

# MONTHLY<sub>TE</sub>

Secretarial Updates May 2019

## INSIDE THIS ISSUE

 Pg . 3

ReShaping of Law

 Pg. 5

Gist of Regulatory Changes

 PG. 7

Compliance Calendar- May 2019

 PG. 8

About Author



“WITHOUT YOUR  
INVOLVEMENT YOU  
CAN'T SUCCEED.WITH  
YOUR INVOLVEMENT  
YOU CAN'T FAIL.”

-APJ ABDUL KALAM



## PREFACE

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At the outset, through this newsletter, we want to take a moment and thank you all for appreciating and encouraging APAC & Associates LLP (APAC).

In this edition of our newsletter, we have covered the notifications/circulars issued by Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and other authorities including Insolvency and Bankruptcy Board of India (IBBI), National Company Law Tribunal (NCLT) and Stock Exchanges in the month of May, 2019.

Hope we not only help you keep updated but also save your time by bringing a brief summary of all the updates through our section on the summary of regulatory changes.

We have also brought for you a list of articles published by APAC and compliance calendar for the month of April,2019.

We hope all these would be of interest to you.

Your feedbacks are valuable; appreciation will encourage us; criticism will help us improve! Feedbacks can be sent at [info@apacandassociates.com](mailto:info@apacandassociates.com).

Regards,

APAC & Associates LLP Team



# ReShaping of Law



## MANDATORY E-REGISTRATION FOR INDEPENDENT DIRECTORS

As, we are aware about compliance of KYC of Directors, in this direction a new steps has also been proposed by Ministry of Corporate Affairs (MCA) i.e, E-Registration of Independent Directors, where in a corporate boss or a promoter, who may be an executive director on the board, will also have to register if he or she is an **“Independent Director”** on the board of another company.

Independent directors act as a guide to the company. Their roles broadly include improving corporate credibility and governance standards functioning as a watchdog, and playing a vital role in risk management. These directors also play an active role in various committees set up by Company to ensure good Corporate Governance.

All independent directors may have to register as part of a new initiative by the MCA, which also plans to introduce online training modules on various issues that these board members deal with. While registration is proposed to be made mandatory through an online facility, the training through electronic modules, that are being prepared by Indian Institute of Corporate Affairs, will be purely voluntary.

*"This will also help create a database that can be used to get the best talent available in the industry,"*

The move follows earlier efforts by the ministry to put in place a screening mechanism for independent directors after several Indian companies led by IL&FS were hit by a series of irregularities and the role of several individual had come under the scanner.

MCA had proposed an overhaul of the process to appoint independent directors, with many agencies also suggesting a review mechanism, However, the proposals failed to get the green light from an informal group of ministers that discussed ways to improve corporate governance in Indian companies.

# Gist of Regulatory Changes by Various Authorities in the month of May 2019



## MINISTRY OF CORPORATE AFFAIRS

### ❖ Annual return under NFRA Rules, 2018

MCA is in the process of prescribing the format of annual return which is required to be filed by the auditors under rule 5 of the NFRA Rules, 2018. Accordingly, the stakeholders are requested to make such filings only after such format is made available.

### ❖ Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2019

An application for removal of name of the company shall be made in Form STK-2 along with the fee of ten thousand rupees and the format of Statement of Account is prescribed in Form No. STK-8. Also, application in Form No STK-2 shall be filed by a company only when it has filed overdue returns in Form No. AOC-4, AOC4 XBRL, and Form No. MGT-7, up to the end of the financial year in which the company ceased to carry its business operations.

### ❖ NCLT (Second Amendment) Rules, 2019

The following persons shall be eligible for filing the class action suit:

1. At least 5% of the total number of members or 100 members, whichever is less; or
2. Member(s) holding not less than 5% of issued share capital, in case of unlisted Company; Member(s) holding not less than 2% of issued share capital, in case of Listed Company; or
3. At least 5% of total number of deposit holders or 100 deposit holders, whichever is less; or
4. Depositor(s) to whom the Company owes not less than 5% of the total deposits of the Company.

