



Inside this edition

MCA to roll out 9 more forms for statutory filing of forms on the V3 portal

RoC Penalizes LinkedIn India and Top Executives for Non-Disclosure of Significant Beneficial Ownership

SEBI issues guidelines for stock bourses, market infra institutions

SEBI eases trading norms for company insiders

Non-Compliance with Board Meeting Disclosures Leads to Penalty for M/s Lions Coordination Committee of India Association

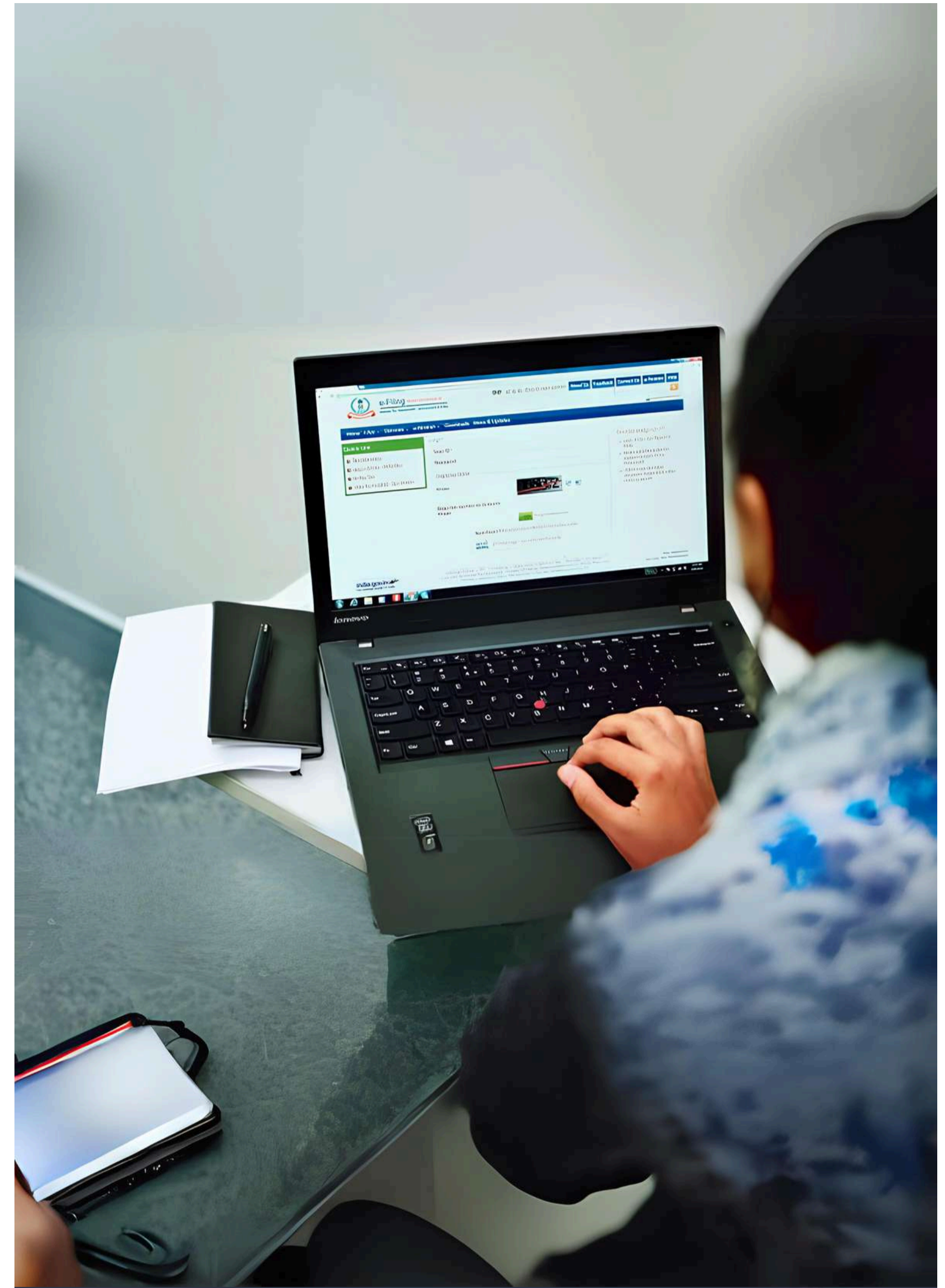
Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

