

WEEKLY UPDATES ON COMPANY LAW ,SEBI AND RBI

Week 19 – May 07 – May 13, 2018

1

Companies Act 2013 during the week

Rules - 7; Circulars - 1; Notifications – 0; Orders- 0; Important Notices - 0

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	07.05.2018	Rules	Companies (Registration of Office and Fees) 2nd Amendment Rules 2018	<ol style="list-style-type: none"> 1. RUN - for reservation of name shall be allowed 15 days time for resubmission to rectify the defects if any. 2. Fees for filing under section 403 , in the principle rules Annexure sub item B table for additional fee for delay in filing of forms shall be substituted with below table (other than for increase in Nominal Share capital or forms under section 92/ 137 of the Act):

				<table border="1"> <thead> <tr> <th>S.N</th> <th>Period of delays</th> <th>Forms including charge documents</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>upto 15 days (sections 139 & 157)</td> <td>One Time</td> </tr> <tr> <td>2</td> <td>More than 15 days –30 days (Sections 139 & 157) and upto 30 days in remaining Forms</td> <td>2 times of normal filing fees</td> </tr> <tr> <td>3</td> <td>30 days to 60 days</td> <td>4 times of normal filing fees</td> </tr> <tr> <td>4</td> <td>60 days to 90 days</td> <td>6 times of normal filing fees</td> </tr> <tr> <td>5</td> <td>90 days to 180 days</td> <td>10 times of normal filing fees</td> </tr> <tr> <td>6</td> <td>More than 180 days</td> <td>12 times of normal filing fees</td> </tr> </tbody> </table> <p>3. Insertion after sub item C namely D. For Forms under section 92 or 137: The due date of filings under Section 92 (Annual Return) or 137 (Annual Financial Statement) of the Companies Act, 2013</p>	S.N	Period of delays	Forms including charge documents	1	upto 15 days (sections 139 & 157)	One Time	2	More than 15 days –30 days (Sections 139 & 157) and upto 30 days in remaining Forms	2 times of normal filing fees	3	30 days to 60 days	4 times of normal filing fees	4	60 days to 90 days	6 times of normal filing fees	5	90 days to 180 days	10 times of normal filing fees	6	More than 180 days	12 times of normal filing fees
S.N	Period of delays	Forms including charge documents																							
1	upto 15 days (sections 139 & 157)	One Time																							
2	More than 15 days –30 days (Sections 139 & 157) and upto 30 days in remaining Forms	2 times of normal filing fees																							
3	30 days to 60 days	4 times of normal filing fees																							
4	60 days to 90 days	6 times of normal filing fees																							
5	90 days to 180 days	10 times of normal filing fees																							
6	More than 180 days	12 times of normal filing fees																							

				<p>expires after 30/06/2018, the additional fee @Rs.100 per day shall become payable in respect of MGT-7, AoC-4, AoC-4 XBRL and AoC-4CFS.</p> <p>In all other cases where the belated annual returns or balance sheet/financial statement which were due to be filed whether under the Companies Act,1956 (23AC,23ACA,23AC XBRL,23ACA XBRL,20B,21A) or the Companies Act, 2013 (MGT-7, AoC-4, AoC-4 XBRL and AoC-4 CFS) additional fee as per the below table for the period of delay up to 30th June 2018</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Period for delay</th> <th>Additional fee payable (in Rs.) upto 30/06/2018</th> <th>Fees from 01/07/2018</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>upto 30 days</td> <td>2 times of normal filing fees</td> <td rowspan="3">plus Rs. 100 per day</td> </tr> <tr> <td>2</td> <td>30 days to 60 days</td> <td>4 times of normal filing fees</td> </tr> <tr> <td>3</td> <td>60 days to 90</td> <td>6 times of normal filing fees</td> </tr> </tbody> </table>	S. No	Period for delay	Additional fee payable (in Rs.) upto 30/06/2018	Fees from 01/07/2018	1	upto 30 days	2 times of normal filing fees	plus Rs. 100 per day	2	30 days to 60 days	4 times of normal filing fees	3	60 days to 90	6 times of normal filing fees
S. No	Period for delay	Additional fee payable (in Rs.) upto 30/06/2018	Fees from 01/07/2018															
1	upto 30 days	2 times of normal filing fees	plus Rs. 100 per day															
2	30 days to 60 days	4 times of normal filing fees																
3	60 days to 90	6 times of normal filing fees																

