

2020

MCA AMMEDMENTS

DURING COVID-19

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ANNUAL RETURN

01. THE CENTRAL GOVERNMENT REQUIRES COMPANIES TO DISPLAY THEIR ANNUAL RETURNS ON COMPANY WEBSITES FROM 28TH AUGUST 2020. [S.O. 2920(E)]

The Central Government has appointed **28 August 2020** as the date on which the provision of **section 23 clause (ii) of the Company (Amendment) Act, 2017** shall come into force.

- 23.** In **section 92** of the principal Act,—
(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report".

As per the said provision, on and from the **28th August, 2020** all the Companies having a website shall place a copy of the **Annual Return (MGT-7)** on its website. Also, a web link of the Annual Return (MGT-7) must be disclosed in the report of the Board of Directors.

The annual return must be in the prescribed form containing the particulars as they stood on the close of the financial year.

02. THE COMPANIES NO LONGER REQUIRE ATTACHING EXTRACT OF ANNUAL RETURN- MGT-9. [G.S.R. 538(E)]

The Ministry of Corporate Affairs vide its **notification** dated **28 August, 2020** has published the **Companies (Management and Administration) Amendment Rules, 2020** to further amend the *Rules*, by inserting proviso to rule 12, in sub-rule (1) of *Companies (Management and Administration) Rules, 2014*.

The Amendment is brought under **rule 12** which states that

- (1) the extract of annual return shall be attached with the board report in Form MGT 9.

*Provided that a company shall not be required to attach the extract of the annual return with the Board's report in **Form No. MGT.9**, in case the web link of such **annual return** has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013.*

Therefore, through this amendment companies are no longer required to attach the extracts of Annual Return.

BOARD MEETING VC/OVAM

01. MCA ALLOWS VIDEO-CONFERENCING INSTEAD OF PHYSICAL BOARD MEETINGS DUE TO COVID-2019 OUTBREAK. [G.S.R. 186(E)]

The Ministry of Corporate Affairs vide [notification](#) dated **19th March, 2020** has issued the [Companies \(Meetings of Board and its Powers\) Amendment Rules, 2020](#). The amendment provides temporary relaxation to the requirement of physical presence of directors in board meetings considering the need to take precautionary steps to overcome the outbreak of the Coronavirus (Covid-19).

The relaxation is granted to Board meetings **for approval of the annual financial statements, Board's report, etc.** Such meetings may be held till **30th June, 2020** through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

The Amendment shall be effective immediately.

02. MCA HAS EXTENDED THE PROVISION FOR BOARD MEETINGS THROUGH VC OR OAVM. [G.S.R. 395(E)]

The Ministry of Corporate Affairs vide its [notification](#) dated **23rd June, 2020** has notified the [Companies \(Meetings of Board and its Powers\) Second Amendment Rules, 2020](#).

Through this amendment, MCA has extended the provision for all the Board meetings to approve its financial statements through VC or OAVM till **30th September, 2020**.

The move comes in the backdrop of the Covid-19 induced lockdown affecting the functioning of corporate in the country.

AGM/EGM VC/OVAM

01. MCA ALLOWS COMPANIES TO HOLD EXTRAORDINARY GENERAL MEETINGS (EGMS) THROUGH VC OR OAVM [General Circular No. 14/2020]

The Ministry of Corporate Affairs on **8th April, 2020** has issued a **General Circular No 14/ 2020** allowing companies to hold Extraordinary General Meetings (EGMs) through video conferencing (VC) or other audio-visual means (OAVM), complemented with e-voting facility or voting through registered emails.

The MCA in its earlier notification dated **19th March 2020** has allowed all **meetings of the Board of directors** up to **30th June 2020**, to be conducted through VC or OAVM including meetings on items where the physical presence of directors is otherwise required.

In furtherance of the Government's objective of facilitating corporate compliances during the lockdown period and other restrictions on account of COVID 19, the Ministry through this circular has allowed companies to hold Extraordinary General Meetings. '**Unavoidable**' extraordinary general meetings (EGMs) need to be held through video-conferencing (VCs) and a transcript of the proceedings would need to be maintained by the company. Such VCs would need to have a capacity to allow at least 1000 members to participate

Some of the important members who can be a part of EGM even if they are not the first to login include – promoters, institutional investors, directors, key managerial personnel, auditors among others. Companies will be able to hold meetings for matters such as approval of financial statements, books of accounts, approval of the board's report and approval of matters relating to mergers and restructuring.

Further, all resolutions passed through this framework will be required to filed with **the RoC within 60 days**, so that such resolutions may be viewed publicly. Other safeguards have also been included in the Circular to ensure transparency, accountability, and protection of interests of investors.

However, this relaxation is not applicable for decisions of ordinary course or business where any person has right to be heard.

02. MCA HAS ISSUED CIRCULAR TO PROVIDE GREATER CLARITY ON PASSING OF ORDINARY AND SPECIAL RESOLUTIONS BY COMPANIES UNDER THE COMPANIES ACT, 2013. [General Circular No. 17/2020]

The Ministry of Corporate Affairs vide its **General Circular No 17/ 2020** dated **13th April, 2020** has issued a clarification regarding issue of notices to members for conducting EGMs using electronic means. This is to ensure compliance with COVID-19 related lockdown and social distancing requirements as well as principles of shareholder democracy. Companies shall ensure that the **relevant companies facilitate registration of email addresses of the members** who have not done so and make suitable disclosure in this regard at the time of issue of public notice in the newspapers.

The public notice to be issued by relevant companies under rule 20(4)(v) should also specify the manner in which members who are holding shares in physical form or who have not registered their email

addresses with the company can cast their vote through remote e-voting or through the e-voting system during the meeting.

Further for companies that are not required to provide the facility of e-voting shall send the notice through email and a copy of the notice shall be displayed on the website.

03. MINISTRY OF CORPORATE AFFAIRS GIVES RELAXATIONS FOR HOLDING AGMS DUE TO COVID19. [General Circular No. 18/2020]

Ministry of Corporate Affairs vide **General Circular No 18/ 2020** dated **21st April, 2020** has given relaxations to companies for holding AGMs.

As per norms a period of 6 months from the closure of the financial year the AGM shall be held. Several representations have been received from stakeholders with regard to difficulty in holding annual general meetings (AGMs) due to COVID-19 related social distancing norms and consequential restrictions linked thereto. **The companies whose financial year (other than first financial year) has ended on 31st December, 2019**, can hold their AGM for such financial year within **30th September 2020**.

