



**Private Circulation Only*

Annual Edition of Newsletter Highlights for April 2017 to March 2018
By Amita Desai & Co.



We love to serve and add value to business of our clients



Mumbai Off :

1005, Hubtown Solaris
Off Western Express Highway
East End of Andheri Flyover

Landline: + 91-22-2684-5920/21
Fax: + 91-22-6678-7499
Mobile : + 91-982-017-7691

Greetings and a warm welcome to our Annual Edition of Newsletter!

We are pleased to share our Annual Edition of Newsletter from April, 2017 to March, 2018. The newsletter covers the updates / amendments issued by the Ministry of Corporate Affairs (MCA). The Newsletter is part of our knowledge sharing initiative. Efforts have been made to share notifications and circular issued by regulatory authorities during the FY 2017-18 in concise and in simplified manner.

Please feel free to leave comments, thoughts or suggestions.

We appreciate your support and are so happy to have you as a reader.

With warmest thanks,
Amita Desai & Team



APRIL 2017:

1. COMPANIES (REGISTRATION OF CHARGES) AMENDMENT RULES, 2017:

MCA vide its notification dated April 7, 2017 had amended the Companies (Registration of Charges) Rules 2014 and notified the Companies (Registration of Charges) Amendment Rules, 2017. Vide said notification the following Forms were revised:

1. Form CHG-1; Form for registration of creation or modification of charge;
2. Form CHG-4; Form for satisfaction of charge and
3. Form CHG-9; Form for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures

Justification –With several changes in the Form CHG-1, CHG-4 and CHG-9, it seems that the Government wants to establish stricter norms for verifying the details of properties recorded with the registrar as '**charges**' for a company. MCA has directed that under new revised disclosure norms companies must provide for the **latitude and longitude** of their tangible assets.

From now onwards it will be obligatory on the part of companies to provide for the **Geo-location** data of immovable property or any interest therein

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/companiesRegistrationofChargesAmendmentRules_08042017.pdf

2. COMPANIES (REMOVAL OF NAMES OF COMPANIES FROM REGISTER OF COMPANIES) (AMENDMENT) RULES, 2017:

MCA vide its notification dated April 12, 2017 had amended the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 and notified the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2017. Vide said notification a proviso has been inserted in Rule 7 of the Companies (Removal of Names) Rules, 2016 which lays down the manner of publication of notice.

The aforesaid Notification has prescribed Form STK 5A for publishing the Public Notice by ROC in English & vernacular newspaper in respect of cases falling u/s 248(1) of the Companies Act, 2013. Also the format of Form No. STK – 5A has been inserted in the Rules vide said notification.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompRemovalofNamesRules_13042017.pdf

3. MERGER OR AMAGAMATION OF AN INDIAN COMPANY WITH FOREIGN COMPANY & VICE VERSA:

MCA vide its notification dated April 13, 2017 had notified Section 234 of the Companies Act, 2013 which deals with the merger or amalgamation of an Indian Company with Foreign Company and vice-versa. On the same day itself MCA vide its notification had also amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017.

Vide aforesaid notifications an Indian Company can now merge with a Foreign Company incorporated in any of the jurisdictions prescribed in Annexure B which forms a part of the notification provided prior approval of the Reserve Bank of India has been obtained and the relevant provisions of amalgamations and mergers mentioned in Section 230 to 232 of the Companies Act, 2013 are complied with.

The Rules also prescribe that the transferee company should ensure that the valuation conducted by valuers (being members of a recognised professional body in the jurisdiction of the transferee company) is in accordance with internationally acceptable principles of accounting and valuations and a declaration to that effect is filed with the RBI.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesCompromises_14042017.pdf

4. TRANSFER OF SHARES TO INVESTOR PROTECTION AND EDUCATION FUND (IEPF) AUTHORITY

In furtherance to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 notified on February 28, 2017; MCA has notified circular no. 03/2017 on April 27, 2017.

As per the aforesaid Circular, IEPF Authority will open a separate demat account with NSDL and all the Companies where the seven year period prescribed under Section 24 (5) of the Companies Act, 2013 is completed will have to transfer such shares to the demat account of IEPF Authority latest by May 31, 2017.

Further, the Circular also lays down the charges to be levied by NSDL to the Companies towards uploading and maintenance of records pertaining to the shares transferred to the special demat account of IEPF Authority.

The link of the aforesaid Circular is as under:

http://www.mca.gov.in/Ministry/pdf/Circular_27042017.pdf

5. AMENDMENTS UNDER RULE 2 AND RULE 5 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014

MCA vide Notification No. **G.S.R. 454(E)** dated May 11, 2017 had amended the Companies (Acceptance of Deposits) Rules, 2014 and notified Companies (Acceptance of Deposits) Amendment Rules, 2017.

With the enforcement of the aforesaid notification, the definition of deposit has been modified and any amount received by a Company from Infrastructure Investment Trusts registered with Securities and Exchange Board of India shall be outside the purview of deposits.

Further, the aforesaid Notification has amended Rule 5 of the Companies (Acceptance of Deposits) Rules, 2014 which prescribes the manner and the extent of deposit insurance. Now the Companies may accept deposits without deposit insurance contract till 31st **March, 2018** or till the availability of deposit insurance product, whichever is earlier. Earlier a time period till **31st March, 2017** was allowed to the Companies for accepting deposits without deposit insurance.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesAcceptanceofDeposits_12052017.pdf

6. ENFORCEMENT OF THE PROVISIONS OF CLAUSE (a) TO CLAUSE (d) OF SECTION 2 OF THE INSOLVENCY CODE RELATING TO VOLUNTARY LIQUIDATION OR BANKRUPTCY

MCA vide Notification No. S.O. 1570(E) dated May 15, 2017, has notified the provisions of clauses (a) to (d) of section 2 of the Insolvency and Bankruptcy Code, 2016 relating to voluntary liquidation or bankruptcy of the Insolvency and the same shall come into force w.e.f. 01.04.2017.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NotificationIBBI_19052017.pdf

7. LIMITED LIABILITY PARTNERSHIP (AMENDMENT) RULES, 2017

MCA vide Notification No. G.R.R. 470(E) dated May 16, 2017 has issued the Limited Liability Partnership (Amendment) Rules, 2017 amending the provisions with respect to striking off the name of the LLP.

As per the aforesaid notification an LLP cannot apply for striking off its name in Form 24 unless it has completed the filing of Form 8 i.e. Statement of Account and Solvency, Form 11 i.e. Annual Return of LLP and Income Tax Returns of previous years.

Form 24 for striking off the name of the LLP shall include a statement of account disclosing nil assets and nil liabilities certified by a Chartered Accountant, an affidavit signed by designated partners, copy of acknowledgement of the latest Income Tax return and copy of the initial limited liability partnership agreement, if entered into and not filed, along with changes thereof in cases where the Limited Liability Partnership has not commenced business or commercial operations since its incorporation.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Circular04_2017_17052017.pdf

8. MCA CIRCULAR NO. 05/2017 W.R.T. TRANSFER OF SHARES TO IEPF AUTHORITY

MCA vide its Circular dated May 16, 2017 had withdrawn the previous Circular No. 03/2017 issued on April 27, 2017 wherein all the Companies where the seven year period prescribed under Section 24(5) of the Companies Act, 2013 is completed were required to transfer the shares to the demat account of IEPF Authority latest by May 31, 2017.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Circular_16052017.pdf

9. INSOLVENCY AND BANKRUPTCY CODE (REMOVAL OF DIFFICULTIES) ORDER, 2017

The Ministry of Corporate Affairs (MCA) has vide its notification dated May 24, 2017 issued an order called as the Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017.

The order is issued for the removal of difficulties while filing an appeal or for an inquiry to National Company Law Tribunal (NCLT). Earlier, these appeals were filed under Sick Industrial Companies (Special Provisions) Repeal Act, 2003 and Companies Act, 1956 which has been repealed. Also under Companies Act, 2013, Sections 261-264, which provided for scheme of revival and rehabilitation, sanction of scheme, scheme to be binding and for the implementation of scheme, have been omitted by the Eleventh Schedule to the Insolvency and Bankruptcy Code, 2016.

As Insolvency and Bankruptcy Code, 2016 has been introduced; the said application with NCLT has to be made within 180 days from the commencement of the Insolvency Code.

By virtue of this order, the statutory period within which an appeal was allowed under the Sick Industrial Companies (Special Provisions) Act, 1985 against an order of the Board had not expired as on the date of notification of this Act, an appeal against any such deemed approved resolution plan may be preferred by any person before National Company Law Appellate Tribunal within ninety days from the date of publication of this order.

The link of the above notification is as under:

<http://egazette.nic.in/WriteReadData/2017/176208.pdf>

10. COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017 (DRAFT RULES)

The MCA has floated the draft Companies (Registered Valuers and Valuation) Rules, 2017 (“Draft Rules”) and has also issued a notice dated May 26, 2017 wherein suggestions/comments alongwith justifications in brief are invited on the Draft Rules. The suggestions/comments may be sent latest by 27/06/2017 through email at comments_rv@mca.gov.in.

The Draft Rules is having 5 chapters, 20 rules and 3 schedules. The Draft Rules prescribe-

- a. eligibility, qualifications and registration of valuers;
- b. recognition of valuation professional organizations;
- c. valuation standards;
- d. disciplinary proceedings.

The aforesaid Draft Rules shall come into force with effect from July 15, 2017.

The links of above notifications are as under:

http://www.mca.gov.in/Ministry/pdf/Companies_Registered_Valuers_Rules_2017.pdf
www.mca.gov.in/Ministry/pdf/NoticeforValuers.pdf

11. CLARIFICATION REGARDING DUE DATE FOR TRANSFER OF SHARES TO IEPF AUTHORITY

MCA vide its General Circular No. 06/2017 dated May 29, 2017 has provided clarification regarding due date for transfer of shares to IEPF Authority.

IEPF Authority is considering to open special Demat account and till opening of demat accounts, the due date for transfer of shares stands extended and the revised due date for transfer/ transmittal of shares shall be notified soon by the Ministry.

