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Index

Sr. No	Particulars
CSR	
1.	Managing CSR Obligations: A Legal Perspective on Ongoing Projects
2.	Empowering Education: A Holistic Approach by Corporates
ESG	
3.	Navigating the ESG Landscape: Trends and Insights for the Next Decade
FEMA	
4.	FDI reforms in Space Sector
SEBI	
5.	Materiality Dynamics: Policies Across Top Nifty Companies Explored
MCA	
6.	Beyond Dates: Understanding Event-Based Compliance for 2024-25
NEWS UPDATES/AMENDMENTS FOR THE MONTH OF APRIL & MAY 2024	
MMJC PODCAST: Applicability of Form PAS 6 to Private Companies **https://www.youtube.com/watch?v=UDQ1nf9SpfE**	

Managing CSR Obligations: A Legal Perspective on Ongoing Projects

Introduction:

Post evolution of concepts of sustainable development and Environmental Social & Governance [ESG] reporting, the concept of corporate social responsibility (CSR) evolved into something more than just local buzz; it is a widespread fascination. Everyone in the corporate world is curious about and is willing to comply with the CSR provisions under the Companies Act 2013. Companies are undertaking CSR as a social obligation more than a legal obligation. In this article we shall try to deliberate upon one legal aspect of CSR called ongoing project, which would help the companies to better undertake their legal as well as social obligation.

Meaning of ongoing project:

Rule 2 clause (i) of Companies [Corporate Social Responsibility] rules 2014 defines the ongoing project as, *"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification*;".

Broadly speaking, ongoing project is that CSR activity which continues over the period of one year. For any project to be called as an ongoing project, it is necessary that, it should be commenced in one financial year and should end within conclusion of 4 financial years from its commencement including the year of its commencement.

Also, if in case any project was supposed to end in current financial year and therefore it was not originally considered as ongoing project, but it could not be so completed within prescribed time and hence the company now wants to designate the same as ongoing project, then the company can do so as per the definition of ongoing project. The only condition is that the board should record in writing, the reason for treating any project as ongoing. It is also advisable that the CSR committee should recommend to the board about designation of any project as ongoing by passing a resolution at a CSR committee meeting.

Spending CSR amount on ongoing project:

Ongoing project is said to be commenced in that financial year, in which the money is actually spent on that project. Ones such spending is started, then the project has to be completed within 4 financial years, that is, the year in which the project has commenced plus 3 more years. At this point it is worth mentioning that mere transfer of fund to the implementing agency or any work contractor does not constitute spending. The company has to ensure that the funds are utilized by the receiver of funds.

When any amount earmarked for any ongoing project remains unspent in that year, that is, only the part of amount earmarked could be spent, then in that case, the amount remaining unspent should be transferred to a separate bank account called unspent CSR account. Within 30 days from the end of financial year. Thereafter, the said amount has to be spent within 3 financial years from the date of transfer. For example, if the unspent amount relates to year 2022-23, then it has to be transferred to unspent account by 30th April 2023 and has to be used before 31st March 2026. This is a serious legal compliance and has to be done within prescribed time. It has been observed in multiple ROC adjudication orders that if the company fails to transfer the unspent amount to unspent CSR account or transfers the amount with a delay, then the ROC imposes heavy penalty.

Investment of unspent amount:

As discussed above, once the unspent amount is transferred to unspent CSR account, the company has a period of 3 financial years to spend the said amount. Therefore, at times it so happens that, the amount lies unutilised in the bank account for a period exceeding 6months. In such a case, the companies may be tempted to invest such money in short-term investment opportunities. However there arises a question that whether such investment is allowed or not as the said amount in question is marked for ongoing project of CSR.

As far as the legal provisions are concerned, they do not prohibit investment of unspent amount. What they mandate is just that, any profit earned from such amount should be invested back in CSR only and should not be treated as company's profit. Therefore, the company can invest the unspent amount in short term investment before being used for ongoing project, however it should be mindful of the fact that the profit earned from such investment should be spent on CSR activity only. Further it should also be kept in mind that the expenses incurred in making such investments have to be borne by company separately and it cannot be debited from unspent amount. Also, while selecting investment option, the company should be careful that the investment should not be such that amount invested gets reduced, for example, shares. If so happens, the company will have to bear the additional cost and transfer the reduced amount to unspent CSR account.

Modification of ongoing project:

As discussed above, any ongoing project continues for 4 years that is, year of commencement plus 3 financial years. This is a long time and social situations may undergo changes which may warrant changes in ongoing project. For example, a project may lose its relevance before it is completed. In such a situation the company will have to modify or altogether change its ongoing project.in such a scenario, there arises a question that whether such change or modification is legally possible?

As per the FAQ No. 6.6 from MCA FAQs dated 21st August 2021[i], the board can abandon or modify any ongoing CSR project under extraordinary circumstances and on recommendation from CSR committee. However, while making such modification or changes the timelines for ongoing project should be adhered to. That means, company can change or modify its ongoing project only for a valid reason and that too only after the CSR committee recommends such change through a resolution passed at the CSR committee meeting.

Deadlines for ongoing project:

As mentioned in the definition of ongoing project, each project should end within 3 years excluding the year of its commencement. This amendment in section 135 relating to ongoing project had come in January 2021. Therefore, the first year in which ongoing project must have commenced will be financial year 2020-21. So as per the prescribe timelines the projects commenced in FY 2020-21 has to conclude before 31st March 2024 (year of commencement + 3 financial years). Therefore, the current ongoing financial year 2023-24 is the last year for completion of the project started in FY 2020-21. the amounts marked for such projects have to be spent before 31st March 2024 and if could not be spent, then the amount remaining unspent as on 31st March 2024 will have to be transferred to Schedule VII funds within 30 days from end of financial year, that is, by 30th April 2024. Also, it is advisable for the companies to include in their

CSR policy for FY 2023-24 about spending such earlier unspent amount before the end of this year.

Conclusion:

In conclusion, understanding and effectively managing ongoing CSR projects is not only a legal obligation but also a crucial aspect of corporate social responsibility. As we navigate the evolving landscape of corporate social responsibility, companies must be proactive in meeting their obligations, ensuring that ongoing projects contribute meaningfully to societal well-being. By embracing these responsibilities with dedication, companies can not only comply with legal requirements but also make a lasting positive impact on the communities they serve.