04. MCA ISSUES CLARIFICATION ON HOLDING OF ANNUAL GENERAL MEETING (AGM) THROUGH VC OR OAVM [General Circular No. 20/2020]

The Ministry of Corporate Affairs vide **General Circular No 20/ 2020** dated **5th May, 2020**, has issued a **clarification on holding of AGM through VC or OAVM**.

MCA in its earlier circular dated 21st April, 2020 has allowed the companies whose financial year ended on 31st December, 2019, to hold their AGM by September 30, 2020.

However due to the representations received from stakeholders for providing relaxations in the provisions of Companies Act, 2013 or rules made to allow companies to hold Annual General Meetings (AGM) in a manner similar to the one provided in General Circular which deals with the conduct of Extraordinary General Meetings (EGM) the Ministry has issued the following clarifications:

- It said that the framework provided in the earlier circulars for holding of Extraordinary General Meeting (EGM) would be applicable making necessary changes and keeping the purpose intact for the conduct of AGMs during 2020, based on the classification of companies which are required to provide the facility of e-voting or have opted for the same, and those companies which are not required to provide such a facility.
- Owing to the difficulties in sending physical copies of the financial statements, the circular allows the companies to send the financial statements, along with the board's reports, auditor's reports and other documents required to be attached therewith, **only through email**.
- Before sending the notices and copies of the financial statements, etc., public notice by way of the advertisement is published at least once in a vernacular newspaper.
- **AGM may be conducted through the facility of VC or OAVM** only by a company which has in its records, the email addresses of at least half of its total number of members

- The companies shall make adequate provisions for allowing the members to give their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service (ECS) or any other means. For shareholders, whose bank accounts are not available, company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.

05. MCA ALLOWS COMPANIES TO HOLD EGMs THROUGH VC OR OAVM TILL 30TH SEPTEMBER, 2020. [General Circular No. 22/2020]

The Ministry of Corporate Affairs vide **General Circular No 22/ 2020** dated **15th June 2020** has allowed companies to conduct their EGMs through VC or OAVM or transit items through ballot upto **30th September 2020**.

The MCA in its earlier circular dated 8th April 2020 has allowed listed companies or companies with 1,000 shareholders or more which are required to provide e-voting facility under the Companies Act, 2013 to conduct EGM through VC/ OAVM and e-Voting. For other companies, a highly simplified mechanism for voting through registered emails has been put in place for easy compliance.

The companies using this option are required to maintain a recorded transcript of the entire proceedings in safe custody, and public companies are also required to host this transcript on their website for greater transparency. Further, all resolutions passed through this framework will be required to file with the RoC within 60 days, so that such resolutions may be viewed publicly. Other safeguards have also been included in the Circular to ensure transparency, accountability, and protection of the interests of investors.

06. MCA CLARIFIES ISSUE ON THE EXTENSION OF AGM 2020. [General Circular No. 28/2020]

Owing to the outbreak of the COVID-19 pandemic, many companies had filed representations before the regulator seeking an extension of time to hold the **AGM** of companies for the financial year ended 31 March 2020.

As per **Section 96** of the Companies Act, 2013 and the Rules made thereunder, a Company shall hold its AGM within 15 months from its preceding Annual General Meeting provided it is held within 6 months from the closing of the Financial Year.

While representing before the MCA, companies have cited that due to lockdown announced on account of COVID-19, completion of audit process on time and placing of accounts before the AGM will be a challenge, and requested the regulator to extend the time limit provided under section 96.

The matter has been examined by MCA, and vide **General Circular No 28/ 2020** dated **17th August, 2020**, it has stated that the Ministry has already examined this matter and has allowed the Companies to conduct AGMs through VC or OAVM.

The Ministry then stated that despite availing the relaxation for holding the AGM through VC and OAVM, if companies are unable to conduct the AGM within 30 September 2020, those companies are **advised to prefer applications for extension of AGM** at a suitable point of time before the concerned Registrar of Companies **under section 96 of the Act**.

Such applications seeking an extension of time in holding of AGM for the financial year ended on 31.03.2020 shall be made in **form GNL-1** with the concerned Registrar of Companies **on or before 29.09.2020**.

The General circular also advised, the Registrars of Companies to consider all such applications (filed in Form No. GNL-1) liberally in view of the hardships faced by the stakeholders and to grant an extension for the period as applied for (up to three months) in such applications.



01. MCA CLARIFIES THAT SPENDING FUNDS FOR FIGHTING COVID-19 QUALIFIES AS A CSR ACTIVITY *[General Circular No. 10/2020]*

The Ministry of Corporate Affairs vide [General Circular No. 10/2020](#) dated **23rd March, 2020** has announced that the funds utilized by companies on preventive healthcare, sanitation measures, and disaster management to check the spread of the novel Coronavirus (Covid-19) will be considered part of the Corporate Social Responsibility (CSR) activity.

CSR has become mandatory for companies with effect from April 1, 2014 through the Companies Act, 2013. Firms have to spend 2% of their average net profit of the last three fiscals on CSR activities.

Therefore it is clarified that spending of CSR funds for COVID-19 is eligible CSR activity.

02. MCA CLARIFIES THAT CONTRIBUTION MADE TO PM-CARES FUNDS SHALL QUALIFY AS CSR EXPENDITURE *[eF. No. CSR-05/1/2020-CSR-MCA]*

The Ministry of Corporate Affairs vide its [office memorandum](#) dated **28th March, 2020** has clarified that *any contribution made by corporate towards **PM-CARES Fund** will be considered as **Corporate Social Responsibility expenditure** under the Companies Act 2013.*

The PM-CARES fund has been set up to provide relief to those affected by emergency or distress situation. CSR funds could be utilized for various activities related to COVID-19, including those related to preventive healthcare and sanitation.

03. CONTRIBUTION TO PM CARES FUND INCLUDED AS CSR ACTIVITY. *[G.S.R. 313(E)]*

The Ministry of Corporate Affairs vide [notification](#) dated **26th May, 2020**, has amended **Schedule VII** of the Companies Act, 2013. The Schedule VII related to **Section 135** of the Act provides activities which may be included by companies in their Corporate Social Responsibility Policies.

Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (**PM CARES Fund**) is inserted to the schedule. This notification shall be deemed to have come into force on **28th March, 2020**.

04. MEASURES FOR THE CAPF AND CMPF VETERANS AND DEPENDANTS NOW A PART OF CSR ACTIVITY. *[G.S.R. 399(E)]*

Ministry of Corporate Affairs vide its [notification](#) dated **23rd June, 2020** amended **clause (vi)** of Corporate Social Responsibility **Schedule VII** of Companies Act 2013 which prescribes mandatory provisions for Companies to fulfill their CSR.

