

Everything about PAS 6

(30th April 2025)
Article No 980

SHORT SUMMARY:

The MCA has issued a Notification. Dated: October 27th, 2023 -Subject: Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023.

As per provisions of Companies Act, 2013 MCA has already made it mandatory for Public Companies to keep and transact their shares in Demat w.e.f. 02nd October 2018. That time it was not mandatory for Private Limited Companies to Demat their Shares.

The Ministry of Corporate Affairs in its drive to enhance transparency, investor protection and corporate governance, has notified Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 effective from 30th September 2024.

In accordance with the said rules, Non-Small Private Limited Companies need to dematerialize their existing securities and ensure that further issue of securities and transfers are only in dematerialized form.

The MCA has issued a Notification. Dated: February 12th, 2025 i.e. due Date of applicability of provisions of Demat has been changed from 30 September 2024 to 30th June 2025.

MCA has given 18 months' time to Private Limited Company w.e.f. 31 March 2023 to 30 September 2024 for compliance of provision of these rules. This Time period extended from 30 September 2024 to 30th June 2025.

INTRODUCTION:

- MCA vide General Circular G.S.R. 376(E). dated 22nd May, 2019 came up with the requirement of Reconciliation of Share Capital Audit Report on half-yearly basis
- On 28th November 2019, MCA clarified that the time limit to file PAS-6 without additional fees for the half year ended on 30th September 2019 would be 60 days from the date of deployment of the PAS-6 on the website of the MCA
- On 15th July 2020, MCA deployed the form for filing within 60 days. Accordingly, the last date for filing Form PAS-6 for the half-year ended on 30th September 2019 shall be 13th September, 2020.
-

Que: Whether the amendment is applicable only to shares or other securities as well?

The Present Amendment uses the word “securities” and therefore, it is applicable to all kinds of securities i.e., equity shares, preference shares, debentures, warrants, etc.

❖ Legal Provisions:

Section/ Rules Involved:

- Section 29
- Rule 9 of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023
- MCA notification dated 10th September 2018
- MCA Notification dated 27th October 2023
- MCA Notification dated 12th February 2025
- Effective from 1st July 2025

Forms Involved:

| | | |
|----|-------|--|
| a. | PAS-6 | <i>Reconciliation of Share Capital Audit Certificate</i> |
|----|-------|--|

Rule 9A (8): Filing eForm PAS-6 to the ROC within sixty days from the conclusion of each half year duly certified by a company secretary in practice or chartered accountant in practice.

A. NON-APPLICABILITY:

The provision of Demat of Securities shall not be applicable on the following Companies:

1. Nidhi Company
2. Government Company
3. Wholly Owned Subsidiary Company of Public Company
4. Small Private Limited Companies

i. Whether a Section 8 company limited by guarantee is also covered under the Present Amendment?

No. As there is no share capital in case of a Section 8 company limited by guarantee, the Present Amendment will not apply.

ii. Whether a private company which is a holding/ subsidiary company of another private company is also covered under the Present Amendment?

If a private company is a subsidiary of another private company or is a holding company of another private company, then even if paid-up and turnover falls within the parameters indicated for a small company, it will not be considered as a small company and therefore, will be required to comply with the Present Amendment.

B. APPLICABILITY:

1. Applicable on Public Limited Companies w.e.f. 02nd October, 2018
2. Applicable to Non-Small Private Limited Companies w.e.f. 30th June, 2025.

Small Company

“small company” means a company, other than a public company,— (DG)

- i. **paid-up share capital** of which does not exceed **Four Crore rupees** or such higher amount as may be prescribed and
- ii. **turnover** of which as per profit and loss account for the immediately preceding financial year does not exceed **Forty crore rupees** or such higher amount as may be prescribed (DG)

Provided that nothing in this clause shall apply to— (DG)

- (A) a holding company or a subsidiary company.
- (B) a company registered under section 8; or
- (C) a company or body corporate governed by any special Act.

C. Key Applicability Trigger:

If a private company is not a small company, it must:

- Dematerialise its securities
- File Form PAS-6 half-yearly

PAS - 6

Every Non-Small Private Company and Public Company shall submit Form PAS-6 to the Registrar with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014 within sixty days from the conclusion of each half year duly certified by a company secretary in practice or chartered accountant in practice.

A. Timelines for Filing

| Half-Year Period | Due Date to File PAS-6 |
|------------------------|------------------------------|
| April 1 – September 30 | By 29 th November |
| October 1 – March 31 | By 30 th May |

B. Key Highlight of E-Form PAS-6:

1. All information shall be furnished for the half year ended 30th September and 31st March in every half financial year for each ISIN separately
2. Mention ISIN of the Company
3. Details of capital of company:
 - Issued Capital
 - Held in dematerialized form in CDSL
 - Held in dematerialized form in NSDL
 - Held in Physical form
 - Reason for any difference in Issued & Total Capital
4. Details of changes in share capital during the half-year under consideration.
5. Detail regarding Updating of Register of Members and reason for non-updating.
6. Whether there were dematerialized shares in excess in the previous half-yearly period and whether company resolved the matter mentioned in point no. 10 above in the Current half-year
7. Mention the total no. of demat requests, if any, confirmed after 21 days and the total no. of demat requests pending beyond 21 days with reasons for delay.
8. Details of Company Secretary of the Company, if any.
9. Details of CA/CS certifying this form.

