

MAJOR ACHIEVEMENTS OF THE MCA FOR JULY, 2016

(1) Circulars:

In view of revision of forms for filing Financial Statements and Annual Returns, additional time upto 29.10.2016 for filing without payment of additional fees has been allowed to company having due date of holding of annual general meeting on or after 01.04.2016. (General Circular No. 08/2016, dated 29.07.2016).

(2) Notifications:

- (i) On 14th July, 2016 the Companies (Cost Records and Audit) Amendment Rules, 2016 were issued. Through this amendment certain changes in the provisions relating to description/Central Excise Tariff Act (CETA) heading, coverage of cost audit and manner of appointment of Cost Auditor have been carried out.
- (ii) On 19th July, 2016 a notification was issued under section 381 of the Companies Act, 2013 to allow foreign Airlines companies to file documents relating to consolidated financial statement of the parent foreign company and a statement of receipts and payments in respect of its India Business operation with Registrar. This notification provides relief sought by such companies in view of nature of their operations. (S.O. 2463(E), dated 19.07.2016).
- (iii) This Ministry has vide notification dated 19.07.2016 modified the Companies (Share Capital and Debentures) Rules, 2014 and some of the major amendments are as under:-
 - (a) A proviso has been inserted to allow such companies which have defaulted in payment of dividend on preference shares or in repayment of any term loan or interest thereon from banks and financial institutions or statutory dues to employees or default in crediting dues to IEPF fund, to issue equity shares with differential rights upon expiry of five years from the end of financial year in which such default was made good;
 - (b) A start-up company has been allowed to issue sweat equity shares not exceeding 50% of its paid up capital upto 5 years from the date of incorporation, as against 25% in other cases.
 - (c) The issue of debenture is now allowed to be secured by the creation of a charge on the assets of the issuer company or its subsidiaries or its holding company or its associate company to ensure repayment of amount of debentures and interest thereon, as against its own assets earlier. (G.S.R 704(E), dated 19.07.2016).

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- (iv) On 21st July, 2016 the Ministry notified National Company Law Tribunal Rules, 2016 specifying the procedure through which NCLT shall receive and dispose of various applications under Companies Act, 2013; and-
- (v) On 21st July, 2016 the Ministry also notified National Company Law Appellate Tribunal Rules, 2016 specifying the procedure through which NCLAT shall receive and dispose of various applications under Companies Act, 2013; G.S.R. 716 (E) and 717 (E) both dated 21.07.2016.
- (vi) This Ministry has amended the Companies (Accounts) Rules, 2014, whereby exemption from preparation of consolidated financial statement will be available to a wholly owned subsidiary or a partially owned subsidiary on fulfillment of certain conditions. Further, form AoC-1 and AoC-4 have also been substituted. (GSR 742(E), dated 27.07.2016).
- (vii) This Ministry vide notification no. 2554(E) dated 27.07.2016 has designated Court of Additional Sessions Judge-03, South-West District, Dwarka as a Special Court for NCT of Delhi after obtaining concurrence of the High Court of Delhi has been obtained.
- (viii) This Ministry has amended the Companies (Incorporation) Rules, 2014 with the following major changes:-
 - (a) A natural person shall not be a member of more than 'One Person Company' at any point of time and the said person shall not be a nominee of more than One Person Company simultaneously.
 - (b) The subscribers and witnesses to the subscription clause of MOA and AOA are now allowed to affix their signatures on the type written particulars of theirs instead of personally writing such particulars.
 - (c) The need to provide proof to identify and residence of a subscriber provided he holds a valid and updated DIN, has been dispensed with.
 - (d) Every company having a website for conducting online business or otherwise shall publish its name, address of its registered office, the Corporate Identity Number, Telephone number etc. and name of the contact person for any query or grievance on the home page of the website.
 - (e) A company has been allowed to change its name once inquiry, inspection or investigation, as the case may be against the said company has been completed and no prosecution is pending in consequence thereof.
 - (f) Procedures for conversion of unlimited liability company into a limited liability company have been prescribed. (G.S.R. 743 (E) dated 27.07.2016).