Devadhaantu Insights – May 2021

Dear Reader,

Greetings!

We are happy to present the Devadhaantu Insights highlighting important legislative updates in direct taxes and regulatory updates in SEBI, IBC, FEMA and Corporate laws.

We hope that we are able to provide an insight into various updates that you would find to be informative as well as useful. For any deeper discussion as to how the updates covered in this document could affect your transactions, please do not hesitate to contact Devadhaantu.

Happy Reading!
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Thank You

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DIRECT TAX UPDATES

MAY 2021

Direct tax updates (1/7)

Supreme Court dismissed appeal by revenue for restricting deduction under section 80IA of the ITA only to business income

Commissioner of Income Tax – I ("CIT"), filed an appeal against M/s. Reliance Energy Limited, an assessee, engaged in the business of generation of power and also deals with purchase and distribution of power. Appeal was filed for the assessment year 2002-03, when the assessee had filed the income tax return declaring the total income as 'NIL'. At the time of assessment proceedings, the Assessee submitted a revised computation of income by revising its claim of deduction under Section 80-IA of the Income Tax Act, 1961, of which the Income Tax Department (Revenue) asked to explain as to why the deduction should not be restricted to business income.

Supreme Court held that, there being no discussion about Section 80-IA(5) either by the CIT, nor the Tribunal and the High Court. However, its was considered that the submissions on behalf of the Revenue as it has a bearing on the interpretation of sub-section (1) of Section 80-IA of the Act. In this respect, the Supreme Court held that the scope of sub-section (5) of Section 80- IA of the Act is limited to determination of quantum of deduction under sub-section (1) of Section 80-IA of the Act by treating 'eligible business' as the 'only source of income'. However, Sub-section (5) cannot be pressed into service for reading a limitation of the deduction under sub-section (1) only to 'business income', even though the Revenue tried to rely on the phase 'derived…. from' in Section 80-IA(1) of the Act in respect of the submission that the intention of the legislature was to give the narrowest possible construction to deduction admissible under this sub-section.

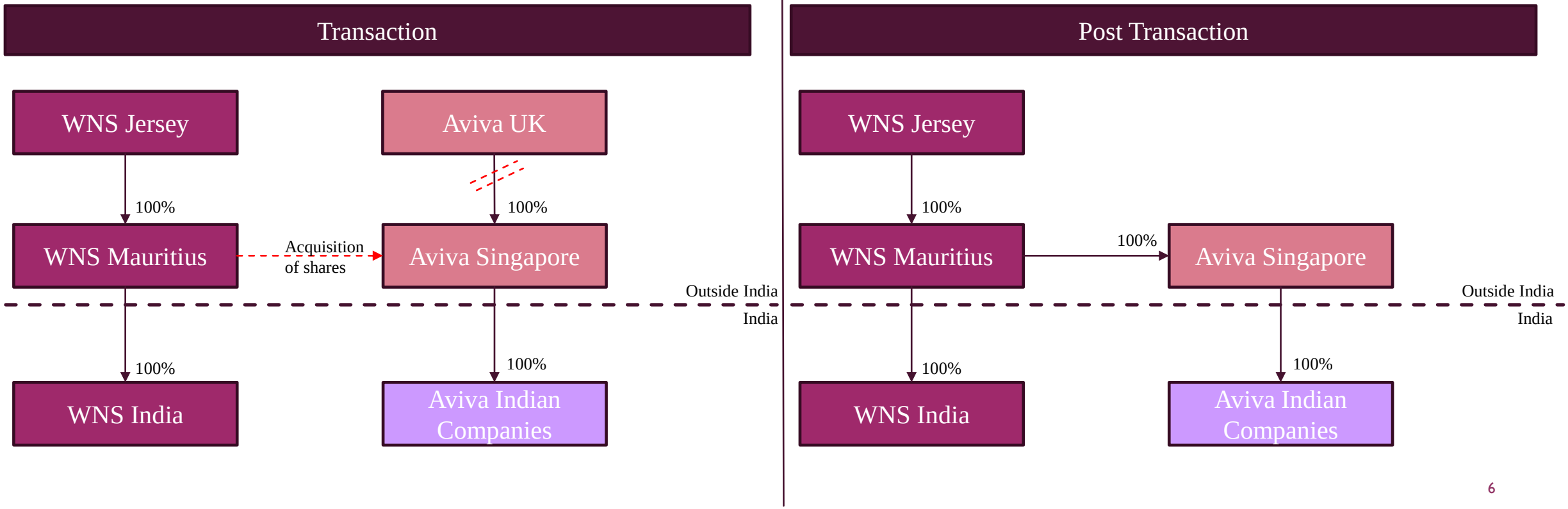
Thus the appeal was dismissed in the capacity of the issue to the extent of deduction under Section 80-IA of the Income Tax Act, on the basis of the aforesaid reasons.

