



# The Companies Act 2013

*Enlightening Nation*

## E-newsletter

JULY, 2019

### *About the E-newsletter*

Dear Users,

To keep you updated about the latest notifications, circulars & orders issued during the month, thecompaniesact2013.com present herewith its monthly e-newsletter. This is the issue of the July month comprising contemporary articles & monthly amendments.

The notion is to render all the updates in a compiled format and serve a better pavement for easy accessibility.

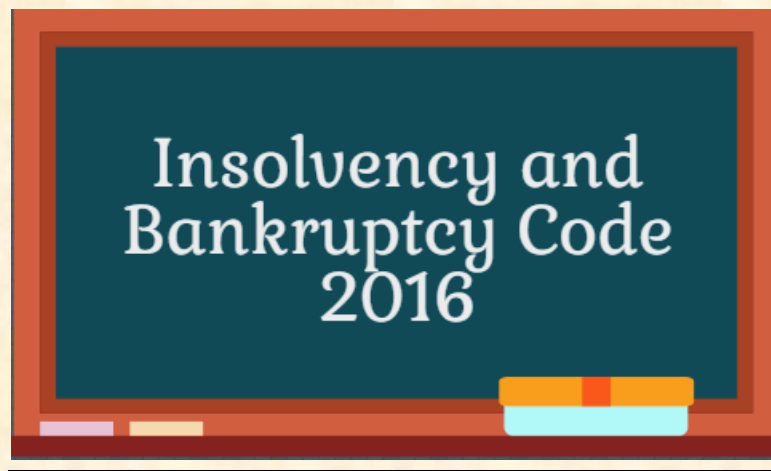
### CONTENTS

Article

Notifications

Website Updates





Article by **Kashika soni**

## Contents of the Article

### 1. Introduction

- ↪ Formation of Insolvency and Bankruptcy Code, 2016
- ↪ Key Features
- ↪ Why... Code... not an... Act?
- ↪ The IBC-2016 Applies on....
- ↪ Acts repealed by the code
- ↪ Impact of the IBC 2016
- ↪ CIRP is a 360D Approach.... Who can Trigger?

### 2. Insolvency & Bankruptcy Ecosystem

- ↪ Insolvency & Bankruptcy Board of India (IBBI)
- ↪ Insolvency Professionals (IPs)
- ↪ Information Utility
- ↪ Insolvency Professional Agency

### 3. Corporate Insolvency Resolution Process

### 4. Key Powers, Roles and Responsibilities as envisaged under the code

### 5. Appeals and Appellate Authority

### 6. Fast Track Corporate Insolvency

### 7. Voluntary Liquidation of Corporate Persons

### 8. Framing of Rules and Regulations and notification of Sections under the code

### 9. Offence & Penalties

# Formation of Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (IBC) is the bankruptcy law of India which seeks to consolidate the existing framework by creating a single law for insolvency and bankruptcy. Lok Sabha passed the Insolvency and Bankruptcy Code, 2016 on 05<sup>th</sup> May, 2016 which was approved by the Rajya Sabha on 11<sup>th</sup> May, 2016. The Code received the assent of the President on 28<sup>th</sup> May, 2016.

The Code has been framed with the objective to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of value of assets of such persons. To promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alternation in the order of priority of payment of Government dues and to establish as Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

The Code contains 255 Sections and 11 Schedules and extends to the whole of India except Part III of the code shall not extend to State of Jammu and Kashmir.

## KEY FEATURES

- ✚ **Insolvency Resolution:** The Code outlines separate insolvency resolution processes for individuals, companies and partnership firms. The process may be initiated by either the debtor or the creditors.
- ✚ **Insolvency regulator:** The Code establishes the Insolvency and Bankruptcy Board of India, to oversee the insolvency proceedings in the country and regulate the entities registered under it. The Board will have 10 members, including representatives from the Ministries of Finance and Law, and the Reserve Bank of India.
- ✚ **Insolvency professionals:** The insolvency process will be managed by licensed professionals. These professionals will also control the assets of the debtor during the insolvency process.
- ✚ **Bankruptcy and Insolvency Adjudicator:** The Code proposes two separate tribunals to oversee the process of insolvency resolution, for individuals and companies:
  - (i) the National Company Law Tribunal for Companies and Limited Liability Partnership firms; and
  - (ii) the Debt Recovery Tribunal for individuals and partnerships.

