

Sudit K. Parekh & Co. LLP

Chartered Accountants

ASSURANCE

Financial Reporting Closure 2020-21

Important changes announced
by the MCA



Foreword

The Companies Act, 2013 (Act) and the rules made thereunder are probably the most comprehensive corporate law regulation announced in India. Since its inception in 2014, the Act has undergone numerous amendments. These amendments have been announced with an intent to enable the government to provide ease of doing business in India while ensuring a balance in protecting stakeholder interests and needs. The financial year 2020-21 saw the Ministry of Corporate Affairs (MCA) notify the Companies Amendment Act, 2020 (Amendment Act) in the official gazette on 28 September 2020. The Amendment Act is based on suggestions and recommendations made in the November 2019 Report of the MCA's Company Law Committee (CLC).

Apart from the notification of the Amendment Act, crucial amendments to corporate laws have been notified by MCA in the period 2020-21. This article serves as a compliance refresher for all amendments and changes that were announced by the MCA in the period 2020-21.

The article provides a summary of:

- a. **The Amendment Act**
- b. **Other crucial amendments announced by MCA in 2020-21**

MCA amendments are just one half of the corporate law amendment pie, the other half being updates and amendments pronounced by the Securities and Exchanges Board of India (SEBI). In the second part of this publication, we shall bring to you updates and amendments pronounced by SEBI for the period 2020-21.



The Companies Amendment Act 2020

A summary of the key changes announced under the Amendment Act covers

- Decriminalization of Offences
- Time Limit for Rights Issue
- Remuneration to Non-Executive Directors and Independent Directors
- Producer Companies
- Corporate Social Responsibility (CSR)



Decriminalization of Offences

One of the foremost suggestions made by the CLC was the decriminalization of non-compliances or offenses made under the Companies Act, 2013. Accordingly, 46 compoundable offenses were decriminalized and recategorized under the Amendment Act to balance civil and criminal liabilities

The following is a categorization of these offenses based on the CLC Report

Category of Decriminalized Offense	Course of Action under the Amendment Act	Number of Offenses	List of non-compliances
Offenses to be shifted to Inhouse Adjudication Mechanism	These are minor offenses on which civil liabilities will be imposed by adjudicating officers	23	Refer Note 1
Offenses that are based on subjective determination	These violations are not very serious hence punishment is limited to a fine	11	Refer Note 2
Offenses to be dealt with under alternative frameworks /mechanisms	The provision of alternate mechanisms would help in better achieving the intended aim of such provisions.	5	Refer Note 3
Offenses that are more appropriate to be dealt with under other laws	Such offenses have been deleted from the Companies Act, 2013	7	Refer Note 4
Total Decriminalized Offences		46	

The Companies Amendment Act 2020

Time limit for Rights Issue

Section 62 of the Act prescribes that further issue of shares made to existing shareholders under a rights issue shall be made by a notice which specifies:

- a. The number of shares offered and
- b. The time limit within which the shareholder must accept the offer.

The Amendment Act has prescribed this time limit to be not less than 15 days and not exceeding 30 days from the date of the offer. In other terms, the existing shareholder has between 15 and 30 days to accept the right issue.

If the offer is not accepted within the above time limit, it shall be declined by the shareholder.

Remuneration to Non-Executive Directors and Independent Directors

Section 197 prescribed guidance on overall maximum managerial remuneration and managerial remuneration in the absence or inadequacy of profits. Non-Executive Directors and Independent Directors were not covered under the provisions of Section 197.

Under the Amendment Act, Non-Executive Directors and Independent Directors are covered ensuring that such classes of directors receive remuneration. The remuneration of these directors is not impacted by the amount of sitting fees they are paid, which has been discussed below in-depth.

Producer Companies

The Amendment Act has notified Chapter XXIA which introduces "Producer Companies." Earlier, guidance on the applicable compliance framework for producer companies was prescribed by the Companies Act, 1956. Chapter XXIA on Producer companies prescribes guidance for incorporation, membership, voting rights, share capital, general meetings, and mergers and acquisitions of producer companies.