				<table border="1"> <tr> <td></td> <td>days</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td>90 days to 180 days</td> <td>10 times of normal filing fees</td> <td></td> </tr> <tr> <td>5</td> <td>More than 180 days</td> <td>12 times of normal filing fees</td> <td></td> </tr> </table> <p>Note:(1) The additional fee shall also be applicable to revised statement or board's report under section 130 and 131 of the Act and secretarial audit report filed by the company secretary in practice (2) Before this notification the forms due for filing including increase in capital, the fee payable at the time of actual filing shall be applicable</p>		days			4	90 days to 180 days	10 times of normal filing fees		5	More than 180 days	12 times of normal filing fees	
	days															
4	90 days to 180 days	10 times of normal filing fees														
5	More than 180 days	12 times of normal filing fees														
2	07.05.2018	Rules	Companies (Specification of Definition Details) Amendment Rules 2018	<p>Under Section 2 definition for Associate and Subsidiary Company, the explanation given for “Total share capital” in The Companies (specification of Definitions Details) Rules, 2014 :</p> <p><i>Total Share Capital”, for the purposes of clause (6) and clause (87) of section 2, means the aggregate of the -</i> <i>(a) paid-up equity share capital; and</i></p>												

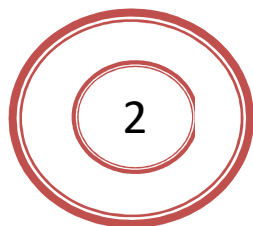
				<p><i>(b) convertible preference share capital;</i></p> <p>shall be omitted</p>
3	07.05.2018	Rules	<p><u>▲Companies (Share Capital and Debentures) 2nd Amendment Rules, 2018</u></p>	<p>In Companies (Share Capital and Debentures) 2nd Rules, 2014 – for the purpose of issue of sweat equity shares in the expression “Employee” the requirement for one year experience has been omitted ie the word “for at least one year” has been omitted</p>
4	07.05.2018	Rules	<p><u>▲Companies (Audit and Auditors) Amendment Rules, 2018</u></p>	<ul style="list-style-type: none"> i) Ratification of auditors in the AGM no longer required. ii) Provision of criminal liability of particular partner committing fraud in any audit firm is removed iii) Auditors Report to state about existence of Internal Financial control with reference to financial statements instead of adequacy of internal financial control. iv) Instead of cost accountant in practice it is reworded as cost accountant.
5	07.05.2018	Rules	<p><u>▲Companies (Meetings of Board and its Powers) Amendment Rules, 2018</u></p>	<p>1. Video Conferencing: If a valid physical quorum is available throughout the meeting, in such a scenario</p>

				<p>any other director can also participate through video conferencing for even matters not to be dealt with in a meeting through video conferencing.</p> <p>2. Every public listed company instead of every listed company to constitute Audit and NRC committees</p> <p>3. Prior approval - Special Resolution provision repealed from act is removed.</p>
6	07.05.2018	Rules	<p>Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2018</p>	<p>i) Qualification of Independent Directors – New sub-rule inserted that None of the relatives of the independent Director is indebted with the company, its subsidiary, holding, associate, promoter or directors.</p> <p>ii) or has given a guarantee with indebtedness of any third person to the company, holding, subsidiary, promoter, director, for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial years or during the current financial year. (Rule 5 shall be numbered as sub rule (1) and sub rule (2) is inserted for the purpose of Section 149 (6) (ii) & (iii))</p>