The link of above notification is as under:

http://mca.gov.in/Ministry/pdf/GeneralCircular6_29052017.pdf

JUNE 2017:

12. TRANSMISSION OF SECURITIES BY OPERATION OF LAW

MCA vide its circular dated June 5, 2017 clarified for issue of duplicate shares under Rule 6 (3) (d) of the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016. Since the transfer of shares to IEPF on account of operation of laws and the procedure followed during the transmission of shares may not be followed in such cases and duplicate shares need not be issued in such cases.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/IEPFGcircular07_05062017.pdf

13. EXEMPTIONS TO PRIVATE COMPANY, GOVERNMENT COMPANY AND SECTION 8 COMPANY

MCA notification No GSR 464(E), GSR 463(E) and GSR 466(E) dated 05th June, 2015 had granted exemption to certain class of Companies namely Private Company, Section 8 Company, Government Company and Nidhi Company. In furtherance via notification dated 13th June 2017 MCA has amended the exemption granted to Private Company, Section 8 Company and Government Company.

AMENDED / INSERTED EXEMPTION VIDE NOTIFICATION 13TH JUNE, 2017

FOR PRIVATE COMPANIES

Sr No	Chapter/ Section of the Act	Particulars	Exemption/ Relaxation
1	Chapter I, Proviso of Clause (40) of Section 2 [Financial Statements]	The financial statement, with respect to One Person Company, small Company, dormant Company, may not include the cash flow statement;	The financial statement, with respect to One Person Company, small Company <u>and Private Company (if such Private Company is a start-up) may not include the cash flow statement.</u>
2	Chapter V, clause (a) to (e) of sub-section (2) of Section 73 [Conditions for accepting Deposits from Members]	Private Company are permitted to accept deposits from its members not exceeding 100% of aggregate of paid up share capital and free reserves, and such Company shall file details of monies accepted to the RoC in such manner prescribed.	Provisions clause a-e of sub-section 2 of Section 73 shall not apply to Private Company: A) <u>which accepts from its members monies not exceeding 100% of aggregate of paid up share capital, free reserves and security premium; or</u> B) <u>which is a start-up Company, for 5 years from the date of its incorporation; or</u> C) which fulfils the following conditions, namely: a) <u>which is not an associate or a subsidiary of such other Company;</u> b) <u>if the borrowing of such</u>

			<p><u>Company from banks/Financial Institution/ any Body Corporate is less than twice to its paid up share capital or ₹50 Cr rupees, whichever is lower;</u></p> <p>c) <u>such a Company has not defaulted in the repayment of such borrowing subsisting at the time of accepting deposits</u></p> <p>Provided that the Company referred to in clause A/B/C shall file the details of monies accepted to RoC in such manner specified.</p>
3	Chapter VII, clause (g) of sub-section (1) of Section 92 [Annual Return]	Every Company shall prepare Annual Return (MGT-7) containing the particulars as they stood on the close of financial year: (g) remuneration of directors and key managerial personnel	In case of Private Companies which are Small Companies may disclose the aggregate remuneration paid to all its Directors.
4	Chapter VII, proviso to sub-section (1) of Section 92	In relation to One Person Company and Small Company, the Annual Return shall be signed by Company Secretary, or where there is no Company Secretary, by the director of the Company	In relation to One Person Company, small Company and <u>Private Company (if such Private Company is start-up)</u> , the annual return shall be signed by the Company Secretary, or where there is no Company Secretary by the Director of the Company.

5	Chapter X, clause (i) of sub section (3) of Section 143 [Powers and Duties of Auditors]	The Auditor's Report shall state whether the Company has adequate internal financial controls system in place and the operating effectiveness of such control	Requirement of <u>Internal Financial Controls</u> disclosure in Auditor's Report shall not apply to Private Company: i) <u>which is a one person Company or a small Company</u> ; or ii) <u>which has turnover less than ₹50 Cr as per latest audited financials statement or which has aggregate borrowings from banks/ financial institution/ body corporate at any point of time during the financial year less than ₹25 Cr.</u>
6	Chapter XII sub-section (5) of Section 173 [Meeting of Board]	A one person Company, small Company and dormant Company shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half year of a calendar year and the gap between the 2 meetings is not less than 90 days.	A one person Company, small Company, dormant Company <u>and Private Company (if such Private Company is a start-up) shall</u> be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half year of a calendar year and the gap between the 2 meetings is not less than 90 days.
7	Chapter XII, sub-section (3) of Section 174 [Quorum of Board Meeting]	Where at any time the number of interested directors exceeds or is equal to 2/3 rd of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.	<u>The interested director shall be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.</u>

The link of the above notification is as under:

<http://www.mca.gov.in/Ministry/pdf/ExemptionPrivateCompanies.pdf>

FOR SECTION 8 COMPANIES:

Amended / Inserted exemption vide notification 13th June, 2017 for Section 8 Companies:

Sr No	Chapter/ Section of the Act	Particulars	Exemption/ Relaxation
1	Clause (b) and first proviso to sub-section (1) of Section 149 [Maximum number of Directors]	Earlier entire section 149(1) of the Act, 2013 along with first proviso to the said section was not applicable to a section 8 Company.	1. Section 8 Company, without any special resolution can appoint more than 15 directors. 2. <u>Section 8 Company need to comply with the minimum requirement with reference to number of directors</u>
2	Sub-section (7) of Section 186 [Loans and Investments by Company]	No loan shall be given under this section at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan.	Provisions of sub-section (7) of Section 186 will not apply to a Company in which <u>26% or more of the paid-up share capital is held by Central Government or one or more State Governments or both</u> , in respect of loans provided by such Company for <u>funding Industrial Research and Development projects</u> in furtherance of its objects as stated in its memorandum of association

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/ExemptionSection8Companies_14062017.pdf

FOR GOVERNMENT COMPANIES:

Amended / Inserted exemption vide notification 13th June, 2017 for Government Companies:

Sr No	Chapter/ Section of the Act	Particulars	Exemption/ Relaxation
1	Chapter VII, sub-section (2) of Section 96 [AGM]	Every AGM shall be called during business hours, that is, between 9 a.m. and 6 a.m. on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other	Every AGM shall be called during business hours, that is, between 9 a.m. and 6 a.m. on any day that is not a National Holiday and shall be held either at the registered office of the

		place within the city, town or village in which the registered office of the Company is situated.	Company or at some other place within the city, town or village in which the registered office of the Company is situated <u>or such other place as the Central Government may approve in this behalf.</u>
2	Chapter XI, sub-sections (6) and (7) of Section 152 [Retirement by rotation and Casual vacancy]	The provisions relating to retire by rotation and filling of casual vacancy will not apply to : a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; b) a subsidiary of a Government Company , referred to in (a) above, in which the entire paid up share capital is held by that Government Company.	The provisions relating to retire by rotation and filling of casual vacancy will not apply to : a) a Government Company, which is <u>not a listed Company, in which not less than 51% of paid up share capital</u> is held by the Central Government , or by any State Government or Governments or by the Central Government and one or more State Governments; b) a subsidiary of a Government Company, referred to in (a) above.
3	Chapter XV, Section 230 to 232 [Compromise/ Arrangement/ Merger/ Amalgamation]	Section 230 to 232 provides for compromising and making arrangement with creditors and members, power of tribunal to enforce compromise or arrangement and merger and amalgamation of Companies	The <u>word tribunal is substituted with Central Government</u> under the provisions of Section 230-232.

The newly inserted/ amended exemption can be availed only if the aforesaid Companies has not committed default in filing Financial Statements under Section 137 or Annual Return under Section 92 with the Registrar.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/ExemptionGovernmentCompanies_14062017.pdf

14. THE COMPANIES (AUDIT AND AUDITORS) SECOND AMENDMENT RULES, 2014

MCA vide its notification dated June 22, 2017 amended the Companies (Audit and Auditors) Rules, 2014 and notified Companies (Audit and Auditors) Second Amendment Rule, 2017.

Rule 5 of Companies (Audit and Auditors) Rules, 2014 provides for class of Companies other than listed Companies to which limitation on tenure of appointment of Auditor shall be applicable.

As per the enforced notification limitation on appointment of:

- Individual as auditor for not more than one term of five consecutive years and
- Audit firm as auditor for not more than two terms of five consecutive years

Shall be applicable to **Private Companies having paid up share capital of “rupees fifty crore or more”**. Earlier the limitation on tenure on appointment of Auditor was applicable to Private Companies having paid up Share Capital of rupees “twenty crore or more”.

The link of the above notification is as under:

<http://www.mca.gov.in/Ministry/pdf/CompaniesAuditandAuditorsSecondAmendmentRules2017.pdf>

JULY 2017:

15. NOTIFICATION DATED JULY 05,2017 AMENDING THE PROVISIONS OF SCHEDULE IV (Code for Independent Directors) OF THE COMPANIES ACT, 2013

MCA vide its Notification dated July 5, 2017 had amended the provisions of Schedule IV (Code for Independent Director) of the Companies Act, 2013 .

Below is the summary of the amendments made vide the aforesaid Notification:

Particulars	Pre-Amendment	Post Amendment
Paragraph III, in sub-Para (12); Paragraph III lays down the Duties of Independent Directors	The Independent Directors shall: acting <u>within his authority</u> , assist in protecting the legitimate interests of the company, shareholders and its employees;	The Independent Directors shall: acting <u>within their authority</u> , assist in protecting the legitimate interests of the company, shareholders and its employees;
Paragraph VI, in sub-Para (2); Paragraph VI lays down the provisions for resignation or removal of Independent Directors	An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within <u>a period of not more than one hundred and eighty days</u> from the date of such resignation or removal, as the case may be.	An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within <u>three months</u> from the date of such resignation or removal, as the case may be.
Paragraph VII in	The independent directors of the company shall hold at least one	The independent directors of the company shall hold at least one

<p>sub-Para (1);</p> <p>Paragraph VII lays down the provisions for separate meetings of Independent Directors</p>	<p>meeting <u>in a year</u>, without the attendance of non-independent directors and members of management;</p>	<p>meeting <u>in a financial year</u>, without the attendance of non-independent directors and members of management;</p>
<p>After Paragraph VIII a note to be inserted</p>	<p>The following provisions of Schedule IV shall not be applicable to the Independent Directors of the Government Companies:</p> <p><u>I. Sub-paragraph (2) and (7) of paragraph II (paragraph II lays down the roles and functions of Independent Directors):</u></p> <p>(2) bring an objective view in the evaluation of the performance of the board and management</p> <p>(7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime roll in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management</p> <p><u>II. Paragraph IV which lays down the manner of appointment of Independent Directors</u></p> <p><u>III. Paragraph V which lays down the provisions for re-appointment of Independent Directors</u></p> <p><u>IV. Clauses (a) and (b) of sub-paragraph (3) of paragraph VII</u></p> <p>(a) The meeting shall: review the performance of non-independent directors and the Board as a whole;</p> <p>(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;</p> <p><u>V. Paragraph VIII which lays down the evaluation mechanism</u></p>	

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/AmendmentIV_06072017.pdf

16. COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) AMENDMENT RULES, 2017

MCA vide its notification dated July 05, 2017 had amended the Companies (Appointment and Qualification of Directors) Rules, 2014 and notified Companies (Appointment and Qualification of Directors) Amendment Rules, 2017.

