

'Be a Prudent Investor'



From The Editor's Desk

Dear Readers,

The past couple of months have brought about several changes in all aspects of our lifestyle. From keeping in touch with family and friends without meeting them, to working from home, it has affected societal and individual behaviour tremendously. While these changes have been forced upon us, it has also helped us to adapt and innovate to make the best of the situation we find ourselves in. And looking at the benefits we have derived from these new habits and practices, we foresee these continuing into the future as well.

Like our lives, the business landscape has also witnessed substantial changes. A key change for almost all organizations and individuals is the concept of 'work from home'. And while not new, it was a relatively under-utilized mode of work in India until the lockdown restricted the movement of people. While the work itself does not change, creating a culture of remote working can be challenging, especially under such circumstances. Another fallout of the pandemic is the impact it has on various sectors of economy. For example, aviation, tourism and hospitality sectors are among the worst to be hit

whereas companies in the pharma and FMCG sectors have remained relatively unaffected owing to the essential nature of their offerings. The banking sector, on the other hand, could face a different kind of challenge in the form of NPAs if the current situation continues for a prolonged period. So, while we wait for an antidote or a way to overcome this pandemic, in this edition of The Financial Kaleidoscope, we will look at some measures announced by the Government of India to revive the economy. We have also covered certain new developments concerning the companies, business and investors at large. We intend to help you to keep yourself updated and become a 'Prudent Investor'. We invite all our readers to participate in the 'Knowledge Wins Contest' and share feedback and suggestions at the link given inside the newsletter. हिंदी Hindi version of newsletter is also available at <https://nsdl.co.in/publications/nest.php>. We request you share the newsletter with your friends, colleagues and anyone else who might be interested. This newsletter can be subscribed at <https://nsdl.co.in/e-newsletter.php>.

Regards,
Team NSDL

Measures announced by the Government of India and other regulators

In the previous edition, we had shared details of some measures announced by the Ministry of Finance as well as steps taken by RBI and SEBI to provide immediate relief. This was followed by a second round of measures and a stimulus package to revive economic activity. Below is a list of key points of few schemes and measures announced so far:

Aatma Nirbhar Bharat Abhiyan

The government has announced a ₹20 lakh crore stimulus package as part of Aatma Nirbhar Bharat Abhiyan. It is an initiative to revive business activity and to help the country recover from the economic damage caused by COVID-19 pandemic. While it covers different groups of people and a number of areas for intervention, the key highlights are as follows:

- Collateral free loans for MSMEs

Borrowers with up to ₹25 crore outstanding and up to ₹100 crore turnover will be eligible to avail an emergency credit line for up to 20% of their outstanding credit. These loans will have a tenor of 4 years with a 1-year moratorium on the repayment of the principal amount. These loans will be collateral-free for borrowers and will have 100% guarantee from the Government of India. This is expected to enable 45 lakh units to resume operations and infuse ₹3 lakh crore in the MSME segment.

- New definition of MSMEs

As part of this revision, the investment limit has been revised upwards and an additional criterion of turnover has been introduced to infuse much-needed energy into the MSMEs and to encourage growth in the segment. Additionally, the distinction

between the manufacturing and services sector has been removed. The revised classification is as follows:



Income Tax related

In addition to providing immediate relief to in terms of compliance and statutory issues, the Finance Minister announced an extension of those measures along with new steps to improve liquidity in the hands of taxpayers

- Income tax returns which were required to be filed on or before July 31 and October 31 can now be submitted by November 30, 2020. The Income Tax department has already notified the return forms for FY 2019-20. It has also made available return preparation utility (for ITR – 1 and ITR - 4) on its e-filing website - <https://www.incometaxindiaefiling.gov.in>
- TDS and TCS certificate for FY 2019-20 can also be issued up July 31 and August 15, respectively.

- For small taxpayers, with liability up to ₹1 lakh can pay the self-assessment tax by November 30, 2020.
- The government has also extended the date for making various investment/ payment for claiming deduction under Chapter-VIA-B of the Income Tax Act, 1961 which includes section 80C (LIC premium payment, investment in PPF, NSC etc.), 80D (Mediclipremium) and 80G (Donations) to July 31, 2020. Now the investment / payment for availing the tax benefit for FY 2019-20 can be made up to July 31, 2020.
- The period of Vivad se Vishwas scheme for making a payment without an additional 10% amount has been extended to December 31, 2020.
- In order to provide more funds at the disposal of the taxpayers, the rate of Tax Deduction at Source (TDS) for non-salary specified payments has been reduced by 25% until March 31, 2021.

