

MCA UPDATE JUNE, 2020

SR. NO.	DATE	RULES/CIRCULAR	PARTICULARS
1	05-06-2020	RULES: COMPANIES (SHARE CAPITAL AND DEBENTURES) AMENDMENT RULES, 2020	The Ministry of Corporate Affairs (MCA) published the Companies (Share Capital and Debentures) Amendment Rules, 2020 to further amend the Companies (Share Capital and Debentures) Rules, 2014. The followings are the amendments: - Rule 8(4) related to “Issue of sweat equity shares” has been substituted stating that the company shall not issue sweat equity shares for more than 15% of the existing paid up equity share capital in a year or shares of the issue value of rupees five crores, whichever is higher provided that a startup company may issue sweat equity shares not exceeding 50% of its paid up capital up to 10 years from the date of its incorporation or registration. - Rule 18(7)(b)(v) related to “Debentures” has been substituted, namely:-“In case of listed Company (Other than AIFs, Banking Companies which has privately placed its debentures for NBFCs, HFCs and other Listed Companies will not be required to invest or deposit, as the case may be, a sum not less than 15% of the amount of its debentures maturing during the year, ending on the 31st March of the next year in any one or more methods as prescribed, Provided that the amount remaining invested or deposited, as the case may be, shall not any time fall below 15% of the amount of the debentures maturing during the year ending on 31st March of that year.” Detailed update: http://www.mca.gov.in/Ministry/pdf/Rule_08062020.pdf
2	15-06-2020	CIRCULAR: EXTENSION OF TIME FOR EGM’S	MCA in further reference to the General circular No. 14/2020 issued on April 8, 2020 and General Circular No. 17/2020 issued on 13th April, 2020 have further examined and it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in these Circulars upto 30th September, 2020. All other requirements provided in these Circulars remain unchanged. Detailed update: http://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf

2	17-06-2020	CIRCULAR: SCHEME FOR RELAXATION OF TIME FOR FILING FORMS RELATED TO CREATION OR MODIFICATION OF CHARGES UNDER THE COMPANIES ACT, 2013	MCA issued 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 filling of Form CHG-1 & CHG-9 by a Company or Chargeholder where date of creation or modification: a. is before March 1, 2020, but the timeline for filling such form had not expired u/s 77 of the Act as March 1, 2020, or b. falls on date between March 1, 2020 and March 31, 2020. (i) In case a form is filed in respect of a situation covered (a) above, the period beginning from 01.03.2020 and ending on 30.09.2020 shall not be reckoned for the purpose of counting the number of days under section 77 or section 78 of the Act. In case, the form is not filed within such period, the first day after 29.02.2020 shall be reckoned as 01.10.2020 for the purpose of counting the number of days within which the form is required to be filed under section 77 or section 78 of the Act. (ii) In case a form is filed in respect of a situation covered under sub-para (4)(b) above, the period beginning from the date of creation/ modification of charge to 30.09.2020 shall not be reckoned for the purpose of counting of days under section 77 or section 78 of the Act. In case, the form is not filed within such period, the first day after the date of creation / modification of charge shall be reckoned as 01.10.2020 for the purpose of counting the number of days within which the form is required to be filed under section 77 or section 78 of the Act. NON – APPLICABILITY: a. The forms CHG-1 and CHG-9 had already been filed before the date of issue of this Circular. b. The timeline for filing the form has already expired under section 77 or section 78 of the Act prior to 01.03.2020. c. The timeline for filing the form expires at a future date, d. Filing of Form CHG-4 for satisfaction of charges. Detailed Update: http://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf
3	20-06-2020	CIRCULAR: CLARIFICATION WITH REGARD TO CREATION OF DEPOSIT REPAYMENT RESERVE OF 20% U/s.	In continuation to General Circular No. 11/2020 dated 24th March, 2020 and keeping in view the requests received from various stakeholders seeking extension of time for compliance of the subject requirements on account of COVID-19, the Central Government has further extended the time in respect of matters referred to in paras V, VI of the aforesaid circular from 30th June, 2020 to 30th September, 2020. Detailed Update: http://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf

		73(2)(C) OF THE COMPANIES ACT 2013 AND TO INVESTOR DEPOSIT 15% OF AMOUNT OF DEBENTURES U/R. 18 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES 2014 - COVID-19 EXTENSION OF TIME	
4	23-06-2020	<u>CIRCULAR</u> AMENDMENT IN SCHEDULE VII OF COMPANIES ACT, 2013	MCA vide Notification dated 23rd June, 2020 has amended Schedule VII of the Companies Act, 2013 to provide that the companies can spend the CSR amount towards Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows. Detailed update: http://egazette.nic.in/WriteReadData/2020/220133.pdf
4	24-06-2020	<u>RULES:</u> COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) 3RD AMENDMENT RULES, 2020	The Central Government has vide its Notification dated June 23, 2020 amended rule 6(1)(a) of the Companies (Appointment and Qualification of Directors) Rules, 2014 through the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 as follows: Post-Amendment - Every individual who has been appointed as an independent director in a Company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of Ten Months from such commencement. Detailed Update: http://www.mca.gov.in/Ministry/pdf/Rule2_25062020.pdf
5	24-06-2020	<u>RULES:</u> COMPANIES (MEETINGS OF BOARD AND ITS POWERS) 2ND AMDT RULES, 2020	The Central Government has vide its Notification dated June 23, 2020 amended rule 4(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, through the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020 as follows: Post-Amendment - For the period beginning from the commencement of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 and ending on the 30th September, 2020, the meetings on matters referred to in sub-rule (1) may be held through video conferencing or other audio visual means in accordance with rule 3. Detailed Update: http://www.mca.gov.in/Ministry/pdf/Rule1_25062020.pdf

6	29-06-2020	<u>RULES:</u> <i>COMPANIES (REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES) AMENDMENT RULES, 2020</i>	The Central Government has vide its Notification dated June 29, 2020 amended rule rule 4(3)(i) of the Companies (Appointment and Qualification of Directors) Rules, 2014 through the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 as follows: "Provided that in case of a – (a) Government company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; or (b) subsidiary of a Government company, referred to in clause (a), in which the entire paid up share capital is held by that Government company, a duly notarised indemnity bond in Form STK-3A shall be given by an authorised representative, not below the rank of Under Secretary or its equivalent, in the administrative Ministry or Department of the Government of India or the State Government, as the case may be, on behalf of the company". Detailed update: http://www.mca.gov.in/Ministry/pdf/Rule3_30062020.pdf
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