Vide the aforesaid Notification **Rule 4(2) is inserted** which provides exemption to certain classes of unlisted public companies which are **not required to have Independent Directors on its Board**

As per Rule 4(1) any Public limited company should have at least two Directors as Independent Directors if they comply with following criteria :

- i. having paid up share capital of Rs.10 Crore or more; or
- ii. having turnover of Rs.100 Crores or more; or
- iii. having aggregate outstanding loans, debentures and deposits exceeding Rs.50 Crore

With the insertion of Rule 4(2), the aforesaid provisions with respect to appointment of Independent Directors shall not apply to the **following classes of unlisted public company:**

- (a) a joint venture;
- (b) a wholly owned subsidiary; and
- (c) a dormant company as defined under section 455 of the Companies Act, 2013

Existing Form DIR-5 i.e. the Form for application of surrender of DIN is substituted vide aforesaid notification which provides for new Form DIR-5.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesApptandQualificationofDirectorsAmdtRules_06072017.pdf

17. NATIONAL COMPANY LAW TRIBUNAL (AMENDMENT) RULES, 2017 DATED JULY 05, 2017

MCA vide its notification dated July 05, 2017 had amended the National Company Law Tribunal Rules, 2017 which specifically provides for revival/restoration of struck off Companies from the Register of Companies. Rule 87A is inserted in the National Company Law Tribunal Rules, 2016 which provides for **Appeal to the Tribunal for restoring the name of the struck off Companies.**

A detailed write up on Appeal to NCLT for Restoration of Company which were Struck off by RoC was covered in our news alert and the link of the same is as under:

<http://amitadesai.com/images/uploads/downloads/Article%20on%20Revival%20of%20Struck%20off%20Companies.pdf>

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NationalCompanyLawTribunalAmdtRules_06072017.pdf

18. COMPANIES(MEETINGS OF BOARDS AND ITS POWERS) SECOND AMENDMENT RULES, 2017

MCA vide its notification dated July 13, 2017 had amended the Companies (Meetings of Boards and its Powers) Rules, 2014 and notified Companies (Meetings of Boards and its Powers) Second Amendment Rules, 2017.

Below is the summary of the amendments made with respect to Board Meetings to be conducted through Video Conferencing facility vide the aforesaid Notification:

Particulars	Pre-Amendment	Post Amendment
sub-rule (3), clause (e) of Rule 3 Rule 3 pertains to the meetings of Board through video conferencing or other audio visual means Rule substituted	The director, who desire, to participate may intimate his intention of participation through the electronic mode at the beginning of the calendar year and such declaration shall be valid for one calendar year.	Any director who intends to participate in the meeting through electronic mode may intimate about such participation at the beginning of the calendar year and such declaration shall be valid for one year: Provided that such declaration shall not debar him from participation in the meeting in person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.
sub-rule (11), clause (a) of Rule 3 Words added	At the end of discussion on each agenda item, the Chairperson of the meeting shall announce the summary of the decision taken on such item along with names of the directors, if any, who dissented from the decision taken by majority.	At the end of discussion on each agenda item, the Chairperson of the meeting shall announce the summary of the decision taken on such item along with names of the directors, if any, who dissented from the decision taken by majority <u>and the draft minutes so recorded shall be preserved by the company till the confirmation of the draft minutes in accordance with sub-rule (12).</u>
Rule 6 Rule 6 pertains	The Board of directors of every listed companies and the following classes of companies	The Board of directors of every listed company and a company covered under rule 4 of the Companies

<p>to Committees of the Board</p> <p>Rule substituted</p>	<p>shall constitute an Audit Committee and a Nomination and Remuneration Committee of the Board-</p> <p>(i) all public companies with a paid up capital of ten crore rupees or more;</p> <p>(ii) all public companies having turnover of one hundred crore rupees or more;</p> <p>(iii) all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more.</p> <p>Explanation.- The paid up share capital or turnover or outstanding loans, or borrowings or debentures or deposits, as the case may be, as existing on the date of last audited Financial Statements shall be taken into account for the purposes of this rule.</p>	<p>(Appointment and Qualification of Directors) Rules, 2014 shall constitute an ‘Audit Committee’ and a Nomination and Remuneration Committee of the Board.’</p> <p>Companies listed under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 are as under:</p> <p>The following class or classes of companies shall have at least two directors as independent directors –</p> <p>(i) the Public Companies having paid up share capital of ten crore rupees or more; or</p> <p>(ii) the Public Companies having turnover of one hundred crore rupees or more; or</p> <p>(iii) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees:</p>
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The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesMeetingBoardPowersSecondRules_14072017.pdf

19. CORIGENDUM DATED JULY 13, 2017 ON THE EARLIER NOTIFCATION DATED JUNE 13, 2017 AND CIRCULAR DATED JULY 25, 2017

MCA vide its notification dated the June 13, 2017 had exempted Private Limited Companies from complying with the various provisions of the Companies Act, 2013 (“the Act”) and one of such exemptions was complying with the provisions **of Section 143 (3) (i)** of the Act with reference to Auditors Report on Internal Finance Control (IFC).

As per the aforesaid notification the following classes of private companies are exempted to have a report on the existence of adequate Internal Financial Controls system and its operating effectiveness:

- i. Company which is a OPC (one person company) or a small company; **or**
- ii. Company which has a turnover less than Rs.50 Crores as per latest audited financial statement **or** which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than Rs.25 Crores.

The corrigendum was issued to rectify the aforesaid notification and point (ii) above was modified. Post corrigendum it states that:

(ii) Company which has a turnover less than Rs.50 Crores as per latest audited financial statement **and** which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than Rs.25 Crores

Accordingly if a private company satisfies **both the conditions** mentioned in point (ii) i.e. the turnover criteria and the borrowings criteria **then only an exemption w.r.t. to internal financial control report can be claimed by the Company.**

Further, MCA vide its notification dated July 25, 2017 had provided a clarification that the exemption to the Private Limited Companies who satisfy both the turnover criteria and the borrowing criteria shall be applicable for the audit reports, pertaining to financial years commencing on or after April 01, 2016, which are made on or after June 13, 2017 i.e. the date of the notification.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NotificationxEmptionPrivateCompany_14072017.pdf

20. MCA ORDER DATED JULY 25, 2017 FOR CONSTITUTION OF 2 REVIEW COMMITTEES

MCA with vide its **Order dated July 25, 2017** has informed about the constitution of two Committees at Head Quarter which will review all the cases of 10 years old and above cases falling under their jurisdiction.

The committees would review and recommend the details of cases in which prosecutions are required to be withdrawn including the report submitted by the Regional Director(s).

The composition and the jurisdiction of the newly formed two Committees shall be as follows:

<u>Committee A</u>	<u>Committee B</u>
The reviewing Committee shall consist of the following: (i) Director General of Corporate Affairs-Chairman of Reviewing Committee; (ii) Joint Director(Insolvency-Section)-Convener cum member; and (iii) Joint Director (Policy-Section)-Member.	The reviewing Committee shall consist of the following: (i) Director General of Corporate Affairs-Chairman; (ii) Joint Director(Shri D. Bandopadhyay)-Convener cum Member; and (iii) Nominee Joint Director of O/o SFIO-Member.

<p>This Committee will review the cases of following Regional Director(s):</p> <ol style="list-style-type: none"> i. Regional Director (Southern Region); ii. Regional Director (North West Region); iii. Regional Director (Northern Region); and iv. Regional Director (South East Region). 	<p>This Committee will review the cases of following Regional Director(s):</p> <ol style="list-style-type: none"> i. Regional Director(Eastern Region); ii. Regional Director(North East Region); iii. Regional Director(Western Region); and iv. Serious Fraud Investigation Office.
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The formation of the aforesaid Committees is aimed at reducing the arrears and backlog of cases in courts.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Notice_25072017.pdf

21. COMPANIES (INCORPORATION) SECOND AMENDMENT RULES, 2017

MCA vide its notification dated July 27, 2017 had amended the Companies (Incorporation) Rules, 2014 and notified Companies (Incorporation) Second Amendment Rules, 2017.

Vide aforesaid notification the following rules have been amended:

- i. Rule 28: Shifting of Registered Office within the same State, from one ROC to another**
- ii. Rule 30: Shifting of Registered office from one state or union Territory to another state**

Existing Form INC-23 i.e. the Form for application to the Regional Director seeking approval for shifting the Registered Office from one state to another state or from jurisdiction of one Registrar to another Registrar within the same state is substituted vide aforesaid notification which provides for new Form INC-23.

Existing Form INC-26 i.e. Advertisement to be published in the newspaper for change of registered office of the company from one state to another is substituted vide aforesaid notification which provides for new Form INC-26.

