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Companies get more time to conduct Annual General Meeting for the financial year ending 31.03.2021



In view of the hardship faced by the stakeholders, MCA extended the time by two months beyond the due date by which companies are required to conduct their AGMs for the financial year 2020-21. Hence the extended due date stands 30.11.2021.

Extension of last date of filing of Cost Audit Report to the Board of Directors under Rule 6 of the Companies (Cost Records and Audit) Rules, 2014



DUE DATE EXTENDED OF
CRA-4 FORM



In view of the extraordinary disruption caused due to COVID-19 pandemic, MCA has given the extension for submission of cost audit report for the financial year 2020-21. If the cost audit report for the financial year 2020-21 by the cost auditor is submitted to the Board of Directors by October 31, 2021 as against its earlier due date of 30.09.2021 then the same would not be viewed as violation of Rule 6 of the Companies (Cost Records and Audit) Rules, 2014. Consequently, the cost audit report for the financial year ended on March 31, 2021 shall be filed in e-form CRA-4 within 30 days from the date of receipt of the copy of the cost audit report by the company.

Consultation Paper on Statutory Audit and Auditing Standards for Micro, Small and Medium Companies (MSMCs)



Major economies of the world require statutory audit for small companies only in case some minimum criteria of public interest are satisfied. Even in India, Income tax audit and GST audit is turnover based. It has therefore been considered appropriate to revisit the requirement of

compulsory statutory audit for all companies irrespective of their size and/or public interest. NFRA has prepared a Consultation Paper explaining the issues involved and providing the data and information required for responding to the questions raised in an informed manner, with the objective to seek the comments/suggestions of the wider stakeholder group and the public at large on questions raised. The last date for receipt of comments is November 10, 2021.

MCA appoints September 01, 2021, as effective date for Section 4 of the Companies (Amendment) Act, 2020

Section 4 of the Companies (Amendment) Act, 2020 which amends Section 16 of the Companies Act, 2013 has become effective from Sep 01, 2021. As per Section 16, the Government shall allot a new name to the company as per newly inserted rule 33A and the Registrar shall enter new name in register of companies in place of old name and issue a fresh certificate of incorporation with new name, which the company shall use thereafter. Co. can change its name in accordance with provisions of Section 13.

Extension of tenure of the Company Law Committee

The tenure of the Company Law Committee is further extended by one year from the date of expiry of the last order i.e. till September 16, 2022.

Rejection of application of NDH-4 of Nidhi Companies by MCA



The Central government has noticed that the Companies are not complying with the applicable provisions of the Act and rules made thereunder. Also, a large no. of companies are functioning as Nidhi company and as per amended companies Act, 2013 are required to file application in form NDH-4 before

Central Government to declare them as Nidhi Company. However the companies functioning as Nidhi company haven't submitted their application within the fixed time frame prescribed under Nidhi Rules and therefore have committed violation of those rules. Applications filed by such Companies have been rejected by Central and the list of such rejected compaies has mentioned in the link; List of Companies.

MCA, Finance Ministry hammer out key changes to IBC at review meet



In a high level review meeting conducted on September 14, 2021, Tuesday with Chief Economic Advisor Krishnamurthy Subramanian, corporate affairs ministry, and senior officials to discuss some key changes to the Insolvency and Bankruptcy Code (IBC), wherein one of the key topics of discussion was the code of conduct for the Committee of Creditors (CoC) proposed by the Insolvency and Bankruptcy Board of India (IBBI).

SEBI bans 85 entities from capital markets for fraudulent trading



SEBI barred total 85 entities from the capital markets for up to one year for manipulating the company's share price. The SEBI had conducted an investigation in the scrip of Sunrise Asian for the period from October 16, 2012 to September 30, 2015, based on a reference received from the Principal Director of Income Tax (Investigation), Kolkata. In its probe, SEBI found that pursuant to allotment of shares under the scheme of amalgamation, Sunrise Asian and its then directors had devised an arrangement whereby 83 connected entities had

manipulated the price of the scrip, thereby violating Prohibition of Fraudulent and Unfair Trade Practices norms.

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021



SEBI vide gazette notification has amended the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall come into force on the date of their publication in the Official Gazette. The amendments, inter-alia, provides the "non-convertible debt securities', 'non-convertible redeemable preference shares', 'non-convertible securities', 'perpetual debt instrument' and 'perpetual non-cumulative preference share' shall have the same meaning as defined under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Further, the regulations w.r.t. the corporate governance provisions shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed nonconvertible debt securities of Rs. 500 crore and above. However, in case an entity that has listed its nonconvertible debt securities triggers the specified threshold of Rs. 500 crore during the course of the year, it shall ensure compliance with these provisions within six months from the date of such trigger

SEBI in talks to redefine promoter norms



SEBI is in talks with other regulators on the transition from the traditional concept of 'promoters' to that of 'controlling shareholders' so that corporate control is accurately reflected. As a part of this process, the regulator is reaching out to the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Insurance Regulatory

Development Authority of India (IRDAI) in an attempt to bring a uniform framework. The market regulator is of the view that the current concept of promoter and promoter group has become irrelevant for the new-age companies, especially start-ups since these are not family-owned businesses but backed by institutional investors.

Swing pricing framework for mutual fund schemes

SEBI has introduced the swing pricing framework for open ended debt



mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds), to protect investors in debt mutual funds. Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions

upto Rs. 2 lacs for each mutual fund scheme for both normal times and market dislocation. Swing pricing is a mechanism that imposes certain cost on exiting investors (since they are contributing to a downward spiral in NAV) while incentivizing entering investors (since they are helping to stem the downward spiral in NAV). This framework shall be applicable with effect from March 1, 2022.

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