# Why .....CODE..... not an..... ACT ??

A "Code", as per Black's law dictionary is, "A Collection or Compendium of Laws"  
Systematic and comprehensive compilation of laws, rules and regulations that is consolidated and classified for a particular subject.

## Codes of India

The Indian Penal Code 1860

The Code of Civil Procedure 1908

The Code of Criminal Procedure 1860

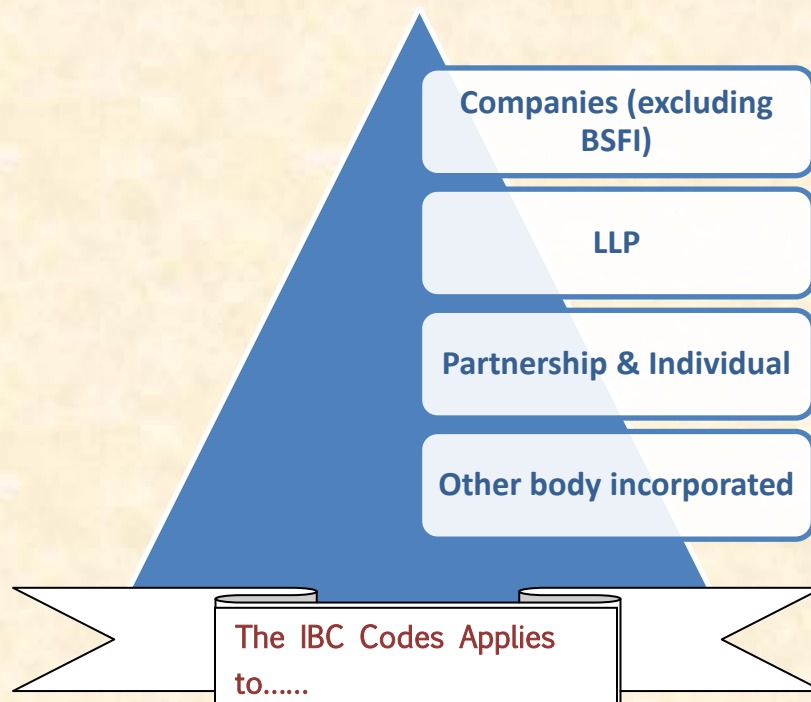
The insolvency and Bankruptcy Code 2016

# The IBC-2016 Applies on.....

The provisions of the Insolvency and Bankruptcy Code, 2016 are applicable to the following persons:

- ✚ any company incorporated under the Companies Act, 2013 or under any previous company law;
- ✚ any other company governed by any special act for the time being in force, except in so far as the said provisions are inconsistent with the provisions of such special act;
- ✚ any Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008;
- ✚ such other body incorporated under any law for the time being force, as the Central Government may, by notification, specify in this behalf; and
- ✚ partnership firm and individuals,

in relation to their insolvency, liquidation, voluntary liquidation or bankruptcy, as the case may be.



# Acts repealed by the Code

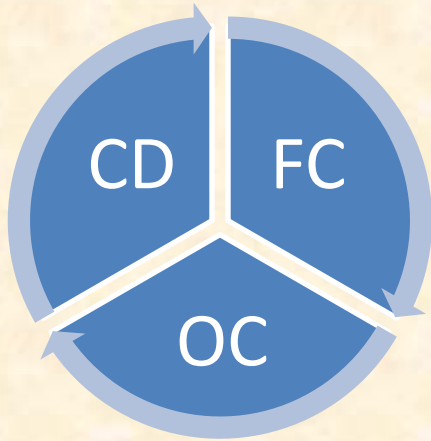
- ✚ Repeal of SICA
- ✚ Dissolution of BIFR/AAIFR

Section 252 of the Insolvency and Bankruptcy Code, 2016 (IBC), which came into force w.e.f. 01.11.2016, provides that The Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall be amended in the manner specified in the Eighth Schedule.