Corporate Social Responsibility (CSR)

The MCA announced numerous changes to CSR regulations by the medium of:

1. The Companies Amendment Act, 2020
2. Companies (CSR Policy) Amendment Rules, 2021 (CSR Amendment Rules)
3. Three General Circulars prescribing guidance on CSR matters

CSR and the Amendment Act

The following are key take-aways from changes in CSR regulations announced under the Amendment Act:

For newly incorporated companies

The Amendment Act clarifies that companies who have not completed a period of three financial years since their incorporation shall spend at least 2% of the average profits of the number of years that they have been in existence.

Companies with CSR liability of up to INR 50 lakh

The Amendment Act exempts companies who are required to spend up to INR 50 lakh in pursuance of their CSR policy from constituting a CSR committee. The Board of Directors (BoD) of such companies shall carry out the tasks and functions of the CSR committee.

Set-off for excess CSR spending

Companies spending more than their mandatory CSR liability will be allowed to set-off this excess towards CSR obligations of subsequent periods. The period for which this excess spend can be set-off is not specified in the Amendment Act. The same is clarified by CSR Amendment Rules, discussed below.

The Companies Amendment Act 2020

De-criminalization of CSR non-compliance

Prior to the announcement of the Amendment Act, officers in default of CSR provisions were punishable with either fine or imprisonment, or both. Now, the non-compliant company and the officers in default shall be punishable with a fine only.

The fines are as under:

Fine for Non-compliant company	Fine for officers in default
a. Twice the amount required to be transferred either to the fund specified in Schedule VII of the Act or the Unspent CSR Account, as the case maybe; or b. INR 1 crore	a. 1/10 th of amount required to be transferred either to the fund specified in Schedule VII of the Act or the Unspent CSR Account, as the case maybe; or b. INR 2 lakh



Other Crucial Amendments Announced By The MCA In The Period 2020-21

Apart from the Amendment Act, 2020 the MCA announced the following amendments in corporate laws for the period 2020-21

- Amendments in CSR regulations
- Changes in definitions of key terms
- Remuneration of Independent Directors
- Additional reporting requirements in the Auditor's Report
- Amendment to the Companies (Accounts) Rules, 2014
- Companies (Auditor Report) order, 2020 deferral
- Amendments in Schedule III



CSR Amendment Rules, 2021

MCA on 22 January 2021 notified Companies (CSR Policy) Amendment Rules, 2021 [vide G.S.R. 40 \(E\)](#). The following are the top five takeaways of the CSR Amendment Rules:

1. Companies engaged in the research and development activity of new vaccine, drugs and medical devices in their normal course of business would see research and development activities of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 qualify as CSR spends. Such companies will have to ensure that their research and development activities would have to be carried out in collaboration with institutes and organizations specified in item (ix) of Schedule VII to the Companies Act 2013. Also, details of these activities will have to be disclosed separately in the Annual report on CSR included in the Board's report.
2. Set-off up to three immediately succeeding financial years shall be allowed for excess CSR spends subject to specified conditions.
3. Every entity intending to undertake CSR activity shall have to register itself with the Central Government by filing form CSR-1 electronically with the Registrar with effect from 1 April 2021. This will not affect CSR projects or programs approved prior to 1 April 2021.
4. Companies with average CSR obligations of INR 10 crore or more will have to undertake an independent impact assessment of their specified CSR projects.
5. Guidance is prescribed on transferring of unspent CSR amounts to any fund included in Schedule VII of the Act.

Other Crucial Amendments Announced By The MCA In The Period 2020-21

General Circulars on spending CSR funds for COVID-19 activities

The MCA announced notified three clarificatory General Circulars about spending CSR funds for COVID-19 activities.