*The amendment was made to include Central Armed Police Forces (**CAPF**) and Central Para Military Forces (**CPMF**) **veterans & their dependents/ widows** in Schedule VII of Companies Act 2013 as beneficiaries of CSR related measures.*

Earlier, item (vi) Schedule VII of the said act only consisted of measures for the benefit of armed forces veterans, war widows and their dependents. This **notification shall come into force immediately.**

DIFFERENCE BETWEEN ARMED FORCES AND CAPF/CPMF

ARMED FORCES	CAPF	CPMF
The term "armed forces" basically means – Indian Armed Forces which are the military forces of the Republic of India. It comprises three professional uniformed services : 1. The Indian Army 2. The Indian Navy 3. The Indian Air Force	CAPF (Central Armed Police Force) consists of: 1. Assam Rifles (AR); 2. Border Security Force (BSF); 3. Central Industrial Security Force (CISF); 4. Central Reserve Police Force (CRPF); 5. Indo Tibetan Border Police (ITBP); 6. National Security Guard (NSG); and 7. Sashastra Seema Bal (SSB)	The nomenclature CAPF will be used uniformly for CPMF as per the Office Memorandum issued by the Ministry of Home Affairs issued on March 18, 2011

05. THE CENTRAL GOVERNMENT EXPANDS THE PURVIEW OF CSR CONTRIBUTIONS. [G.S.R. 525(E)]

The Central Government has notified amendments to the Companies Act, 2013 by a notification dated **24th August, 2020**. The amendment brings forth changes to **Schedule VII** of the Act, which lists a series of activities that may be undertaken by companies under their Corporate Social Responsibility (CSR) Policies.

The amendment now includes two types of contributions in the list as follows:

- Contribution to incubators or Research & Development (R&D) projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or any agency thereof, or by a Public Sector Undertaking (PSU) **and**
- Contributions to any of the following:
 1. Public funded Universities;
 2. Indian Institute of Technology (IITs);
 3. National Laboratories and autonomous bodies established under the Department of Atomic Energy (DAE);
 4. Department of Biotechnology (DBT);
 5. Department of Science and Technology (DST);
 6. Department of Pharmaceuticals;
 7. Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH);
 8. Defense Research and Development Organisation (DRDO);
 9. Indian Council of Agricultural Research (ICAR);
 10. Indian Council of Medical Research (ICMR) and
 11. Council of Scientific and Industrial Research (CSIR)
 12. Ministry of Electronics and Information Technology **and**

13. other bodies engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

This amendment has enhanced the list of bodies to which companies are permitted to make contributions, for the purposes of CSR. Prior to this amendment, the list did not include the DBT, Ministry of AYUSH or the Department of Pharmaceuticals.

Furthermore, the amendment now also permits contributions to R&D projects, in the field of science, technology, engineering and medicine, funded by the Central/ State Government/ any agency thereof/ by PSUs. This provision was also absent prior to the present amendment.

Therefore, by virtue of this amendment, companies can undertake contribution to these additional bodies as well as specified R&D projects as part of their CSR activities.

06. COMPANIES NOW ALLOWED TO SPEND CSR FUNDS IN FINDING DRUGS, VACCINES FOR COVID-19. [G.S.R. 526(E)]

The Ministry of Corporate Affairs (MCA) on **24th August, 2020** has issued the **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020** to further amend the *Companies (Corporate Social Responsibility Policy) Rules, 2014*. A new Rule 2 (1) (e) has been inserted, which specifies the definitions, namely:

*"Provided that any company **engaged in** research and development activity of new vaccine, drugs and medical devices **in their normal course of business** may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 **for financial years 2020-21, 2021-22 and 2022-23** subject to the conditions that:*

- 1. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.*
- 2. details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report."*

Considering the important role of pharmaceutical companies in the present scenario, while **on one side**, the MCA Notification has widened the scope of incurring CSR expenditure for such pharmaceutical companies by allowing them to utilize the expenditure incurred on R&D towards preparation of vaccines or medical devices for COVID-19, **on the other hand**, it had **removed** the phrase "**normal course of business**" from **Rule 4 and 6 of the CSR Rules**.

INDEPENDENT DIRECTORS

01. MCA EXTENDS TIMELINE FOR INCLUSION OF NAME IN DATA BANK OF INDEPENDENT DIRECTORS BY 2 MONTHS. [G.S.R. 145(E)]

The Ministry of Corporate Affairs vide **notification** dated **28th February, 2020** has published the **Companies (Appointment and Qualification of Directors) Amendment Rules, 2020** and **extended the timeline** for online application for inclusion of name of Directors in the **data bank of Independent Directors**.

Every Director appointed as an Independent Director in a Company on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 i.e. 1st December, 2019 can apply online for inclusion of his name in the Data Bank of Independent Directors within **5 months** from **1st December, 2019** for a period of **1 year** or **5 year** or **for his life-time** and from time to time shall take steps to renew it as long as he continues hold the office as an independent director in any company..

02. MCA AGAIN EXTENDS TIMELINE FOR INCLUSION OF NAME IN DATA BANK OF INDEPENDENT DIRECTORS. [G.S.R. 268(E)]

The Ministry of Corporate Affairs vide **notification** dated **29th April, 2020** has published **the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020**.

The Amendment is brought under **rule 6** which deals with compliances required from a person eligible and willing to be appointed as an independent director.

As per the modified deadline, An individual who has been appointed as an independent director shall within **seven months** from **1st December, 2019** apply online to the institute for **inclusion of his name in the data bank**.

03. MCA EXTENDS THE DEADLINE TILL 30TH SEPTEMBER, 2020 FOR REGISTRATION OF INDEPENDENT DIRECTORS IN DATA BANK OF INDEPENDENT DIRECTORS

The Ministry of Corporate Affairs vide **notification** dated **23rd June, 2020** has published **the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020**. Through this amendment, MCA has extended the deadline for registration of independent directors on its online data bank **till 30th September 2020**.

Therefore every individual who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, **shall within a period of Ten months from such commencement** apply online to the institute for the inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps to renew it as long as he continues to hold the office of an independent director in any company.

DATE EXTENSION/ CFSS

01. THE MINISTRY OF CORPORATE AFFAIRS RELAXES COMPLIANCE BURDEN UNDER THE COMPANIES/LLP ACT. *[General Circular No. 11 /2020]*

The Ministry of Corporate Affairs vide its **General Circular No. 11 /2020** dated **24th March, 2020** has implemented several relief measures, especially on statutory and regulatory compliance matters related to several sectors, in the context of outbreak of pandemic COVID 2019.