## Impact of the IBC 2016

- ✚ BIFR and SICA go off completely;
- ✚ Corporate resolutions comes under NCLT;
- ✚ Timelines under the new law – entire process of resolution to be over in 180 to max 270days;
- ✚ Debtors under banker-driven restructuring also go for NCLT/DRT resolution –In view of mandatory timelines, the case may reach bankruptcy;
- ✚ Companies and guarantors can be both brought under a common forum – NCLT/DRT;
- ✚ While borrowers may file resolution applications seeking moratorium, but borrower will have to face the threat of liquidation/bankruptcy;
- ✚ Accelerating provisioning – faster transition into a case of loss assets;
- ✚ Brings greater financial discipline;
- ✚ Creditors have an upper hand in resolution plans;
- ✚ If revival does not work out, entity to mandatorily go into liquidation;

# CIRP is a 360D Approach... Who can Trigger?



## CD/CA-

- "Corporate Debtor"; or
- a member or partner of the corporate debtor who is authorized to make an application for the corporate insolvency resolution process under the constitutional document of the corporate debtor; or
- an individual who is in charge of managing the operations and resources of the corporate debtor; or
- a person who has the control and supervision over the financial affairs of the corporate debtor

## FC- "Financial Creditors"-

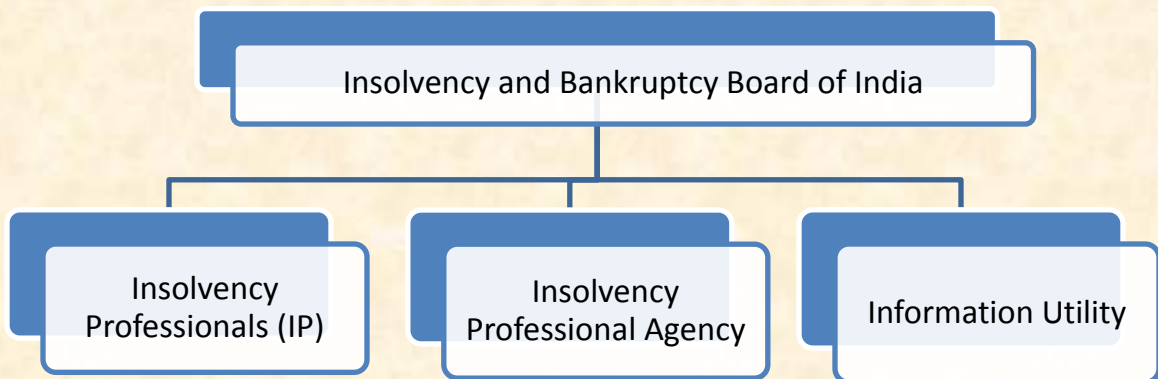
any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to.

## OC- "Operational Creditor"-

a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.

**Mandatory Time for CIRP-180 days with one time maximum extension of 90 days. Total 270 days**

# Insolvency and Bankruptcy Ecosystem



a. **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI):**

- IBBI is an apex body governing Insolvency and Bankruptcy Code.
- It is setting up the necessary infrastructure and accredits Insolvency Professionals (IPs) and Information Utilities (IUs).

b. **INSOLVENCY PROFESSIONALS (IPs):**

- IPs are licensed professionals registered with IBBI who act as resolution professional/ liquidator/ bankruptcy trustee in an insolvency resolution process.

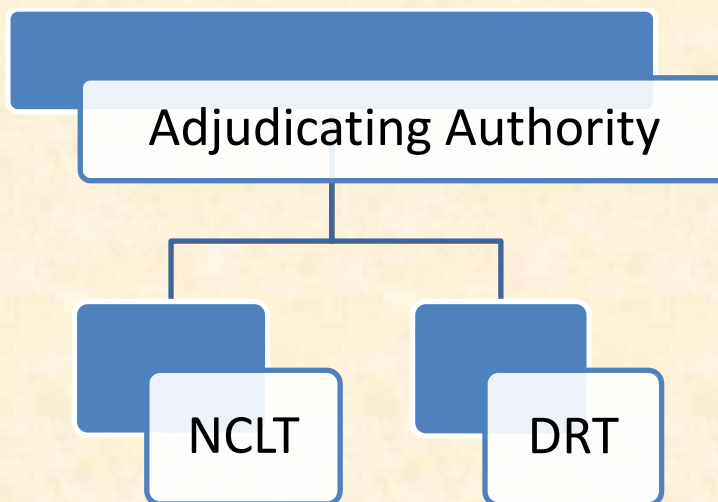
c. **INFORMATION UTILITY:**

- Information Utilities would collect, store and distribute information related to the indebtedness of Companies.