A summary of these circulars is as under:

<u>General Circular 10/2020 dated 23 March 2020</u>	<u>General Circular 15/2020 dated 13 April 2020</u>	<u>General Circular 01/2021 dated 13 January 2021</u>
<p>This circular was issued at the very outset of the pandemic, when Lockdown 1.0 was announced in March 2020. It specified that spends made towards COVID-19 activities would qualify as CSR activities covered by Schedule VII of the Companies Act 2013. Contributions made towards COVID-19 would fall under the categories listed in item nos. (i) and (xii) Schedule VII of the Companies Act 2013 relating to the promotion of health care, including preventive health care and sanitation and disaster management.</p>	<p>This circular contained 7 FAQs on CSR. These FAQs specifically clarified that:</p> <ol style="list-style-type: none"> Contributions made to the “PM CARES Fund” would qualify as CSR expenditure, whereas contributions made to “Chief Minister’s Relief Funds” or “State Relief Fund for COVID-19” would not qualify as admissible CSR expenditure. Payment of salary/wages to employees and workers during the lockdown period (including the imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure. Any ex-gratia payment made to temporary/casual workers/daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID-19, would be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor. 	<p>This circular clarified that contributions to COVID-19 activities would qualify as CSR under item (ii) of Schedule VII “Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.”</p>

Other Crucial Amendments Announced By The MCA In The Period 2020-21

Change in definitions of important terms

The Companies (Specification of definitions details) Second Amendment Rules, 2021, which shall come into force with effect from 1 April 2021 have announced changes in definitions of certain important terms within the Act. These changes in definition fit in with a few changes announced under the Amendment Act, discussed below.

Listed Company

Existing definition as per Section 2(52) of the Companies Act 2013	Amended Definition under <u>The Companies (Specification of definitions details) Second Amendment Rules, 2021</u>
<p>A company which has any of its securities listed on any recognized stock exchange. Provided that such class of companies, which have listed or intend to list as may be prescribed in consultation with the Securities and Exchange Board, shall not be considered as listed companies.</p>	<p>The MCA has inserted a new sub-rule 2A in the existing Companies (Specification of definitions details) Rules, 2014. Hence, Section 2(52) will now have to be read with sub-rule 2A to define "listed company." Here, the MCA has amended the definition of "listed company" by inserting a new sub-rule as opposed to amending the original Act. The new Sub-rule 2A exempts the following classes of unlisted companies from being considered as listed companies:</p> <ol style="list-style-type: none"> Public companies who have not listed their equity shares on a recognized stock exchange but have listed either their non-convertible debt securities/non-convertible PSC under private placement basis of applicable SEBI Regulations¹. Private companies who have listed their non-convertible debt securities under private placement basis of applicable SEBI Regulations. Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in sub-section (3) of section 23 of the Act

The underlying reason for granting the above exemption is to ease the fundraising efforts of the said classes of companies. The free flow of international capital into Indian companies will provide an impetus that the economy needs for creating jobs and business opportunities to financially recover from the brunt of COVID-19. Amendment to the definition of "listed company" shall enable lawmakers to exempt the mentioned classes of unlisted companies from being covered under the umbrella of listed companies. Hence, these companies will be exempted from a wide array of compliances under the Companies Act that are applicable to a listed company such as:

1. Appointment of Woman Director (Section 149)
2. Appointment of Independent Director (Section 149)
3. Appointment of Internal Auditor (Section 138)
4. Auditor Rotation (Section 139)
5. Audit Committee (Section 177)
6. Vigil Mechanism (Section 177)

(Please note that the above list is merely indicative. There are compliances over and above the ones listed herein within the Companies Act 2013 that apply to listed companies.)

This amended definition complements Section 23, which was amended under the Companies Amendment Act 2020. Section 23 allows certain classes of public companies to issue specified securities on permitted foreign stock exchanges. The class of public companies and the type of securities they can directly list on foreign exchanges is yet to be notified. However, it is expected that the classes of companies to be notified in Section 23 will be broadly similar to those listed in the revised definition of listed company. Also, relief from the compliances of Sections 89 and 90 which deal with Beneficial ownership and Section 127 which deals with punishment on failure to distribute dividends is provided by Section 23. This resonates in the direction of the Central Government easing compliances to enable companies effectively raise funds on a global scale.

