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LATEST CHANGES UNDER THE COMPANIES ACT, 2013 IN 2020

Topic of Latest Changes under the Companies Act, 2013 in 2020 has covered:-

1. All the Circulars issued by Ministry of Corporate Affairs (MCA) from 1st January, 2020 till 21st June, 2020;
2. Latest Amendments under the various rules;

ALL THE CIRCULARS ISSUED BY MINISTRY OF CORPORATE AFFAIRS (MCA) FROM 1ST JANUARY, 2020 TILL 20TH APRIL, 2020

S.No.	Date of Circular and Circular No.	Subject	Sections/Rules of Companies Act, 2013	Particulars
1.	01/01/2020 and Circular	Relaxation of additional fees and extension of last date of	Section 90(4) and Rule 4 of Companies (Significant Beneficial	Time limit for filing e form BEN 2 is extended upto 31.03.2020 without payment of additional fee. However, now the given Circular has no relevance as CFSS has been introduced by MCA by circular no 12/2020.



	Number 01/2020	filing of Form BEN 2 along with BEN 1 under the Companies Act, 2013	Owners) Rules, 2018	Last date 30.09.2020 without any additional fees. For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular1_01012020.pdf
2.	30/01/2020 and Circular Number 02/2020	Relaxation of additional fees and extension of last date of filing of AOC- 4 NBFC (Ind AS) and AOC- 4 CFS NBFC (Ind AS) for FY 2018-19 under the Companies Act, 2013	Companies (Accounts) Amendment Rules, 2020	Last date for filing of AOC 4 NBFC (Ind AS) and AOC 4 CFS NBFC (Ind AS) for all eligible companies for the FY 2018-19 without payment of additional fee till 31 st March, 2020 . However, now the given Circular has no relevance as CFSS has been introduced by MCA by circular no 12/2020. Last date 30.09.2020 without any additional fees For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular_30012020.pdf
3.	31/01/2020 & 12/03/2020 and Circular Number 03/2020 & 09/2020	Relaxation of additional fees and extension of last date in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies	Section 137 and Section 92	Date for filing of the Form MGT-7 & AOC-4 (CFS) & AOC-4 XBRL from 01/01/2020 to 31/03/2020 further extended from 31/03/2020 to 30/06/2020. However, now the given Circular has no relevance as CFSS has been introduced by MCA by circular no 12/2020. Last Date 30.09.2020 without any additional fees. For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular_31012020.pdf http://www.mca.gov.in/Ministry/pdf/Circular_12032020.pdf



		Act, 2013- UT of J&K and UT of Ladakh	
4.	17/02/2020 & 06/03/2020 and Circular Number 04/2020 [Supersede by Circular no 08/2020] & 08/2020	Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)	<p>Form INC-28 is the first form required to be filed by the Insolvency Professional who is Interim resolution Professional/Resolution Professional/Liquidator after his appointment to Ministry of Corporate Affairs for the followings purposes:-</p> <ul style="list-style-type: none"> • To intimate the Department about his appointment and for filing the form INC-28 choose his designation as “CEO” in the declaration box and choose “others” from drop down menu while affixing DSC. • When the order of admission of Corporate debtor into CIRP or liquidation is stayed or set aside by Tribunal; • when resolution plan has been approved by Committee of Creditors. • At the time of initiation of liquidation proceedings • Upon withdrawal of application of CIRP <p>After filing INC-28 with MCA, all the subsequent filings will be done by IP in the capacity of “Chief Executive Officer (CEO)”</p> <p>Form SH-8, SH-9 and iXBRL will be signed by IP in capacity of CEO.</p> <p>Master data of the Company will reflect it as “Under CIRP or Liquidation”.</p> <p>All filings of eforms including AOC-4 and MGT-7 shall be filed through e-form GNL-2 by way of attachments till the Company is under CIRP.</p>



				<p>Against date of event and Board Resolution in INC-28 and GNL-2 date of order of NCLT/NCLAT/Court shall be mentioned.</p> <p>For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular_17022020.pdf http://www.mca.gov.in/Ministry/pdf/Circular8_06032020.pdf</p>
5.	02/03/2020 and Circular Number 05/2020	Clarification on prosecutions filed or internal adjudication proceedings initiated Independent Directors, non-promoters and non-KMP non-executive directors	Section 2 (60) and Section 149(12)	<p>Ordinarily, a WTD and a KMP are associated with the day to day functioning of the company and accordingly such WTDs and KMPs would be liable for defaults committed by a company In absence of a KMP, such director who have expressly given his consent for incurring liability in terms of the e-form GNL 3 filed with the ROC would be liable.</p> <p>Section 149(12) is a non obstante clause which provides that the liability of an ID or NED not being promoter or KMP would be only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently In view of the express provisions of section 149(12) IDs and NEDs should not be arrayed in any criminal or civil proceedings under the Act, unless the above mentioned criteria is met. Typically, apart from IDs, non promoter and non KMP, NEDs, would exist in the following cases:-</p> <ol style="list-style-type: none"> a) Directors nominated by the Government on the public sector undertakings; b) Directors nominated by Public Sector Financial Institutions, Financial Institutions or Banks having participation in equity of a company, or otherwise; c) Directors appointed in pursuance to any statutory or regulatory requirement such as directors appointed by the