1 Commissioner of Income Tax – I vs M/S Reliance Energy Limited [Civil Appeal No. 1327 of 2021](SC)

Direct tax updates (2/7)

Retrospective amendment in relation to indirect transfer of shares, does not extend to withholding tax obligations retrospectively(1/2)

Assessee, incorporated in Mauritius, had entered into an agreement dated July, 2008, to purchase 100% shareholding in Aviva Global Services Singapore Private Limited ("Aviva Singapore"), a Company incorporated in Singapore, from Aviva International Holdings Limited ("Aviva (UK)"), a company incorporated in UK. Aviva Singapore derived substantial value from assets situated in India. Assessee had not deducted tax at source while transferring purchase consideration to Aviva UK.



1 DCIT vs WNS Capital Investment Limited, Mauritius [ITA No. 3851 / Mum / 18 for Assessment Year 2009-10]

Direct tax updates (2/7)

Retrospective amendment in relation to indirect transfer of shares, does not extend to withholding tax obligations retrospectively (2/2)

Based on the transaction structure, AO concluded that the pre-dominant purpose of the assessee's purchasing shares of Aviva Singapore was the underlying assets, by way of shareholding in Indian subsidiaries of Aviva Singapore. Based on such conclusion, AO stated that such transaction attracts taxability under capital gains in the hands of Aviva UK and accordingly, assessee was held as assessee-in-default for not deducting withholding tax on purchase of shares, as provisions of taxation of indirect transfer transactions are enacted retrospectively under ITA. CIT(A) dismissed the AO's order.

Aggrived by order of CIT(A), appeal to Mumbai ITAT is filled, whereby appeal has been dismissed on the following grounds:

- Making reference to the case of Kanthi Enterprises[2], it was acknowledged that "the legislature can impose tax retrospectively though it cannot be arbitrary and unreasonable". However, so far as tax withholding requirements under section 195 are concerned, these requirements impose duties and obligations on a person, including a non-resident, making payments, involving an element of income taxable in India, to a non-resident. The nature of this provision is thus of regulating the conduct of a person so far as tax withholding obligations are concerned. The peculiarities of the nature of law with respect of tax withholding obligations require these provisions to be dealt in a manner different than the taxability provisions.
- Referring to the case of Engineering Analysis Centre of Excellence[3], it was reiterated that the "person" mentioned in section 195 of the Income Tax Act cannot be expected to do the impossible, i.e. to apply provisions of ITA when such provisions was not actually and factually in the statue. In the instatnt case, transaction took place in July 2008 and law regarding indirect transfer tax were enacted in 2012, it was impossible for assessee to apply the provision sof law for deduction of tax at source on such transaction.