Changes in the format of the Form 26AS

Form 26AS is like your income tax passbook. It shows details of TDS, TCS and tax paid by you among certain other things. The Income Tax Department has recently notified following changes in this form with effect from June 1, 2020 -

- The new format will show your Aadhaar number, date of birth, mobile number, email ID and your address.
- Information related to specified financial transactions.
- Along with the details of tax deducted from various income sources such as salary, interest etc. and deposited against your PAN

during the financial year, the revised form will also have information related to specified financial transactions. These include buying and selling of shares, real estate etc., making cash payments for purchase of bank drafts, pay order or bankers cheque, cash payment for purchase of pre-paid instruments issued by Reserve Bank of India (such as mobile wallets), and payment of credit card bills. Information related to these transactions will appear in Form 26AS only if they are beyond a specified limit.

- Information related to income tax demand and refund.
- Information related to income tax proceedings.

“Even the Most Intelligent Investor Is Likely To Need Considerable Willpower to Keep From Following the Crowd”

– Benjamin Graham

Employee Provident Fund (EPF)

With the objective of facilitating liquidity for salaried professionals impacted by the lockdown, the Government of India has announced the following temporary measures related to EPF -

- Pandemic has been listed as a reason to allow non-refundable advance, EPF members with a Universal Account Number (UAN) will be eligible to withdraw up to 75% of the amount or three months of the wages, whichever is lower, from their accounts.



“As savings accumulated through Provident Fund are primarily meant for post-retirement expenses, you must carefully consider the other options available before using these funds for your immediate needs.”

- Members will not be required to furnish any documents or certificate while submitting an application to their employers and the amount withdrawn under this facility will be exempt from any tax.
- As part of the Pradhan Mantri Garib Kayan Package, the Government of India had committed to pay the employer’s 12% as well as the employee’s 12% contribution to EPFO for eligible establishments for 3 months. Now this has been further extended until August 2020.
- For individuals not covered under the above scheme, the statutory PF contribution for both employers and employees has been brought down from 12% to 10%. So while employees may request for a higher deduction, employers will not be mandated to match it.

Measures related to the stock market, companies and investors

Extension of the reduced cut-off timing of mutual fund transactions

In view of the change in working hours of banks due to the lockdown, SEBI had revised the cut-off timing for Mutual Funds transactions. The revised timings are as follows and have been extended until further notice:

Fund type	Subscription	Redemption
Liquid and Overnight Funds	12:30 pm	01:00 pm
Other than Liquid and Overnight Funds	01:00 pm	01:00 pm

Relaxations for companies

Monsoon is also the reason of company meetings. This is period when many companies conduct AGMs and EGMs declare their financial performance and also declare dividend. In order to enable companies to overcome the challenges due to the lockdown and to protect the interest of shareholders, the Ministry of Corporate Affairs has provided certain relaxations in terms of regulatory compliances. Some of these which are very much relevant to shareholders are described below:

- In-person AGM / EGM not required

The current situation has brought in an important change in the way companies can conduct their meetings involving shareholders. Companies have been allowed to conduct virtual meetings through video conferencing or other audio visual means in the current calendar year (2020). With this, even the shareholders who were earlier unable to attend AGM / EGM from places far from meeting location, can now attend the meeting from the comfort of their home or office. This is an important enabling provision and shareholders should get involve in the decision making process of the companies where they have invested their money.

In addition to providing e-Voting services to companies since 2012, NSDL is providing a secured technology platform to hold such

meetings. Many leading companies like TCS, SBI, Infosys etc. have already used NSDL's meeting services in recent period. Many more companies would be using the same in coming days.

- No need for companies to send hard copies of Financial Statements

Till now, companies were required to provide a copy of financial statements (including Board Report and Auditor's report) to shareholders in electronic form or paper form, as desired by them. However, given the challenges in printing and dispatching, companies conducting their AGM during the calendar year 2020 have been excused from this rule.

Therefore, the shareholders who are accustomed to get annual reports in paper form, now will have to access the same electronically.

In view of the above, all the shareholders, whether holding shares in paper form or demat form, must ensure that their correct email ID is registered with the company / RTA or in their demat account. Shareholders can visit the website of the company to find the manner in which they can update the email ID with company or its RTA. Shareholders holding shares in demat form can contact their DP to update the email ID in the depository system.