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[i] https://www.mca.gov.in/Ministry/pdf/FAQ_CSR.pdf

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Ms. Rutuja Umadikar – Research Associate – rutujaumadikar@mmjc.in

Empowering Education: A Holistic Approach by Corporates

Education is the most powerful weapon which you can use to change — Nelson Mandela

Introduction:

In an era brimming with possibilities, education stands as a beacon of hope and transformation. It transcends mere knowledge acquisition; it is the catalyst for empowering individuals with the tools and resilience needed to navigate life's myriad challenges. John Dewey's timeless wisdom echoes through time, reminding us that "Education is not training for existence; education is life itself." Embracing this philosophy, corporates today emerge as architects of change, reshaping education beyond traditional boundaries.

The dawn of the New Education Policy 2020 in India heralds a new era of holistic learning. It beckons us to envision education not as a linear journey confined to textbooks but as a vibrant ecosystem teeming with life skills, practical wisdom, and critical thinking. This paradigm shift invites corporates to step into the forefront of this transformative journey, seamlessly integrating their corporate social responsibility (CSR) commitments with the noble cause of holistic education.

Here is a compelling narrative of how corporates can synergize their resources, innovation, and passion to foster a generation equipped for the complexities and opportunities of tomorrow.

Holistic Education: Beyond Classrooms

Education is evolving into a dynamic ecosystem where formal education intertwines with essential survival skills. Corporates can collaborate with educational institutions to integrate life skills, practical knowledge, and experiential learning into the curriculum. This includes fostering values like empathy, resilience, teamwork, and adaptability through activities such as sports, arts, leadership programs, and community engagement projects.

Creating a Dynamic Education Ecosystem: The Corporate-Education Nexus:

Education today is not a static process confined to classrooms; it is a dynamic ecosystem where formal education intersects with essential survival skills. Corporates play a pivotal role in shaping this dynamic landscape by collaborating with educational institutions to enrich the curriculum and imbue it with real-world relevance.

Integrating Life Skills and Practical Knowledge:

Corporates bring a wealth of practical experience and expertise to the table, making them invaluable partners in integrating life skills and practical knowledge into the educational fabric. This includes imparting skills such as financial literacy, digital proficiency, communication skills, problem-solving abilities, and time management techniques. By weaving these skills seamlessly into the curriculum, students are equipped not only with academic prowess but also with the tools needed to thrive in diverse personal and professional settings.

Fostering Values and Soft Skills:

Beyond technical competencies, corporates emphasize the cultivation of values and soft skills essential for holistic development. Activities like sports, arts, leadership programs, and community engagement projects serve as fertile grounds for nurturing values like empathy, resilience, teamwork, adaptability, and ethical decision-making. These experiential learning opportunities not only enhance character development but also instill a sense of social responsibility and global citizenship among students.

Empowering Through Experiential Learning:

Experiential learning lies at the heart of this collaborative endeavour, offering students hands-on exposure to real-world challenges and opportunities. Internships, apprenticeships, industry-academic partnerships, and innovation labs bridge the gap between theory and practice, fostering creativity, critical thinking, and entrepreneurial spirit. Students emerge not only with academic qualifications but also with a deep-seated confidence in their abilities to navigate complexities and contribute meaningfully to society.

Embracing Diversity and Inclusion:

Corporates also champion diversity, inclusion, and equity within educational settings, ensuring that learning experiences are accessible and enriching for all. By celebrating diverse perspectives, cultures, and talents, corporates and educational institutions create inclusive environments that nurture creativity, collaboration, and mutual respect among students and educators alike.

New Education Policy 2020: Catalyst for Change

The New Education Policy 2020 advocates for a learner-centric, multidisciplinary, and flexible approach to education. It emphasizes the importance of foundational literacy and numeracy, critical thinking, creativity, digital literacy, vocational skills, and experiential learning. Corporates can align their CSR initiatives with the policy's objectives by supporting initiatives that promote these competencies among students, educators, and communities.

CSR in Education: Creating Impactful Change

Corporates can leverage CSR as a powerful tool to contribute meaningfully to education and societal development. Here are some ideas on how they can make a lasting impact:

- ✓ **Empowering Through Strategic Partnerships: Skill Development Programs**

  Collaborative efforts between corporates and educational institutions are instrumental in bridging the gap between formal education and industry demands. By partnering effectively, they can design and implement skill development programs that equip students with the competencies needed to thrive in the modern workforce.

- ✓ **Digital Literacy Initiatives:**

  In today's digital age, digital literacy is a fundamental skill. Corporates can collaborate with educational institutions to develop comprehensive digital literacy programs that encompass not only basic computer skills but also advanced digital tools, data analytics, cybersecurity awareness, and digital marketing strategies. This equips students with the technological prowess essential for success in diverse professional domains.

- ✓ **Vocational Training and Industry Alignment:**

  Vocational training programs tailored to industry requirements are essential for preparing students for specific career paths. Corporates can lend their expertise in designing curricula, providing hands-on training, and offering industry certifications that validate skills and competencies. This ensures that students graduate with practical knowledge, job-ready skills, and a clear understanding of industry standards and practices.

- ✓ **Entrepreneurship Incubation and Support:**

  Fostering an entrepreneurial mindset among students is crucial for driving innovation and economic growth. Collaborative initiatives can include entrepreneurship incubation centres, startup accelerators, mentorship programs, and funding opportunities for student-led ventures. By nurturing entrepreneurial spirit and providing the necessary resources and guidance, corporates empower aspiring entrepreneurs to turn their ideas into thriving businesses.

- ✓ **Soft Skills Development and Professional Etiquette:**

  Soft skills such as communication, teamwork, leadership, problem-solving, and emotional intelligence are indispensable in today's professional landscape. Joint efforts can focus on workshops, seminars, and experiential learning activities that enhance these soft skills, along with professional etiquette, workplace ethics, and cultural sensitivity. This holistic approach ensures that students are not only technically proficient but also possess the interpersonal skills and professional demeanor required for career success.

- ✓ **Sports and Wellness Initiatives:**

  Corporates can play a pivotal role in promoting sports and other facilities through CSR initiatives that encompass a range of activities. This includes investing in the development and upkeep of sports infrastructure such as playgrounds, sports complexes, and community sports centers, ensuring accessibility and quality for all. Additionally, corporates can sponsor a diverse array of sports programs, leagues, tournaments, and coaching clinics, covering expenses like equipment, accessories, and professional training. Moreover, promoting health and wellness initiatives for community at large, including physical activity campaigns, nutrition education, mental health awareness workshops, and stress management programs, can significantly impact overall well-being.

