

AMENDMENTS TO COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES

The Companies (Management and Administration) Rules, 2014 of the Companies Act, 2013 came into force on 1st day of April 2014. Further to that the Ministry of Corporate Affairs came out with many amendments to the said Rules.

A short synopsis of the said amendments is tabled below chronologically:

DATE OF AMENDMENT	NAME OF THE AMENDMENT RULE	LINK OF THE AMENDMENT	REMARKS
24.07.14	Companies (Management and Administration) Second Amendment Rules, 2014	http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_24072014.pdf	1. Insertion of proviso clause in Rule 9(3). 2. Omission of <i>Explanation</i> in Rule 13. 3. Explanation of Rule 27(1): substitution of word “shall” with “may”. 4. Other Misc changes.
19.03.15	Companies (Management and Administration) Amendment Rules, 2015	http://www.mca.gov.in/Ministry/pdf/Chapter7_Rules_19032015.pdf	1. Substitution of Rule 20 (Voting through Electronic means).
28.08.15	Companies (Management and Administration) Amendment Rules, 2015	http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_31082015.pdf	1. In Rule 23 (1): for the words “not more than five lakhs rupees” the words “not less than five lakhs rupees” shall be substituted. 2. Substitution of Form MGT 7 (Annual Return).
24.09.15	Companies (Management and Administration) Second Amendment Rules, 2015	http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_24092015.pdf	1. Change in Form MGT 7 in paragraph 1 serial number 1 (Insertion of “Permanent Account Number of the Company” after Global Location Number.
16.11.15	Companies (Management and Administration) Third Amendment Rules, 2015	http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_16112015.pdf	1. Substitution of Form MGT 7 (Annual Return).

Thereafter, the Ministry of Corporate Affairs again came out with Companies (Management and Administration) Amendment Rules, 2016 vide Notification dated 23.09.2016. The same can be viewed from the below link:

<http://www.mca.gov.in/Ministry/pdf/CompaniesMgtAdminAmendmentRules2016.pdf>

Below are the following amendments in the said rules:

RULE NUMBER	EXISTING CLAUSE	AMENDED CLAUSE
Proviso clause to Rule 3(1)	Provided that in the case of existing companies, registered under the Companies Act, 1956, particulars shall be compiled within six months from the date of commencement of these rules.	Provided that in the case of a company existing on the commencement of the Act, the particulars as available in the register of members maintained under the Companies Act, 1956 shall be transferred to the new register of members in Form No. MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members such information may also be added in the register as and when provided.
Proviso clause to Rule 3(2)	Provided that in the case of existing companies, registered under the Companies Act, 1956, particulars shall be compiled within six months from the date of commencement of these rules.	Provided that in the case of a company existing on the commencement of the Act, the particulars as available in the register of members maintained under the Companies Act, 1956 shall be transferred to the new register of members in Form No. MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members such information may also be added in the register as and when provided."
Rule 13	Every listed company shall file with the Registrar, a return in Form No.MGT.10 along with the fee with respect to changes relating to either increase or decrease of two percent, or more in the shareholding position of promoters and top ten shareholders of the company in each case, either value or volume of the shares, within fifteen days of such change.	Every listed company shall file with the Registrar, a return in Form No. MGT 10, with respect to changes in the shareholding position of promoters and top ten shareholders of the Company, in each case, representing increase or decrease by two percent or more of the paid up share capital of the Company, within fifteen days of such change."

Rule 20(2)	Every company other than a company referred to in Chapter XB or chapter XC of the Securities and Exchange of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 having its equity shares listed on a recognized stock exchange or a company having not less than one thousand members, shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at general meetings by electronic means.	Every company which has listed its equity shares on a recognized stock exchange and every company having not less than one thousand members, shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at general meetings by electronic means. Provided that a Nidhi, or an enterprise or institutional investor referred to in Chapter XB or Chapter XC of the Securities and Exchange of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not required to provide the facility to vote by electronic means.
Rule 22(7)	Procedure to be followed for conducting business through postal ballot- Sub-Rule 7 If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot including voting by electronic means, it shall be deemed to have been duly passed at a general meeting convened in that behalf.	OMITTED
Rule 22(14)	Procedure to be followed for conducting business through postal ballot- Sub-Rule 14 The resolution shall be deemed to be passed on the date of at a meeting convened in that behalf.	OMITTED

Other Amendments:

1. In Rule 9(1), the words “*in duplicate*” where they occur at both places shall be omitted.
2. In Rule 9(2), the words “*in duplicate*” where they occur at both places shall be omitted.
3. Explanations in the Rule 17(2) the words “*on working day*” shall be substituted by “*on any day except national holiday*”.
4. Rule 25(1) (e) the words “or such other place as may be approved by the Board” shall be omitted.
5. Substitution of Form MGT-6.