

VEDANAM

*A monthly newsletter from
Mehta & Mehta - Legal & Advisory Services*



About this Issue:

VEDANAM BY MEHTA & MEHTA

Vedanam is a Sanskrit word for Knowledge. We, at Mehta & Mehta, have always strove hard to disseminate knowledge to professionals in every possible way. Through Vedanam, we take the legacy forward. In this issue, we have covered recent relaxations provided by Ministry of Corporate Affairs amid COVID 19 pandemic. We have highlighted amendments introduced by Securities & Exchange Board of India in Listing Obligations & Disclosure Requirements Regulation. *Inter alia* we have stressed upon other significant topics through Vedanam.

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Knowledge is everything

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MINISTRY OF CORPORATE AFFAIRS (MCA)

RELAXATION OF TIME FOR FILING CERTAIN FORMS UNDER THE COMPANIES ACT, 2013

Forms (except CHG-1, CHG-4 & CHG-9) which have due date from 1st April 2021 to 31st May 2021 are given additional time upto 31st July 2021 for filing.

https://mca.gov.in/Ministry/pdf/GeneralCircularNo6_03052021.pdf

RELAXATION OF TIME FOR FILING FORMS RELEVANT TO CHARGES UNDER THE COMPANIES ACT, 2013 (ACT)

For filing of forms CHG-1 & CHG-9 under Section 77 & Section 78 from 1st April 2021 to 31st May 2021, relevant days for filing shall be reckoned from June 01, 2021.

https://mca.gov.in/Ministry/pdf/GeneralCircularNo7_03052021.pdf

GAP BETWEEN TWO BOARD MEETINGS UNDER SECTION 173 OF THE COMPANIES ACT, 2013

The gap between two board meetings for the first & second quarter of the FY 2021-22 can be 180 days instead of 120 days.

https://mca.gov.in/Ministry/pdf/GeneralCircularNo8_03052021.pdf

CLARIFICATION TOWARDS SPENDING OF CORPORATE SOCIAL RESPONSIBILITY ON COVID CARE

The spending of CSR funds for 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants', 'manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19' or similar such activities are eligible CSR activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013.

https://mca.gov.in/Ministry/pdf/GeneralCircularNo9_05052021.pdf

SECURITIES & EXCHANGE BOARD OF INDIA (SEBI)

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

Provisions of Risk Management Committee and Dividend Distribution Policy shall apply to top 1000 listed companies.

Quarterly compliance report on Corporate Governance - Submit within 21 days of quarter

Submit Business Responsibility and Sustainability Report (BRSR) from FY 2022-23.

Disclose audio/video recordings and transcript of post earnings/quarterly calls on website.

Submit secretarial compliance report within 60 days from end of each financial year.

Other important amendments can be accessed from the circular.

https://www.sebi.gov.in/legal/regulations/may-2021/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2021_50100.html

RELAXATION FOR REGULATORY FILINGS AND COMPLIANCES FOR INVITS AND REITS FOR THE PERIOD ENDING MARCH 31, 2021

SEBI has extended due date for regulatory filings and compliances for InvITs and REITs for the period ending March 31, 2021 by 1 month over and above the timelines mentioned in under SEBI (Infrastructure Investment Trusts) Regulations, 2014 (InvIT Regulations) and SEBI (Real Estate Investment Trusts) Regulations, 2014 (REIT Regulations).

https://www.sebi.gov.in/legal/circulars/may-2021/relaxation-from-compliance-to-reits-and-invits-due-to-the-covid-19-virus-pandemic_50127.html

FACT : As per MCA records, Maharashtra received the highest CSR funds in six years.

SEBI has extended due dates for regulatory filings by Alternative Investment Funds (AIF) and Venture Capital Funds (VCF) to September 2021.

<https://www.sebi.gov.in/legal/circulars/may-2021/circular-on-relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcfs-50361.html>

SEBI has asked for disclosure of loan given to promoters and entities controlled by them on half yearly basis in corporate governance report. It has even changed the format of disclosures.

<https://www.sebi.gov.in/legal/circulars/may-2021/format-of-compliance-report-on-corporate-governance-by-listed-entities-50338.html>

SEBI has extended implementation of disclosure w.r.t. investor scheme in terms of risk-o-meter of the scheme and the benchmark along with the performance & details of portfolio to September 01, 2021.

<https://www.sebi.gov.in/legal/circulars/may-2021/disclosure-of-the-following-only-w-r-t-schemes-which-are-subscribed-by-the-investor-a-risk-o-meter-of-the-scheme-and-the-benchmark-along-with-the-performance-disclosure-of-the-scheme-vis-a-vis-bench-50344.html>

GOODS & SERVICES TAX (GST)

Government has extended the timeline for filing of the 'Application for Revocation of Cancellation' to 30th June, 2021.

<https://www.gst.gov.in/newsandupdates/read/474>

RESERVE BANK OF INDIA (RBI)

RBI relaxes timeline for compliance with various payment system requirements related to Prepaid Payment Instruments, Harmonisation of Turn Around Time, etc.

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/DPSSSTI6B55CB8123BE4DB588A16CA23A91C1EC.PDF>

RBI has issued fresh guidelines for Prepaid Payment Instruments

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/40PPII884045ABAA6446E7A63937EBBBB44A66.PDF>

INCOME TAX

Government eases Income tax norms for cash received by Hospitals providing COVID treatment

<https://egazette.nic.in/WriteReadData/2021/226922.pdf>

HIGHLIGHTS OF FORM CSR - 1

Form CSR- 1 is filed by companies or entities including Non-Profit Organization and Trusts, which undertake CSR activities.

eForm CSR-1 is required to be filed pursuant to Section 135 of the Companies Act, 2013

The purpose of the form is to have the companies/entities registered with central those undertaking CSR activities.

The Companies can either undertake by itself or through entities involved in social activities and they need to register themselves with the central government for undertaking any CSR activity.

The Form is available with effect from 01.04.2021. Currently there is no due date for filing, but the form needs to be filed in FY 2021-22.

The provisions shall not impact any CSR projects or programmes approved prior to the 01st day of April 2021.

SEBI has proposed trading in Gold through Electronic Gold Receipts (EGR). The physical gold can be converted into EGR and then traded. The transaction will attract Securities Transaction Tax and Goods & Services Tax. This will help in proper management of gold rates.

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