  Supporting sports education in schools and colleges involves providing scholarships, grants, and resources for sports curriculum development, coach training, and skill enhancement programs, fostering talent and sportsmanship from an early age. Organizing corporate sports events, inter-departmental tournaments, and wellness challenges not only promotes teamwork, camaraderie, and employee engagement but also boosts morale and productivity.

  Collaborating with sports-focused NGOs allows corporates to extend their reach and impact, supporting initiatives like sports for development, inclusive sports programs for marginalized communities, and sports-based life skills training. Advocating for sports policies and initiatives at local, regional, and national levels can influence positive changes in the sports ecosystem, encouraging participation, infrastructure development, and funding opportunities. Overall, these comprehensive CSR efforts contribute to creating a culture of sports, fitness, and wellness, fostering inclusivity, healthy lifestyles, and community engagement.

Conclusion

The synergy between corporates and educational institutions transforms education into a vibrant tapestry of knowledge, skills, values, and experiences. It prepares students not just for academic success but for lifelong learning, personal fulfilment, and meaningful contributions to a rapidly evolving world.

By embracing a holistic approach to education and aligning CSR initiatives with societal needs and policy frameworks like the New Education Policy 2020, corporates can contribute significantly to nurturing a generation of empowered individuals equipped with the knowledge, skills, values, and mindset to thrive in a rapidly changing world. Education, when approached as a journey of lifelong learning and empowerment, becomes not just a means of survival but a pathway to meaningful and sustainable progress for individuals and society as a whole.

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Ms. Hasti Vora – Research Associate – ***hastivora@mmjc.in***
Ms. Artii Ahuja Jewani – Partner – ***artiahuja@mmjc.in***

Navigating the ESG Landscape:
Trends and Insights for the Next Decade

Introduction:

As we step into a new decade, the realm of Environmental, Social, and Governance (ESG) considerations stands at a critical juncture, poised for transformation and innovation. The evolving ESG landscape has become increasingly intricate, with companies, investors, and regulators alike grappling with a multitude of issues and opportunities. Against this backdrop, understanding the emerging trends and insights that will shape the ESG agenda in the years ahead is paramount. In this exploration of the ESG landscape, we delve into the key trends and insights that are set to define the next decade, offering valuable perspectives for navigating this dynamic terrain.

History:

The past decade witnessed a profound shift from debate to action in ESG practices, with significant developments shaping the corporate landscape. Beginning in the early 2010s, efforts focused on restoring trust in capital markets post-2008 financial crisis, with initiatives such as corporate governance reforms and board quality enhancements taking root. However, it was in the latter half of the decade that environmental and social issues gained notable traction. The 2015 UNFCCC[i] COP21 and subsequent Paris Climate Agreement further propelled the ESG movement, driving increased private sector participation in climate negotiations and fostering urgency for sustainable practices. Concurrently, rising investor engagement through various initiatives led to heightened pressure on companies to improve ESG disclosures, ushering in a new era of accountability and transparency.

The advancements made throughout the 2010s have set the stage for a refined ESG landscape in the new decade, poised to drive the widespread adoption of ESG principles. Ahead lie pivotal trends and challenges that are anticipated to significantly influence the strategies of companies, investors, and regulators, ultimately reshaping the ESG terrain for the foreseeable future.

1. Navigating Climate Change: Embracing the Journey to Net Zero

In the upcoming decade, climate change will undoubtedly take centre stage as governments worldwide implement more stringent regulations aimed at curbing carbon emissions. This shift towards sustainability will see a widespread adoption of commitments to achieve net-zero emissions by both companies[ii] and investors, becoming the new norm by decade's end. Regardless of industry, even traditionally emissions-heavy sectors that may have resisted change in the past intend to actively participate in transitioning towards a low-carbon economy. Recognizing the inherent risks and opportunities associated with addressing climate challenges, companies will seize upon new business prospects while positioning themselves as leaders in climate action. Concurrently, investors will intensify their focus on climate-related engagements, potentially integrating climate risk considerations into their voting policies and even taking decisive action against boards of companies that lag behind in their sustainability efforts.

2. Advancing Governance: Embracing Environmental & Social Imperatives

While traditional corporate governance remains a critical area of focus, particularly in enhancing board quality, bolstering shareholder rights, and refining management incentive structures, the governance of environmental and social issues is poised to ascend to the forefront for investors and boards alike. Managing E&S risks will evolve into the cornerstone of comprehensive corporate governance practices, marking a significant paradigm shift. In addition to conventional corporate social responsibility efforts aimed at giving back to society, companies will increasingly view sustainability as a strategic tool for systematically mitigating risks and fostering long-term shareholder value creation. Furthermore, the ability to assess a company's environmental and social impact will emerge as a crucial skill set at the board level, prompting the inclusion of sustainability experts as integral members of many boards.

3. Embracing Transparency: ESG Disclosure in the Modern Era

By the decade's close, disclosures concerning ESG factors are expected to become standardized and widely adopted. Similar to the trajectory of corporate governance reform, mounting pressure from investors will act as a pivotal driver for this transformation. Regulatory mandates are also poised to play a crucial role, with frameworks, potentially addressing E&S issues. Early indications of regulatory efforts on corporate disclosures are already evident in certain jurisdictions and are anticipated to proliferate further. Notably, the rapid global dissemination of corporate governance codes, executive compensation disclosures, and board-gender diversity mandates during the past decade serves as a template for this evolution. Established reporting standards, including those tailored for the investment community (e.g., the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures), as well as frameworks addressing broader stakeholder audiences (such as the Global Reporting Initiative), offer a roadmap for mandated reporting. Furthermore, verification and assurance mechanisms will increasingly play a pivotal role in validating the accuracy and reliability of these disclosures.

4. Evolution of ESG Investing: Integrating Sustainability into Investment Strategies

Anticipate a shift among asset managers from merely being stewards of ESG principles to fully integrating these factors into their investment strategies. With the advent of enhanced ESG disclosures, investment professionals will gain a more robust framework for incorporating ESG risk assessments into their decision-making processes. Furthermore, engagement and proxy voting activities will transcend traditional meeting agendas, with investors systematically evaluating companies based on their ESG performance. While the precise impact of ESG risk assessments on capital flows remains uncertain, the investment industry must confront mounting criticism surrounding "greenwashing" practices. Regulatory initiatives alongside market-driven solutions, are poised to play a pivotal role in establishing robust standards for sustainable finance.