The following measures have been implemented for reducing the compliance burden and other risks:

- There will be no additional fees on late filings during **moratorium period (i.e 1st April to 30th September)**.
- The mandatory requirement to hold meetings of the Board of the companies stands extended by a period of **60 days till next two quarters i.e., till 30th September**. Accordingly, as a onetime relaxation, the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days as required in the CA-13.
- If the independent directors of a company have not been able to hold even one meeting during the year it will not be considered as violation. The independent directors, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.
- The requirement to **invest or deposit 15% of debentures maturing** during a particular year in specified instruments before April 30, 2020, shall now be complied with till **30th June 2020**.
- The requirement to file **declaration for the commencement of new business** within 6 months has been relaxed, with six more months given to start-ups and businesses, making it **one year from the commencement of business**.
- Further, if there is a company director who is not able to comply with the minimum residency in India of 182 days, it will not be treated as a violation under Section 149 of the Companies Act.

02. THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020 (CARO) SHALL BE IN FORCE FROM 1ST APRIL 2020. *[S.O. 849(E)]*

The Ministry of Corporate Affairs vide its **order** dated **24th March, 2020** has **extended the Applicability of CARO-20 from 1st April 2019 to 1st April 2020**. The Companies Auditors Report Order is applicable for audit of financial statements of eligible companies for the **financial years commencing on or after the 1st April 2020**.

SALIENT FEATURES OF CARO-20:

- The auditor is required to report as to whether any fraud by the company or any fraud on the Company has been noticed or reported during the year.
- The auditor has to follow a specific format, as prescribed by the central government, to report the period and the amount of default by the company in repayment of loans, other borrowings or in the payment of interest to any lender.
- Discrepancies of 10% or more in the aggregate of each class of inventory noticed during physical verification of inventory would have to be reported.

- The number of cash losses incurred in the financial year and in the immediately preceding financial year has to be reported. The auditor has to take into consideration the issues, objections or concerns raised by the outgoing auditors before forming his opinion.
- The auditor is to consider whistle-blower complaints received during the year by the Company in his audit.

03. MCA INTRODUCES “COMPANIES FRESH START SCHEME” FOR COMPANIES TO LOWER COMPLIANCE BURDEN. *[General Circular No. 12 /2020]*

Ministry of Corporate Affairs on **30th March, 2020**, has introduced '**Companies Fresh Start Scheme 2020**' to enable companies make good of any filing-related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity.

In order to give opportunity to the defaulting companies and enable them to file the belated documents in MCA-21 registry including annual filing, **the government has introduced the above scheme condoning the delay in filing the documents.**

Further, the scheme gives an **opportunity to inactive companies** to get their companies declared as a **dormant company by filing simple application** at a normal fee.

The scheme is applicable to every defaulting company which is now permitted to file belated documents that were due for filing on any given date and this **scheme shall be in force till 30th September, 2020**. The scheme provides immunity from additional fees and penal proceedings, including against imposition of penalties for late submissions and also provide additional time for filing appeals before the concerned Regional Directors against imposition of penalties. However, the immunity would be only against delayed filings in MCA 21 portal and not against any substantive violation of law.

The application for seeking immunity in respect of belated documents filed under the scheme shall be made electronically in Form CFSS-2020, provided that this immunity shall not be applicable for appeals pending the court of law.

Further, the scheme shall not be applicable to companies against which action of final notice of striking off the name has been initiated, companies that filed application to be declared dormant and to companies which have amalgamated under a scheme of arrangement and to vanishing companies. It shall also not be applicable to cases where authorized capital or charge related documents are involved.

note: "DIN holders of DINs marked as 'Deactivated' due to non-filing of **DIR-3KYC/DIR-3 KYC-Web** and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification(ACTIVE) e-form are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and **file DIR-3KYC/DIR-3KYC-Web/ACTIVE as the case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5000/INR 10000 respectively."**

04. MCA MODIFIES THE LLP SETTLEMENT SCHEME 2020. [General Circular No. 13 /2020]

The Ministry of Corporate Affairs vide its **General Circular No. 13 /2020** dated **30th March, 2020** has revised the "LLP Settlement Scheme, 2020" to reduce the compliance burden due to the unprecedented public health situation caused by Covid-19.

The Defaulting LLP can opt for the schemes and take advantage of the one-time waiver of additional filing fees for delayed filings. This option will be available from 1 April for six months up to **30 September, 2020**.

However, the scheme is not applicable to LLPs who have made applications in Form 24 to the registrar for striking off their name from the register.

05. MCA PROVIDES RELAXATION IN FILING OF VARIOUS IEPF FORMS. [General Circular No. 16/2020]

The Ministry of Corporate Affairs vide **General Circular No. 16/2020** dated **13th April, 2020** has provided **relaxation in filing of various IEPF Forms** and **e-verification claims**.

The MCA in its General Circular – 11/2020 dated 30th March 2020 has allowed filing of MCA-21 registry without any additional fee till 30th September 2020 due to outbreak of COVID-19 lockdown. Therefore the ministry has provided the necessary relaxation to the following IEPF forms:

- Statement of amounts credited to Investor Education and Protection Fund in **IEPF-1**
- Statement of Amounts credited to Investor Education and Protection Fund Pursuant to Rule 5(4A) in form **IEPF-1A**
- Statement of unclaimed and unpaid amounts in Form **IEPF-2**
- Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education and Protection Fund in Form **IEPF-3**
- Statement of shares transferred to the Investor Education and Protection Fund- Form **IEPF-4**
- Statement of amounts credited to IEPF on account of shares transferred to the fund-Form IEPF-7
- E-verification of claims filed in e-form **IEPF-5**

LIST OF FORMS-CFSS, 2020 & LLP MODIFIED SETTLEMENT SCHEME 2020

S. N.	Act	Form No.	Form Description
1	CA 1956	20B	Annual Return.
2	CA 1956	21A	Annual Return for company having no share capital.
3	CA 1956	23B	Notice by Auditor.
4	CA 1956	23C	Appointment of Cost Auditors.
5	CA 1956	23D	Information by Cost Auditor to Central Government.
6	CA 1956	23AC	Filing Balance Sheet and other documents with the Registrar
7	CA 1956	23ACXBRL	Form for filing XBRL document in respect of Balance Sheet and other documents with the Registrar.
8	CA 1956	Form 66	Form for submission of Compliance Certificate.
9	CA 1956	I-XBRL	Form for filing XBRL document in respect of Cost Audit Report and other documents with the Central Government.