d. INSOLVENCY PROFESSIONAL AGENCY:

- Insolvency Professional Agencies (IPA) are enrolling insolvency professionals as members.
- Currently there are three IPAs:
  - (i) ICSI Insolvency professional Agency;
  - (ii) Indian Institute of Insolvency Professionals of ICAI;
  - (iii) Insolvency professional Agency of Institute of cost Accountants of India.



ADJUDICATING AUTHORITY:

- Adjudicating Authorities (AA) have the exclusive jurisdiction to deal with insolvency related matters.
- National Company Law Tribunal (NCLT) is the AA for Corporate and LLP insolvency;
- Debt Recovery Tribunal (DRT) would be AA for individual or partnership firm insolvency.

# Corporate Insolvency Resolution Process:

The Insolvency and Bankruptcy Code, 2016 (“IBC”) combines in a single legislation. The following is the processes for resolution or liquidation of corporate which are as follows:

## Step 1: Application To The NCLT

A creditor of a company (financial or operational), or the company itself, can apply to the NCLT (National Company Law Tribunal). It is applied in order to admit that company (or “Corporate Debtor” as the IBC calls it) into the CIRP (corporate insolvency resolution process).

For this, creditors need to show the default payment of a debt which exceeds 1 Lakh rupees And within 14 days, the NCLT has to pass an order either admitting or denying the application.

On the other hand, an operational creditor needs to first make a demand for his unpaid debt. On the basis of an ongoing dispute, it is open to the corporate debtor to defend the claim.



## **Step 2: CIRP (Corporate Insolvency Resolution Process) starts, Interim Resolution Professional takes over, Moratorium sets in.**

When a corporate debtor is admitted into the CIRP(Corporate Insolvency Resolution Process), it suspends the board of directors. Also, the management is placed under an independent “interim resolution professional”. From this point on and until the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the affairs of the company.

Simultaneously, a moratorium takes effect which prohibits:

- Continuation or initiation of any legal proceedings against the corporate debtor;
- Transfer of its assets
- Enforcement of any security interest
- Recovery of any property from it by an owner
- Suspension or termination of the supply of essential goods and services, the moratorium lasts till the corporate debtor is in CIRP.

But yes, the moratorium does not extend to key business contracts entered into by the corporate debtor.

## **Step 3: Verification and classification of claims**

Now in this step, the interim resolution professional will invite, verify claims made by the corporate debtor’s creditors also, classify them. After that, within 30 days of the admission into CIRP (Corporate Insolvency Resolution Process), form the COC (Committee of Creditors), comprising all the financial creditors of the corporate debtor.

## **Step 4: Appointment of the resolution professional**

The COC (Committee of Creditors) appoints an independent person to function as the “resolution professional” for the remainder of the CIRP (Corporate Insolvency Resolution Process) term. The resolution professional may be the same person or the same person as the interim resolution professional. It depends on what the COC wants.

## Step 5: Approval of the “Resolution Plan”

A resolution plan for the revival of the company needs to be approved within 180 days from the start of the CIRP by creditors. They are holding 75% of the financial debt. The NCLT can extend this by another 90 days.