5. Economic Activism: Governance as a Driver for Change

The notion that enhanced governance practices can significantly bolster long-term shareholder returns is gaining traction. This signals a shift away from the belief that strong financial performance alone is sufficient protection against shareholder activism. While financial vulnerabilities will remain key drivers in activist campaigns, there will be a notable pivot towards leveraging corporate governance as a strategic tool to unlock superior returns. Furthermore, instances of inadequate oversight regarding environmental and social issues, which can significantly impact businesses, may also be wielded against management in contested situations.

6. Harnessing Data and Technology: Enhancing ESG Practices and Protocols

Data and technology are poised to drive profound changes in our capacity to measure, compute, and oversee ESG factors, as well as evaluate their significance and influence on long-term value creation. Enhanced visibility into complex metrics such as resource consumption and biodiversity are anticipated to facilitate the establishment or enhancement of international frameworks and targets across pivotal issues, echoing the structure of the Paris Climate Agreement. With improved and standardized disclosures, investors will gain the capability to assess the ramifications of ESG factors on valuations more effectively. Furthermore, artificial intelligence is expected to play a pivotal role in identifying patterns that link economic performance with ESG considerations. Moreover, companies equipped to accurately measure their ESG impacts and risks will be better positioned to make informed capital allocation decisions, thereby fostering sustainable growth and resilience.

7. Expanding Horizons: Diversity and Inclusion Beyond the Boardroom

Beyond boardroom diversity, companies and investors will increasingly prioritize diversity across all levels of the organization, spanning from the executive suite to the broader workforce. Policies addressing equal pay, equal opportunity, and corporate culture will face heightened scrutiny as stakeholders demand greater inclusivity and representation. Despite commencing from a relatively modest base, the number of top female executives is anticipated to more than double by the decade's end, reflecting a concerted effort towards fostering diversity and inclusion in corporate leadership.

8. Redefining Executive Compensation: Integrating Metrics and Goals, including ESG

In the 2010s, there was a trend where companies started giving more rewards based on how well their top executives performed, rather than just how long they had been with the company. This trend is likely to continue. Also, big investors will get better at deciding how much executives should be paid by looking at more than just advice from outside groups. ESG considerations is gaining traction, more companies will integrate ESG-related metrics into executive incentives. The validity and effectiveness of these metrics in executive compensation schemes may become contentious topics, particularly if they are utilized to elevate compensation levels amidst underwhelming financial performance and shareholder returns.

9. Navigating Political Dynamics: Geopolitical Forces and Public Influence

Politics will have a bigger impact on how companies deal with ESG issues. Things like trade conflicts and political movements can affect how companies work together or merge. In sectors such as energy, technology, and many others, national security considerations may impact business collaborations and mergers and acquisitions may lead to government imposing sanctions. Moreover, mounting public pressure and discourse surrounding a wide array of these issues may intensify regulatory scrutiny on companies and their shareholders concerning ESG matters.

Conclusion

Embracing the ESG Movement: Opportunities for Growth and Impact

While the groundwork has been laid for the trends and issues outlined above, we anticipate a widespread adoption of ESG-related practices across industries and jurisdictions over the next decade. Entities - be they companies, investors, or governments - that neglect ESG considerations may face heightened risks and forfeit substantial opportunities compared to ESG frontrunners. These opportunities span from enhanced access to capital and operational enhancements to the exploration of new business avenues. Establishing leadership in ESG will emerge as a distinguishing factor for both public and private sector entities, with market participants standing to reap significant benefits by integrating ESG stewardship into their competitive strategies.

UNFCCC – United Nations Framework Convention on Climate Change

https://www.indiainfoline.com/article/news-top-story/top-indi-an-companies-target-net-zero-carbon-emissions-by--122101700017_1.html

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Ms. Hasti Vora – Research Associate – *hastivora@mmjc.in*
Ms. Artii Ahuja Jewani – Partner – *artiahuja@mmjc.in*

FDI reforms in Space Sector

Background

As countries around the world continue to explore the vast possibilities of space exploration and technology, the recent liberalization of Foreign Direct Investment (FDI) in the space sector marks a significant turning point in the industry.

The extant FDI policy provides for FDI up to 100% only for satellite establishment and operation and that too is subject to the sectoral guidelines of DoS / ISRO.

Under Erstwhile policy no private entities were authorised to establish and operate an Indian satellite system under the old regime.

Over the last 2 decades, the private sector has played an increasingly important role in other spacefaring countries within the global space economy. Companies like SpaceX, Blue Origin, Virgin Galactic, and Arianespace have revolutionized the space sector by reducing costs and turnaround time, with innovation and advanced technology. In India however, players within the private space industry have been limited to being vendors or suppliers to the government's space program. Thus, there was a need to provide scope for Non-Governmental Entities (NGEs) for enhanced participation in Indian space programme and playing key roles to boost India's market share in Global Space Economy.[i]

Why this change?

Non-governmental entities have developed capabilities and expertise in the areas of satellites and launch vehicles. With increased investment, they would be able to achieve sophistication of products, global scale of operations and enhanced share of global space economy.

The Indian space policy, 2023 permitted non-governmental entities i.e. private entities, to undertake end to end activities in space sector. The vision behind the same is to provide level playing field and favourable regulatory environment for players within the Indian private sector, to allow them to become independent actors in the space sector instead of being solely vendors or suppliers to the government program.

Currently the Indian space contribution is 2% of global market share whereas there is potential to capture 9% of global market share by 2030.

Liberalisation of FDI policy in space related businesses is all part of India's plan to become a major player in the global space economy and to develop a strong space industry that welcomes private companies.

What is change?

As Space is a capital-intensive sector with unlimited dimensions. An efficient implementation of the Policy would facilitate attracting foreign direct investment (FDI) by private entities. The government of India liberalises its FDI policy w.r.t space. the Press Note[ii] now permits FDI in various activities under the automatic route, i.e., without any prior government approval, up to specified thresholds in three categories:

Sr. No.	Sector/Activity	Permitted investment
1.	Satellites – (1) Manufacturing and Operation, (2) Satellite Data Products (3) Ground Segment and User Segment	Up to 74% Govt. Approval beyond 74%
2.	(1) Launch vehicles and associated systems or sub-systems, (2) creation of spaceport for launching and receiving spacecraft	Up to 49%
3.	Manufacturing of components and systems/sub-systems for satellites, ground segment, and user segment	Up to 100%

The said change shall be notified from April 16 2024[iii].

