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MCA UPDATES FOR THE MONTH OF SEPTEMBER 2018

Rules & Schedule

1. Companies (Prospectus and Allotment of Securities) 3rd Amendment Rules 2018 **(September 10, 2018)**

The MCA has notified the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 which shall come into force on the **October 02, 2018**. Through this Amendments, MCA has made it mandatory for all Unlisted Public Companies to issue the securities only in dematerialised form and to facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made there under. Every such company should ensure that the entire holding of securities of its promoters, directors, key managerial personals has been dematerialised before issue of any securities. The Shareholder of any such company would be able to transfer his shares only in the dematerialised form on or after 02-10-2018. The companies who made defaults in payment of fees of the RTA and other agencies shall not be able to issue any further securities without making all pending payments. Further, the audit report provided under regulation 55A of the SEBI (Depositories and participants) Regulations, 1996 shall also be submitted by all such unlisted public company on a half-yearly basis to the Registrar under whose jurisdiction the registered office of the company is situated.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/CompaniesProspectus3amdRule_10092018.pdf

2. Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2018 and Amendment to Schedule –V of the Companies Act, 2013 ***(September 12, 2018)***

MCA amended Schedule V of Companies Act, 2013 & Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 omitting Central Government approval for increasing Managerial Remuneration above specified limits. Also certain provisions of Schedule V has been amended:

- No person shall be appointed as MD/ WTD/ manager, if made offence under the Insolvency and Bankruptcy Code, 2016, the Goods and Services Tax Act, 2017, the Fugitive Economic Offenders Act, 2018.
- The excess remuneration, than the limits prescribed in Section II, item A, can be paid by passing the special resolution.
- Prior approval of the bank, PFI or any other secured creditor is required for payment of excess remuneration, in case of any default is made in their payments.
- In section III, a company can pay any remuneration to its managerial personnel subject to the conditions prescribed in clause (b)
- Form MR-2 (Form of application to the Central Government for approval of the appointment of MD/WTD/manager) has been revised.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/companiesAmendRules_13092018.pdf

http://www.mca.gov.in/Ministry/pdf/ScheduleVCompAct_13092018.pdf

3. LLP Amendment Rules, 2018 ***(September 18, 2018)***

MCA has notified the Limited Liability Partnership (Second Amendment) Rules, 2018, which shall come into force from the October 02, 2018. Through the said amendment MCA brought manifold changes in the process of incorporating LLP.

1. New form RUN-LLP

Reserve Unique Name-Limited Liability Partnership (RUN-LLP). Form 1 has been replaced with RUN-LLP, where application for reserving the name of LLP has to be made

2. New form FiLLip

Now for registering LLPs, form FiLLip is to be filed. Form 2 has been replaced by form FiLLip.

3. Name application

For registering LLP, name can be reserved in advance by using form RUN-LLP or the name can be applied simultaneously with application for registering LLP (Similar to sPice form applicable for Companies)

4. DPIN application through FiLLip

FiLLip has been introduced with the feature of applying DPIN for designated partners.

5. Maximum DPIN to be applied through FiLLip

Only upto two individuals can make application for DPIN in the Form FiLLip.

6. There has been changes in following Forms:

Form 5: Notice of Change of Name of LLP

Form 17: Application for conversion of Firm to LLP

Form 18: Application for conversion of Pvt Ltd. Co. or Unlisted Public Ltd. Co. to LLP

7. Central Registration Centre (CRC)

Reserving name of LLP through form RUN-LLP, applications for registering LLP in form FiLLip and application for conversion of firm/unlisted company to LLP will be examined by CRC.

8. The certificate of Incorporation of LLP or Conversion of LLP will be issued by CRC in form 16 and 19 respectively.

9. Chances of Resubmission:

One resubmission allowed for RUN-LLP and two chances for resubmission for FiLLip.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/LLPSecondAmendRules2018_19092018.pdf

http://www.mca.gov.in/Ministry/pdf/LLPIncorporationProcessReengineering_19092018.pdf

4. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018

(September 19, 2018)

MCA has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018, which shall come into force from the date of their publication in the Official Gazette, i.e 20-09-2018. Through the said amendment the threshold limit for applicability of Section 135 is required to be reviewed in immediately preceding financial year.

Amendment in section & corresponding rules allows composition of CSR committee with 2 or more directors in case the company is not required to appoint ID under section 149(4).

Modification for areas or subjects as provided in Schedule VII within which CSR activities could be taken up by an eligible company.

