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MCA UPDATES FOR THE MONTH OF SEPTEMBER 2020

**RULES**

**1. COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014**

**COMPANIES (ACCEPTANCE OF DEPOSITS) AMENDMENT RULES, 2020**

MCA has notified Companies (Acceptance of Deposits) Amendment Rules, 2020 dated 7<sup>th</sup> September, 2020.

As per the amendment in rule 2, sub-rule 1, clause (c), sub-clause xvii,

DEPOSIT does not include an amount of **twenty five lakh rupees** or more received by a start-up company, by way of a convertible note [convertible into equity shares or repayable within a period not exceeding **ten years** (earlier **five years**) from the date of issue] in a single tranche, from a person.

Explanation- For the purposes of this sub-clause,-

“**start-up company**” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognized as such in accordance with notification number [G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade]

As per the amendment in rule 3, sub-rule 3, second proviso, clause (i),

a private company which is a start-up, may accept or renew any deposit\* from its members exceeding 35% of the aggregate of the paid-up share capital, free reserves and securities premium account of the company for **ten years** (earlier **five years**) from the date of its incorporation.

(\*the amount of such deposits includes the amount of other deposits outstanding as on the date of acceptance or renewal of such deposits)

FOR MORE INFORMATION:

[https://www.mca.gov.in/Ministry/pdf/Rule\\_08092020.pdf](https://www.mca.gov.in/Ministry/pdf/Rule_08092020.pdf)

**2. Companies (Meeting of Board and its Powers) Third Amendment Rules, 2020**

MCA, vide notification dated 28<sup>th</sup> September, 2020, has amended sub-rule 2 of rule 4 of Companies (Meeting of Board and its Powers) Rules, 2014.

As per the said amendment, **matters\*** referred to in **sub-rule 1** of **rule 4** of Companies (Meeting of Board and its Powers) Rules, 2014 may be held through video conferencing or other audio-visual means for the period beginning from commencement of Companies (Meeting of Board and its Powers) Amendment Rules, 2020 ending on **31<sup>st</sup> December, 2020** (earlier 30<sup>th</sup> September, 2020)

\*matters referred to in rule 4(1) are:

- (i) the approval of annual financial statements
- (ii) the approval of Board's report
- (iii) the approval of prospectus

(iv) the Audit Committee Meetings for consideration of financial statements including consolidated financial statements if any, to be approved by the Board under section 134(1).

For more information:

[https://www.mca.gov.in/Ministry/pdf/ThirdAmendmentRules\\_29092020.pdf](https://www.mca.gov.in/Ministry/pdf/ThirdAmendmentRules_29092020.pdf)

### **3. Companies (Appointment and Qualifications of Directors) Fourth Amendment Rules, 2020 dated 28<sup>th</sup> September, 2020**

MCA vide notification dated 28<sup>th</sup> September, 2020, issued the Companies (Appointment and qualifications of Directors) Fourth Amendment Rules, 2020.

Amended rule provided that every individual who has been appointed as an **Independent Director** in a company, on the date of commencement of the Companies (Appointment and qualifications of Directors) Fifth Amendment Rules, 2019, shall within a period of **Thirteen months** (earlier Ten months) from 1<sup>st</sup> December, 2019, apply online to the institute **for inclusion of his name in the data bank** for a period of one year or five years or for his lifetime. The date is extended **up to 31<sup>st</sup> December, 2020** instead of the earlier extension granted up to 30th September, 2020.

For more information:

[https://www.mca.gov.in/Ministry/pdf/FourthAmendmentRules\\_29092020.pdf](https://www.mca.gov.in/Ministry/pdf/FourthAmendmentRules_29092020.pdf)

## **CIRCULARS**

### **1. General Circular 29/2020** (September 10, 2020)

MCA, vide notification dated 10/09/2020, has extended last date for filing of **CRA-4** ( form for filing of cost audit report) for Financial Year 2019-20 up to 30<sup>th</sup> November,2020 ( earlier it was 30<sup>th</sup> September,2020 that is within a period of 180 days from closure of financial year to which it relates).

No additional fees is required to be paid.

Consequently, the cost audit report for the financial year ended 31<sup>st</sup> March, 2020 shall be filed in e-form CRA-4 within 30 days from the receipt of copy of cost audit report by the company.

Provided that the Companies which have got extension of time of holding Annual General Meeting under section 96 (1) of the Companies Act, 2013, may file form CRA-4 within resultant extended period of filing financial statements under section 137 of the Companies Act, 2013.