2 Kanthi Enterprises Vs State of Karnataka [(2002) 7 SCC 283, 288]

3 Engineering Analysis Centre of Excellence vs CIT [(2021) 125 taxmann.com 42 (SC)]

Direct tax updates (3/7)

Carry forward of short-term capital loss allowed to a company to whom India-Singapore DTAA was applicable[1]

Assessee is a SEBI registered foreign institutional investor ("FII") and has incurred short term capital loss ("STCL") in India from investment activities. Assessee, in its return of income has carried forward such STCL and has also claimed treaty benefit under India – Singapore tax treaty.

AO did not allow assessee to carry forward STCL under the garb of India –Singapore tax treaty claiming that capital gains earned by a registered FII is exempt and accordingly, STCL shall be ignored and no carry forward of such STCL shall be allowed. Referring to section 90(2) of the ITA, assessee contended that provisions under ITA or tax treaty, whichever are more beneficial shall be applied. So instead of solely relying on provisions under India – Singapore tax treaty, provisions of ITA could be made applicable and losses could be carried forward. CIT(A) upheld the order of AO for disallowing carry forward of STCL.

Upon further appeal to Mumbai ITAT, assessee is allowed to carry forward STCL. Observation made by Mumbai ITAT are as under:

- The provisions of the DTAA cannot be thrusted upon the Assessee simply because the Assessee is a tax resident of a country with which India has entered into a tax treaty or on account of the mere perception of the AO that the Assessee may claim benefits under the tax treaty in subsequent years.
- Having regard to the provisions of section 90(2) of the Act and given that the provisions of section 74 of the Act permit the Assessee to carry forward capital losses to subsequent assessment years, the provisions of the Act are more beneficial than the provisions of the India - Singapore treaty. Accordingly, STCL should be eligible to be carried forward.
- Accordingly, the capital losses incurred from transactions in the Indian capital markets should be construed as income accruing or arising from transactions undertaken in India falling within the scope of section 5 of the ITA and therefore, the same should be eligible to be carried forward to subsequent years in accordance with the provisions of section 74 of the ITA.

1 Goldman Sachs India Investments (Singapore) PTE Limited Vs DCIT [ITA No. 6619 / Mum / 2016 for Assessment year 2012-13]

Direct tax updates (4/7)

Beneficial tax treaty rate shall prevail over Section 206AA of the ITA [1]

Assessee is a public limited listed company and is engaged in the business of manufacture and sale of pumps, rotating electric machines and other such electrical and engineering items. For the financial year 2013-14, assessee had withheld tax (TDS) at 10% from the remittance made to a Czech Republic company. The said company had failed to provide its PAN to assessee.

During scrutiny assessment of the assessee, the Tax Officer enquired as to why section 206AA of the ITA was not attracted. Assessee contended that section 206AA of the ITA is not applicable, as the transaction is governed by Article 12 of the India and Czech Republic tax treaty. As per Article 12 of such tax treaty, the applicable TDS rate is 10% and accordingly, it had withheld the tax. However, the Tax Officer did not accept the assessee's plea thereby made addition to tax payable at the rate of 20% for non-withholding of TDS default. The CIT (A) upheld the order of Tax Officer. Aggrieved, the taxpayer filed an appeal before the Ahmedabad Tax Tribunal.

The Ahmedabad Tax Tribunal held that the provision of section 206AA of the ITA does not override the provision of Section 92 of the ITA and hence the tax rate prescribed under the tax treaty is rightly applied. While holding that tax treaty will prevail over section 206AA of the ITA, the Ahmedabad Tax Tribunal made the following observations:

- Though the ITA specifies TDS at the rate of 20% under section 206AA of the ITA, tax treaty provisions would override the provisions of the ITA since the provisions of tax treaty are more beneficial.
- The circular no. 333 dated April 2, 1982 issued by the Central Board of Direct Taxes ("CBDT") speaks that "specific provisions made in DTAA would prevail over general provisions contained in the ITA". This is a cardinal principle of law that when there is an agreement entered between two sovereign states than the provision which are more beneficial to taxpayer as per the sovereign agreements become applicable.
- Section 90(2) of the ITA provides that the provisions of Tax Treaty would override the provisions of the ITA in case where the provisions of Tax Treaty are more beneficial to the taxpayer.

