector in the Democratic Socialist Republic of Sri Lanka. Under the arrangement, financing of export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their being eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement. Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India. Provided however at the request of the borrower and with the approval of the Government of India, Exim Bank may consider reduction in the India content not exceeding 10% of contract price on a case to case basis. Provided further that such view/consent of Government of India be obtained before a project procurement is initiated and the said goods or services shall not be from a country other than that of the Borrower or India.</p> <p>The Agreement under the LoC is effective from September 13, 2021. Under the LoC, the terminal utilization period is 60 months from the scheduled completion date of specified in the eligible contract.</p> <p>Shipments under the LoC shall be declared in Export Declaration Form as per instructions issued by the Reserve Bank from time to time.No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.</p>
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CS Tushar Pahade
Chairman
Practising Company Secretaries Committee
WIRC of ICSI

COMPLIANCE REQUIREMENT UNDER COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

1. For all forms except, Charge related: *If due date of any form given below falling between 1st April, 2021 to 30th September 2021 then those forms can be file without additional fees till 30th September, 2021.*

2. For Charges related forms - *In line with the extension provided in General Circular 12/2021 issued by the Ministry of Corporate Affairs, Additional Fee/Ad valorem fee in respect of Charge documents viz. CHG-1 and CHG-9 shall be calculated after excluding No. of days between 01st April 2021 to 31st July 2021 based on the event date entered in the form.*

3. List of Forms (under extension scheme) – [Click here](#)

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms / Filingmode
Companies Act, 2013	Within 180 Days From The Date Of Incorporation Of The Company <i>(One time Compliance only)</i>	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.	MCA E-Form INC 20A <i>(one time compliance)</i>

<p>Companies Act, 2013</p>	<p>First declaration within 90 days from the date of notification Dt. 08.02.2019</p>	<p>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 <i>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.</i></p>	<p>Form BEN-1 Draft Format available at LINK</p>
<p>Companies Act, 2013</p>	<p>within 30 days of acquiring beneficial interest</p>	<p>Filing of form BEN-2 under the Companies (Significant Beneficial Owners) Rules, 2018. (the date of receipt of declaration in BEN-1) CLICK HERE</p>	<p>Form BEN – 2 (e-form deployed by Ministry (ROC)) on 01.07.2019</p>
<p>Companies Act, 2013</p>	<p>Annual Compliance (30.09.2021)</p>	<p>*DIN KYC through DIR 3 KYC Form is an Annual Exercise. Last date for filing DIR-3 KYC for Financial year is 30th September, 2021</p>	<p>E-Form DIR – 3KYC (Web Based and E-form)</p>
<p>Companies Act, 2013</p>	<p>Within 270 days from the date of deployment of this Form</p>	<p>Annual Return To Be Filed By Auditor With The National Financial Reporting Authority CLICK HERE CLICK HERE Click Here</p>	<p>NFRA-2 (NFRA-2 e-Form live since 9th December 2019.)</p>

Companies Act, 2013	Within 15 days of appointment of an auditor.	The Ministry in its General Circular No. 12/2018 dated 13th December, 2018 clarified that filing of Form NFRA-1 is applicable only for Bodies Corporate and ruled out filing by Companies as defined under s of Section 2(20) the Act.	E – Form NFRA -1
Companies Act, 2013	Within 30 days of the board meeting	Filing of resolutions with the ROC regarding Board Report and Annual Accounts. The details of the resolutions passed should be filed.	MGT-14 (Filing of resolution with MCA)
Companies Act, 2013	Within 60 (sixty) days from the conclusion of each half year.	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	E-Form PAS – 6
Companies Act, 2013	(Half Yearly basis)	Form for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise	E-Form MSME-1
Companies Act, 2013	One Time compliances	Registration of Entities for undertaking CSR activities - Trust/ Society/ Section 8 Company need to file before Acceptance of Donation as CSR w.e.f. 01st April 2021	E-Form CSR-1

Applicable Laws/Acts	Due Dates	Compliance Particulars	Forms/ Filing mode
LLP Act,2008	within 60 days from the closure of the financial year(date extended till 31.08.2021)	LLP Annual Filing- An annual statementfor submitting details of the business of the LLP and its partners for the FY 2020-21	Form LLP-11
LLP Act,2008	30.10.2021	Statement of Account and Solvency for Financial Year 2020-21 Within 30 days from the end of 6 months of the financial year to which thestatement relates.	Form LLP-8