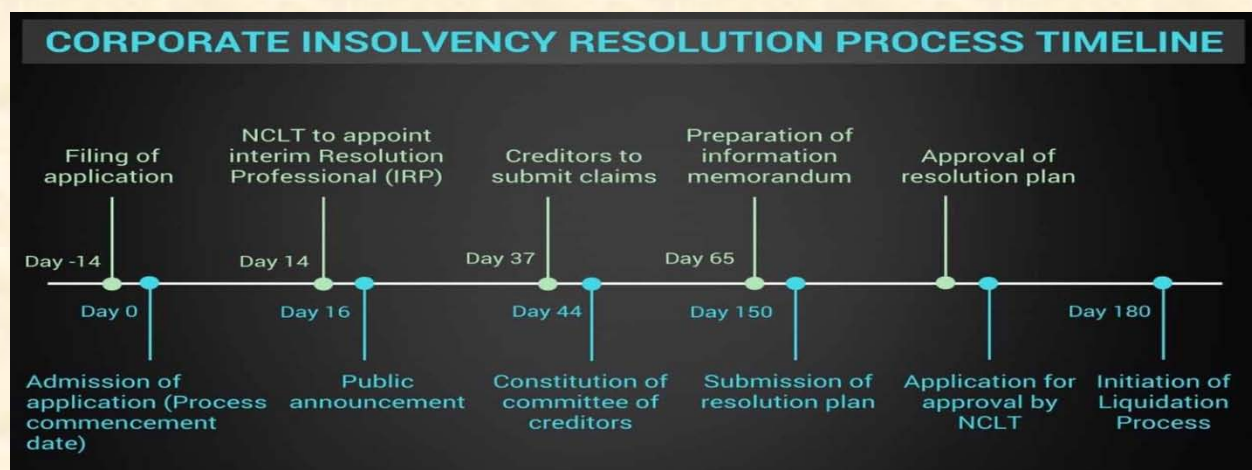
Any person, management, the creditors, or a third party can propose such a plan. It is the responsibility of the resolution professional to verify that the plan meets the criteria set out in the IBC (Insolvency and Bankruptcy Code, 2016). Although, the Resolution Professional cannot propose this plan. But this is not expressly prohibited under the IBC.

- ❖ If a plan is approved within this period and is sanctioned by the NCLT:-

It becomes binding on all “stakeholders” involved in the CIRP (Corporate Insolvency Resolution Process). The term “stakeholders” has not been defined. While the IBC (Insolvency and Bankruptcy Code, 2016) mentions that this plan helps to bind the employees, creditors, members etc. But it is not clear that the point related to the other stakeholders in the resolution plan.

- ❖ If no resolution plan is approved in this period:-

If the resolution plan passes, then NCLT is required to order the liquidation of the corporate debtor. After the approval of liquidation, COC appoints the liquidator to sell the assets of the corporate debtor and distribute them among the stakeholders. The distribution will be made in accordance with the Section 53 of the Insolvency and Bankruptcy Code 2016.



# Key Powers, Roles & Responsibilities as envisaged under the Code

1. The appointed resolution professional IP shall exercise all the powers of the board of directors of the corporate debtor.

- ✚ The powers of the board of directors of the corporate debtor, shall stand suspended and be exercised by the IRP / IP;
- ✚ The officers and managers of the corporate debtor shall report to the IRP / RP and provide access to such documents and records of the corporate debtor as may be required;
- ✚ The IRP / IP shall act and execute in the name and on behalf of the corporate debtor all deeds, receipts, and other documents.

2. Key powers and duties of Resolution professional

- ✚ form Committee of creditors;
- ✚ Chain Committee of creditors;
- ✚ prepare the information memorandum (IM) and invite resolution plans;
- ✚ Investigate the financial affairs of the company.

3. Key powers and duties of Liquidator

- ✚ receive, verify and value claims of all the creditors, and settle such claims;
- ✚ take into his custody or control all the assets, and sell the assets;
- ✚ carry on the business of the corporate debtor for its beneficial liquidation;
- ✚ form an estate of the assets which will be called the liquidation estate;
- ✚ apply to the Adjudicating Authority for avoidance of transactions.

# Appeals and Appellate Authority

Section 61 lays down the provision for appeals in case of rejection of the resolution plan.

Any person aggrieved by the order of the Adjudicating Authority can go for appeal within 30 days to The National Company Law Tribunal (NCLAT) and in case of individuals and partnership firms to the Debt Recovery Appellate Tribunal. There is provision for appeal against the order of the Appellate Tribunal, which lies in the Supreme Court, which shall be filed before 45 days although the Hon'ble Supreme Court has discretion to condone delays as per its own discretion.

