

# IMPORTANT AMENDMENTS IN COMPANIES ACT, 2013 FY 2019-20

CA Padmashree V Crasto



# MCA - AMENDMENTS & UPDATES

## IND AS Amendments

Applicable : 01<sup>st</sup> April 2019

On March 30, 2019, MCA has notified Ind AS 116- Leases which will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations

Also Amendments in the above Ind AS have been notified by MCA

**Ind AS 101-** First time adoption of Ind As

**Ind AS 103-** Business Combination

**Ind AS 109-** Financial Instruments

**Ind AS 111-** Joint arrangements

Also Amendments in the above Ind AS have been notified by MCA

**Ind AS 12-** Income taxes

**Ind AS 19-** Employee Benefits

**Ind AS 23-** Borrowing Costs

**Ind AS 28-** Investments in Associates and Joint Ventures

# MCA - AMENDMENTS & UPDATES

Particulars	Mandatory Requirements
ADT 1 (GNL-2)	The MCA vide General Circular No. 06/2019 dated May 13, 2019 which states that Companies which had filed <b>Form no. ADT-1 through GNL-2 as an attachment (by selecting 'others')</b> during the period from <b>April 1, 2014 to October 20, 2014</b> may file e-form no. ADT-1 for appointment of Auditor for the period upto March 31, 2019 without fee, till June 15, 2019.
<b>Companies (Significant Beneficial Owners) second Amendment Rules,2019</b>	<p>The MCA vide notification dated July 01, 2019 has notified Companies (Significant Beneficial Owners) second Amendment Rules,2019.</p> <p>As per the amendment, revised FORM NO. BEN-2 - Return to the Registrar in respect of declaration under section 90 has been notified.</p>

## MCA REGULATORY AMENDMENTS & UPDATES

The MCA vide notification dated January 22, 2019 , April 12, 2019 and April 30, 2019 has **notified Companies (Acceptance of Deposits) Amendment Rules, 2019**

As per the notification every company other than a government company is required **to file a one-time return of outstanding receipt of money or loan by a company but not considered as deposits,** in terms of clause (c) of sub-rule 1 of rule 2 from the 1 April 2014 to the 31 March 2019 as specified in Form DPT-3 within 90 days from March 31, 2019.

# MCA - AMENDMENTS & UDPATES

Particulars	Mandatory Requirements
<p>Corporate Social Responsibility</p> <p>Notification shall come into force from May 30, 2019.</p>	<p>The MCA vide notification dated May 30, 2019 has amended Schedule VII.</p> <p>As per the amendment in Schedule VII MCA has notified entry ‘<b>xii-disaster management, including relief, rehabilitation and reconstruction activities</b>’ which may be included by companies in their Corporate Social Responsibility Policies Activities.</p>
<p>Corporate Social Responsibility</p> <p>Notification shall come into force from October 11,2019</p>	<p>The MCA vide notification dated October 11, 2019 has amended Schedule VII.</p> <p>As per the amendment in Schedule VII MCA has substituted entry ‘<b>ix-contributions or funds provided to technology incubators located within academic institutions which are approved by the central government</b>’ which may be included by companies in their Corporate Social Responsibility Policies Activities.</p>

# MCA - AMENDMENTS & UDPATES

Particulars	Mandatory Requirements
<b>The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019</b>	<p>MCA vide notification dated November 18, 2019 has issued The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019.</p> <p>The notification has amended rule 15 sub-rule 3 w.r.t threshold limits for a company to enter into Related Party Transactions.</p> <p>It shall come into force from November 18, 2019</p>
<b>Extension of last day of filling CRA- 4</b>	<p>MCA vide circular dated December 30, 2019 has extended the due date of filling form CRA -4.</p> <p>The last date of filing of CRA-4 (cost audit report) for the Financial Year 2018-19, without payment of additional fee, has been further extended till February 20, 2020.</p>

# MCA - AMENDMENTS & UDPATES

Particulars	Mandatory Requirements
<b>Cost records</b>	<p>MCA vide General Circular No. 04/2019 dated April 4, 2019 has issued relaxation w.r.t additional fees and extension of last date of filing of Form CRA-2.</p> <p>The time limit for filing the CRA-2 form for the companies which are mandated to get its cost records audited for the first time under Companies Act, 2013 shall be extended up to May 31, 2019 without payment of additional fees.</p>
<b>STK -2</b> The above rules shall come into force from May 10, 2019	<p>MCA vide notification dated May 08, 2019 has notified (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2019.</p> <p>As per the amendment, Form STK-2 (for removing name from Register of Companies, i.e., winding up of a company) Fees has been increased from Rs. 5,000 to Rs. 10,000. Also, new FORM STK-8 has been introduced.</p>

# MCA - AMENDMENTS & UDPATES

Particulars	Mandatory Requirements
<b>Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019</b>	<p>The CG vide notification dated January 22, 2019 has issued Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019</p> <p>Every specified company shall file in MSME <b>Form I</b> details of all outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order within 30 days from the date of publication of the notification.</p> <p>Also file a return for the period April to September - 31st October &amp; from October to March - 30th April.</p>
<b>Companies (Appointment and Qualification of Directors) Rules, 2019</b>	<p>The MCA vide notification dated May 16, 2019 has notified Companies (Appointment and Qualification of Directors) Rules, 2019.</p> <p>Company governed by Rule 25A fails to file the e-form ACTIVE within the period specified, the DIN allotted to its existing directors, shall be marked as Director of ACTIVE non-compliant company.</p>



# MCA - IMPORTANT REGULATORY CHANGES

- MCA vide notification dated September 05, 2019 has issued the National Financial Reporting Authority (Amendment) Rules, 2019.

