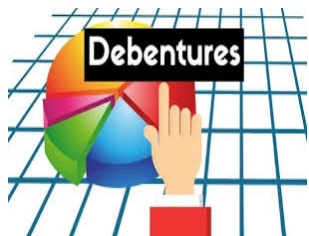




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Amendment to Companies (Share Capital and Debentures) Rules, 2014



The Ministry of Corporate Affairs (MCA) notified on June 5, 2020 Companies (Share Capital and Debentures) Amendment Rules, 2020 by further amending the Companies (Share Capital and Debentures) Rules, 2014. The amendment has been brought to provide relaxation in the particular rules governing the issue of sweat equity shares and debenture rules.

Rule 8(4) - A startup company may issue sweat equity shares not exceeding fifty percent of its paid up capital up to **ten years** (which was earlier **Five years**) from the date of its incorporation or registration.

Rule 18(7) - Listed NBFCs registered with Reserve Bank of India (RBI) under section 45- IA of the RBI Act, 1934 and for Housing Finance Companies registered with National Housing Bank and other listed companies issuing privately placed debentures are exempted from maintaining debenture redemption fund (i.e. invest/deposit of 15% of amount of debentures maturing during the year ending on 31st March of the next year in the manner specified).

Amendment to Insolvency and Bankruptcy Code, 2016

Ministry of Corporate Affairs (MCA) on 5th June 2020 notifies Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020. The Code provides a time-bound process for resolving insolvency in

companies and among individuals. Insolvency is a situation where individuals or companies are unable to repay their outstanding debt. The Ordinance exempts certain companies from the provisions of the Code with respect to initiation of a corporate insolvency resolution process. The detailed notification can be found in the below link:

http://mca.gov.in/Ministry/pdf/IBCamedBill_05062020.pdf

Notification on extension of Extra Ordinary General Meeting

The ministry of corporate affairs (MCA) extended the period during which companies are allowed to hold extraordinary general meetings (EGMs) through video conference or other audio visual means till 30th September, 2020. Earlier (8th April, 2020) MCA had relaxed the same in light of restrictions on travel due to Covid-19 and the lockdown, till 30th June, 2020.

MCA issues Scheme for Relaxation of Time for Filing Forms related to creation or modification of Charges



In the wake of COVID-19, the Ministry has received the representations requesting that the timelines related to the filing of certain charge related forms may be suitably relaxed so as to provide a window

of compliance for the registration of charges. Therefore Ministry of Corporate Affairs on 17th June 2020 introduced a Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013.

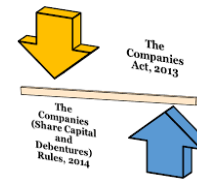
The scheme shall be applicable in respect of the filing of Form No. CHG-I and Form No. CHG-9 by a company or a charge holder, where the date of creation or modification of charge is before March 1, 2020, but the timeline for filing such form had not expired under section 77 of Act as on March 1, 2020, or falls on any date between March 1, 2020, to September 30, 2020.

If the form is filed on or before 30.09.2020, the fees payable as on 29.02.2020 under the Fees Rules for the said form shall be charged. If the form is filed thereafter, the applicable fees shall be charged under the Fees Rules after adding the number of days beginning from 01.10.2020 and, ending on the date of filing plus the time period elapsed from the date of the creation of charge till 29.02.2020. The Ministry barred the applicability of this circular on CHG-1 and CHG-9 Forms, which has already been filed before the date of issue of this Circular; the timeline for filing the form has already expired under section 77 or section 78 of the Act prior to March 1, 2020; the timeline for filing the form expires at a future date, despite the exclusion of the time; and Filing of Form CHG-4 for the satisfaction of charges.

The detailed notification can be found in the link below:

http://mca.gov.in/Ministry/pdf/Circular23_17062020.pdf

Notification for extension of time Companies (Share capital and Debentures) Rules 2014



In continuation the General Circular dated 24th March 2020, MCA on 19th June 2020 further amends the Companies (Share capital and Debentures) Rules 2014 as follows:

1. 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 **30th September 2020** which was earlier **30th June 2020**.
2. 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 **30th September 2020** which was earlier **30th June 2020**.

Amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014



MCA has issued Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 which are applicable from 23rd June 2020 and by this Registration of details of Independent

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Directors in Independent Directors Data Bank who were director on 1st December 2019 is been allowed till 30th September 2020.

Amendment to the Companies (Meetings of Board and its Powers) Rules, 2014



Ministry of Corporate Affairs (MCA) notifies on 23rd June 2020 Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020. The notification further relaxes the requirement of holding Board meetings with physical presence of directors for approval of the annual financial statements, approval of Board's report, approval of prospectus, approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover etc. Such meetings may till 30th September, 2020 be held through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the said rules.

Extension of time gap between Board and Audit Committee Meeting of Listed entities

SEBI, vide circular dated March 19, 2020, had relaxed the requirement the requirement of the maximum stipulated time gap of 120 days between two meetings of the Board and Audit Committees of listed entities. This relaxation was provided for the meetings held/proposed to be held between the period December 1,

2019 and June 30, 2020. Further, SEBI vide circular dated June 24, 2020 in receipt of requests received from listed entities has extended the relaxation till 31st July 2020. Further SEBI has extended the times lines for submission of financial results under Regulation 33 and 52 of the LODR Regulations, to 31st July 2020.

Amendment to Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016



Ministry of corporate Affairs (MCA) on 29th June 2020 issues Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020. A new proviso has been inserted in Rule 4(3)(i) which provides for the application for removal of the company, stating that Form STK-3A shall be provided by a government company who 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. The detailed notification can be found in the link below:

http://mca.gov.in/Ministry/pdf/Rule3_30062020.pdf

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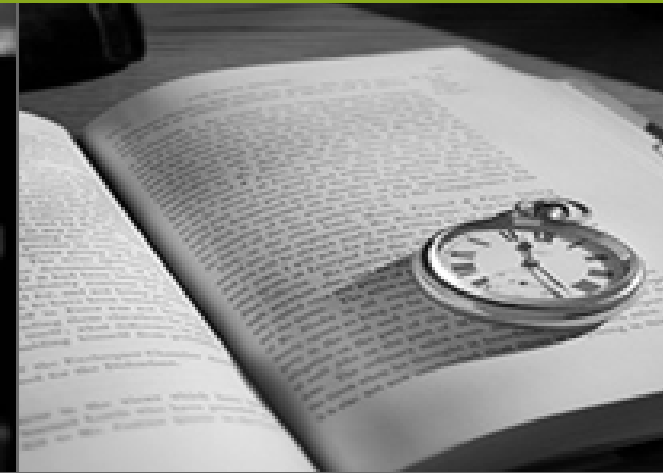
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