				<p>NCLT.</p> <p>At the time of serving notices to the company, during inquiry, inspection, investigation, or adjudication proceedings, necessary documents may be sought so as to ascertain the involvement of the concerned officers of the company. In case, lapses are attributable to the decisions taken by the Board or its Committees, all care must be taken to ensure that civil or criminal proceedings are not unnecessarily initiated against the IDs or the NEDs, unless sufficient evidence exists to the contrary.</p> <p>The records available in the office of the ROC, including e forms DIR-11 or DIR-12 along with copies of the annual returns or financial statements should also be examined.</p> <p>In case of any doubts, with regard to the liability of any person, for any proceedings required to be initiated by the ROC, guidance may be sought from the MCA through the office of Director General of MCA, consequently any such proceedings must be initiated after receiving due sanction from the Ministry.</p> <p>All ROC are directed to immediately and scrupulously follow the above mentioned Standard Operating Procedure (with respect to all ongoing cases Further, with respect to cases where prosecution may have been already filed but the above mentioned cases criteria is not satisfied, the same may be submitted to MCA for necessary examination and further direction thereon.</p> <p>No unnecessary civil or criminal proceedings, against IDs(Independent Director), Non Promoter Director and NED (Non-Executive Director) shall be initiated and, if it is required guidance may be sought and prosecution should be initiated after receiving due sanction from MCA.</p>
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6.	<p>04/03/2020 & 30/03/2020</p> <p>and</p> <p>Circular Number 06/2020 & 13/2020</p>	<p>LLP Settlement Scheme, 2020 Modification</p>	<p>Section 460</p>	<ul style="list-style-type: none"> • This notification has been issued by MCA in exercise of the powers given under Section 460 of Companies Act, 2013 which is also available for LLP(s) as per notification no. GSR 59 (dated 30.01.2020 u/s 67(1)) • To provide one time relaxation to LLP(s), MCA has introduced LLP Settlement scheme vide its Circular no. 06/2020 dated 04.03.2020 and in continuation of same it has issued Modified LLP Settlement Scheme vide Circular no. 13/2020 dated 30.03.2020. <p>Original LLP Settlement scheme covered Form 3, 4, 8 and 11 due for filing till 31/10/2019 and it was applicable only for the period from 16/03/2020 to 31/03/2020 with additional fees of Rs 10 per day of default but not exceeding INR 5000 per document.</p> <p>Modified LLP Settlement Scheme covers all types of forms due for filing till 31.08.2020 and is applicable for the period from 01/04/2020 to 30/09/2020 with no additional fees.</p> <p>Further, LLP which has applied in Form LLP 24 for Strike off cannot avail the benefits of the Scheme..</p> <p>For more details please refer:- http://www.sgacs.in/resource/Blog.aspx</p> <p>For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf</p>
7.	05/03/2020	Extension of	National Financial	Filing of Form NFRA 2 by the Auditors of the eligible companies (as