C. Step-by-Step Process:

1. Obtain ISIN: Through NSDL/CDSL and RTA
2. Collate data: Obtain a reconciliation statement from RTA
3. Fill Form PAS-6:
 - Enter company and ISIN details
 - Enter demat/physical shareholding
 - Confirm promoter demat status
4. Sign the form:
 - By Director/Manager/CS using DSC
 - Certified by Practicing CA/CS using their DSC
5. Upload on MCA V3 Portal and pay requisite fees

Penalties for Non-Compliance:

As per Section 450 of the Companies Act, 2013: Company and every officer in default:

- ₹10,000 and
- ₹1,000 per day for continuing default
(Maximum: ₹2,00,000 for company and ₹50,000 for officer)

Q1. Is PAS-6 now applicable to private limited companies?

Yes, w.e.f. 1st July 2025, non-small private companies are required to file Form PAS-6. Therefore, they need to file for the half year ending September, 2025 first time.

Q2. Can a company file PAS-6 without having dematerialized its shares?

Obtaining an ISIN is a pre-condition, but shares can be in physical form.

Q3. Should PAS-6 be filed if there is no change in shareholding?

Yes, it must be filed for every applicable half-year regardless of changes.

Q4. What is the role of Practicing CA/CS in PAS-6?

A Practicing Chartered Accountant or Company Secretary must digitally certify the correctness of the data filled in PAS-6.

Q5. If all the shares of the Company are still in a physical form and have not converted into Demat, whether such a Company is also required to file e-form PAS-6?

It doesn't matter whether the shares of the Company are converted into Demat or not. All the Unlisted Public Companies and Non-Small Private Companies are mandatorily required to file e-form PAS-6.

Q6. Whether Companies are required to apply for a separate ISIN No. for different securities?

ISIN is a security-based No. therefore, Companies are required to apply ISIN for each type of security.

Q7. If a company has multiple securities, does it need to file multiple Form PAS-6?

Company needs to file only one PAS 6. But in that PAS 6 all the ISIN required to be mentioned.

Q 8. What documents can be relied upon by PCS while certifying Form PAS-6?

Ans: PCS may verify following documents while certifying Form PAS-6:

- Balance Sheet

- BENPOS of past half year and current half year – with details of shareholders
- Screenshots of NSDL & CDSL holding in company
- Find out from Register of Members how many are in physical mode (can be matched through folios) and tally it with total paid-up capital

Q 9. What proofs should be taken to verify para 12 (within 21 days demat credit) of Form PAS-6?

Ans: RTA provides list of demat requests received during half year – which contains as follows:

- **Lodgement date** – when demat request was submitted with Depository Participant
- **RTA inward date** – when RTA received from Depository Participant – PCS can ask for Demat Request Forms (DRF) filed by shareholder (with inward stamp of Depository Participant as well as RTA) as proof
- **Credit confirmation date** – when demat credit was actually given – PCS can ask for screenshot from software of RTA.

Q 10. Whether UDIN is required to be generated for certification of Form PAS-6?

Ans: It is mandatory.

Q 11. Do we need to attach any documents/ supporting in PAS-6?

No, there is no need to attach anything in the form of PAS-6.

Q 12. A promoter is also a director of the company, so how to provide details of shareholding in column no. 8, where details of shares held by promoters, directors and KMP is required?

Mention the number of shares in the head of promoter. As it will get match with Financials also.

Q 13. Does the Form PAS-6 apply to debentures also along with equity and preference share capital?

No, as the form name suggests, it pertains to share capital only.

Q 14. A company has issued different classes of preference shares. Whether ISIN for each class is required to be obtained?

Yes

Conclusion

PAS-6 serves as a vital compliance mechanism under the Companies Act, 2013, ensuring transparency and consistency in the reconciliation of share capital held in dematerialized form with the records maintained by the depositories and the company. With the increasing thrust on corporate governance and digitization of securities, timely and accurate filing of PAS-6 not only fulfills a statutory obligation but also enhances the integrity of the company's shareholding data. Practicing professionals—Chartered Accountants and Company Secretaries—play a pivotal role in guiding companies through this compliance, mitigating the risks of penalties and ensuring seamless stakeholder confidence. In conclusion, adherence to PAS-6 is not merely a regulatory formality but a reflection of sound corporate stewardship in the modern era.

Author – CS Divesh Goyal, GOYAL DIVESH & ASSOCIATES Company Secretary in Practice from Delhi and can be contacted at csdiveshgoyal@gmail.com).

Disclaimer: The entire contents of this document have been prepared based on relevant provisions and as per the information existing at the time of the preparation. Although care has been taken to ensure the accuracy, completeness, and reliability of the information provided, I assume no responsibility, therefore. Users of this information are expected to refer to the relevant existing provisions of applicable Laws. The user of the information agrees that the information is not professional advice and is subject to change without notice. I assume no responsibility for the consequences of the use of such information.

IN NO EVENT SHALL I SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL OR INCIDENTAL DAMAGE RESULTING FROM, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE INFORMATION