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10	CA 1956	A-XBRL	Form for filing XBRL document in respect of compliance report and other documents with the Central Government.
11	CA 2013	INC-4	Intimation for Change in Member/Nominee.
12	CA 2013	INC-5	One Person Company-Intimation of exceeding threshold.
13	CA 2013	INC-6	One Person Company–Application for Conversion.
14	CA 2013	INC-12	Application for grant of License under section 8.
15	CA 2013	INC-20	Intimation to Registrar of revocation/surrender of license issued under section 8.
16	CA 2013	INC-20A	Declaration for Commencement of Business.
17	CA 2013	INC-22	Notice of Situation or Change of situation of Registered Office of the Company.
18	CA 2013	INC22A (ACTIVE)	Active Company Tagging Identities and Verification (ACTIVE).
19	CA 2013	INC-27	Conversion of Public Company into Private Company or Private Company into Public Company
20	CA 2013	INC-28	Notice of Order of the Court or Tribunal or any other competent authority.
21	CA 2013	PAS-3	Return of allotment.
22	CA 2013	SH-11	Return in respect of Buy-Back of securities.
23	CA 2013	DPT-3	Return of Deposits.
24	CA 2013	DPT-4	Statement regarding deposits existing on the commencement of the Act.
25	CA 2013	MGT-6	Return to the Registrar in respect of declaration under section 89 received by the company.
26	CA 2013	MGT-7	Annual Return.
27	CA 2013	MGT-10	Changes in shareholding position of promoters and top ten shareholders.
28	CA 2013	MGT-14	Filing of Resolutions and agreements to the Registrar under section 117.
29	CA 2013	MGT-15	Form for filing Report on Annual General Meeting.
30	CA 2013	AOC-4	Form for filing Financial Statement and other documents with the Registrar.
31	CA 2013	AOC-4 CFS	Form for filing Consolidated Financial Statements and other documents with the Registrar.
32	CA 2013	AOC4(XBRL)	Form for filing XBRL document in respect of Financial Statement and other documents with the Registrar.
33	CA 2013	AOC-4 (NBFC) (IND-AS)	Form for filing Financial Statement and other documents with the Registrar for NBFCs.
34	CA 2013	AOC-4 CFS (NBFC) (IND-AS)	Form for filing Consolidated Financial Statements and other documents with the Registrar for NBFCs.
35	CA 2013	AOC-5	Notice of address at which books of account are maintained.
36	CA 2013	ADT-1	Information to the Registrar by company for appointment of auditor.

MCA AMMEDMENTS DURING COVID-19

37	CA 2013	ADT-2	Application for removal of auditor(s) from his/their office before expiry of term.
38	CA 2013	ADT-3	Notice of Resignation by the Auditor.
39	CA 2013	DIR-3C	Intimation of Director Identification Number by the company to the Registrar.
40	CA 2013	DIR-3 KYC/Web form	Application for KYC of Directors.
41	CA 2013	DIR-11	Notice of resignation of a Director to the Registrar.
42	CA 2013	DIR-12	Particulars of appointment of Directors and the Key Managerial Personnel and the changes among them.
43	CA 2013	MR-1	Return of appointment of Key Managerial Personnel.
44	CA 2013	MR-2	Form of Application to the Central Government for approval of appointment or reappointment and remuneration or increase in remuneration or waiver for excess or over payment to managing director or whole time director or manager and commission or remuneration to Directors.
45	CA 2013	FC-1	Information to be filed by Foreign Company.
46	CA 2013	FC-2	Return of alteration in the documents filed for registration by Foreign Company.
47	CA 2013	FC-3	Annual accounts along with the list of all principal places of business in India established by Foreign Company.
48	CA 2013	FC-4	Annual Return of a Foreign Company.
49	CA 2013	NDH-1	Return of Statutory Compliances.
50	CA 2013	NDH-2	Application for extension of time.
51	CA 2013	NDH-3	Return of Nidhi Company for the half year ended.
52	CA 2013	NDH-4	Application for declaration as Nidhi Company and for updation of status by Nidhis.
53	CA 2013	MSC-1	Application to ROC for obtaining the status of dormant company.
54	CA 2013	MSC-3	Return of dormant companies.
55	CA 2013	CRA-2	Form of Intimation of appointment of Cost Auditor by the company to Central Government.
56	CA 2013	CRA-4	Form for filing Cost Audit Report with the Central Government.
57	CA 2013	BEN-2	Return to the Registrar in respect of declaration under section 90.
58	CA 2013	GNL-2	Form for submission of documents with the Registrar.
59	CA 2013	GNL-3	Particulars of person(s) or key managerial personnel charged or specified for the purpose of sub-clause (iii) or (iv) of clause 60 of section 2.
60	CA 2013	IEPF-1	Statement of amounts credited to the Investor Education and Protection Fund.
61	CA 2013	IEPF-2	Statement of unclaimed or unpaid amounts.
62	CA 2013	IEPF-3	Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education and Protection Fund.
63	CA 2013	IEPF-4	Statement of shares transferred to the Investor Education and Protection Fund.

64	CA 2013	IEPF-5 e-verification report	Application to the authority for claiming unpaid amounts and shares out of Investor Education and Protection Fund (IEPF)–Everification report.
65	CA 2013	IEPF-6	Statement of unclaimed or unpaid amounts to be transferred to the Investor Education and Protection Fund.
66	CA 2013	IEPF-7	Statement of amounts credited to IEPF on account of shares transferred to the fund.
67	LLP	FORM 3	Information with regard to Limited Liability Partnership agreement and changes, if any, made therein.
68	LLP	FORM 4	Notice of appointment, cessation, change in name/ address/designation of a designated partner or partner and consent to become a partner/designated partner.
69	LLP	FORM 5	Notice for change of name.
70	LLP	FORM 8	Statement of Account & Solvency.
71	LLP	FORM 11	Annual Return of Limited Liability Partnership (LLP)
72	LLP	FORM 12	Form for intimating other address for service of documents.
73	LLP	FORM 15	Notice for change of place of registered office.
74	LLP	FORM 22	Notice of intimation of Order of Court/ Tribunal/CLB/ Central Government to the Registrar.
75	LLP	FORM 23	Application for direction to Limited Liability Partnership (LLP) to change its name to the Registrar.
76	LLP	Form 27 LLP	Form for registration of particulars by Foreign Limited Liability Partnership (FLLP)
77	LLP	Form 29 LLP	Notice of (A) alteration in the certificate of incorporation or registration; (B) alteration in names and addresses of any of the persons authorised to accept service on behalf of a foreign limited liability partnership (FLLP) (C) alteration in the principal place of business in India of FLLP (D) cessation to have a place of business in India.
78	LLP	FORM 31	Application for compounding of an offence under the Act.