	<p>& 30/04/2020</p> <p>and</p> <p>Circular Number 07/2020 & 19/2020</p>	<p>filing NFRA-2</p>	<p>Reporting Authority Rules, 2018 (NFRA Rules, 2018)</p>	<p>per Rule 3 of NFRA Rules, 2018) for the year 2018-19 will be within 150 days from the date of deployment of this form on the website of NFRA on 09.12.2019 i. e. on or before 9th May, 2020. (Relaxation for moratorium upto 30/09/2020 not applicable).</p> <p>The MCA vide its Circular No. 19/2020 which is in continuation of Circular no. 07/2020 has provide relaxation by increasing the time limit for filing of Form NFRA-2, for the reporting period Financial Year 2018-19 from 150 days from the date of deployment of form to 210 days from date of Deployment of Form on website of NFRA.</p> <p>For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular_06032020.pdf http://www.mca.gov.in/Ministry/pdf/Circular19_30042020.pdf</p>
8.	<p>23/03/2020</p> <p>and</p> <p>Circular Number 10/2020</p>	<p>Clarification on spending of CSR funds for COVID-19.</p>	<p>Sec-135, Schedule-VII, Item No. (i) and (xii)</p>	<p>Corona Virus COVID 19 has been notified as “Disaster” and spending CSR funds for Covid-19 is eligible for CSR Fund may be expended in promotion of health care, sanitation, and disaster management.</p> <p>CSR funds may be spent for various activities related to COVID 19 under Item No. (i) and (ii) of Schedule VII relating to promotion of health care, including preventive health care and sanitation, and, disaster management Further, as per General Circular No 21/2014 dated 18/06/2014 items in Schedule VII are broad based and may be interpreted liberally for this purpose.</p> <p>For Circular Please visit:- http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf</p>
9.	<p>24/03/2020 & 19/06/2020</p>	<p>Special Measures under Companies Act, 2013 and</p>	<p>CA, 2013 & LLP Act, 2008, Section 10A, 73(2)(c), 149,</p>	<ul style="list-style-type: none"> • <u>Moratorium period from 01/04/2020 to 30/09/2020 any document, return, statement etc required to be filed at the portal of MCA 21 by a company or LLP irrespective of its due date shall be filed without any additional filing fee.</u>



	<p>and</p> <p>Circular Number 11/2020 & 24/2020</p>	<p>LLP Act, 2008 in view of COVID-19</p>	<p>173 of CA, 2013</p>	<p>Moratorium Period is 01/04/2020 to 30/09/2020-No additional fees shall be charged for late filing during this period.</p> <ul style="list-style-type: none"> • <u>One time relaxation to hold meeting within 120+60 days extended time=180 days till the next 2 quarters (June & Sept. 2020)., instead of 120 days as required in the CA-13.</u> <p>The mandatory requirement of holding meetings of the Board of the companies within the intervals of not exceeding 120 days provided in section extended by a period of 60 days till next two quarters i e till 30th September.</p> <ul style="list-style-type: none"> • <u>Effective date for CARO,2020 extended.</u> <p>The CARO, 2020 shall be made applicable from the financial year 2020-2021 instead of 2019-2020 as notified earlier.</p> <ul style="list-style-type: none"> • <u>Non holding of Independent Directors meeting.</u> <p>As per Para VII(1) of Schedule IV to the Companies Act, 2013; IDs are required to hold at least one meeting without the attendance of Non Independent Directors and members of management For the financial year 2019-20 if the IDs have not been able to hold such a meeting, shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through telephone or e mail or any other mode of communication, if they deem it to be necessary.</p> <ul style="list-style-type: none"> • <u>Extended period to deposit 20 % to 30/06/2020.</u> <p>Requirement u/s 73(2)(c) of Companies Act, 2013 to create the deposit repayment reserve of 20% of deposits maturing during the financial year 2020-21 before 30/04/2020 shall be allowed to be complied with till 30/06/2020.</p> <p>Date extended till 30.09.2020 pursuant to Circular No. 24/2020 dated 19.06.2020.</p>
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				<ul style="list-style-type: none">• <u>Extended period to deposit 15% of amount of Debentures to 30/06/2020.</u> Requirement as per Section 71 of Companies act, 2013 and rules applicable to deposit 15% of the amount of debentures each year to Debenture Redemption Reserve upto 30/04/2020 shall be allowed to be complied with till 30/06/2020. Date extended till 30.09.2020 pursuant to Circular No. 24/2020 dated 19.06.2020.• <u>Time limit for filing of declaration for commencement of business.</u> Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of its incorporation u/s 10A in form INC-20A. An additional period of 180 more days is allowed for this compliance. For example if the Company incorporate in December, 2019 they are required to file form upto May, 2020 then additional 180 days are allowed.• <u>Non-Compliance of the requirement for at least 182 days stay in India.</u> Non-compliance of minimum residing in India for a period of at least 182 days by at least one director of every company, under section 149 of the Companies Act, 2013 shall not be treated as a non-compliance for the financial year 2019-20. For detailed note on this circular please visit:- www.sgacs.in For Circular please visit:-
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				http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf http://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf
10.	30/03/2020 and Circular Number 12/2020	Companies Fresh Start Scheme, 2020 (CFSS, 2020)	Section 403, 404, 454, 455, 460 of CA, 2013	<p>Any defaulting company may file belated documents during the period of 01/04/2020 to 30/09/2020 with the normal filing fee:-</p> <ul style="list-style-type: none"> • No additional filing fee payable • Immunity from prosecution relating to non-filing of documents only to the company and its directors, etc but not for other non-compliances, if any. <p>This is an opportunity to the defaulting Companies and to enable them to file the belated documents in the MCA21 without additional fees.</p> <p>For more details on this topic please refer:- http://www.sgacs.in/resource/Blog.aspx</p> <p>For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf</p>
11.	08/04/2020 & 13/04/2020 & 15/06/2020 and Circular Number 14/2020	Clarification on passing of OR(Ordinary Resolution) & SR(Special Resolution) by companies under the Companies Act, 2013 and rules made thereunder on the account of the threat posed	Section 101, 103, 104, 105, 108, 109, 110, 112, 113 Rule 18 and Rule 20(4)(v) of Companies (Management and Administration) Rules, 2014	<p>Passing of OR/SR on urgent nature during 08/04/2020 to 30/06/2020 by members other than Ordinary business and where a person has right to be heard without holding a general meeting which requires physical presence of members at a common venue through VC or OAVM.</p> <p>Both the circulars are for two type of Companies:-</p> <ol style="list-style-type: none"> (a) For the Companies which are required to provide the facility of e-voting under the act, or any other company which has opted for such facility; and (b) For companies which are not required to provide the facility of e-voting under the act. <p>Due to the Circular No. 22/2020 dated 15.06.2020, date of</p>



