



**Snehal Shah**

B.Com., FCS, LL.B.  
+91 9821 778811

**Snehal Shah & Associates**

COMPANY SECRETARIES

501, Shreeji Arcade Premises, Jn. of S. V. Road & M. G. Road, Kandivali (West), Mumbai 400067  
Office No. : + 91 97693 51780 | Email: snehalshah\_19@yahoo.com | snehalshahpcs@gmail.com

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

### **1. Amendment in the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016**

MCA vide notification dated 8<sup>th</sup> May, 2019 has granted powers to Central Government to amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.

- (a) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2019. It has come into force with effect from **10<sup>th</sup> May, 2019**.
- (b) **No application in Form STK-2** (Closure of company) shall be filed by a company **unless it has filed overdue returns** in Form AOC-4 (Financial Statement) or AOC-4 XBRL as the case may be and Form MGT-7 (Annual Return) up to the end of the financial year in which the company ceased to carry its business operations.
- (c) If notice in Form STK-7 has been issued by the Registrar for striking off under sub-section (1) of section 248, a company shall not be allowed to file an application in Form STK-2.
- (d) Statement of accounts shall be furnished in format of Form STK-8 containing assets and liabilities of the company made up to a day, not more than thirty days before the date of application.
- (e) In Form STK-4 (Affidavit by every director of the company), a new clause shall be added stating that the company has fulfilled all pending compliances, if any [Applicable in case an application under sub-section (2) of section 248 has been filed after the initiation of action under sub-section (1) of section 248].
- (f) Application fees for Form STK-2 has been increased from **Rs. 5,000/- to Rs. 10,000/-** with effect from 10<sup>th</sup> May, 2019.

**Impact:** New provisions are introduced by the Ministry stating that a company cannot strike its name from the Registrar of Companies unless it has filed all the overdue returns upto the financial year from which it ceased to carry business.



**Snehal Shah**

B.Com., FCS, LL.B.  
+91 9821 778811

# Snehal Shah & Associates

## COMPANY SECRETARIES

501, Shreeji Arcade Premises, Jn. of S. V. Road & M. G. Road, Kandivali (West), Mumbai 400067  
Office No. : + 91 97693 51780 | Email: snehalshah\_19@yahoo.com | snehalshahpcs@gmail.com

### 2. Clarification for Form ADT-I filed through Form GNL-2 under the Companies Act, 2013

MCA vide circular dated 13<sup>th</sup> May, 2019 has issued a clarification for Form ADT-I filed through Form GNL-2 under the Companies Act, 2013 as follows:

- (a) MCA had received representation from stakeholders seeking relaxation of fees for filing Form ADT-1 filed through Form GNL-2 during the period from 1<sup>st</sup> April, 2014 to 20<sup>th</sup> October, 2014 for appointment of Auditor for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 due to non-availability of form ADT-1 during the said period.
- (b) Accordingly, the matter has been examined and it is here by clarified that companies which had filed Form ADT-1 through Form GNL-2 as an attachment (by selecting 'OTHERS') during the **period from 1<sup>st</sup> April, 2014 to 20<sup>th</sup> October, 2014 may file form ADT-1 for appointment of Auditor for period upto 31<sup>st</sup> March, 2019 without fees till 15<sup>th</sup> June, 2019.**
- (c) After the due date, additional fees shall be applicable as per Companies (Registration of Office and Fees) Rules, 2014.

**Impact:** Stakeholders shall avail this one time opportunity and file Form ADT-1 without fees as stated above to avoid additional fees.

### 3. Amendment in the Companies (Appointment and Qualification of Directors) Rules, 2014

MCA vide notification dated 16<sup>th</sup> May, 2019 has granted powers to Central Government to amend the Companies (Appointment and Qualification of Directors) Rules, 2014.

- (a) These rules may be called the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2019. They shall come into force on the date of their publication in the Official Gazette.
- (b) A new rule 12B for Directors of company required to file e-form ACTIVE shall be inserted as follows:
  - (1) Where a company governed by Rule 25A of the Companies (Incorporation) Rules, 2014, fails to file the e-form ACTIVE within the period specified, the



**Snehal Shah**

B.Com., FCS, LL.B.  
+91 9821 778811

**Snehal Shah & Associates**

**COMPANY SECRETARIES**

501, Shreeji Arcade Premises, Jn. of S. V. Road & M. G. Road, Kandivali (West), Mumbai 400067  
Office No. : + 91 97693 51780 | Email: snehalshah\_19@yahoo.com | snehalshahpcs@gmail.com

Director Identification Number (DIN) allotted to its existing directors, shall be marked as “**Director of ACTIVE non-compliant company**”.

(2) Where the DIN of a director has been marked as “Director of ACTIVE non-compliant company”, such director shall take all necessary steps to ensure that all companies governed by rule 25A of the Companies (Incorporation) Rules, 2014, where such director has been so appointed, file e-form ACTIVE.

(3) After all the companies file the e-form ACTIVE, the DIN of such director shall be marked as “**Director of ACTIVE compliant company**”.

**Impact:** If the company fails to file Form ACTIVE within specified period, then director of that company shall be referred as ‘Director of ACTIVE non-compliant company’. After the companies comply with filing of Form ACTIVE then such director shall be referred as ‘Director of ACTIVE non-compliant company’.

#### **4. Amendment in the Companies (Prospectus and Allotment of Securities) Rules, 2014**

MCA vide notification dated 22<sup>nd</sup> May, 2019 has granted powers to Central Government to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014.

- (a) These rules may be called the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019. It will come into force with effect from 30<sup>th</sup> September, 2019.
- (b) In rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 which refers to Issue of securities in dematerialized form by unlisted public companies following will be substituted:

(1) In sub rule 7, for the word and figures “Regulations, 1996”, the word and figures “Regulations, 2018” shall be substituted.

(2) Sub rule 8 shall be substituted as every unlisted public company governed by this rule shall submit **Form PAS-6** to the Registrar with such fee as provided in Companies Registration Offices and Fees) Rules, 2014 **within sixty days from the conclusion of each half year** duly certified by a company secretary in practice or chartered accountant in practice.



**Snehal Shah**

B.Com., FCS, LL.B.  
+91 9821 778811

**Snehal Shah & Associates**

**COMPANY SECRETARIES**

501, Shreeji Arcade Premises, Jn. of S. V. Road & M. G. Road, Kandivali (West), Mumbai 400067  
Office No. : + 91 97693 51780 | Email: snehalshah\_19@yahoo.com | snehalshahpcs@gmail.com

(3) Sub rule 8A shall be substituted as the company shall immediately bring to the notice of the depositories any difference observed in its issued capital and the capital held in dematerialized form.

**Impact:** Every unlisted public companies holding securities in dematerialized form shall file form PAS-6 within sixty days from the conclusion of each half year with the Registrar.

### **Disclaimer:**

The information given in this article is personal understanding of the writer and shall not be used as a conclusive material. The content stated/mentioned here is subject to changes by respective Government/Authorities in the applicable laws. The writer shall not be liable for any direct or indirect damages caused to any person acting solely on/based upon the information provided herein.

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.

### **Confidentiality Note:**

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message. Thank you.