Other Crucial Amendments Announced By The MCA In The Period 2020-21

Further Section 129A was announced by the Amendment Act. As of date, the provisions of Section 129A are yet to be clarified, however this clause seems to be introduced to cover the classes of companies which have been exempted under the revised definition of "Listed Company." This section prescribes requirements related to preparation, publication and approvals of financial results, and it enables the Central Government to prescribe specified classes of companies to:

- a. Prepare financial results in a specified form. (The periodicity and form of preparation is yet to be prescribed)
- b. Obtain approval of the Board of Directors for the said financial results.
- c. Complete audit or limited review of the financial results. (Manner of the audit or limited review is yet to be prescribed.)
- d. File a copy of the financial results with the ROC within 30 days of completing the prescribed relevant period. (This relevant period is yet to be prescribed.)

Section 129A may have the ability to prescribe just the right amount of compliances – Not cumbersome and Disclosure Oriented which provide relief to companies and assurance to its investors.

Small Company

The Companies (Specification of definitions details) Second Amendment Rules, 2021 have amended the definition of "Small Company" as under:

Existing definition as per Section 2(85) of the Companies Act 2013	Amended Definition under The Companies (Specification of definitions details) Second Amendment Rules, 2021
A company other than a public company whose: <ol style="list-style-type: none"> a. Paid-up capital shall not exceed INR 50 lakhs; and b. Turnover shall not exceed INR 2 crore 	A company other than a public company whose: <ol style="list-style-type: none"> a. Paid-up capital shall not exceed INR 2 crores; and b. Turnover shall not exceed INR 20 crores

- The amendment of the definition can be seen as the Finance Minister upholding her promise made during the Budget 2021 speech to revise the definition of small size companies. This move from the Central Government is encouraging as they have promptly started backing their promises made in Budget 2021 with effective action.
- In times where cash is scarce, the small businessman must be encouraged to save and re-invest the same into his operations rather than expending the same on compliance.

Remuneration of Independent Directors announced by the MCA

MCA notified 18 March 2021 as the date on which [provisions of Section 32 and Section 40 of the Companies \(Amendment\) Act, 2020 \(Amendment Act\) will come into force.](#)

- Section 32 of the Amendment Act brings about an amendment to sub-section 9 of Section 149 of the Companies Act 2013 (Act), which prescribes guidance on the remuneration of Independent Directors.
- Section 40 of the Amendment Act brings about an amendment to sub-section 3 of Section 197 of the Act, which prescribes guidance on remuneration paid to directors by a company with inadequate profits.

Sections 149 and 197 of the Act, read in conjunction, prescribe guidance on remuneration of Independent Directors by a company with no profits or inadequate profits.

Other Crucial Amendments Announced By The MCA In The Period 2020-21

Who is impacted by this amendment notification

All companies required to appoint Independent Directors who will be impacted by this notification.

According to sub-section 4 of Section 149 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the following companies are required to appoint Independent Directors:

- Listed companies (1/3 of the total number of directors shall be Independent Directors)
- Public companies with paid-up share capital of INR 10 crore or more
- Public companies with a turnover of INR 100 crore or more
- Public companies with aggregate outstanding loans, debentures and deposits exceeding INR 50 crore