- Dispatch of dividend intimation letter

The companies which declare dividend, need to send an intimation to concerned shareholder. The dividend amount is credited to bank account of the shareholders through Electronic Clearing Service (ECS) if required bank particulars are available with the company. In case, company does not have the required bank particulars, it sends dividend amount via dividend warrant or cheque at the postal address available in the company's records.

MCA has directed companies to make adequate provisions for allowing the shareholders to give their mandate for receiving dividends directly in their bank accounts through ECS or any other means. For shareholders, whose bank accounts are not available and therefore dividend cannot be credited immediately, company shall dispatch the dividend warrant/cheque by post after normalization of the postal services.

In view of the above, shareholders must take care to update their bank details and postal address in the demat account or in the records kept by company / RTA.

Measures related to banking

Banks are also taking all the safety measure to safeguard their customers and employees. Most of the banks have changed the branch timings and reduced staff. The banks are urging customers to use digital channels instead of visiting the branch. The RBI and the Government are giving a lot of emphasis in encouraging digital payments, in order to minimise social contact.

- Term loan Moratorium

The RBI had announced a three-month term loan moratorium between March 1, 2020 to and May 31, 2020 and has extended the same for another three months till August 31, 2020. This is big relief for borrowers of auto, home, personal loan and so on.

- Push to Digital Banking

The banks across India are promoting their digital offerings through various digital platforms like internet banking, mobile banking apps, payment platforms, virtual cards etc.

Some banks are also taking measures like allowing digital account opening, waiving off charges on digital transactions, ATM withdrawals and in some cases providing insurance cover to customers.

Advancing into their digital journey, banks are providing all services on their mobile app and internet banking where customers can open and operate accounts, transact, recharge, pay bills, make investments in mutual funds, buy insurance and pay premiums and much more.

NSDL Payments Bank is one of the few fully digital banks in India to provide fully digital account opening process with full KYC on its flagship mobile app NSDL Jiffy. It uses Aadhaar XML to facilitate full KYC, which enables fully digital process. It is one of the quickest methods in India to do contactless KYC. Currently, the bank is offering Zero Balance Savings Account on NSDL Jiffy app.



Disclosure of COVID – 19 impact by listed companies

Listed companies are required to ensure accurate and timely disclosure on all material matters including the financial situation, performance, ownership and governance. SEBI has recently advised listed companies to

evaluate the impact of the COVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same to stock exchange. Knowing these disclosures will help the investors to make informed decisions.

Mapping of Unique Client Code (UCC) with demat accounts of the clients

As advised by SEBI, depositories have mapped the UCC provided by stock exchanges with demat accounts based on PAN recorded in the demat accounts. If there are multiple UCCs in respect of single PAN, then all such UCCs are mapped in the demat account(s). In case of joint holding demat account(s), UCCs are mapped for each holder on the basis of PAN.

The clients have an option to delink the UCC which is linked to their demat account. In addition, for cases where UCC is not provided by the stock exchange, the clients have an option to link the UCC to their demat account. These options can be exercised through the DP.

NSDL will send SMS and email to clients regarding UCC mapped in their demat accounts. In the SMS and email an option will be provided to client to link / delink UCC in their demat accounts directly through NSDL portal using OTP.

Reference: Circular No.

[NSDL/POICY/2020/0070](https://www.nsdl.com/POICY/2020/0070) dated May 15, 2020, available on [NSDL website](https://www.nsdl.com).



**NSDL
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Retail investors and digital services - NDML Instigo : Instant Online Account Opening on the Go

As people stay home there has been a surge in the number of applicants who are new to securities market and want to open trading and demat accounts. NSDL understood this need and recently launched a facility through its 100% subsidiary company NSDL Database Management Limited (NDML), using which investors can open a trading / demat account while being in the comfort of their home or office.

This is one among NSDL's many path-breaking digital initiatives.

Instigo Do-It-Yourself (DIY) Module facilitates opening of demat / trading accounts by Client in a compliant manner. For new investors, it offers following benefits –

- Facilitates opening of trading and demat account in digital / paperless mode.
- Compliant to KYC process prescribed by SEBI.
- Simple and complete end to end platform for hassle-free account opening directly by investors.