No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which NCLT or the NCLAT has jurisdiction under the Insolvency Code.

# Fast Track Corporate Insolvency

The Insolvency Code further prescribes a fast track corporate insolvency process laid down in Chapter IV of the Code.

An application for fast track corporate insolvency resolution process may be made in respect of the following corporate debtors, namely:-

- (i) a corporate debtor with assets and income below a level as may be notified by the Central Government; or
- (ii) a corporate debtor with such class of creditors or such amount of debt as may be notified by the Central Government; or
- (iii) such other category of corporate persons as may be notified by the Central Government.

The fast track insolvency process is required to be completed within a period of 90 days from the insolvency commencement date.

The resolution professional shall file an application to the Adjudicating Authority to extend the period of the fast track corporate insolvency resolution process beyond 90 days if instructed to do so by a resolution passed at a meeting of the committee of creditors and supported by a vote of 75% of the voting share.

On receipt of an application if the Adjudicating Authority is satisfied that the subject matter of the case is such that fast track corporate insolvency resolution process cannot be completed within a period of 90 days, it may, by order, extend the duration of such process beyond the said period of 90 days as one-time extension by such further period, as it thinks fit, but not exceeding 45 days.

# VOLUNTARY LIQUIDATION OF CORPORATE PERSONS

## **+ Voluntary liquidation of Corporate persons**

In line with the voluntary winding up under the Companies Act, Chapter V of the Insolvency Code prescribes a voluntary liquidation process.

A voluntary liquidation proceeding of a corporate person registered as a company shall meet the following conditions, namely:-

- a) A declaration from majority of the directors of the company verified by an affidavit stating that-
  - (i) They have made a full inquiry into the affairs of the company and they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation; and
  - (ii) The company is not being liquidated to defraud any person.
- b) The declaration shall be accompanied with the following documents, namely:-
  - (i) Audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later;
  - (ii) Report of the valuation of the assets of the company, if any prepared by a registered valuer;
- c) Within four weeks of a declaration, there shall be-
  - (i) A special resolution of the members of the company in an general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator; or
  - (ii) A resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily as a result of expiry of the period of its duration, if any, fixed by its articles or on the occurrence of any event in respect of which the articles provide that the company shall be dissolved, as the case may be and appointed as insolvency professional to act as the liquidator.



#### **✚ Creditors' approval**

If the company owes any debt to any person, creditors representing two thirds in value of the debt of the company shall approve the resolution within seven days of passing the resolution by the shareholders.

#### **✚ Intimation to the Registrar**

The company shall notify the Registrar of Companies and the Insolvency and Bankruptcy Board about the resolution to liquidate the company within seven days of passing of resolution in shareholders' meeting or the subsequent approval by the creditors, as the case may be.

#### **✚ Commencement of voluntary liquidation proceedings**

On getting the approval of the creditors, the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution.

#### **✚ Applicability of Chapter III and Chapter VII**

The provisions of sections 35 to 53 of Chapter III (Insolvency Resolution Process) and Chapter VII (Offence & Penalties) shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.

#### **✚ Dissolution of Company**

Where the affairs of the corporate person have been completely wound up and its assets completely liquidated, the liquidator shall make an application to the National Company Law Tribunal (NCLT) for the dissolution of such corporate person.

The NCLT shall on an application filed by the liquidator pass an order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

A copy of an order shall, within 14 days from the date of such order, be forwarded to the Registrar of Companies.

# Framing of Rules and Regulations and notification of sections under the Code

MCA was assigned with timeline of 1st December, 2016 to put in place Corporate Insolvency Resolution process as stated under the Code. To achieve the target, following three pillars as envisaged under the Code have been put in place by framing various rules and regulations and notifying relevant sections of the Code:—

- (i) Insolvency and Bankruptcy Board of India [IBBI];
- (ii) Insolvency Professional Agencies & Insolvency Professionals;
- (iii) Adjudicating Authority.