06. MCA HAS EXTENDED THE TIME PERIOD FOR RESERVATION / RE-SUBMISSION OF NAMES FOR COMPANIES & LLPS

The Ministry of Corporate Affairs (MCA) on **23rd April, 2020**, has relaxed the rules for **Re-Submission of Forms (RSUB) and has extended the period/days for filing of Names for companies.**

- For names reserved for 20 days for new company incorporation, SPICe+ Part B needs to be filed within 20 days of name reservation. MCA has stated that the names expiring any day between March 15, 2020 to May 03, 2020 would be extended by 20 days beyond May 03, 2020.
- For names reserved for 60 days for change of name of the company, INC-24 needs to be filed within 60 days of name reservation. MCA issues relaxation for names expiring any day between March 15, 2020, to May 03, 2020 would be extended by 20 days beyond May 3, 2020.

- For extension of RSUB validity for companies, MCA has decided that where SRNs last date of re-submission (RSUB) falls between 15th March 2020 to 3rd May 2020, additional 15 days beyond 3rd May 2020 would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis.
- For names reserved for 90 days for new LLP incorporation/change of name, FiLLiP/Form 5 needs to be filed within 90 days of name reservation. MCA has provided that names expiring any day between 15th March, 2020 to 3rd May, 2020, FORM 5 shall be filed by 20 days beyond 3rd May 2020.
- For RSUB validity extension for LLPs, SRNs where the last date of re-submission (RSUB) falls between 15th March 2020 to 3rd May 2020, and additional 15 days would be allowed from 3rd May 2020 for re-submission. However, for SRNs already marked under Not to be taken on Record (NTBR), extension would be provided on a case to case basis.

07. MCA FURTHER EXTENDS THE TIME PERIOD FOR RESERVATION OF NAME AND RESUBMISSION OF FORMS

The Ministry of Corporate Affairs on **20th May 2020** has extended the validity of approved names for incorporation of new companies or LLP or for change of name of existing companies or LLP.

- For names reserved for 20 days for new company incorporation, SPICe+ Part B needs to be filed within 20 days of name reservation. For such reservations that are expiring between March 15, 2020, to 31st May, MCA has extended the reservation period by 20 days beyond 31st May 2020.
- Similarly, for existing companies, the reservation period for changing of names is 60 days, and the names expiring any day between 15th March, 2020 to 31st May, 2020 has been extended by 60 days beyond 31st May, 2020.
- For extension of RSUB validity for companies, MCA has decided that where SRNs last date of re-submission (RSUB) falls between 15th March 2020 to 3rd May 2020, additional 15 days beyond 31st May 2020 would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis.
- For names reserved for 90 days for new LLP incorporation/change of name, Form 5 needs to be filed within 90 days of name reservation. MCA has provided that for names expiring any day between 15th March, 2020 to 3rd May, 2020 FORM 5 shall be filed by 20 days beyond 31st May, 2020.
- Further for RSUB validity extension for LLPs, SRNs where the last date of re-submission (RSUB) falls between 15th March 2020 to 3rd May 2020, additional 15 days would be allowed from 31st May 2020 for re-submission. However, for SRNs already marked under Not to be taken on Record (NTBR), the extension would be provided on a case to case basis.

08. MCA NOTIFIES SCHEME FOR RELAXATION OF TIME FOR FILING FORMS RELATED TO CREATION OR MODIFICATION OF CHARGES UNDER THE COMPANIES ACT, 2013

The Ministry of Corporate Affairs vide its **notification** dated **17th June 2020** has published a scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 for the purpose of condoning the delay in filing certain forms related to creation/ modification of charges. The scheme shall be applicable for filing form **CHG-9 and CHG-1** by a company or a charge

holder, where the date of creation/modification of charge is before 01.03.2020, but the timeline for filing such form had not expired under section 77 of the Act as on 01.03.2020, or falls on any date between **01.03.2020 to 30.09.2020**.

If the form is filed on or before 30th September, the fees payable as on 29.02.2020 under the Fee Rules for the said form shall be charged and If the form is filed thereafter, the applicable fees shall be charged under the Fees Rules after adding the number of days beginning from 1st October 2020 and, ending on the date of filing plus the time period lapsed from the date of the creation of charge till 29.02.2020.

The scheme shall not be applicable to company or charge holder who already filed the form and the timeline for filing the form has already expired under section 77 or section 78 of the Act prior to 01.03.2020.

09. MCA EXTENDS THE DUE DATE OF FILING OF E-FORM NFRA-2. [General Circular No. 19/2020]

The Ministry of Corporate Affairs vide **General Circular No. 19/2020** dated **30th April, 2020** has extended the time limit for filing of Form NFRA-2, for the reporting period of financial year 2018-19 which shall be **210 days** from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA).

The Form **NFRA-2** is an annual return which is to be filed by an auditor with **the National Financial Reporting Authority**. It is a long form necessitating an auditor to provide detailed information on the assurance services performed by him during the period.

10. MCA EXTENDS THE DUE DATE OF FILING OF E-FORM NFRA-2. [General Circular No. 26/2020]

The Ministry of Corporate Affairs vide **General Circular No. 26/2020** dated **06th July, 2020** has extended the time limit for filing of Form NFRA-2, for the reporting period of financial year 2018-19 which shall be **270 days** from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA).

11. MCA EXTENDS THE TIME FOR THE CREATION OF DEPOSIT REPAYMENT RESERVE AND INVESTMENT IN DEBENTURES [General Circular No. 24/2020]

The Ministry of Corporate Affairs vide its **General Circular No. 24/2020** dated **19th June, 2020** has extended the timeline for compliance of requirement under **Section 73(2)(c) of Companies Act 2013** to create the **deposit repayment** reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 which has now allowed to be complied within **30th September 2020**.

Further, the compliance requirement to invest or deposit at least 15% of the amount of debentures maturing in specified methods of investments or deposits before 30th April 2020, maybe complied within 30th September 2020.

12. MCA EXTENDS THE TIME PERIOD FOR RESERVATION OF NAME AND RE-SUBMISSION OF FORMS

The Ministry of Corporate Affairs on **22 June, 2020** has extended the validity of approved names for the incorporation of new companies or LLP or for change of name of existing companies or LLP.

