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\*Eform INC-22A-ACTIVE (Active Company Tagging Identities and Verification) is available on MCA21.

## **Companies (Incorporation) Amendment Rules, 2019**

Date: 21<sup>st</sup> February, 2019

Notification No. [F. No. 1/13/2013 CL-V, Part- I]

G.S.R.- (E). – In exercise of the powers conferred by sub-section (9) of section 12 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely: -

1. (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2019.

(2) They shall come into force with effect from 25<sup>th</sup> February, 2019.

2. In the Companies (incorporation) Rules, 2014 (hereinafter referred to as the said rules), after rule 25, the following shall be inserted, namely:-

“25A. Active Company Tagging Identities and Verification (ACTIVE). (1) Every Company incorporated on or before 31<sup>st</sup> December, 2017 shall file the particulars of the Company and its registered office, in e-form ACTIVE (Active Company Tagging Identities and Verification) on or before 25.04.2019.

Provided that any company which has not filed its due financial statements under section 137 or due annual returns under section 92 or both with the Registrar shall be restricted from filing e-Form-ACTIVE, unless such company is under management dispute and the Registrar has recorded the same on the registrar:

Provided further that companies which have been struck off or are under process of striking off or under liquidation or amalgamated or dissolved, as recorded in the register, shall not be required to file e Form ACTIVE:

Provided also that in case a company does not intimate the said particulars, the Company shall be marked as "ACTIVE-non-compliant" on or after 26th April, 2019 and shall be liable for action under sub-section (9) of section 12 of the Act:

Provided also that no request for recording the following event based information or changes shall be accepted by the Registrar from such companies marked as "ACTIVE non compliant". unless " e-Form ACTIVE" is filed –

(i) SH-07 (Change in Authorized Capital);

- (ii) PAS-03 (Change in Paid-up Capital);
- (iii) DIR- 12 (Changes in Director except cessation);
- (iv) INC-22 (Change in Registered Office);
- (v) INC-28 (Amalgamation, de-merger)

(2) Where a company files "e-Form ACTIVE", on or after 20th April' 2019, the company shall be marked as "ACTIVE Compliant", on payment of fee of ten thousand rupees".

Related

Link:

[http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules\\_21022019.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesIncorporationAmendmentRules_21022019.pdf)

## **Companies (Regn offices and Fees) Amendment Rules, 2019**

Date: 21<sup>st</sup> February, 2019

Circular No. 01/16/2013-CL-V

G.S.R. 143(E).— In exercise of the powers conferred by sections 396, 398, 399, 403 and 404 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Registration Offices and Fees) Rules, 2014, namely:—

1. (1) These rules may be called the Companies (Registration Offices and Fees) Amendment Rules, 2019.  
(2) They shall come into force with effect from 25th February, 2019.
2. In the Companies (Registration Offices and Fees) Rules, 2014, in the Annexure, after item VII relating to Fees for filing e-Form DIR-3 KYC under rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014, the following item shall inserted, namely:—"VIII. FEE FOR FILING e-Form ACTIVE under rule 25A of the Companies (Incorporation) Rules, 2014.

(i) Fee payable till 25.04.2019 on e -form ACTIVE	----
(ii) Fee payable (in delayed case).	Rs.10,000

## **Extension for last date of filing initial return in MSME Form I-req**

Date: 21<sup>st</sup> February, 2019

Circular No. 01/2019

Pending the deployment of MSME Form I on MCA 21 portal and in order to avoid inconvenience to stakeholders on account of various factors, it is stated the period of thirty days for filing initial return in MSME Form 1 as specified in Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 dated

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22.01.2019 shall be reckoned from the date the said e-form is deployed on MCA 21 portal.

2. This issues with the approval of competent authority.

Related Link: [http://www.mca.gov.in/Ministry/pdf/InitialReturnInMSMEForm\\_21022019.pdf](http://www.mca.gov.in/Ministry/pdf/InitialReturnInMSMEForm_21022019.pdf)

## **Companies (Adjudication of Penalties) Amendment Rules, 2019**

Date: 19<sup>th</sup> February, 2019

Notification No. 1/25/2013-CL-V

G.S.R. \_\_\_\_\_ (E). In exercise of the powers conferred by section 454 read with section 469 of the Companies Act, 2013, the Central Government hereby makes the following rules, to amend the Companies (Adjudication of Penalties) Rules, 2014 namely:-

1. Short Title and Commencement.- (i) These rules may be called the Companies (Adjudication of Penalties) Amendment Rules, 2019.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Adjudication of Penalties) Rules, 2014, for rule 3, the following rule shall be substituted namely:-

"3. Adjudication of Penalties. - (1) The Central Government may appoint any of its officials, not below the rank of Registrar', as adjudicating officers for adjudging penalty under the provisions of the Act.

