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The Companies (Share Capital and Debentures) Amendment Rules, 2018

The Ministry of Corporate Affairs vide notification dated 10th April, 2018 has brought amendment in rule 5, for sub-rule (3) of the Companies (Share Capital and Debentures) Rules, 2014 which shall come into force on the date of their publication in the Official Gazette.



The amended rule stands as under:

"Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed company secretary.

Provided that in case the company has a common seal it shall be affixed in the presence of persons required to sign the certificate.

Explanation. - For the purposes of this sub-rule, it is hereby clarified that:-

(a) in case of an One Person Company, it shall be sufficient if the certificate is signed by a director and the company secretary or any other person authorised by the Board for the purpose.

(b) a director shall be deemed to have signed the share certificate if his signature is printed thereon as facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed, but not by means of rubber stamp, provided that the director shall be personally responsible for permitting the affixation of his signature thus and the safe custody of any machine, equipment or other material used for the purpose.

Earlier the Share Certificate was required to be issue under:

the signature of two Directors (One of the Directors should be person other than Managing or Whole Time Director, if such person is available on the Board of Directors) and

➤ Company Secretary, if any or any other person authorized by Board of Directors.

Alteration in Schedule I of the Companies Act, 2013

To align the provisions of the Companies (Share Capital and Debentures) Amendment Rules, 2018 with Schedule I of the companies Act 2013, MCA has also necessary amends Schedule I related to Memorandum of Association (MOA) & Article of Association (AOA).

(i) in Table F, in paragraph II, -

(a) in sub-paragraph (2), for item (ii), the following item shall be substituted, namely:-

"Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

Explanation.- For the purposes of this item, it is hereby clarified that in case of an One Person Company, it shall be sufficient if the certificate is signed by a director and the company secretary, wherever the company has appointed a company secretary, or any other person authorised by the Board for the purpose."



Amendment in the Companies (Registration Offices and Fees) Rules 2014 to be introduced soon

As per latest updates by Ministry of Corporate Affairs it has been proposed to amend shortly, the Companies (Registration Offices and Fees) Rules 2014 to levy additional fee @ Rs.100 per day for filings under Section 92 (Annual Return) or 137 (Annual Financial Statement) of the Companies Act, 2013. Once notified, the additional fee @Rs.100 per day (beyond the normal date of filing) shall become payable in respect e-forms to be filed for annual compliances of companies.



Relaxation of additional fees and extension of last date of filing of AOC-4 XBRL E-forms using Ind AS under the Companies Act, 2013

Ministry of Corporate Affairs (MCA) has extended the last date for filing of AOC-4 XBRL for all eligible companies required to prepare or voluntarily prepare their financial statements in accordance with Companies (Indian Accounting Standards) Rules, 2015 for the financial year 2016-17, without additional fee till 31st May, 2018.



Removal of time period of seven years for applicability of Ind AS-12/ AS-22 relating to deferred tax asset or liability

Ministry of Corporate Affairs (MCA) has now removed the time period of seven years for applicability of Ind AS-12/ AS-22 and now the provisions of following Accounting Standard:

Accounting Standard	
IND AS-12	Income taxes
OR	
AS-22	Taxes on Income

relating to deferred tax asset or deferred tax liability shall not apply, with effect from the 1st April, 2017, to a Government company which:—

- is a public financial institution under sub-clause (iv) of clause (72) of section 2 of the Companies Act, 2013;
- is a Non-Banking Financial Company registered with the Reserve Bank of India under section 45-IA of the Reserve bank of India Act, 1934; and
- is engaged in the business of infrastructure finance leasing with not less than seventy five per cent. of its total revenue being generated from such business with Government companies or other entities owned or controlled by Government .



Designation of Special Court

Ministry of Corporate Affairs has designated the below mentioned court as Special Court for the purpose of providing speedy trial of offences punishable with imprisonment of two years or more:

Court	Jurisdiction
9 th Additional District and Sessions Judge, Kanpur Nagar	State of Uttar Pradesh

SEBI imposes fine of Rs 1 Crore for Non- Compliance

SEBI has imposed a total fine of Rs 1.1 crore including Rs 5 Lakhs on Compliance officer of Suzlon Energy [Wind turbine maker] , for failure to disclose the price sensitive information required under the insider trading regulations for several occasions.



The violations made by the company pertains to failure in making certain corporate announcements received by them. The regulator said that while looking into the announcements made during the period from April, 2006 to March 31, 2009. “It was alleged that around 18.8 percent of the order received by Suzlon Energy, which were informed by way of various corporate announcements were either not opted for by the clients or were not executed. It was further alleged that no specific corporate announcement was made by the company to inform stakeholder about the same.

The noticees in the case were Suzlon Energy, its promoters Tulsi R Tanti, Chairman and Managing Director, Girish Tanti is a Director and Hemal A Kanuga, who has been fined Rs 5 lakh, is compliance officer.

SEBI said that it was the duty of the compliance Officer of Suzlon Energy to ensure that the company complies with all legal obligations.

SEBI noted that “the investigation did not bring out the disproportionate” gain or unfair advantages to the company or compliance officer and loss caused to investors as a result of non-disclosure of truncation of order. They failed to make the disclosure on more than one occasion, hence it can be said, it is repetitive in nature.

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