Category 1: Satellites – Manufacturing and Operation, Satellite Data Products and Ground Segment and User Segment

Satellites – Manufacturing and Operation

Compared to earlier FDI policy which uses the word 'Establishment and operation' and the same were not defined. The press note uses the word 'Manufacturing and operation'. It is defined as "end to end manufacturing and supply of satellite and/or payload, establishing the satellite system including control of in-orbit operations of the satellite and payloads." It brings clarity that the entities proposing to carry out end to end manufacturing and supply activities in space sector will fall under this category.

Satellites Data Products

The entities engaged in reception, generation or dissemination of earth observation/remote sensing satellite data and data products including application interface (API) will fall under this category. Earlier the same were considered under automatic route, due to change in regime the same is brought under FDI approval beyond 74%.

Ground Segment and User Segment

(a) Ground Segment is defined as supply of satellite transmit/receive earth stations including earth observation data receive station, gateway, teleports, satellite telemetry, tracking and command (TTC) station, satellite control centre (SCC) etc.

(b) User segment is defined as supply of user ground terminals for communicating with the satellite, which are not covered under the ground segment.

Here the companies which are engaged in supply will fall under this category and entities which uses this for providing services will not fall under such category and will fall under telecom service sector as the case may be.

Category II - Launch vehicles and associated systems or sub-systems, creation of spaceport for launching and receiving spacecraft

When it comes to activities related to launch vehicles and their components that are meant for use in spacecraft or suborbital trajectories, FDI is allowed up to 49% under the automatic route. However, any investment beyond 49% requires approval from the government. This rule also applies to the establishment of space ports or launch sites, which are the locations where spacecraft are launched, as well as facilities for transporting items to and from outer space. These restrictions are in place due to concerns about national security.

Category 3: Manufacturing of components and systems/sub-systems for satellites, ground segment, and user segment

Manufacturing and supply of electrical, electronic and mechanical components, systems or subsystems for satellites, ground segment, and user segment have been liberalised and up to 100% FDI in these activities is permitted under the automatic route. With this it is expected to integrate Indian companies into global value chains. Further companies will be able to set up their manufacturing facilities within the country duly encouraging 'Make In India (MII)' and 'Atmanirbhar Bharat' initiatives of the Government.

Conclusion

The government recently issued a Press Note that outlines new sectoral caps for different business activities. This means that certain sectors now have limits on how much foreign investment they can receive. Companies operating in these sectors may need to adjust their foreign shareholding to comply with the updated FDI Policy.

It is unclear whether existing foreign investments in Indian companies will be grandfathered, meaning they will be exempt from the new rules? This is important for companies that previously had 100% automatic route for FDI but now have limits up to 74%. The government may need to provide clarity on this issue.

It will be interesting to see how the government addresses the changes in FDI Policy and provides clarity for companies affected by the new sectoral caps. Companies with existing foreign investments may need to take steps to comply with the updated rules within prescribed timelines, similar to what was required for changes in FDI in digital media.

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[i] https://pib.gov.in/ViewAllEbooklet.aspx?MenuId=715
[ii] https://www.dpiit.gov.in/sites/default/files/Press_Note_1_2024_0001.pdf (Press Note 1 of 2024)
[iii] https://egazette.gov.in/(S(ivzjin0aelntro3qymq50wiz))/ViewPDF.aspx

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Ms. Vrushali Bhave Athavale – Senior Manager – vrushalibhave@mmjc.in

Materiality Dynamics: Policies Across Top Nifty Companies Explored

Introduction:

Regulation 23(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ['SEBI (LODR)'] every listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of directors. Further as per clause (a) to second proviso to sub-regulation (2) of regulation 23 audit committee of a listed entity shall define "material modifications" as part of its policy on materiality of related party transactions. We did a study of materiality policy on related party transactions of the Nifty50 Companies ['Nifty Group'] with an intent to understand how the term 'material modifications' is defined therein, and parameters based on which we can understand what amounts to material modifications and what does not as per the Nifty Group.

Observations - Study of Materiality Policies of Nifty Group

It was observed that amongst Nifty Group few gave a very generic definition of the term 'Material Modification or subsequent Material Modifications', in their respective polices on related party transactions while rest some gave a very broader well defined material modifications definition. We have presented our study of Nifty Group based on sectors being part of Nifty Group.

1. **Materiality policies – companies in banking sector**

While analysing Related Party Transaction Policy ['RPT Policy'] of companies belonging to Nifty Group varied practices were observed. A renowned company from the banking sector while defining material modification in its RPT Policy stated that any effect of variation by which the transaction ceases to be in ordinary course and/or on arm's length shall be considered a material modification. Further it included any change or significant impact in the nature, tenure, value/exposure of any ongoing or proposed related party transaction.

Another company while defining material modification stated that after committing to a contract or agreement for a related party transaction, any alteration that results in a price or rate adjustment exceeding 20% would be considered significant. This applies particularly if the total value of transactions under the contract exceeded 1.00 billion in the preceding financial year or in the ongoing financial year until the modification date. Additionally, contracts or arrangements where consistent pricing or rates are provided to all customers or service providers will not be subject to the criteria for material modification.

2. **Materiality policies – companies in information technology services and consulting sector**

Following observations were made with respect to RPT Policy of IT sector companies under Nifty Group.

a. Material modification was defined to mean a change in overall pricing or rate under a contract by more than 20%.
b. Another company stated that only complete change in the transaction's nature and in cases of monetary thresholds being more than 10% of the original transaction will be considered as a monetary modification.
c. Another IT service provider considered a modification having an adverse financial impact on the company of 10% or more of the originally approved transaction as a material modification.

3. **Materiality policies – companies in insurance sector**

One of the leading life insurance companies defined material modifications as any modification in the basis of pricing of an existing RPT having variance more than 25% of the existing approved limit. Another insurance company had defined material modification as variation of 10% or more increase in the original value or consideration of any RPT.

4. **Materiality policies – companies in steel sector**

One of the largest steel producer companies defined material modifications as any modification of an existing RPT having a variance of 20% of the current limit as approved by its audit committee.

5. **Materiality policies – companies in automotive sector**

a. One automobile manufacturing company defined material modifications as any change in the approved terms which has a financial implication of 25% or more of the contract or Rs 500 crore, whichever being lower.

b. Another leading automobile manufacturers defined material modification as any modification made in value/exposure of any ongoing or proposed RPT having an effect of variation by 20% or more or by which the transaction ceases to be in ordinary course and/or on arm's length.

c. Further it was observed that material modification was defined as any modification which would significantly alter the information provided to the audit Committee or change the fundamental nature or basis of the RPT and in case of thresholds which results in an increase of more than 20% from the Budgeted Figures for the Material Related Party Transaction.