	& 17/2020 & 22/2020	by COVID-19.		applicability of holding relevant EGMs or transact relevant business through postal ballot, as per the specified provisions in previous circulars, has extended upto 30 th June, 2020 or till further orders, whichever is earlier. [For detailed note please refer:- http://www.sgacs.in/resource/Blog.aspx] For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf http://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf
12.	10/04/2020	COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibilities (CSR)	Section 135 and Schedule VII of the Companies Act, 2013	MCA has issued FAQs for the queries related to CSR on Circular No. 10/2020 dated 23.03.2020 and other notifications in relation thereto. For FAQs please visit :_ http://www.mca.gov.in/Ministry/pdf/Notification_10042020.pdf
13.	13/04/2020 and Circular Number 16/2020	Filing under section 124 and 125 of the Companies Act, 2013 r/w IEPFA (Accounting,	Section 124, 125 and IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016	Although MCA has provided various relaxation through General Circular No. 11/2020 dated 24 th March, 2020 and General Circular No. 12/2020 dated 31 st March, 2020. By this Circular, MCA has clarified that relaxation for filing of various IEPF e-forms (IEPF-1, IEPF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF-7) and e-Form IEPF-5 has already been provided through General Circular No. 11/2020 and General Circular No. 12/2020.



		Audit, Transfer and Refund) Rules, 2016 in view of emerging situation due to outbreak of COVID-19		For the Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular16_13042020.pdf
14.	21/04/2020 and Circular Number 18/2020	Holding of Annual General Meeting (AGM) by companies whose Financial year has ended on 31 st December, 2019	Section 96	As per Section 96 of the Act, Company is required to hold its AGM within a period of six months (nine months in case of first AGM) from the closure of the Financial Year and not later than a period of 15 months from date of last AGM. Now, consequent to the aforementioned section those Companies, whose financial year (other than first financial year) has ended on 31.12.2019, required to hold their AGM within 6 months i.e., upto June, 2020. However, this circular provide relaxation to those Companies and clarifies that Companies whose financial year (other than first financial year) has ended on 31 st December, 2019, can hold their AGM for such financial year within a period of 9 months from the closure of the financial year i.e., upto 30 th September, 2020, the same shall not be viewed as a violation. For the Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular18_21042020.pdf
15.	05/05/2020 and Circular Number	Clarification on holding of annual general meeting (AGM) through video	Chapter VII/ VIII/ IX of Companies Act, 2013 Companies (Management and	There is no provision in the Companies Act, 2013 regarding holding of Annual General meeting through Video Conferencing or Other Audio Visual Means (OAVM) , but with this circular MCA has allowed AGM to be held during the Calendar year 2020 through VC or OAVM by considering the Circulars No. 14/2020 , 17/2020 and 18/2020 and other provisions in the Circular.