A detailed write up on the same was covered in our news alert and the link of the same is as under:

Shifting of Registered Office within the same State from one ROC to another

<http://amitadesai.com/images/uploads/downloads/Write%20UpShifting%20of%20Regd%20off-one%20RoC%20to%20Other%2027%20July%202017.pdf>

Shifting of Registered office from one state or union Territory to another state

<http://amitadesai.com/images/uploads/downloads/Write%20Up%20on%20Shifting%20of%20Regd%20off%20from%20one%20state%20to%20another.pdf>

The link of the above notification is as under:

<http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationSecondAmendmentRules2017.pdf>

AUGUST 2017:

22. EXEMPTION TO REGIONAL RURAL BANKS FROM THE APPLICATION OF SECTION 5 AND 6 OF THE COMPETITION ACT, 2002

MCA vide its notification dated August 10, 2017 had exempted the Regional Rural Banks (RRB's) from the application of provisions of Section 5 and 6 of the Competition Act, 2002. Section 5 and 6 of the Competition Act, 2002 pertain to combination of enterprises.

Prior to the notification, amalgamation of RRB's pursuant to the order issued by the Central Government required prior approval of Competition Commission of India (CCI). However, with the aforesaid amendment, the mergers of Regional Rural Banks that are ordered by the Central Government are now exempted from seeking the prior approval of CCI. The said exemption is applicable for a period of five year.

The link of the above notification is as under:

[www.mca.gov.in/Ministry/pdf/Notification2561\(E\)_21082017.pdf](http://www.mca.gov.in/Ministry/pdf/Notification2561(E)_21082017.pdf)

23. PROPOSED AMENDMENT IN THE COMPANIES (COST RECORDS AND AUDIT) RULES, 2014

MCA vide its notification, had proposed amendments in the Companies (Cost Records and Audit) Rules, 2014 and prescribed the draft Companies (Cost Records and Audit) Amendment Rules, 2017 so as to align the same with the Companies (Indian Accounting Standards) Rules 2015. The draft Companies (Cost Records and Audit) Amendment Rules, 2017 were placed on the Ministry's website for suggestions/comments of various stakeholders and the last dated for giving the suggestions/comments was August 26, 2017.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/draftRules_11082017.pdf

http://www.mca.gov.in/Ministry/pdf/notice_11082017.pdf

24. WITHDRAWAL OF SECRETARIAL STANDARD NO. 1 & NO. 2

Institute of Company Secretaries of India vide its notification dated August 16, 2017 has withdrawn the Secretarial Standard 1 on Meeting of Board of Directors and Secretarial Standard 2 : Secretarial Standard on General Meetings, w.e.f. September 30, 2017 without affecting the enforceability of SS-1 and SS-2 during the period before such withdrawal.

The link of the above notification is as under:

<http://egazette.nic.in/WriteReadData/2017/178157.pdf>

The revised version of Secretarial Standard 1 on Meeting of Board of Directors and Secretarial Standard 2 on General meetings alongwith the comparative analysis of amendment in SS-1 and SS-2 are placed on the website if the Institute of Company Secretaries of India which will be effective from October 01, 2017.

The link of the revised version of SS-1 is as under:

https://www.icsi.edu/webmodules/Final_SS-1.pdf

The link of the revised version of SS-2 is as under:

https://www.icsi.edu/webmodules/Final_SS-2.pdf

The link of the comparative analysis of amendment in SS-1 is as under:

https://www.icsi.edu/webmodules/ComparativeAnalysis_Amendments_SS1.pdf

The link of the comparative analysis of amendment in SS-2 is as under:

https://www.icsi.edu/webmodules/ComparativeAnalysis_Amendments_SS2.pdf

25. NATIONAL COMPANY LAW APPELATE TRIBUNAL (AMENDMENT) RULES, 2017

MCA vide its notification dated August 23, 2017, had amended the National Company Law Appellate Tribunal Rule, 2016 (NCLAT) and notified the National Company Law Appellate Tribunal Rule, 2017 by substituting the Rule 63 i.e. Appearance of Authorised Representative.

Pursuant to the Amendment, the Central Government, the Regional Director or the Registrar Companies or Official Liquidator has also been empowered to authorize an advocate or an officer not below the rank of Junior Time Scale or company prosecutor to represent a party in a proceedings or an appeal before the National Company Law Appellate Tribunal.

Prior to the present Amendment only the party to a proceeding/appeal before the National Company Law Appellate Tribunal had the power to authorize one or more chartered accountant(s) or company secretary/ies or cost accountant(s) or legal practitioner(s) or any other person to present his case before the Tribunal.

The link of the above notification is as under:

<http://egazette.nic.in/WriteReadData/2017/178275.pdf>

26. INVESTIGATION INTO AFFAIRS OF COMPANY BY SERIOUS FRAUD INVESTIGATION OFFICER

MCA vide its notification dated August 24, 2017, had notified the sub section 8, 9 and 10 of Section 212 of the Companies Act, 2013 which deals with the power of Serious Frauds Investigation Officer to arrest any person that has been guilty of any punishable under the said section and shall be taken before the judicial Magistrate or a Metropolitan Magistrate within the twenty four hours. On the same day itself MCA vide its notification has also notified the Companies (Arrest in connection with Investigation by Serious Fraud Investigation Officer) Rules, 2017.

The link of the above notifications are as under:

http://www.mca.gov.in/Ministry/pdf/Commencementnotification_25082017.pdf

http://www.mca.gov.in/Ministry/pdf/companiesArrestsconnectionSFIORule_25082017.pdf

27. EXEMPTION TO NATIONALISED BANKS FOR AMALGAMATION

MCA vide its notification dated August 30, 2017 had exempted all the Nationalized Banks from the application of Section 5 and 6 of the Competition Act 2002 for a period of ten years in cases of reconstitution, transfer of the whole or any part thereof and amalgamation of nationalized Banks.

The link of the above notification is as under:

<http://egazette.nic.in/WriteReadData/2017/178385.pdf>

28. SPECIAL COURT FOR THE STATE OF BIHAR

MCA vide its notification dated August 31, 2017 has designated Special Court for the state of Bihar with a view to provide speedy trial of offenses punishable with imprisonment of 2 years or more.

The link of the above notification is as under:

http://mca.gov.in/Ministry/pdf/NotificationSpecialCourtBihar_01092017.pdf

SEPTEMBER 2017:

29. CLARIFICATION FOR MEANING OF JOINT VENTURE FOR AVAILING EXEMPTION UNDER RULE 4 COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014 FORM THE APPOINTMENT OF INDEPENDENT DIRECTORS

MCA vide its notification dated July 5, 2017 had amended Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014, relating to Independent Directors.

As per the aforesaid amended rule, an unlisted public Company which is a joint venture, a wholly owned subsidiary or a dormant company will not be required to appoint Independent Directors.

Now MCA vide its General Circular no. 9 dated September 05, 2017 has clarified that a **“Joint Venture” would mean a joint arrangement, entered into in writing, whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement.** Further the usage of the term shall be similar to the Accounting Standard.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular_05092017.pdf

30. DELEGATIONS OF POWER BY CENTRAL GOVERNMENT TO REGIONAL DIRECTORS REGARDING SECTION 66 (2)

MCA vide its notification dated September 6, 2017 had issued notification whereby Central Government has delegated its powers and functions vested in it under sub-section (2) of section 66 of the Companies Act 2013, with respect to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmadabad, Hyderabad and Shillong.

As per Section 66 (2) of Companies Act, 2013 the National Company Law Tribunal (NCLT) shall give notice of every application made to it under sub-section (1) of section 66 for reduction of share capital to the Central Government and other regulatory authorities which may provide there representations or no objections for reduction. With the aforesaid notification now Central Government has delegated its power to Regional Directors.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Delegationpowers_07092017.pdf

31. OBLIGATION TO COMPLY WITH INDIAN ACCOUNTING STANDARDS (IND AS) AND RULE 4 OF COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015 BY PAYMENT BANKS, SMALL FINANCE BANKS WHICH ARE SUBSIDIARIES OF CORPORATES

MCA vide its notification dated March 30, 2016 had notified Companies (Indian Accounting Standards) rules, 2016 some stakeholder had sought clarifications from Ministry with regards to implementation of Ind AS wherein the holding Company has Payment Banks or Small Finance Banks as its subsidiaries.

The matter has been examined by the Ministry and it is clarified that the holding Company if it is covered by the corporate sector roadmap (phrase wise) for implementation of Ind AS shall follow the corporate sector roadmap and if the Company has got payment bank or small finance bank as its subsidiary then subsidiary company shall follow the banking sector road map prescribed vide RBI circular DBR.BP.BC.No.76/21.07.001/2015-16 dated February 11, 2016 on implementation of Ind AS read with Operating Guidelines for Payment Banks. However the payment Banks or Small Finance Banks shall provide the Ind AS financial data to its holding company for the purpose of consolidation.

The link of the above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Notification_30032016.pdf

32. COMPANIES (ACCEPTANCE OF DEPOSITS) SECOND AMENDMENT RULES, 2017

MCA vide its notification dated September 19, 2017 has notified the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 wherein the existing proviso to Rule 3(3) relating to allowed limit of deposits applicable for a Specified IFSC Public Company and Private company is amended.

The term Specified IFSC Public Company is introduced in the proviso which means an unlisted public company which is licensed to operate by

- the Reserve Bank of India or ;
- the Securities and Exchange Board of India or;
- the Insurance Regulatory and Development Authority of India;

from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006.

The amendment also covers the exemption notification dated June 13, 2017 wherein **the limit of accepting deposit from members shall not apply to following classes of private companies, namely:**

- which is a **start-up Company**, for 5 years from the date of its incorporation;
OR
- which fulfils the following conditions, namely:
 - a) which **is not an associate or a subsidiary** of such other Company;
 - b) if the **borrowing of such Company from banks/Financial Institution/ any Body Corporate** is less than twice to its paid up share capital or ₹ 50 Cr rupees, whichever is lower; and
 - c) such a Company has **not defaulted in the repayment** of such borrowing subsisting at the time of accepting deposits under Section 73

Apart from the above exempted category Companies, Companies accepting deposits shall file the details of monies so accepted to the Registrar in **Form DPT-3**.

The link for the above notification is as follows:

<http://egazette.nic.in/WriteReadData/2017/179095.pdf>

33. RESTRICTION OF LAYERS OF A COMPANY

PROVISO TO THE DEFINITION OF SUBSIDIARY COMPANY

MCA vide its notification dated September 20, 2017 had appointed September 20, 2017 as the date on which **proviso to clause (87) of section 2 of the said Act shall come into force**.