6. **Materiality policies – companies in pharmaceutical sector**

Material modification as defined by a leading pharmaceutical company containing an illustrative list rebuttable presumption that a modification is material, if it results in a transaction which has lost its character of being in ordinary course of business, novation of contract or change in nature of transaction, substantial change in terms and conditions of the contract, any variation exceeding 25% over and above the approved limit. It has also provided a list that will not be considered as a material modification which includes changes mandated pursuant to change in law, modification resulting from change in constitution of either of the parties pursuant to scheme of arrangement, modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties.

7. **Other observations:** It was further observed that certain companies in Nifty Group had also stated pointers which would not amount to material modification. Selected observations are quoted below:
    a. Change in the quantity or rate of existing RPT due to reasons beyond the control of the related parties.
    b. Change due to revision /imposition of statutory levies like taxes, duties etc.
    c. Transactions where same pricing is offered uniformly to all customers/counter parties (related/unrelated) shall not be considered as material modification.
    d. Any changes in related party transactions due to change in provisions of law would not amount to material modification.
    e. Exercising any right as per terms of original contract shall not be considered as material modification.
    f. Transaction of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties.

Conclusion

On the basis of above analysis, it is observed that definition of material modification would differ depending on nature of business a company carries. Many companies have provided a certain percentage increase in the transaction to be considered as material modification. But there are companies who have not only kept material modification limited to percentage increase in the transaction but has given a broader perspective to material modification including changes in terms and conditions, contracts or transactions not being in ordinary course of business etc. As per reg 23(1) of SEBI LODR board of directors of listed entity shall review RPT policy once in every three years. Business being dynamic and due to everchanging business policies it is advisable that listed entities shall also review the definition of material modification to align the same with changing business practices.

This article is published in Taxmann. The link to the same is as follows: -

https://www.taxmann.com/research/company-and-sebi/top-story/105010000000023857/materiality-dynamics-policies-across-top-nifty-companies-explored-experts-opinion

Ms. Isha Jain – Intern – ishajain@mmjc.in
Mr. Vallabh M Joshi – Senior Manager – vallabhjoshi@mmjc.in

Beyond Dates: Understanding Event-Based Compliance for 2024-25

Introduction:

With the beginning of the new fiscal year, there has begun a new cycle of compliances. Considering the lengthy list of compliances, a compliance calendar proves to be a useful tool for the secretarial teams of companies. A compliance calendar is a date wise list of compliances to be undertaken during the year.

The compliance calendar provides a list of forms and the due dates for their filing, example being, form PAS-6 must be filed by May 30 or form DPT-3 must be filed by June 30. However, in this article, we shall not discuss about dates-based compliances, but shall deliberate upon some event-based compliances falling in this fiscal year 2024-25. We shall discuss the compliances as per the provisions of Companies Act 2013 ('the Act') and Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations 2015 ('LODR regulations').

CSR related compliances:

As per section 135(6) of the Act, April 30 is the due date for transferring unspent CSR amount relating to an ongoing project to a separate bank account. But in addition to this there are some more things to be noted in this behalf:

- **Transfer of unspent CSR amount to funds specified in Schedule VII of the Act:** Amount remaining unspent out of the CSR amount marked for ongoing projects initiated by companies in FY 2020-21, which have completed their 1+3-year term by FY 2023-24, must be transferred to schedule VII fund by April 30, 2024.
- **Timeline for conducting CSR committee meetings:** Further, the Act does not specify any timeline for conduct of corporate social responsibility committee meetings. However, it is advisable to conduct the first meeting of CSR committee at earliest after commencement of new fiscal year to determine the CSR policy and annual action plan for new fiscal year.
- **Disclosure of details relating to CSR projects:** The Act mandates companies to disclose their CSR committee's constitution, CSR policies, and approved CSR projects on their website. While no timeline is prescribed, it is advisable to update the website as soon as the CSR policy is revised in the first CSR committee meeting.

Directors related compliances:

Compliances relating to the appointment of directors are not bound by dates. They are to be undertaken within the prescribed time after the happening of certain events like the appointment of a director. But still there are some compliances relating to directors which are to be looked at during this year:

- As per section 149 sub-section (10) and sub-section (11) of the Act, an independent director cannot be appointed for more than two terms of 5 years each. Therefore, the independent director who were appointed during calendar year 2014 at the time of commencement of the Act or before that and are still holding the position as independent director in the company, will have to vacate their office during calendar year 2024 on completion of second tenure and new independent director will have to be appointed depending upon the requirement of board composition as are applicable to company.

- Pursuant to [i] reg. 17(1D) of LODR regulations 2023, effective from April 01, 2024 onwards, the appointment of directors of company who are not subject to retirement by rotation shall be subject to approval of shareholders ones in every five years. Since the upcoming annual general meeting is the first general meeting after the amendment becoming effective, resolution for approving appointment of such directors must be brought before the shareholders for their approval. If any resolution pertaining to any matter relating to directors is to be placed before the shareholders, then it must be as per the recommendation of the nomination and remuneration committee. Also, as per regulation 17(11) of LODR regulations recommendation of board of directors is mandatory in case of any special business is placed before the members. Therefore, for matters relating to appointment of new independent director or validating appointment of permanent director are to be brought before members of the company there must be held a recommendation from nomination and remuneration committee and board of directors.

Annual report related compliances:
Schedule V of LODR regulations mandate disclosures of following from annual reports for FY 2024:

a. Particulars of senior management personnel of the company and any change during the year must in the senior management personnel of the company shall also be disclosed in the annual report.
b. Disclosure in the annual reports, about the special rights to shareholders as disclosed to the stock exchange in accordance with Para 5A Part A of schedule III of LODR regulations.

AGM related compliances:
Conduct of AGM is an altogether separate set of compliances. Right from sending notice to filing of returns of AGM, there is list of big and small compliances to be looked at. One of the most crucial compliances relating to related party transactions applicable for listed companies is omnibus approval of material related party transactions.

Omnibus approval of material related party transactions granted at an annual general meeting pursuant to reg 23(4) of LODR regulations would be valid only till the next annual general meeting not exceeding fifteen months. It needs to be kept in mind that omnibus approval for such material related party transaction is brought before members at every annual general meeting[ii].