## Offence and Penalties

Chapter VII of the Code provides for penalties for commission of wilful offences under the Code:

Section	Offence	Penalty	Exemption from Penalty
68	Punishment for concealment of property	Imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.	If the person proves that he had no intent to defraud or to conceal the state of affairs of the corporate debtor.
69	Punishment for transactions defrauding Creditors.	Imprisonment for a term which shall not be less than one year, but which may extend to five years, or with fine, which shall not be less	If the acts were committed more than five years before the insolvency commencement

---

than one lakh rupees, but may extend to one crore rupees, or with both.

date; or if the person proves that, at the time of commission of those acts, he had no intent to defraud the creditors of the corporate debtor.

**70** Punishment for misconduct in course of corporate Insolvency Resolution process.

Imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both. If an insolvency professional deliberately contravenes shall be punishable with imprisonment for a term which may extend to six months, or with fine which shall not be less than one lakh rupees, but may extend to five lakhs rupees, or with both.

If the person proves that he had no intent to do so in relation to the state of affairs of the corporate debtor.

**71** Punishment for falsification of books of corporate debtor.

Imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine which shall not be less

---

than one lakh rupees, but may extend to one crore rupees, or with both.

**72** Punishment for wilful and material omissions from Statements relating to affairs of corporate debtor. Imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**73** Punishment for False representations to creditors. Imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**74** Punishment for contravention of moratorium or the resolution plan. Imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to three lakh rupees, or with both.  
Where any creditor violates, any person who knowingly and willfully authorized or

permitted such contravention by a creditor shall be punishable with imprisonment for a term which shall not be less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

75 Punishment for false information furnished in application. Fine which shall not be less than one lakh rupees, but may extend to one crore rupees.

76 Punishment for non-disclosure of dispute or repayment of debt by operational creditor. Imprisonment for a term which shall not be less than one year but may extend to five years or with fine which shall not be less than one lakh rupees but may extend to one crore rupees, or with both.

77 Punishment for providing false information in application made by corporate debtor. Imprisonment for a term which shall not be less than three years, but which may extend to five years or with fine which shall not be less than one lakh rupees, but which may extend to one crore rupees, or with both.

## NOTIFICATIONS

### **A. G.S.R.(E) Nidhi (Amendment) Rules, 2019 dated 01.07.2019**

In exercise of the powers conferred by sub-sections (1) of section 406 read with sub-section (1) and (2) of section 469 of the Companies Act, 2013, the Central Government hereby makes the following rules, to amend the Nidhi Rules, 2014, namely:-

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

(2) They shall come into force with effect from 15th August, 2019.

2. In the Nidhi Rules, 2014 (hereinafter referred to as “said rules”), in rule 2, after clause (c), the following clause shall be inserted, namely—

“(d) every company declared as Nidhi or Mutual Benefit Society under sub-section (1) of section 406 of the Act”

3. In the said rules, in rule 3, after clause (d) the following clause shall be inserted, namely:-

“(da) “Nidhi” means a company which has been incorporated as a *Nidhi* with the object of cultivating the habit of thrift and savings amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit, and which complies with the rules made by the Central Government for regulation of such class of companies”

4. In the said rules, after rule 3, the following rule shall be inserted, namely:-

“3A. Declaration of Nidhis:- The Central Government, on receipt of application (in Form NDH-4 along with fee thereon) of a public company for declaring it as Nidhi and on being satisfied that the company meets the requirements under these rules, shall notify the company as a Nidhi in the Official Gazette:

Provided that a Nidhi incorporated under the Act on or after the commencement of the Nidhi (Amendment) Rules ,2019 shall file Form NDH-4 within sixty days from the date of expiry of:-

(a) one year from the date of its incorporation; or

(b) the period up to which extension of time has been granted by the Regional Director under sub-rule (3) of rule 5:

Provided further that nothing in the first proviso shall prevent a Nidhi from filing Form NDH-4 before the period referred therein:

Provided also that that in case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS-3 (Return of Allotment).”