The relevant part of said clause (the proviso and explanation) read as under:

“Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

COMPANIES (RESTRICTION IN NUMBER OF LAYERS) RULES, 2017

MCA vide public notice dated June 28, 2017 had earlier issued notification proposing amendments to the Companies (Specification of Definitions Details) Rules, 2014 containing the restriction on layers of subsidiaries beyond prescribed number and had invited suggestions on the draft notification.

MCA vide notification dated September 20, 2017 has issued the Companies (Restriction on number of layers) Rules, 2017 wherein imposing a limit of 2 layers of subsidiaries which shall be effective from September 20, 2017.

On the notification becoming effective, no company shall have more than 2 layers of subsidiaries. However the layering concept shall be exempt in the following cases:

- A company may acquire a company incorporated outside India with subsidiaries beyond 2 layers as per the laws of such country;
- In computing the number of layers, one layer which consists of one or more wholly owned subsidiary or subsidiaries shall not be taken into account

The following classes of **Companies are exempted** from the applicability of aforesaid rule:

- Banking companies
- Systematically Important Non-Banking Financial Companies
- Insurance companies
- Government companies

Existing Company having more than 2 layers of subsidiaries as on September 20, 2017 is required to ensure the following:

- i) File a return in the **form CRL-1** with the Registrar of Companies **within 150 days** of September 20, 2017;
- ii) **Shall not have any additional layer of subsidiaries over and above the existing layers** on or after September 20, 2017; and
- iii) In case one or more layers of subsidiaries are reduced by such companies subsequent to the date of Notification, the number of layers permissible shall not be more than:
 - **Number of layers after such reduction; or**
 - **2 layer**

If any Company contravenes any provision of these rules:

- The Company and every officer of the Company who is in default shall be punishable with fine which may extend to Rs. 10,000/- and
- Where the default is a continuing one, further fine upto Rs.1000/- per day till the contravention continues.

The link for the above notification is as follows:

<http://egazette.nic.in/WriteReadData/2017/179105.pdf>

34. CLARIFICATION WITH RESPECT TO TIMELINE FOR FILING FORM DPT-3:

MCA vide notification September 19, 2017 has notified the Companies (Acceptance of Deposits) Second Amendment Rules, 2017 wherein Form DPT-3 was prescribed to intimate the Registrar regarding the monies accepted via deposits.

However MCA on the basis of queries of Stakeholders regarding the timelines of applicability/ availability of new Form DPT-3 has clarified in their General Circular dated September 27, 2017 that the new form will be made available for E-filing after the month of November, 2017 and till the time new forms are made available the existing forms can be used.

The link for the above Circular is as follows:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular11_27.09.2017.pdf

**35. INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY
(ACCOUNTING, AUDIT, TRANSFER, AND REFUND) RULES 2017**

MCA vide Notification dated 13th October, 2017 had amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017.

As per the notification, now the due date for transferring the shares to the Demat Account of the Authority shall be 31st October, 2017 wherein the period of seven years has been completed or being completed during the period from 7th September, 2017 to 31st May, 2017. Earlier the due date for the same was 31st May, 2017 which is now extended to 31st October, 2017.

The Notification further states that transfer of shares by the companies to the Fund shall be deemed to be transmission of shares and the procedure to be followed by the companies for transmission of shares while transferring the shares to the fund shall be followed.

The following are the changes carried out in sub-rule (d) of Rule 3:

Sub-Rule	Earlier Provision	Revised Provision	Changes
3(d)(i)	The company secretary or the person authorised by the Board shall make an application on behalf of the concerned shareholder, to the company for issue of “Duplicate Share Certificate”	The Company Secretary or the person authorised by the Board shall make an application, on behalf of the concerned shareholder, to the company, for issue of a new share certificate ;	The word Duplicate Share Certificate is now replaced with the word new share certificate.
3 (d)(ii)	Duplicate Certificate shall be issued and on the face of it the word Duplicate shall be stamped or punched in bold letters	New Share Certificate to be issued	The requirement of stamping/punching the word Duplicate on the face of the share certificate has been done omitted
3(d)(iii)	Entry of the Duplicate share certificate issued shall be made in the register maintained in Form SH-2	Particulars of every share certificate shall Be in Form No. SH-1	Since a new share certificate is to be issued instead of a duplicate share certificate, the requirement of making an entry in the register maintained in Form SH-2 has been done away with.

Further, the following two new sub-rules have been added:

(13) Any amount required to be credited by the companies to the Fund as shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank.

(14) Authority shall furnish its report to the Central Government as and when noncompliance of the rules by companies came to its knowledge.

As per the Notification, a new sub-rule 2(A) is inserted after sub-rule 2 of Rule 7 which states that every Company which has deposited the amount to the Fund shall nominate a Nodal

Officer for the purpose of coordination with IEPF Authority and communicate the contact details of the Nodal Officer duly indicating his or her designation, postal address, telephone and mobile number and company authorized e-mail ID to the IEPF Authority, within fifteen days from the date of publication of these rules and the company shall display the name of Nodal Officer and his e-mail ID on its website.

The MCA vide the aforesaid Notification has inserted a proviso after sub-rule (3) of Rule 7. Sub-Rule (3) of Rule 7 reads as follows:

“The Company shall within 15 days from the date of the receipt of the claim send a verification request to the Authority in the format specified by the Authority alongwith the documents submitted by claimant.”

The following proviso is added to the aforesaid sub-rule:

“Provided that in case of non receipt of documents by the Authority after the expiry of ninety Days from the date of filing of Form IEPF-5, the Authority may reject Form IEPF-5, after giving an opportunity to the claimant to furnish response within a period of thirty days.”

The MCA vide the aforesaid Notification has inserted a proviso after sub-rule (7) of Rule 7,

Sub-Rule (7) of Rule 7 reads as follows:

“In cases, where the application is incomplete or not approved, a communication shall be sent to the claimant and the concerned company by the Authority detailing deficiencies of the application.”

The following proviso is added to the aforesaid sub-rule:

“Provided that in case of non receipt of rectified documents by the Authority after the expiry of ninety days from the date of such communication, the Authority may reject Form IEPF-5, after giving an opportunity to the claimant to furnish response within a period of thirty days”.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/IEPFNotification_13102017.pdf

36. VALUATION BY REGISTERED VALUER AS PER SECTION 247 OF THE COMPANIES ACT 2013 AND RULES NOTIFIED

MCA vide its notification dated 18th October, 2017 had notified section 247 for Valuation by Registered Valurers. Also Companies (Registered Valuer and Valuation) Rules 2017 were issued by the Ministry.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CommencementNotification_20102017.pdf

37. DELEGATION OF POWER BY CENTRAL GOVERNMENT TO INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI) REGARDING VALUATION BY REGISTERED VALUERS (SECTION 247)

MCA vide its Notification dated 23rd October, 2017 had clarified that all the powers and function vested with the Central Government were delegated to the Insolvency and Bankruptcy Board of India. However, such powers may be revoked by the Central Government if the same is necessary in the public interest.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/delegationOfPowers_Section247_24102017.pdf

38. RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE OF FILING OF AOC-4 AND XBRL E-FORMS USING INDIA AS UNDER COMPANY ACT, 2013.

MCA vide its Circular No. 14/2017 dated 27th October, 2017 had extended the last date of filing the e-Form AOC-4 and AOC-4 XBRL (non Ind AS) under the Companies Act, 2013 till 28th November, 2018 without levying additional fees.

MCA vide its Circular No. 13/2017 dated 26th October, 2017 had extended the last date of filing the e-Form AOC-4 XBRL using Ind AS under the Companies Act, 2013 till 31st March, 2018 without levying additional fees as the XBRL taxonomy for Ind AS is expected to be operational by 28th February, 2018.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular14_28102017.pdf

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/GeneralCircular13_26102017.pdf

NOVEMBER 2017:

39. DESIGNATION OF SPECIAL COURT

MCA vide Notification S.O.3529 (E) dated 3rd November, 2017, has notified that the Central Government has designated Special Court for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more.

The following courts in column 1 has been designated as Special Court by the Central Government in concurrence with Chief Justice of High Court as Special Court for the purpose of speedy trial of offences punishable with imprisonment of 2 (two) years or more:

Courts	Jurisdiction as Special Court
(1)	(2)
XV Additional Court, XVI Additional Court of City Civil Court, Chennai	State of Tamil Nadu except Districts of Coimbatore, Dharmapuri, Dindigul, Erode, Krishnagiri, Namakkal, Nilgiris, Salem and Tiruppur

The link of above notification is as under:

http://mca.gov.in/Ministry/pdf/NotificationSpecialcourt_04112017.pdf

40. COMPANIES (FILING OF DOCUMENTS AND FORMS IN EXTENSIBLE BUSINESS REPORTING LANGUAGE), AMENDMENT, RULES, 2017

MCA vide notification G.S.R. 1372 (E) dated 6th November, 2017 has amended Companies (Filing of Documents and Forms in Extensive Business Reporting Language) Rules, 2015 which shall be called Companies (Filing of Documents and Forms in Extensive Business Reporting Language), Amendment, Rules, 2017.

In Companies (Filing of Documents and Forms in Extensive Business Reporting Language) Rules, 2015, Annexure – I have been revised and after Annexure – II, Annexure II A has been inserted.

The link of above notification is as under:

http://mca.gov.in/Ministry/pdf/Scan_XBRL_09112017.pdf

41. COMPANIES (ACCOUNTS) AMENDMENT RULES 2017

MCA vide notification G.S.R. 1371 (E) dated 7th November, 2017 has amended Companies (Accounts) Rules, 2014 through which existing e-form AOC -4 has been substituted by the revised e-form AOC-4.

To bring in more transparency a new section has been inserted which ask for details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 to be filled in table given in new e-form AOC-4.