Notifications & Updates

MCA to roll out 9 more forms for statutory filing of forms on the V3 portal

The Ministry of Corporate Affairs is launching third set of Company Forms covering 9 forms [MSME, BEN-2, MGT-6, IEPF-1, IEPF-1A, IEPF-2, IEPF-4, IEPF-5, IEPF-5 everification report] on 15th July 2024 at 12:00 AM. To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- (1) Company e-Filings on V2 portal will be disabled from 04th July 2024 12:00AM.
- (2) All stakeholders are advised to ensure that there are no SRNs in pending payment/pending for investor details upload/Resubmission status.
- (3) Offline payments for the above 9 forms in V2 using Pay later option would be stopped from 01st July 2024 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).
- (4) In view of the upcoming launch of 9 Company forms, V3 portal will not be available from 13th July 2024 12:00 AM to 14th July 2024 11:59 pm.
- (5) V2 Portal for company filing will remain available for all the V2 forms excluding above mentioned 9 forms. Stakeholders may plan accordingly.





RoC Penalizes LinkedIn India and Top Executives for Non-Disclosure of Significant Beneficial Ownership

Recently, the Registrar of Companies (RoC), NCT of Delhi & Haryana, issued a 63-page adjudication order penalizing LinkedIn India Information Private Limited, its Directors, Mr. Ryan Roslansky (Global CEO of LinkedIn), and Mr. Satya Nadella (CEO of Microsoft Corporation) for non-disclosure of Significant Beneficial Ownership (SBO) under Section 90 of the Companies Act, 2013. The penalties, totaling INR 21.5 lakhs, were based on an extensive investigation into the corporate structure and control definitions, revealing significant influence beyond shareholding. The RoC's approach into the overall shareholding and management structure, focusing on control through roles and influence, rather than just shareholding.

The order highlights the importance of transparency in identifying beneficial ownership, aligning with the Financial Action Task Force (FATF) recommendations. The RoC scrutinized LinkedIn India's relationship with its parent companies, identifying control exerted by Roslansky and Nadella through financial oversight and managerial influence. This case, along with similar orders such as the one involving Samsung SDI India Private Limited, underscores the necessity for global corporations to reassess and ensure compliance with SBO reporting requirements to prevent misuse of corporate structures and enhance transparency.

SEBI issues guidelines for stock bourses, market infra institutions

Markets regulator SEBI revised its oversight framework for stock exchanges and other market infrastructure institutions (MIIs), defining the structure and responsibilities of various statutory committees to enhance governance. These guidelines are on the recommendations of SEBI's Committee on Strengthening Governance of MIIs, according to a circular issued by the market regulator. Statutory committees of MIIs can be divided into different categories, such as functional, oversight and investment. On the composition of panels, SEBI said such committees should include key management personnel (KMP), non-independent directors (NIDs), independent external professionals (IEPs), and public interest directors (PIDs).

SEBI eases trading norms for company insiders

SEBI has given flexibility to senior executives of listed companies relating to their trading plans under insider trading norms. The regulator has reduced the minimum cool-off period between disclosure and implementation of trading plan to four months from six months. It has allowed flexibility during formulation of trading plan, to provide price limits - upper price limits for buy trades and lower price limits for sell trades. The regulator has provided a 20 % price range for buying or selling of shares in the trading plan. "Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event

of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed," as per SEBI Notification. Further, in case of nonimplementation of trading plan, the insider should inform about it to compliance officer within two trading days with reasons.

