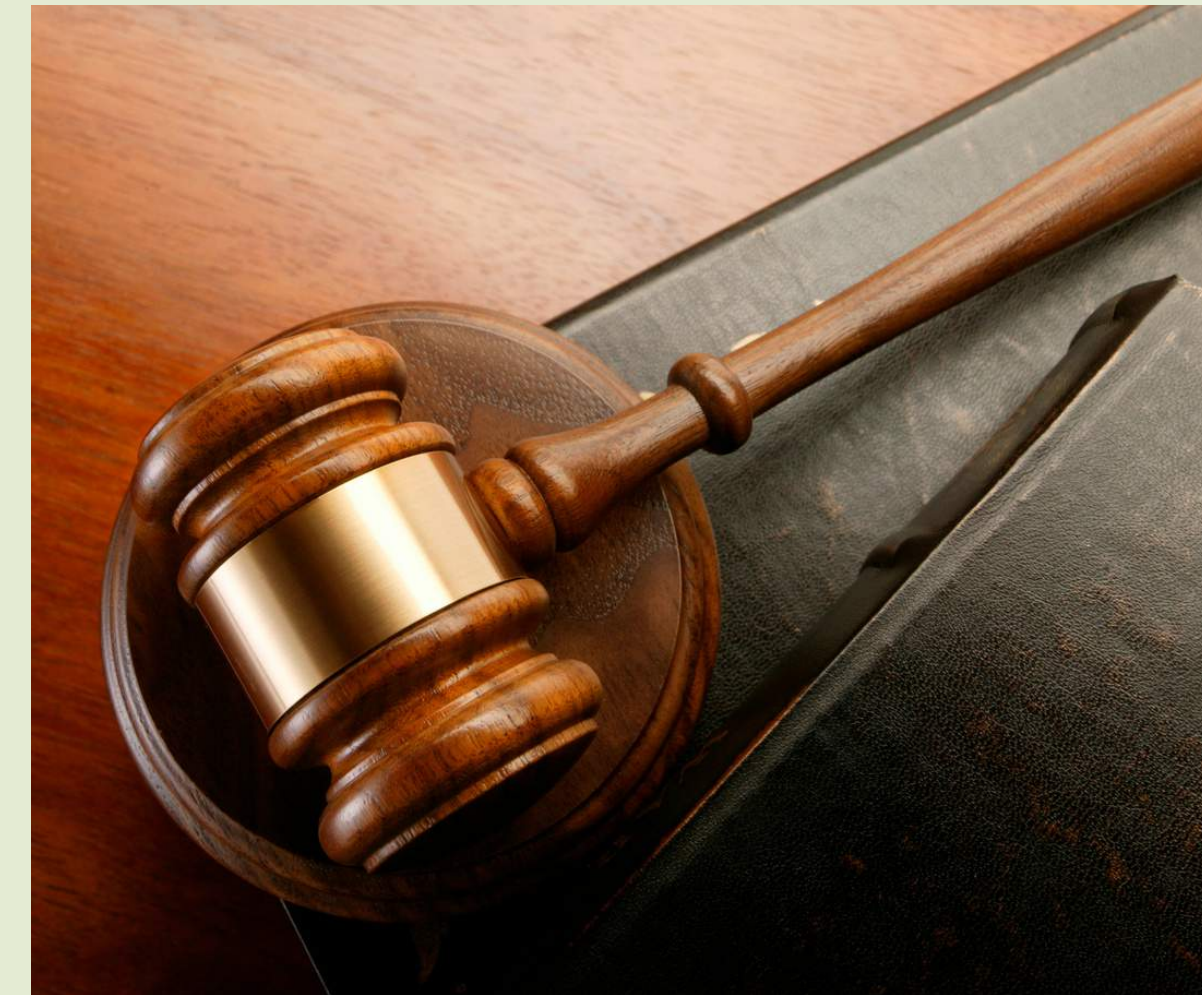


# COMMUNIQUE

## CORPORATE AND RELATED LAWS





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## Clarification on spending of CSR funds for "Har Ghar Tiranga" campaign