In notes to Accounts following disclosure should be made:

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016			
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			

The link of above notification is as under:

http://mca.gov.in/Ministry/pdf/CompaniesAccountsamendmentsRules_09112017.pdf December

42. COMPANIES (FILING OF DOCUMENTS AND FORMS IN EXTENSIBLE BUSINESS REPORTING LANGUAGE), SECOND AMENDMENT, RULES, 2017

MCA vide Notification G.S.R. 1480(E) dated 4th December, 2017, had amended the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 and notified Companies (Filing of Documents and Forms in Extensible Business Reporting Language), Second Amendment, Rules, 2017

Vide aforesaid notification, the XBRL taxonomy was modified and the Annexure III of the Companies Filing of Documents and Forms in XBRL Rules, 2015 was amended/substituted.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Scan_XBRL_05122017.pdf

43. COMPANIES (COST RECORDS AND AUDIT) AMENDMENT RULES, 2017

MCA vide notification G.S.R. 1498(E) dated 7th December, 2017 has amended the Companies (cost records and audit) and notified Companies (cost records and audit) Amendment Rules, 2017.

Vide aforesaid notification, the definition of Indian Accounting Standards was inserted and the same was deemed to be inserted with effect from 1st April, 2016. Further, the Form CRA-1 and CRA-3 were substituted and would be deemed to have been substituted with effect from 1st April, 2016.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesCostrecordsAuditRule_08122017.pdf

44. COMPANIES (COST RECORDS AND AUDIT) SECOND AMENDMENT RULES, 2017

MCA vide notification G.S.R. 1526(E) dated 20th November, 2017 has amended the Companies (cost records and audit) Rules, 2014 and notified the Companies (cost records and audit) Second Amendment Rules, 2017.

The amendment made in rule 2, rule 3 and Annexure of these rules is as under:

- Substitution of clause (aa) of Rule 2 of the Companies (cost records and audit) Rules, 2014: "Customs Tariff Act Heading" means the heading as referred to in the Additional Notes in the First Schedule to the Customs Tariff Act, 1975;
- Substitution of words under Rule 3 of the Companies (cost records and audit) Rules, 2014: The words "Customs Tariff Act Heading" shall be substituted for the words "Central Excise Tariff Act Heading".

In the Annexure, in Form CRA-2, Form CRA-3 and Form.CRA4, for the words "CETA Heading", wherever it occurs, the words "CTA Heading" shall be substituted.

These substitutions have been made effective from the July 01, 2017.

The link of above notification is as under:

[http://www.dhc.co.in/uploadedfile/1/2/-1/MCA%20-%20Companies%20\(cost%20records%20and%20audit\)%20Second%20Amendment%20Rules,%202017.pdf](http://www.dhc.co.in/uploadedfile/1/2/-1/MCA%20-%20Companies%20(cost%20records%20and%20audit)%20Second%20Amendment%20Rules,%202017.pdf)

45. RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE OF FILING OF FORMCRA-4 UNDER THE COMPANIES ACT, 2013 REG.

MCA vide Circular No. 15/2017 dated 4th December, 2017 had extended the last date for filing of Form CRA-4 for the financial years starting on or after 1st April, 2016, without additional fees till 31st December, 2017. Form CRA-4 to be filed by the Company covered under the Rules within a period of thirty days from the date of receipt of a copy of the cost audit report alongwith the full information and explanation on every reservation or qualification contained in the report.

The link of above circular is as under:

http://mca.gov.in/Ministry/pdf/GeneralCircular15_05122017.pdf

46. SPECIAL COURT IN THE STATE OF KARNATAKA

MCA vide a Notification S.O. 3804(E)dated 4th December, 2017 and with the concurrence of the Chief Justice of the High Court of Karnataka, designated LIX Additional City Civil and Sessions Judge, Bengaluru City as Special Court for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more.

The link of above notification is as under:

http://mca.gov.in/Ministry/pdf/NotificationSpecialcourt_0512017.pdf

47. CONDONATION OF DELAY SCHEME, 2018

MCA vide Circular No. 16/2017 dated 29th December, 2017 had introduced Condonation of Delay Scheme, 2018 providing relief to Disqualified Directors.

Companies registered under the Companies Act, 2013 (or its predecessor Act) are inter-alia required to file their Annual Financial Statements and Annual Return with the Registrar of Companies (ROC).

Further 164 (2) read with section 167 of the Companies Act, 2013 (the Act) provides for disqualification of Directors if default is made by the Company in filing Annual Financial Statements or Annual Return for a **continuous period of 3 years.**

3 Months window is provided to defaulting Companies within which Annual filing should be Completed i.e. from January 01, 2018 to March 31, 2018.

The details of the above scheme is covered separately in our Article of the month upended.

The link of above circular is as under:

http://www.mca.gov.in/Ministry/pdf/Generalcircular16_29122017.pdf

48. COMPANIES (INCORPORATION) AMENDMENT RULES, 2018

MCA vide notification dated 20th January, 2018 has amended the Companies (Incorporation) Rules, 2014 and notified Companies (Incorporation) Amendment Rules, 2018. These rules are enforced from 26th January, 2018.

With aforesaid notification INC-1 has been discontinued and now application for reservation of name shall be made through new web service/e-form "**RUN**" (**Reserve Unique Name**) for reserving name of proposed Company and for changing name of existing Company.

INC-7 has been discontinued and INC-32 (SPICe) application for incorporation is available **for all types the Companies**.

Now in case of incorporation of a Company having more than 7 subscribers or where any of the subscribers to the MOA/AOA is signing at a place outside India, MOA/AOA shall be filed with INC-32 (SPICe) in the respective formats as specified in Table A to J in Schedule I without filing form INC-33(e-MOA) and INC-34(e-AOA).

Now no fees will be charged for incorporating Companies having nominal capital of less than or equal to rupees 10 lakhs or in respect of companies not having a share capital whose number of members as stated in the articles of association does not exceed 20.

The link of above notification is as under:

<http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules201825012018.pdf>

49. COMPANIES (REGISTRATION OFFICES AND FEES) AMENDMENT RULES, 2018

MCA vide notification G.S.R. 48(E) dated 20th January, 2018 has amended the Companies (Registration Offices and Fees) Rules, 2014 and notified the Companies (Registration Offices and Fees) Amendment Rules, 2018, these rules are enforced from 26th January, 2018.

No Re-submission of the application is allowed for the name reserved through new web service/e-form "RUN" (Reserve Unique Name) for reserving name of proposed Company and for changing name of existing Company,.

Table of Fees to be paid to Registrar under section 403 has been substituted as follows:

A. Table of Fees to be paid to the Registrar

(I) In respect of a company having a share capital :	Other than OPCs and Small Companies	OPC and Small Companies (in rupees)
--	-------------------------------------	-------------------------------------

	(in rupees)	
1. (a) For registration of OPC and small companies whose nominal share capital is less than or equal to Rs.10,00,000	–	–
(b) For registration of OPC and small companies whose nominal share capital exceed Rs. 10,00,000, , the fee of Rs. 2000 with the following additional fees regulated according to the amount of nominal capital: For every Rs.10,000 of nominal share capital or part of Rs.10,000 after the first Rs.10,00,000 and up to Rs. 50,00,000.	–	200
2. (a) For registration of a company (other than OPC and small companies) whose nominal share capital is less than or equal to Rs. 10,00,000 at the time of incorporation.	–	–
(b) For registration of a company (other than OPC and small companies) whose nominal share capital exceed Rs. 10,00,000, the fee of Rs.36,000 with the following additional fees regulated according to the amount of nominal capital :	–	–
i) for every Rs. 10,000 of nominal share capital or part of Rs 10,000 after the first Rs. 10,00,000 upto Rs. 50,00,000	300	–
ii) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 50,00,000 upto Rs. one crore.	100	–
iii) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 1 crore.	75	–
Provided further that where the additional fees, regulated according to the amount of the nominal capital of a company, exceed a sum of rupees two crore and fifty lakh, the total amount of additional fees payable for the registration of such company shall not, in any case, exceed rupees two crore and fifty lakhs.		
3. For filing a notice of any increase in the nominal share capital of a company, the difference between the fees payable on the increased share capital on the date of filing the notice for the registration of a company and the fees payable on existing authorized capital, at therates prevailing on the date of filing the notice		
(a) For OPC and small companies whose nominal share capital does not exceed Rs. 10,00,000.		2000
(b) For OPC and small companies, for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 10,00,000 and upto Rs. 50,00,000.		200
Other than OPC and small companies		
(c) For increase in nominal capital of a company whose nominal share capital does not exceed Rs. 1,00,000.	5000	
(d)For increase in nominal capital of a company whose nominal share capital exceed Rs. 1,00,000, the above fee		

<p>of Rs. 5,000 with the following additional fees regulated according to the amount of nominal capital :</p> <p>(i) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 1,00,000 upto Rs. 5,00,000.</p> <p>(ii) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 5,00,000 upto Rs. 50,00,000.</p> <p>(iii) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 50,00,000 upto Rs. one crore.</p> <p>(iv) for every Rs. 10,000 of nominal share capital or part of Rs. 10,000 after the first Rs. 1 crore.</p> <p>Provided further that where the additional fees, regulated according to the amount of the nominal capital of a company, exceed a sum of rupees two crore and fifty lakh, the total amount of additional fees payable for the registration of such company shall not, in any case, exceed rupees two crore and fifty lakhs.</p>	<p>400</p> <p>300</p> <p>100</p> <p>75</p>	
<p>4. For registration of any existing company, except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee is charged for registering a new company.</p>		
<p>5. For submitting, filing, registering or recording any document by this Act required or authorised to be submitted, filed, registered or recorded:</p> <p>(a) in respect of a company having a nominal share capital of less than Rs. 1,00,000.</p> <p>(b) in respect of a company having a nominal share capital of Rs. 1,00,000 or more but less than Rs.5,00,000.</p> <p>(c) in respect of a company having a nominal share capital of Rs. 5,00,000 or more but less than Rs.25,00,000.</p> <p>(d) in respect of a company having a nominal share capital of Rs.25,00,000 or more but less than Rs. 1 crore or more.</p> <p>(e) in respect of a company having a nominal share capital of Rs. 1 crore or more.</p> <p>Provided that in case of companies to be incorporated with effect from 26.01.2018 with a nominal capital which does not exceed rupees ten lakhs fee shall not be payable</p>	<p>200</p> <p>300</p> <p>400</p> <p>500</p> <p>600</p>	
<p>6. For making a record of or registering any fact by this Act required or authorised to be recorded or registered by the Registrar:</p> <p>(a) in respect of a company having a nominal share capital of less than Rs. 1,00,000.</p> <p>(b) in respect of a company having a nominal share capital of Rs. 1,00,000 or more but less than Rs.5,00,000.</p>	<p>200</p> <p>300</p>	

