

Contents

MCA UPDATES FOR THE MONTH OF JANUARY 2020	2
RULES.....	2
1. Companies (Appointment and Managerial Personnel) Amendment Rules 2020 (January 06, 2020).....	2
2. Companies (Winding Up) Rules 2020.....	3
(January 28, 2020)	3
3. Companies (Accounts) Amendment Rules 2020.....	3
(January 31, 2020)	3
CIRCULARS.....	4
1. General Circular 01/2020	4
(January 01, 2020)	4
2. General Circular 02/2020	4
(January 30, 2020)	4
3. General Circular 03/2020	4
(January 31, 2020)	4
General.....	5
IBBI UPDATES FOR THE MONTH OF JANUARY 2020	6
<i>Circulars</i>	6
1. Deposit of unclaimed dividends and / or undistributed proceeds	6
(January 09, 2020 and January 20, 2020)	6
2. Deposit of unclaimed dividends and / or undistributed proceeds	6
(January 28, 2020)	6
<i>Regulations</i>	7
1. IBBI (Liquidation Process) (Amendment) Regulations, 2020	7
(January 06, 2020)	7
<i>Notifications</i>	7
1. Notification on Third Party Assets	7
(January 30, 2020)	7



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MCA UPDATES FOR THE MONTH OF JANUARY 2020

RULES

1. Companies (Appointment and Managerial Personnel) Amendment Rules 2020 **(January 06, 2020)**

MCA has notified the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020 which shall come into force from 01-04-2020. The threshold limit changed from 5 Crores to 10 Crores of the Paid-Up Share Capital for the appointment of CS in a Private Company. The additional criteria of outstanding loans or borrowings from banks or public financial institutions of 100 Crore or more for **All Companies** have been inserted for secretarial audit in addition to the share capital and turnover criteria which is applicable only on public Companies.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/AmdtRules_06012020.pdf

2. Companies (Winding Up) Rules 2020

(January 28, 2020)

MCA has notified the Companies (Winding Up) Rules, 2020 which shall come into force from 01-04-2020, comprising of Rules 1 to 191 and Forms WIN 1 to WIN 95, applicable for winding up of companies under the provisions of Section 468 & 469 of the Companies Act 2013. The Companies (Winding Up) Rules 2020 provides rules for Winding up by Tribunal; Liquidators; Winding up Order; Application for stay of suits etc. on winding up order; Report by Company Liquidator under section 281; Settlement of list of contributors; Advisory Committee; Meetings of Creditors and Contributories; Proxies in relation to meetings of creditors and contributories; Registration and Books of Account to be Maintained by Company Liquidators; Banking Account of Company Liquidator; Investment of Surplus Funds; Filing and Audit of Company Liquidator's Account; Winding up by Tribunal (other than summary winding up) Debts and Claims against Company; Attendance and Appearance of Creditors and Contributories; Collection and Distribution of Assets in Winding up by Tribunal; Calls in Winding up by Tribunal; Examination under Section 299 and 300; Application against Delinquent Directors, Promoters and Officers of the Company; Compromise or Abandonment of Claims; Sale by Company Liquidator; Dividends and Returns of Capital in Winding up by Tribunal; Termination of Winding up; Payment of Unclaimed Dividends or Distribution of Assets and Summary Procedure for Liquidation.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/Rules_28012020.pdf

3. Companies (Accounts) Amendment Rules 2020

(January 31, 2020)

MCA has notified the Companies (Accounts) Amendment Rules, 2020 which shall come into force on the date of their publication in the Official Gazette i.e 30-01-2020. New Rule 12(1A) has been inserted to cover every Non-Banking Financial Company (NBFC) that is required to comply with Indian Accounting Standards (Ind AS) shall file the financial statements with Registrar together with Form AOC-4 NBFC (Ind AS) and the consolidated financial statement, if any, with Form AOC-4 CFS NBFC (Ind AS).

For More Information: -

http://www.mca.gov.in/Ministry/pdf/Rules_31012020.pdf

CIRCULARS

1. General Circular 01/2020

(January 01, 2020)

The Ministry of Corporate Affairs has again extended the last date for filing of e-Form BEN-2 without additional fees on account of the representations received. On the basis of the representations received the matter has been examined and it is hereby informed that the time limit for filing e-form No. BEN-2 is extended upto 31st March, 2020 without payment of additional fee and thereafter fee and additional fee shall be payable. Consequent to the extension in the date of filing of e-Form BEN-2, the date of filing of Form BEN-1 may be construed accordingly.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf

2. General Circular 02/2020

(January 30, 2020)

MCA has provided Relaxation of additional fees and extension of the last date of filing of Forms AoC-4 NBFC (Ind AS) and AoC-4 CFS NBFC (Ind AS) for FY 2018-19 under the Companies Act, 2013. It is hereby informed that the two new eforms namely AoC-4 NBFC (Ind AS) and AoC- 4 CFS NBFC (Ind AS) are likely to be deployed on 31st January, 2020 and 17th February, 2020 respectively. In view of the same, it has been decided to extend the last date for filing of AoC-4 NBFC (Ind AS) and AoC-4 CFS NBFC (Ind AS) for all eligible companies for the FY 2018-19, without payment of additional fee till 31st March, 2020.

For More Information:-

http://www.mca.gov.in/Ministry/pdf/Circular_30012020.pdf

3. General Circular 03/2020

(January 31, 2020)

MCA has provided Relaxation of additional fees and extension of the last date for filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013 for the companies having registered office in UT of J &K and UT of Ladakh. On the basis of the requests received from various stakeholders stating that due to disturbances in internet services and the normal work was affected in the UT of J &K and UT of Ladakh and sought extension of time for filing of financial statements for the financial year ended 31.03.2019. Therefore, it has been decided to further extend the due date for filing of e-forms AOC-4, AOC-4 (CFS) AOC4 XBRL and e-form MGT-7 up to 31.03.2020, for companies having the jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.