Amendment in explanation to 135(5) in relation to the meaning of net profit, to curb disharmony between act and rules.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/CompaniesCSRPolicyAmendRules2018_19092018.pdf

5. Companies (Registration Offices and Fees) fifth Amendment Rules, 2018 ***(September 20, 2018)***

MCA has notified the Companies (Registration offices and Fees) Fifth Amendment Rules, 2018, which shall come into force from the date of their publication in the Official Gazette, i.e. 20-09-2018. Through the said amendment MCA has provided the much-awaited relief, i.e. During the financial year (2018-2019), fee of Rs. 500/- shall be payable from 21.09.2018 to 05.10.2018 and fee of Rs. 5000/- shall be payable on or after 06.10.2018.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/RegistrationOfficesFeesFifthAmendmentRules_20092018.pdf

6. Companies (Appointment and Qualification of Directors) Sixth Amendment Rules, 2018 *(September 20, 2018)*

MCA has notified the Companies (Appointment and Qualification of Directors), Sixth Amendment Rules, 2018 which shall come into force from the date of their publication in the Official Gazette, i.e 20-09-2018. Through the said amendment MCA has provided the much-awaited relief, in the proviso to Rule 12A, for the words and figures “before 15th September 2018” the words and figures “before 5th October, 2018” shall be substituted.

For More Information:

http://www.mca.gov.in/Ministry/pdf/AppointmentAndQualificaitonSixthAmendmentRules_20092018.pdf

7. Companies (Indian Accounting Standards) Second Amendment Rules, 2018

(September 20, 2018)

MCA has notified the Companies (Indian Accounting Standards), Second Amendment Rules, 2018 which shall come into force from the date of their publication in the Official Gazette, i.e 20-09-2018. Through the said amendment IND AS 20 has been amended in relation to government grants by Companies (Indian Accounting Standards) Second Amendment Rules, 2018 notified on September 20, 2018.

For More Information:

http://www.mca.gov.in/Ministry/pdf/CompaniesIASsecondAmendment_21092018.pdf

8. Companies (Registered valuers and Valuation)Third Amendment Rules, 2018.

(September 25, 2018)

MCA has notified the Companies (Registered valuers and Valuation)Third Amendment Rules, 2018. which shall come into force from the date of their publication in the Official Gazette, i.e 25-09-2018. Through the said amendment it has been has allowed that person rendering valuation services under the Act to continue their service without a certificate of registration upto January 31, 2019.

For More Information:

http://www.mca.gov.in/Ministry/pdf/CompaniesThirdAmendment_25092018.pdf

Notifications

9. COMMENCEMENT NOTIFICATION (September 12, 2018 and September 19, 2018)

Notification of sections under Companies (Amendment) Act, 2017 and rules made thereunder

In reference to Commencement notification dated January 23, 2018, February 09, 2018, May 07, 2018, June 13, 2018, July 05, 2018, July 27, 2018, July 31, 2018, August 07, 2018 the Ministry of Corporate Affairs vide its notifications dated September 12, 2018 and September 19, 2018 has notified the following Sections of the Companies (Amendment) Act, 2017:

#	Section of Companies Amendment Act, 2017	Amended Sections of Companies Act, 2013	Particulars	Effective Date
1	66	196	Appointment of Managing Director, whole time director or manager	September 12, 2018
2	67	197	Overall maximum managerial remuneration	September 12, 2018
3	68	198	Calculation of profits	September 12, 2018
4	69	200	CG or Company to fix limits with regard to remuneration	September 12, 2018
5	70	201	Forms of, and procedure in relation to, certain applications	September 12, 2018
6	37	135	Corporate Social Responsibility	September 19, 2018

Notification Link:-

http://www.mca.gov.in/Ministry/pdf/commencementnoti_13092018.pdf

http://www.mca.gov.in/Ministry/pdf/CompaniesAmendAct2017_19092018.pdf

Circulars

10. Relaxation of additional fees and extension of last date of filing Form BEN-2.

General Circular 07/2018 dated 06.09.2018

The time limit for filing the BEN-2 form has been revised to 30 days from the date of deployment of BEN-2 e-form on the MCA21 portal vide circular dated September 6, 2018 and no additional fee shall be levied if the same is filed within 30 days from the date of deployment of the said e-form.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.7_06082018.pdf

11. Clarification in filing BEN-1 under CA 2013.

General Circular 08/2018 dated 10.09.2018

Form No. BEN-1, introduced vide notification dated September 9, 2018, would be revised shortly. Further, the due date of filing BEN-1 declaration which was September 10, 2018 would also be revised.

Hope the information will assist you in your Professional endeavours. In case of any query / information, please do not hesitate to write back to us.

Best Regards '

 **Chinki Singhal
& Associates**

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