1 Jyoti Ltd vs DCIT(IT) (ITA No 666/Ahd/2018)

Direct tax updates (5/7)

CBDT notifies format, procedure and guidelines for submission of statement of financial transactions ("SFT") for dividend and interest income (1/2)

Earlier, CBDT vide Notification No. 16/2021 dated March 12, 2021 had notified inclusion of reporting of information relating to dividend income, interest income and capital gains on transfer of listed securities or units of mutual funds for the purpose of SFT.

In pursuance of the same, CBDT vide Notification No. 1/2021 and 2/2021 has now notified format, procedure & guidelines for submission of SFT for Dividend income & Interest income. Format, procedure and guidelines for submission of SFT for capital gains income is yet to be notified by CBDT. The subject notifications inter alia provides for class of persons required to furnish the dividend and interest income SFT:

Nature of income	Class of persons required to furnish income under SFT
For dividend income SFT	A company paying dividend
For interest income SFT	• A banking company or a cooperative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); • Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898); • Non-banking financial company which holds a certificate of registration under section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934), to hold or accept deposit from public;

Direct tax updates (5/7)

CBDT notifies format, procedure and guidelines for submission of statement of financial transactions ("SFT") (2/2)

Guidelines for preparing SFT

- Dividend income refers to dividend distributed during the year.
- The information is to be reported for all dividend distributed during the financial year.
- Dividend will be the total amount of dividend distributed during the financial year.

- Interest income refers to interest paid/credited during the financial year.
- Interest income to be reported for all account/deposit holders where cumulative interest exceeds Rs 5,000 per person in the financial year.
- Interest which is exempt from tax under the provisions of ITA such as interest on Public Provident Fund (PPF) Account, Foreign Currency Non-resident (FCNR) Account, Sukanya Samriddhi Account, Resident Foreign Currency Account etc. need not be reported.
- While reporting the interest amount, deduction of Rs. 10,000/- available under section 80TTA of the ITA should not be reduced from interest amount paid/credited.
- In case of joint account, the interest paid/credited should be assigned to the first/primary account holder or specified assigned person as per Form 37BA.
- In case of minor being the account holder, the information to be reported in the name of Legal Guardian.
- Separate report is required to be submitted for each account type (i.e. Savings, Time Deposit, Recurring Deposit, Others) and Interest on same account type is required to be aggregated in the report.
- Interest will be the total amount of Interest paid/credited during the financial year.
- Manner of preparation of data using an excel based report preparation utility & validation of data file using Submission utility.
- SFT to be signed by designated director
- SFT to be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded.

Direct tax updates (6/7)

CBDT notifies thresholds for Significant Economic Presence

CBDT vide Notification No. 41/2021 dated May 3, 2021 through Income-tax (13th Amendment) Rules, 2021 has inserted a new Rule 11UD in Income-tax Rules, 1962 to define the threshold limits for Significant Economic Presence.

The Finance Act, 2020 has amended the definition of 'Business Connection' contained in section 9 of the Income-tax Act, 1961 to provide that a significant economic presence of a non-resident in India shall constitute business connection in India bringing income earned by way of such significant economic presence under the tax net in India. The above amendment is effective from April 1, 2022.

Threshold against such "significant economic presence" is as under:

Sr. No.	Significant economic presence	Threshold limit
1	Transaction in respect of any goods, services or property carried out by a non-resident in India including provision of download of data or software in India, if the aggregate of payments arising from such transaction or transactions during the previous year;	INR 2 crores
2	systematic and continuous soliciting of business activities or engaging in interaction with such number of users, in India through digital means	INR 3 Lakhs

This is also commonly called 'Digital PE'. Overseas entities that don't have a physical presence in India but derive significant financial benefit from Indian customers will come under the Indian tax net.