(2) Before adjudging penalty, the adjudicating officer shall issue a written notice in the specified manner, to the company, the officer who is in default or any other person, as the case may be, to show cause, within such period as may be specified in the notice (not being less than fifteen days and more than thirty days from the date of their publication in the official gazette.

(3) Every notice issued under sub-rule (2), shall clearly indicate the nature of non-compliance or default under the Act alleged to have been committed or made by such company, officer in default, or any other person, as the case may be and also draw attention to the relevant penal provisions of the Act and the maximum penalty which can be imposed on the Company, and each of officers in default, or the other person.

Related Link: [http://www.mca.gov.in/Ministry/pdf/AdjudicatioPenalties2019\\_20022019.pdf](http://www.mca.gov.in/Ministry/pdf/AdjudicatioPenalties2019_20022019.pdf)

## **Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2019**

Date: 19<sup>th</sup> February, 2019

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Notification No. 1/21/2013-CL-V

G.S.R. \_ (E).- In exercise of the powers conferred by section 26, sub-section (1) of section 27, section 28, section 29, sub-section (2) of section 31, sub-sections (3) and (a) of section 39, sub-section (6) of section 40 and section 42 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014 namely:

1. Short title and commencement.- (1) These rules may be called the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2019. (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Prospectus and Allotment of Securities) Rules, 2014, in the Annexure, in Form PA93, against serial number 6, in item (b), the words "not allotted securities with an application size of less than twenty thousand per person" against the second check box shall be omitted.

Related

Link:

[http://www.mca.gov.in/Ministry/pdf/ProspectusAllotmentRule2019\\_20022019.pdf](http://www.mca.gov.in/Ministry/pdf/ProspectusAllotmentRule2019_20022019.pdf)

#### SEBI UPDATES

### **Revision in Haircut on Central Government Securities (G-Sec) accepted as Collateral**

Circular No. SEBI/HO/MRD/DRMNP/CIR/P/2019/33

Dated: 21<sup>st</sup> February, 2019

1. SEBI, vide circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, inter alia provided functions, composition and quorum of the seven statutory committees at Market Infrastructure Institutions (MIIs).
2. Based on the feedback received from the Clearing Corporations and the recommendations of the Risk Management Review Committee (RMRC) of SEBI, it has been decided to revise the minimum haircuts applicable to the Central Government securities deposited by clearing members. Accordingly, Para 2 of Annexure – I to the Circular stands modified as far as it relates to the haircut on Central Government Securities, as under:

S.No.	Type and Tenor of Securities	Haircut
A	Treasury Bills, and Liquid* Government of India Dated Securities having residual maturity of less than 3 years	2%
B	Liquid* Government of India Dated Securities having residual maturity of more than 3 years	5%
C	For all other Semi-liquid* and Illiquid* Government of India Dated Securities	10%

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*\*As jointly decided by clearing corporations*

3. *The classification of the Government of India Dated Securities, as above, shall be reviewed on 15th of every month. The revision in classification, if any, shall be implemented with effect from 1<sup>st</sup> of the next month.*
4. *This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.*

*Related Link: [https://www.sebi.gov.in/legal/circulars/feb-2019/revision-in-haircut-on-central-government-securities-g-sec-accepted-as-collateral\\_42112.html](https://www.sebi.gov.in/legal/circulars/feb-2019/revision-in-haircut-on-central-government-securities-g-sec-accepted-as-collateral_42112.html)*

#### **RBI UPDATES**

### **RBI introduces the Voluntary Retention Route for Investments by Foreign Portfolio Investors (FPIs) - Voluntary Retention Route**

*Press Release No. 2018-2019/2086*

*Dated: March 01<sup>st</sup>, 2019*

*The Statement on Development and Regulatory Policies in the Monetary Policy Statement dated October 05, 2018 had announced a separate scheme called 'Voluntary Retention Route' (VRR) to encourage Foreign Portfolio Investors (FPIs) to undertake long-term investments in Indian debt markets. Under this scheme, FPIs have been given greater operational flexibility in terms of instrument choices besides exemptions from certain regulatory requirements. A discussion paper on the VRR scheme was placed on the Reserve Bank's website for public consultation. Based on the feedback from the public and in consultation with Government of India, the scheme has been finalized and has been notified today, vide, A.P (DIR Series) Circular No. 21 dated March 1, 2019.*

*Investment under the VRR scheme shall be open for allotment from March 11, 2019. The details are as under:*

- a. *The aggregate investment limit shall be ₹ 40,000 crores for VRR-Govt and ₹ 35,000 crores for VRR-Corp.*
- b. *The minimum retention period shall be three years. During this period, FPIs shall maintain a minimum of 75% of the allocated amount in India.*
- c. *Investment limits shall be available on tap for investments and shall be allotted by Clearing Corporation of India Ltd. (CCIL) on 'first come first served' basis.*
- d. *The investment limits under the current tranche shall be kept open till the limits are exhausted or till April 30, 2019 whichever is earlier.*
- e. *FPIs desirous of investing may apply online to CCIL through their respective custodians.*
- f. *CCIL will separately notify the operational details of application and allotment.*

*Related Link: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=46444](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=46444)*

#### **Indiacorp Law**

## **Reserve Bank of India extends timeline for completion of KYC for PPIs**

Press Release No. 2018-2019/2025

Dated: Feb 25, 2019

The Reserve Bank had issued Master Direction on Issuance and Operation of Prepaid Payment Instruments (PPIs) on October 11, 2017 (amended as on December 29, 2017). As per these directions, PPI issuers are required to complete the Know Your Customer (KYC) process by February 28, 2019.

