**Corporate Law Update – May 2021**

The following are few of the important updates in Companies Act 2013 & SEBI LODR Regulations 2015 during May 2021

**Important news** is MCA Version 3 Phase I has been launched and the MCA website started functioning under Version 3 from 24th May 2021.

New Services on Data & Report and E-consultation have been included in this Phase I of MCA V3.

1. **Relaxation for Additional fees for few forms other than charge forms**

The Ministry of Corporate Affairs (MCA) vide its General Circular No.06 dated 3rd May 2021 relaxed levy of additional fees for certain forms under Companies Act, 2013 & LLP Act 2008.

It has been decided to grant additional time up to 31st July 2021 for companies / LLPs to file such forms ( other than CHG 1, CHG 4 & CHG 9 ) without any additional fees which were / would be due for filing during 1st April 2021 to 31st May 2021.

**List of forms providing waiver of additional fee as per Circular no. 06/2021 ( updated up to 28.5.2021)**

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| **Sl. No.** | **Form Id** | **Form Description** |
| 1 | ADT - 1 | Auditor Appointment |
| 2 | INC - 22 | Registered Office Address |
| 3 | NDH - 2 | Application for Extension of Time |
| 4 | NDH - 3 | Return of Nidhi Company for the half year ended |
| 5 | FC - 4 | Annual Return of a Foreign Company |
| 6 | MSC - 3 | Return of Dormant Companies |
| 7 | INC - 27 | Conversion of Public to Private or Private to Public companies |
| 8 | IEPF - 3 | Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education & Protection Fund. |
| 9 | AOC - 4 | Form for filing financial statement and other documents with the  Registrar |
| 10 | AOC – 4 NBFC | Form for filing financial statement and other documents with the Registrar for NBFCs |
| 11 | FORM AOC-4 XBRL | Form for filing XBRL document in respect of financial statement and other documents with the Registrar |
| 12 | Form MGT-7 | Form for filing annual return by a company |
| 13 | LLP Form 3 | Information with regard to limited liability partnership agreement and changes, if any, made therein |
| 14 | LLP-Form 11 | Annual Return of Limited Liability Partnership (LLP) |
| 15 | Form DIR-11 | Notice of resignation of a director to the Registrar |
| 16 | Form MGT-14 | Filing of Resolutions and agreements to the Registrar |

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| **Sl. No.** | **Form Id** | **Form Description** |
| 17 | Form INC-20A | Declaration for commencement of business |
| 18 | Form MGT-15 | Form for filing Report on Annual General Meeting |
| 19 | Form PAS-6 | Reconciliation of Share Capital Audit Report (Half-yearly) |
| 20 | Form AOC-4 CFS - NBFC | Form for filing consolidated financial statements and other documents with the Registrar for NBFCs |
| 21 | Form AOC-4 CFS | Form for filing consolidated financial statements and other documents with the Registrar |
| 22 | Form FC-1 | Information to be filed by foreign company |
| 23 | Form FC-2 | Return of alteration in the documents filed for registration by foreign company |
| 24 | Form PAS-3 | Return of allotment |
| 25 | Form MR-1 | Return of appointment of MD/WTD/Manager |
| 26 | Form INC-4 | One Person Company- Change in Member/Nominee |
| 27 | Form INC-6 | One Person Company- Application for Conversion |
| 28 | Form IEPF-5 eVerification Report | Company eVerification Report |
| 29 | Form INC-20 | Intimation to Registrar of revocation/surrender of license issued under  section 8 |
| 30 | Form NDH-4 | Application for declaration as Nidhi Company and for updation of  status by Nidhis |
| 31 | Form IEPF-4 | Statement of shares transferred to the Investor Education and  Protection Fund |
| 32 | Form GNL-3 | Details of persons/directors/charged/specified |
| 33 | Form MGT-6 | Persons not holding beneficial interest in shares |
| 34 | Form GNL-2 | Form for submission of documents with the Registrar |
| 35 | Form ADT-3 | Notice of Resignation by the Auditor |
| 36 | Form DIR-12 | Particulars of appointment of Directors and the key managerial  personnel and the changes among them |
| 37 | Form SH-11 | Return in respect of buy-back of securities |
| 38 | Form CRA-4 | Form for filing Cost Audit Report with the Central Government |

1. **Relaxation for time for filing Charge forms CHG 1 & CHG 9**

The Ministry of Corporate Affairs (MCA) vide its General Circular No.07 dated 3rd May 2021 relaxed time for filing Charge related forms and condone the delay under Companies Act, 2013.

**Applicability :**

For any charge form due date for filing were / would lie between 1.4.20201 to 31.5.2021 the dates starting from 1st April and till 31st May will not be counted and time count will start only from 1.6.2021.

This relaxation shall not apply to

1. CHG 1 & CHG 9 filed already
2. The timeline for filing already expired u/s Sec 77 or 78 prior to 1.4.2021
3. The timeline expires at future date calculating from 1.6.2021
4. Filing for CHG 4 for satisfaction of charges

**List of forms providing waiver of additional fee as per Circular no. 07/2021**

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| --- | --- | --- |
| **Sl. No.** | **Form Id** | **Form Description** |
| 1 | CHG - 1 | Creation or Modification of charge (other than related to debenture) |
| 2 | CHG - 9 | Creation or Modification of charge related to debenture |

1. **Relaxation for Gap Between Two Board Meetings**

The Ministry of Corporate Affairs (MCA) vide its General Circular No.08 dated 3rd May 2021 relaxed time gap between two board meetings for 1st and 2nd quarter of 2021-22 under Companies Act, 2013.

The requirement of holding board meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 ( 120 days ) stands extended by a period of 60 days for first two quarters of Financial year 2021-22. i.e. 180 days gap is allowed for the board meetings held during April – June & July – September of FY 2021-22.

1. **Clarification on spending CSR funds**

The Ministry of Corporate Affairs (MCA) vide its General Circular No.09 dated 5th May 2021 clarified on spending of CSR funds for creating health infrastructure for Covid Care, establishment of medical oxygen generation and storage plants, etc., under Companies Act, 2013.

In continuation to MCA’s General Circular No.10/2020 dated 23rd March 2020 wherein it was clarified that spending CSR funds for Covid – 19 is an eligible CSR activity and it is now further clarified that spending CSR Funds for creating health infrastructure for Covid Care, establishment of medical oxygen generation and storage plants, manufacturing and supply of Oxygen Concentrators. Ventilators, Cylinders and other medical equipment for countering Covid – 19. etc., are eligible CSR activities under items no. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of Health Care, including preventive health care and disaster management respectively.

1. **Business Responsibility and Sustainability Reporting by Listed Entities (BRSR)**

SEBI, vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10th May 202, in view of adapting to and mitigating climate change impact, inclusive growth and transitioning to a sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of company’s performance on sustainability related factors has become as vital as reporting on financial and operational performance.

In terms of amendment to regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, it has now been decided to introduce new reporting requirements on ESG parameters **called** the **Business Responsibility and Sustainability Report (BRSR).** The BRSR is accompanied with a guidance note to enable the companies to interpret the scope of disclosures.

The BRSR is intended towards having quantitative and standardized disclosures on **ESG** ( **Environment, Social and Governance** ) parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions. The BRSR shall also enable companies to engage more meaningfully with their stakeholders, by encouraging them to look beyond financials and towards social and environmental impacts.

**Applicability**

In terms of the aforesaid amendment, with effect from the **financial year 2022-2023**, filing of BRSR **shall be mandatory** for the **top 1000 listed companies** (by market capitalization) and shall replace the existing BRR. Filing of BRSR is voluntary for the financial year 2021-22.

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