(c) in respect of a company having a nominal share capital of Rs. 5,00,000 or more but less than Rs.25,00,000.	400	
(d) in respect of a company having a nominal share capital of Rs.25,00,000 or more but less than Rs. 1 crore or more.	500	
(e) in respect of a company having a nominal share capital of Rs. 1crore or more.	600	
(II) In respect of a Company not having a share capital		
7. For registration of a company whose number of members as stated in the articles of association, does not exceed 20.	-	
8. For registration of a company whose number of members as stated in the articles of association, exceeds 20 but does not exceed 200.	5000	
9. for registration of a company whose number of members as stated in the articles of association, exceeds 200 but is not stated to be unlimited, the above fee of Rs.5,000 with an additional Rs. 10 for every member after first 200		
10. For registration of a company in which the number of members is stated in the articles of association to be unlimited.	10000	
11. For registration of any increase in the number of members made after the registration of the company, the same fees as would have been payable in respect of such increase, if such increase had been stated in the articles of association at the time of registration : Provided that no company shall be liable to pay on the whole a greater fee than Rs. 10,000 in respect of its number of members, taking into account the fee paid on the first registration of the company.		
12. For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.		
13. For filing or registering any document by this Act required or authorized to be filed or registered with the Registrar. Provided that in case of companies to be incorporated with effect from 26.01.2018 whose number of members as stated in the articles of association, does not exceed 20, fee shall not be payable.	200	
(14) For making a record of or registering any fact by this Act required or authorised to be recorded or registered by the Registrar.]	200	

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesRegnofficeandfeesAmendmentRules2018_25012018.pdf

50. COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) AMENDMENT RULES, 2018

MCA vide notification G.S.R. 51(E) dated 22nd January, 2018 has amended the Companies(Appointment and Qualification of Directors) Rules, 2014 and notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018, these rules are enforced from 26th January, 2018.

The marginal heading has been amended for Rule 9 of Companies (Appointment and Qualification of Directors) Rules, 2014, now read as Application for allotment of Director Identification Number **before appointment in an existing company.**

Now at the time of Incorporation in case of proposed directors not having DIN, then it shall be applied in Form no. INC-32 (SPICe) for maximum 3 Directors.

Further, if the appointment of Director is proposed in any existing Company then while applying for DIN in e-form DIR-3 Board resolution proposing appointment as director in an existing company shall be attached.

e-form DIR-3 shall be **signed electronically by the applicant** and shall be verified digitally by **a company secretary in full time employment** of the Company or by the Managing Director or Director or CEO or CFO of the Company in which the applicant is intended to be appointed as director in an existing company. With the aforesaid notification verification by practicing professional is no more required.

The link of above circular is as under:

http://www.mca.gov.in/Ministry/pdf/AppointmentQualificationDirectoramendmentrules2018_25012018.pdf

51. COMPANIES (AMENDMENT) ACT, 2017

MCA vide Notification S.O. 351(E) dated 23rd January, 2018, has notified Section 1 and 4 of Companies (Amendment) Act, 2017 and the appointed date from which said Section shall come into force is 26th January, 2018

With aforesaid notification Section 4(5)(i) relating to duration of name reservation has been substituted, now the proposed name will be reserved for a period of only 20 days from the date of approval instead of 60 days from the date of application.

In case of an application for reservation of name or for change of its name by an existing company, the Registrar may reserve the name for a period of 60 days from the date of approval.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NotificationCompaniesAct_23012018.pdf

52. EXEMPTION TO GOVERNMENT COMPANIES UNDER SECTION 129(6) OF COMPANIES ACT, 2013 FROM RECOGNIZING DEFERRED TAX ASSETS/ DEFERRED TAX LIABILITY UNDER AS-22/IND AS-12

MCA vide notification dated February 05, 2018 has granted exemption and has directed that the provisions of Accounting Standard 22 or Indian Accounting Standard 12 relating to **deferred tax asset or deferred tax liability shall not apply, for 7 years with effect from the April 01, 2017, to a Government Company** which is:

- a. a **public financial institution** as defined under Section 2(72) (iv) of the Companies Act, 2013;
- b. a **Non-Banking Financial Company** registered with the Reserve Bank of India under section 45-IA of the Reserve bank of India Act, 1934; and
- c. engaged in the business of **infrastructure finance leasing** with not less than 75 % of its total revenue being generated from such business with Government Companies or other entities owned or controlled by Government .

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NotificationSO529_06022018.pdf

53. DESIGNATION OF SPECIAL COURT

MCA vide notification dated February 05, 2018 for the purposes of providing speedy trial of offences punishable with imprisonment of 2 years or more has designated following Courts as Special Courts:

Sr. No.	COURTS	JURISDICTION AS SPECIAL COURTS
1.	Additional District and Sessions Court-VII, Ernakulam	State of Kerala
2.	District and Sessions Court, Kavaratti	Union territory of Lakshadweep
3.	District and Sessions Judge, Cuttack	State of Odisha
4.	Additional District and Sessions Judge, No.1, Kamrup (M), Guwahati	State of Odisha

The Link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/NotificationSO528Specialcourts_06022018.pdf

54. COMPANIES (REGISTERED VALUERS AND VALUATION) AMENDMENT RULES, 2018

MCA vide notification dated February 09, 2018 has amended Rule 11 by notifying Companies (Registered Valuers and Valuation) Rules, 2018 which relates to transitional arrangement.

With the aforesaid notification **any person may continue to render valuation services without certification of registration upto September 30, 2018** (earlier it was allowed till March 31, 2018).

In case a Company has appointed any valuer before notification of Companies (Registered Valuers and Valuation) Rules, 2017 i.e October 18, 2017 and the valuation or any part of it has not been completed before September 30, 2018 (earlier it was March 31, 2018), the valuer shall complete such valuation or such part within 3 months thereafter.

The Link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesRules2018_12022018.pdf

55. COMMENCEMENT OF CERTAIN SECTION OF COMPANIES (AMENDMENT) ACT, 2017

MCA vide notification dated February 09, 2018 has notified certain section of Companies (Amendment) Act, 2017 which are enforced from February 09, 2018.

Following is the list of sections notified

SR.NO	SECTIONS
1.	Section 2 [Except clause (i) and clause (xiii)] and 3
2.	Section 7
3.	Section 9
4.	Section 11 and 12
5.	Section 14
6.	Section 17
7.	Section 27 and 29 (both inclusive)
8.	Section 32
9.	Section 34 and 35
10.	Section 38
11.	Section 41 to 45 (both inclusive)
12.	Section 47 and 48
13.	Section 50 and 51
14.	Section 53
15.	Section 59 and 60
16.	Section 63 to 65 (both inclusive)
17.	Section 72 to 74 (both inclusive)
18.	Section 77 to 79 (both inclusive)
19.	Section 82
20.	Section 84 and 85
21.	Section 90 to 93 (both inclusive)

For detailed comparative analysis of the Sections notified with the aforesaid notification please refer to the below pasted link:

http://www.amitadesai.com/uploads/Comparative_Analysis_of_Section_notified_of_CA_2017.pdf

The Link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/Commencementnotification_12022018.pdf

56. DRAFT RULES FOR COMPANIES (BENEFICIAL INTEREST AND SIGNIFICANT BENEFICIAL INTEREST) RULES, 2018.

MCA has placed **draft Companies (Beneficial Interest and Significant Beneficial Interest) Rules, 2018** dated **February 15, 2018** on its website which will be available for suggestions/ comments till March 07, 2018.

As per the Companies (Amendment) Act 2017 Section 89 and 90 (not yet notified) related to **Beneficial Interest** are amended hence with the intention to align the Rule with the Section draft Rules are prepared.

The Link of above draft rules is as under:

http://www.mca.gov.in/Ministry/pdf/DraftRulesBeneficialOwnership_15022018.pdf

57. DRAFT RULES FOR COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) AMENDMENT RULES, 2018

MCA has placed **draft Companies (Prospectus and Allotment of Securities) Amendment Rules, 2018** dated **February 15, 2018** on its website which will be available for suggestions/ comments till March 07, 2018.

As per the Companies (Amendment) Act 2017 Section 42 (not yet notified) is substituted which related to Private Placement hence with the intention to align the Rule with the Section draft Rules are prepared.

The Link of above draft rules is as under:

http://mca.gov.in/Ministry/pdf/DraftCompaniesProspectusSecuritiesRules2018_15022018.pdf

58. COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES,2018

MCA vide notification dated February 16, 2018 has issued Companies (Management and Administration) Amendment Rules 2018.

With the above notification **Form MGT-6** required to file by the Company for creation/ change of Beneficial Interest under Section 89 of Companies Act, 2013 and Form MGT-15 required to be filed by listed public Company for report on Annual General Meeting are substituted.

In Form MGT-6following modification are made:

1. **Date of declaration given by Register Owner** (in form MGT-4) is added;
2. **Date of receipt of declaration by the Company from Register Owner** (in form MGT-4) is added; and

3. Name of declarants separately required to be filled in the form for beneficial owner is removed.

➤ **In Form MGT-15 following modification are made:**

Option of attaching optional attachment is made available.

The Link of above draft rules is as under:

http://mca21.gov.in/Ministry/pdf/CompaniesManagementAdministrationAmendmentRules2018_19022018.pdf

59. COMPANIES (AUDIT AND AUDITORS) AMENDMENT RULES, 2018

MCA vide notification dated February 16, 2018 has issued Companies (Audit and Auditors) Amendment rules, 2018.

With the above notification Form ADT-1 for appointment of Auditor and ADT-2 for removal of Auditor are substituted.

➤ **In Form ADT-1 following modification are made**

1. Point number 3(b) is added to provide details of **Nature of appointment**;
2. Additional option for attaching copy of the letter of appointment from Comptroller and Auditor General of India (C&AG) is included (if applicable);
3. Additional option for attaching copy of the order of the Tribunal (if applicable).