One time compliance relating to Demat:
By notifying Rule 9B to Companies (Prospectus and Allotment of Securities) Rules, 2014 all the private companies who are not small companies as on March 31, 2024, are required to obtain ISIN for all the securities issued by them and get the securities dematerialized. Such ISIN must be obtained on or before September 30, 2024. After obtaining the International Security Identification Number ('ISIN'), the private companies will have to file a reconciliation of physical shares in form PAS-6 with registrar of companies as was earlier done by unlisted public companies only.

Conclusion.

While undertaking compliances, it is not only the dates of which one should be mindful. But also, one must look at the compliances triggered due to happening of certain event or amendment etc. Also, a point to be noted is that attention needs to be paid to complimentary compliances to be done after the main compliance. For example, Updation of register of directors after filing form for appointment of new director. Such small precautions save the companies from big financial and reputational damage.

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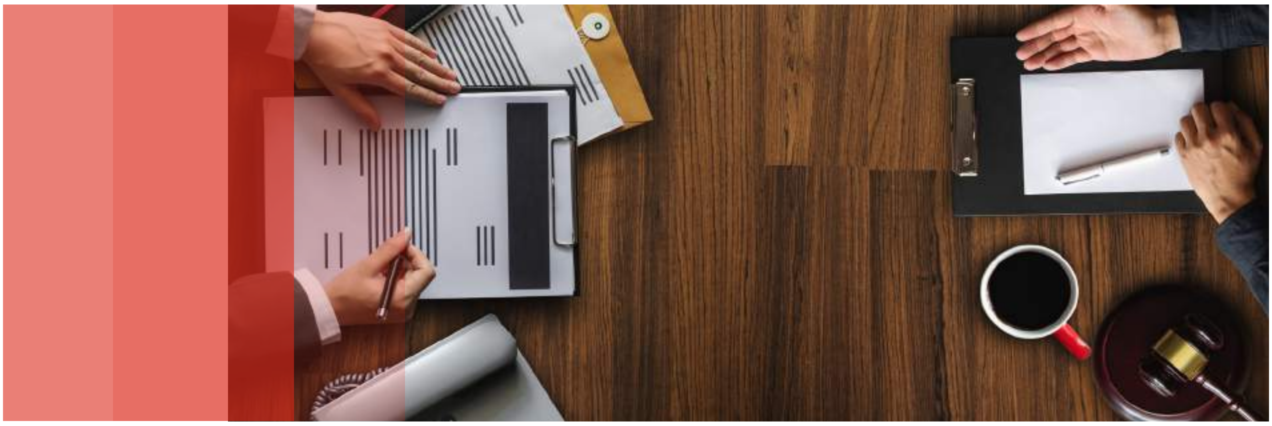
[i] https://www.sebi.gov.in/legal/regulations/jun-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2023_72609.html

[ii] https://www.sebi.gov.in/legal/circulars/apr-2022/clarification-on-applicability-of-regulation-23-4-read-with-regulation-23-3-e-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactio-_57807.html

This article is published in Taxmann. The link to the same is as follows: -

https://www.taxmann.com/research/company-and-sebi/top-story/105010000000023946/beyond-dates-understanding-event-based-compliance-for-2024-25-experts-opinion

Ms. Rutuja Umadikar – Research Associate - rutujaumadikar@mmjc.in



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NEWS UPDATES/AMENDMENTS FOR THE MONTH OF APRIL & MAY 2024

Sr. No.	News Updates/Amendments	Link & Brief Summary
NEWS		
1	CCI sets the ball rolling for studying AI's impact on market competition	https://legal.economictimes.indiatimes.com/news/regulators/cci-sets-the-ball-rolling-for-studying-ais-impact-on-market-competition/109508792?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-04-23&dt=2024-04-23&em=aGFzdGl2b3JhQG1tamMuaW4= The Competition Commission of India (CCI) has set the ball rolling to launch a Market study on AI and competition to understand the transformative capabilities of AI that have significant pro-competitive potential as well as competition concerns emanating from the use of AI.
2	Over half of India's top 100 listed companies voluntarily disclose Scope 3 data in BRSR, says PWC India	https://cfo.economictimes.indiatimes.com/news/esg/over-half-of-indias-top-100-listed-companies-voluntarily-disclose-scope-3-data-in-brsr-says-pwc-india/109518303?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-04-23&dt=2024-04-23&em=aGFzdGl2b3JhQG1tamMuaW4= Indian firms prioritize ESG reporting , with 51 percent disclosing scope 3 emissions. Key findings include 89 per cent disclosing leadership indicators and 31 per cent revealing net zero targets as per PWC India report.
3	Private sector activity rises to highest level in nearly 14 years	https://cfo.economictimes.indiatimes.com/news/economy/private-sector-activity-rises-to-highest-level-in-nearly-14-years/109549029?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-04-24&dt=2024-04-24&em=aGFzdGl2b3JhQG1tamMuaW4= India's private sector activity surged to a 14 years high, driven by strong demand according to preliminary data released by HSBC. The flash India composite PMI Output index rose 62.2 in April. Service growth accelerated ,especially in international markets , while manufacturing

		remained steady. Optimism and improved margins were noted , but inflation remained above average.
4	RBI economists cautious as inflation risks linger	https://cfo.economictimes.indiatimes.com/news/economy/rbi-economists-cautious-as-inflation-risks-linger/109548862?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-04-24&dt=2024-04-24&em=aGFzdGl2b3JhQG1tamMuaW4= They are flagging off risks from extreme weather conditions that would pose risks to inflation along with risks from the geopolitical tensions that could flare up crude prices. In their assessment of the economy the RBI economists in its latest monthly bulletin also say that the economy has to grow 8-10 percent every year to reap the demographic dividend.
5	Fractional ownership platforms start registering under new SEBI regulations	https://cfo.economictimes.indiatimes.com/news/governance-risk-compliance/fractional-ownership-platforms-start-registering-under-new-sebi-regulations/109548755?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-04-24&dt=2024-04-24&em=aGFzdGl2b3JhQG1tamMuaW4= Fractional ownership platforms have started the process of registering under SM REIT regulation, a month after SEBI notified these rules to govern small and medium real estate investment trusts (SM REITSs) of income – generating and completed properties including commercial assests, rental housing, warehousing and hotels.
6	State of the Economy: How did the macroeconomic indicators perform in March 2024?	https://cfo.economictimes.indiatimes.com/news/economy/state-of-the-economy-how-did-the-macroeconomic-indicators-perform-in-march-2024/109579495?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-04-25&dt=2024-04-25&em=aGFzdGl2b3JhQG1tamMuaW4= With the GST revenue standing at second highest collection ever and the foreign exchange reserves hitting on all time high. The last month of the financial year 2023-2024 recorded positive numbers for various macroeconomics factors defining the health of the India economy.
7	RoC's keep regulatory heat on companies; 284 businesses faced orders since January	https://www.livemint.com/news/india/rocs-keep-regulatory-heat-on-companies-284-businesses-faced-orders-since-january-11714042281756.html

