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Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021



The MCA vide notification dated February 01, 2021 has amended Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, allowing scheme of merger or amalgamation under section 233 of the Companies Act, 2013 (fast track mergers through relatively simpler procedure) between any of the following class of companies, namely:

- (i) two or more start-up companies; or
- (ii) one or more start-up company with one or more small company.

Companies (Specification of Definitions Details) Amendment Rules, 2021



MCA has eased the Compliance requirement of Small companies by revising their definition under Companies Act, 2013 by increasing their thresholds for paid up capital from “not exceeding Rs. 50 Lakhs” to “not exceeding Rs. 2 Crore” and turnover from “not exceeding Rs. 2 Crore” to “not exceeding Rs. 20 Crore”.

The Companies (Incorporation) Second Amendment Rules, 2021

The MCA vide notification dated February 01, 2021 has issued the Companies (Incorporation) Second Amendment Rules, 2021 for notifying the amendments as announced in the Budget 2021, for OPCs. Amendment has been introduced w.r.t. allowing non-resident

Indians to incorporate OPCs in India, Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days. Thresholds limit of Paid-up share capital exceeding Rs. 50 lakhs and turnover exceeding Rs. 2 crores for compulsory conversion of OPC into Public/Private Company has been removed, Conversion of OPC into any other type of company.

MCA21 Version 3.0 to be launched in Fiscal 2021-22

MCA will launch data analytics driven MCA 21 Version 3.0. This



Version is envisioned to transform the corporate regulatory environment in India. The key components of MCA 21 to be launched are e-Scrutiny, e-Adjudication, e-Consultation, Compliance Management

System and MCA Lab. Additionally, MCA21 Version 3.0 will have a cognitive chat bot enabled helpdesk, mobile apps, interactive user dashboards, enhanced user experience using UI/UX technologies, and seamless data dissemination through APIs. This Project is a technology-driven forward-looking project, envisioned to strengthen enforcement, promote Ease of Doing Business, enhance user experience, facilitate seamless integration and data exchange among Regulators.

MCA notified the commencement date for Section 52 and Section 66 of the Companies (Amendment) Act, 2020

The MCA has provided the commencement date of section 52 and

Section 66 of the Companies (Amendment) Act, 2020 pertaining to Producer Companies and amendments under Section 465 of the Companies Act, 2013 related to Repealing of certain enactments and savings respectively.

The Producer Companies Rules, 2021

The MCA notified the Producer Companies Rules, 2021, the new rules define the term 'cooperative society' for the purpose of this rule. It also specifies the rules applicable for the purpose of change of place of registered office of a Producer Company from one State to another and Investment of general reserves.



Producer Company

Companies (Share Capital and Debentures) Amendment Rules, 2021

The MCA on February 11, 2021 has notified the Companies (Share Capital and Debentures) Amendment Rules, 2021 by which a new Rule 12A in the Companies (Share Capital and Debentures) Rules, 2014 pertaining to period for notice has been added.

This Amendment prescribes that for the purposes of Section 62(1) of the Companies Act, 2013, the time period within which the offer related to further issue of shares to existing shareholders shall be made for acceptance shall be not less than seven days from the date of offer.





Companies (Specification of definitions details) Second Amendment Rules, 2021

MCA vide the Companies (Specification of definitions details) Second Amendment Rules, 2021 dated February 19, 2021 brings in a new rule 2A which has prescribed the class of companies not to be considered as listed companies for the purposes of the proviso to clause (52) of section 2 of the Companies Act, 2013, namely:

- a) Public companies which have not listed their equity shares on a recognized stock exchange but have listed their -
 - (i) non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
 - (ii) non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- b) Private companies which have listed their nonconvertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- c) Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in section 23(3) of the Companies Act, 2013.

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