Based on requests received from various stakeholders to increase the above timeline on account of difficulties in undertaking Aadhaar e-KYC and time necessary to put in place alternative systems for completing the KYC process, it has been decided to allow PPI issuers additional time of six months for completion of the KYC process.

The relevant provision in the PPI Master Direction has been modified suitably.

Related Link: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=46383](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=46383)

## **Foreign Exchange Management (Export and import of Currency) (Amendment) Regulations, 2019**

Notification No. FEMA 6(R)/(1)/2019-RB

Dated: February 26, 2019

In exercise of the powers conferred by clause (g) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Export and import of Currency) Regulations, 2015 (Notification No. FEMA 6(R)/RB-2015 dated December 29, 2015) (hereinafter referred to as 'the Principal Regulations'), namely:-

### **1. Short Title & Commencement**

(i) These Regulations may be called the Foreign Exchange Management (Export and import of Currency) (Amendment) Regulations, 2019

(ii) They shall come into force from the date of their publication in the Official Gazette.

### **2. Amendment to Regulation 8**

(i) The existing sub-Regulation (1) of Regulation 8 shall be substituted with the following, namely;

(1) take or send out of India to Nepal or Bhutan, currency notes of Government of India and

Reserve Bank of India notes (other than notes of denominations of above Rs.100 in either case), provided that an individual travelling from India to Nepal or Bhutan can carry Reserve Bank of India notes of Mahatma Gandhi (new) Series of denominations Rs. 200/- and/or Rs. 500/- up to a total limit of Rs. 25,000;

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11491&Mode=0>

**Establishment of Branch Office (BO) / Liaison Office (LO) / Project Office (PO) or any other place of business in India by foreign entities**

Notification No. RBI/2018-19/132

Dated: 27<sup>th</sup> February, 2019

Attention of the Authorised Dealer (AD - Category I) banks is invited to the Foreign Exchange Management (Establishment in India of a Branch Office or a Liaison Office or a Project Office or any Other Place of Business) Regulations, 2016, notified by the Reserve Bank vide Notification No FEMA 22(R)/RB-2016 dated March 31, 2016, as amended from time to time.

2. In terms of extant Regulations, applications received from a Non-Government Organisation, Non-Profit Organization, Body/Agency/Department of a foreign Government for opening of a branch office or a liaison office or a project office or any other place of business in India are to be forwarded to the Reserve Bank for prior approval and be considered in consultation with the Government of India. This has since been reviewed and as notified through Notification No FEMA 22(R)(1), it is advised that if such an entity is engaged, partly or wholly, in any of the activities covered under Foreign Contribution (Regulation) Act, 2010 (FCRA), it shall obtain a certificate of registration under the said Act and shall not seek permission under FEMA 22(R).

3. Accordingly, the Form FNC has also been suitably modified and the following phrase added under the heading 'Declaration' in Part II clause (ii), at the end of the existing sentence.

"We will not undertake either partly or fully, any activity that is covered under Foreign Contribution Regulation Act, 2010 (FCRA) and we understand that any misrepresentation made or false information furnished by us in this behalf would render the approval granted under the Foreign Exchange Management (Establishment in India of a branch office or liaison office or a project office or any other place of business) Regulations, 2016, automatically as void ab initio and such approval by the Reserve Bank shall stand withdrawn without any further notice".

4. All other provisions of the LO/BO/PO policy shall remain unchanged. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.

5. The Master Direction No. 10 dated January 1, 2016 is being updated simultaneously to reflect the changes.



6. The directions contained in this circular have been issued under Section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11486&Mode=0>

## **Micro, Small and Medium Enterprises Sector- Restructuring of Advances**

Notification No. RBI/2018-19/127

Dated: 22<sup>nd</sup> February, 2019

One of the conditions for restructuring of existing loan of MSMEs without a downgrade in the asset classification is as under:

*“The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration” (c.f. para 1 (iii) of the above referred circular).*

2. It is clarified that the eligibility for restructuring without GST-registration, as per the circular under reference, should be determined on the basis of exemption limit obtaining as on the date of the aforesaid circular, i.e., January 1, 2019.

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11480&Mode=0>

**Thanking You,**

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