

January 15th, 2020

“Forget past mistakes. Forget failures. Forget everything except what you’re going to do now and do it.”

Legal updates

Ministry of Corporate Affairs

- **CFSS-2020 Form** CFSS-2020 form shall be available for filing as eForm w.e.f 16th January, 2021.

Source: <http://www.mca.gov.in/MinistryV2/homepage.html>

- **Clarification on holding of AGM through VC or OAVM** Ministry of Corporate Affairs (MCA) vide its General Circular no. 02/2021 dated 13th January, 2021 has issued clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM). As per the circular no. 20/2020 dated 5th May, 2020, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 & 4 of the General Circular no. 20/2020. It is clarified, that this circular shall not be construed as conferring any extension of time for holding AGMs by the companies under the Companies Act, 2013 and the companies which have not adhered to the relevant timelines shall remain subject to legal action under the Companies Act, 2013.

Source: http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.02_14012021.pdf

- **Clarification on spending of CSR funds for Awareness and Public outreach on COVID-19 vaccination** Ministry of Corporate Affairs (MCA) vide its General Circular no. 01/2021 dated 13th January, 2021 has issued clarification on spending of CSR funds. As per the circular in Ministry's Circular no. 10/2020 dated 23rd March, 2020 wherein it was clarified that spending of CSR funds for COVID-19 is an eligible CSR activity, it is further clarified that spending of CSR funds for carrying out awareness campaigns/programmes or public outreach campaigns on COVID-19 vaccination programmes is an eligible CSR activity under item no. (i), (ii) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitization, promoting education and disaster management respectively.

Source: http://www.mca.gov.in/Ministry/pdf/CSR2021_13012021.pdf

- **The Ministry of Corporate Affairs has issued the Companies (Auditor's Report) Second Amendment Order, 2020** to further amend the Companies (Auditor's Report) Order, 2020. The amendments have been made in Paragraph 2, which specifies the auditor's report to contain matters specifies, has been substituted, to provide that every report made by the auditor under section 143 of the Companies Act on the accounts of every company audited by him, to which this Order applies, for the financial years commencing on or after April 01, 2021, shall in addition, contain the matters specified in paragraphs 3 and 4, as may be applicable.
- **MCA has published the Companies (Compromises, Arrangements and Amalgamations) Second Amendment Rules, 2020 to further amend the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016.** Through this amendment a new definition for the term corporate action has been inserted which means “any action taken by the company relating to the transfer of shares and all the benefits accruing on such shares namely, bonus shares, split, consolidation, fraction shares, and right issue to the acquirer”. Further a new Rule 26A has been inserted which deals with the Purchase of minority shareholding held in Demat form in which the company shall within 2 weeks from the date of receipt of the amount equal to the price of shares to be acquired by the acquirer, verify the details of the minority shareholders holding shares in dematerialised form. After following the prescribed procedure and upon successful payment to the minority shareholders, the company shall inform the depository to transfer the shares of such shareholders, kept in the designated DEMAT account of the company, to the DEMAT account of the acquirer.



National Company Law Tribunal (NCLT)

MCA revised the tenure of two judicial members in NCLAT (January 05, 2021) In continuation of MCA notifications dated October 28, 2020, the Central Government hereby revise the tenure of Justice (Retd.) Shri Bansi Lal Bhat and Justice (Retd.) Shri A.I.S. Cheema as Judicial Member, NCLAT for a period till their attaining the age of 67 years, or until further orders, whichever is earlier.

Source: <http://www.egazette.nic.in/WriteReadData/2021/224329.pdf>

Bombay High Court issues notice on Plea for directions to NCLAT for enabling e-filing & doing away with physical filing The Bombay High Court on Monday issued notice to the National Company Law Appellate Tribunal (NCLAT) and the Ministry of Corporate Affairs on a petition filed by an Advocate seeking directions for doing away with physical filing of proceedings and enabling e-filing before NCLAT instead, so that lawyers outside Delhi are not disadvantaged. Division bench of Justice AA Sayed and Justice Madhav Jamdar made the notice returnable on February 1, 2021. Court was hearing the petition filed by Advocate Nicky Pokar, who has also sought directions to the Govt. of India, for establishing a circuit bench of NCLAT in Mumbai, in terms of Government's assurance before the Supreme Court during the proceedings in Swiss Ribbons case.

Source: <https://www.livewlaw.in/news-updates/bombay-high-court-nclat-e-filing-notice-issued-168278>

For any queries or clarifications you may reach out to us at below mentioned details.

One of the greatest joys of this season is the opportunity to say thank you and to wish you the very best for the New Year. Happy New Year!!!

Thanks & Regards

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