Direct tax updates (7/7)

CBDT notifies Rules for determining fair value of assets for the purpose of slump sale (1/2)

Pursuant to amendment made vide Finance Act, 2021, CBDT has now issued notification no. 68 of 2021 dated May 24, 2021 to provide Rule 11UAE of the Income Tax Rules, 1962, for providing method for computing Fair Market Value ("FMV") of capital assets transferred as slump sale under section 50B of the ITA.

Accordingly, the FMV of capital assets calculated in prescribed manner shall be deemed to be the full value of consideration for the purpose of computing capital gains. It has been provided that FMV of capital assets shall be higher of FMV1 or FMV2. Following are the formula for determining FMV1 and FMV2:

FMV1: A+B+C+D-L

A = Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) appearing in the books of the undertaking or the division transferred by way of slump sale, reduced by the amount which relate to such undertaking or the division:
(i) any amount of income tax paid, if any, less the amount of income tax refund claimed, if any and
(ii)any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset.

B= Price which the jewellery and artistic work would fetch if sold in the open market on the valuation report obtained from a registered valuer.

C= FMV of shares and securities

D= Value adopted by any government authority for the purpose of stamp duty in respect of immovable property

L= Book value of liabilities as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale, but not including the following which relates to such undertaking or division:

Direct tax updates (7/7)

CBDT notifies Rules for determining fair value of assets for the purpose of slump sale (2/2)

(i) equity paid-up share capital;
(ii) amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer, at a general body meeting of the company;
(iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
(iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with applicable law thereto;
(v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;
(vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares

FMV2: E+F+G+H
E= Value of monetary consideration received or accruing pursuant to transfer;

F= FMV of non-monetary consideration received or accruing as a result of the transfer, represented by property. FMV of the said property to be determined in prescribed manner;

G= Value of the non-monetary consideration received or accruing as a result of transfer, represented by property other than immovable property and other than the property referred to in Rule 11UA(1). The value would be equal to the price which the property would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

H= Value adopted by any government authority for the purpose of payment of stamp duty in respect of the immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property.

CORPORATE LAW UPDATES

MAY 2021

Corporate Law - Regulatory updates (1/3)

NCLAT allows selective capital reduction[1]

Brillio Technologies Private Limited filed the petition under Section 66 of the Companies Act, 2013, with National Company Law Tribunal ('NCLT') for selective capital reduction for reducing minority stake of 4.12% held by non-promoter in the Company.

Consideration for such selective capital reduction, was determined at fair market value. During the proceedings for selective capital reduction at NCLT, Regional Director raised various objections, inter alia, as under:

1. Selective reduction of capital is not permissible considering that only the shares held by non-promoter shareholders are being cancelled;
2. The petition for reduction of capital under section 66 of the Companies Act is not maintainable. However, it may be filed under section 230-232 of the Act.

Aggrieved by the objection of RD, appeal was filled with National Company Law Appelant Tribunal ('NCLAT'). NCLAT observed as under:

1. As per section 66 of the Companies Act, 2013, reduction of share capital can be done in 'any manner'. Clause (a) & (b) of Section 66(1) of the Companies Act, 2013, are mere illustration and not the only manner in which share capital may be reduced.
2. Selective reduction is permissible if the non-promoter shareholders are being paid fair value for their shares. Further, none of the non-promoter shareholders have raised objection in relation to the valuation of their shares.
3. With regards to issue of undertaking selective capital reduction under section 230-232 of the Companies Act, 2013:
   a. NCLAT has relied on the Gujarat High Court judgement[2] and has held that section 66 of the Companies Act, 2013 makes provision for reduction of share capital simpliciter without it being part of any scheme of compromise or arrangement.
   b. Therefore, National Company Law Tribunal has erroneously held that the application for reduction of share capital is not maintainable under Section 66 of the Companies Act, 2013.