For More Information: -

http://www.mca.gov.in/Ministry/pdf/Circular_31012020.pdf

General

1. **MCA has given a message to all the stakeholders w.r.t the changes made in the process of Incorporation of Companies.** Stakeholders may please note that as part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs would be shortly notifying & deploying a new Web Form christened 'SPICE+' (pronounced 'SPICE Plus') replacing the existing SPICE form. The new Form SPICE+ would be an integrated Web form offering multiple services viz. name reservation, incorporation, DIN allotment, mandatory issue of PAN, TAN, EPFO, ESIC, Profession Tax (Maharashtra) and Opening of Bank Account. It will also facilitate the allotment of GSTIN wherever so applied for by the Stakeholders. After deployment of SPICE+ web form, RUN shall be applicable only for the change of name of existing companies. Further, upon notification & deployment, all new name reservations for new companies as well as new incorporations shall be applied through SPICE+ only, however, incorporation of companies for names reserved through the existing RUN service shall continue to be filed in the existing SPICE eform along with related linked forms as applicable and if marked under resubmission shall be resubmitted in SPICE eform. Resubmission of SPICE forms submitted prior to the date of deployment of SPICE+ web form shall also be filed in the existing SPICE eform and related linked forms as applicable.
2. **MCA has given a message to all the stakeholders that due to the proposed changes to the RUN web service (for companies), Resubmission Option for name reservation shall not be available for forms processed by CRC from 1st February, 2020 onwards for approximately 15 days.** Hence, stakeholders are advised to either await deployment of SPICE+ and then apply for names through SPICE+ web form or perform due diligence while submitting any application in existing RUN web service for name reservations. RUN applications (for companies) processed w.e.f 1st February 2020 onwards shall either be approved or rejected based on checks performed by CRC officers. Stakeholders may kindly note and plan accordingly.
3. **MCA directs that provisions of section 460 of the Companies Act, 2013 (Condonation of Delay by Central Government in certain cases) shall apply to a limited liability Partnership (LLP) from the date of publication of this notification in the Official Gazette.** Section 460 of the Companies Act, 2013 deals with the Condonation of delay in certain cases, provided that Notwithstanding anything contained in this Act, (a) where any application required to be made to the Central Government under any provision of this Act in respect of any matter is not made within the time specified therein, that Government may, for reasons to be recorded in writing, condone the delay; and (b) where any document required to be filed with the Registrar under any provision of this Act is not filed within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay. The same provision is now made applicable to LLP for Condonation of delay.

IBBI UPDATES FOR THE MONTH OF JANUARY 2020

Circulars

1. Deposit of unclaimed dividends and / or undistributed proceeds (January 09, 2020 and January 20, 2020)

For depositing of the amount of unclaimed dividends and undistributed proceeds, if any, in a liquidation process, IBBI has opened a separate bank account and provided details of the said bank account in this Circular.

For More Information:-

https://www.ibbi.gov.in/webadmin/pdf/whatsnew/2020/Jan/Liq-circular27_2020-01-09%2023:56:57.pdf

<https://ibbi.gov.in/uploads/legalframework/fcbdc5eaf8db978a1d82b6cd3d92c5c.pdf>

2. Deposit of unclaimed dividends and / or undistributed proceeds (January 28, 2020)

IBBI has issued a circular for Transfer of Membership of a Registered Valuer from one Registered Valuer Organisations (RVO) to another. The Rules envisage a competitive industry of RVOs, where they compete with one another to provide better valuation services through their professional members, in the interest of the users, and other stakeholders of valuation services. The Rules also envisage that a member may shift membership from one RVO to another, subject to prior permission of the Authority, that is, the Insolvency and Bankruptcy Board of India (Board) for the same. In order to streamline the process of transfer of membership from one RVO to another, the RVOs are directed to follow the prescribed process for transfer and the entire transfer shall be completed within the prescribed time. The respective timelines stated above, if ending on a Public Holiday, will stand extended to the next working day. However, public holidays falling in between the timelines shall not result in any extension of the timeline.

For More Information:-

<https://ibbi.gov.in/uploads/legalframework/d3f663f6774e21079019669a1aa5a208.pdf>

Regulations

1. IBBI (Liquidation Process) (Amendment) Regulations, 2020 **(January 06, 2020)**

There is Amendment in Liquidation Process for Corporate Debtors. A person not eligible to submit a resolution plan shall not be a party in any manner to a compromise or arrangement of the corporate debtor. Secured creditor cannot sell or transfer an asset, which is subject to the security interest to any above-said person. The liquidator shall deposit the amount of unclaimed dividends, undistributed proceeds, if any, into the Corporate Liquidation Account before he submits an application for dissolution of the corporate debtor and maintain register thereof.

For More Information: -

<https://www.ibbi.gov.in/uploads/legalframework/6eda1d32cfc69cf3fbf91feff9116078.pdf>

Notifications

1. Notification on Third Party Assets **(January 30, 2020)**

Pursuant to section 227 of the Insolvency and Bankruptcy Code, 2016 and in pursuance of rule 10 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, the Central Government, in consultation with the Reserve Bank of India, hereby notifies the manner of dealing with the third party assets in custody or possession of such financial service providers.

For More Information: -

<https://ibbi.gov.in/uploads/legalframework/3878e1c4a2332a3e4398d924fac58166.pdf>

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 at E: pcschinki@gmail.com and M: +91 9050320565.

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Best Regards '



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