❖ **Clarification for form ADT-1 filed through GNL-2 under Companies Act, 2013**

MCA Clarified that Companies, who had filed the details of appointment of auditor in E-Form GNL-2 (by selecting others) during the period from April 01, 2014 to October 20, 2014, may file E-Form ADT-1 without fees till June 15, 2019 for the appointment of auditor for the period up to March 31, 2019.

❖ **Companies (Incorporation) Fifth Amendment Rules, 2019**

The aforesaid rules w.r.t reservation of name of entities brings more clarifications about naming guidelines through the illustrations of the various situations and matters related thereto.

❖ **Introduction of PAS-6 (Reconciliation of Share Capital Audit Report)**

MCA has notified the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019 effective from September 30, 2019. New form PAS-6 Reconciliation of Share Capital Audit Report wherein companies shall furnish information for the half year ended September 30th and March 31st in every financial year for each ISIN separately.

❖ **Companies (Appointment and Qualification of Directors) Rules, 2014**

All the directors of Companies (governed by Rule 25A of the Companies (Incorporation) Rules 2014) shall be marked as “Director of ACTIVE Non-Compliant Company, if company fails to file e-form ACTIVE within time period till June 15, 2019.

❖ **Schedule VII- Corporate Social Responsibility Policies Activities**

MCA has notified one more activities which may be included by companies in their

Corporate Social Responsibility Policies Activities i.e, disaster management, including relief, rehabilitation and reconstruction activities.



**SECURITIES AND EXCHANGE  
BOARD OF INDIA**

❖ **Securities and Exchange Board of India (LODR) (Second Amendment) Regulations, 2019**

These entities are required to submit a copy of the financial results to Debenture Trustee on the same day as these results are submitted to the Stock Exchange.

Also, within seven working days from the date of submission of same, a certificate signed by debenture trustee that it has taken note of the contents also submit to exchange.

❖ **Clarification by SEBI on Annual Secretarial Compliance Report**

Companies who have claimed exemption under regulation 15(2) of SEBI (LODR) Regulations, 2015 are not required to submit any other document or disclosure for claiming exemption for Annual Secretarial Compliance Certificate.

❖ **Clarification on filing of Annual Reports in XBRL Mode**

SEBI clarified that with regards to filing of Annual Report in XBRL mode in addition to the currently used PDF mode, all the listed companies can submit the Annual Report to the Exchange by downloading the XBRL taxonomy of MCA.

## Compliance Calendar-June 2019 & July 2019

S.No.	Particulars of compliance	Forms/Returns	Due Date
<b>Under Companies Act, 2013</b>			
1	Application for KYC of Directors (All Directors, Every Year)	DIR 3 KYC	Within 30 days from the date of deployment of form
2	Registered Office Geo-tagging	Form INC 22A	15 <sup>th</sup> June 2019
3	One time return of outstanding receipt of money or loan by a Company but not considered as deposits	Form DPT-3	29 <sup>th</sup> June 2019
4	Form ADT-1 for appointment of auditor for companies who have filed GNL-2 till October, 2014 for the appointment of auditor for period upto 31st March 2019	Form ADT-1	15 <sup>th</sup> June 2019
<b>Under SEBI(LODR) REGULATIONS, 2015</b>			
1	Reconciliation of Share Capital Audit Report (SEBI- DP Reg.55A)	Format specified by the Board	30 <sup>th</sup> July, 2019
2	Statement of Investor Complaints under Regulation 13(3)	Format specified by the Board	21 <sup>st</sup> July, 2019
3	Shareholding Pattern under Regulation 31	Format specified by the Board	21 <sup>st</sup> July, 2019
4	Corporate Governance Report under Regulation 27(2)	Format specified by the Board	15 <sup>th</sup> July, 2019
<b>Under IRDAI (INSURANCE BROKERS) REGULATIONS, 2018</b>			
1	Details of offices & broker qualified persons	Excel format	15 <sup>th</sup> June 2019
2	Quarterly Return	Online BAP Format	15 <sup>th</sup> July, 2019
<b>Under FEMA Regulation, 1999</b>			
1	Annual Return on Foreign Liabilities and Assets	Excel format	15 <sup>th</sup> July, 2019





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## ABOUT APAC & Associates LLP