1 Company Appeal (AT) No. 293 of 2019

2 Maneckchowk and Ahmadabad Manufacturing Company Ltd- CP No. 8 of 1969 (Gujarat)

Corporate Law - Regulatory updates (2/3)

NCLAT concludes that investigation into the affairs of the company need to be passed under section 210 (2) of the Companies Act, 2013[1]

This Appeal emanates from the Order dated January 05, 2021, passed by the National Company Law Tribunal, Hyderabad Bench, whereby the NCLT had passed an order directing Registrar of Companies to carry out investigation into the affairs of the Company instead of Central Government. The case was relating to siphoning off of 95% of the balance in the bank account by one of the director, owing to which statutory dues like GST payment, royalty were not possible to make. Aggrieved by the order, appeal was made to NCLAT.

NCLAT based on the records available and submissions made, concluded that investigation into the affairs of the Company was necessary. NCLAT set aside the order of the NCLT, Hyderabad Bench and concluded that investigation into the affairs of the Company need to be passed under Section 210 (2) of the Companies Act, 2013, placing reliance on below orders / decisions:

- Hon'ble, the Supreme Court of India in case of Rohtas Industries Limited[2], while examining the nature of the power conferred on the Central Government under the corresponding Section 235 of the Companies Act 1956, held that unless proper grounds exist for the investigation of the affairs of the Company, such investigation ought not to be lightly undertaken. The same was explained by stating that investigation can seriously damage the reputation of the Company and, therefore, ought not to be ordered without proper material gathered in the manner prescribed under the Companies Act. Such powers have been conferred on the Central Government with the faith that it will be exercised reasonably.
- Further, in case of Barium Chemicals Ltd[3] held that "there must exist circumstances which, in the opinion of the Authority, suggest what has been set out in Sub-clause (i), (ii) or (iii) of section 235 of the Companies act, 1956. If it is shown that the circumstances do not exist or that they are such that it is impossible for anyone to form an opinion therefrom suggestive of the aforesaid things, the opinion a challenge will on the ground of non-application of mind or perversity or on the ground that it was formed on collateral grounds and well beyond the scope of a statute".

1 Company Appeal (AT) (CH) No. 06 of 2021 2 Rohtas Industries Ltd vs D. Agarwal 1969 (1) SCC 325 3 Barium Chemical Ltd vs CLB reported in AIR 1967 SC 295

Corporate Law - Regulatory updates (3/3)

MCA provides clarification on spending of Corporate Social Responsibility funds

The Ministry had earlier clarified vide its General Circular 10/2020 dated March 23, 2020 that spending of CSR funds for COVID-19 is an eligible CSR activity. In respect to same, vide general circular no. 09/2021 dated May 5, 2021, further clarification has been issued in relation specifically to 'creating health infrastructure for Covid care' and 'establishment of medical oxygen generation and storage plants' as under:

- 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 relating to promotion of health care, including preventive health care, and, disaster management respectively;

- Reference is also drawn to item no. (ix) of Schedule VII of the Companies Act, 2013 which permits contribution to specified research and development projects as well as contribution to public funded universities and certain Organizations engaged in conducting research in science, technology, engineering, and medicine as eligible CSR activities;

- The companies including Government companies may undertake the activities or projects or programmes using CSR funds, directly by themselves or in collaboration as shared responsibility with other companies, subject to fulfillment of Companies (CSR Policy) Rules, 2014 and the guidelines issued by this Ministry from time to time.

SEBI REGULATORY UPDATES

MAY 2021

SEBI Regulatory updates (1/4)

Enhancement of overall limit for overseas investment by Alternative Investment Funds (AIFs)/Venture Capital Funds (VCFs)[1]

In terms of SEBI Circulars No. SEBI/VCF/CIR No. 1/98645/2007 dated August 09, 2007, CIR/IMD/DF/7/2015 dated October 01, 2015,and SEBI/HO/IMD/DF1/CIR/P/2018/103/2018 dated July 3, 2018,SEBI registered AIFs and VCFs are permitted to invest overseas, subject to an overall limit of USD 750 million.