The Amendment Notification Summarized

What the Act prescribes	Amendment prescribed in the Notification	Impact of Amendment
<p>Sub-section 9 of Section 149 of the Act prescribes the following:</p> <ol style="list-style-type: none"> Notwithstanding the provisions of Section 197 (Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits) and Section 198 (Calculation of profits for Section 197), Independent Directors are not entitled to stock options; Independent Directors are allowed to receive: <ul style="list-style-type: none"> – Remuneration as per sub-section 5 of Section 197 (Remuneration by way of fee for attending Board meetings or any Committee of the Board) – Reimbursement of expenses for participation in Board and other meetings – Profit related commission as approved by the members of the company 	<p>A proviso has been added to sub-section 9 of Section 149, which prescribes the following:</p> <p>If a company has no or inadequate profits, Independent Directors may receive remuneration as per the provisions of Schedule V of the Act. This amount is exclusive of the amount covered under Sub-section 5 of Section 197.</p>	<p>Prior to the amendment, Independent Directors would receive remuneration for attending board's meetings or any Committee of the Board. In case of no or inadequate profits, Independent Directors could not receive remuneration under the Act despite attending such meetings and contributing to the same.</p> <p>Independent Directors will now receive minimum remuneration as per the quantum prescribed under Schedule V of the Act.</p> <p>The amendment enables Independent Directors to be remunerated in the same light as managing directors, whole-time directors, or managers.</p>

Other Crucial Amendments Announced By The MCA In The Period 2020-21

What the Act prescribes	Amendment prescribed in the Notification	Impact of Amendment
<p>Sub-section 3 of Section 197 prescribes the following:</p> <p>If in any financial year, a company has no profits, or its profits are inadequate – the company shall not pay remuneration to its directors, including any managing or whole-time director or manager.</p> <p>In case of no profit or inadequate profits, the directors, including any managing or whole-time director or manager shall be paid remuneration as per the limits prescribed under Schedule V of the Act.</p>	<p>Non-Executive Directors including independent director are added to the list of directors (which includes managing director, whole-time director and manager) who shall draw remuneration as per Schedule V of the Act in case of no profits or inadequate profits.</p>	<p>This facilitates the amendment made to Section 149 as payment of remuneration to Independent Directors would require a harmonious reading of Sections 149, 197, and Schedule V of the Act.</p>

Non-Executive Directors shall draw salary as per the below mentioned limits of Schedule V of the Companies Act, 2013:

Effective Capital	Limit of yearly Remuneration in case of other Director shall not exceed
Negative or less than INR 5 crore	INR 12 lakhs
INR 5 crore and above but less than INR 100 crore	INR 17 lakhs
INR 100 crore and above but less than INR 250 crore	INR 24 lakhs
Above INR 250 crore	INR 24 lakhs + 0.01% of the effective capital in excess of INR 250 crore



Other Crucial Amendments Announced By The MCA In The Period 2020-21

Additional reporting requirements in the Auditor's Report

Additional reporting requirements in the auditor's report have been introduced under the Companies (Audit and Auditor) Rules, 2014. These rules will require the auditor to comment on the following additional matters in the auditor's report:

No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

a.

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

- No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- b. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- c. The dividend declared or paid during the year by the company complies with section 123 of the Companies Act, 2013.

Detailed Notification

http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_13042021.pdf

Amendment to the Companies (Accounts) Rules, 2014

Rule 8 of the Companies (Accounts) Rules, 2014 shall have the following reporting requirement in addition to the existing reporting requirements:

- a. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- b. The details of the 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.

Detailed Notification

http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_13042021.pdf

Other Crucial Amendments Announced By The MCA In The Period 2020-21

Companies (Auditor Report) Order, 2020 (CARO 2020) deferral

- The MCA deferred the applicability of CARO 2020 by a year (previously, it was applicable from 1 April 2020). http://www.mca.gov.in/Ministry/pdf/CompaniesSecondAmdtOrder_22122020.pdf
- CARO 2020 is applicable for audits of financial years commencing on or after 1 April 2021.
- For an in-depth analysis on CARO, you can [read here](#) and also listen to a webinar recording hosted by us.