				iii) In Rule 16 Copy of resignation of director to ROC by the concerned Director- the word “shall” is substituted with the word “may”.																												
7	07.05.2018	Rules	Companies (Prospectus and Allotment of Securities) Amendment Rules, 2018	To bring in line with SEBI Rules and Regulation the matters to be stated in the prospectus ie information to be stated in prospectus, reports to be set out in prospectus, other matters and report to be stated in the prospectus and period for which information to be provided in certain cases Rule 3,4,5 & 6 are omitted.																												
8	07.05.2018	Notification	Commencement notification	The following Sections are notified: <table border="1" data-bbox="1370 826 2038 1372"> <thead> <tr> <th>S.No</th> <th>Section</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Clause (i) and clause (xiii) -Section 2</td> </tr> <tr> <td>2</td> <td>Section 8</td> </tr> <tr> <td>3</td> <td>Section 13</td> </tr> <tr> <td>4</td> <td>Section 18 & 19</td> </tr> <tr> <td>5</td> <td>Clauses (i) and (ii) of section 21</td> </tr> <tr> <td>6</td> <td>Clauses (iii) and (iv) of section 21</td> </tr> <tr> <td>7</td> <td>Sections 30 & 31</td> </tr> <tr> <td>8</td> <td>Section 33</td> </tr> <tr> <td>9</td> <td>Section 39 & 40</td> </tr> <tr> <td>10</td> <td>Section 46</td> </tr> <tr> <td>11</td> <td>Section 49</td> </tr> <tr> <td>12</td> <td>Section 52</td> </tr> <tr> <td>13</td> <td>Section 54 & 58</td> </tr> </tbody> </table>	S.No	Section	1	Clause (i) and clause (xiii) -Section 2	2	Section 8	3	Section 13	4	Section 18 & 19	5	Clauses (i) and (ii) of section 21	6	Clauses (iii) and (iv) of section 21	7	Sections 30 & 31	8	Section 33	9	Section 39 & 40	10	Section 46	11	Section 49	12	Section 52	13	Section 54 & 58
S.No	Section																															
1	Clause (i) and clause (xiii) -Section 2																															
2	Section 8																															
3	Section 13																															
4	Section 18 & 19																															
5	Clauses (i) and (ii) of section 21																															
6	Clauses (iii) and (iv) of section 21																															
7	Sections 30 & 31																															
8	Section 33																															
9	Section 39 & 40																															
10	Section 46																															
11	Section 49																															
12	Section 52																															
13	Section 54 & 58																															

				14	Section 61 & 62
				15	First proviso to clause(i) & (ii) of Section 80
				16	Section 83
				17	Section 86 to 89

S.No.	GENERAL IMPORTANT NOTICES	Remarks
	-	-



SEBI during the week

Act -0; Rules -0 ; Regulations-1; General Orders – 0; Guidelines- 0;

Master Circulars-0; Circulars – 1; Press Release – 0; Others - 0

S.No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	09.05.2018	Regulation	SEBI(Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018	Changes in LODR in line with recommendation of Kotak Committee.
2	10.05.2018	Circular	Circular for implementation of certain recommendations of the Committee on Corporate Governance under the Chairmanship of Shri Uday Kotak	<p>Apart from the recommendations made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notification dated 09.05.2018 few recommendations are implemented through this circular for the listed entities whose equity equity shares are listed:</p> <p>a) Disclosure on Board Evaluation -</p> <p>i. Observations of board evaluation</p>

				<p>carried out for the year.</p> <p>ii. Previous year's observations and actions taken.</p> <p>iii. Proposed actions based on current year observations.</p> <p>b) Unlisted subsidiaries shall be monitored by the Listed entities through dedicated group governance unit or Governance Committee, Group Governance Policy and the decisions thereof shall lie with Board Directors of the Listed Entities.</p> <p>c) Medium - term and long-term strategy:</p> <p>The listed entities may disclose their medium term and Long term strategy in their Annual Report under management discussion and analysis, and articulate a clear set of long-term metrics specific for measuring the progress of the entity.</p> <p>The clause 4.4 of the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27,2016</p> <p><i>"4.4. Where the impact of the audit qualification is not quantified by the auditor, the management shall make an estimate. In case the management is unable to make an estimate, it shall provide</i></p>
--	--	--	--	---

				<p><i>reasons for the same. In both the scenarios, the auditor shall review and give the comments.”</i></p> <p>shall stand deleted.</p>
--	--	--	--	---

3

RBI during the week

Notifications -0; Master Directions –0; Master Circulars – 0; Circular - 0; Press Release - 0

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
		-	-	-



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam Chennai 600028.
mail@akshayamcorporate.com

www.akshayamcorporate.com;Land Line:044-43533080

The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity.