



# #17

01/19

DEBT EQUITY

**GST**

GOODS & SERVICES TAX

Audit

SBS



UPDATES COVERED:

Updates under Companies Act & Others

**FEMA**

**INCOME  
TAX**

# AMENDMENT TO COMPANIES (ACCEPTANCE OF DEPOSIT RULES), 2014:

In an ace move, the Ministry of Corporate Affairs, has made a important amendment to the Deposit Rules, to put a check on the flouting of the Deposit Rules by the Corporates.

As all are aware the Companies (Acceptance of Deposit Rules), 2014, as amended from time, governs the procedure for acceptance of deposits by eligible Companies, and other compliances related thereto, including of filing of Forms and Return on Deposits.

At the same time Rule 2 (1) (c) of the said rules, provides for “those items which are not considered as Deposits”, and such companies are required to comply with the deposit rules and accordingly no form of return of deposits are required to be filed by them.

From the very move taken by the Ministry, it is evident that Corporates are flouting the deposit regulations, by disguising the amounts not as deposits, falling under the purview of Rule 2 (1) (c) of the deposit rules, and no proper disclosure is being provided in the financial Statements.

**Form DPT-3** (being the form/return of deposit), is to be filed by (i) the Companies accepting deposits in compliance with the Deposit Rules and also by the Companies, which are taking monies, not considered as Deposits (exempted under Rule 2 (1) (c) of the Deposit Rules, within 90 days from the closure of the financial year, duly certified by the Auditor, along with fees.

**One time filing of Form DPT-3** (being the form/return of deposit), by every company having outstanding receipt of money or loan but not considered as deposits, in terms of Rule (2) (1) (c), from the 01.04.2014 till 22.01.2019, within 90 days from 22.01.2019, along with fees.

And to this effect, the Form DPT-3, has been amended, and to further plug the loophole, the entire Rule (2) (1) (c), which contains the items which are not considered as deposits, has been inserted in the form of a table, and accordingly, the companies have to suitably fill the amounts which they have taken, in the relevant fields.

In addition to the above amendments, the amendment rules provide that any amounts received by a Company from Real Estate Investment Trusts (RIETs) are not to be considered as Deposits.

[http://www.mca.gov.in/Ministry/pdf/AcceptanceDepositsAmendmentRule\\_22012019.pdf](http://www.mca.gov.in/Ministry/pdf/AcceptanceDepositsAmendmentRule_22012019.pdf)

## **Disclosure of outstanding dues to MSME as per the recent initiative of RBI TReDS platform:**

The Ministry has directed that all Companies, who get supplies of goods or services from Micro and Small Enterprises and whose payments to Micro and Small Enterprise suppliers exceed 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) (hereafter referred to as "Specified Companies"), shall submit a half yearly return stating the following:

- (a) the amount of payment due; and
- (b) the reasons of the delay;

In this regard the Ministry of Corporate Affairs has come-up with MSME Form I, to be filed containing the details of all outstanding dues to Micro or Small Enterprises suppliers.

Accordingly, every Company getting the goods and services from Micro or Small Enterprises suppliers has to file the MSME Form -I as below:

- One time information as to dues existing as on 22.01.2019, within thirty days from 22.01.2019.
- On a half yearly basis, by 31st October for the period from April to September and by 30th April for the period from October to March.

[http://www.mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies\\_22012019.pdf](http://www.mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies_22012019.pdf)

## **AMENDMENT TO COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, Dt: 22.01.2019**

All are aware that vide the Companies (Prospectus and Allotment of Securities) 3rd Amendment Rules, 2014, Dt: 10.09.2018, to be effective from 02.10.2018, the Ministry had mandated for Dematerialisation of Securities by every Unlisted Public Company, had prescribed the procedure to be followed. Accordingly, On and after 02.10.2018, an Unlisted Public Company, can issue Securities only in Dematerialised form, and accordingly, has to dematerialise its existing securities too.

Now vide Amendment Rules Dt: 22.01.2019, has provided exemption from the applicability of the rule relating to Dematerialising of Securities to the following companies:

An unlisted public company which is:-

- (a) a Nidhi;
- (b) a Government company or
- (c) a wholly owned subsidiary."

For example, a Private Limited Company, which is wholly owned subsidiary of an Unlisted Public Company, is considered as a Public Company and accordingly, was required to Dematerialise the Shares, as per the initial/earlier notification, but the same is not required now.

[http://www.mca.gov.in/Ministry/pdf/AcceptanceDepositsAmendmentRule\\_22012019.pdf](http://www.mca.gov.in/Ministry/pdf/AcceptanceDepositsAmendmentRule_22012019.pdf)