Due dates of ROC Return Filings

Sl. No.	Particulars	Due Date	E-Form
1	Appointment of Auditor	Within 15 days from the conclusionof AGM	ADT-1
2	Filing of financial statement and other documents with the ROC	Within 30 days from the conclusionof the AGM, other than OPC (In case of OPC within 180 days from the close of the financial year)	AOC-4
3	Filing of annual return by a company.	Within 60 days from the conclusionof AGM	MGT-7
4	Filing of annual return bya company.	Within 60 days from the conclusionof AGM Applicable in respect of Annual Return for the F.Y. 2020-21 and onwards of OPC and small companies.	MGT-7A

❖ **OPC Annual Filings:**

- ✓ One Person Company shall file a copy of the financial statements duly adopted by its member, along with all the documents which are required to be attached to such financial statements, **within one hundred eighty (180) days from the closure of the financial year.**
- ✓ AGM not Applicable for OPC: Section 96.
- ✓ **Due date for Annual Filing (AOC-4):** The due date for Annual Filing is 27.09.2021 (if FY ended on 31.03.2021)
- ✓ Penalty for non - submission with in due timeline: In case a return has not been filed, a Penalty (additional fees) will be levied from the due date (27.09.2021) of INR 100/- per day for each day for which default continue.

KEY UPDATES – SEPTEMBER, 2021

1.MCA extends due date for AGMs by two months

Companies get till end November to hold AGM for financial year 2020-21

In what could come as some respite for companies, especially small and medium ones, the Ministry of Corporate Affairs (MCA) has extended the due date for holding annual general meetings (AGMs) for the financial year 2020-21 by two months.

This extension would mean that companies now have time till the end of November 2021 to hold the AGM. Under company law, corporates are required to hold AGM within six months from the date of completion of financial year — i.e September 30.

This latest MCA move comes in the wake of representations received by the Ministry seeking extension of time for holding of AGM for FY21.

2.Govt extends tenure of Company Law Committee by one year till Sept 2022

The government has extended by one year the tenure of the Company Law Committee, which was constituted back in 2019.

The tenure of the panel, which was set up by the corporate affairs ministry in September 2019, was extended last year also. The committee has the mandate for examining and making recommendations to the government on various issues related to implementation of the Companies Act and the Limited Liability Partnership Act. The committee was constituted as part of the government's efforts to promote ease of living by providing ease of doing business

to law abiding corporates, to foster improved corporate compliance for stakeholders at large and to address emerging issues having an impact on the working of companies.

3.Audit net needs to be eased, but only for companies that do not matter: industry

Amendments to the LLP Act have introduced ‘small LLPs’ and ‘startup LLPs’ which would enjoy lesser compliance needs.

Statutory audit requirement should be eased for small businesses but only those entities that do not matter should go out of the audit net when a threshold for exemption is set, audit experts and industry representatives said responding to a regulatory proposal.

Experts said that in the ideal scenario where businesses use public funds in the right manner, financial statements show a true and fair picture of the affairs of the company and due taxes are paid, the reliance on statutory audit may be less.



Important Updates

MCA MONTHLY UPDATE CALENDAR: AUGUST, 2021

Sl.	Particulars of the Circulars	Link
1	Extension of last date for submission of public comments to 30th July, 2021 for Consultation Paper on Enhancing Engagement with Stakeholders	Click Here
2	Refer the attached file for the list of forms for which additional fee waiver shall be made available/ extended in line with the General Circulars 11/2021 and 12/2021.	Click Here
3	In line with the extension provided in General Circular 11/2021 issued by the Ministry of Corporate Affairs, stakeholders shall be allowed to file various forms due for filing between 1st April 2021 to 31st July 2021 under the Companies Act 2013 or LLP Act, 2008 without payment of additional fees up to 31st August 2021. Please refer the list of forms under Latest News Section.	Click Here
4	In line with the extension provided in General Circular 12/2021 issued by the Ministry of Corporate Affairs, Additional Fee/Ad valorem fee in respect of Charge documents viz. CHG-1 and CHG-9 shall be calculated after excluding No. of days between 01st April 2021 to 31st July 2021 based on the event date entered in the form.	Click Here
5.	E-form CFSS-2020 may be filed till 31st August 2021. Stakeholders may please note and plan accordingly.	Click Here
6.	Publication of notice u/s 75 of the LLP Act, 2008 read with sub Rule 1(b) read with Rules 37(2)	Click Here
7	Shri Rao Inderjit Singh takes charge as Union Minister of State in Ministry of Corporate Affairs	Click Here
8	List of Disqualified Directors(2019-2024) u/s 164(2)(a) r/w section 167 of the Companies Act 2013	Click Here
9	New eform MGT-7A and revised eform MGT-7 in line with the Companies (Management and Administration) Amendment Rules, 2021 is now available for filing under MCA21 Company forms download page. Stakeholders are advised to check the latest version before filing.	Click Here
10	Publication of notice u/s 75 of the LLP Act, 2008 read with sub Rule 1(b) read with Rules 37(2)	Click Here
11	Report of the Committee to Review CARO, 2016 under the Companies Act, 2013 dated 28.06.2021	Click Here
12	Companies (Incorporation) Fifth Amendment Rules 2021	Click Here
13	Commencement notification dated 22.07.2021	Click Here
14	Clarification on spending of CSR funds for COVID-19 vaccination - reg	Click Here