The Amendments relate to the following rules:

Rule 2- Definitions

Rule 3- Classes of companies and bodies corporate governed by the Authority

Rule 5- Annual Return

Rule 11-Disciplinary proceedings

**The Form NFRA 2 is notified- Annual Return To Be Filed By Auditor With The National Financial Reporting Authority**

# MCA - IMPORTANT REGULATORY CHANGES

- MCA vide notification dated August 16, 2019 has notified the Companies (Share Capital and Debentures) Amendment Rules, 2019.

The Amendments relate to the following rules:

Rule 4- Equity shares with differential rights

Rule 5- Certificate of shares (where shares are not in demat form)

Rule 18- Debentures

- MCA vide General Circular No. 09/2019 dated August 26, 2019 has issued clarification under section 232(6) of the Companies Act, 2013

It clarifies that the term “appointed date” used in section 232(6) shall be deemed to be the “acquisition date” for the purpose of conforming to Ind AS 103 standard dealing with business combinations.

# MCA RELAXATION : COVID IMPACT

Rule	Particular/Amendment
Filing of documents/returns/Statements on MCA -21	No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date
Incorporation of a company	Declaration for Commencement of Business within 6 months of incorporation. An extension of further 6 months.
Mandatory Board Meeting (Section 173)	Mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (CA-13) (120 days) stands extended by a period of 60 days till next two quarters i.e., till 30th September
Meeting to be conducted by Independent Directors (Schedule 4)	For the year 2019-20, if the Independent directors of a company have not been able to hold even one meeting, the same shall not be viewed as a violation.

# MCA RELAXATION : COVID IMPACT

Rule	Particular/Amendment
<b>The Companies (Auditors Report) order 2020</b>	Applicable from the Financial Year 2020-21
<b>Minimum Residency of a Director In India (Sec 149)</b>	Non- Compliance will not be treated as a Violation
<b>Section 73(2)(c) of CA-13</b>	To create the deposit repayment reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.
<b>Rule 18 of the Companies (Share Capital &amp; Debentures) Rules, 2014</b>	To invest or deposit at least 15% of amount of debentures maturing in specified methods of investments or deposits before 30th April 2020, may be complied with till 30th June 2020.

# MCA RELAXATION : COVID IMPACT

Rule	Particular/Amendment
<b>Companies Affirmation of Readiness towards COVID-19 Form</b>	<p>Form to be filed by companies to ensure compliance with COVID- 19 Guidelines.</p> <p>MCA has issued Companies Affirmation of Readiness towards COVID-19 Form which is a simple web form with minimum fields and which can be filed from anywhere. There is no requirement of DSC and does not involve payment of any fee. Companies/LLPs have been advised to use the service w.e.f 23rd March 2020 onwards at the earliest convenience.</p>
<b>CSR Contribution</b>	<p>Spending of CSR funds for COVID- 19 is eligible CSR Activity.</p> <p>Funds may be spent for various activities related to COVID- 19 related to health care including preventive health care and sanitation, and, disaster management.</p>

# MCA RELAXATION : COVID IMPACT

Rule	Particular/Amendment
<b>Clarification on passing OR and SR by companies under Companies Act 2013</b>	<p>The MCA vide Circular dated April 08,2020 has issued clarification on passing OR and SR by companies under Companies Act 2013 and rules made thereunder on account of the threat passed by Covid-19.</p> <p>Companies are requested to take all decisions of urgent nature requiring the approval of members, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, without holding a general meeting (requires the physical presence of members at a common Venue).</p>

# MCA RELAXATION : COVID IMPACT

Contd.

The following procedure is required to be adopted for conducting such a meeting, in addition to any other requirement provided in the Act or the rules made thereunder,

- Any unavoidable EGM required to be held on or before 30th June, 2020 :-
  - may be held through Video Conferencing (VC) or Other Audio Visual Method (OAVM).
  - Facility of appointment of proxies by member will not be available.
  - At least one independent director (For companies who are required to appoint independent director) shall attend such meeting through VC or OAVM.
  - auditor or his authorized representative who is qualified to be the auditor shall attend such meeting through VC or OAVM.
  - Notice for meeting which has been served before the date of circular (i.e. 8th April, 2020), may adopt above framework by obtaining consent of member in accordance with the Section 101(1) AND issuing a fresh notice of shorter duration with due disclosures in consonance with the said circular is issued consequently.
  - All resolutions passed in accordance with this mechanism shall be filed with ROC within 60 days of the meeting

# MCA RELAXATION : COVID IMPACT

Rule	Particular/Amendment
<b>Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme, 2020</b>	<p>The MCA vide Circular dated March 30,2020 has issued Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme, 2020.</p> <p>This schemes incentivize compliance and reduce compliance burden during the unprecedented public health situation caused by COVID-19 i.e. during the period starting from 1st April, 2020 and ending on 30th September, 2020.</p>
<b>COVID-19 related FAQs on CSR</b>	<p>The MCA has issued Covid-19 related FAQs on Corporate Social Responsibility.</p>







**THANK YOU**