		Enforcement actions by RoC's have resulted in 284 adjudication orders this year, similar to 2023. Violations include financial reporting lapses, unapproved loans, and unauthorized public offerings through online platforms, reflecting a trend towards more technology-driven compliance oversight.
8	Corporate Affairs Ministry bats for effective cost audits to curb corporate frauds	https://cfo.economictimes.indiatimes.com/news/corporate-affairs-ministry-bats-for-effective-cost-audits-to-curb-corporate-frauds/109831334?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-04&dt=2024-05-04&em=aGFzdGl2b3JhQG1tamMuaW4= Corporate Affairs Ministry highlights importance of cost audits in preventing manipulation by companies such as misleading banks and evading taxes like GST.
9	Financial Inclusion and Fintech: Bridging Gaps and Driving economic equality	https://cfo.economictimes.indiatimes.com/blog/financial-inclusion-and-fintech-bridging-gaps-and-driving-economic-equality/109750294 Due to Fintech evolution, innovative digital platforms have democratised access to financial services and played a pivotal role in enhancing financial literacy, bridging the financial gap and fostering economic quality in India.
10	India could allow a tiny window in the Chinese wall	https://cfo.economictimes.indiatimes.com/news/india-could-allow-a-tiny-window-in-the-chinese-wall/109770497?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-02&dt=2024-05-02&em=aGFzdGl2b3JhQG1tamMuaW4= In the wake of border tensions, the Indian govt. has been looking askance at investments by Chinese companies in India. Press Note 3 norms issued in 2020 stipulated that a company based in a country that shares a land border with India (such as China) can invest only after government clearance.
11	India to become world's third-largest ecommerce market by 2030	https://cfo.economictimes.indiatimes.com/news/economy/india-to-become-worlds-third-largest-ecommerce-market-by-2030/109771314?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-02&dt=2024-05-02&em=aGFzdGl2b3JhQG1tamMuaW4=

		Invest India forecasts India's e-commerce to soar $325 billion by 2030, fuelled by 500 million shoppers and robust internet penetration. The country's digital transformation is driven by affordable data, smartphone usage and a focus on rural e-commerce growth.
12	CSR spends by NSE-listed cos hit Rs 15,524 crore in FY- 2023	https://etcfo.com/s/6mbqyn0 India Inc's CSR spend rose by 5% from Rs. 14,816 cr in FY 22 to Rs.15,524 cr in FY 23 across 1296 NSE Listed companies .
13	MCA mulls faster transfer of old unclaimed shares to beneficiaries	https://cfo.economictimes.indiatimes.com/news/governance-risk-compliance/mca-mulls-faster-transfer-of-old-unclaimed-shares-to-beneficiaries/109934675?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-08&dt=2024-05-08&em=aGFzdGl2b3JhQG1tamMuaW4= The corporate affairs ministry is considering a faster way of transferring to beneficiaries shares, dividends and matured debentures in inactive accounts that have not been claimed for years.
14	Government exploring options to roll out labour codes	https://cfo.economictimes.indiatimes.com/news/strategy-operations/government-exploring-options-to-roll-out-labour-codes/109935441?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-08&dt=2024-05-08&em=aGFzdGl2b3JhQG1tamMuaW4= The ministry of labour and employment is considering several options including a gradual repeal of old labour laws to ensure there is no legal void states that are yet to draft rules.
15	Private digital currencies are potentially dangerous, CBDC a safer alternative: RBI Governor	https://legal.economictimes.indiatimes.com/news/law-policy/private-digital-currencies-are-potentially-dangerous-cbdc-a-safer-alternative-rbi-governor/109895387?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etlegal_news_2024-05-08&dt=2024-05-08&em=aGFzdGl2b3JhQG1tamMuaW4= RBI Governor said that CBDC or digital currency can drive financial inclusion and provide a much safer alternative to potentially dangerous private digital currencies.

16	Corporate affairs ministry bats for effective cost audits to curb corporate frauds	https://cfo.economictimes.indiatimes.com/news/corporate-affairs-ministry-bats-for-effective-cost-audits-to-curb-corporate-frauds/109831334?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-04&dt=2024-05-04&em=aGFzdGl2b3JhQG1tamMuaW4= The corporate affairs ministry has underscored the importance of effective and timely cost audit to curb manipulation by unscrupulous elements, a development that comes amide increasing bids by fraudulent companies to mislead authorities with dodgy information about inventory value or related party sales.
17	RBI proposes tighter project finance rule	https://cfo.economictimes.indiatimes.com/news/governance-risk-compliance/rbi-proposes-tighter-project-finance-rules/109831273?action=profile_completion&utm_source=Mailer&utm_medium=newsletter&utm_campaign=etcfo_news_2024-05-04&dt=2024-05-04&em=aGFzdGl2b3JhQG1tamMuaW4= RBI proposes stricter lending rules to prevent stress on bank books during project implementation.
AMENDMENTS / CIRCULARS /CONSULTATION PAPERS		
1	SEBI Circular	https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20240430-5 Master circular on listing compliance
2	BSE Circular	https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20240503-47 BSE Circular on intimation of credit of dividend into attached bank accounts of notified parties under special courts (torts) act 1992
3	Company Website Update	CSR Policy and Projects
Due Dates		
Companies Act, 2013 & LLP Act, 2008		
1.	Form 11 LLP – Annual Return of LLP	May 30

2.	PAS – 6 – Reporting of Shares held in Demat form for the period of October to March	May 30
FEMA		
3.	FC -4 – Annual Return of Foreign Company	May 30
SEBI Listing and Obligation Disclosure Requirements, 2015,		
4	Reg 24A of SEBI (LODR): Secretarial Compliance Report	From 60 days of end of Financial Year – Applicable to Companies which have Corporate Governance Provisions applicable, InvITs & High Value Debt Listed Companies
5	Reg 33(3) of SEBI (LODR): Financial Results along with Auditor's report	From 60 days of end of Financial Year
6	Reg 23(9) of SEBI(LODR): Disclosure of RPTs to SE	From 60 days of end of Financial Year along with Financial Statements of the Company