5. In the said rules, in rule 4, -

(i) in sub-rule (1), the words, "to be incorporated under the Act" shall be omitted;

(ii) in sub-rule (5), the words "Company incorporated as a" shall be omitted

6. In the said rules, in rule 5, -

(i) in sub-rule (1), for the words "from the commencement of these rules", the words "from the date of its incorporation" shall be substituted;

(ii) in sub-rule (3), before the Explanation, the following proviso shall be inserted, namely:-

"Provided that the Regional Director may extend the period upto one year from the date of receipt of application."

(iii) in sub-rule (4), after the words, brackets and figure "contained in sub-rule (1)", the words, brackets and figures "and gets itself declared under sub-section (1) of section 406" shall be inserted.

7. In the said rules, in rule 7 in sub-rule (1), after the words "shall issue" the words "fully paid up" shall be inserted.

8. In the said rules, in rule 12,-

(i) in sub-rule (1) after clause (b), the following clause shall be inserted namely:-

"(ba) The date of declaration or notification as Nidhi";

(ii) in sub-rule (2), in clause (a), for the words "Registrar of Companies", the words "Bench of the National Company Law Tribunal" shall be substituted

9. In the said rules, in rule 23, in sub rule (2),-

(i) for the words "concerned Regional Director", the words, "Central Government" shall be substituted;

(ii) for the words "such Regional Director", the words, "Central Government" shall be substituted;

(iii) in the proviso, for the words "Regional Director", the words, "Central Government" shall be substituted.

10. In the said rules, after rule 23, the following rules shall be inserted, namely:-

**23A. Compliance with rule 3A by certain Nidhis:** Every company referred to in clause (b) of rule 2 and every Nidhi incorporated under the Act, before the commencement of Nidhi (Amendment) Rules, 2019, shall also get itself declared as such in accordance with rule 3A within a period of one year from the date of its incorporation or within a period of six months from the date of commencement of Nidhi (Amendment) Rules, 2019, whichever is later:

Provided that in case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS-3 (Return of Allotment).

**23B. Companies declared as Nidhis under previous company law to file Form NDH-4:-** Every company referred in clause (a) of rule 2 shall file Form NDH-4 alongwith fees as per the Companies (Registration Offices and Fees) Rules, 2014 for updating its status:

Provided that no fees shall be charged under this rule for filing Form NDH-4, in case it is filed within six month of the commencement of Nidhi (Amendment) Rules, 2019:

Provided further that, in case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS3 (Return of Allotment).

11. After Form NDH-3, the following Form shall be inserted, namely:-

**“Form NDH-4- Form for filing application for declaration as Nidhi Company and for updation of status by Nidhis”**



**LATEST UPDATES ON [thecompaniesact2013.com](http://thecompaniesact2013.com)**

- **General Circular for the Extension of last date Form BEN-2**
- **Notification Dated 25.07.2019 Adjudication of Penalties Rules,2014 by ROC Guhawati**
- **Companies(Appointment and Qualification of Directors) Third Amend Rules 2019**
- **Companies (Registration Offices and Fees) Fourth Amendment Rules,2019**
- **Notification Dated 25.07.2019 Establishment of ROC Guwahati Under Section 396**
- **Notification Jurisdiction of ROC Guwahati**
- **Notification of Special Court under sub-section (1) of Section 435 of the Companies Act, 2013**
- **Companies (Significant Beneficial Owners) second Amendment Rules,2019**
- **Nidhi (Amendment) Rules 2019**
- **Commencement of Notification Dated 01 July 2019**

An Initiative by [www.thecompaniesact2013.com](http://www.thecompaniesact2013.com)

In Association with:

**Arms & Associates LLP**

**Practicing Company Secretaries**

**24 ka 1 Jyoti Nagar, Jaipur-302005**

**Ph.No. 0141-2740924**

## **DISCLAIMER**

The e-newsletter of thecompaniesact2013.com is designed to provide information of a general nature and is not intended as a substitute for professional consultation and advice in a particular matter. The opinions and interpretations expressed within are those of the author only and may not reflect those of other identified parties. Thecompaniesact2013.com does not warrant the accuracy and completeness of this newsletter, nor endorse or make any representations about its content. In no event will hecompaniesAct2013.com be liable for any damages whatsoever arising out of the use of or reliance on the contents of this newsletter.