FOR MORE INFORMATION: [https://www.mca.gov.in/Ministry/pdf/circular\\_10092020.pdf](https://www.mca.gov.in/Ministry/pdf/circular_10092020.pdf)

### **2. General Circular 30/2020** (September 28, 2020)

MCA, in view of the large scale disruption caused by the COVID-19, has extended the Companies Fresh Start Scheme 2020 till 31<sup>st</sup> December, 2020 (earlier 30<sup>th</sup> September, 2020).

For more information: [https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.30\\_28092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.30_28092020.pdf)

### **3. General Circular 31/2020**

(September 28, 2020)

#### **EXTENSION OF LLP SETTLEMENT SCHEME, 2020**

MCA, in view of the large scale disruption caused by the COVID-19, has extended the LLP Settlement Scheme 2020 till 31<sup>st</sup> December, 2020 (earlier 30<sup>th</sup> September, 2020).

For more information: [https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.31\\_28092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.31_28092020.pdf)

### **4. General Circular 32/2020**

(September 28, 2020)

Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013

MCA had earlier launched "**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 came in to effect from June 17, 2020. The scheme shall be applicable in respect of filing of Form No. CHG-I and Form No. CHG-9 by a company or a charge holder, where the date of creation / modification of charge:

**Case (i)** - is before 1<sup>st</sup> march, 2020, but the timeline for filing such form had not expired under section 77 of the Act as on 1<sup>st</sup> March, 2020,

The period beginning **from** 1<sup>st</sup> march, 2020 **to** 31<sup>st</sup> December, 2020 (earlier 30<sup>th</sup> September, 2020) shall not be counted for the purpose of counting the days under section 77 or section 78 of the Act. The First day after 29.02.2020 shall be counted as 1<sup>st</sup> January, 2020 (earlier 1<sup>st</sup> October, 2020).

**Case (ii)** - falls on any date between 01.03.2020 to 31.12.2020(earlier 30<sup>th</sup> September, 2020) (both dates inclusive).

The period beginning **from** the date of creation/ modification of charge **to** 31<sup>st</sup> December, 2020 (earlier 30<sup>th</sup> September, 2020) shall not be counted for the purpose of counting the days under section 77 or section 78 of the Act. The First day after the date of creation/ modification of charge shall be counted as 1<sup>st</sup> January, 2020 (earlier 1<sup>st</sup> October, 2020)

For more information: [https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.32\\_28092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.32_28092020.pdf)

### **5. General Circular 33/2020**

(September 28, 2020)

MCA has clarified that conduct of Extra-ordinary General Meeting for approving financial statements through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) or transact items through postal ballot shall be allowed till 31<sup>st</sup> December, 2020 (earlier 30<sup>th</sup> September)

For more information:

[https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.33\\_28092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.33_28092020.pdf)

### **6. General Circular 34/2020**

(September 29, 2020)

MCA has extended time limit for:-

- (i) Requirement under section 73(2)(c) of CA-13 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 31<sup>st</sup> December, 2020(earlier 30<sup>th</sup> September, 2020).
- (ii) Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 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 31<sup>st</sup> December, 2020(earlier 30<sup>th</sup> September, 2020).

For more information:

[https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.34\\_29092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.34_29092020.pdf)

### **7. General Circular 35/2020**

(September 29, 2020)

MCA has provided extension for filings under section 124 and section 125 of the Companies Act, 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016 in view of extension of CFSS, 2020.

Necessary relaxation, insofar as filing of various IEPF e-forms ( IEPF-1, IEPF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF-7 ) and e-verification of claims filed in e-form IEPF-5 without additional fees till 31<sup>st</sup> December, 2020 has also been provided.

For more information:

[https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.35\\_30092020.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.35_30092020.pdf)

## **ORDERS**

### **1. Tenure of Company Law Committee**

(17<sup>th</sup> September, 2020)

The tenure of Company Law Committee is extended up to 17<sup>th</sup> September, 2021.

For more information:

[https://www.mca.gov.in/Ministry/pdf/ExtensionNotice\\_17092020.pdf](https://www.mca.gov.in/Ministry/pdf/ExtensionNotice_17092020.pdf)

Hope the information will assist you in your Professional endeavors. In case of any query / information, please do not hesitate to write back to us at E: [pcschinki@gmail.com](mailto:pcschinki@gmail.com) and M: +91 9050320565.

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Best Regards '



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