CS Hrishikesh Wagh
Chairman
Training & Educational Facilities committee
WIRC OF ICSI

STUDENT'S CORNER IN FOCUS MAGAZINE

WIRC of ICSI aims at providing monthly updates to its students so that they are well equipped with the impending changes that are taking place or which are likely to take place in foreseeable future. Subject-wise monthly updates, Case Digest Studies, Info capsule, articles and knowledge refreshers are few of the basic ideas on which introduction of this student's corner is surfaced. This month, the summarised information regarding important announcements of September, 2021 for students is provided in this student's corner.

Important Announcements for Students

Sr. No.	Date of announcement	Brief Announcement
1.	27 th September, 2021	<p><u>Result Announcement</u></p> <p>Result of CS Professional Programme (Old and New Syllabus), Executive Programme (Old and New Syllabus) and Foundation Programme Examinations, June, 2021 Session would be declared on Wednesday, the 13th October, 2021</p> <p>The result along with individual candidate's subject-wise break-up of marks will be available on the Institute's website: www.icsi.edu on declaration of the result.</p> <p>Visit the below web link for more details:- https://www.icsi.edu/media/webmodules/Result_Announcement_27092021.pdf</p>

2.	27 th September, 2021	<p><u>Important Announcement For December 2021 Examination Enrolment.</u></p> <p>Next examination for Executive Programme (Old and New Syllabus) and Professional Programme (Old and New Syllabus) will be held from 21st December, 2021 to 30th December, 2021 for which online examination enrolment form together with requisite examination fee shall be submitted from 14th October, 2021 onwards.</p> <p>Visit the below web link for more details:- https://www.icsi.edu/media/webmodules/Result_Announcement_27092021.pdf</p>
3.	September, 2021	<p>Regional Round of the 20th All India Debate Competition organised by WIRC was hosted by Vadodara Chapter of WIRC of ICSI. The competition was held on 11th September 2021, winner of the competition were Mr. Abbas Sabuwala, Mr. Medhaj Madhavan and Ms. Shruti Iyer.</p> <p>CS Tejas Pithadiya, CS Manish Gandhi and CS Sakhishree Gandhi were judges for the Regional Round competition.</p>
4.	August, 2021	<p>The Institute has in place a "Merit-cum-Means Assistance (Company Secretaryship Course) Scheme, 1983" for assisting financially weak and meritorious students for pursuing Company Secretaryship Course. Details for Merit-Cum-Means Assistance for pursuing CS Course can be accessed at following web link: -</p> <p>https://www.icsi.edu/media/filer_public/a3/e0/a3e0aaf7-108d-43a8-aefc-235a8c58b11b/mcm_attention_students_2021.pdf</p> <p>Last date for applying for the financial assistance is 25th November /25th May for June/December examination respectively.</p>
5.	October, 2021	<p>National Round of the 20th All India Debate Competition organised by WIRC would be hosted by Pune Chapter of WIRC of ICSI on 1st October 2021. The topic of the debate competition would be Role of CS in economic development.</p>

