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Some important changes happened in the Corporate and Legal world in the month of January, 2020:

1. Amendment of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2020.

In exercise of power conferred by Section 203(1) read with Section 469. MCA vide notification dated 3rd January, 2020 has granted powers to Central Government to amend the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2020.

- ~ The rules may be called as Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2020. Such rules shall be applicable in respect of financial years commencing on or after 1st April, 2020.
- ~ In Rule 8A, the words "A company other than a company covered under rule 8 which has a paid up share capital of five crore rupees or more shall have a whole-time company secretary" the words "Every private company which has a paid up share capital of ten crore rupees or more shall have a whole -time company secretary" shall be substituted.
- ~ In Rule 9, sub- rule (1) after clause (b) the word "or", clause (c) "every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more" and the explanation "For the purposes of this sub-rule, it is hereby clarified that the paid up share capital, turnover, or outstanding loans or borrowings as the case may be, existing on the last date of latest audited financial statement shall be taken into account" shall be inserted.

Impact: Minor changes having major impact have taken place in the rules for the betterment of stakeholders.

2. Relaxation of Additional Fees and Extension of last date of filing of e-Form BEN-2.

- ~ The Ministry has received representation regarding extension for the last date filing of e-Form BEN-2 under Companies (Significant Beneficial Owners) Amendment Rules, 2019.



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~ The due date for filing e-Form BEN-2 without additional fees will be 31.03.2020.

Impact: The extension granted for filing e-Form BEN-2 is a relief for the stakeholders.

3. Introduction of Companies(Winding Up) Rules, 2020.

In exercise of power conferred by Section 468(1) and (2) and Section 469(1) and (2), MCA vide notification dated 24th January, 2020 has granted powers to Central Government to introduce the Companies (Winding Up) Rules, 2020.

~ The rules may be called as Companies (Winding Up) Rules, 2020. Such rules shall come into force on 1st April, 2020.

~ These rules shall apply to winding up under the companies Act, 2013.

The Rules are attached to the mail for ready understanding and reading.

Impact: The introduction of these rules, will ease the understanding and the process of winding up of a company.

4. Amendment to Companies (Accounts) Rules, 2014.

In exercise of power conferred by Section 128(1) and (3), Section 129(3), Section 133, Section 134 and Section 138 read with Section 469. MCA vide notification dated 30th January, 2020 has granted powers to Central Government to amend the Companies (Accounts) Rules, 2014.

~ The rules may be called as Companies (Accounts) Amendment Rules, 2020. Such rules shall come into force on the date of their publication in the Official Gazette.

~ In Rule 12, after sub-rule (1) sub-rule (1A) "Every Non-Banking Financial Company (NBFC) that is required to comply with Indian Accounting Standards (Ind AS) shall file the financial statements with Registrar together with Form AOC-4 NBFC (Ind AS) and the consolidated financial statement, if any, with Form AOC-4 CFS NBFC (Ind AS)" shall be inserted.

~ In the said rules, in the Annexure, after Form AOC-4 CFS, Form AOC-4-NBFC (Ind AS) and Form AOC-4-CFS NBFC (Ind AS) shall be inserted.



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Impact : A form Dedicated to NBFC Annual Filing filing has been introduced for taking into account the various parameters that are applicable only to NBFCs.

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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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