

COMPANIES (SHARE CAPITAL AND DEBENTURES)
AMENDMENT RULES, 2021

MCA has issued notification G.S.R. 113(E) dated 11th February, 2021 to further amend the Companies (Share Capital and Debentures) Rules, 2014.

These rules may be called the Companies (Share Capital and Debentures) Amendment Rules, 2021. These rules shall come into force with effect from the 01st April, 2021.

For detailed notification, please refer the link:

http://www.mca.gov.in/Ministry/pdf/CompaniesShareCapitalDebenturesRules_16022021.pdf

AMENDMENT

In the Companies (Share Capital and Debentures) Rules 2014, after rule 12, the following rule has been inserted, namely:

RULE 12A - Period for notice under sub-clause (i) of clause (a) of sub-section (1) of Section 62

For the purposes of sub-clause (i) of clause (a) of sub-section (1) of section 62, the time period within which the offer shall be made for acceptance shall be not less than seven days from the date of offer.

EFFECT OF RULE 12 A

MCA earlier on 22nd January, 2021 has notified some sections of Companies (Amendment) Act, 2020, and brought an amendment in Section 62(1)(a)(i) as following :

Section 62(1)(a)(i) the word “or such lesser number of days as may be prescribed” has been inserted after the words “not being less than fifteen days “

Prior to amendment, while issuing shares through right issue, Company must keep the offer period open for at least 15 days and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined. Now after amendment, MCA was empowered to prescribe lesser number of days than fifteen days to keep offer period open.

Hence, MCA in exercise of aforesaid power has inserted Rule 12 A in Companies (Share Capital and Debentures) Amendment Rules, 2021 and has limited the offer period of not less than seven days.

Therefore, the Companies must keep the offer period open for a minimum period of seven days and not more than 30 days and there is no requirement to keep the offer period open for minimum 15 days.

Suggestions may be sent to
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