- For names reserved for 20 days for new company incorporation, **SPICe+ Part B** needs to be filed within 20 days of name reservation. For such reservations that are expiring between 15th 2020, to 30th June, MCA has **extended the reservation period by 20 days beyond 30th June, 2020**.
- Similarly, for existing companies, the reservation period for changing of names is 60 days, and the names expiring any day between 15th March, 2020 to 30th June, 2020 has been extended by 60 days beyond 30th June, 2020.
- For extension of RSUB validity for companies, MCA has decided that where SRNs last date of re-submission (RSUB) falls between 15th March, 2020 to 30th June, additional 15 days beyond 30th June, 2020 would be allowed. However, for SRNs already marked under NTBR, the extension would be provided on a case to case basis.
- For names reserved for 90 days for new LLP incorporation/change of name, Form 5 needs to be filed within 90 days of name reservation. MCA has provided that for names expiring any day between 15th March 2020 to 30th June, FORM 5 shall be filed by 20 days beyond 30th June 2020.
- Further for RSUB validity extension for LLPs, SRNs where the last date of re-submission (RSUB) falls between 15th March 2020 to 30th June 2020, additional 15 days would be allowed from 30th June 2020 for re-submission. However, for SRNs already marked under NTBR, an extension would be provided on case to case basis.

SHARES

01. MCA ISSUES CLARIFICATION ON THE MODE OF ISSUE OF NOTICE BY LISTED ENTITIES. [General Circular No. 24/2020]

The Ministry of Corporate Affairs in its **General Circular No. 24/2020** dated **11th May 2020** has issued a clarification on the mode of issue of notice referred to in section 62(1)(a)(i) of Companies Act read with section 62(2) of the Act for rights issue by listed companies.

A company that proposes to increase its subscribed capital by the issue of further shares shall be offered to persons who, at the date of the offer, are holders of equity shares of the company in proportion by sending a letter of offer specifying the details of the shares.

Further, the notices shall be dispatched through registered post or speed post or any other mode having proof of delivery to all the existing shareholders. However due to the difficulties faced by companies in sending notices through postal or courier services on account of the threat posed by Covid-19.

Therefore the ministry has clarified that for rights issues opening up to 31st July, 2020, in case of listed companies, the inability to dispatch the notice to their shareholders through registered post or speed post or courier would not be viewed as a violation of section 62(2) of the Act.

02. MCA NOTIFIES COMPANIES (SHARE CAPITAL AND DEBENTURES) AMENDMENT RULES, 2020 [G.S.R. 372(E)]

The Ministry of Corporate Affairs vide its **notification** dated **5th June, 2020** has published **the Companies (Share Capital and Debentures) Amendment Rules, 2020**.

- Rule 8(4)** related to "Issue of sweat equity shares" has been substituted stating that the company shall not issue sweat equity shares for **more than 15%** of the existing paid up equity share capital in a year or shares of the issue value of **rupees five crores**, whichever is higher:

Provided that a startup company may issue sweat equity shares not exceeding **50% of its paid up capital** up to **10 years** from the date of its incorporation or registration.

- Rule 18(7)(b)(v)** related to "**Debentures**" has been substituted, namely:-

"In case a company is covered in item (A)(iii)(b) or item (B)(iv)(b), it shall on or before the 30th day of April in each year, in respect of debentures issued by such a company, invest or deposit, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits:

Provided that the amount remaining invested or deposited, as the case may be, shall not any time fall below 15% of the amount of the debentures maturing during the year ending on 31st day of March of that year."

03. AUDIT REPORT ON RECONCILIATION OF SHARE CAPITAL (PAS-6)

The Ministry of Corporate Affairs on 14th July, 2020 notifies that **e-form PAS-6** shall be **deployed on the MCA portal** and available for filing as e-Form **w.e.f 15th July 2020**.

Form PAS-6 was introduced vide Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019 published on 22nd May, 2019 which was effective from 30th September, 2019. It is a half yearly audit report on reconciliation of share capital which is to be certified by a Company Secretary in practice or a Chartered Accountant in practice.

It is applicable to every Unlisted Public Company (except Nidhi Company; Government Company or wholly owned subsidiary) and it has to be filed on or before 12th September 2020 for half year ended 30th September 2019 & also for 31st March 2020 and thereafter within 60 days from end of each half year.

04. MCA RELAXES DISPATCH OF NOTICE U/S 62(2) OF COMPANIES ACT, 2013 BY LISTED COMPANIES FOR RIGHTS ISSUES OPENING UPTO 31ST DECEMBER, 2020. [General Circular No. 27/2020]

The Ministry of Corporate Affairs in its **General Circular No. 27/2020** dated **03rd August, 2020** has issued a clarification on the mode of issue of notice referred to in section 62(1)(a)(i) of Companies Act read with section 62(2) of the Act for rights issue by listed companies.

Reference is drawn to this Ministry's **General Circular Number 21/2020** dated **11th May, 2020** regarding clarification on dispatch of notice under section 62(2) of Companies Act, 2013 by listed companies for rights issue opening upto 31st July, 2020.

Representations have been received for extending the validity of such clarification. The Circular (Number SEBI/HO/CFD/DIL1/CIR/P/2020/ 136) issued by SEBI on 24th July, 2020 has also been considered. In view of this, it has been decided that clarification given under para 2 of General Circular 21/2020 dated 11th May, 2020, would continue to be applicable for rights issues, in case of listed companies, opening **upto 31st December, 2020**.

Accordingly, in case of listed companies, which comply with relevant circulars issued by SEBI, inability to dispatch the relevant notice to shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act for rights issues opening upto 31st December, 2020. Other requirement provided in the said General Circular remains unchanged.

NIDHI COMPANY

01. MCA SPECIFIES TIME-FRAME FOR FILING DECLARATION TO CENTRAL GOVERNMENT IN FORM NDH-4. [G.S.R. 114(E)]

The Ministry of Corporate Affairs on **19th March 2020** has provided the time frame for Nidhi companies to apply to the Central Government for updation and declaration of Nidhi company status in Form NDH-4.

MCA sets the time frame for applying to Central Government in **Form NDH-4** mentioned as below:-

- 1) Companies incorporated as Nidhi before Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to apply within a period of **1 year from the date of its incorporation** or **within 9 months of the Nidhi Amendment Rules** i.e. 15.08.2019, whichever is **later**.
- 2) Companies incorporated as Nidhi on or after Nidhi Amendment Rules, 2019 i.e. 15.08.2019 have to **apply within 60 days of expiry of one year from the date of incorporation or extended period** (as granted by concerned Regional Director).
- 3) In case of failure to comply with the above requirements, a **company shall not be allowed** to file **Form No. SH-7** (Notice to Registrar for any alteration of share capital) and **Form PAS-3** (Return of Allotment).

