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**Some important changes happened in the Corporate and Legal world in the month of January 2019:**

### **1. Companies (Amendment) Ordinance, 2018**

The Companies (Amendment) Ordinance, 2018 promulgated on January 12, 2019 thereby amending some of the sections of the Companies Act, 2013. The objective of the Ordinance is to facilitate ease of doing business and to enhance scope of corporate compliance.

**The highlights of the Companies (Amendment) Ordinance, 2018 have been attached to this newsletter for ready reference and understanding.**

### **2. Note on Micro, Small and Medium Enterprises (MSME) Filing**

In a surprised development, vide notification dated 22<sup>nd</sup> January, 2019 issued by the Ministry of Corporate Affairs, every specified company shall submit a half yearly return to the Ministry of Corporate Affairs in the specified form MSME Form-1 as follows:

1. Every specified company shall file in MSME Form I details of all outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order within thirty days from the date of publication of this notification.
2. Every specified company shall file a return as per MSME Form I to this Order, by 31<sup>st</sup> October for the period from April to September and by 30<sup>th</sup> April for the period from October to March.

**Impact: Every specified company shall file details of ALL outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order.**

### **3. Note on Form DPT- 3 (Return of Deposit) Filing:**

In a surprised development, vide notification dated 22<sup>nd</sup> January, 2019 issued by the Ministry of Corporate Affairs, every company other than Government company shall furnish information about Outstanding loans with Ministry of Corporate Affairs in the specified form DPT-3 within ninety days from the date of publication of this notification.

Time Limit for filing form is yearly returns for a period from April to March shall be filed by 30<sup>th</sup> June.



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**Impact: Due date for filing form for first time is 24<sup>th</sup> April, 2019 and thereafter 30<sup>th</sup> June of every year.**

#### **4. MCA notifies Companies (Prospectus and Allotment of Securities) Rules, 2014**

Ministry of Corporate Affairs notifies Companies (Prospectus and Allotment of Securities) Rules, 2014 vide Notification No. G.S.R. 43(E) dated January 22, 2019. The notification provides for amendments in rule 9A, after sub-rule (10), the following shall be inserted,

“(11) This rule shall not apply to an unlisted public company which is: –  
 (a) A Nidhi;  
 (b) A Government company or  
 (c) A wholly owned subsidiary.”

#### **5. Amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016**

The amendment Regulations are effective from January 24, 2019 and are also available at [www.mca.gov.in](http://www.mca.gov.in) and [www.ibbi.gov.in](http://www.ibbi.gov.in)

1. The Insolvency and Bankruptcy Code, 2016 provides for corporate insolvency resolution process for invitation, receipt, and consideration of resolution plans; and approval of a resolution plan to resolve insolvency of the corporate debtor. It envisages that a resolution plan, once approved, must be implemented. In furtherance of this, the Insolvency and Bankruptcy Board of India has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2019 to discourage persons, other than genuine, capable and credible resolution applicants, to submit resolution plans.

2. The amendment mandates that the request for resolution plans shall require the resolution applicant, in case its resolution plan is approved by the committee of creditors, to provide a performance security. Performance security means security of such nature, value, duration and source, as may be approved by the committee of creditors, having regard to the nature of resolution plan and business of the corporate debtor.

3. The Resolution Professional shall attach the evidence of receipt of performance security while submitting the resolution plan to the Adjudicating Authority for



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approval. Such performance security shall be forfeited if the resolution applicant of such plan, after its approval by the adjudicating authority, fails to implement or contributes to the failure of implementation of the plan.

4. The amendment also requires that the resolution plan shall include a statement as to whether the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 at any time in the past.

5. The amendment enables a creditor, who is aggrieved by non-implementation of a resolution plan approved by the Adjudicating Authority, to apply to the Adjudicating Authority for appropriate directions.



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We suggest readers to draw their conclusions after taking into consideration various other relevant sections, rules to be notified from time to time and applicable Secretarial Standards, Accounting Standards and Guidance notes and other notifications, circulars and amendments notified from time to time.

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