### VISION

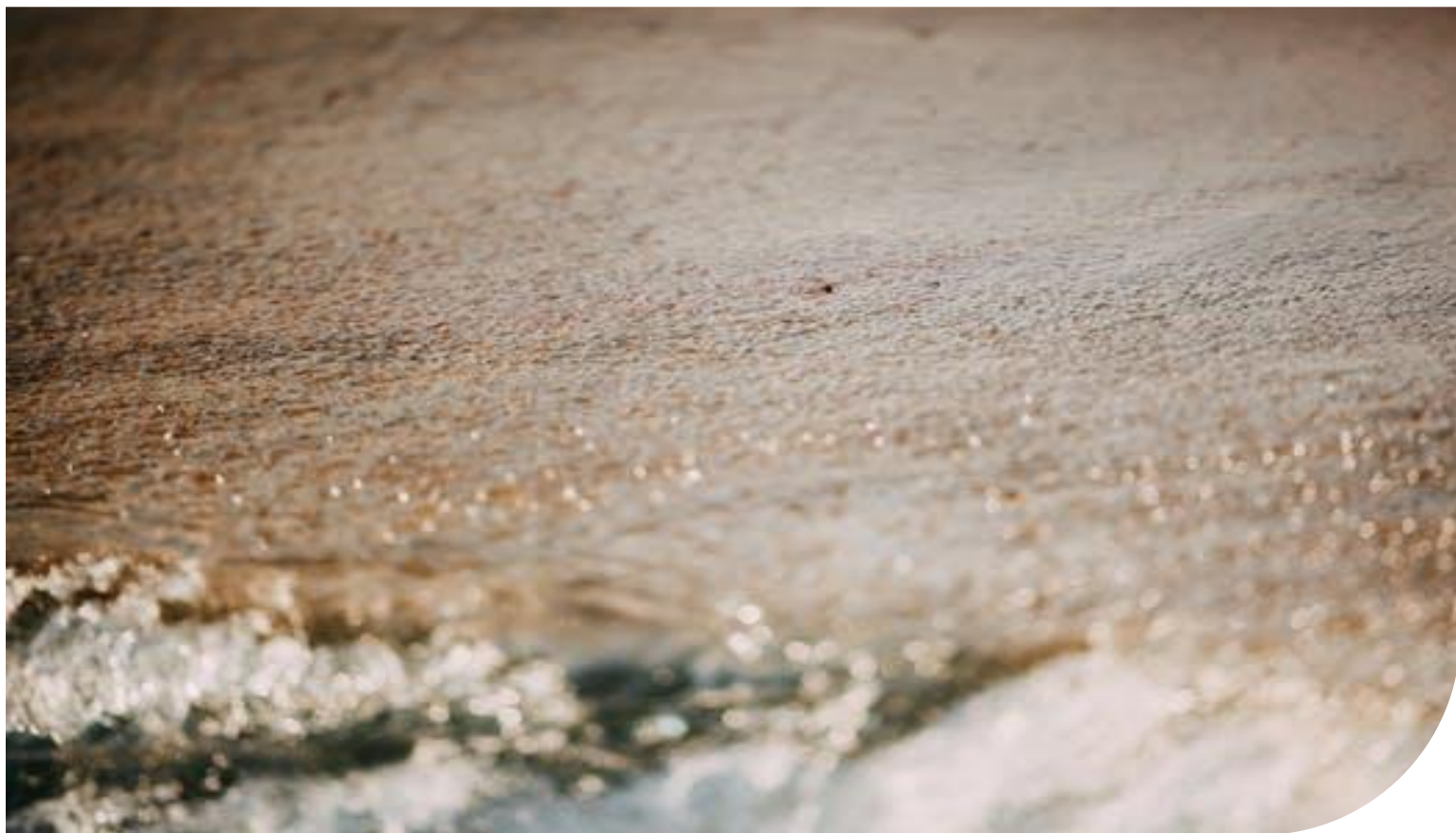
APAC is committed to be a leading one stop solution partner with an edge in corporate governance and drive corporates to be 100% tech-compliant. Our vision serves as the route map of every aspect of our business by defining what we require to achieve for a sustainable and quality growth with substantial presence

### MISSION

APAC strive to create a sustainable organisation by developing a compliant environment by delivering qualitative, time bound & value added services through optimum utilisation of technology, professional skills and enduring customer satisfaction







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