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## **Abridged Annual Return Form MGT- 7A for One Person Company and Small Company notified**



Vide Companies (Management and Administration) Amendment Rules, 2021 MCA has notified March 05, 2021 as the commencement date of Section 23(i) of the Companies (Amendment) Act, 2017 which is related to the Abridged Annual Return Form MGT- 7A for One Person Company and Small Company which is applicable from the financial year 2020-21. Further MCA has done away with annexing extract of Annual Return in the Board's Report and certain others explanations.

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## **Aadhaar authentication for GSTIN registration during incorporation of Companies.**



MCA vide notification dated March 05, 2021 has notified The Companies (Incorporation) Third Amendment Rules, 2021 which has revised Form INC-35 (AGILE PRO) to include the option to perform Aadhaar authentication for GSTIN registration at the time of incorporation of Companies.

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## **Commencement date of sections 32 & 40 of the Companies (Amendment) Act, 2020**



MCA has appointed March 18, 2021 as the commencement date of section 32 & 40 of the Companies (Amendment) Act, 2020 for implementation of changes brought in the Section 149(9) and Section 197(3) of the Companies Act, 2013 which is related to the

Remuneration of the Independent Director in case of absence or inadequate profits & inclusion of Non-Executive Director and Independent Director within the scope of remuneration payable following Schedule V in the event of absence or inadequate profits respectively.

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## **MCA notified amendments pertaining to Remuneration in Schedule V of the Companies Act, 2013**

MCA vide notification dated March 18, 2021 has amended Schedule V of the Companies Act, 2013 by inserting the provisions w.r.t. the maximum limit of remuneration payable by companies to other directors (non-executive director or an independent director). Earlier the limit was only for managerial person.

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## **Establishment of Central Scrutiny Centre (CSC)**



Central Government vide notification dated March 18, 2021 hereby has established a Central Scrutiny Centre (CSC) for carrying out scrutiny of Straight Through Processes (STP) e-forms filed by the companies under the Companies Act, 2013 and the rules made thereunder which shall come into force from March 23, 2021.

The CSC shall function under the administrative control of the e-governance Cell of the Ministry of Corporate Affairs. It shall carry out scrutiny of the aforesaid forms and forward findings thereon, wherever required, to the concerned jurisdictional Registrar of

Companies for further necessary action under the provisions of the Companies Act, 2013 and the rules made thereunder.

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### **Companies (Accounts) Amendment Rules, 2021**

#### AMENDMENT



MCA vide notification dated March 24, 2021 has notified that for the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. Further, it also specified that Board Report should contain the following additional information's namely:

- i) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.
- ii) the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof."

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### **Companies (Audit and Auditors) Amendment Rules, 2021**

MCA vide notification dated March 24, 2021 has broaden the scope of reporting by the Auditors by adding more reporting requirements in the Audit Report.

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### **Amendments to Schedule III of the Companies Act, 2013**



The MCA has notified amendment in schedule III of the Companies Act, 2013 w.r.t. Disclosure of Shareholding of Promoters, Trade Payable ageing schedule etc., w.e.f. April 01, 2021.

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### **Commencement date for Section 23 and 45 of the Companies (Amendment) Act, 2020**

MCA has appointed March 24, 2021 as the commencement date for Section 23 and 45 of the Companies (Amendment) Act, 2020. Section 23 seeks to amend Section 124(7) of the Companies Act, 2013 related to imposition of penalty in case of non-compliance of Section 124 which deals with the provision of Unpaid Dividend Account.



Further, Section 45 seeks to amend Section 247(3) of the Companies Act, 2013 which deals with imposition of penalty on valuer for contravention of the provisions of section 247 or

the rules made thereunder.

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