Further, the companies and every officer of the company who is in default shall initially be punishable with fine which may extend to Rs. 5000/- and further fine in case of continuous violations.

Indian Accounting Standards

01. THE COMPANIES (INDIAN ACCOUNTING STANDARDS) AMENDMENT RULES, 2020. [G.S.R. 463(E)]

The Ministry of Corporate Affairs on **24th July, 2020** notified the **Companies (Indian Accounting Standards) Amendment Rules, 2020**, thereby amending the Rules of 2015. The entities must apply these amendments to business combinations, whose acquisition date is on or after the start of the first **annual reporting period beginning on 1st April, 2020** and to asset acquisitions that take place on or after that period. The amendment introduces following changes to the Rules:

The Amendments have been made to the:

- **Ind AS 1** related to **Presentation of Financial Statements**; changes have been made to the definition of material in relation to material information.
- **Ind AS 103** related to **Business Combinations**;
- **Ind AS 107** related to **Financial Instruments** i.e. Disclosures; by introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform
- **Ind AS 109** related to **Financial Instruments**; providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting. These must be applied by entities for annual periods starting on or after **1st April, 2020**.
- **Ind AS 116** related to **Leases**; to provide that subject to specified conditions, any rent concession due to COVID-19 may, if the lessee so elects, not be assessed as a lease modification. This is subject to disclosures to be made by the lessee and shall apply to annual reporting periods on or after **1st April, 2020** or where the lessee has not approved the financial statements prior to this amendment, it may be applied for **such periods from 1 st April, 2019**.
- **Ind AS 8** related to **Operating Segments**; changes have been made to the definition of material in relation to material information.
- **Ind AS 10** related to **Events after the Reporting Period**;
- **Ind AS 34** related to **Interim Financial Reporting** and
- **Ind AS 37** related to Provisions, Contingent Liabilities, and Contingent Assets, which are notified so far.

Indemnity Bond (STK – 3A)

01. FOR REMOVAL OF NAME OF GOVT. COMPANY FROM ROC, INDEMNITY BOND TO BE GIVEN UNDER FORM No. STK – 3A. [G.S.R. 420(E)]

The Ministry of Corporate Affairs vide **notification** dated **29th June, 2020** issues **the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020** to further amend the Companies (Removal of names from the Register of Companies) Rules, 2016.

A new proviso has been inserted in **Rule 4(3)(i)** of the **Companies (Removal of names from the Register of Companies) Rules, 2016**, which provides for *the application for removal of the company, stating that **Form STK-3A** shall be provided by a government company whose paid up share capital is held by the government or a subsidiary of a government company not below the rank of Under Secretary or administrative.*

An application for removal of name of the company under sub-section (2) of section 248 shall be made in Form STK-2 along with indemnity bond duly notarised by every director in Form STK 3. The amendment has provided the Form STK-3A in which indemnity bond shall be provided by authorized representative of the government while filing Form STK-2 for a company wholly owned by government or Government Company.

MISCELLANEOUS

Jul 28, 2020: MCA NOTIFIES RULES FOR INVESTIGATION OF MISBEHAVIOR AGAINST NCLT, NCLAT JUDGES. [G.S.R. 470(E)]

The Ministry of Consumer Affairs vide **notification** dated the **28th July, 2020** had notified **National Company Law Tribunal and National Company Law Appellate Tribunal (Procedure for investigation of misbehavior or incapacity of Chairperson, President and other Members) Rules, 2020.**

Applicability:

These rules shall be applicable to the President, Judicial Member and Technical **Members** of the **NCLT** and **Chairperson, Judicial Members** and **Technical Members** [appointed before the commencement of Part XIV of Chapter VI of the Finance Act, (7 of 2017)] of the **NCLAT** established under the Act. However the rules shall not apply to sitting judge of the High Court.

Investigation Committee:

The Central Government after Preliminary scrutiny, if considers necessary to investigate into the allegation, shall place the complaint before a Committee headed by Cabinet Secretary to investigate the charges of allegations made in the complaint. The Committee shall submit its findings to the President of India

Inquiry to be conducted by a Judge of the Supreme Court:

If the President of India is of the opinion that there are reasonable grounds for making an inquiry on the allegations, it shall make a reference to the Chief Justice of India to nominate a Judge of the Supreme Court to conduct such inquiry.

Inquiry Report

After the conclusion of the investigation, the Judge shall submit his report to the President of India stating therein his findings and the reasons therefore on each of the articles of charges separately with his observations on the whole case.

Suspension of the Member

The Central Government may, with the concurrence of CJI, keeping in view the gravity of charges, suspend the Member of the Tribunal against whom reference has been made until the Central Government passes orders on receipt of the inquiry report from the Judge of the Supreme Court.

Aug 11, 2020: COMMITTEE ON BUSINESS RESPONSIBILITY REPORTING (BRR)

Union Ministry of Corporate Affairs (MCA) on 11th August, 2020 released the 'Report of the Committee on Business Responsibility Reporting (BRR)'. The committee was chaired by Gyaneshwar Kumar Singh, Joint Secretary, MCA.

Recommendations made:

- It recommended a new reporting framework called as the 'Business Responsibility and Sustainability Report (BRSR)' to better reflect the intent and scope of reporting on non-financial parameters.
- It recommended two formats for disclosures: one 'comprehensive format' and the second a 'Lite version'.
- The implementation of the reporting requirements should be done in a gradual and phased manner.
- It also recommended that the BRSR be integrated with the MCA21 portal.
- As a long-term measure, the Committee envisions that the information captured through BRSR filings be used to develop a Business Responsibility-Sustainability Index for companies.

Aug 20, 2020: The Ministry of Corporate Affairs has updated the View Signatory Details. **The address of the Directors and Key Managerial Personnel is not available in the public domain now.**

Aug 31, 2020: UDIN GENERATION MANDATORY FOR MGT-7 CERTIFICATION WEF 01.09.2020

ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 was amended by the Council meeting held on 13th July, 2020. The amendments shall be **effective from 01st September, 2020.**

As per the Latest amendments, it is now mandatory to Generate UDIN in respect of the following also:

- **Certification of Annual Return in Form MGT-7** under Section 92 (1) of the Companies Act, 2013 and Rule 11 (1) of the Companies (Management and Administration) Rules, 2014.
- **Compliance Certificate** regarding compliance of conditions of Corporate Governance as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.