Process of Client On-boarding

Client will visit the website of the Broker/DP. Client will be re-directed to white labelled solution hosted and powered by NDML. The KYC process for on-boarding Clients offered by Instigo - DIY include usage of Aadhaar based e-KYC or KRA KYC and e-sign. You may enquire about this facility from your broker or DP.

Uniform stamp duty on securities market instruments from July 1, 2020

The amendments in the Indian Stamp Act, 1899 to bring about uniformity of the stamp duty on securities across states are in effect from July 1, 2020. For all exchange based secondary market transactions in securities, stock exchanges shall collect the stamp duty. For off-market transactions (which are made for a consideration as disclosed by trading parties) and initial issue of securities happening in demat form, depositories shall collect the stamp duty. NSDL has made available stamp duty calculator and online payment facility on www.nsdl.co.in.

Reference: Circular No.

[NSDL/POICY/2020/0085](#) dated June 26, 2020, available on [NSDL website](#).

**“Games are won by players who focus on the playing field
– not by those whose eyes are glued to the scoreboard.”
- Warren Buffett**

Join Our Investor Awareness Webinars

NSDL conducts Investor Awareness Programs (IAPs) throughout the country to ensure investors are aware of different aspects of investing. In view of the prevailing situation, NSDL is continuing the investor awareness programs in form of webinars. The schedule of the forthcoming programs/ webinars is published online at <https://nsdl.co.in/Investor-Awareness-Programmes.php>.



We shall be happy to conduct IAP for your organization / institute / society. Please write to us at info@nsdl.co.in about such program to be conducted. The schedule for forthcoming

Investor Awareness Programmes is given below:

Sr. No.	Date	Time	Venue	Language
1	17-Jul-2020	10.30 a.m. - 12.30 p.m.	Webinar Room	Marathi
2	17-Jul-2020	05.30 p.m. - 07.30 p.m.	Webinar Room	English
3	18-Jul-2020	10.30 a.m. - 12.30 p.m.	Webinar Room	Hindi
4	18-Jul-2020	05.30 p.m. - 07.30 p.m.	Webinar Room	Gujarati
5	24-Jul-2020	10.30 a.m. - 12.30 p.m.	Webinar Room	English
6	24-Jul-2020	05.30 p.m. - 07.30 p.m.	Webinar Room	Hindi
7	25-Jul-2020	10.30 a.m. - 12.30 p.m.	Webinar Room	English
8	25-Jul-2020	05.30 p.m. - 07.30 p.m.	Webinar Room	English

More the education, more the prudence

Knowledge Wins Contest

What is the Name of NSDL's Online Demat Account Opening Facility?

To send your replies: visit/click www.nsdl.co.in/knowledge-win-contest.php
or
Scan this QR code



25 Lucky Winners

get
FREE GIFTS



Previous Month's Winners

Aakash Dhawan - Ahmedabad
Abhimanyu Mishra – Jaipur
Abraham Koshy - Chennai
Dasharath Kanabar - Chandigarh
Debarshi Samajdar - Bharuch
Gopinath Nair – Thane
Jayaraman Ramasamy - Surat
Kadambari Ambolkar - Bengaluru
Kamlesh Choudhary - Vadodara

Mandar Karanjalkar - Ahmedabad
Mandar Acharya - Cochin
Malhari Bhor - Parbhani
Nandini Nimbkar – Bareilly
Prabhakar Landge - Sirsa
Prabhakar Lingayat - Keonjhar
Parag Kulkarni - Pune
Rajiv Nagaraja - Mumbai

Rajul Garg - Sonipat
Rozankumar Kapadia - Ahmedabad
Satpal Singh - Pune
Satyam Oberoi - Bengaluru
Satyam Yadav - Phaltan
Tarsem Singh Bharj - Surat
Varad Diwate - Pune
Zafar Imam - Ranchi

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Branch Offices

Ahmedabad Bengaluru Chennai Hyderabad Jaipur Kochi Kolkata Lucknow New Delhi

For any grievance related to Demat account, you can email us at relations@nsdl.co.in
For any other information related to Demat account, you can email us at info@nsdl.co.in

Terms & Conditions : 1) NSDL shall be solely responsible for the execution of this Contest. 2) This Contest is open to Indian Citizens only. 3) NSDL employees are not allowed to participate in this contest. 4) All personal details submitted must be accurate and complete and are subject to proof upon request by NSDL. 5) NSDL reserves the right to discontinue the contest at any given point of time without prior intimation. 6) All winners shall be selected by NSDL and the decision taken will be final.