Amendments to Schedule III of the Act

The MCA vide notification no. G.S.R 207(E) dated 24 March 2021 announced amendments to Schedule III of the Companies Act 2013. The amendments are in the form of comprehensive disclosures that companies will have to present in addition to the existing reporting requirements of Schedule III. A summary of these amendments can be found on https://www.suditkparekh.com/sudit_k_parekh_co_llp_assurance_flash_alert_26_March_2021.html

Do not miss our next article, which will cover an in-depth analysis of Schedule III of the Companies Act 2013.

In Conclusion, our second part we shall present a detailed analysis of all SEBI amendments announced for the period 2020-21.



Notes

1. Offenses to be shifted to Inhouse Adjudication Mechanism

Section	Default / Contravention/Non-compliance
56(6)	Failure in complying with procedural requirements relating to transfer of securities
86(1)	Contraventions regarding: <ol style="list-style-type: none"> Duty to register charges To report satisfaction of charges as per prescribed timelines Maintenance of register of charges
88(5)	Failure to maintain: <ol style="list-style-type: none"> Member's register Debenture holders register Register of other security holders
89(5)	Failure to make declaration in respect of shares related to registered owner and beneficial owner
89(7)	Return filing with ROC after receipt of declaration of beneficial interest in shares from a person
90(10)	Failure in making declaration with respect to registered owner and beneficial owner of shares
90(11)	Failure on the part of the company to maintain a register of significant beneficial owners
92(6)	Contravention of requirements under Section 92(6) by a Company Secretary in practice
105(5)	Fine for appointing proxies for members entitled to attend meetings
124(7)	Failure to comply with requirements of unpaid dividend
134(8)	Contravention in reporting requirements with respect to the Financial statements and Board's Report
135(7)	Contravention in CSR provisions
172	Contravention in appointment and qualifications of Directors
178(8)	Contravention in provisions of the audit committee, nomination and remuneration committee and stakeholder relationship committee
184(4)	Contravention in disclosure of Director's interest
187(4)	Contraventions in holding of investment by the company
188(5)	Contraventions in related party disclosures
204(4)	Contravention in provisions of Secretarial audit
232(8)	Failure to comply with provisions prescribed for mergers and amalgamation of companies
247(3)	Contravention in provisions related to valuation by a registered valuer
405(4)	Non-compliance in furnishing certain information
450	Contravention of any provision of the Companies Act, 2013

2. Offenses that are based on subjective determination

Section	Default / Contravention/Non-compliance
8(11)	Failure to comply with Section 8
26(9)	Contravention of matters that are prescribed to be stated in the prospectus
40(5)	Default in complying with matters that are required for public offer
68(11)	Default in requirements of buy-back
128(6)	Maintenance of books of account by a company at its registered office
147(1)	Default in complying with provisions that relate to audit and auditors
167(2)	Director liable to vacate office continuing to act as Director
242(8)	Alterations to the memorandum or articles inconsistent with order of National Company Law Tribunal
243(2)	Default in complying with directions of NCLT for termination or modification of certain agreements
347(4)	Contravention of directions of Central Government in relation to disposal of books and papers of a wound-up company
392	Contravention of provisions applicable to a foreign company

3. Offences to be dealt with under alternate framework

Section	Default / Contravention/Non-compliance
16(3)	Non-compliance with order of Regional Director with respect to change in name of company
441(5)	Non-compliance with order of NCLT with respect to compounding of offences
284(2)	Non-cooperation with the liquidator in the process of winding up by the promoters or directors
302	Dissolution by tribunal
356	Powers of tribunal to declare dissolution as void

4. Offenses to be dealt with under alternative frameworks/mechanisms

Section	Default / Contravention/Non-compliance
48(5)	Default with respect to variation of shareholder rights
59(5)	Grievances before NCLT with respect to entries in register of members
66(11)	Publication of the order of NCLT regarding reduction of share capital
71(11)	Non-compliance with NCLT order with respect to redemption of debentures and payment of interest thereon
342 (6)	Non-cooperation in the process of winding-up of company
348 (6), (7)	Contravention in provisions relating to providing information of pending litigations under Section 348 by company liquidator

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