In consultation with the Reserve Bank of India, the said limit has now been enhanced to USD 1,500 million. Further, all other regulations governing such overseas investment by eligible AIFs/VCFs shall remain unchanged.

All other requirements, terms and conditions specified in the aforesaid SEBI Circulars shall remain unchanged.

1 In the matter of Chemmanur Gold Palace International Limited [ADJUDICATION ORDER NO. Order/KS/AE/2021-22/11634]

SEBI Regulatory updates (2/4)

Amendment in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

SEBI has notified the following amendments to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations").

- Relaxation from the open offer requirements under Regulation 3 of the Takeover Regulations by increasing the threshold from the existing 25% to 49% for entities listed on the Innovators Growth Platform.
- Relaxation from the disclosure requirements under Regulation 29 of Takeover Regulations by increasing the thresholds from the existing 5% to 10% entities listed on the Innovators Growth Platforms.
- The Committee of Independent Directors while providing reasoned recommendations on the open offer proposal, will also have to disclose the voting pattern of the meeting in which the open offer proposal was discussed.

1 SEBI Notification No. SEBI/LAD-NRO/GN/2021/19 dated May 5, 2021

SEBI Regulatory updates (3/4)

Penalty imposed for non-compliance of SEBI requirement upon issuance of Participating Preference Shares[1]

The Securities and Exchange Board of India ('SEBI'), upon receipt of complaint, conducted examination into issuance of 6% Participating Preference Shares (PPS) by Chemmanur Gold Palace International Limited ("Noticee").

It was found that noticee did not comply with the regulatory requirements such as application for listing of securities, in principle approval for listing of securities, credit rating to be obtained from a credit rating agency, appointment of merchant banker, disclosure requirements in offer document, filing of draft offer document with stock exchanges, mandatory advertisement for public issues, disclosure in abridged prospectus, application forms and mandatory listing of securities post issuance, with regards to the Deemed Public Issue and has thus violated the provisions of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

Hence imposed a penalty of INR 25,00,000 (INR Twenty-Five lakh) on "Noticee".

1 In the matter of Chemmanur Gold Palace International Limited [ADJUDICATION ORDER NO. Order/KS/AE/2021-22/11634]

SEBI Regulatory updates (4/4)

National Stock Exchange issues Guidance Note on disclosures for related party transactions under the SEBI LODR reporting requirements

1. When to submit disclosure of related party transaction?

Answer: As per regulation 23(9), the listed entity shall submit within 30 days from the date of publication of financial results on half yearly basis.

2. Whether to publish all related party transaction or submit material disclosure of related party transaction?

Answer: As per regulation 23(9), all disclosures of related party transactions on a consolidated basis.

3. Whether to publish all related party transaction on standalone or consolidated basis?

Answer: As per regulation 23(9), all disclosures of related party transactions on a consolidated basis (both standalone and consolidated basis) should be submitted within 30 days from the date of publication of its standalone and consolidated financial results for the half year. Accordingly, the submission requirement would be applicable half yearly for each half year of the financial year.

4. In case no related party transaction are there, whether Company is required to submit?

Answer: Yes, as per regulation 23(9) listed companies is required to submit 'NIL' report on related party transaction within 30 days from the date of publication of its standalone and consolidated financial results for the half year, in case no related party transaction during the reporting period.

5. Where to submitted related party transaction on NEAPS?

Answer: NEAPS > COMPLIANCE > Announcements > Announcements/ CA (Select the Subject as "Related Party Transaction")

6. In case there are no related party transaction except managerial salary, would related party disclosure required then too?

Answer: Yes, whether there is one or nil transaction, disclosure is still required to be submitted by the listed entity.

Reference Number : NSE/CML/2021/09 dated April 1, 2021