'Har Ghar Tiranga', a campaign under the aegis of Azadi Ka Amrit Mahotsav, is aimed to invoke the feeling of patriotism in the hearts of the people and to promote awareness about the Indian National Flag. In this regard, it is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities under Schedule VII of the Companies Act, 2013 pertaining to promotion of education relating to culture. The companies may undertake the aforesaid activities, subject to fulfillment of the Companies (CSR Policy) Rules, 2014 and related circulars/clarifications issued by the Ministry thereof, from time to time.



## CBDT notification for PAN integration with LLP incorporation form FiLLip

The Central Board of Direct Taxes vide its notification dated July 26, 2022 has notified the procedure of PAN application and allotment through Simplified Proforma for Incorporating Limited Liability Partnerships (LLPs) electronically (Form: FiLLiP) of the Ministry of Corporate Affairs. In exercise of the powers delegated by the Central Board of Direct Taxes vide notification G.S.R dated 09.02.2017, the Director General of Income-tax (Systems) laid down applicable form, format and procedure for Permanent Account Number (PAN) application filing by LLPs.



## SEBI revises settlement rules for running accounts

SEBI has revised rules on the settlement of running accounts of clients' funds lying with stockbrokers. The regulator said brokers should settle running accounts of clients' funds after considering the end-of-the-day obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter. For clients, who have opted for monthly settlement, running accounts should be settled on the first Friday of every month. If the first Friday is a trading holiday, then such settlement should happen on the previous trading day. As per rules, brokers are required to carry out the settlement of funds and securities depending on the mandate of the client. They must maintain a gap of a maximum of 90 or 30 days, as per the choice of the client between two settlements of running account.



## MCA launching first phase of forms on MCA21V3 portal

MCA updated the stakeholders that Ministry of Corporate Affairs is launching first set of Company Forms on MCA21 V3 portal. These forms will be launched on 31st Aug 2022 at 12:00 AM. Following forms will be rolled-out in this phase for DIR3-KYC Web, DIR3-KYC Eform, DPT-3, DPT-4, CHG-1, CHG-4, CHG-6, CHG-8 & CHG-9.

To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- Company e-Filings on V2 portal will be disabled from 15th Aug 2022 12:00 AM for the above 9 forms. All stakeholders are advised to ensure that there are no SRNs in pending payment and Resubmission status.
- Offline payments for the above 9 forms in V2 using Pay later option would be stopped from 07th Aug 2022 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).





## **Inadequate KYCs: SEBI lays down rules for deactivation of accounts**

Capital markets regulator SEBI released a framework for automated deactivation of trading and demat accounts of investors in case of inadequate Know Your Client (KYC) details. The framework will come into effect from August 31, 2022. Noting that addresses form a critical part of the KYC procedures, SEBI said that every address recorded for the purpose of compliance with the KYC procedures must be accurate.



## **SEBI imposes Rs 10 lakh fine on Bajaj Hindusthan Sugar for disclosure lapses**

Capital markets regulator SEBI imposed a penalty of Rs 10 lakh on Bajaj Hindusthan Sugar Ltd for not disclosing closure orders with respect to its certain distilleries and imposition of penalty by Central Pollution Control Board. The company has been directed to pay the fine within 45 days, the SEBI said in its order. The order came after the regulator received a complaint through SCORES against Bajaj Hindusthan Sugar, whereby the complainant raised concerns regarding false reporting/misreporting in the annual report in respect of Show Cause Notices (SCNs) issued by Pollution Control Board.



## **SEBI provides directive for sub-KYC user agency for Aadhaar authentication**

Capital markets regulator SEBI issued directives for subKYC user agencies to provide Aadhaar authentication services to their clients for the purpose of know your customer (KYC). This comes after the government last week notified 155 entities as subKUAs (KYC user agencies) to use Aadhaar authentication services of the UIDAI (Unique Identification Authority of India).





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