

KNOWLEDGE UPDATE



AKANSHA RATHI & ASSOCIATES

COMPANY LAW

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2. Amendment in Companies (Account) Rules.
3. Additional matters to be included in the Audit Report
4. Amendments in Schedule III (Financial statements).
5. Notification of commencement date of Section 23 & 45 of Companies, (Amendment) Act,2020
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INSOLVENCY LAW

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2. IBBI (Insolvency Resolution Process for Corporate Persons) (Amendments) Regulations, 2021
3. IBC(Amendment) Ordinance ,2021

SECURITIES LAW

1. SEBI Press Release dated March 25,2021.

Legal Updates

- 1.Ending of limitation Period
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3. SC Order on eligibility of persons who can propose Compromise & Arrangement Schemes u/s 230 of the Companies Act 2013.

Due Dates Under Various laws

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COMPANY LAW



1. New form MGT-7A for Small Co & OPC's

- Annual Return of Small Company and OPC shall be filled from FY 20-21 onwards in Form MGT-7A
- No requirement to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report
- [Click here for Notification](#)

2. Amendment in Companies (Account) Rules

- Mandatory use of Accounting software having feature of recording Audit Trail, changes made in the accounts and a feature which ensures that Audit trail can't be disabled effective from 1st April,2022
- Board's report to contain details of application or proceedings under IBC and details of difference with reasons in valuation taken at time of onetime settlement and while taking loan from Banks
- [Click here for Notification](#)
- [Click here for Commencement Date Notification](#)

3. Additional matters to be included in the Audit Report

- Reporting of loans, advances, investment, receipt of funds, lending from "Funding Parties" for "Ultimate Beneficiaries"
- Dividend declared or paid is in compliance with Section 123 of the Companies Act,2013.
- Accounting software being uses has feature of recording audit trail
- Effective from 1st April,2022.
- [Click here for Notification](#)
- [Click here for Commencement Date Notification](#)

4. Amendments in Schedule III (Financial statements).

- New mandatory disclosures required to be presented in the financial statements w.e.f 1st April 2021.
- Disclosure of shareholding of promoters, Trade payables & receivables ageing schedule, pending registration & satisfaction of charges,
- Ratios like Debt equity, Debt Service coverage, return on investment ratio, return on capital employed and others
- [Click here for Notification](#)



COMPANY LAW



5. Notification of commencement date of Section 23 & 45 of Companies, (Amendment) Act,2020

- It will be effective from March 24,2021
- Section 23 - imposition of penalty for violations of Section 124(Unpaid Dividend Account).
- Section 45 - imposition of penalty for violations of Section 247(3) (valuation by registered valuers).
- [Click here for Notification](#)

6. Mandatory applicability of ICSI Auditing standards w.e.f 1/04/2021

- Mandatory for all audit engagements accepted on or after above mentioned date.
- four auditing standards as under:
 - a)CSAS 1: Audit Engagement
 - b)CSAS 2:Audit Process and Documentation
 - c)CSAS 3: Forming of Opinion
 - d)CSAS 4: Secretarial Audit
- [Click here for Notification](#)

7. Amendments in Part II (Remuneration) of Schedule V of the Act .

- In Section I & Section II , along with 'managerial person/persons', 'other director or other directors 'shall be included.
- New table for limits of Managerial Remuneration . Along with existing limits for 'Managerial Person', limits for 'Other Directors ' have also been included.
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8. Establishment of a Central Scrutiny Centre for scrutiny of Straight Through Processes (STP) e-forms

- The Central Govt. has established a Central Scrutiny Centre for the scrutiny of STP Forms.
- The CSC shall carry out the scrutiny and forward the findings to the concerned RoC for necessary action.
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INSOLVENCY LAW



1. IBBI (Liquidation Process) (Amendment) Regulations, 2021

- As per the amendment liquidator shall file list of stakeholders with Adjudicating Authority within 45 days from the last date of receipt of claims.
- The liquidator shall also file list of stakeholders with IBBI on its electronic platform.
- Said amendment shall be applicable on every liquidation ongoing and commencing from 4th March, 2021
- [Click here for Notification](#)