➤ **In Form ADT-2 following modification are made**

1. In point number 7 (c) for Category of Auditor i.e **Individual or Auditor's firm** is added;
2. In point number 7 (d) Membership number of the auditor or Registration number of the firm is added.

The Link of above notification is as under:

http://mca21.gov.in/Ministry/pdf/CompaniesAuditAuditorsAmendmentRules2018_19022018.pdf

60. COMPANIES (AUTHORISED TO REGISTER) AMENDMENT RULES, 2018

MCA vide notification dated February 16, 2018 has issued Companies (Authorised to Register) Amendment Rules, 2018.

With the above notification Form URC required to be filed for conversion from firm to Company and from LLP to Company is modified.

➤ **Following additional information are required to be given**

1. In point no 10 of Form URC, applicant entity needs to confirm whether any suit or legal proceedings taken by, or pending against the entity, or any public officer or member. If such legal proceedings are subsisting than brief details of the same are required to be given.
2. In Point no 11 if Form URC, applicant entity needs to confirm whether entity has any secured debt outstanding as on the date of application and it needs to mention total outstanding amount in the form.

The Link of above notification is as under:

http://mca21.gov.in/Ministry/pdf/CompaniesAuthorisedRegisterAdmendmentRules2018_19022018.pdf

61. COMPANIES (REMOVAL OF DIFFICULTIES) ORDER, 2018

MCA vide notification dated February 21, 2018 has issued Companies (Removal of Difficulties) Order 2018 amending provision of removal of Independent Director before expiry of second term.

According, to Section 152(2) of Companies Act, 2013 (“the Act”) every director shall be appointed by the Company in General Meeting (including an Independent Director). And Section 149(10) of the Act states that an Independent Director shall hold office for a term up to 5 consecutive years and shall be eligible for re-appointment on passing **Special Resolution** by the Company.

Further, Section 169 (1) provides that a Company may, by Ordinary Resolution, remove a Director, not being a Director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard.

Hence **at present an Independent Director is re-appointed for second term in accordance with the Section 149 (10), only by way of a Special Resolution and Independent Director can be removed by an Ordinary Resolution** and not by a Special Resolution .

In order to remove above said difficulty, and to ensure better corporate governance in Companies, and for balancing of powers of the Board of the Company, amendment is now made to section 169 (1) of the Act and following proviso is inserted.

“Provided that an independent director re-appointed for second term under subsection (10) of section 149 shall be removed by the company only by passing a special resolution and after giving him a reasonable opportunity of being heard.”

Thus **now Independent Director re-appointed for the second term pursuant to section 149 (10) of the Act can be removed by the Company only by passing a Special Resolution.**

The Link of above removal of difficulty order is as under:

http://mca21.gov.in/Ministry/pdf/CompaniesRODorder2018_22022018.pdf

62. EXEMPTION OF GOVERNMENT COMPANIES ENGAGED IN DEFENCE FROM SEGEMENT REPORTING

MCA vide notification G.S.R. 463(E) dated June 05, 2015 (exemption notification) had granted exemption to Government Companies engaged in defence production from compliance of **Accounting Standard 17 (Segment Reporting)** as required under section 129 of the Companies Act, 2013 to the extent applicable.

With the aforesaid notification Ministry has amended the exemption notification dated June 15, 2015 and has substituted serial number 8 of the said notification in following manner:

“8.	Chapter IX, section 129	Shall not apply to the companies engaged in defence production to the extent of application of relevant Accounting Standard on segment reporting ”.
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Considering the implementation of Ind AS Ministry has substituted words “**Accounting Standard 17**” and “**relevant Accounting Standard**”.

The Link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/notificationSegment2302_26022018.pdf

63. COMPANIES (ACCOUNT) AMENDMENT RULES, 2018

MCA vide notification dated February 27, 2018 has issued Companies (Account) Amendment Rules 2018 introducing Form AOC-3A for Statement containing salient features of the financial statement for Companies which are required to comply with the Companies (Indian Accounting Standards) Rule, 2015.

According to first proviso of section 136 (1) read with Rule 10 Companies (Account) Amendment Rules 2018, in the case of a listed Company, copy of financial statements, including consolidated financial statements, if any, auditor’s report and other relevant documents to be sent to members would be complied if the copies of the documents are made available for inspection at its registered office during working hours for a period of 21 days before the date of the meeting and a statement containing the salient features of such documents in form AOC-3 or AOC-3A is sent to every member of the Company.

Form AOC-3A is abridged financial statement for Ind AS. It has following parts:

- I. **Abridged Balance Sheet** (where in previous 3 years figures are required to be given in accordance with Ind As) including abridged statement of changes in Equity
- II. **Abridged statement of Profit and Loss**
- III. **Abridged Statement of Cash flow**

Also Director and consolidated financial statements (if any) Auditor Report are part of form AOC-3A.

The form AOC-3A should be certified in the same manner in which the Balance Sheet is certified.

The Link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesAccountsAmmdmentRule_01032018.pdf

64. COMPANIES (FILING OF DOCUMENTS AND FORMS IN EXTENSIBLE BUSINESS REPORTING LANGUAGE) AMENDMENT RULES, 2018.

MCA vide notification dated March 08, 2018 has amended the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 and notified the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2018. It shall come into force from March 08, 2018.

With the aforesaid notification the existing Rule 3 is renumbered as Rule 3 (1) and sub rule are 3 (2) and 3 (3) inserted to provide clarity that if Company was covered under any of the criteria specified in Rule 3 (1) or was required to file its Financial Statement or other documents in XBRL under erstwhile rules namely, Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011, it shall **continue to file its financial statements and other documents in XBRL though they may not fall under the class of companies specified therein in succeeding years.**

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule_15032018.pdf

65. COMMENCEMENT OF SECTION 132 (3) AND 132 (11) AND NOTIFICATION OF NATIONAL FINANCIAL REPORTING AUTHORITY (MANNER OF APPOINTMENT AND OTHER TERMS AND CONDITIONS OF SERVICE OF CHAIRPERSON AND MEMBERS) RULES, 2018

MCA vide Notification dated March 21, 2018 has **notified Section 132(3) and 132(11) of Companies Act, 2013.**

Section 132(3) relates to Manner of appointment and other Terms and Conditions of Service of Chairperson and Members and Section 132(11) relates to appointment of Secretary and such other employees by Central Government for efficient performance of National Financial Reporting Authority (NFRA).

MCA has also notified the National Financial Reporting Authority (Manner of appointment and other Terms and Conditions of Service of Chairperson and Members) Rules, 2018.

The aforesaid Rules include details about Composition of Authority like Chairperson and Members, their Manner of Appointment, Medical Fitness, Resignation, Removal from Office, Procedure for Inquiry of Misbehavior or Incapacity of the Chairperson or a Member, Term of Office, Vacancy, Salary and Allowances, Pension, Gratuity and Provident Fund, Leave, Leave and Foreign Travel Authority, House Rent Allowance, Transport Allowance, Declaration of Financial and other Interests, Other conditions of services, Oath of office and Secrecy, Sitting Fee and Allowances of Part-time Members, Power of Relax and Interpretation.

The link of above notification for commencement of Section is as under:

http://www.mca.gov.in/Ministry/pdf/commencementNotification2103_21032018.pdf

The link of above notification for Rules is as under:

http://www.mca.gov.in/Ministry/pdf/ReportingAuthorityRule2103_21032018.pdf

66. COMPANIES (INCORPORATION) SECOND AMENDMENT RULES, 2018:

MCA vide notification dated March 23, 2018 has amended the Companies (Incorporation) Rules, 2014 and notified Companies (Incorporation) Second Amendment Rules, 2018.

Now application for reservation of name made through the web service available at mca.gov.in by using RUN (Reserve Unique Name) may be approved or rejected by the registrar **after allowing re-submission of such application within 15 days** for such rectification of the defects, if any.

The link of above notification is as under:

www.mca.gov.in/Ministry/pdf/CompanyRule2303_23032018.pdf

67. RELAXATION OF ADDITIONAL FEES AND EXTENSION OF LAST DATE OF FILING OF AOC-4 XBRL E-FORMS USING IND AS

MCA vide its Circular No. 1/2018 dated March 28, 2018 had extended the last date of **filing the e-Form AOC-4 XBRL using IND AS under the Companies Act, 2013 till 30th April, 2018 without additional fees.**

MCA has issued this Circular with reference to Ministry's General Circular No. 13/2017 dated 26/10/2017 and upon consideration of request received from various stakeholders and has decided to extend the last date for filing of AOC-4 XBRL E-Forms using IND AS under the Companies Act, 2013 for all eligible companies required to prepare or voluntarily prepare their financial statements in accordance with Companies (Indian Accounting Standards) Rules, 2015 for the Financial Year 2016-17.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo02of2018_29032018.pdf

68. EXTENSION OF CONDONATION OF DELAY SCHEME, 2018:

MCA vide its Circular No. 2/2018 dated March 28, 2018 had **extended Condonation of Delay Scheme(CODS), 2018 upto April 30, 2018.**

This circular has been issued in continuation to MCA General Circular No. 16/2017 dated 29th December, 2017 and on consideration of request received from various stakeholders MCA has decided to extend the CODS, 2018 scheme from 31st March, 2018 to April 30, 2018.

The link of above circular is as under:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo02of2018_29032018.pdf

69. COMPANIES (INDIAN ACCOUNTING STANDARDS) AMENDMENT RULES, 2018:

MCA vide notification dated March 28, 2018 has amended the Companies (Indian Accounting Standards) Rules, 2015 and notified Companies (Indian Accounting Standards) Amendment Rules, 2018.

In Companies (Indian Accounting Standards) Rules, 2015 in the “Annexure” under the heading “B” for Indian Accounting Standard (IND AS) various amendments are made.

The link of above notification is as under:

http://www.mca.gov.in/Ministry/pdf/INDAsEngRule2018_29032018.pdf

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**Amita Desai & Co.
Company Secretaries**

Mumbai Off :

10s, Hubtown Solaris
Off Western Express Highway
East End of Andheri Flyover

Landline: + 91-22-2684-5920/21

Fax: + 91-22-6678-7499

Mobile : + 91-982-017-7691

For Amita Desai and Company
