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Companies Incorporation Fourth Amendment Rules, 2021, brings option for registration under Shop and Establishment Act during Incorporation



MCA vide its notification dated 07.06.2021 has come up with the facility of obtaining Shop and Establishment Registration at the time of Incorporation of the Company. MCA has amended Companies Incorporation Rules by substituting Form AGILE-PRO with Form AGILEPRO-S to bring the option in the e-form for obtaining Shops and Establishment Registration.

Removal of restriction on agenda items earlier required to be transacted only at physical meeting of Board of Directors



MCA has omitted Rule 4 of Companies (Meetings of Board and its Powers), 2014 by its notification dated 15.06.2021.

This rule contained matters which earlier could not be dealt through video conferencing or other audio-visual mode. These restricted matters as per Rule 4 were:

- the approval of the annual financial statements;
- the approval of the Board's report;
- the approval of the prospectus;
- the Audit Committee Meetings for consideration of accounts;
- the approval of the matter relating to amalgamation, merger, demerger, acquisition, and takeover.

Through this amendment the matters mentioned above can now be done through video meetings.

IICA (Indian Institute of Corporate Affairs) to charge Fee for Renewal of Names in Data Bank of Independent Directors



Ministry of Corporate Affairs (MCA) has notified on that the Indian Institute of Corporate Affairs will charge a fee for renewal of names in the data bank of independent directors. Further a new rule 8 has been inserted as follows:

“In case of delay on the part of an individual in applying to the Institute under sub-rule (7) for inclusion of his name in the data bank or in case of delay in filing an application for renewal thereof, the institute shall allow such inclusion or renewal, as the case may be, under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 after charging a further fees of one thousand rupees on account of such delay.”.

Clarification on passing of Ordinary and Special Resolution due to COVID outbreak



On account of COVID outbreak and in continuation of Circular No 14/2020, 17/2020, 33/2020 and 39/2020, MCA has extended the time period for Companies to conduct their EGMs through VC or OAVM or transact items through postal ballot upto 31.12.2021. Keeping all other requirements provided in the earlier circular unchanged.

Relaxation on levy of additional fees in filing of certain Forms under the Companies Act, 2013 and LLP Act 2008.



On account of requests for further extension of timelines specified in Circular No. 06/2021 dated 03.05.2021, MCA has decided to grant additional time upto August 31, 2021

to companies/LLPs to file forms under Companies Act, 2013/LLP Act, 2008 which were/are due for filing during 01st April 2021 to 31st July, 2021 without additional fees.

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



In continuation of Circular No. 07/2021 dated 03.05.2021, MCA has extended the time period for filing the Charge Forms by substituting “31.05.2021” and “01.06.2021” wherever appearing in the circular with “31.07.2021” and “01.08.2021” respectively.

MCA notified Companies (Accounting Standards) Rules, 2021



MCA vide notification dated 23.06.2021 notified the accounting standards for small and medium companies. The rules have redefined the Small and Medium Companies (SMC) as:

- (i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;
- (ii) which is not a bank, financial institution or an insurance company;
- (iii) whose turnover (excluding other income) does not exceed rupees Two Hundred fifty crore in the immediately preceding accounting year;
- (iv) which does not have borrowings (including public deposits) in excess of rupees Fifty crore at any time during the immediately preceding accounting year; and

- (v) which is not a holding or subsidiary company of a company which is not a small and medium-sized company. Explanation. - For the purposes of this clause, a company shall qualify as a Small and

Medium Sized Company, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

SMC which is a holding company or subsidiary company of a non-SMC will not qualify as a small and medium company, Also, central government has specified Accounting Standards 1 to 5, 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India. The Accounting Standards shall come into effect in respect of accounting periods commencing on or after 01.04.2021.

Amendment in the Indian Accounting Standards



MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 to further amend the Companies (Indian Accounting Standards) Rules, 2015. The amendment shall become effective from 18th June 2021. The following Indian Accounting Standards (Ind AS) have been amended:

SL No.	Ind AS (Indian Accounting Standards)
1.	Ind AS 101 First-time Adoption of Indian Accounting Standards
2.	Ind AS 102 Share-based Payment
3.	Ind AS 103 Business Combinations
4.	Ind AS 104 Insurance Contracts

5.	Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations
6.	Ind AS 106 Exploration for and Evaluation of Mineral Resources
7.	Ind AS 107 Financial Instruments: Disclosures
8.	Ind AS 108 Operating Segments
9.	Ind AS 109 Financial Instruments
10.	Ind AS 111 Joint Arrangements
11.	Ind AS 114 Regulatory Deferral Accounts
12.	Ind AS 115 Revenue from Contracts with Customers
13.	Ind AS 116 Leases
14.	Ind AS 1 Presentation of Financial Statements
15.	Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
16.	Ind AS 12 Income Taxes
17.	Ind AS 16 Property, Plant and Equipment
18.	Ind AS 27 Separate Financial Statements
19.	Ind AS 34 Interim Financial Reporting
20.	Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
21.	Ind AS 38 Intangible Assets

22.	Ind AS 40 Investment Property
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