2. IBBI (Insolvency Resolution Process for Corporate Persons) (Amendments) Regulations, 2021

- Creditor should update its claims as and when the claim is satisfied partly or fully after the insolvency commencement date.
- Filing of CIRP 7 when any of the activities like Public Announcement, Appointment of RP, Issue of Information Memorandum, Completion of CIRP is not completed within their respective timelines as provided in the Act within 3 days of the respective timeline of such activity and continue to file Form CIRP 7, every 30 days until that activity remains incomplete
- New Form C- Submission of claim by Financial Creditor
- [Click here for Notification](#)

3. IBC(Amendment) Ordinance, 2021

- Considering the importance of MSMEs in the current pandemic situation, the Government has decided to address the specific requirements of MSMEs relating to insolvency resolution.
- Hence it has been decided to introduce a pre-packaged insolvency resolution for MSMEs. It aims to provide efficient, quicker, cost effective & value maximising resolution process.
- [Click here for Notification](#)

SECURITIES LAW



1. SEBI Press Release dated 25th March 2021.

- Requirement of Risk Management Committee has been extended to top 1000 listed entities
- A listed entity is required to disclose the schedule of analyst/institutional investor meetings
- For Delisting, a promoter will be required to disclose the intention behind delisting, recommendations of independent directors, timeline of various activities.
- Portfolio manager will have to obtain prior approval for change in control.
- Requirement of Dividend Distribution policy has been extended to top 1000 listed entities.
- The requirement to publish newspaper advertisements reg. Notice of board meetings for quarterly financial statements are dispensed off with.
- Frequency of submission of compliance certificate relating to share transfer is revised to Annual.
- Business Responsibility and sustainability reporting is applicable to top 1000 listed entities on a voluntary basis from FY 2021-22 and on a mandatory basis from FY 2022-23.
- For investor meetings, audio/video recording shall be disclosed before next trading day or within 24 hours whichever is earlier. Written transcripts of investor meetings to be disclosed within 5 working days.

SECURITIES LAW

- For reclassification of promoter to public category the time gap between Board and members' meeting to minimum 1 month and maximum 3 months.
- Changes to the framework of Innovators Growth Platform: It has reduced the requirement of holding 25% of pre- issue capital held by eligible investors for two years to one year. Issuer Company may make discretionary allotment upto 60% of the issue size.
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Legal Updates

1. Ending of Limitation Period

- In computing the period of limitation for any suit, appeal, application or proceeding, the period from March 15, 2020 till March 14, 2020 shall stand excluded.
- Consequently, the balance period of limitation remaining as on March 15, 2020, if any, shall become available with effect from March 15, 2021.
- In cases where the limitation period would have expired during the period between March 15, 2020 till March 14, 2021, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from March 15, 2021
- In the event the actual balance period of limitation remaining with effect from March 15, 2021, is greater than 90 days, then longer period shall apply.

[Click here for Notification](#)

2. Notification regarding Investment by an Indian entity owned and controlled by NRI

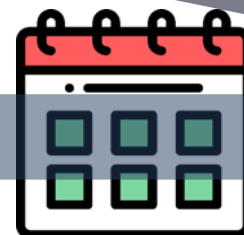
- Investment made by an Indian entity owned & controlled by NRI on a non – repatriation basis won't be considered for the calculation of Indirect foreign investment.
- [Click here for Notification](#)

3. SC Order on eligibility of persons who can propose Compromise & Arrangement Schemes u/s 230 of the Companies Act 2013.

- As per the order, persons ineligible under Section 29A of the IBC ,2016 cannot propose schemes u/s 230 of the Companies Act,
- [Click here for Notification](#)



Due Dates under Various Laws



SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

SEBI Listing Obligations and Disclosure Requirements (LODR)

7/04/2021	Disclosure of Aggregate shareholding by persons along with persons acting in concert who exercises 25% or more of voting power & by promoter along with persons acting in concert of Target Co.
15/04/2021	Quarterly Compliance Report on Corporate Governance
21/04/2021	Statement of Investor Grievances
21/04/2021	Shareholding Pattern
30/04/2021	Reconciliation of Share Capital Audit
30/04/2021	Compliance certificate certifying maintaining electronic & physical transfer facility
30/04/2021	Certificate from Practicing Company Secretary certifying that all certificates have been issued within 30 days from the date of lodgment for transfer, sub division, consolidation, renewal, exchange or endorsement of calls / allotment monies
30/04/2021	Form MSME (for reporting dues to MSME exceeding 45 days if any)

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