	20/2020	conferencing (VC) or other audio visual means (OAVM)	Administration) Rules, 2014 MCA General Circular No. 14/2020, 17/2020 and 18/2020 dated 08.04.2020, 13.04.2020 and 21.04.2020 respectively.	For Note please refer:- http://sgacs.in/resource/Blog.aspx For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf
16.	11/05/2020 and Circular Number 21/2020	Clarification on dispatch of notice under section 62(2) of Companies Act, 2013 by listed companies for rights issue opening upto 31st July, 2020	Section 62 of Companies Act, 2013 and SEBI (LODR) Regulation, 2015	Listed Companies are facing issue in relation to dispatch of notice pursuant to Section 62(2). Thus, by this circular MCA has provide clarification that for right issues opening upto 31 st July, 2020, in case of listed Companies, which comply with the requirements of SEBI Circular (No. SEBI/HO/CFD/DIL2/CIR/P/2020/78) dated 6 th May, 2020, inability to dispatch the notice to their shareholders through registered post or speed post or courier would not be viewed as violation of Section 62(2) of the Act. For Note please visit:- http://sgacs.in/resource/Blog.aspx For Circular please visit:- http://www.mca.gov.in/Ministry/pdf/Circular21_11052020.pdf
17.	17/06/2020 & Circular No. 23/2020	Scheme for relaxation of time for filing forms related to creation or modification of charges under	Section 77 and 78 of Companies Act, 2013	Through this Circular, MCA has introduced the Scheme for relaxation of time for filing forms related to creation/ modification of charges under Companies Act, 2013 for the purpose of condoning the delay in filing certain forms related to creation/modification of charges. For circular please visit:-



	Companies Act, 2013	http://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf
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LATEST AMENDMENTS UNDER THE VARIOUS RULES

S.No.	Notification No	Date	Rules Amended	Amendments
1.	GSR 46(E)	24/01/2020	Companies (Winding up) Rules, 2020 (W.e.f. 1st April, 2020)	The Rules have been notified for the types of winding up of a company by the Tribunal.
2.	GSR 60 (E)	30/01/2020	Companies (Accounts) Amendment Rules, 2020	Rule 12 (1A) have been inserted requiring every NBFC that requires to comply Ind AS to file Form AOC 4 NBFC (Ind AS) and Form AOC 4 CFS NBFC (Ind AS).
3.	GSR 79 (E)	03/02/2020	Companies (Compromises, Arrangements and Amalgamations) Rules, 2020	Insertion of Rule 3(5) for Application in the Form NCLT-1 u/s 230(11) of the CA, 2013 by such persons hold not less than $\frac{3}{4}$ and for acquiring any part of remaining shares with fee of Rs 5000/-.
4.	GSR 80 (E)	03/02/2020	NCLT (Amendment) Rules, 2020	Insertion of Rule 80A for Application in the Form NCLT-1 u/s 230(12) of the CA, 2013 by an aggrieved party in case of takeover offer of companies which are not listed with fee of Rs 5 000/-
5.	GSR 111 (E)	13/02/2020	Companies (Issuance of	GDR can be issued by public offering or private placement or



			GDR) Rules, 2020	in any other manner.
6.	GSR 128 (E)	18/02/2020	Companies (Incorporation) Amendment Rules, 2020	Introduction of SPICe + by amending rule 9,10, 12, 19(1), 38, 38A
7.	GSR 145 (E)	28/02/2020	Companies (Appointment and Qualification of Directors) Amendment Rules, 2020	Time limit for creation of online data base of the Independent Directors have been extended from 3 months to 5 month (i.e., upto 30 th April, 2020) & Relaxation for Online Test
8.	GSR 150 (E) & GSR 114 (E)	02/03/2020 & 14/02/2020	Companies (Nidhi) Second Amendment Rules, 2020	The time for providing declaration for Nidhi Co as per Rules 23 A and 23 B has been extended to 9 month from 6 month.
9.	GSR 170 (E)	12/03/2020	Companies (Registration Office and Fees) Second Amendment Rules, 2020	In Form GNL-2 In Addition to CA, 2013 new field for sections of the IBC, 2016 has been included.
10.	GSR 169 (E)	19/03/2020	Companies (Incorporation) Second Amendment Rules, 2020	In Form INC 28 In Addition to CA, 2013 new field for sections of the IBC, 2016 has been included
11.	GSR (E)	19/03/2020	Companies (Meetings of Board and its Powers) Amendment Rules, 2020	Meeting through Video conferencing or other Audio visual means may be held for the matters or items referred under Rule 4 of Companies (Meetings of Board and its Powers) Rules, 2014 in accordance with procedure mentioned in Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 from the period of 19/03/2020 to 30/06/2020.
12.	GSR 268(E)	29/04/2020	Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020	Time limit for creation of online data base of the Independent Directors have been extended from 5 months to 7 month

DISCLAIMER:-

All the details mentioned in this Note is view and interpretation of the Author(s) as per their knowledge. Please take professional and Legal Advice before going further with the circular. The Author and Firm will not be held responsible for any loss caused.