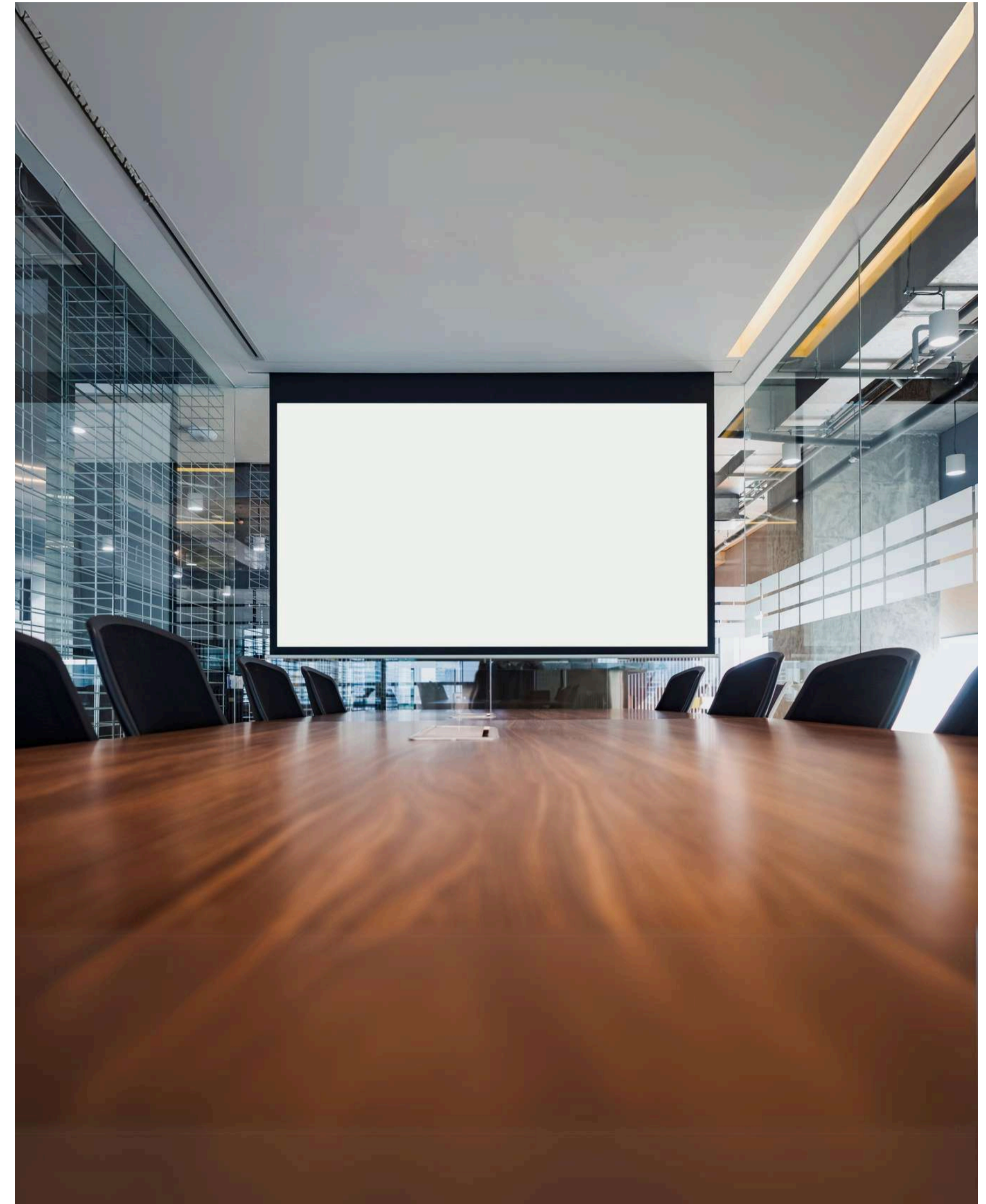


Non-Compliance with Board Meeting Disclosures Leads to Penalty for M/s Lions Coordination Committee of India Association

In this case, M/s Lions Coordination Committee of India Association kept an active status and regularly filed financial statements and annual returns until March 31, 2023. However, they did not disclose the required details about the number of board meetings and their dates for the financial years 2018-19 and 2019-20 in their board report. This was a violation of section 134(3)(b) of the Companies Act, 2013, and Secretarial Standard-4.

As a result, the Registrar of Companies/Adjudication Officer fined M/s Lions Coordination Committee of India Association and its current and former directors Rs. 24 lakh for this non-compliance. The order from the Registrar of Companies, Chennai, clearly explains the penalties and the actions taken by the authorities.

It is crucial for the company's directors to fully comply with legal requirements and secretarial standards issued by the Institute of Company Secretaries of India to avoid such penalties. The company can refer to the guidance note from the Institute for help in ensuring compliance. Adhering to these standards not only ensures transparency and accountability but also maintains the integrity of corporate governance and builds a strong reputation for the company.



Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

After extensive deliberations, it has been prescribed by SEBI that the securities for pay-out shall be credited directly to the respective client's demat account by the Clearing Corporations (CCs) and CCs shall provide a mechanism for Trading Member (TM)/Clearing Members (CM) to identify the unpaid securities and funded stocks under the margin trading facility. In case of any shortages arising due to inter se netting of positions between clients i.e., internal shortages, TM/CM shall handle such shortages through the process of auction as specified by CCs. In such cases, the brokers shall not levy any charges on the client over and above the charges levied by the CCs. The provisions of this circular shall come into force with effect from October 14, 2024.

Let's Connect

+91.135.2743283, +91.135.2747084

3rd Floor, MJ Tower, 55, Rajpur Road, Dehradun - 248001

E: info@vkalra.com | W: vkalra.com

Follow us on   

For any further assistance contact our team at kmt@vkalra.com

© 2024 Verendra Kalra & Co. All rights reserved.

This publication contains information in summary form and is therefore intended for general guidance only. It is not a substitute for detailed research or the exercise of professional judgment. Neither VKC nor any member can accept any responsibility for loss occasioned to any person acting or refraining from actions as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