**ICSI- WIRC Program Activities for September 2021
(Workshops /Seminar / Professional Development Programmes)**

Sl. No.	Activities Conducted	Remark									
01	ICSI-WIRC's Announces Annual Regional PCS Conference hosted by Nagpur Chapter of WIRC of ICSI	<p>ICSI-WIRC in the month of September announced ICSI-WIRC's Annual Regional PCS Conference hosted by Nagpur Chapter of WIRC of ICSI Theme: "Upholding Good Governance- Excelling 360 Degree" on 04th & 05th September 2021.</p> <p>Sessions were conducted on the following key areas –</p> <table border="1"> <tr> <td rowspan="4">04.09.2021</td> <td>Oppression and Mismanagement - Litigation aspects</td> </tr> <tr> <td>E-Services Offerings for Listed and Unlisted Companies by NSDL</td> </tr> <tr> <td>Innovating the Boundaries of Governance: Artificial Intelligence, Blockchain & Internet things</td> </tr> <tr> <td>Panel Discussion on: "CS as a Profession in 2030"</td> </tr> <tr> <td rowspan="3">05.09.2021</td> <td>Value Creation by Board - Challenges and Way forward</td> </tr> <tr> <td>Governance of Overseas Subsidiaries - Emerging Risks and Best Practices</td> </tr> <tr> <td>Motivational Session</td> </tr> </table> <p>This Program was through Physical mode received an overwhelming response and was attended by 94 delegates</p>	04.09.2021	Oppression and Mismanagement - Litigation aspects	E-Services Offerings for Listed and Unlisted Companies by NSDL	Innovating the Boundaries of Governance: Artificial Intelligence, Blockchain & Internet things	Panel Discussion on: "CS as a Profession in 2030"	05.09.2021	Value Creation by Board - Challenges and Way forward	Governance of Overseas Subsidiaries - Emerging Risks and Best Practices	Motivational Session
04.09.2021	Oppression and Mismanagement - Litigation aspects										
	E-Services Offerings for Listed and Unlisted Companies by NSDL										
	Innovating the Boundaries of Governance: Artificial Intelligence, Blockchain & Internet things										
	Panel Discussion on: "CS as a Profession in 2030"										
05.09.2021	Value Creation by Board - Challenges and Way forward										
	Governance of Overseas Subsidiaries - Emerging Risks and Best Practices										
	Motivational Session										
02	ICSI-WIRC 's Announces Full Day Conference Jointly With Vadodara Chapter Of WIRC Of ICSI	<p>ICSI-WIRC in the month of September announced Full Day Conference Jointly With Vadodara Chapter Of WIRC Of ICSI on 12th September 2021.</p> <p>Sessions were conducted on the following key areas –</p> <table border="1"> <tr> <td rowspan="3">12.09.2021</td> <td>Interaction with ROC</td> </tr> <tr> <td>Fast Track Merger and Demerger</td> </tr> <tr> <td>Overseas Incorporation – Practical Aspect</td> </tr> </table> <p>This Program was through Physical mode received an overwhelming response and was attended by 65 delegates</p>	12.09.2021	Interaction with ROC	Fast Track Merger and Demerger	Overseas Incorporation – Practical Aspect					
12.09.2021	Interaction with ROC										
	Fast Track Merger and Demerger										
	Overseas Incorporation – Practical Aspect										

03	WIRC-ICSI Announces Goa State Conference hosted by Goa Chapter of WIRC of ICSI “	<p>ICSI-WIRC in the month of September announced “Goa State Conference” hosted by Goa Chapter of WIRC of ICSI</p> <p>Theme: “Spectrum 2.0 Expanding the possibilities..’ on 17th & 18th September 2021.</p> <table border="1" data-bbox="454 409 1560 801"> <tr> <td data-bbox="454 409 805 672">17.09.2021</td> <td data-bbox="805 409 1560 499">eService’s Solution offered by NSDL for Listed & Unlisted Companies</td> </tr> <tr> <td data-bbox="454 499 805 589"></td> <td data-bbox="805 499 1560 589">Discussion on SEBI (Prohibition of Insider Trading) Regulations, 2015</td> </tr> <tr> <td data-bbox="454 589 805 633"></td> <td data-bbox="805 589 1560 633">Mergers and Acquisitions in post COVID times</td> </tr> <tr> <td data-bbox="454 633 805 672"></td> <td data-bbox="805 633 1560 672">How professionals can lead a happy life.</td> </tr> <tr> <td data-bbox="454 672 805 716"></td> <td data-bbox="805 672 1560 716">Commercial Contracts and Dispute Resolution</td> </tr> <tr> <td data-bbox="454 716 805 801">18.09.2021</td> <td data-bbox="805 716 1560 801">Governance Professional – New Horizon, New Challenges</td> </tr> </table> <p>This Program through virtual mode received an overwhelming response and was attended by 42 delegates</p>	17.09.2021	eService’s Solution offered by NSDL for Listed & Unlisted Companies		Discussion on SEBI (Prohibition of Insider Trading) Regulations, 2015		Mergers and Acquisitions in post COVID times		How professionals can lead a happy life.		Commercial Contracts and Dispute Resolution	18.09.2021	Governance Professional – New Horizon, New Challenges
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18.09.2021	Governance Professional – New Horizon, New Challenges													
04	ICSI- WIRC Announces Two Day’s Conference Jointly with Surat Chapter of WIRC of ICSI	<p>ICSI-WIRC in the month of September announced Two Days Conference jointly with Surat Chapter of WIRC of ICSI on 25th & 26th September 2021</p> <p>Sessions were conducted on the following key areas –</p> <table border="1" data-bbox="454 1146 1560 1326"> <tr> <td data-bbox="454 1146 805 1236">25.09.2021</td> <td data-bbox="805 1146 1560 1191">Winding UP Under IBC</td> </tr> <tr> <td data-bbox="454 1191 805 1236"></td> <td data-bbox="805 1191 1560 1236">Emotional Intelligence(Team Building Activities)</td> </tr> <tr> <td data-bbox="454 1236 805 1281">26.09.2021</td> <td data-bbox="805 1236 1560 1281">Fast Track Merger</td> </tr> <tr> <td data-bbox="454 1281 805 1326"></td> <td data-bbox="805 1281 1560 1326">Prepackaged insolvency resolution process</td> </tr> </table> <p>This Program through virtual mode received an overwhelming response and was attended by 53 delegates.</p>	25.09.2021	Winding UP Under IBC		Emotional Intelligence(Team Building Activities)	26.09.2021	Fast Track Merger		Prepackaged insolvency resolution process				
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	Emotional Intelligence(Team Building Activities)													
26.09.2021	Fast Track Merger													
	Prepackaged insolvency resolution process													

ICSI-WIRC's Announces Annual Regional PCS Conference hosted by Nagpur Chapter of WIRC of ICSI

Date: 04.09.2021 & 05.09.2021



ICSI-WIRC's Announces Full Day Conference Jointly with Vadodara Chapter Of WIRC Of ICSI

Date: 12.09.2021



**WIRC-ICSI Announces Goa State Conference hosted by Goa
Chapter of WIRC of ICSI**

Date: 17.09.2021 & 18.09.2021







**ICSI- WIRC Announces Two Day's Conference Jointly
with Surat Chapter of WIRC of ICSI**

Date: 25.09.2021 & 26.09.2021





GUIDELINES FOR MEMBERS CONTRIBUTING ARTICLES TO BE PUBLISHED IN FOCUS

Western India Regional Council (“WIRC”) of The Institute of Company Secretaries of India (“ICSI”) is pleased to bring out a monthly magazine for corporate executives and other professionals, viz., “FOCUS” under the guidance of its newly formed Editorial Board. However, the Editorial Board wouldn’t be able to succeed in releasing FOCUS unless all the members of ICSI put in some efforts to make release of FOCUS a success. What better than writing articles for FOCUS and getting a ‘FOCUSSED’ recognition! “Start writing, no matter what. The water does not flow until the faucet is turned on.” — Louis L’Amour Well, if the above quote inspires you and you decide to author an article to be published in FOCUS, following are a few guidelines for authoring the articles for FOCUS (“Guidelines for FOCUS articles”).

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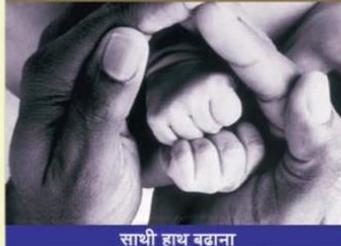
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I found it was difficult to change the world, so I tried to change my nation.

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and as an older man, I tried to change my family.

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have made an impact on our town. Their impact could have changed the nation and I could indeed
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Chairman
ICSI-WIRC

CS Snehal Shah
Secretary
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CS Ashish Karodia
Chairman, CSBF
ICSI-WIRC

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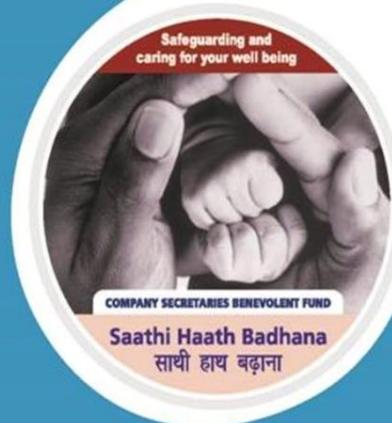


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